Alliance Affiliated Equities Corporation

September 23, 2013

Ms. Elizabeth Murphy, Secretary
Securities & Exchange Commission
100 F Street NW
Washington, D.C. 20549

Dear Ms. Murphy:

The enclosed responses are provided to your request for comments to certain questions in Releases No. 33-9416; 34-69960; IC-30595; File No. S7-06-13; RIN 3235-AL46: Amendments to Regulation D, Form D and Rule 156.

By way of introduction our firm is a FINRA registered Broker Dealer. We are a $5,000 broker dealer. We do not handle client funds or maintain customer accounts. Our business is 100% based on the sale of Reg. D exempt offerings. We do not manage client's asset or gather assets under an AUM model. We provide our clients with the opportunity to invest in specific Reg. D offerings that are firm believes are financially sound alternative investments for a portion of our client's asset base. All of our clients are accredited investors. Our firm CRD Number is 23928.

1. Question 64: We do not believe it is necessary to define the types of communications that constitute written general solicitation materials. It is highly likely that FINRA will interpret any materials that could be remotely considered general solicitation materials as such. We plan to include the suggested legends on all written materials that could remotely be considered to be advertising materials. A definition of what constitutes written general solicitation materials will never be comprehensive enough.

2. Question 65: Comparable disclosures should not be required in oral communications. The kinds of disclosures read quickly at the end of car dealer ads on TV or at the end of drug advertisements on TV demonstrate how ridiculous these disclosures are. Reg. D offerings require significant disclosures in the written materials. We have never seen a client invest in any of our firm's Reg. D offerings without reviewing the written materials which will all now include the necessary disclosures. Disclosures in the written materials should be adequate to protect investors. We have no problem with a requirement that the legends and required disclosures be included in all offering materials.

3. Question 69: All purchasers in offerings sold by our firm receive a private placement memorandum. We plan to require that the PPM contain the required legends and disclosures. We have no objection to requiring such legends and disclosures on all offering materials including advertising materials. In addition, we plan to insist the subscription agreement contain the legends and disclosures. However, we do not think that requiring such disclosures in all materials besides the PPM is necessary to protect the investor unless a PPM is not provided to the prospective purchaser. The only time we see a Reg. D offering without a PPM is when the product sponsor is directly selling a Reg. D offering to accredited investors without the assistance of the BD community.

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4. Question 83: The performance claims of a private fund as part of a general solicitation should not be require and audit by an independent public accountant. Such audits are generally quite expensive and can add significant costs to a small offering where such added costs would ultimately dilute the

   investors return. Many BD's already require and audit of financial performance before signing a selling agreement. The product sponsor can make a decision on whether to comply with the BD's requirements based on the size and scope of the offering. Requiring such an audit in a SEC rule will severely affect the ability of a sponsor to raise capital in a small dollar offering that would be severely impacted by the added cost of an audit. Instead you should consider an additional legend that the performance claims are unaudited and therefore have not been reviewed or prepared by a competent third party. There are other anti-fraud provisions that ultimately will penalize unscrupulous product sponsors. As the SEC well knows, "audited" financial information can be faked and presumably the most unscrupulous product sponsors will do so, rendering the proposed audit requirement worthless. Such a requirement will punish the ethical sponsors and not meaningfully deter the unscrupulous product sponsors.

5. Question 87: We believe submitting written general solicitation materials for informational gathering purposes only by the SEC is appropriate. However, based on the workload of FINRA and the SEC any requirement for pre-approval of same would, in our opinion, unreasonably delay the capital formation process for Reg. D offerings while awaiting such approval. Oral communications should not require submission in any form. The dynamic nature of oral communications makes it impossible as a practical matter to submit these communications. Our firm periodically holds meetings for small groups of existing clients to present new Reg. D offerings. Our experience is that the dynamic flow of conversation at these small client gatherings makes it impossible to submit same to the SEC or FINRA in advance since we do not know what questions investors will ask or the precise direction of the conversation flow.

