

U.S. SECURITIES AND EXCHANGE COMMISSION

REPORT ON THE 41ST ANNUAL

**SMALL
BUSINESS**

FORUM

04.04-07.2022

The U.S. Securities and Exchange Commission (SEC) annually hosts the Government-Business Forum on Small Business Capital Formation. The recommendations contained in this report were developed and drafted by the 2022 Forum participants. The recommendations are not endorsed or modified by the SEC and, as with the remarks of SEC Commissioners and staff published in this report, do not necessarily reflect the views of the SEC, its Commissioners, or any of the SEC's staff members.

Digital copies of the prior reports and other materials relating to previous Forums, dating back to 1993, are available [online](#).

FORUM AT A GLANCE



4 DAYS

6 HOURS
of content



 **1,302** VIEWS

20

POLICY
recommendations



21

tweets from
@SECGov



462 views of our
EDUCATIONAL RESOURCES
and **PUBLICATIONS**



1 click to **ENGAGE**



New Investor Voices

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AGENDA

Monday, April 4

Empowering Entrepreneurs

Tools to navigate capital raising

Tuesday, April 5

Hometown Entrepreneurship

How entrepreneurs can thrive outside of capital raising hubs

Wednesday, April 6

New Investor Voices

How emerging fund managers are diversifying capital

Thursday, April 7

Small Cap World

What to know and how to think ahead

FORUM HIGHLIGHTS

The SEC’s annual Small Business Forum is a unique event where members of the public and private sectors gather to provide feedback to improve capital raising policy.¹ The Forum covers a broad range of issues affecting small businesses and their investors, from early-stage entrepreneurial ventures to smaller public companies.

This year marked the 41st Forum, which the SEC hosted virtually over four days from April 4 to 7, 2022. Each day featured a different topic, with speakers highlighting success stories as well as areas for policy improvement.

The SEC’s [Office of the Advocate for Small Business Capital Formation](#) leads the event, in collaboration with each of the Commissioners and many other offices and divisions across the agency.

POLICY RECOMMENDATIONS

A hallmark of the Forum is the opportunity for participants to develop policy recommendations to improve capital raising. Based on feedback from prior Forums, and consistent with last year’s event, we invited participants to submit recommendations in advance, as well as “chat” them in during the live event. Doing so fostered a more inclusive environment where all voices could be heard while being efficient with participants’ time.

At the conclusion of each day’s panel discussion, participants used online voting to prioritize the relevant recommendations based on their perception of the positive impact it would have on capital formation. This report includes the top five recommendations from each day.

Alongside each recommendation is a response from the Commission, noting any corresponding policy initiatives that have been made public.² The Commission will consider Forum recommendations alongside other public comments for relevant policy initiatives.

ENGAGING PUBLIC PARTICIPANTS

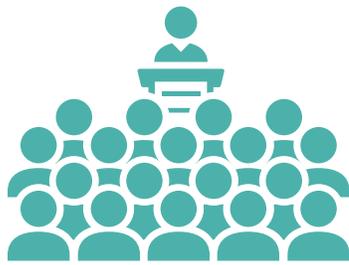
Participants in the Forum bring a breadth of perspectives to the policy deliberations, approaching the capital raising ecosystem from a variety of backgrounds, geographies, and life cycle stages.³



4 SEC
COMMISSIONERS



12
SEC STAFF
appearances



Average of
321
ATTENDEES
each day

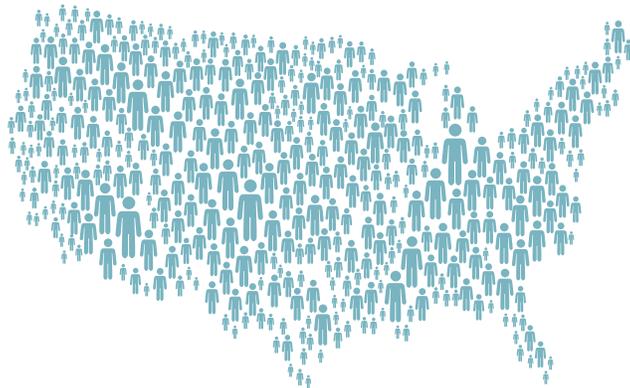


11
SEC SMALL
BUSINESS
ADVOCACY
team members

12 guest
PANELISTS



336
registered
participants *from*
41 U.S. STATES and
territories and
22 COUNTRIES



DAY 1: EMPOWERING ENTREPRENEURS

Tools to Navigate Capital Raising

Agenda

- 1:00 P.M. Welcome Remarks from Martha Legg Miller, SEC Small Business Advocacy Team
- 1:05 P.M. Remarks from SEC Chair Gary Gensler
- 1:10 P.M. Remarks from Pamela Gibbs, Division of Women and Minority Inclusion
- 1:15 P.M. Panel Discussion, moderated by Amy Reischauer, SEC Small Business Advocacy Team
- 2:00 P.M. Closing Remarks from Julie Zelman Davis, SEC Small Business Advocacy Team
- 2:05 P.M. Voting to Prioritize Policy Recommendation Submissions

Panel Speakers



CAROLINE CUMMINGS

Chief Executive Officer

RAIN (Regional Accelerator & Innovation Network)

Eugene, OR

Caroline co-founded and served as CEO of two technology startups, raising close to \$1 million for her ventures. She has helped many other entrepreneurs raise millions in capital. She has also personally invested in 21 startup companies and was instrumental in recruiting more women to join angel and venture funds in Oregon. At RAIN, she provides outreach and support to small and rural communities globally, coaches and mentors underrepresented entrepreneurs, and builds strategic partnerships where the goal is to reduce barriers to starting a business.



83% of entrepreneurs, small businesses and startups, just don't qualify for traditional lending or traditional venture financing...Maybe the door was slammed on them, or maybe they don't even know where the door is, let alone how to get in.



It is important not to give up. The resources are there. Find the resources, find the people, and just don't give up.



ARMEER KENCHEN

Executive Director

CornerSquare Community Capital, North Carolina Rural Center
Raleigh, NC

Armeer leads the North Carolina Rural Center's small business credit initiatives as well as CornerSquare Community Capital, and has more than 25 years of experience working with CDFIs, non-profit and community development organizations. Prior to joining the Rural Center, he served in a variety of executive leadership roles, including as Executive Vice President at Self-Help and CEO of Generations Community Credit Union.



BETTY WONG

Co-Founder

Stage2Startups
New York, NY



There are a lot of people out there with great ideas...These are unicorn type companies that can generate a lot of benefit for our society, and yet these people are lost in terms of how to raise money.

Betty co-founded Stage2Startups to help mid-career and senior professionals, who are often overlooked among founders, transition to entrepreneurship, with a special focus on women, people of color, LGBTQ, immigrants, and veterans. Betty herself is an entrepreneur with C-suite experience, having launched over 30 products for both Fortune 500 and smaller companies, nonprofits, and government entities.

Highlights from Panel Discussion

- » Entrepreneurs should be made aware of resources that are available when raising capital. There are many entrepreneurs with great ideas but who lack knowledge about and experience with raising capital.
- » Capital should be accessible not only to underrepresented groups but also to underrepresented locales outside of the traditional tech-hub hotspots such as New York or Silicon Valley.
- » One of the biggest resources for new entrepreneurs is having relationships with entrepreneurs who have been through the process. You have to turn over every stone, but many new entrepreneurs do not know where the stones are.
- » A thriving capital market means more jobs. There is a direct connection between lack of capital and lack of other opportunities. There is a real connection between having capital and having an overall better quality of life.
- » Surround yourself with people who are different from you, and welcome their opinions. Allow yourself to be a little uncomfortable. Do not underestimate anyone in your circle. Have an open mind and explore all of your options.

Participants' Policy Recommendations



Ensure capital raising rules provide equitable access to capital for underrepresented founders and investors

COMMISSION RESPONSE

Fair and efficient capital markets are important to protecting underrepresented founders and investors. To that end, the Commission regularly evaluates ways to improve its capital raising rules, and the Spring 2022 Regulatory Agenda includes initiatives to consider further updates to the Commission's rules related to exempt offerings.⁴ If the Commission pursues a rulemaking in any of these areas, the Commission will carefully balance concerns relating to the impact on companies participating in the U.S. capital markets (including those led by underrepresented founders) with the regulatory objectives of the rules, and carefully weigh the public comments to achieve the appropriate balance. Ensuring investor confidence in capital markets and disclosure is a crucial ingredient in capital formation, including capital formation for small business and underrepresented entrepreneurs.

In addition, the SEC Investor Advisory Committee submitted a series of recommendations to the Commission in March 2021 to address systematic wealth gaps in our country and ensure that minority communities have greater investment opportunities.⁵ In August 2020 and May 2021, the SEC Small Business Capital Formation Advisory Committee submitted recommendations for the Commission to promote access to capital for underrepresented founders and investors, including women, minorities, and founders outside of prominent tech hubs.⁶ This committee also submitted recommendations in March 2022 regarding a potential rulemaking on the definition of accredited investor that noted concern that raising the financial thresholds of this definition could have disproportionate impacts on various demographic groups, making the definition less inclusive and widening the nation's racial wealth gap.⁷ The Commission will consider these recommendations and this Forum recommendation in connection with any relevant regulatory initiatives.



