Projectheureka LLC
3030 Mapleleaf Ave
Cincinnati, OH 45213
Email: Sales@projectheureka.com
www.green-diversity.com

SECURITIES AND EXCHANGE COMMISSION
17 CFR Parts 200, 227, 232, 239, 240 and 249
[Release Nos. 33-9470; 34-70741; File No. S7-09-13]
RIN 3235-AL37
CROWDFUNDING
AGENCY: Securities and Exchange Commission.
ACTION: Proposed rules.
SUMMARY: The Securities and Exchange Commission is proposing for comment new Regulation Crowdfunding under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of Title III of the Jumpstart Our Business Startups Act. Regulation Crowdfunding would prescribe rules governing the offer and sale of securities under new Section 4(a)(6) of the Securities Act of 1933. The proposal also would provide a framework for the regulation of registered funding portals and brokers that issuers are required to use as intermediaries in the offer and sale of securities in reliance on Section 4(a)(6). In addition, the proposal would exempt securities sold pursuant to Section 4(a)(6) from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934.
DATES: Comments should be received on or before [insert date 90 days from publication in the Federal Register].
ADDRESSES: Comments may be submitted by any of the following methods:
Electronic Comments:
• Use the Commission's Internet comment form
2
(http://www.sec.gov/rules/proposed.shtml);
• Send an e-mail to rule-comments@sec.gov. Please include File Number S7-09-13 on the subject line; or
• Use the Federal eRulemaking Portal (http://www.regulations.gov). Follow the instructions for submitting comments.

Paper Comments:
• Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-09-13. This file number should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://sec.gov/rules/proposed.shtml). Comments also are available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you would like to make publicly available.
FOR FURTHER INFORMATION CONTACT: With regard to requirements for issuers, Sebastian Gomez Abero or Jessica Dickerson, Division of Corporation Finance, at (202) 551-3500, and with regard to requirements for intermediaries, Joseph Furey, Joanne Rutkowski, Leila Bham, Timothy White or Carla Carriveau, Division of Trading and Markets, at (202) 551-5550, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

Examples of current crowdfunding websites include: www.indiegogo.com, www.kickstarter.com, www.kiva.com and www.rockethub.com.

[4] *See* Bradford, note 1at 12-13 (citing "Unbound: Books Are Now in Your Hands" (http://unbound.co.uk/), specializing in book publishing, "My Major Company" (http://www.mymajorcompany.com/), specializing in music, "Spot.us: Community-funded Reporting" (http://spot.us/), specializing in journalism, and "Heifer International" (http://www.heifer.org/) specializing in agriculture and ranching). *See also* Liz Gannes, *Crowdfunding for a Cause: Nonprofits Can Now Hold Fundraisers on Crowdtilt*, AllThingsD (Nov. 21, 2012), *available at* http://allthingsd.com/20121121/crowdfunding-for-a-cause-non-profits-can-now-hold-fundraisers-on-crowdtilt/ (describing the use of crowdfunding for charitable purposes).

[5] Pub. L. No. 112-106, 126 Stat. 306 (2012).
See, e.g., 158 CONG. REC. S1781 (daily ed. Mar. 19, 2012) (statement of Sen. Carl Levin) ("Right now, the rules generally prohibit a company from raising very small amounts from ordinary investors without significant costs."); 157 CONG. REC. S8458-02 (daily ed. Dec. 8, 2011) (statement of Sen. Jeff Merkley) ("Low-dollar investments from ordinary Americans may help fill the void, providing a new avenue of funding to the small businesses that are the engine of job creation. The CROWDFUND Act would provide startup companies and other small businesses with a new way to raise capital from ordinary investors in a more transparent and regulated marketplace."); 157 CONG. REC. H7295-01 (daily ed. Nov. 3, 2011) (statement of Rep. Patrick McHenry) ("[H]igh net worth individuals can invest in businesses before the average family can. And that small business is limited on the amount of equity stakes they can provide investors and limited in the number of investors they can get. So, clearly, something has to be done to open these capital markets to the average investor[.]").

