



This petition proposal is worthy of serious consideration because of its simplicity and potential benefit. Many businesses can be started with a small sliver of equity.

[http://online.wsj.com/article/SB10001424052748703720504575376664285510930.html?mod=WSJ\\_hpp\\_RIGHTTopCarousel\\_1](http://online.wsj.com/article/SB10001424052748703720504575376664285510930.html?mod=WSJ_hpp_RIGHTTopCarousel_1) .See <http://www.sec.gov/rules/petitions/2010/petn4-605.pdf> for rulemaking petition.

However it may be more useful to adopt a **targeted offering registration** in order to allow the states to also accept it. We can envision a short registration document that included a set of unaudited financials, a five page business plan and a list of officers and current owners that is filed with both the states and the SEC and reviewed by the SEC'S Small Business Office. While this may entail excessive SEC resources we think significant reliance on the states is appropriate. But the real benefit would be to bring into the open what is clearly already going on at even a higher level. A 10 page document with significant warnings about potential losses and lack of liquidity that is on file at the federal and state level would also provide needed information about this micro market. We expect that this would be a direct offering until the commission addresses the finder issue and provides some relief in that regard. providing finder relief in this context would be useful There is no doubt that unscrupulous individuals would abuse this process but we think that is happening already. We have noted before the need to raise capital in these difficult economic times and as the comments suggest this would be a useful methodology for the small business community. While we would also support the exemption requested we think the small documentation suggested is a more effective way to accomplish the goals intended. There is a need for a sense of proportionality in the small business capital raising function. We think as the authors do that a maximum loss of \$100 per person allows for some flexibility in government regulation and with the filings and notice that regulation can come after the fact.

Those of us who have frequently attended the yearly small business forum can attest to the yearly frustration over the issue of finders and other small changes to the regulatory system. Promises are continually made and the following year a new staff member will reiterate the same promise. This independent proposal can be a focal point for encouraging the commission's attention to the need for small business flexibility and should be incorporated into a formal rulemaking procedure.

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