Support entrepreneurs who lack the technical assistance to understand how to access traditional capital

COMMISSION RESPONSE

The Commission supports efforts to provide and improve accessibility of educational and technical resources to support entrepreneurs and their investors. In 2021, the SEC's Small Business Advocacy Office, in partnership with other SEC offices and divisions, launched the following online educational resources:

- [Capital Raising Hub](#)⁸: a centralized portal for educational resources for entrepreneurs and their investors with tools to assist in raising capital from investors.
- [Cutting Through the Jargon](#)⁹: a glossary of key terms that makes the language of capital raising more accessible to small businesses and their investors.
- [Navigate Your Options](#)¹⁰: an interactive tool that explores regulatory pathways available to raise capital, through which users answer a series of questions to identify the most relevant pathways to raise capital based on their specific needs.
- [Capital Trends Maps](#)¹¹: data on where capital is being raised across the country under various offering pathways.
- [Building Blocks](#)¹²: a suite of educational materials that break down fundamental securities law concepts into plain language.
- [Emerging Fund Managers](#)¹³: a series of virtual events to empower a new generation of investment decision makers and increasing diversity among capital allocators.

The resources were developed based on feedback received directly from prospective users during outreach. As a part of broader efforts to make SEC resources more accessible and in response to feedback from small businesses, the SEC recently merged its legacy small business resources page into the new Capital Raising Hub, which is now directly accessible under the “Education” tab on the SEC’s homepage. The SEC’s Small Business Advocacy Office, in partnership with other SEC offices and divisions, has engaged with small businesses, investors, and thought leaders in the market to highlight these new educational resources, and will continue to seek engagements with diverse audiences across the country.

The Commission welcomes continued engagement and ideas to improve the resources.



Utilize technology and educational resources to help facilitate small business capital markets and decentralize and democratize capital markets

COMMISSION RESPONSE

The Commission supports efforts to improve accessibility of educational resources and technology to help facilitate small business capital markets. As described above, in 2021, the SEC's Small Business Advocacy Office, in partnership with other SEC offices and divisions, launched several educational resources to support entrepreneurs and their investors and has taken steps to improve the accessibility of its educational resources.

The Commission welcomes continued engagement and ideas to improve the resources and technology available for participants in the small business capital markets.



In considering any changes to the private capital markets, ensure companies have viable pathways to access capital to allow growth and innovation

COMMISSION RESPONSE

The Commission welcomes ideas for how the federal securities laws can facilitate cost-effective access to capital for companies of all sizes while maintaining investor protection. The Spring 2022 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to exempt offerings, including potential updates to Regulation D, Form D, and Rule 144. These initiatives recognize that investor protection and investor confidence in capital markets provide the bedrock for small business capital formation. The Commission will consider this Forum recommendation, in connection with any such initiatives.



Revise Regulation Crowdfunding to permit investment companies to conduct a Regulation Crowdfunding offering

COMMISSION RESPONSE

Section 4A(f)(3) of the Securities Act prohibits investment companies, as defined in the Investment Company Act (or companies that are excluded from the definition of an investment company under section 3(b) or 3(c) of the Investment Company Act), from using the Regulation Crowdfunding exemption. Because the prohibition on investment companies originates in this statutory provision, an amendment to Section 4A(f)(3) to permit investment companies under Regulation Crowdfunding's eligibility criteria would require Congressional action.

DAY 2: HOMETOWN ENTREPRENEURSHIP

How Entrepreneurs Can Thrive Outside of Traditional Capital Raising Hubs

Agenda

- 1:00 P.M. Welcome Remarks from Sebastian Gomez Abero, SEC Small Business Advocacy Team
- 1:05 P.M. Remarks from Commissioner Hester M. Peirce
- 1:10 P.M. Introduction by Martha Legg Miller, SEC Small Business Advocacy Team
- 1:15 P.M. Panel Discussion, moderated by Julie Zelman Davis, SEC Small Business Advocacy Team
- 2:00 P.M. Closing Remarks from Sarah Kenyon, SEC Small Business Advocacy Team
- 2:05 P.M. Voting to Prioritize Policy Recommendation Submissions

Panel Speakers



VICTOR GUTWEIN

Founder and Managing Partner

M25

Chicago, IL

Victor founded M25 to provide early-stage capital to tech startups headquartered in the Midwest. The firm has since grown to become the most active venture firm in the region. Victor has a passionate history with startups, including founding a vending machine business and kick scooter company. Victor is a Kauffman Fellow (Class 22) and a former leader in Hyde Park Angels.



Networking needs to be intentional. The more people that hear your story, the more people that can help you out or may have a connection. [Think] big and don't be afraid to pitch big vision.



Indigenous women-owned businesses are an \$11 billion industry, without any resources, tools, or real capital. Imagine what it would look like if we invested in them.



VANESSA ROANHORSE

CEO | Co-founder
 Roanhorse Consulting | Native Women Lead
 Albuquerque, NM

Vanessa founded Roanhorse Consulting, an Indigenous women-led think tank to encourage economic empowerment through entrepreneurship. She is also a co-founder of Native Women Lead, a nonprofit that fosters a connected community of Native/Indigenous women entrepreneurs. Her many professional and civic leadership roles are united by a focus on social, environmental, and economic change.



JORDAN WALKER

Co-Founder
 Yac
 Orlando, FL

Jordan co-founded Yac in 2019, an audio-first messaging platform to enrich communication among teams using voice rather than text or video. After developing the prototype during a hackathon contest, the company subsequently raised over \$10 million from multiple professional investors. In addition, Jordan creates experience-driven designs for apps, websites, and VR/AR through his company SoFriendly.



Remote work has broken down barriers...Entrepreneurs and investors alike have begun to realize building in siloed cities creates dangerous echo chambers. It's possible to build a real business from anywhere.

Highlights from Panel Discussion

- » Increasingly, investors are seeking out companies that are not located on a coast. Different regions can have advantages in terms of cost of living and the ability to find unique talent and work more closely with their customers.
- » Historically, venture capital has been a game where you have to know people. As people have grown more comfortable with remote work, there has been an opening up, and entrepreneurs have more opportunities to reach out.
- » Recent tech company successes in the Midwest region have motivated those entrepreneurs to redeploy that capital locally. Angel investing has always been highly localized, and now there are more cities with their own crop of angel investors deploying money locally.
- » For many non-Native investors, there is a lack of understanding about how tribal sovereignty, Native relationships, and history play into what Indigenous founders are looking for and what resources are needed. There is a long history in the United States where Native Americans have given up ownership of something and did not get back what they expected.
- » In some ways, VCs' high-growth model does not align with what many Indigenous founders are building – local, sustainable businesses that consider the impact on the earth and community as well as on the bottom line. It is going to take a different kind of system that incorporates this understanding into the funding.

Participants' Policy Recommendations



Expand the accredited investor definition to achieve greater diversity among startup investors and entrepreneurs

COMMISSION RESPONSE

The Spring 2022 Regulatory Agenda includes a potential release seeking public comment on ways to further update the Commission's rules related to exempt offerings to more effectively promote investor protection, including updating the financial thresholds in the accredited investor definition. The Commission will consider this Forum recommendation in connection with any such release and any other relevant initiatives.



Expand the accredited investor definition to include additional measures of sophistication

COMMISSION RESPONSE

In 2020, the Commission adopted amendments to the definition of “accredited investor” under Regulation D of the Securities Act that added new categories of qualifying natural persons and entities and made certain other modifications to the definition.¹⁴ This included amendments allowing natural persons to qualify as accredited investors based on certain professional certifications, designations, or credentials. The amended rule includes a nonexclusive list of attributes that the Commission will consider in determining which professional certifications and designations or other credentials qualify a natural person for accredited investor status. In a related order, the Commission designated holders in good standing of the Series 7 (Licensed General Securities Representative), Series 65 (Licensed Investment Adviser Representative), and Series 82 (Licensed Private Securities Offerings Representative) licenses as accredited investors.¹⁵ The Commission may designate additional qualifying professional certifications, designations, and other credentials by order. In addition, the SEC Small Business Capital Formation Advisory Committee has recommended that, in a potential rulemaking regarding the definition of accredited investor, the Commission consider alternative methods for investors to qualify as sophisticated, noting that this could include investment experience, knowledge gained through work experience or membership in associations, education credentials, additional professional certifications, or tests to demonstrate sophistication.¹⁶

The Spring 2022 Regulatory Agenda includes a potential release seeking public comment on ways to further update the Commission’s rules related to exempt offerings to more effectively promote investor protection, including possible updates to the financial thresholds in the accredited investor definition. The Commission will consider this Forum recommendation in connection with any such release and any other relevant initiatives.



Expand the accredited investor definition to include any person who invests not more than 10% of the greater of his/her annual income or net assets

COMMISSION RESPONSE

The Spring 2022 Regulatory Agenda includes a potential release seeking public comment on ways to further update the Commission’s rules related to exempt offerings to more effectively promote investor protection, including possible updates to the financial thresholds in the accredited investor definition. The Commission will consider this Forum recommendation in connection with any such release and any other relevant initiatives.



In considering changes that raise the wealth thresholds in the accredited investor definition, consider the unintended consequences on access to capital in under-resourced and underrepresented communities

COMMISSION RESPONSE

The Commission is mindful of concerns about how our capital markets are serving underrepresented founders and investors. In addition, the SEC’s Small Business Capital Formation Advisory Committee recently considered the wealth gap among different racial and ethnic groups, as well as across different geographic communities, in connection with its recommendations on the definition of “accredited investor.”¹⁷ The Spring 2022 Regulatory Agenda includes a potential release seeking public comment on ways to further update the Commission’s rules related to exempt offerings to more effectively promote investor protection, including possible updates to the financial thresholds in the accredited investor definition. The Commission will consider this Forum recommendation in connection with any such release and any other relevant initiatives.



Finalize the Commission’s finders order

COMMISSION RESPONSE

In October 2020, the Commission proposed an exemptive order that would permit natural persons to engage in certain limited activities involving accredited investors without registering with the Commission as a broker-dealer.¹⁸ In connection with that proposal, the Commission requested public comment on all aspects of the proposed exemption. Finalizing the proposal is not included in the Commission’s Spring 2022 Regulatory Agenda.

