

Comments attachment:

I viewed the webcast of the June 8, 2012 SEC Advisory Committee meeting regarding the lifting of the prohibition against general solicitations in Rule 506 offerings. I have the following comments and opinion:

The issuer of a Regulation D Rule 506 offering must inform any potential investors that the securities may be purchased by Accredited Investors only. All potential investors must inform the issuer about their income and net worth in order to demonstrate whether or not they meet the definition of an Accredited Investor.

Prior to accepting a potential investor's investment capital an issuer must receive information from the potential investor in the form of an investor's questionnaire. The questionnaire should require the investor to divulge pertinent financial information including but not limited to their annual income and net worth exclusive of their personal residence.

Substantiating documentation such as a CPA's certification, bank or investment account statements or tax return copies should not be required.

The investor must accept responsibility for complying with the law and not seek to circumvent regulations put in place for the investor's own protection. An issuer should be responsible for clearly informing the potential investor about the legal limitations and requesting substantiation in the form of personal information. The issuer should not be required to investigate and ascertain whether or not the potential investor is attempting to deceive the issuer and circumvent the law.

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