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November 28, 2011

**VIA EMAIL: rule-comments@sec.gov**

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re: Notice of Filing of Proposed Rule Change to Adopt New FINRA Rule 5123  
(Private Placements of Securities); File Number S7-FINRA-2011-057**

Dear Ms. Murphy:

Moelis & Company LLC ("Moelis") appreciates the opportunity to provide comments to the Securities and Exchange Commission's (the "SEC") notice of the Financial Industry Regulatory Authority's ("FINRA") proposed new Rule 5123. Moelis is a registered broker dealer with the SEC and FINRA that provides financial advisory and capital raising services, including private placements, to institutional clients, corporations and governments. Moelis's comment is limited to the proposed Rule's exemptions with respect to only certain types of sophisticated purchasers.

For the reasons set forth herein, Moelis believes that an additional exemption should be added for "employees of the broker dealer or its affiliates, who are accredited investors". These investors do not require the additional protections that FINRA seeks to provide to retail customers of the broker dealer. Moreover, this additional exemption would increase issuers' access to capital via the private placement market.

Proposed Rule 5123 exempts from its requirements private placements sold solely to specific types of sophisticated purchasers, including institutional accounts, qualified purchasers, qualified institutional buyers, investment companies, an entity composed exclusively of qualified institutional buyers, banks and employees and affiliates of the issuer. We believe that when a broker dealer participates in the offering of a private placement or is otherwise seeking to do business with the issuer, employees of the broker dealer or its affiliates, who are accredited investors, will as sophisticated industry professionals have the ability to understand the private placement and evaluate the investment without the need for the additional protections of Rule 5123.

Moelis appreciates the opportunity to provide comments to the Commission<sup>1</sup>. If you have any questions about these comments, please do not hesitate to contact me.

Respectfully submitted,



Osamu Watanabe  
Deputy General Counsel

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