URGENT AND IMPORTANT QUESTIONS TO THE SEC:

1. On what concrete criteria do you bind your choice of which commentaries recommendations you apply onto new SEC rules and laws particular in regards to this new "crowdfunding" systems?
How do you guarantee that there are no illegitimate and probably typical U.S. American favoritism-/ cronyism-based selection process involved here too?

2. What are the filings requirements during the five years or one year immediately filing of the requirements and where exactly do businesses file for those "exemptions"?

3. When was the first official concept of online electronic "Crowdfunding", or rather, collaborative online purchasing populated in the USA, who claim to have developed it, who is the legal owner of the Patent etc. rights to electronic crowdfunding and who were the first to propose, publicly create, publicizes utilize an electronic online "crowdfund" system by splitting price in many "Dividing so a single offering into multiple little { collaborative purchased} offering" within the U.S.A?

4. We are asking because
a.) we, Projectheureka LLC, have an ongoing legal dispute with Chrysler Automobile Corp. And we believe our little collaborative purchasing and other of our innovations were stolen, possible through NSA's global mass surveillance program as early as 2000/ 2001 or between 2004 and 2012 during Anthony's - still by U.S. authorities unexplained - unlawful artificially delayed immigration process into the U.S.
And we claim - provably in fact even -, that it appears mainly ideologic nationalistic extremism and institutional discrimination to be - on various colluding levels- involved in the treatment and the blanketed denial of support of our small business's endeavors in this area of the U.S. and a ruthless U.S. Corporate attempt - not only by Chrysler Automobile Corporation for their cheap Dodge-registry.com clone of our crowdfunding store concept - to directly - again artificially - delay our formation and business development intentionally, just then later to steal our innovations from us shamelessly.

5. Whom do we have to contact for the nation-wide FEMA and possible global implementation of our Projectheureka "Collaborative shared purchasing"/ "Crowdfunded selling and buying" as a system of collective co-funding needed direct donations for Disaster recovery?
It evidently has become a global urgency now, wouldn't you all agree?

II. Discussion of Proposed Regulation Crowdfunding - A. Crowdfunding Exemption :

New Securities Act Section 4(a)(6) provides an exemption from the registration requirements of Securities Act Section 5 for certain crowdfunding transactions. To qualify for the exemption under Section 4(a)(6), crowdfunding transactions by an issuer must meet specified requirements, including requirements with regard to the dollar amount of the securities that may be sold by an issuer and the dollar amount that may be invested by an individual in a 12-month period. The crowdfunding transaction also must be conducted through a registered intermediary that complies with specified requirements

Request for Comment
Limitation on Capital Raised

1. Should we propose that the $1 million limit be net of fees charged by the intermediary to host the offering on the intermediary's platform? Why or why not?

This should be open for public discussion.
Indifferent to our small business's interests, plans and system of offering.

158 CONG. REC. S1829 (daily ed. Mar. 20, 2012) (statement of Sen. Jeff Merkley) ("[T]he amendment allows existing small businesses and startup companies to raise up to $1 million per year.)
That is in deed a most sufficient substantial amount for a small business, primarily for online businesses and "Crowdfund" portals, considering the relatively marginal costs to start such a business.
Crowdfund portals additively should <u>always</u> have to provide sources of their fundings and raising of capital through means other than [S]ection 4[(a)](6) on their websites publicly and in most concrete monetary numbers to the IRS. (Reductions of unknown secret interests fundings)

If so, are there other fees that we should allow issuers to exclude when determining the amount to be raised and whether the issuer has reached the $1 million limit?

Yes, three are other fees to be considered. We believe that "fees" such as direct donations of issuers, of startups and crowdfund portals to - verifiably - go fund disaster recovery measurements should be subtracted off the $1 million limit. Our proposal is that those succeeding the $1 million limit should not be exempted from registration and general tax-payment requirements.

