

July 9, 2012

VIA Electronic Submission

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: **Jumpstart our Business Startups Act (the "JOBS Act")**

Dear Ms. Murphy:

OTC Markets Group Inc. ("OTC Markets Group")¹ respectfully submits this letter in response to the U.S. Securities and Exchange Commission (the "Commission") request for public comments relating to Commission rulemaking pursuant to Section 201 of the JOBS Act. Our comments focus on Commission rulemaking relating to general solicitation and advertising, and in particular the valuable role of publicly available price information in securities for which general solicitation and advertising is permitted.

Section 201(a) of the JOBS Act requires the Commission to:

Revise Rule 506 ("Rule 506") under the Securities Act of 1933 (the "Securities Act") to provide that the prohibition against general solicitation and advertising set forth in Rule 502 under the Securities Act is not applicable to offers and sales under Rule 506, provided that all purchasers of the securities are accredited investors; and

Revise Rule 144A under the Securities Act ("Rule 144A") to provide that securities sold under Rule 144A may be offered to persons other than qualified institutional buyers ("QIBs"), including by means of general solicitation and advertising, provided that the securities are sold only to QIBs.

OTC Markets Group recommends that the Commission specifically clarify that the public dissemination of priced quotes posted by qualified broker-dealers in an interdealer quotation system relating to the secondary trading of securities originally issued in

¹ OTC Markets Group's wholly-owned subsidiary, OTC Link LLC, operates the OTC Link ATS ("OTC Link"), which is the largest electronic interdealer quotation system for broker-dealers to publish prices and negotiate trades in OTC equity securities. OTC Link allows its broker-dealer subscribers (all of which are members of the Financial Industry Regulatory Authority, Inc. ("FINRA")) to post quotes and communicate with each other regarding the execution of transactions. OTC Link LLC is a FINRA member broker-dealer and is registered with the SEC as an Alternative Trading System, or ATS.

OTC Markets Group organizes the wide spectrum of OTC-traded securities into three marketplaces – OTCQX[®] - The Intelligent Marketplace for the Best OTC Companies; OTCQB[®] - The Venture Marketplace; and OTC Pink[®] - The Open Marketplace. OTC Markets Group offers widespread access to real-time quotes in OTCQX, OTCQB and OTC Pink securities.

reliance on Rule 144A and Rule 506 is exempt from the requirements of Section 5 of the Securities Act as a result of the end of the ban on general solicitation and advertising in such securities as mandated by the JOBS Act. We think it would be appropriate for the Commission to address this issue in the release accompanying the new rule because the Commission's staff has taken a contrary position in no-action letters and that position was confirmed in the Commission's release on the use of electronic technology in securities offerings. In addition, the Commission should seize this opportunity to allow public dissemination of prices for secondary transactions in all securities issued in reliance on Section 4(2) of the Securities Act, provided that they are limited to transactions among accredited investors.

In ending the ban on general solicitation and advertising, Congress recognized the value in allowing broad dissemination of information about securities to the general public, despite the fact that some persons who will receive the information are not qualified to purchase them. Investors, the general public and regulators will benefit from access to quote and price information.

The Benefits Derived From the Widespread Dissemination of Prices

In enacting the JOBS Act, Congress did not repeal Section 5 of the Securities Act. Accordingly, it is still unlawful to offer to sell securities in interstate commerce unless a registration statement has been filed with the Commission. It also remains unlawful to accept an offer to purchase securities, unless the Commission has declared the previously-filed registration statement effective. Instead, Congress has determined that general solicitation and advertising of securities that ultimately will be sold under Rule 506 or Rule 144A to qualified investors, without first filing a registration statement with the Commission, does not constitute an unlawful offer of securities prohibited by Section 5 of the Securities Act.

