



U.S. Securities and Exchange Commission
Attention: Vanessa A. Countryman, Secretary
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File no. S7-25-19
Amending the "Accredited Investor" Definition
Release no. 33-10734

Dear Sir or Madam,

We appreciate the opportunity to comment on the above mentioned release and are writing to you to comment in support of much of the Securities and Exchange Commission's ("SEC" or "Commission") proposal to amend the definition of an "Accredited Investor." We support this proposal's effort to increase access to investments by including new categories of natural persons such as those with professional certifications or designations as well as those who hold the status of a "knowledgeable employee" of a fund.

Professional Certifications and Designations

We are in agreement with the SEC that those with professional certifications and designations are deserving of accredited investor status as they have undergone significant education and have gained valuable experience through their chosen career paths. We agree with the SEC that those who hold a Series 7, 65, or 82 license should be permitted to qualify as accredited investors without any additional approval by the Commission as obtaining such a license enables them to evaluate investments on behalf of third parties, thus qualifying them to effectively evaluate investment opportunities on their own behalf as well. Since individuals who hold these licenses may be easily verified through the FINRA website, we believe persons falling into this new category should qualify automatically as an accredited investor without further requirements or additional steps of verification.

In addition, we support the creation of a category permitting natural persons with other professional certifications and designations to qualify as accredited investors. We believe this category should specifically and explicitly include any licensed attorneys, CPAs, CFAs, and CAIAs who have passed requisite exams, have at minimum three years of experience, and who are in good standing with the corresponding licensing body. These individuals have received significant training on evaluating complex legal and financial concepts, and given experience practicing in their given fields, we believe they are more than capable of making complex investment decisions on their own behalf. We believe experience and good standing for a period of three years is an important component as it will protect newly licensed individuals, who may not be familiar with the real world applications of their education, from partaking in inappropriate investment opportunities. It is our opinion that after three years of practicing in finance or law, that individuals will be best equipped to assess accredited investor investment opportunities.

We also believe that those with MBAs are uniquely trained in topics such as economics, statistics, corporate finance, and securities thus meriting qualification as accredited investors under new natural person categories. Because those with MBAs are not required to pass a licensing exam, unlike attorneys or CPAs, the new amendments should require these individuals to provide verification of graduation from a nationally accredited university to qualify as an accredited investor.

Knowledgeable Employees of Private Funds

We also support including knowledgeable employees of private funds to qualify as accredited investors as these employees are experienced in evaluating and facilitating investment opportunities. However, we propose this category is expanded to include agent employees of private funds, such as employees of managing entities. We believe they should be included in this category because they are similarly situated to employees of the fund in that they are experienced in handling complex securities transactions and therefore capable of personally investing in such transactions.

Approval of Status

However, we do not support requiring a commission order for approval of accredited investor status. This requirement is inefficient and is likely to cause significant delay to all parties. The Commission already oversees an enormous number of securities offerings across the country. Due to the immense workload of the Commission, it is likely any approval would take far longer than is reasonable. This delay could cause investors to miss valuable investment opportunities while awaiting approval. Additionally, Commission approval of each accredited investor would require vast resources which would be costly to the Commission. We believe, just as CPAs and licensed attorneys must verify the income and net worth of an investor under the current regime, licensed attorneys should be required to verify professional designations, certifications, and good standing of hopeful accredited investors. Since this is non-financial information, CPAs are not equipped to verify this information whereas attorneys are well suited for researching and confirming the status of these individuals. This would ensure a more efficient process is implemented and the Commission would not expend scarce resources on verification.

Income and Net Worth Measurements

Finally, we believe that the income and net worth measurements which are currently used to qualify an investor, under Rule 144A of the Securities Act of 1933, should remain as part of the definition of an accredited investor. We strongly concur with previous opinions which state that the current net worth and income measurements should remain as part of the definition for several reasons: (1) it would be too difficult to regularly adjust for inflation; (2) it would be challenging to calculate and ensure the inflation adjustments reflect the country as a whole; and (3) adjustment for inflation would require timely updates which involve relatively high transactional costs.

In conclusion, we are in strong support of the SEC's decision to add new categories of natural persons to the definition of accredited investor. We believe individuals with professional certifications and designations as well as those who are knowledgeable employees of funds are common sense candidates for investments currently only available to accredited investors. We believe that certain good standing requirements should be implemented for those qualifying based on licensure. Additionally, we believe that there should be educational requirements for those with MBAs since they are not required to obtain licensure after graduation. It is our opinion that licensed attorneys should be responsible for the verification of this good standing and status for efficiency purposes. Lastly, we believe the current income and net worth requirements should remain as changes would not only be difficult, but would likely mandate ongoing updates. We respectfully request the SEC consider these opinions as it begins finalizing the proposed rules.

We would also ask that the SEC make it a priority to create a bright line rule that is simple and easy for investor understanding and compliance.

Again, we appreciate the opportunity to comment on this proposed change to the definition of an accredited investor. We look forward to reviewing the SEC's response to this and other comments.

Best,

Linda Hyde
www.aaplonline.com