

**From: Martin Cohen, President
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My concern with the 5122 rule is that with the requirement for due diligence, legal, accounting, marketing and other expenses that small private placement equity transaction of \$1-\$5 million to provide equity to smaller emerging growth companies will be prohibitive under the rule. Most broker dealers with reps require at least 10% for sharing between the BD and reps. That leaves only 5% to cover all additional expenses.