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

Via Email: rule-comments@sec.gov

Attention Ms. Elizabeth M. Murphy, Secretary

Ladies and Gentlemen:

Re: §201 JOBS Act Proposed Rules
Best Practices Protocol

This letter is written in response to the Commission's request for comment for the scope and content of rules to be promulgated under Section 201 of the JOBS Act, and more specifically, on the reasonable methods for an issuer to verify a purchaser's status as an accredited investor.

Both of us are veteran business lawyers having represented innumerable start-up and going concern issuers in connection with private placements, including pursuant to Regulation D, as well as in Federal and State securities laws claims.

A recently submitted comment has suggested that verification of a prospective purchaser's status as an accredited investor could be performed through an approved intermediary dedicated to the determination of such status by due diligence review of investor tendered information regarding proof of income, net worth, and investment experience. Agreed verification of accredited investor status through independent review by trained independent personnel could be a swift and inexpensive procedure. Such verification should require review of appropriate documentary proof, and where circumstances warrant, live interview, rather than reliance on investor self-accreditation by checking a box.

The review should not be undertaken by broker-dealers alone. Verification of status upon which an issuer may rely should be provided by wholly independent private companies who do not have any stake in the success of the offering. A broker-dealer has an inherent conflict of interest given the broker-dealer's salesman stake in a particular offering and in the broker-dealer's desire to build a database of prospective investors for future offerings.

What will work is independent, objective review by a professional intermediary, registered with the Commission and sworn to follow the protocol rules. Such intermediary can

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exercise the required judgment for what documentary evidence is needed depending on an individual investor particular circumstance. For example verification may require selection from various indicia such as: (a) tax returns (and underlying information), and W-2 statements, (b) brokerage account statements from all brokers with whom an investor maintains an account currently, (c) net real estate equity exclusive of residence (some of which information can be gleaned from public records), (d) financial statements and other financial information of privately held companies, (e) current credit report issued by a nationally recognized agency, and (e) CPA prepared income and balance sheet statements.

In most circumstances verification and certification of accredited investor status will be clear after review of a few documents. Therefore, such process should be inexpensive, and not be connected to the purchase or sale of any security. The underlying documents and other information given to or obtained by the independent entity verifying the prospective investor's status should remain confidential and not disclosed to any third party other than to the Commission upon official request - or others such as any review required to obtain Errors and Omissions insurance coverage or by those providing professional services (*e.g.* attorneys and accountants) to the registered verification entity. The safe harbor provision suggested by other comments to the Commission for broker-dealers is thus unnecessary. The same method may be used to qualify an institutional buyer or for that matter the income level called upon by Congress for Crowd Funding §302(a).

A certificate of verification issued by the independent professional should be good for one year and can be used by the investor for submission to numerous private placements being considered by the investor without further intrusion on his privacy. Any investor using such a certificate should be required to verify the veracity of the certificate under penalty of perjury. The issuer should be able to rely on the certificate without any duty of further inquiry and without liability for relying on the certificate unless the issuer actually knew at the time the certificate was false.

We believe that it would be appropriate and desirable for the Commission to adopt a rule on registration of the intermediary personnel who have also pledged to a best practices protocol based on the forcing guidelines.

Thank you for time and consideration,

/s/ *Paul S. Sigelman*
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