U.S. SECURITIES AND EXCHANGE COMMISSION

REPORT ON THE 45TH ANNUAL small business FORUM

MARCH 9, 2026 | FORUM



"For forty-five years, this forum has facilitated the kind of honest discussion on which positive policy outcomes depend. For forty-five years, it has reminded us that durable rules are forged not through imposition but through dialogue—and that they must be not only well-intentioned, but well-informed."

– SEC Chairman Paul S. Atkins

The U.S. Securities and Exchange Commission (SEC) annually hosts the Government-Business Forum on Small Business Capital Formation (Forum). The recommendations contained in this report were developed by the 2026 Forum participants. The recommendations are not endorsed 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 related to previous Forums, dating back to 1993, are available online.

CONTENTS

FORUM HIGHLIGHTS 4

FORUM PROCEEDINGS 8

- Funding for Founders: Empowering Early-Stage Entrepreneurs 9
- Investing in Innovation: Supporting Growth-Stage Companies 11
- Public Company Perspectives: Considerations for IPOs and Small Caps 13

FORUM RECOMMENDATIONS 16

- Early-Stage Capital Raising 17
- Growth-Stage Companies and Smaller Funds 19
- Small Cap Companies and the Public Markets 21

FORUM ADVISORY PLANNING GROUP 24

SEC COMMISSIONERS' REMARKS 28

- Chairman Paul S. Atkins 29
- Commissioner Hester M. Peirce 31
- Commissioner Mark T. Uyeda 33

OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION 36

ENDNOTES 40



Forum Highlights

ABOUT THE FORUM

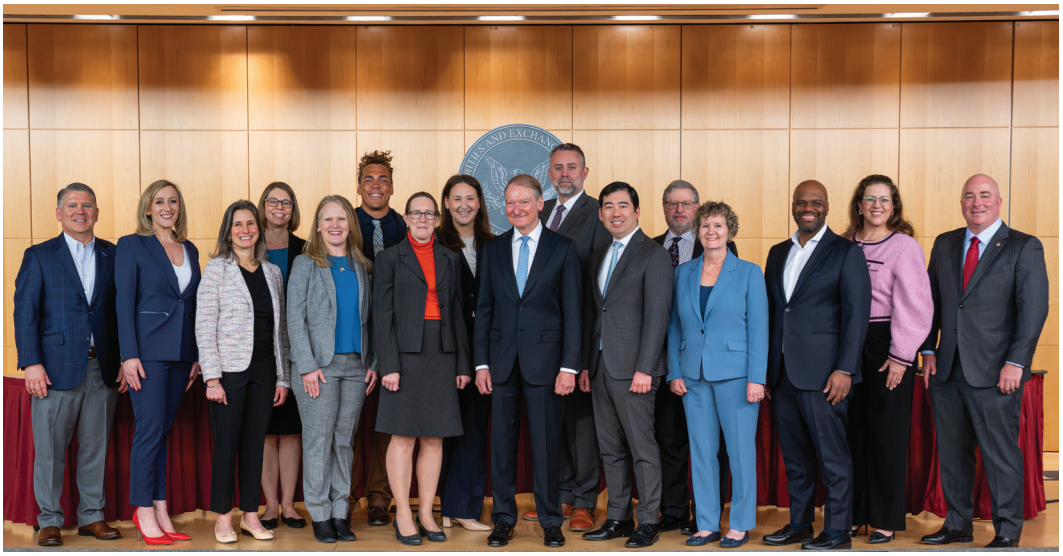
The SEC's annual Small Business Forum is a unique event where members of the public and private sectors gather to provide feedback to the Commission and Congress on ideas to improve capital-raising policy.[1] The Forum covers a broad range of issues affecting small businesses and their investors, from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

The SEC's Office of the Advocate for Small Business Capital Formation leads the event in collaboration with each of the Commissioners and other offices and divisions across the agency. In addition, representatives from several other federal and state agencies staffed tables in our exhibitor hall to share information about their resources and programming for small businesses.