Additively could be direct job-creation tax-reductions be attached to the fees to be excluded later from the $1 million limit, at the end of the year in in form of heavy tax-deductions?

2. As described above, we believe that issuers should not have to consider the amounts raised in offerings made pursuant to other exemptions when determining the amount sold during the preceding 12-month period for purposes of the $1 million limit in Section 4(a)(6). Should we require that certain exempt offerings be included in the calculation of the $1 million limit? If so, which types of offerings and why?

Yes. crowdfunded donations, direct crowdfund gift purchases for family friends and similar should be <u>included</u> in the calculation of the $1 million limit for <u>any single</u> business, regardless if for-profit or so-called "non"-profits - CF-portals. We are proposing the immediate changes of the non- direct-monetary forms of raising capital that do not involve the sale of securities to be differentiate more clearer with such terminologies such as : "Collaborative shared purchasing", or "Crowdfunded selling and buying" to avoid conflicting legal interpretation.
'*The integration doctrine seeks to prevent an issuer from improperly avoiding registration by artificially dividing a single offering into multiple offerings such that Securities Act exemptions would apply to multiple offerings that would not be available for the combined offering.* ', is a most important rule.
"*Dividing a single offering into multiple offering*" should thus <u>not be</u> interpreted to include and mean the division of a product price for the purpose of "Collaborative shared purchasing", or "Crowdfunded selling and buying" of product and services, in forms of gifts, direct donations, as well as for direct disaster rescue measurements.

As noted above, at this time the Commission is not proposing to consider the amounts raised in non-securities-based crowdfunding efforts in calculating the $1 million limit in Section 4(a)(6). Should the Commission propose to require that amounts raised in non- securities-based crowdfunding efforts be included in the calculation of the $1 million limit?

Yes the Commission should propose to require amounts raised in non- securities-based crowdfunding efforts, generally for, be included in the calculation of the $1 million limit. as well.
Due to:
a: possibility of abuse of CF for illegal activities through other exempt offerings without regulatory oversight possible.
b. Not including the amounts raised in non- securities-based crowdfunding efforts in the calculation of the $1 million limit would possible allow a too easy form of tax-evasion.

c. Areas of utilization of CF rules in non- securities-based crowdfunding efforts in the calculation of the $1 million limit would so not be known to SEC until it has possibly proven to be against the law: E.g. Using crowdfunding for funding of rightwing

extremism and similar violence-intended extremism should be generally against the law in our view.

3. As described above, we believe that offerings made in reliance on Section 4(a)(6) should not necessarily be integrated with other exempt offerings if the conditions to the applicable exemptions are met. How would an alternative interpretation affect the utility of crowdfunding as a capital raising mechanism?

As proposed in point 2 above. , the "*Dividing a single offering into multiple offering*" within the integration doctrine should not seeks to prevent alternative interpretation of division of a product price of a *single offering into multiple offering* for said "Collaborative shared purchasing", or "Crowdfunded selling and buying" of product and services; in forms of personal gifts, direct donations, as well as for direct disaster rescue measurements contributions.

Are there circumstances under which other exempt offers should be integrated with an offer made in reliance on Section 4(a)(6)? If so, what are those circumstances? Should we prohibit an issuer from concurrently offering securities in reliance on Section 4(a)(6) and another exemption? Why or why not? Should we prohibit an issuer from offering securities in reliance on Section 4(a)(6) within a specified period of time after or concurrently with a Rule 506(c) offering under Regulation D involving general solicitation? Why or why not? Should we prohibit an issuer from using general solicitation or general advertising under Rule 506(c) in a manner that is intended, or could reasonably be expected, to condition the market for a Section 4(a)(6) offering or generate referrals to a crowdfunding intermediary? Why or why not? Should issuers that began an offering under Section 4(a)(6) be permitted to convert the offering to a Rule 506(c) offering? Why or why not?

