

March 14, 2011

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

Dear Office of the Corporate Secretary,

I am writing to comment on proposed FINRA rule 5122 relating to private placements. St. Charles is a member firm for the past six years; most of our nine managing directors have been in the business for between 15 and 30 years. We have about 27 employees. Our firm specializes in providing investment banking advisory services related to Mergers and Acquisitions and private placements, primarily of equity related securities, with the median transaction size of about \$25 million.

In carefully reviewing the proposed rules I would like to voice two principal concerns. First, there are many transactions where we start the project intending to involve only institutional investors which would qualify under the proposed exemptions. Towards the end of the offering period due to the nature of negotiations, a few investors might enter the transaction that I understand are not exempt in the current proposed rules. These might typically come from any of three different groups. They would include a few existing shareholders, officers of the issuer, or a few sophisticated investors or customers who are close to the issuer (but would not be an exempt institutional investor). Generally these parties are not leading the transaction and may only be investing in a small part of the transaction. We are afraid that in order to accommodate these few late entries, there will be need for a pause for a new disclosure documents and filing with the FINRA. We recommend two changes to resolve this problem. First, Officers of the issuing company should be included as exempt entities. Second, there should be some diminimous amount of the offering for non-exempt investors, such as up to 10% or dollar amount of the transaction or a number of investors not exceeding ten, which would not require a filing.

Our second concern follows. Our belief is that the need for this rule has come about primarily from abuses in very large transactions. For small issuers, it is proportionately very costly to involve special counsel and filings with FINRA in very small offerings, especially those involving existing shareholders and officers and employees. We request inclusion of some minimum offering amount such as \$5 million, below which the transaction is exempt from the rule.

We thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wesley A. Brown', with a stylized, cursive script.

Wesley A. Brown
Managing Director and Chief Compliance Officer