DAY 3: NEW INVESTOR VOICES

How Emerging Fund Managers Are Diversifying Capital

Agenda

- 1:00 P.M. Welcome Remarks from Jenny Riegel, SEC Small Business Advocacy Team
- 1:05 P.M. Remarks from Commissioner Allison Herron Lee
- 1:10 P.M. Remarks from William Birdthistle, Division of Investment Management
- 1:15 P.M. Introduction by Martha Legg Miller, SEC Small Business Advocacy Team
- 1:20 P.M. Panel Discussion, moderated by Sebastian Gomez Abero, SEC Small Business Advocacy Team
- 2:00 P.M. Closing Remarks from Kim Dinwoodie, SEC Small Business Advocacy Team
- 2:10 P.M. Voting to Prioritize Policy Recommendation Submissions

Panel Speakers



BRANDON BROOKS

Founding Partner

Overlooked Ventures

Columbus, OH

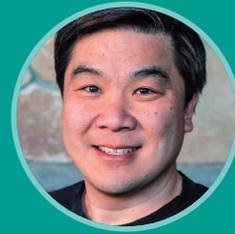
Brandon is a tech entrepreneur and the founding partner at Overlooked Ventures, where he brings his passion about helping overlooked founders take their startups to the next level through access to capital, resources, and connections to scale their businesses. Brandon bootstrapped his own startup, Inventrify.



Every new emerging fund manager is fighting for the same small slice of pie, while there's still \$50B out there going to the historic funds that have been around for a long time. I can't believe we're all fighting gladiator-style or Hunger Games-style to get a slice of the pie.



I had the fortune of access to networks because I went to the right schools, but it's very difficult for Black, Brown, Asian, other founders. They don't have that access because they weren't granted that access in the first place...If you don't break into that circle it's very hard to be noticed.



DAVE LU

Managing Partner
Hyphen Capital
San Francisco, CA

Dave Lu founded Hyphen Capital to provide early-stage capital to the next generation of Asian American founders. He brings over 20 years of technology operating experience to the companies in which he invests, having worked at multiple iconic Silicon Valley technology companies and subsequently founding his bootstrapped startup Fanpop and venture-backed startup Pared.



ERICA DUIGNAN MINNIHAN

Founder and General Partner
Reign Ventures
New York, NY

Erica Duignan Minnihan is co-founder and General Partner of Reign Ventures, a seed-stage venture capital firm investing in consumer tech and enterprise software companies. Reign Ventures is committed to promoting racial inclusivity and gender equity in the venture capital markets. Erica runs the firm's New York City office, where she also is actively involved with her alma mater, Columbia Business School, to cultivate and support the entrepreneurial ecosystem.



Female GPs, GPs of color, first time GPs, we have to do a lot to get in front of these potential investors and convince them why we're better. If you are different in whatever way, you're going to have extra work to do to convince that asset manager to take a risk on you, to try your...uniquely differentiated investment strategy and that you as a manager [can] create outsized returns for them.

Highlights from Panel Discussion

- » Success with institutional LPs is critical to the ability to go on to raise additional commitments from private institutional endowments and other institutional LPs.
- » There has been progress with underrepresented GPs obtaining commitments from institutional LPs after the events of the summer of 2020 surrounding racial justice. Those commitments, however, are still small compared to the LPs' total portfolio.
- » Every new emerging fund manager is fighting for the same small slice of pie set aside by the institutional LPs.
- » Accessing VC funding remains very difficult for Black, Brown, Asian, Indigenous and other minority founders.
- » Capital raising is all about network and access, and many minority founders do not have relationships with institutional LPs because they are not in the same circles.
- » There still is not a lot of VC funding in overlooked cities outside the coasts.

Participants' Policy Recommendations



Create a new private fund exemption to allow states to foster intrastate and regional funds focused on community-based investing that is open to non-accredited investors

COMMISSION RESPONSE

The Commission supports collaboration among the SEC's Division of Investment Management, Division of Corporation Finance, Small Business Advocacy Office, and the Small Business Capital Formation Advisory Committee to explore ways to enhance community-based investing.

In connection with increasing access to capital, the Commission adopted a set of rule amendments designed to facilitate capital formation and increase opportunities for investors by expanding access to capital for small and medium-sized businesses and entrepreneurs across the United States.¹⁹

In February 2022, the SEC's Small Business Capital Formation Advisory Committee met and discussed how the accredited investor definition impacts capital raising opportunities for early-stage companies that raise capital through exempt offerings.²⁰ In addition, in 2021, that same advisory committee explored ways to improve access to capital for underrepresented founders and investors and encourage small, regional funds.²¹

Finally, the Commission regularly evaluates ways to expand and diversify access to capital, and will consider this Forum recommendation in connection with these efforts.



Increase the thresholds (number of investors and cap on fund size) allowed in 3(c)(1) funds to achieve greater diversity among startup investors and entrepreneurs

COMMISSION RESPONSE

A 3(c)(1) fund is a type of pooled investment vehicle that is excluded from the definition of “investment company” under the Investment Company Act of 1940 (1940 Act) because it has no more than 100 beneficial owners and otherwise meets criteria outlined in Section 3(c)(1) of the 1940 Act. 3(c)(1) funds are often used by venture capital firms and other early-stage investors who pool capital for investment in startups.

A “qualifying venture capital fund” is a type of private fund that is excluded from the definition of “investment company” under Section 3(c)(1) of the 1940 Act.

Any amendments to Section 3(c)(1) would require Congressional action.



Support underrepresented emerging fund managers—specifically minorities and women—building funds that diversify capital allocators, engage sophisticated investors, and challenge pattern matching trends

COMMISSION RESPONSE

The Commission supports efforts to improve diversity among fund managers and entrepreneurs who raise capital. As described above, in 2021, the SEC’s Small Business Advocacy Office, in partnership with other SEC offices and divisions, launched several educational resources to support entrepreneurs and their investors, including content to help support underrepresented emerging fund managers, their investors, and their portfolio companies.²²

The SEC’s Small Business Capital Formation Advisory Committee submitted recommendations in 2020 and 2021 for the Commission to promote increased opportunities for diverse entrepreneurs and investors.²³ The SEC’s Investor Advisory Committee submitted recommendations in March 2021 to address systematic wealth gaps and ensure that minority organizations have greater investment opportunities.²⁴ In addition, the SEC’s Office of the Investor Advocate has sought to engage with diverse communities, including investors in the disability community, ethnic-based groups, veterans, and young adults.²⁵

The SEC’s Asset Management Advisory Committee and its Subcommittee on Diversity and Inclusion recommended that the Commission focus on transparency of business practices for consultants who recommend investment advisers and investment funds to improve diversity among asset managers.²⁶ Finally, the SEC’s Asset Management Advisory Committee and the Commission have also elevated and prioritized the goal of increasing and promoting diversity, equity, and inclusion in the asset management industry.²⁷

The Commission will consider this Forum recommendation in connection with these and other initiatives.



Increase the number of investors allowed in 3(c)(1) funds above 99 investors

COMMISSION RESPONSE

As noted above, a 3(c)(1) fund is a type of pooled investment vehicle that is excluded from the definition of “investment company” under the 1940 Act because it has no more than 100 beneficial owners and otherwise meets criteria outlined in Section 3(c)(1) of the 1940 Act.

Any amendments to Section 3(c)(1) to change the number of investors allowed would require Congressional action.



Support underrepresented and emerging fund managers and their investors through targeted resources, in collaboration with other federal agencies

COMMISSION RESPONSE

The Commission supports efforts to improve accessibility of educational and technical resources to improve diversity among fund managers and investors. As described above, in 2021, the SEC’s Small Business Advocacy Office, in partnership with other SEC offices and divisions, launched several educational resources to support entrepreneurs and their investors. The following educational resources available through the SEC’s new [Capital Raising Hub](#)²⁸ include content to help support emerging fund managers and their investors:

- [Cutting Through the Jargon](#)²⁹: a glossary of key terms that makes the language of capital raising more accessible to small business owners and their investors. The glossary includes foundational terminology, along with small business investing terminology, and fund-specific terminology.
- [Capital Trends Maps](#)³⁰: data on where capital is being raised across the country under various offering pathways.
- [Building Blocks](#)³¹: a suite of educational materials that break down fundamental securities law concepts into plain language, including accredited investors, general solicitation, private funds, exits and liquidity, and the consequences of non-compliance.
- [Emerging Fund Managers](#)³²: a series of virtual events to empower a new generation of investment decision makers and increasing diversity among capital allocators.

The resources were developed based on feedback received directly from prospective users during outreach. The SEC’s Small Business Advocacy Office, in partnership with other SEC offices and divisions, has engaged with small businesses, investors, and thought leaders in the market to highlight these new educational resources, and will continue to seek engagements with diverse audiences across the country. A number of these events have already included collaboration with staff from other federal agencies, including the Small Business Administration, the U.S. Department of Commerce, and the U.S. Department of the Treasury.³³

The Commission welcomes ideas from underrepresented and emerging fund managers and their investors for specific resources and programming that would be most impactful to improve diversity among investment decision-makers.

DAY 4: SMALL CAP WORLD

What to Know and How to Think Ahead

Agenda

- 1:00 P.M. Welcome Remarks from Jenny Choi, SEC Small Business Advocacy Team
- 1:05 P.M. Remarks from Commissioner Caroline A. Crenshaw
- 1:10 P.M. Remarks from Renee Jones, Division of Corporation Finance
- 1:15 P.M. Introduction by Martha Legg Miller, SEC Small Business Advocacy Team
- 1:20 P.M. Panel Discussion, moderated by Jenny Riegel, SEC Small Business Advocacy Team
- 2:05 P.M. Closing Remarks from Martha Legg Miller, SEC Small Business Advocacy Team
- 2:10 P.M. Voting to Prioritize Policy Recommendation Submissions

Panel Speakers



ADAM J. EPSTEIN

Founder

Third Creek Advisors, LLC

San Francisco, CA



It's a small percentage of small caps that are terrific at shareholder engagement and terrific at capital engagement, but there are two things they do really well: they tell really easy to understand, concise, dynamic stories, and they tell them to investors who are most likely to have interest in what they're doing. You need both of those, especially in turbulent markets.

