

OFFICE OF THE CHAIRMAN  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

[dated 8-31-1984]

Massachusetts Securities Division  
Office of the Secretary of the Commonwealth  
One Asburton Place  
Boston, Massachusetts 02108

Attention: Michael Unger, Director

Gentlemen:

We are writing this letter in order to comment on the proposed amendments to the Revised Rules and Regulations of the Massachusetts Securities Division referred to in the Notice of Public Hearings dated July 26, 1984. The amendments deal principally with adoption of a Massachusetts Limited Offering Exemption.

As you know, prior to the adoption by the Commission of Regulation D, the federal exemption dealing with the limited offer and sales of securities, our staff worked with a special committee of the North American Securities Administrators Association (NASAA). The objective of this coordination was to develop a basic framework of limited offering exemptions that could apply uniformly at the federal and state levels. Subsequent to the adoption of Regulation D, NASAA did adopt a Uniform Limited Offering Exemption (ULOE) and, at the SEC/NASAA Conference on Federal-State Securities Regulation in September 1983, NASAA agreed to undertake a major effort to encourage adoption of ULOE in all the states.

We note that your proposed regulations depart in important areas from ULOE. The most significant difference is the provision limiting sales to not more than 35 individuals without regard to their status as accredited or non-accredited investors. Regulation D and ULOE permit sales to only 35 non-accredited investors but to an unlimited number of accredited investors. In view of the great importance attached to a uniform limited offering exemption by both the SEC and NASAA, we strongly urge that Massachusetts revise its proposals so that the regulations adopted will conform to ULOE.

We believe that considerable progress has been made toward the goal of uniform regulation on the federal and state levels for exempt offerings and the adoption by Massachusetts of ULOE would bring us even closer to that goal.

Sincerely,

John S.R. Shad