Indiana Venture Center
Accelerating Growth in Indiana Companies

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OFFICE OF THE SECRETARY

March 7, 2007

Ms. Nancy Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC, 20549-1090

Re: File Number S7-25-06: Proposed Rules re Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles: Accredited Investors in Certain Investment Vehicles

Dear Ms. Morris:

On behalf of the Indiana Venture Center I am pleased to present the following views on the proposals (the "proposals") set forth December 27, 2006.

Background:

The Indiana Venture Center is a 501C3 organization which runs the Indiana AngelNet program representing over 100 accredited investors in the State of Indiana. One of our goals is to encourage and enhance the art and practice of early-stage private equity investing by individuals in entrepreneurial ventures.

Rules re Prohibition of Fraud by Advisors:

We have no comment on these proposals.

Amendments to Private Offering Rules – Modifications of Rules about Accredited Natural Persons:

In response to Proposed Rule S7-25-06 posted on December 27th, the Indiana Venture Center would like to raise an issue with the proposed change in the definition of "accredited investor". As an organization who works with accredited investors and who provides assistance to entrepreneurs and start-up companies, we have no comment on the principal subject of the Proposed Rule, hedge funds. However, we are concerned about how a change in the definition may impact other sectors with unintended consequences.

We know of no call from our constituency of active, accredited angel investors to spend taxpayer dollars or consume the SEC's resources in providing protection to participants in this asset class. Our constituents are investing their own monies, not those of others, and are active participants in the sourcing, diligence and management of these investments. They are not paid to make these risky investments. Clearly some

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minimum level of assets is necessary to look out for oneself, but at the current time, we see no protective reason to make major alterations to the current standard for accreditation. Significantly raising the standard would impact the amount of capital available for new ventures in the US. This would come at a time when it is critical for high net worth investors to fill the capital gap as institutional venture capital funds are moving up the food chain and investing in larger and larger deals.

Recommendations:

Based upon the above concerns, the Indiana Venture Center would like to recommend that you delay changes in the threshold for net worth for the definition of accredited investor until further study is completed. We would also ask that you consider grandfathering additional investments by existing accredited investors if any changes are made in the future

We appreciate this opportunity to provide comments on proposed rule S7-25-06.

Sincerely,

David R. Doyle
AngelNet Director