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January 9, 2012

Advisory Committee on Small and Emerging Companies
c/o Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File Number 265-27
Meeting of Advisory Committee on Small and Emerging Companies
January 6, 2012
Relaxation of Current Restrictions on General Solicitation and Advertising in
Exempt Offerings of Securities

Dear Members of the Advisory Committee:

You are referred to my submission to you on January 6, 2012 in the above matter.

Although an amendment to Rule 506 to merely allow general solicitation may be irreconcilable with the concept of a private offering and therefore illegal, in view of Section 19(a) of the Act, reliance in good faith upon such an amended rule would not subject small businesses to liability unless and until the amendment should be judicially or otherwise determined to be invalid. Thus, I withdraw my comment concerning looming uncertainty that would preclude effective reliance on such an amended rule, as well as that concerning the possibility of triggering the "bad actor" disqualification under Rule 506.

In addition, my suggestion that you alternately consider recommending a rule based upon Section 3(b) of the Act assumes a reasonable accommodation with state securities regulators, probably through NASAA, as registration under state securities laws would not be preempted by such a rule as they would by an amendment to Rule 506. Without such an accommodation, a Section 3(b) rule would not be likely to be used by

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small businesses for venture funding purposes. It is questionable whether such an acceptable accommodation could be reached within the foreseeable future.

Please consider the comments in this letter as a supplement to and to be considered along with the comments in my previous submission of January 6, 2012.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mike Liles, Jr.", with a stylized flourish at the end.

Mike Liles, Jr.