A former institutional investor, Adam now provides capital markets insights to Small-Cap Institute, Inc.'s editorial board, is a contributor to Nasdaq's small-cap content platform, and serves as a mentor at the Nasdaq Entrepreneurial Center. In 2012, he authored *The Perfect Corporate Board: A Handbook for Mastering the Unique Challenges of Small-Cap Companies* (McGraw Hill, 2012).



Being a public company, you're held to a standard that is very different from a private company. That discipline, if you can survive it, can only make you stronger. As painful as it is, it raises the bar and makes you a stronger and more transparent company, and that's really essential to survive and thrive in the small cap market.



PETER HOLT

President and Chief Executive Officer
The Joint Corp.
Scottsdale, AZ

Peter is the chief executive at The Joint (JYNT), a Nasdaq-traded company that operates the largest franchise network of chiropractic clinics in the world. Prior to taking the helm at The Joint, Peter held multiple leadership roles with both domestic and international companies. Peter also advises Stage Six in their support of sustainable franchises scaling in emerging markets worldwide.



KRISTOPHER SIMPSON

Senior Vice President and General Counsel
Urban One, Inc.
Washington, DC

Kris is a leader at Urban One, Inc. (UONE), an integrated media company focused on Black culture in America through its radio, syndications, digital, and cable portfolio. Kris has been with the company for over a decade, counseling the Nasdaq-traded company on securities law, finance, acquisitions and dispositions, corporate development, and corporate governance matters. Prior to his time at Urban One, Kris worked in corporate development and investor relations at E*TRADE Financial Corporation. Before going in-house, Kris practiced corporate, health and securities law at Holland & Knight, LLP.



You just have to make sure you're telling [your] story in a cogent manner and marrying that with the facts. At the end of the day, it's all about the story because that story, it's your strategic plan. It's your vision. It's how you weighed the volatility. It's your guiding post.

Highlights from Panel Discussion

- » Small-cap companies are essential in the public markets as they not only constitute the majority of public companies in the United States, but also employ many Americans and cultivate innovation.
- » Market volatility is a double-edged sword; it can generate higher trading volume that may help attract more institutional investors, but it can bring challenges in attracting new employees and managing expectations of existing corporate partners.
- » An effective board brings expertise that management may not have – access to a level of expertise that can protect and propel the company moving forward.
- » Diversity is in the interest of businesses. A diverse board and a diverse workforce help the business to be more profitable.
- » When contemplating going public, company leadership must first identify why they are going public and whether they have the resources to go through the process.
- » When a company is included in an index, it will help increase the trading volume of the company's shares, but on the other hand, it may be more challenging to engage and communicate with the index fund as your investor.
- » Scaling and exemptions from certain rules for smaller public companies are essential for small-cap companies with limited resources.

Participants' Policy Recommendations



Modernize Section 17(b) of the Securities Act to warn against pump-and-dump schemes by requiring additional disclosure about paid stock promotion

COMMISSION RESPONSE

Section 17(b) of the Securities Act requires promoters to disclose certain information about their compensation. Any amendments to Section 17(b) would require Congressional action.



Consider the impact of the proposed environmental, social, or governance (ESG) regulations on small and medium-sized companies, including whether such requirements will discourage companies from going public

COMMISSION RESPONSE

On March 9, 2022, the Commission proposed rules to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance, and cybersecurity incident reporting by public companies that are subject to the reporting requirements of the Securities Exchange Act of 1934.³⁴ The release solicits comment on whether the Commission should exempt certain categories of registrants, such as smaller reporting companies, from proposed disclosure requirements about a company's risk management, strategy and governance regarding cybersecurity risks. As an alternative, the release also solicits comment on whether the Commission should consider scaled disclosure requirements for smaller reporting companies and certain other categories of registrants.

On March 21, 2022, the Commission proposed rules to enhance and standardize climate-related disclosures for investors.³⁵ The proposed amendments include certain disclosure accommodations, including an exemption from the Scope 3 emissions disclosure requirement for smaller reporting companies and a longer transition period to comply with the proposed rules for smaller reporting companies.

The Commission will consider this Forum recommendation in connection with these proposed rules and any other ESG initiatives.



Modernize regulation of transfer agents in response to technological and market advancements to increase disclosures made available to broker-dealers to facilitate liquidity for smaller public companies while continuing to protect investors

COMMISSION RESPONSE

In 2015, the Commission published an Advance Notice of Proposed Rulemaking and Concept Release outlining various issues related to the transfer agent regulatory regime and potential rulemaking to address those issues.³⁶ The Commission will continue to consider the comments received and this Forum recommendation in connection with this initiative.



Increase transparency around short selling activities and improve short sale data

COMMISSION RESPONSE

In connection with short sale disclosure, self-regulatory organizations, including NYSE, Nasdaq, and FINRA, currently provide short selling information on their websites, and the Commission currently provides information on failures to deliver securities that may result from sales, including short sales. On February 25, 2022, the Commission proposed a new rule and related form designed to provide greater transparency through the publication of short sale-related data to investors and other market participants.³⁷ Under the rule, institutional investment managers that meet or exceed a specified reporting threshold would be required to report, on a monthly basis using the proposed form, specified short position data and short activity data for equity securities. The Commission will continue to consider the comments received and this Forum recommendation in connection with this initiative.



Collaborate with NSCC, DTCC, clearing firms, and broker-dealers to improve the clearing and settlement process for small public companies

COMMISSION RESPONSE

SEC Staff regularly engage with market participants, including the entities and types of market participants named here, regarding issues related to the national clearance and settlement system. The Commission welcomes ideas to improve the clearance and settlement process for small public companies.

ADVISORY PLANNING GROUP

The SEC's Small Business Advocacy team convened an advisory planning group to provide strategic input on the Forum.³⁸ Planning group members brought additional perspectives to the Forum planning process, weighing in on improvement opportunities from prior Forums, emerging issues impacting access to capital, highlighting potential speakers, and promoting the event within their networks.

Chair **Martha Legg Miller**
Director, Office of the Advocate for Small Business Capital Formation
U.S. Securities and Exchange Commission

Government & Regulatory Representatives

Gregory J. Dean, Jr.
Senior Vice President, Office of
Government Affairs
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Carrie Lee
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Bailey DeVries
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National Diversity Council*

Charles Crain
Director, Tax & Domestic Economic Policy
National Association of Manufacturers

Shelly Omilâdé Bell
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Victor Hwang
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Director, Center for Capital Markets
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US Chamber of Commerce

Sevetri Wilson
Founder and Chief Executive Officer
Resilia

SEC OFFICIALS' REMARKS

RETHINKING CAPITAL RAISING POLICY: OPENING REMARKS

MARTHA LEGG MILLER



Good afternoon, and welcome to the SEC's 41st annual [Small Business Forum](#). This is one of my favorite events of the year, and not just because it brings together hundreds of people who are passionate about capital raising, all of our Commissioners, as well as other government leaders. This annual event signals that no matter the good work we have done, we will always need advocates pushing us to rethink and retool our policies in response to a constantly changing environment.

FISH TANKS VS. VAST OCEANS

If the world were static—like an unchanging fish tank—we could have crafted perfect rules that could be etched in stone forever. With the right people in the room in 1982 at the first Forum, we conceivably could have solved all of the capital raising challenges, patted each other on the back, and moved on.

Yet we live in a dynamic world, less a fish tank than a vast blue ocean. It is a world defined by continuous change, not homeostasis. Entrepreneurship and investing have dramatically changed over the past 41 years of the Forum (not to mention the nine decades of the SEC's existence), and they will continue to change. Even the best, most thoughtful policies will become outdated with time, requiring revisiting and refining to meet the needs of a changing world.

THE CHANGING TIDES AT RECENT FORUMS

Let's take the last three years as an example (which coincidentally line up with the three years the Forum has taken place since our Office's conception). In 2019, we met in the middle of the country in Omaha, Nebraska—where the staple tends to land in the middle of a map of the United States. One of the key themes of that Forum was highlighting that entrepreneurship exists everywhere.³⁹ We did what many entrepreneurs were then doing to raise capital: hop on an airplane and travel across the country. The 2019 Forum occurred in the world of handshakes, nametags, and crowded auditoriums.

One year later, as we were finalizing plans to take the 2020 Forum to another state, we were forced to flip our plans upside down in response to COVID-19. It was our first foray into hosting the Forum on sofas and in home offices across the country. Just a few months into the pandemic, the Forum conversation shifted to the issues of the day: how the world would adapt to working remotely, and, even more critical, how the racial justice reckoning of Black Lives Matter would impact capital raising policy.⁴⁰

Last year as we celebrated the 40th Small Business Forum, we were all well-versed with virtual meetings, albeit with a heavy dose of Zoom fatigue. Instead of talking about when we would get back to “normal”—the way things had been pre-pandemic—we were talking about how we would evolve going forward, blending the best of both worlds.⁴¹ The 2021 Forum was less about how to use tools for remote collaboration, and more about how those tools could unlock trapped potential among entrepreneurs and investors alike.