More infos needed in regards to general advertising Rules 506(c) and offering under Regulation D involving general solicitation to elaborate adequate response.

4. Under the proposed rules, whether an entity is controlled by or under common control with the issuer would be determined based on whether the issuer possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the entity, whether through the ownership of voting

We are requesting clarification IF the limitations and requirements of the offering exemption under Section 4(a)(6) would or would not affect other methods of raising capital that do not involve the sale of securities, such as contributions from friends and family, donation crowdfunding, gifts, grants or loans.

We propose, as a business affected in that case, the 1 million $ limitations and requirements of the offering exemption under Section 4(a)(6) to affect all businesses and portals in a crowdfunding transaction pursuant to Section 4(a)(6) during the preceding 12 months including those offering other methods of raising capital that do not involve the sale of securities, such as contributions from friends and family, donation crowdfunding, gifts, grants or loans. If a business/portal has reached the hight of the $1 million aggregate amounts, or transaction amounts going through it's crowdfund systems, limitations should apply and that business should not be exempted from registration provided by Section 4(a)(6) available to any U.S. issuer, due to the higher risks of money-laundering and the risk of abuse of crowdfunding for highly criminal illegal activities. And, huge money transactions without any over-sight by the SEC, IRS or public access if needed will prove another unsustainable thing for the crowdfunding regulation: with increased risk of another economic bubble.

1. Limitation on Capital Raised

The exemption from registration provided by Section 4(a)(6) is available to a U.S. issuer provided that "the aggregate amount sold to all investors by the issuer, including any amount sold in reliance on the exemption provided under [Section 4(a)(6)] during the 12-month period 15 Under Section 4A(h), the Commission is required to adjust the dollar amounts in Section 4(a)(6) "not less frequently than once every five years, by notice published in the Federal Register, to reflect any change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics."

Thhe above mentioned exemption from registration provided by Section 4(a)(6) available to U.S. issuer in particular applies precisely to us. And legally and successfully excluded and still excludes us , Projectheureka LLC, so far from registering anything in particular with the SEC, since we did not raised nor made a single Cent, Yen, nor Euro in the last years in transactions, or revenue nor profits, since our official business formation in 2010. And that, is mainly only due to to the U.S. American institutionalization of discrimination and evidently the blanketed discrimination of foreign-owned businesses and multicultural idea. People, institutional, a couple of too big to fail Ohio-based U.S. Corporation leaders and pseudo-governmental organization, who recklessly discriminatingly left us without any support , nor guidance in the dust behind in our very well thought -out and important share buying/ collaborative shared purchasing business endeavors for years.
Only for our long ignored Intellectual Property to magically reappear years later attempted to be sold by , no other mind you now than too big to fail U.S. Chrysler Automobile, as the newest shiny ways of "crowd-funded" selling of their crappy non-environmentally friendly Cars. And Chrysler thought we - who know of Nicola Tesla's fate - without a good fight, without even fighting them back yet, but just presenting the evidences publicly everywhere.

WHY public? U.S Justice system is oftentimes and provably corrupted cronyism-based injustices filled on the highest ideologic and too big to fail big business level. Taken any of them on behind closed doors legally, in teh U.S., no matter the evidences, only always led to looses of the real people and organizations in the right!

7. The statute does not address how joint annual income or joint net worth should be treated for purposes of the investment limit calculation. The proposed rules clarify that annual income and net worth may be calculated jointly with the annual income and net worth of the investor's spouse. Is this approach appropriate?

No, there are investor's cases where annual income and "net worth" may vary strongly.

Should we distinguish between annual income and net worth and allow only one or the other to be calculated jointly for purposes of calculating the investment limit?
Why or why not?

Yes, we, Projectheureka LLC, believe that annual income is a more realistic accurate distinguishing of calculating the investments limit for crowdfunding.

Should the investment limit be calculated differently if it is based on the spouses' joint income, rather than each spouse's annual income? Why or why not?