PERSPECTIVES ON SMALL BUSINESS CAPITAL RAISING AT EVERY STAGE

The 45th Small Business Forum took place March 9, 2026, featuring appearances by each of the Commissioners and 12 speakers with in-depth knowledge of the issues facing small businesses and their investors across the country.

Participants at the Forum brought a breadth of perspectives to the policy deliberations, approaching capital raising from a variety of backgrounds, geographies, and lifecycle stages.[2] Each speaker session focused on a different stage of the capital-raising lifecycle.



From left to right: Dwayne Hyzak, Holli Heiles Pandol, Julie Zelman Davis, Jenny Riegel, Amy Reischauer, Shane Moise, Commissioner Hester Peirce, Sarah Hibbard, Chairman Paul Atkins, Joshua Colburn, Commissioner Mark Uyeda, Mark Friedman, Dr. Sue Mecham, Nolan Townsend, Luna Bloom, and Reid Hooper (not pictured: Sean Duffy, Alyssa Jaffee, and Jordan Walker).

Forum at a Glance

700+ webcast viewers

125+ in-person attendees

39 U.S. states

12 speakers

10 countries

16 recommendations prioritized to submit to the Commission and Congress

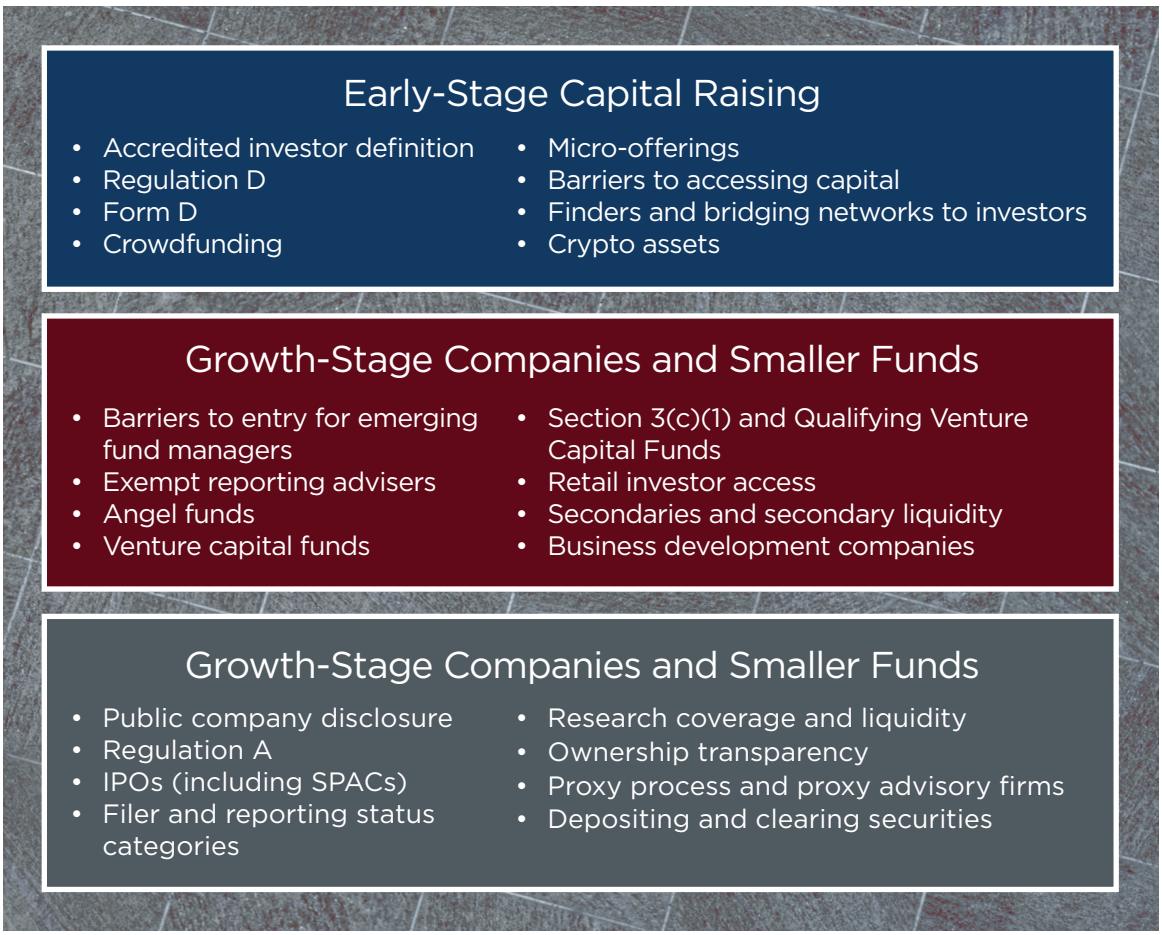
Participants represented perspectives from across the small business ecosystem.