As we look ahead to this year’s Forum and future gatherings, we know this vast ocean will continue to change. Your advocacy efforts are essential to refining policy to build the companies of tomorrow. Whether it be the rise of Web3, new forms of financing, changing investor expectations, or illumination of social inequities, I have no doubt that the Forum will continue to be a critical venue to explore the changing tides and how we, as policymakers, should correspondingly evolve in our thinking.

CALL TO ACTION

For those listening along and thinking: well, Martha is stating the obvious... of course things have changed since 1982, and of course they will continue to change! You are right, which makes my call to action to *rethink* all the more important.

The purpose of the Forum is not to convene a group of people who all think alike and have the same ideas about how to fix capital raising policy. Instead, the purpose is to convene a group of people who can share stories, perspectives, and suggestions that will intrigue, spark ideas, and make you question what you know about capital raising so that you may do rethinking of your own.

Ironically, this call to action—to rethink—is the most challenging for the smartest person in the room: the expert, the person with the answers and the impressive résumé. Take my nudge as a compliment; research shows that the smarter you are, the harder it often is for you to update your beliefs and viewpoints on the world,⁴² and hence the more important for you to actively force yourself to rethink.

I’ll share an example. Many capital markets experts extol that the market is efficient, meaning if a company is a “good one,” capital will find it. Conversely, if a company struggles to raise capital, it must be because the company is a “bad one.” Maybe that would be the case in a contained fishbowl. Yet the data and our Office’s experiences have shown again and again that *who you are*—your personal network, location, education, and demographic group—often is the first hurdle to clear before investors ever learn *what you are building* and, critically, *whether they will invest*.⁴³ Many founders never get in the room to tell their story to investors because of who they are. I would use the phrase “the door is slammed in their face,” but for most of those founders, they never get near the doorway at all. If you haven’t witnessed

“Many founders never get in the room to tell their story to investors because of who they are. I would use the phrase “the door is slammed in their face,” but for most of those founders, they never get near the doorway at all.”

the exclusivity of capital raising, it's easy to buy into the meritocracy narrative that good money will find good companies if you don't pause to *rethink*. The meritocracy narrative is just not true, at least not for those who don't "look the part."

ON TO THE EXCITING PART: THE MAIN EVENT

As we embark upon the next four days of the Forum with insightful remarks from our Commissioners and each of our speakers, listen closely when you hear something new, something that conflicts with your worldview. If you find a puzzle piece that looks out of place, rather than casting it aside, ponder whether there are others like it, whether the complete puzzle may be bigger than the picture you've had to date. That is the beauty of the Forum: you will stretch, learn, and grow at the same time you are actively influencing policy.

Thank you for joining us today and across each day of the 41st Small Business Forum. I am grateful that you care deeply about capital raising and are spending your most valuable resource—your time—with us.

It takes a talented team to bring this event together, and while biased, I think **ours** is the best. Thank you to Jenny Choi, Julie Zelman Davis, Sebastian Gomez Abero, Sarah Kenyon, Jephthe Lanthia, Jenny Riegel, Malika Sullivan, Todd VanLaere, with extra thanks to Amy Reischauer and Kim Dinwoodie for leading this event.

It has been the greatest gift the past 3+ years serving as the SEC's inaugural Director of the [Office of the Advocate for Small Business Capital Formation](#). In this role, I have learned more from engaging with people who think differently than me than those with whom I have shared perspectives. To each person who has taken the time to raise your hand, speak up, and collaborate to advance capital raising policy: thank you. My ask of you is to keep it up, to raise your hand again (or for the first time!), and to use your voice for good.

Now join me in diving into the main event: the vast blue ocean, which is far more interesting than a fish tank could ever dream to be.

CHAIR GARY GENSLER



Thank you, Martha, for that kind introduction. I want to say how grateful I am for your leadership, particularly as you prepare for your next chapter in professional life.

As is customary, I would like to note that my views are my own, and I'm not speaking on behalf of the Commission or SEC staff.

Martha, in the closing days of 2018, you stepped up to the plate to build and lead the SEC's Office of the Advocate for Small Business Capital Formation.⁴⁴

Since then, the office has represented the interests of a core part of our economy: America's small businesses. It is fundamental to the SEC's mission for businesses of every size—and from every sector and the full diversity of our country—to have full access to our capital markets.

“It is fundamental to the SEC's mission for businesses of every size—and from every sector and the full diversity of our country—to have full access to our capital markets.”

From the Office of the Advocate for Small Business Capital Formation to the agency as a whole, the SEC's work is to help ensure that when we protect investors, and when we promote fair, orderly, and efficient markets, we ultimately support the ability for companies of all sizes to raise money.

This week's forum will share ideas on the steps we can take to help ensure that small businesses, from early start-ups to small-cap companies, can grow. When small businesses grow, our economy grows.

I understand firsthand what happens when small businesses can grow. I am the son and grandson of small business owners. My two sets of grandparents opened and ran a grocery store and a bar, both in Baltimore. My dad built a small vending machine business that served hundreds of other small businesses in the process, such as small diners and bars.

In this sense, my family's business was part of a larger community of small businesses, whose owners were as diverse as the city of Baltimore.

Today, the SEC and the Office of the Advocate for Small Business Capital Formation have taken important measures on behalf of the large and diverse community of small businesses. These measures have improved full and equal access to our capital markets—whether you work at a grocery store or one of the startups innovating today.

I would like to highlight a few of these measures.

First, the office has developed several resources to make it easier for entrepreneurs to navigate the process to raise capital. One of these is the office's new Capital Raising Hub, which offers a wealth of educational resources.⁴⁵

Second, the office has worked to make the language around raising capital easier to understand, thanks to their Cutting through the Jargon glossary.⁴⁶

More broadly, the office has taken strides to represent the interests of all small business investors in SEC policymaking.

Facilitating capital formation is an integral part of the SEC's three-part mission.

Facilitating capital formation is bolstered as well by other parts of our three-part mission: promoting fair, orderly, and efficient markets, along with protecting investors.

Fairness is about expanding opportunity through widening access to our capital markets. Transparency and competition promote efficiency to in turn promote lower costs for those trying to raise capital. Through investor protection, we enhance the confidence and trust in markets for investors, the ultimate source of capital for an entrepreneur with a good idea.

I believe that by promoting these principles, the SEC advances stronger market conditions for companies of all sizes.

It facilitates capital formation, for example, to have more efficient stock and fixed income markets that lower the cost of the intermediation in the middle of the market for investors and issuers.

It facilitates capital formation to bring more transparency and competition to private funds, where advisers may take in aggregate several hundred billion dollars of fees each year.⁴⁷ That's good for companies on one side—including small businesses hoping to raise funds—and investors on the other.⁴⁸

In crafting various rule proposals, I've also asked staff to consider how recommendations might affect smaller reporting companies. For example, in our recent climate disclosure proposal, there are aspects that apply only to the largest companies—the accelerated filers—and not to smaller reporting companies, particularly around greenhouse gas emissions. The proposal recognizes that our rules can impact companies of different sizes in different ways and provides targeted accommodations for smaller reporting companies, such as by exempting those smaller companies from disclosing Scope 3 emissions.⁴⁹ These are emissions from upstream and downstream activities in a company's value chain.

I encourage members of the audience to weigh in on our proposals related to private fund advisers, climate disclosures, and dozens of other matters. We benefit from comments on every proposal. Please weigh in, and let us know what you think works and doesn't work, particularly with an eye to small businesses. I look forward to reviewing the comment letters that we receive.

Our proposed rules, like the work that Martha and her team do at the Office of the Advocate for Small Business Capital Formation, are consistent with this agency's commitment to small businesses—and they reflect the importance of this year's Annual Small Business Forum.

I also look forward to the recommendations you will generate from this week's discussions—on empowering entrepreneurs, building hometown entrepreneurship, lifting new investor voices, and navigating the small-capital world. Thank you.

COMMISSIONER HESTER M. PEIRCE



Thank you, Martha [Miller] for hosting the 41st Annual Small Business Forum and for inviting such talented and inspirational individuals to address how entrepreneurs can thrive outside of capital raising hubs. This issue is near and dear to my heart: for over four years in my role as Commissioner, I have attempted to shine a light on the need to make it easier for capital to flow not just to the coasts, but to the entrepreneurs looking to build businesses in their hometowns across this great country. I am eager to learn from today's panelists lessons drawn from their experiences and suggestions for how we can change the regulatory environment to allow more people like them to flourish.

I hope that the Commission will pay close attention to not only the panel conversations today and throughout the week, but also to the policy recommendations resulting from the Small Business Forum. The Forum is unique among capital formation events. Not only does the public have the opportunity to provide direct feedback to the Commission, but the Commission is required to issue a public statement responding to the policy recommendations made by the public.⁵⁰ Absent such an explicit directive to consider suggestions for improving the environment for small business capital formation, the Commission likely would focus on issues more relevant to larger companies.

Heightening the importance of this year's Forum is the Commission's current posture of, at best, indifference, and at times, hostility to facilitating capital formation.⁵¹ As it happens, today is the tenth anniversary of President Obama signing into law the Jumpstart Our Business Startups (JOBS) Act.⁵² That bipartisan legislation required the SEC to write rules lessening the burdens on small companies seeking to raise capital. Some of the Act's provisions were things we could have done on our own. Congress and the President got fed up waiting for the Commission to take small business capital formation seriously.