Best example is our situations as a marriage couple and as business partners:
While Erika has a personal steady employment-based income, for now, Anthony has none.
One whom's income, or net worth should the investment limit be based according to you system of evaluation exemption?

Should we distinguish between annual income and net worth and allow only one or the other to be calculated jointly for purposes of calculating the investment limit?

Yes, as we believe that annual income is a more realistic accurate distinguishing of calculating the investments limit for crowdfunding.

9. Should institutional and accredited investors be subject to the investment limits, as proposed?
Why or why not?

Yes, institutional and accredited investors should be subject to the investment limits, as proposed as well. The investment limit is mainly a guiding general calculation of when reporting are required, and are not based on "discriminate" based on an accreditation.
(Bernie Maddoff too was once seen as an "accredited" investor, just for your information.)

Should we adopt rules providing for another crowdfunding exemption with a higher investment limit for institutional and accredited investors?

Does the proposed limitation of the investment limit affect mainly the reporting requirement within 12 months? Then No. Any crowdfund contribution and total transitions should be required to be reported , regardless and <u>independent</u> of size and if accredited institutions and investors or not. !

10. adopting such exemption is inconsistent with the purposes of Section 4(a)(6)!

3. Transaction Conducted Through an Intermediary

Under Section 4(a)(6)(C), a transaction in reliance on Section 4(a)(6) must be "conducted through a broker or funding portal that complies with the requirements of [S]ection 4A(a)." We believe that requiring an issuer to use only one intermediary, rather than allowing the issuer to use multiple intermediaries, to conduct an offering or concurrent offerings in reliance on Section 4(a)(6) would help foster the creation of a crowd and better accomplish the purpose of the statute. As discussed above, a central tenet of the concept of crowdfunding is presenting members of the crowd with an idea or business so members of the crowd can share information and evaluate the idea or business. Allowing an issuer to conduct a single offering or simultaneous offerings in reliance on Section 4(a)(6) through more than one intermediary would diminish the ability of the members of the crowd to effectively share information, because essentially, there would be multiple "crowds." Also, because practices among intermediaries may differ, were multiple intermediaries to conduct a single offering or simultaneous offerings, this could result in significant differences among such offerings. Finally, allowing an issuer to conduct an offering using more than one intermediary would make it more difficult for intermediaries to determine whether an issuer is exceeding the $1 million aggregate offering limit. Therefore, in addition to requiring the use of an intermediary in connection with an offering made in reliance on Section 4(a)(6), the proposed rules would prohibit an issuer from using more than one intermediary to conduct an offering or concurrent offerings made in reliance on Section 4(a)(6).

12. The proposed rules would prohibit an issuer from conducting an offering or concurrent offerings in reliance on Section 4(a)(6) using more than one intermediary. Is this proposed approach appropriate?

We agree with the purposed approach: requiring an issuer to use only one intermediary, rather than allowing the issuer to use multiple intermediaries. But this ruling induces, inflict of the tenet and supports a quasi-monopoly of the already by corporations well-funded funding portals.
And disqualifies so newer small business crowdfunding portals from successful penetrating the CF market place.
We are proposing a slight but important additive change in that regard. Which allows issuers (By themselves or through their intermediary for example) to put paid

Advertisements on to multiple other intermediaries of their choosing to gather a much larger crowd. Requirement should be that those in-between-intermediary merely direct interested investors and people to the original crowdfund campaign and receive a regulated amount amount of fees for their services.
If issuers were permitted to in that form utilize more than one intermediary through Advertisement placements, Ad campaigns and Banners on those in-between-intermediary, that should be enough safe-guard to not interfere significantly with

13. Should we define the term "platform" in a way that limits crowdfunding in reliance on Section 4 (a)(6) to transactions conducted through an Internet website or other similar electronic medium? Why or why not?

