



Via Email: rule-comments@sec.gov

July 25, 2013

U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Attention: Ms. Elizabeth M. Murphy, Secretary
File Number: S7-06-13

Ladies and Gentleman,

This letter is submitted in response to the U.S. Securities and Exchange Commission's (the "Commission") request for public comments relating to the Proposed Amendments to Regulation D, Form D and Rule 156 under the Securities Act.

WealthForge Holdings, Inc. ("WealthForge" or "we") believes the changes in Regulation D Rule 506(c) to allow issuers to generally solicit their investment opportunity to accredited investors will grow the private offering market and help to attract significant capital to entrepreneurs and small businesses. However, we believe it is critically important that first time investors in private companies understand the risks and opportunities involved. In an effort to gather additional information about issuers and investors participating in Rule 506(c) offerings the Commission has proposed additional disclosure requirements governing the content and manner of general solicitations: requiring issuers to pre-file Form D in advance of general solicitation; requiring issuers to take added measures to verify accreditation of investors; and proposing that issuers submit any written communication that constitutes a general solicitation into a repository on the Commission's website.

WealthForge recommends that the Commission take under consideration not adopting the proposed amendments to pre-file Form D 15 days in advance of general solicitation commencement or the proposed mandatory submission of written general solicitation materials. These amendments increase the administrative burden on small issuers and make capital formation less efficient. WealthForge also recommends that the Commission allow accredited investors to self-certify their status as a fully justifiable reasonable step to verify accredited status. Additionally, the proposed rules for content disclosure of general solicitations should be narrowed to specify certain forms of written communication.

We believe that these new Proposed Amendments to Private Offering Rules will drive more companies to use intermediaries to help navigate through this now more involved private offering and reporting process. While the goal is for a balance between enough disclosure and too much reporting requirements, we foresee the Proposed Amendments Relating to Form D, Timing of the Filing of Form D and the Proposed Temporary Rule for Mandatory Submission of General Solicitation Materials as being an encumbrance to small issuers relying on Regulation D

as their main means for capitalization. We believe that the Commission's proposed amendments place obstacles in the way of people and companies with limited capital. Alternatively, we recommend that our comments below be taken into consideration as we believe they will better help the Commission strike the right balance in implementing the JOBS Act, which is intended to improve the process of access to capital for entrepreneurs and increase investor participation in private offerings.

WealthForge Background

WealthForge was founded in 2010 to create a more efficient marketplace for entrepreneurs to access capital and to engage more qualified prospective investors. Today, WealthForge has thousands of prospective issuers and investors registered within its affiliated network.

WealthForge is registered as a broker-dealer with the Financial Industry Regulatory Authority ("FINRA") and the Commission and has registered securities representatives in numerous states across the country. In 2010, WealthForge became one of the first member FINRA intermediaries organized for the specific purpose of facilitating private placements over the internet.

WealthForge has designed its online platform to ensure that transactions comply with U.S. Securities Act of 1933 provisions. The Proposed Amendments to Private Offerings directly affect our business model as an intermediary that participates in this market, and we will comply with all rulings stemming from the Commission and FINRA on the JOBS Act.

WealthForge aims to facilitate standardization, transparency and efficiency within the online private investment marketplace; including such services as syndication, transfer, settlement, reporting, risk management, compliance and due diligence.

Comments to Proposed Amendments

In implementing the proposed amendments to Regulation D Rule 506, specifically Rule 506(c), we encourage the Commission to be mindful of the burden imposed on small issuers by the requirements to file advanced notice of an offering; verify purchasers of securities as accredited; file expanded information and include disclosures; and to submit written communications.

Proposed Amendments to Form D

While the concept of the proposed amendment to Regulation D Rule 503(a), which requires issuers to pre-file Form D 15 days in advance of general solicitation, is well-intentioned, we believe that it will be inefficient and difficult to follow, particularly for small issuers, for whom Regulation D was intended. Small issuer capital transactions are often negotiated with terms being set only upon an initial closing. This is due to a number of factors, including the

difficulty in accurately pricing private securities where price is determined more by market conditions rather than being set by the issuer. Pre-filing a Form D prior to the first closing would likely result in additional paperwork as amendments will become prevalent. This is in contradiction with the Paperwork Reduction Act, and the time to file amendments to the pre-filed form D would be in addition to the 3.5 hours of regulatory time the Commission acknowledges it is imposing on small issuers through these proposed amendments. Furthermore, the pre-filing of Form D was not proscribed by Congress in the JOBS Act.

Consequently, we recommend that Form D be initially filed at the time of first closing for generally solicited offerings. Requiring a Form D be filed within 15 days of initial closing for all generally solicited offerings alleviates the concerns for amendments due to changes in negotiated terms and also avoids the inadvertent general solicitation issue, and subsequent proposed remedies. The filings of Form D should be consistent across all Rule 506 offerings, regardless of solicitation method. This consistency would make some of the other proposed amendments unnecessary, including proposed process amendments, such as if no sale of securities occurs.