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 prior years' events, we invited participants to submit recommendations in advance and during the live event. Doing so fostered an inclusive environment where all voices could be heard while being efficient with participants' time.

Also in response to feedback, after each panel and again at the conclusion of the day's discussions, participants were invited to speak briefly on any of the recommendations under consideration. Afterward, participants voted to prioritize the relevant recommendations based on their perception of the positive impact each would have on capital formation across the three company lifecycle segments: early-stage, growth-stage (including smaller funds), and small cap companies and the public markets.



This report includes the top five recommendations from each lifecycle segment.[3] Alongside each recommendation is a response from the Commission, noting any corresponding policy initiatives that have been made public.[4] The Commission will consider Forum recommendations alongside other public comments on relevant policy initiatives.



Forum Proceedings

Funding for Founders: Empowering Early-Stage Entrepreneurs

SPEAKERS

Moderator:

Julie Zelman Davis, SEC Office of the Advocate for Small Business Capital Formation

Panelists:

Mark Friedman, EVP, Dental Innovation Alliance; Co-Founder, RTP Angel Fund, Durham, NC

Sarah Hibbard, Snell & Willmer, San Diego, CA

Sue Mecham, PhD, Co-Founder and CEO, NALA Membranes, Morrisville, NC

Shane Moise, Founding Director, UC San Diego Horizon, San Diego, CA



From left to right: Julie Zelman Davis, Dr. Sue Mecham, Mark Friedman, Shane Moise, and Sarah Hibbard.

DISCUSSION HIGHLIGHTS

- Many startups, particularly tech-focused companies, find early funding through non-dilutive grants, followed by angel capital and smaller venture capital (VC) investments.
- Having a supportive entrepreneurial ecosystem is key to funding success. The benefits to early-stage companies also benefit their investors and overall economic development in the region.
- Capital equipment is often needed to scale manufacturing but remains hard to finance, making for a very long path to get a product to market.
- Angel investors are often community-anchored while VC funds tend to be comparatively less tied to geography.
- Term sheets in different geographic areas, like the west coast, may carry higher valuations but those investors may require businesses to relocate, creating tradeoffs for founders outside of traditional hubs.
- Panelists noted that the rules around so-called "finders" are unclear and they generally raised questions around the use of finders.
- Valuation is negotiable. Panelists urged founders to negotiate the pre-money valuation strategically rather than accept the first number offered and noted growing use of milestone-based financing to align capital deployment with progress.
- Multiple panelists favored expanding the "accredited investor" definition to allow qualification based on knowledge/competency, such as through a test, to broaden responsible participation—especially in lower cost-of-living regions where fewer individuals meet the current income or net worth thresholds.
- Perceptions of Regulation Crowdfunding are mixed, with some noting a stigma associated with use of those offerings. Using a special purpose vehicle, or SPV, to aggregate retail investors can simplify a company's capitalization table and mitigate that stigma.