No. But you might want to make it to include to be electronically verifiable, viewable, registered and confirmable by the issuer personally. (Old people do have tremendous problems "online", what would otherwise exclude those age-groups)
Your general definition of "online-only" hopefully does, and has to include all electronic devices, Phone-Apps and "community tools" to encourage local community investments through entities such as community banks, community development companies and business development companies fulfilling a similar community-beneficial crowdfund purpose.
permitting crowdfunding to take place offline also will help persons without Internet access to invest and would be of tremendous value in counter-acting the decline of economic growth and could help reduce poverty level to more affordable levels.
Permitting crowdfunding to take place quasi also "offline" - via the support of Internet-Libraries, FEMA, WHO and similar for example) also will help persons without Internet access to invest or / and rip benefits of the group investments..
(Collaboration partners and new businesses around the crowdfunding portals will always inevitable form too in a new market)
14. See reply to 13.

15. Should we allow intermediaries to restrict who can access their platforms? For example, should we permit intermediaries to provide access by invitation only or only to certain categories of investors? Why or why not? Would restrictions such as these negatively impact the ability of investors to get the benefit of the crowd and its assessment of an issuer, business or potential investment? Would these kinds of restrictions affect the ability of small investors to access the capital markets? If so, how?

Intermediaries should be prohibited from discriminating by restricting access to their platform based on subjective motives. Such discriminating, thus limiting, business practices are in stark contradiction to the tenure of crowdfunding, Having to have register with real name and passwords and login.

Otherwise it is by far more recommended that the issuer(s) are allowed to conduct private Crowdfund campaigns by being allowed to restrict access to their own individual campaigns (private Crowdfunded gift contributions for example)

4. Exclusion of Certain Issuers from Eligibility under Section 4(a)(6)

18. Should an issuer be eligible to engage in a crowdfunding transaction in reliance on Section 4 (a)(6) if it is delinquent in other reporting requirements (*e.g.*, updates regarding the progress of the issuer in meeting the target offering amount)?[79] Why or why not? Should the

Yes, an issuer should remain eligible due to changing rules of a rather new form of market system; crowdfunding.
Section 4A(b)(4) requires that, "not less than annually, [the issuer] file with the Commission and provide to investors reports of the results of operations and financial statements of the issuer . . . ." , this is in the beginning of revenue-intensive business operations with the lack of exact rules, regulations and information about those requirements much harder to do for new start-ups with limited funds.

18. Is the proposed exclusion of issuers who fail to comply with certain ongoing annual reporting requirements too broad? If so, how should it be narrowed and why? Should the exclusion cover issuers whose affiliates have sold securities in reliance on Section 4(a)(6) if the affiliates have not complied with the ongoing annual reporting requirements? If so, should this encompass all affiliates? If not, which affiliates should it cover? Should we exclude any issuer with an officer, director or controlling shareholder who served in a similar capacity with another issuer that failed to file its annual reports? Why or why not?

The 'one affiliate fail to comply, all other affiliates fall for one"-rule , do not apply for Corporations. Neither should they here objectively either.
Unless it is a case of cohered crime involved all affiliates, or similar.

In our small business case for example one officer might not comply to SEC requirements due to ongoing intellectual property disputes and possible lawsuit regarding Institutional Discrimination. Of a small business as oppose to a Corporations such as Chrysler.

19. What specific risks do investors face with “idea-only” companies and ventures? Please explain. Do the proposed rules provide sufficient protection against the inherent risks of such ventures? Why or why not?

There are - in theory no bigger risk with ideas-only ventures than with non-ideas only endeavors, as long a the do-ability and possibly (economic, societal, environmental or communal) value can be predetermined and estimated by the crowd of investors. But physical inventions and working codes should always be the desired result of “idea-only” ventures. Ideas-only endeavor and entrepreneurs can often have the greatest ideas, but lack the necessary, full know-hows to alone go beyond the idea.
The “crowd”, furious and interested investors will determined the value and risk of the individual “idea-only”, or not, for themselves.
Safe-guards against fraudsters can be implemented via an online “Dispute” and reporting system”