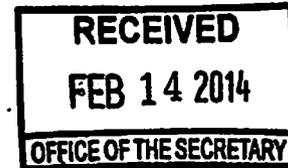


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February 6, 2014

Elizabeth M. Murphy
Office of the Secretary
Securities & Exchange Commission
100 F Street, N.E. Washington, D.C. 20549

RE: File Number S7-09-13/Liabilities of Funding Portals

Dear Ms. Murphy:

I write on behalf of Private Placement Advisors, LLC, a publisher, educational forum, and service provider. We publish legal handbooks and law reporting services, we advise Private Issuers Publicly Raising (PIPRs) and other exempt issuers, and we teach private placement law and practice. We have launched four monthly law reporting services now published by Thomson-Reuters and, more recently, *Securities Enforcement Reporter* and *Blue Sky Chronicle*. We plan to apply for status as a funding portal under Title III.

This letter is limited in scope to the issue of liability for funding portals with respect to disclosures or non-disclosures made by portal-sponsored issuers. The Commission has commented in release No. 33-9470 that, "... it appears likely that intermediaries, including funding portals, would be considered issuers for purposes of this liability provision [section 4(a)(c) of the Act]."

Please understand that funding portals will not in a position to monitor statements made by issuers for accuracy or completeness. Liability should not apply to an intermediary in the proposed funding portal business model. Although funding portals will by necessity be advising issuers on the structure of the offering, the portals must remain functionaries from a transaction point of view, unlike brokerage firms and others appropriately subject to Section 12(a)(2) of the Securities Act, who become adversaries for their clients.

Second, section 4(a)(c) of the Securities Act says that an issuer is liable for material misstatements or omissions; funding portals will not be in a position to "make" statements or to make omissions. In *Janus Capital Group v. First Derivative Traders*, 131 S.Ct. 2296, 2302 (2011), the Supreme Court held that "the maker of the statement is the person or entity with ultimate authority over the statement, including its content and whether and how to communicate it." Under Title III funding portals are meant to provide a platform for communication between issuers and investors. Even if deemed issuers, funding portals will not

in a position to make material statements or omissions.

Third, a due diligence remedy is not appropriate. Section 4(a)(c) is copied from Section 12(a)(2); while such a prohibition should apply to brokerage firms and publicly-registered transactions, it should not obtain with entities such as funding portals who are not in a position to adequately monitor the accuracy of issuer statements.

Fourth, funding portals will be online service providers (OSPs) limited to serving as platforms for the transmission of information and securities; section 4(a)(c) liability is inappropriate for such neutral platforms.

Thank you for your attention to this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "D. R. Slain", with a stylized flourish at the end.

Douglas R Slain
Managing Partner
Private Placement Advisors LLC