Investing in Innovation: Supporting Growth-Stage Companies

SPEAKERS

Moderator:

Jacob Krawitz, SEC Division of Investment Management

Panelists:

Dwayne Hyzak, CEO and Member of the Board, Main Street Capital, Houston, TX

Alyssa Jaffee, Partner, 7wire Ventures, Chicago, IL

Holli Heiles Pandol, Senior Counsel and Head of Policy, Carta, Washington, DC

Jordan Walker, Co-Founder, Backtrack, Jacksonville, FL



From left to right: Jacob Krawitz, Alyssa Jaffee, Dwayne Hyzak, Holli Heiles Pandol, and Jordan Walker.

DISCUSSION HIGHLIGHTS

- Smaller companies in the United States are key drivers of existing jobs and job growth.
- High-volume outreach and building personal rapport are critical to raising early-stage capital.
- Access to capital is one of the biggest issues panelists are seeing when it comes to emerging fund managers, in addition to having fewer resources to deal with shifting regulatory and policy environments.
- Investors and capital are key for those seeking to create more hubs like Silicon Valley. Capital attracts companies, and companies attract employees, and this flywheel helps ecosystems develop.
- With VC investments, it is not just about picking great companies. It is about making and building great companies and creating the types of partnership opportunities where value creation happens.
- Private markets may have more specialized industry insight than public markets that they take into account when valuing a company or its technology.
- Emerging fund managers drive regional innovation and diversification. They are more likely to invest locally, invest early on, invest in a wider variety of founders, and according to some data, they drive better returns than some of their larger counterparts.
- Congress is considering capital markets legislation—including the INVEST Act and Empowering Main Street in America Act—that would make changes to the accredited investor definition and private funds with the aim of broadening participation, unlocking capital, and expanding access to capital.
- Panelists discussed multiple factors that may be contributing to why fewer companies are choosing the IPO path, including: abundant private capital, higher regulatory and operational costs of being public, public market volatility, demands for predictable financial performance, and increasingly robust private-market secondary systems.
- If a company is going to go public, the expected benefit going forward must be worth the investment. It is a simple cost-benefit analysis. Anything the SEC or the market can do to make going and being public more cost-efficient and effective, the more companies will be encouraged to go and remain public.

Public Company Perspectives: Considerations for IPOs and Small Caps

SPEAKERS

Moderator:

Luna Bloom, SEC Division of Corporation Finance

Panelists:

Joshua Colburn, Faegre Drinker, Minneapolis, MN

Sean Duffy, Co-Founder and CEO, Omada Health, San Francisco, CA

Reid Hooper, Cooley, Washington, DC

Nolan Townsend, CEO, Lexeo Therapeutics, New York, NY



From left to right: Luna Bloom, Sean Duffy, Reid Hooper, Nolan Townsend, and Joshua Colburn.

DISCUSSION HIGHLIGHTS

- Deciding to pursue an IPO depends on both organizational readiness—including strong fundamentals, operational maturity, and predictable financial performance—as well as market conditions. For biotech companies, the ability to raise capital in public markets quickly and flexibly is a primary motivator, given long development cycles and limited revenue before FDA approval.
- There is never going to be a perfect time to go public. Some key questions include: Do the fundamentals feel right? Do you have the relationships to guide you through the process? Has the organization matured such that it can build equity value on the public markets based on key characteristics (e.g., reliability, maturity, performance)? Have you developed a mature pipeline with an evolved company strategy and story?
- The IPO journey is a company's most vulnerable period, requiring careful coordination of market timing, financial preparedness (including current financials), governance structures, and investor communication.
- The panel encouraged the Commission to consider regulatory changes to reduce that vulnerability and improve the process, such as extending the date when financials go stale to broaden the potential IPO window, and loosening some of the IPO communication rules to allow companies to discuss more consistently how they envision their post-IPO company.
- Reducing the cost of becoming and remaining a public company, such as through improvements to Regulation S-K, allowing semiannual reporting, and reassessing smaller reporting company and filer status complexity and thresholds, could benefit—and encourage more—smaller public companies for which the costs are increasingly high.
- For smaller public companies that have been public or recently have gone public, improving and expanding access to capital through the public markets is extremely important, as companies are trying to build out their pipeline and increase their resources.
- Good advisors will educate on the steps early so founders know what's coming. Founders should find advisors early and find advisors they can trust.