The Commission historically has taken the position that the public dissemination of priced quotations for securities in a secondary trading market constitutes general solicitation and advertising as that term is used in Rule 502. Accordingly, in a series of related No Action letters beginning in 1996,² the Commission took the position that including offering materials related to a private offering on a website would constitute general solicitation, and therefore an unlawful offering of securities in violation of Section 5, unless access to the website was restricted to accredited investors. In connection with NASDAQ's proposed PORTAL platform, the Commission stated that the public dissemination of quotes from the secondary trading of Rule 144A securities would constitute prohibited general solicitation and advertising and required NASDAQ to

² "The Commission has indicated that placement of private offering materials on an Internet web site, without sufficient procedures to limit access to accredited investors, would be inconsistent with the prohibition against general solicitation or advertising in rule 502(c) of Regulation D." Lamp Technologies, Inc. No Action Letter, May 29, 1998.

limit access to quotation information for securities quoted on PORTAL to qualified institutional buyers ("QIBs").³

It is worth noting at the outset that secondary trading is almost always accomplished through broker-dealers. Issuers may be able to conduct a successful private offering without the intercession of a broker-dealer. But, any particular secondary trade is likely to be much smaller than the initial offering. As a result, economies of scale render secondary trading of securities without the facilities of a broker-dealer unfeasible. Furthermore, regulation of secondary markets is accomplished primarily through regulation of broker-dealers and their trade practices.

Since Congress has now determined in the JOBS Act that it is in the public interest to permit general solicitation and advertising of securities offered in reliance on Rule 506 and Rule 144A, there would seem to be no principled reason for prohibiting the quotation of those securities by broker-dealers in an interdealer quotation system that disseminates quotation information to the general public. Broker-dealers are required to "know their customers" and in particular, their status as accredited investors or QIBs. As a result, broker-dealers are well-positioned to prevent the purchase of Rule 506 and Rule 144A securities by unqualified investors.⁴ With respect to secondary trading, we submit that the regulation of broker-dealers is a much more effective way to prevent the purchase of privately-issued securities by unqualified investors than through information censorship.

The continued prohibition on access to quotation and pricing information in secondary trading of Rule 506 and Rule 144A securities is unfair to investors. Accredited investors and QIBs are forced to disclose substantial private information to view prices. An investor may quickly determine that it has no interest in purchasing a security, but will have already disclosed substantial financial information. This information may be sold to vendors, exposing the investor to undesirable solicitations. As a result, some investors may choose not to relinquish private information and forego beneficial investment opportunities. In contrast, if pricing and quotation information is publicly disseminated, investors can direct a broker-dealer to act on their behalf and avoid unnecessary privacy intrusions. The imbalance in the transfer of information caused by the current restrictions on the public dissemination of quotation and pricing information disadvantages investors and impedes the capital raising process.

Publicly Available Prices in Options and Regulation S Securities

The public availability of quotations and prices in Rule 144A and Rule 506 securities would also serve to make the Commission's position consistent with its treatment of the

³ SR-NASDAQ-2006-065

⁴ See "Use of Electronic Media," Release No. 34-42728 (April 28, 2000), p 58 (In connection with interpretive guidance provided to IPONET, the Commission's staff approved an arrangement where access to private offerings would only be available after a "broker-dealer determined that the investor was "accredited" or "sophisticated" within the meaning of Regulation D."

markets for other restricted securities, such as options and securities offered in reliance on Regulation S.

Options

Formally, all publicly traded options are purchased and sold by the Options Clearing Corporation (“OCC”) pursuant to an effective registration statement and therefore literally comply with Section 5 of the Securities Act. However, we believe that very few investors in options have actually read the prospectus published by the OCC or are even aware of its existence. Investor protection is actually accomplished through broker-dealers.

Pursuant to FINRA Rule 2360, a broker-dealer opening an options trading account for a customer must perform certain due diligence and ensure that the customer meets certain requirements. Requirements can vary, but often include a minimum level of experience trading stocks and some level of financial wherewithal. Much like the investor standards built into Rules 144A and 506, the investor requirements for options trading are intended to protect unsophisticated investors from participating in investment activity that could lead to substantial harm.

Unlike Rule 144A and Rule 506 transactions, however, priced quotes in options are widely available to the public, including unsophisticated investors that broker-dealers will not qualify for options trading. Any investor or regulator can easily access options prices from the Chicago Board Options Exchange (CBOE) website or through an online brokerage account. As with any other security, transparency of market prices provides information on the value of a company and its securities, reveals quoting and trading patterns that may be used by the financial press to identify markets trends, by investors to develop investment strategies in the underlying securities, even relatively unsophisticated investors, or by regulators to discover potential fraud.

Regulation S

Regulation S defines the reach of U.S. securities laws in interstate commerce and therefore allows U.S. and foreign issuers to offer securities outside the U.S. without complying with the registration requirements of Section 5 of the Securities Act. To qualify for the exemption from registration, an issuer relying on Regulation S to sell securities must refrain from, among other things, “directed selling efforts” in the U.S. Regulation S specifically exempts from the definition of “directed selling efforts” any quotations by a foreign broker-dealer on a third party system that does not allow for the execution of transactions between the broker-dealer and U.S. persons.