In line with the Commission's more general indifference to small business capital formation, the Commission has responded to policy recommendations made by past Forums in a non-committal and uninspired way. The Commission's response to ideas raised last year as potential game-changers was no different. For example, last year, the Forum recommended "[e]stablish[ing] a micro-offering exemption with minimal disclosure requirements," and the Commission responded by noting that the Commission had already considered and rejected such an idea, but that the Commission would "continue to consider" the recommendation.⁵³ Worthwhile policy recommendations to "[r]evise Regulation Crowdfunding to remove the GAAP financial statement requirement for businesses seeking to raise a small amount" and to "[p]rovide state preemption for secondary transactions for shares issued under Regulation A and Regulation Crowdfunding" received similar responses.⁵⁴

One area in which we have made recent progress and should build on it relates to the accredited investor definition. In 2020, when the Commission amended the accredited investor rule to include certain financial professionals, it also stated that it “may designate [additional] qualifying professional certifications, designations, and other credentials by order.”⁵⁵ Along these same lines, last year’s Forum recommended that the Commission expand the definition “to include other measures of sophistication, such as specialized industry knowledge or professional credentials,”⁵⁶ and “include an investor certification course or test whose curriculum has been approved by FINRA or the SEC.”⁵⁷ I hope that, taking up the Commission’s invitation, “[m]embers of the public [will] propose to the Commission” such certifications, designations, and other credentials at investorcredentials@sec.gov.⁵⁸

I also hope that the Commission and forum participants will find inspiration in the success of the JOBS Act. In all of our work, we should be inspired to take into account the unique challenges faced by small businesses in raising capital and the unique benefits that small businesses offer.

Speaking of inspiration, I want to take a moment to thank Martha Miller, our first Advocate for Small Business Capital Formation, who recently announced her departure. Since December 2018, Martha has worked tirelessly to establish the Office of the Advocate for Small Business Capital Formation and has assembled a first-class team that will carry on her great work after she leaves. Martha’s energy, creativity, and can-do attitude is contagious and her absence will be felt throughout the Commission. Thank you, Martha for your service.

To the public, enjoy the rest of the forum and please know that my door is always open for discussions on these and other subjects.⁵⁹

“In all of our work, we should be inspired to take into account the unique challenges faced by small businesses in raising capital and the unique benefits that small businesses offer.”

COMMISSIONER ALLISON HERREN LEE



Good afternoon, everyone. I'm pleased to join you today for the 41st Annual Small Business Forum.

A few years ago, I traveled to Omaha to speak at this event, which was among my first public events as an SEC Commissioner. Martha [Legg Miller], I think it was also the first year that you and your team had organized the forum. Now, nearly three years later, this is likely my last forum as a Commissioner, and I know that you have announced your intention to depart from the agency as well. So we've had parallel trajectories with the forum, and I want to take this opportunity to thank you for your efforts to ensure that the forum evolves and remains a vital and important event. I also thank you for your broader service to the Commission. You will leave the forum, the Office of the Small Business Advocate, and the agency all better off from your efforts. I wish you the best on the next stage of your journey.

In addition to Martha and her team, I want to thank all of our partners from other regulators and from private organizations who have come together to plan and participate in this event. Every year I especially appreciate the collaborative nature of the forum, which emphasizes communication and collaboration, not only between the Commission and the private sector, but also among regulators. I think that's important because it compels us to consider our overlapping jurisdictions and mandates and better understand how we can collectively create a regulatory environment that supports diverse, balanced capital raising opportunities for businesses and investors alike.

I also appreciate the continued focus of the forum on opportunities for women- and minority-owned businesses and underrepresented founders and investors. This is an area of crucial importance as we seek to promote access and opportunities for all participants in our capital markets.

So as you go about your discussions today and consider potential recommendations for the Commission, I'd like to highlight a couple of areas where I believe some regulatory action might be overdue. I know that these topics may have been a particular area of focus yesterday, but I hope you'll bear these considerations in mind as you finalize new recommendations for the forum overall.

First, I know you are considering the accredited investor definition. Historically, the forum's recommendations have focused on ways to expand this definition, something that we did in fact do recently. But as you think about your recommended approach to accredited investors, I encourage you to consider that the wealth thresholds in that definition are about as old as this forum itself, which is in its 41st year. And while we may consider potential alternatives to wealth as a pathway to accredited investor status (as we provided for in the 2020 accredited investor rulemaking), I ask you to think about whether, as long as we do maintain wealth thresholds, it is credible to leave them static for decades on end. Indeed, some common sense adjustments to the wealth thresholds, such as indexing to inflation going forward, may help facilitate expanding the definition in other respects.

Second, I hope you'll give some thought to Form D. The vast amount of capital being raised through exempt offerings, especially Reg D offerings, is well documented. But what is less well documented is exactly how that market is working. Form D is our principal mechanism for visibility into that market, but in fact our visibility is hampered by the limitations of that form. I think we could make better, more informed data-driven policy choices with respect to private markets if we collected better information through, for example, the addition of a simple closing amendment to Form D.

Lastly, I want to return to a point that I made back in 2019 that I think is still relevant and important. And that is that investors and business owners are not distinctly separate groups. Many investors are business owners and vice versa. And capital raising and investor protection are not at odds with one another or a zero-sum proposition. Rather, investors need appropriate investment opportunities, and investor protection increases investor confidence, which in turn helps promote capital raising. The relationship between the two is symbiotic and we can and should seek to balance the need for both robust capital raising opportunities and robust investor protection.

“Investors need appropriate investment opportunities, and investor protection increases investor confidence, which in turn helps promote capital raising. The relationship between the two is symbiotic and we can and should seek to balance the need for both robust capital raising opportunities and robust investor protection.”

Thank you again for your participation in the forum, and I look forward to reviewing your recommendations.

COMMISSIONER CAROLINE A. CRENSHAW



Good afternoon and thanks to Martha [Miller], Amy [Reischauer], Kim [Dinwoodie], all of the staff at the Office of the Advocate for Small Business Capital Formation, and the participants for another successful annual forum. It is wonderful to be here and I do not hesitate to call it a success because having a direct line of communication with the public is always imperative. I look forward to the discussion and policy recommendations.

As many of you know, this is the last annual forum for Martha. So I want to give a heartfelt thank you to Martha for her service as the very first Advocate for Small Business Capital Formation. She has been a thoughtful and tireless public servant, and has used her position to draw resources and attention to disparities in the capital markets. In her remarks to kick-off the forum earlier this week, Martha noted that who you are can be the first hurdle for an entrepreneur before investors ever learn about what you are building. She pointed to a report produced by the Office of the Advocate for Small Business Capital Formation that shows demographic background, personal network, education, and geographic location can be controlling factors in whether or not an entrepreneur is able to access capital and opportunity. Martha has done a superb job in standing-up the office and focusing its work on such issues. I look forward to continuing that work, and to the public's feedback on how to erode such barriers to access.

ACCESS TO PUBLIC MARKETS

Recently, the Commission put out a proposal relating to Special Purpose Acquisition Companies, or SPACs, and the issues raised by their structures and characteristics. As SPACs became more and more popular during the pandemic, several issues came to my attention. I, of course, look forward to any comment on that proposal, but thinking about SPACs highlighted to me that it may be time to think holistically about all paths to the public markets. One example of a well-documented issue in a traditional IPO is the 7% underwriter fee for mid-market entrepreneurs seeking to access the public markets. Data indicates that entrepreneurs of mid-market companies are consistently charged 7% by investment banks for taking their company public, regardless of other factors and conditions. Further, IPOs may be underpriced to produce better first-day returns at a cost to the entrepreneur. This is just an example, and I am interested to hear about the challenges you have faced in your path to the public markets. What are the hurdles that policymakers and academics are not talking about? How do we reduce those hurdles and foster investor protections?

“It may be time to think holistically about all paths to the public markets. I am interested to hear about the challenges you have faced in your path to the public markets. What are the hurdles that policymakers and academics are not talking about? How do we reduce those hurdles and foster investor protections?”

DARK POOL TRANSPARENCY

One of the suggestions that arose from last year's forum was to increase the transparency of short selling and dark pool activities. In February, the Commission proposed new rules and amendments to broaden the scope of short sale-related data available to the investing public and to regulators, and I would encourage anyone interested in that topic to review the proposal. With respect to dark pools, we proposed several changes to our framework for regulating alternative trading systems, or ATs, in January of this year, including strengthening the operational transparency requirements applicable to certain ATs, and expanding those requirements to ATs that trade government securities. However, I would like to hear from you about whether there is more we should do to increase transparency in this space. For example, should we extend the operational transparency requirements to all categories of ATs, including those that trade equity securities other than NMS stocks? Should we prohibit certain practices that may create conflicts of interest, such as trading by the broker-dealer operator and its affiliates in the ATs?

Thank you for your time and I look forward to the policy recommendations.

PAM GIBBS, OFFICE OF MINORITY AND WOMEN INCLUSION



Thank you, Martha [Miller], so much. When Martha asked me to join in her Small Business Forum to kick off with opening remarks, I was delighted to join.

We have worked together over the years, and I have admired her advocacy for small businesses. She is a true advocate for inclusion, making sure that businesses such as yourself not only understand the landscape for raising capital, but also spotlighting and addressing the specific challenges, including bias, that women and minority entrepreneurs may face.

There's a lot of symmetry between the role of the Advocate for the Small Business on Capital Formation and my office, the Office of Minority and Women Inclusion. My office is charged with promoting diversity and inclusion in the SEC's workforce, supply chain, and among our regulated entities, of which we regulate nearly 25,000.

A little bit more about my office. My office was created as a result of the Dodd-Frank Act of 2010 to promote diversity all--within all of the SEC, both in our operations with the specific purpose of promoting diversity in our workforce, supply chain, and among our regulated entities.

We do that in a number of ways very similar to the Office of the Advocate for Small Business Capital Formation: outreach and partnerships, information, and educational sessions. Our mission is to really engage and make sure that we are reaching underrepresented and underserved communities to make sure, as Chair Gensler has said, that we are as inclusive as we possibly can.

