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February 18, 2011

VIA USPS and EMAIL (pubcom@finra.org)

Ms. Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

RE: Notice 11-04

Dear Ms. Asquith:

Krieger & Prager, LLP serves as counsel to placement agents, issuers and investors in the private placement of securities. We have reviewed the proposed amendment to FINRA Rule 5122. In our view, the amendment should not be adopted for the following reasons:

1. No empirical evidence has been provided showing any increase in fraud in the private placements.
2. Among the unintended consequences if the proposed rule is adopted, in that the rule will result in issuers, especially small cap issuers, being more likely to utilize the services of unlicensed finders. Additionally, issuers may determine to have offerings proceed solely under Regulation S; thus reducing the investment opportunities to US investors. The standards for exempt investors in the proposed Rule are substantially more restrictive than the current accredited investor standards utilized by the SEC in Regulation D, which generally governs private placements.
3. The requirements of the proposed amendment will substantially increase the time and costs required to complete private placements, and runs counter to the recommendations of

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the SEC's Annual Small Business Form, which has consistently recommended easing the burdens of capital formation on issuers.

We appreciate the opportunity to provide our views. Should you have any questions, please feel free to contact the undersigned.

Very truly yours,



SAMUEL M. KRIEGER

SMK/pm

cc: Joseph E. Price, Senior Vice President
Corporate Financing/Advertising Regulation