

Subject: File Number S7-13-20 -- Notice of Proposed Exemptive Order Granting Conditional Exemption from Broker Registration

From: Sean Caplice

Affiliation:

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Dear Ms. Countryman:

Thank you for providing the opportunity to comment on the Proposed Exemptive Order in SEC Release No. 34-90112. I greatly appreciate the occasion to provide the SEC with the below suggestion, which focuses on the impact of the Proposed Exemptive Order on the venture capital and small business investor industry. This reflects a clarifying suggestion that I hope the Commission will find useful in its analysis before issuing a final exemptive order on this topic.

As noted in the Proposed Exemptive Order, small business investors play a critical role in fostering the growth and success of small companies. While I agree that small businesses face difficulties in connecting with potential investors, focusing solely in the issuer only addresses one side of the equation.

Small business investors, whether in the form of high net worth individuals, family offices or venture capital funds, also have difficulty finding potential businesses to evaluate for investment. Whether this is due to a geographic distance (such as a venture capital fund located in Silicon Valley that is unaware of deserving companies in the Midwest), an unfamiliar industry (such as a high net worth individual seeking to find businesses that focus on environmental policies) or social differences (such as a family office that would like to find underserved entrepreneurs who are forming companies led by women or minorities), such investors would benefit from the individual network that an individual "finder" could provide.

As drafted, the Proposed Exemptive Order only applies to a finder who is engaged by an issuer. I believe that such relief should be extended to include a finder who is engaged by a small business investor. To the extent such a small business investor is an accredited investor, there is no concern for investor protection since it is the sophisticated investor, rather than the small business, that is hiring the finder. Allowing a finder to engage in these limited activities on behalf of a small business investor will complete the missing part of the equation and truly help bridge the gap between businesses seeking investors, and vice versa, for small business capital formation.

I again appreciate your and the Commission's attention to this matter, and I am available to the Staff for any follow up to discuss this suggestion.

Best regards,

Sean Caplice

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