As the Commission has acknowledged that pre-filed Form D's will not be reviewed by the Commission or provided to the States, these Form D's are primarily for notification purposes for the Commission. The filing of Form D upon first closing and a completed securities transaction should accomplish that objective without creating the additional regulatory burden.

In regards to the Proposed Amendment described in Regulation D Rule 503(b) we are in support of requiring issuers that exchange securities by means of general solicitation to file a Form D to terminate an offering. This filing provides the Commission with the Regulation D 506(c) usage and general solicitation proceeding statistics it desires. We believe that a 30 day time period for this termination filing would be acceptable.

Filing a Form D termination for an offering should not be a requirement for Rule 506(b) offerings, such as those currently being conducted today and considered private. The amendments should only pertain to generally solicited offerings. Many offerings today are intended to be private and only offered to select audiences. Filings of Form D, which acknowledge a capital raise, are public record; therefore, requiring the filing of Form D upon termination would not be in spirit of the Rule 506(b) purpose.

As it pertains to Rule 503(d), adding additional info to Form D, we are in support of the amendment as proposed, with the exception of what classifies as "reasonable steps" to verify accredited investor status. In an opinion letter formally released by the Angel Capital Association (the "ACA") on July 15, 2013, it is strongly suggested that Angel investors, those which regularly participate in Regulation D Rule 506 offerings, would be less likely to invest if they needed to specifically divulge their net worth and income information. To maintain accredited investor interest in all Rule 506 offerings and not have this clause undermine the intention of the JOBS Act in increasing accredited investor awareness of private offerings, we believe that the current means of self certification for accredited investor status is a sufficient "reasonable step." Income and net worth validation through W-2 documentation, 1099 form filings and other tax returns is overly burdensome and will inhibit investments. Furthermore, accredited verification need only occur once annually.

Proposed Rule and Rule Amendments to General Solicitation Materials

In regards to including certain Legends on written general solicitation materials we are in agreement with the proposal as written. We are also in support of the proposed Legends in regards to performance data and fee disclosure for private fund offerings, along with the written acknowledgement stating that the fund is not subject to the Investment Company Act of 1940.

However, as it pertains to your request to comment on what types of general solicitation materials must include these Legends, we ask the Commission to be mindful of new types of advertising and the content restrictions placed on such advertising, such as in the case of social media. For instance, due to the length of the Legends, Twitter is unable to accommodate these disclosures. These disclosures could be included within an email, news article or sales documentation, such as a Private Placement Memorandum (PPM). We agree that these Legends should be required on all sales PPM's and acknowledged by the investor before closing of the transaction. We also believe that these Legends would be effective, if displayed, in deterring non-qualified investors, such as those that cannot accept the risks or do not meet suitability.

We believe that all purchases of generally solicited offerings under Regulation D Rule 506(c) should be furnished with formal offering documentation, such as a PPM, subscription agreement or term sheet. With this proposed requirement, including the disclosure Legends, which would be received before the time of purchase, other advertising need not require the proposed Legends.

Proposed Temporary Rule for Mandatory Submission of Written General Solicitation Materials

In regards to Proposed Rule 510T, the temporary proposed rule for mandatory submission of written general solicitation materials, we believe the Commission should not include this undertaking and requirement. It is our belief that this temporary submission, expiring after two years, is an overly burdensome exercise for issuers and the Commission, with no efficient means in place to facilitate the collection of information required by the proposed rule.

The Commission acknowledges that this submission shall not be considered a "filing" nor "furnishing", such as through EDGAR, and also notes that these submissions will not be reviewed by the Commission or States. Therefore, we believe that these submissions should be optional. Additionally, issuers wishing to submit materials to the Commission could do so by whatever means they have available, rather than the Commission developing a costly and robust collection system. There is already a proposed amendment for an additional required disclosure question on the new Form D requesting the means of general solicitation usage to provide the Commission the information it desires. The specific advertisement need not be submitted and stored, especially with its intended usage by the Commission being unclear.

We appreciate the opportunity to provide our comments on the Proposed Amendments to Private Offerings in advance of the Commission's rulemaking on the subject. We hope that the Commission reviews these comments and formalizes the amendments within the 60 day period before the commencement of General Solicitation in order to safeguard investors and provide

clarity to issuers. We would be happy to provide additional information or answer any questions that you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Mathew Dellorso". The signature is stylized with a large, sweeping initial "M" and a cursive "Dellorso".

Mathew Dellorso
Chief Executive Officer
WealthForge Holdings, Inc.