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February 24, 2012

Via E-mail: rule-comments@sec.gov

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: *Notice of Filing of Partial Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Partial Amendment No. 1, To Adopt FINRA Rule 5123 (Private Placements of Securities) in the Consolidated FINRA Rulebook*, File Number SR-FINRA-2011-057, Release No. 34-66209 (Jan. 20, 2012)

Dear Ms. Murphy:

This letter is submitted on behalf of the Committee on Securities Regulation (the "Committee") of the New York City Bar Association in response to the request for comments by the Securities and Exchange Commission (the "Commission") to Partial Amendment No. 1 to the proposal by the Financial Industry Regulatory Authority, Inc. ("FINRA") to adopt new FINRA Rule 5123 (Private Placement of Securities).

Our Committee is composed of lawyers with diverse perspectives on securities issues, including members of law firms and counsel to corporations, investment banks, investors and government agencies. As such, this letter does not necessarily reflect the individual views of all members of the Committee.

The Committee acknowledges and supports FINRA's goals of enhancing investor protection and combating fraud and other potential abuses in connection with private placement transactions. We believe that FINRA has appropriately demonstrated that fraudulent behavior in the market for private placements of securities is occurring, particularly in the retail market for such placements, with sufficient frequency to warrant regulatory attention.

The Committee appreciates FINRA's consideration of the Committee's and other constituents' comments submitted in connection with FINRA's prior proposal to adopt new Rule 5123, as well as comments submitted in connection with FINRA's initial proposal to amend Rule 5122 in Regulatory Notice 11-04.

The Committee believes that FINRA has substantially responded to the concerns raised by the Committee and other constituents with respect to the initial Rule 5123 adoption proposal, and thus supports adoption of Rule 5123 as re-proposed. We believe that Rule 5123 now strikes an appropriate balance between investor protection concerns and practical business realities, will not impose unnecessary burdens on capital formation and is otherwise consistent with the Exchange Act.

The Committee commends FINRA for its consideration of comments received on the initial Rule 5123 adoption proposal and its revision of proposed Rule 5123 to address those concerns. We respectfully recommend that the Commission approve the adoption by FINRA of Rule 5123.

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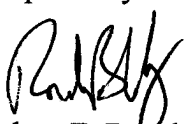
Members of the Committee would be pleased to answer any questions you may have concerning our comments.

Respectfully submitted,



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cc: Stan Macel
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