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March 24, 2014

Elizabeth Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
VIA EMAIL: rule-comments@sec.gov

Re: File No. S7-11-13, Release Nos. 33-9497; 34-71120; 39-2493
Comments regarding Proposed Rule Amendments for Small and Additional Issues Exemptions Under Section 3(b) of the Securities Act (Reg A+)

Dear Ms. Murphy:

The proposed rules regarding "Reg A+" (also referred to as "Tier 2") certainly meets Congressional intent to help smaller companies access capital to help create jobs and economic growth. Because of the variance between state regulators, previously a Regulation A offering was not a practical option for issuers. By balancing cost of compliance against reasonable disclosure requirements, the proposed rules provide an opportunity to resuscitate what has been an otherwise essentially unused exemption.

There is an additional benefit to the proposed rules. It is likely that we will now see a considerable decrease in the number of reverse merger transactions. We agree with many commentators that this "back door" method of trading publicly is undesirable. Reg A+ has the potential to create a pathway to becoming a publicly traded company provided that the Commission strikes the proper balance.

Specifically, we join with others in noting that allowing an issuer to simply file a Form 8-A is sufficient prior to being listed on an exchange, provided that is done within 12 months of the Reg A+ offering. A requirement that an issuer file a Form 10 creates additional administrative costs which unnecessarily require the duplication of

information that is already provided in the disclosures filed in conjunction with the offering itself.

In addition, we share concern about the impact of the reporting triggers in section 12(g). The worry is that instead of encouraging a robust secondary trading market, the inadvertent "tripping" over the arbitrary shareholder caps would expose the issuer to the expanded Exchange Act reporting requirements. The practical effect could be to squelch the secondary market because issuers would be forced to include resale restrictions, reducing liquidity and the desirability of Reg A+ issues to investors.

An obvious practical concern is not solved by the implementation of the proposed rules. Of particular import is the ability for the SEC to provide us guidance to minimize time for approval of Reg A+ offerings. As it stands now, the average clearance time for a standard Regulation A offering is considerably longer than for a "full" Form S-1. The best rules in the world make no difference if the time-to-market remains six months (or longer). Issuers will be forced to find a quicker way – probably relying on Regulation D and reverse merger transactions – to raise capital. We encourage the Commission staff to promote an ongoing dialogue and guidance to ensure the success of Reg A+.

The Commission should be applauded for embracing the direction that Congress has led it. We (and many others) look forward to working on Reg A+ offerings. The new rules will provide the public with a much broader choice of investments, while promoting the growth of companies that propel our economy.

Sincerely,

Jonathan Frutkin