Each year, we report on our efforts to Congress, and our report for this year should be posted to SEC.gov, highlighting our progress. It has been critically important to me that we provide access and opportunity to underrepresented and underserved communities in all aspects of the agency's mission of protecting investors, because we all want to invest in retirement. We all want to own homes. We all want to plan for a college education. To presume that only a few are entitled to this and are investors undercuts our mission at the SEC.

“It has been critically important to me that we provide access and opportunity to underrepresented and underserved communities in all aspects of the agency’s mission of protecting investors, because we all want to invest in retirement. We all want to own homes. We all want to plan for a college education. To presume that only a few are entitled to this and are investors undercuts our mission at the SEC.”

I've been at the SEC for nearly a decade and in this space of diversity and inclusion for nearly 30 years, and I'm amazed at how far the SEC has come during the past ten years and under the leadership of Chair Gensler and Martha Miller. We continue to make tremendous strides.

Ten years ago, we presumed all investors were the elite and privileged. We had no strategic plan for including minority- and women-owned businesses in our regulatory or policy process. Little to no effort was made to ensure that we were attracting diverse talent to the SEC.

Little to no effort was made to engage underserved and underrepresented communities regarding investment opportunities and how to protect themselves against scams. No effort was made to spotlight the issues and challenges surrounding raising capital.

Now, with the creation of offices like the Advocate for the Small Business Capital Formation, the Office of the Investor Advocate, and my office, the Office of Minority and Women Inclusion, the agency addresses strategically access and opportunity goals with capital formation, retail investing, and financial inclusion.

For example, almost every office at the SEC now is intimately involved in advancing diversity and inclusion. Whether it is to ensure that underserved communities are aware of investor alerts to avoid scams and Ponzi schemes, to professionals understanding the career paths to entry and advancement in the financial services industry, to providing transparency and tools for entrepreneurs such as yourself to raise capital.

The SEC over the past ten years has positioned itself to be front and center to mitigating bias, and has taken the steps necessary to address these failures. However, I recognize that challenges still exist. I am frequently asked if I believe that barriers will always exist. Will minorities and women always have to struggle to get a seat at the table?

While statements like this are very painful to me to hear, particularly as an advocate, I believe that we are in a transformative period in history. And while the work of my office and the work of the Office of the Advocate for Small Business will always be needed, the work will become more elevated.

Today we may focus on entry-level barriers. In the future, we may focus on barriers that require more attention, rulemaking, policymaking, and are those policies and rules being implemented by the SEC equitable to all minorities and women in underserved communities.

But I want to encourage you as you participate and encourage you as maneuver in life to be resilient. You as entrepreneurs are the lifeline to our economic ecosystem, and the ability to raise capital is the lifeblood for your business, and we want to help.

During the early days of Martha Miller's tenure at the SEC, I often shared with her that so many businesses are left with securing capital through their businesses through loans, credit cards, and family resources. Few of my friends were aware of venture capital or alternative ways for raising capital, mostly because of lack of education or knowledge in this space. But programs like this that provide tools for entrepreneurs to navigate the landscape to raising capital is critical.

As time moves forward and we get more entrepreneurs in the industry through venture capital, we will chip away at the high percentage of small businesses that use traditional forms of loans, a whopping 83%, to secure capital. That is my hope, and we are here to help.

However, I want to issue a call to action. I know you guys are ready for your panelists, so I want to issue you guys a call to action. I want you to unabashedly advocate for what you need from the SEC to help you raise capital for your business and to be successful.

Push us to continue to address in strategic ways what you need us to do to mitigate biases you are confronted with. I want you to pay it forward as much as you can. Be the mentor to other startup--to other startups and entrepreneurs. Help them navigate the landscape of full awareness that barriers may exist.

I want you to engage the SEC in the regulatory process. Help shape the future landscape for entrepreneurs. Provide comments to our rulemaking and policymaking initiatives so that they are more inclusive and that they address the challenges that you are confronted with.

This is--and this does not mean that you have to hire a lawyer to help in this process. Share your own personal views, relevant, real-life experiences during the comment phase of our rulemaking. It is so--it is so critical to collective success of promoting diversity and inclusion in the industry. We must continue to advocate for more diversity and inclusion, but more importantly we need to move towards finding solutions and implementing policy and rules that are more equitable.

With that, I want to just say that -- and Martha has mentioned this -- the last two years have been the hardest for many of us. The pandemic placed on many of us new challenges. But it also created a gateway for new ventures, collaborations, and partnerships to help promote real change to address racial and gender inequities. I urge you participating today and this week to leverage those gateways for paths to success and to seek the SEC out as an ally.

Thank you, and I wish you all a productive week and a successful future. Thank you, you rock.

RENEE JONES, DIVISION OF CORPORATION FINANCE



Thank you. I'm pleased to join you at this important event. Your focus today on small cap companies fits well with my remarks, which focus on the benefits of public securities markets for smaller companies. To give away the punchline, I believe that public markets offer many important but underappreciated benefits to companies, particularly smaller companies – whether those companies conduct registered offerings or not. Some of the benefits spill over and accrue even to those smaller non-public companies. Before I begin, I would like to remind you that the views I express today are my own, and I am not speaking on behalf of the Commission or the SEC staff.

My remarks are motivated by an important phenomenon: public markets have become a much smaller part of the capital formation process in recent years. Significant regulatory, legislative and judicial developments over the past 40 years have led to the dramatic expansion of the exempt securities markets, both in terms of the amounts raised, and relative to the public registered markets. Private markets now constitute the majority of capital raising in the United States. In 2020, registered offerings accounted for \$1.8 trillion (or 40 percent) of new capital raised, compared to the approximately \$2.7 trillion (or 60 percent) that the staff estimates was raised through exempt offerings.

As we debate the appropriate response to the relative decline of public markets, it is important to consider the benefits that public markets provide to smaller companies. The benefits I will discuss today apply to companies of all sizes, but in many cases these benefits may be greater for smaller companies. As the relative importance of public markets declines, so too may many of these benefits to smaller companies wane.

First, public markets provide transparency that increases investor confidence and thereby helps smaller companies raise capital. Public markets provide transparent market prices that generally reflect all available public information. Price discovery is enhanced by other reinforcing features of public markets: active trading, intermediaries who help investors process information, and of course, public disclosure.

“Public markets provide transparency that increases investor confidence and thereby helps smaller companies raise capital.”

Moreover, public market rules ensure that all investors receive information at the same time, increasing the confidence of investors who may not be closely connected to a company. By contrast, Regulation FD – an important SEC rule prohibiting selective disclosure – does not apply in private markets, and restrictions on insider trading are more difficult to police in the private markets. The upshot is that investors in private companies may have less confidence that they have full information and are investing on an even playing field.

Secondly, standardized public market disclosure requirements also enable investors to compare companies to their peers as well as relevant indexes. This makes the information provided by each registrant more useful. By contrast, private market disclosures (to the extent they are available) may require significantly more time and effort to enable comparability. I note here that comparability provides some benefits even to companies that remain private. To value private companies, investors need a baseline, and public markets and prices in public markets provide that baseline. To the extent that public markets decline in relative importance, the quality of the baseline and its spillover benefits also decline.

Third, public markets also have strong company governance rules that may increase investor confidence that management is working in their interests. Public companies are subject to SEC proxy rules that allow shareholders to vote on the selection of board members and to provide input on other fundamental issues.

In my view, the public market advantages that I just noted accrue disproportionately to *high-quality* smaller companies. On average, investors know less about smaller companies than their larger counterparts, raising the cost of capital for smaller companies. More information helps investors price smaller companies more accurately, reducing the cost of capital for small companies with strong fundamentals. This more efficient capital allocation has many benefits to small firms and, of course, to the broader economy.

I do not mean to imply of course that there are not barriers or costs to going public. I believe, however, that these costs are often overstated. This may be especially true for smaller companies, as Congress and the SEC have provided many accommodations for smaller companies, including an on-ramp for going public, and scaled disclosure requirements once companies are public.

The Commission continues to build on the scaling of disclosure in its new rule proposals. For example, our recent rule proposal on climate change disclosures includes a number of accommodations for smaller companies. We are attentive to the impact of our rules on small companies as we seek to protect investors, and foster strong and liquid securities markets.

Thank you again for providing me the opportunity to speak with you about this important issue. I look forward to your continued engagement and I hope that you will comment on our potential future rule proposals.

ABOUT THE OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION

The SEC's [Small Business Advocacy Office](#) advocates for pragmatic solutions to address challenges faced by small businesses and their investors raising and deploying capital. “Small business” for the Office spans from early-stage start-ups raising seed capital, to later-stage private companies whose founders and investors are seeking liquidity in the public markets, all the way to smaller public companies. Congress established the Office via the bipartisan [SEC Small Business Advocate Act of 2016](#) as an independent office within the SEC that reports to the entire Commission as well as to multiple committees of Congress.

