

**COMMITTEES ON
FINANCIAL REPORTING
AND SECURITIES
REGULATION**

**NEW YORK
CITY BAR**

April 26, 2007

John W. White, Director
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Securities Act of 1933 -- Private Offering Reform

Dear Mr. White:

This letter is submitted on behalf of the Committee on Financial Reporting and the Committee on Securities Regulation of the Association of the Bar of the City of New York (the "Committees"). We are writing to urge the Commission to take up the invitation of the Committee on Federal Regulation of Securities of the American Bar Association (the "ABA Committee"), in its letter dated March 22, 2007 (the "Letter"), to undertake a comprehensive review of the rules governing private offerings under the Securities Act of 1933. This letter was prepared by the Drafting Subcommittee listed at the end of this letter.

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The Commission's public offering reforms that became effective in December 2005, by streamlining and modernizing that area of regulation, represent a major improvement that amply justifies the long and thorough process that led up to them. We agree with the ABA Committee that the rules governing private offerings present a similar opportunity for modernization and rationalization. The capital markets evolve, and the technology driving those markets develops, at an ever-accelerating rate. It is obviously critical to ensure that regulation keeps pace with these developments. A failure to keep pace threatens not only the effectiveness of regulation but also the efficiency of the U.S. markets and their competitive position in the world. As the Letter makes very clear, the Securities Act rules governing private offerings are in need of a thorough review and update. We believe that such a review and update is particularly timely in light of the Scott Committee report, and other similar efforts, which have identified inefficiencies in the capital raising processes in the United States. We also believe that many worthwhile reforms in private offering regulation can be made by the Commission on its own initiative, without additional legislation.

The Letter includes many constructive suggestions for changes to the private offering rules. We would be particularly supportive, for example, of changes tending to deemphasize, or even deregulate, offers of securities, particularly offers made to non-purchasers. At the same time, we would suggest that the Commission not limit itself to reviewing its existing rules, but rather that it take the opportunity to consider the fundamental issues here, and elucidate a clear conceptual framework for its regulation of private offerings. Such a framework would offer the best basis for a comprehensive and effective revision of the relevant rules. Our Committees would welcome the opportunity to participate fully in the notice and comment process that would ensue.

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We would be pleased to discuss any aspects of this topic with the staff.

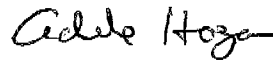
Respectfully submitted,

/s/ Norman J. Slonaker



Norman J. Slonaker, Chair
Committee on Financial Reporting

/s/ N. Adele Hogan



N. Adele Hogan, Chair
Committee on Securities Regulation

* The comments expressed in this letter do not necessarily reflect the views of all members of the Committees.

** David Rosenfeld, a member of the Staff of the Securities and Exchange Commission and a member of the Securities Regulation Committee of the New York City Bar, did not participate in the preparation of this letter or the decision of the Securities Regulation Committee to submit this letter.