6. Question 90: Submitted written solicitation materials should not be made publicly available on the Commission's website. First, making these materials public on the SEC website could compromise proprietary and competitive advantage a product sponsor may have over its competitors and reveal sensitive financial information when the sponsor is conducting very specific target marketing efforts. Second, our experience is that plaintiff's law firms use such information to make unwarranted mass solicitations for prospective litigation regardless of merit. Making such material publicly available on the SEC website will not give undue credibility to the materials since the SEC will undoubtedly include appropriate disclaimers.

7. Question 91: Written general solicitation materials should not be required to be submitted with the Form D. As discussed above these materials should not be made public except through the product sponsor's own marketing efforts. In our opinion submission of these documents with the Form D would not encourage broadened investor interest in the offerings. The vast majorities of accredited investors do not know what the Form D is and do not seek it out on the SEC web site.

8. Question 94: We do not have any objection to requiring offering participants from submitting their written general solicitation materials to the SEC in a confidential format. In fact, it makes the most sense for whom ever is using such materials to submit same to the SEC, whether it be the sponsor, or an offering participant.

9. Question 96: The proposed requirement should be temporary and the information should be submitted confidentially for review purposes only. There are adequate safeguards already in place regarding fair and balanced advertising, etc. Two years should be adequate for the SEC to assess and understand market practices.

10. Question 97: Net worth and income are the appropriate standards for accredited investor status. Although not perfect, this is an objective test. Any form of subjective determination is subject to regulatory abuse ex post facto in an audit by FINRA or the SEC, or litigation with a disgruntled investor. The current net worth/income test does not indicate investor knowledge and experience but has worked well under the test to time. It is easy to verify and as a practical matter, investors with a net worth over $1 Million or high income levels have by and large become knowledgeable investors in the process of achieving these levels of financial success. We have seen clients with incomes of $200,000 who are accredited who are far more financially savvy than clients with incomes over $5 Million, and vice versa. There is no perfect test for financial sophistication to evaluate a Reg. D offering but the income/net worth test has stood the test of time. In addition, in a dispute with an investor the fact that the investor is accredited under the current definition does not prevent them from claiming the investment was unsuitable or the investor lacked the appropriate level of financial sophistication.

11. Question 98: The current financial thresholds in the net worth and income test are still appropriate and should not be indexed to inflation, at least in the current low inflation environment. We have seen proposals to raise these thresholds. We do not believe they need to be increased. Clients with net worth just above $1 Million or incomes just over $200,000 should be allowed to invest in Reg. D offering. What we have discovered is that these clients invest smaller dollar sized investments that are suitable to their overall financial picture. An accredited investor with a net worth of $1 Million will typically invest $10,000-25,000 in a single Reg. D offering, which should be appropriate to their financial situation. A client with a net worth of $10 Million may invest $100,000 to $250,000 per offering—again appropriate to their financial status. Our clients tend to self-limit their investment size to fit their financial status without any input from our firm. In addition, and very important to our firm, if you doubled the net worth and income test we would lose approximately half of our existing long term investment clients who would lose access to our investments products simply by SEC fiat. We have a staff of 12 and would have to downsize accordingly.

12. Question 99: The financial thresholds for accredited investor status should not be tied to a formula or percentage of net worth or income. Good Reg. D offering can far outperform the stock and bond market and based on the massive losses in the stock market in 2008/09 cannot by definition be described as more risky than the equity markets. Thus, the formula for what percentage of an investors assets can go into Reg. D offerings can fluctuate with market conditions as well as many other factors such as the clients age, current and future earnings potential, tax motivations based on what state they live in, etc. We have clients that make $1 Million but only have a net worth of $500,000 because they are young and in a very well paying career with an extensive period of high earnings years ahead of them. We have other older or retired clients with a net worth over $20 Million with only $50,000 of taxable income. Their investment objectives and financial situations are totally different and are not subject to a percentage formula approach.

13. Question 100: We think all 506 offerings should include a detailed offering document except in the case where the product sponsor is the exclusive marketer of the program and is essentially marketing to friends and family. As a practical matter, all Broker Dealers require a complete PPM before agreeing to market any Reg. D offering.

We appreciate the opportunity to comment on the proposed new regulations and we would also appreciate the opportunity for in person testimony on the questions above should the SEC like further input.

Sincerely,

David P. Dyer
President