Meet the Team



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GOMEZ ABERO



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CAVANAGH



JENNY J.
CHOI



JULIE ZELMAN
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KIM
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ENDNOTES

- 1 The SEC conducts the Forum annually and prepares this report in accordance with the Small Business Investment Incentive Act of 1980 [15 U.S.C. 80c-1 (codifying section 503 of Pub. L. No. 96-477, 94 Stat. 2275 (1980))].
- 2 The SEC responds to the Forum recommendations pursuant to the Small Business Investment Incentive Act of 1980, as amended by the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018. 15 U.S.C. 80c-1. Section 503 of the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 [Pub. L. 115- 174, 132 Stat. 1296 (2018)] amended Section 503 of the Small Business Investment Incentive Act of 1980 to add this requirement in new paragraph (e). The responses do not include any Commission initiatives that are not yet public. Where a Forum recommendation relates to an initiative as to which the Commission has solicited or expects to solicit public comment, the recommendation will be considered as part of that initiative, along with other comments received.
- 3 Participants voluntarily submitted the presented information in connection with their registration online. The report solely includes submitted data, without inclusion of non-responses.
- 4 See Office of Information and Regulatory Affairs, Office of Management and Budget, U.S. Securities and Exchange Commission Agency Rule List (Spring 2022), at https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST¤tPub=true&agencyCode=&showStage=active&agencyCd=3235&csrf_token=DCDA37F9A9B5398E252182C5B02DCD3AE65AEFF2AF4826C7F6D224059647BD8B6B4CE3E745601762BCBB1D7D5CC4E420606D.
- 5 See Recommendations of the SEC Investor Advisory Committee Regarding Minority and Underserved Inclusion in Investment and Financial Services (Mar. 11, 2021), at <https://www.sec.gov/spotlight/investor-advisory-committee-2012/20210311-minority-and-underserved-inclusion-recommendation.pdf>.
- 6 See Letter from the SEC Small Business Capital Formation Advisory Committee to Former Chairman Clayton (Aug. 26, 2020), at <https://www.sec.gov/spotlight/sbcfac/underrepresented-founders-recommendation.pdf>; see also Letter from the SEC Small Business Capital Formation Advisory Committee to Chair Gensler (May 21, 2021), at <https://www.sec.gov/spotlight/sbcfac/encouraging-small-regional-funds-043021.pdf>.
- 7 Letter from SEC Small Business Capital Formation Advisory Committee to Chair Gensler (Mar. 12, 2022), at <https://www.sec.gov/spotlight/sbcfac/sbcfac-accredited-investor-recommendation-021022.pdf>.
- 8 See “Capital Raising Hub” (updated May 5, 2022), at <https://www.sec.gov/education/capitalraising>.
- 9 See “Cutting Through the Jargon” (updated Apr. 28, 2022), at <https://www.sec.gov/education/glossary/cutting-through-the-jargon>.
- 10 See “Navigate Your Options” (updated Jan. 24, 2022), at <https://www.sec.gov/education/capitalraising/navigator#1>.
- 11 See “Capital Trends Maps” (updated Apr. 28, 2022), at <https://www.sec.gov/education/capitalraising/trends>.
- 12 See “Building Blocks” (updated May 25, 2022), at <https://www.sec.gov/education/capitalraising/building-blocks>.
- 13 See “Diversifying Opportunity in Venture Capital” at <https://www.sec.gov/virtualcoffee>.
- 14 See Amending the “Accredited Investor” Definition, Release Nos. 33-10824; 34-89669 (Aug. 26, 2020), at <https://www.sec.gov/rules/final/2020/33-10824.pdf>.
- 15 See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status, Release No. 33-10823 (Aug. 26, 2020), at <https://www.sec.gov/rules/other/2020/33-10823.pdf>.

- 16 *See supra* note 7.
- 17 *Id.*
- 18 *See* Notice of Proposed Exemptive Order Granting Conditional Exemption from the Broker Registration Requirements of Section 15(a) of the Securities Exchange Act of 1934 for Certain Activities of Finders, Release No. 34-90112 (Oct. 7, 2020), <https://www.sec.gov/rules/exorders/2020/34-90112.pdf>.
- 19 *See* Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, Release No. 33-10884; 34-90300; IC-34082 (Nov. 2, 2020), at <https://www.sec.gov/rules/final/2020/33-10884.pdf>.
- 20 *See* SEC Small Business Capital Formation Advisory Committee Meeting to explore small business investment issues (Feb. 10, 2022), agenda available at <https://www.sec.gov/sbcfac-agenda-021022>; *see also supra* note 7.
- 21 *See* SEC Small Business Capital Formation Advisory Committee Meeting to explore increasing opportunities for underrepresented founders and investors (Apr. 30, 2021), agenda available at <https://www.sec.gov/spotlight/sbcfac/sbcfac-agenda-043021.htm>; *see also* Letter from the SEC Small Business Capital Formation Advisory Committee to Chair Gensler (May 21, 2021), at <https://www.sec.gov/spotlight/sbcfac/encouraging-small-regional-funds-043021.pdf>.
- 22 *See supra* note 8.
- 23 *See supra* note 6.
- 24 *See supra* note 5.
- 25 *See* Office of the Investor Advocate Report on Activities Fiscal Year 2021, at https://www.sec.gov/files/FY21_OIAD_SAR_ACTIVITIES_REPORT_FINAL_508.pdf.
- 26 *See* Asset Management Advisory Committee Spotlight page, at <https://www.sec.gov/page/asset-management-advisory-committee>.
- 27 *See* Asset Management Advisory Committee Final Report and Recommendations for Small Advisers and Funds (Nov. 3, 2021), at <https://www.sec.gov/files/final-recommendations-amac-sec-small-advisers-and-funds-110321.pdf>.
- 28 *See supra* note 8.
- 29 *See supra* note 9.
- 30 *See supra* note 11.
- 31 *See supra* note 12.
- 32 *See supra* note 13.
- 33 *See* <https://www.sec.gov/virtualcoffee>.
- 34 *See* Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure, Release Nos. 33-11038; 34-94382 (Mar. 9, 2022), at <https://www.sec.gov/rules/proposed/2022/33-11038.pdf>.
- 35 *See* The Enhancement and Standardization of Climate-Related Disclosures for Investors, Release Nos. 33-11042; 34-94478 (Mar. 21, 2022), at <https://www.sec.gov/rules/proposed/2022/33-11042.pdf>.
- 36 *See* Transfer Agent Regulations, Release No. 34-76743 (Dec. 22, 2015), at <https://www.sec.gov/rules/concept/2015/34-76743.pdf>.
- 37 *See* Short Position and Short Activity Reporting by Institutional Investment Managers, Release No. 34-94313 (Feb. 25, 2022), at <https://www.sec.gov/rules/proposed/2022/34-94313.pdf>.
- 38 The SEC’s Small Business Advocacy team convenes the advisory planning group to participate in Forum planning pursuant to 15 U.S.C. 80c-1(b).
- 39 *See* Report on the SEC’s 38th Annual Small Business Forum (2019), available at <https://www.sec.gov/files/small-business-forum-report-2019.pdf>.
- 40 *See* Report on the SEC’s 39th Annual Small Business Forum (2020), available at https://www.sec.gov/files/2020-oasb-forum-report-final_0.pdf.
- 41 *See* Report on the SEC’s 40th Annual Small Business Forum (2021), available at https://www.sec.gov/files/2021_OASB_Annual_Forum_Report_FINAL_508.pdf.
- 42 *See* Adam Grant, *Think Again: The Power of Knowing What You Don’t Know*, Viking (2021).
- 43 *See, e.g.*, SEC Office of the Advocate for Small Business Capital Formation, “Annual Report for Fiscal Year 2021” (2021) at 21 (“Challenges with networks and connections impact ½ of entrepreneurs with newer businesses, compared to entrepreneurs with mature businesses.”), 25 (“Both individual angels and angel groups tend to focus on their local communities. The distance between lead investors and the target company averages only 37 miles.”).

- 44 See Securities and Exchange Commission, “Martha Legg Miller, Director of Small Business Advocate Office, to Leave SEC” (March 24, 2022), available at <https://www.sec.gov/news/press-release/2022-48>.
- 45 See *supra* note 8.
- 46 See Securities and Exchange Commission, “Cutting through the Jargon” (April 1, 2022), available at <https://www.sec.gov/cutting-through-the-Jargon>.
- 47 See Securities and Exchange Commission, “Prepared Remarks at the Institutional Limited Partners Association Summit” (Nov. 10, 2021), available at <https://www.sec.gov/news/speech/gensler-ilpa-20211110>.
- 48 See Securities and Exchange Commission, “Statement on Private Fund Advisers Proposal” (Feb. 9, 2022), available at <https://www.sec.gov/news/statement/gensler-statement-private-fund-advisers-proposal-020922>.
- 49 See Securities and Exchange Commission, “Statement on Proposed Mandatory Climate Risk Disclosures” (March 21, 2022), available at <https://www.sec.gov/news/statement/gensler-climate-disclosure-20220321>.
- 50 See 15 U.S.C. § 80c-1(e)(2), available at [http://uscode.house.gov/view.xhtml?req=\(title:15%20section:80c-1%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:15%20section:80c-1%20edition:prelim)) (“The Commission shall. . . promptly issue a public statement [each time the forum submits a finding or recommendation]”).
- 51 See Commissioner Hester Peirce and Commissioner Elad L. Roisman, *Falling Further Back - Statement on Chair Gensler’s Regulatory Agenda* (Dec. 13, 2021), available at <https://www.sec.gov/news/statement/peirce-roisman-falling-further-back-121321> (“The Regulatory Flexibility Agenda [] neglects to include a *single* item designed to help companies raise capital. Indeed, several items listed are poised to do the exact opposite.”).
- 52 Jumpstart Our Business Startups Act, Pub. L. No. 112-106, 126 Stat. 310, 401 (2012), available at <https://www.congress.gov/112/plaws/publ106/PLAW-112publ106.pdf>.
- 53 Sec’s & Exch. Comm’n, Final Report of the 2021 SEC Government-Business Forum on Small Business Capital Formation 11 (2021), available at https://www.sec.gov/files/2021_OASB_Annual_Forum_Report_FINAL_508.pdf (“2021 Forum Report”).
- 54 *Id.* at 12.
- 55 Accredited Investor Definition, Exchange Act Release Nos. 33-10824; 34-89669; File No. S7-25-19, available at <https://www.sec.gov/rules/final/2020/33-10824.pdf>.
- 56 See *supra* note 53 at 15.
- 57 *Id.* at 16.
- 58 *Id.* at 15.
- 59 I can be reached at CommissionerPeirce@sec.gov.



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