The tailored definition of directed selling efforts in Regulation S prohibits an issuer from actively conditioning the U.S. market to buy a security. At the same time, Regulation S does not prohibit interested U.S. persons from gaining access to market prices in Regulation S securities from a variety of sources, including many Internet sites. U.S. investors can access prices in Regulation S securities through market data terminals,

websites and portals operated by Bloomberg, Thomson Reuters, the Toronto Stock Exchange, the London Stock Exchange and other easily accessible websites without a password or any other restriction.⁵ Current securities regulations permit ready and immediate access to prices by U.S. investors in securities originally offered under Regulation S, as well as securities offered by foreign issuers that are unaware of the existence of Regulation S.

There is no principled reason to permit the public dissemination of priced quotations in the securities of foreign issuers and U.S. issuers that have relied upon Regulation S, while prohibiting the public from viewing quotes from the secondary trading of securities originally issued in reliance on Rules 506 and 144A. The disparity in the regulation of quotation dissemination of securities for which the Commission has not declared a registration statement to be effective produces bizarre and counter-productive results. Among other things, the inconsistent regulation of quotations and market prices creates a competitive disadvantage for U.S. broker-dealers, as compared to their offshore counterparts, harms the capital raising process for U.S. issuers and unnecessarily impedes trading by U.S. investors without yielding any obvious regulatory benefits.

The accessibility of Regulation S priced quotes benefits not only investors interested in pricing and valuation, but also the press and the general public. Transparency of information, and the distribution and analysis of that information by the press, ferrets out fraud, alerts the public to potential investment opportunities, and ensures the efficient operation of the capital markets. Securities regulators, as is true of all law enforcement officials, are not omniscient. Just as the local police fight crime based on complaints, tips and other information from the public, securities regulators can better combat wrongdoing when the public has access to pricing information and trading patterns.

While the prohibition on general solicitation and advertising has denied the public access to Rule 144A and Rule 506 pricing information, buyers, sellers, the general public and regulators all benefit from easy electronic access to priced quotes in options and Regulation S securities. Public transparency of priced quotes in options and securities sold under Regulation S has not hindered the Commission's ability to detect and prevent their purchase by unqualified investors.

Prices in Rule 144A Securities

The treatment of Rule 144A securities in the JOBS Act demonstrates that Congress intended to permit the public dissemination of priced quotes for secondary trading. The Rule 144A market primarily consists of secondary transactions among QIBs. By lifting the ban on general solicitation and advertising for Rule 144A offerings in the JOBS Act,

⁵ Exhibit A shows quotation and trading information on the London Stock Exchange website for securities issued by Mycelx Technologies Corporation in reliance on Regulation S. Exhibit B shows that prices for Frontera Resources' Regulation S securities are easily accessible by U.S. investors, although these securities cannot be purchased by U.S. investors under Regulation S.

Congress expressed a clear legislative intent to allow general solicitation and advertising in the secondary trading of Rule 506 and Rule 144A securities.

When crafting rules that give effect to the mandate of Section 201(a)(2) of the JOBS Act and the investor protections built in to Rule 144A, the Commission should consider the fact that OTC Link ATS can restrict Rule 144A transactions to Qualified Institutional Buyers, or QIBs, while allowing for public dissemination of broker-dealer priced quotes. OTC Link ATS subscribers with the ability to publish priced quotes or execute trades must be Commission registered, FINRA member broker-dealers that qualify as QIBs.⁶ Broker-dealers are obligated to ensure that customers purchasing Rule 144A securities in connection with transactions using OTC Link ATS are also QIBs. Quotation and trade information on OTC Link ATS is broadly distributed through multiple market data vendors and other channels, allowing for widespread transparency of information. Thus, the Commission's rules allowing for general solicitation and advertising in Rule 144A securities can specifically permit the dissemination of secondary quotes while ensuring through broker-dealer regulation that all transactions in Rule 144A securities on OTC Link ATS remain restricted to QIBs.

