

Public Investors Arbitration Bar Association

August 30, 2012

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Via Email Only
pubcom@finra.org

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

Re: Regulatory Notice 12-34 – Crowdfunding Activities

Dear Ms. Asquith:

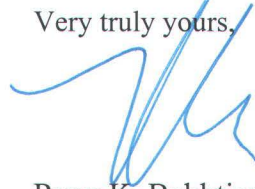
I write on behalf of the Public Investors Arbitration Bar Association (“PIABA”). PIABA is a bar association comprised of attorneys who represent investors in securities arbitrations. Since its formation in 1990, PIABA has promoted the interests of the public investor in all securities and commodities arbitration forums. Our members and their clients have a strong interest in FINRA rules relating to both investor protection and disclosure.

FINRA has yet to propose any additional specific rules or regulations in response to the JOBS Act and specifically, Crowdfunding activities. To the extent a registered broker/dealer participates in Crowdfunding activities, all existing FINRA Rules and regulations apply to that conduct. A uniform set of rules for all business activities will enable broker/dealers to institute appropriate controls and procedures over Crowdfunding activities. Exceptions to current rules and regulations – for example, allowing broker/dealers to “isolate” Crowdfunding activities – would potentially confuse investors and diminish investor protection.

Carve-outs and loopholes in existing regulations will only serve to put investors at risk. Regardless of whether a broker/dealer is a “funding portal,” its activities must be subjected to FINRA Rules.

The Crowdfunding exemption looks to be more complicated and create more obligations than existing private placement legislation. These types of potential investments are often speculative and a fertile area for investor fraud. PIABA believes that it is critical that all existing FINRA rules and regulations should continue to be enforced and adhered to without exception. FINRA should take this opportunity to enhance its oversight and the protection of investors.

Very truly yours,



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