The Department values the opportunity to submit comments regarding the Proposed Rule Amendments for Reg. A+ offerings. We urge the Commission to eliminate the language in the proposed amendments that would preempt the ability of the Department to require registrations and perform reviews of offerings pursuant to Reg. A+ and reconsider the proposed definition of “qualified purchaser.”

The Department is for the retention of the long-standing and effective partnership of federal and state regulation for the protection of investors. The proposal for executive preemption is contrary to the well-established and recognized principle of states’ rights.

As referred to by other commentators, it is clear that Congress considered state preemption unwise. It is unwise when many of the offerings are likely to be local in scope. The state securities regulator has long been the cop on the beat and has developed particular expertise in regulating such offerings.

The Department also objects to the proposed “qualified purchaser” definition. Defining the term based merely on the type of transaction the issuer is conducting conflicts with Congressional intent that the scope of “qualified purchaser” encompass only sophisticated investors. Use of the exemption by small and early-stage issuers raises risks not easily understood by small retail investors. From a regulatory perspective, small retail investors are in no sense “qualified purchasers” able to bear the risks associated with such offerings.

NASAA’s coordinated review of the Reg. A+ offerings is a “viable and efficient review protocol for state processing of Section 3(b)(2) offerings.” The Department has executed a MOU with other states establishing its participation in the “protocol.”

The Department respectfully requests that, in the interest of investor protection, the SEC consider these comments and appropriately revise the proposed amendments.

Respectfully submitted,

Irving L. Faught, Administrator