The benefits of transparency in the market extend beyond issuer disclosure during an initial offering. Priced quotes provide additional tools for investors and regulators to effectively value a company's securities and root out the unusual trading patterns that often signal instances of fraud. In Rule 144A transactions, public dissemination of prices would keep the market informed regarding a security's trading patterns and the changing perception of the issuer's value by QIBs over time. The public disclosure facilitated by the end of the ban on general solicitation and advertising is just as valuable in the context of secondary transactions as it is during initial offerings by an issuer.

Prices in Rule 506 Securities

Rule 506, unlike Rule 144A, is primarily used directly by issuers. In removing the ban on general solicitation in Rule 506 offerings, Congress intended to promote capital formation by allowing issuers to broadly disseminate information concerning an offering in an effort to reach the largest number of accredited investors. The widespread issuer disclosure will also provide the market with transparency into companies that previously only operated behind closed doors. Opaque markets are a breeding ground for fraud. The issuer disclosure made available by the JOBS Act will advance the twin goals of capital formation and fraud prevention.

Accredited investors often rely on the principles of Rule 506 to conduct secondary transactions with other accredited investors in transactions sometimes referred to as relying on the Rule 4(1-1/2) exemption. Since an accredited investor that purchases a security in a so-called Rule 4(1-1/2) transaction could have purchased the security from

⁶ Under Rule 144A (a)(1)(ii), any Commission registered broker-dealer that owns and invests on a discretionary basis at least \$10 million of securities not affiliated with the broker-dealer.

the issuer initially, no useful regulatory objective is achieved by preventing a secondary transaction in a Rule 506 security between two accredited investors. The Commission has generally acknowledged that such transactions would not violate federal securities laws, even though Rule 506 by its terms does not literally cover a transaction between two accredited investors. As with Rule 144A, priced quotes can be valuable to accredited investors interested in purchasing a security originally offered under Rule 506 to other accredited investors. With the JOBS Act ending the ban on general solicitation and advertising in Rule 506 offerings, the Commission should take the necessary steps to improve transparency and reduce fraud in the private markets by specifically permitting the dissemination of priced quotes in Rule 506 securities.

Prices in other Private Securities

Although the JOBS Act mandates rulemaking regarding general solicitation and advertising only in relation to securities originally issued in reliance on Rule 144A and Rule 506, the Commission should consider permitting the dissemination of quotation information in all securities. The Commission's goal to protect investors can only be advanced by shining the light of disclosure into all corners of the securities markets. Private offerings expose limited information only to a select group of qualified investors hidden from public view. Public disclosure of prices in these securities would quickly reveal suspicious or unlawful activity. However, public dissemination of pricing information should not result in investments by unqualified persons. As with options and Regulation S securities, the qualification of investors is best accomplished through broker-dealer regulation.

Conclusion

OTC Markets Group respectfully requests that in light of the Congressional intent demonstrated by the JOBS Act, the Commission consider specifically clarifying in the release accompanying the new rule that the end of the ban on general solicitation and advertising in Rule 144A and Rule 506 securities also permits the public dissemination of priced quotes for secondary trades in Rule 144A and Rule 506 securities. The Commission should further clarify that, among other methods of public disclosure, these quotes can be made publicly available on a website.

The public dissemination of prices for Rule 144A and Rule 506 securities would support capital formation, better inform investors and provide the Commission and other securities regulators with a valuable tool to fight fraud. Moreover, it would bring the markets for Rule 144A and Rule 506 securities in line with securities regulations in the options and Regulation S markets.

Widespread transparency of prices empowers investors, analysts, the press and regulators with information on current valuations and trading activity. This openness creates a more efficient and reliable capital formation process. By enacting the JOBS Act, Congress recognized the importance of public availability of information to the

capital raising process and the value of increased transparency in the operation of healthy capital markets.

OTC Markets Group appreciates the opportunity to provide comments on the Commission's JOBS Act rulemaking. Please contact us if you have any questions or would like any additional information.

Very truly yours,



Daniel Zinn
General Counsel
OTC Markets Group Inc.

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Price	+/-	Var %	Volume	Last close
240.00	0.00	+0.00%	-	240.00 on 09-Jul-2012

Bid	Offer	Trading status
230.00	250.00	Market Close
High	Low	Special conditions
255.00	240.00	NONE

As at 09-Jul-2012 20:26:50 - All data delayed by at least 15 minutes.

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Regulatory

- Re Contract 31 May 12
- Result of Annual Meeting/Grant of Share Option 10 May 12
- Trading Statement 09 May 12
- Purchase Orders Received for US\$2.65 million 23 Apr 12
- Annual Financial Report 17 Apr 12



Trading Information

09-Jul-2012

FTSE index	-
FTSE sector	Oil Equipment & Services
FTSE sub-sector	Oil Equipment & Services
Country of share register	GG
Segment	ASX1
MiFID Status	MTF
Exchange market size	1,000
SEDOL	B56S0J1
ISIN number	USU624551078

Company Information

Updated Monthly

Company address	470 Woods Mill Road, Gainesville, GA 30501, United States
Company website	http://www.mycelx.com
Market cap(in millions)*	£ 31.01
Listing/Admission to trading	04 Aug 2011
Trading system	SETSqx
Market	AIM

*The market capitalisation of companies reflects the London listed element only. These figures are approximate and are updated monthly.

Last 5 trades

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Time/Date	Price	Volume	Trade value	Type
11:05:51 20-Jun-12	240.72	40,000	96,288.00	O
10:51:44 20-Jun-12	240.00	40,000	96,000.00	O
10:49:39 20-Jun-12	240.00	40,000	96,000.00	O
12:38:32 22-May-12	232.00	2,000	4,640.00	O
10:14:27 17-Apr-12	230.00	5,000	11,500.00	O

Fundamentals

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Key Fundamentals	31-Dec-11
Revenue (\$ m)	6.26
Pre-Tax (\$ m)	-2.85
EPS	-30.00¢
PE	n/a
PEG	n/a
EPS Growth	n/a
Dividend Cover	n/a
Yield	n/a

MYCELX price

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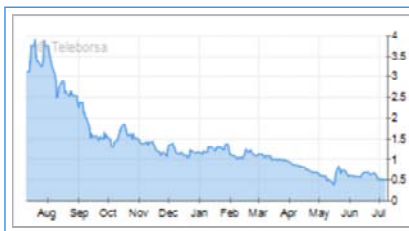


Summary | Interactive chart | Prices and trades | Fundamentals | Technical analysis | News analysis | News

Price	+/-	Var %	Volume	Last close
0.51	▼-0.00	-0.97%	5,205,282	0.51 on 09-Jul-2012

Bid	Offer	Trading status
0.49	0.53	Market Close
High	Low	Special conditions
0.52	0.50	NONE

As at 09-Jul-2012 20:40:01 - All data delayed by at least 15 minutes.



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- 2011 Annual Results 29 Jun 12
- Operations Update and New Venture Initiative 21 May 12
- Significant Shareholder Dealing 17 May 12

Trading Information

09-Jul-2012	
FTSE index	FTSE AIM All-Share, FTSE AIM All-Share - Oil & Gas
FTSE sector	Oil & Gas Producers
FTSE sub-sector	Exploration & Production
Country of share register	GB
Segment	AIM
MiFID Status	MTF
Exchange market size	42,500
SEDOL	B6W45X9
ISIN number	KYG368131069

Company Information

Updated Monthly

Company address	3040 Post Oak Boulevard, Suite 1100, Houston, 77056 6540, United States
Company website	http://www.fronteraresources.com
Market cap(in millions)*	£ 11.08
Listing/Admission to trading	02 Aug 2011
Trading system	SEAQ
Market	AIM

*The market capitalisation of companies reflects the London listed element only. These figures are approximate and are updated monthly.

Last 5 trades

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Time/Date	Price	Volume	Trade value	Type
16:32:29	0.52	1,000,000	5,200.00	O
16:09:43	0.52	281,733	1,479.10	O
15:37:01	0.52	100,000	522.00	O
13:55:36	0.52	43,716	225.92	O
13:44:07	0.52	500,000	2,587.50	O

Fundamentals

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Key Fundamentals	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07	31-Dec-06
Revenue (\$ m)	8.26	4.12	4.84	1.88	0.76
Pre-Tax (\$ m)	-63.87	-28.52	-78.82	-19.66	-9.73
EPS	-48.00¢	-31.00¢	-109.00¢	-28.00¢	-15.00¢
PE	n/a	n/a	n/a	n/a	n/a
PEG	n/a	n/a	n/a	n/a	n/a
EPS Growth	n/a	n/a	n/a	n/a	n/a
Dividend Cover	n/a	n/a	n/a	n/a	n/a
Yield	n/a	n/a	n/a	n/a	n/a

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