Did you know?


The U.S. is home to **36.2M** small businesses.
From 2023 to 2024, U.S. small businesses created nearly **9 of 10** net new jobs.
In 2024, IPOs by small companies represented **44%** of all IPOs, but only **3%** of capital raised.
94% of U.S. small businesses experienced financial challenges in 2024.
In 2024, angel investors invested **$18B** in 55K businesses.



Forum Recommendations

Early-Stage Capital Raising



1. Expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience.

COMMISSION RESPONSE

The 2026 Regulatory Agenda of Federal Regulatory and Deregulatory Actions (2026 Regulatory Agenda)[5] includes initiatives to consider further updates to the Commission's rules related to exempt offerings to simplify the pathways for raising capital for, and investor access to, private businesses. In addition, in an effort to increase investor access to private markets while ensuring adequate investor protections, Chairman Atkins has directed the staff in the Commission's Division of Corporation Finance to begin discussions with FINRA about the possibility of creating an accredited investor examination. The Commission will consider this Forum recommendation when considering updates to the exempt offering pathways and in connection with its other initiatives.



2. Modernize the regulation of crypto assets that are securities, including the regulation of secondary trading.

COMMISSION RESPONSE

In March 2026, the Commission took a major step in its efforts to provide greater clarity regarding the Commission's treatment of crypto assets when it issued an interpretation clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets.[6] The Commission will consider this Forum recommendation in connection with its Project Crypto initiative to modernize the securities rules and regulations to enable America's financial markets to move onchain. The process of implementing modernized regulation for crypto assets that are securities is already underway. Specifically, the 2026 Regulatory Agenda includes an initiative to consider recommending that the Commission propose rules relating to the offer and sale of crypto assets potentially to include certain exemptions and safe harbors to help clarify the regulatory framework for crypto assets and provide greater certainty to the market. In addition, the 2026 Regulatory Agenda includes an initiative to consider recommending that the Commission amend Exchange Act rules to account for the trading of crypto assets on alternative trading systems (ATSs) and national securities exchanges. Chairman Atkins has already announced his vision for an innovation exemption to facilitate limited trading of certain tokenized securities on novel platforms, such as automated market makers or other trading systems that offer decentralized liquidity. Under an innovation exemption, these novel platforms would have relief from certain SEC rules and other requirements while the Commission considers a long-term regulatory framework.



3. Create a new federal friends and family exemption that preempts state blue sky laws.

COMMISSION RESPONSE

The Commission will consider this Forum recommendation when considering updates to the Commission's rules related to exempt offerings to simplify the pathways for raising capital for private businesses and in connection with other initiatives.



4. Expand regional, federal, and state resources and options available for funding support to small businesses, including non-dilutive capital, and create a centralized portal for non-dilutive capital support.

COMMISSION RESPONSE

The Commission supports efforts to provide and improve accessibility of resources to support entrepreneurs and their investors. The SEC maintains a centralized hub of Resources for Small Businesses[7] on SEC.gov, which serves as a portal for educational resources to support entrepreneurs and their investors, including the Funding Roadmap[8] illustrating various dilutive and non-dilutive funding sources for small businesses. The Additional Resources[9] section of the hub includes links to tools and information for small businesses and their investors from other agencies on non-dilutive capital.

Through the SEC's work overseeing investment products and services available to investors, staff often receive recommendations and comments from investors and other stakeholders on ways to improve the available investment opportunities. The Commission will consider this Forum recommendation in connection with its various initiatives.



5. Revise Regulation Crowdfunding to increase the annual amount a company can raise under the exemption from $5M to $20M.

COMMISSION RESPONSE

The Commission regularly evaluates ways to improve its capital-raising rules. In 2020, the Commission adopted amendments to Regulation Crowdfunding that were designed to improve the workability of that exemption for efficient capital raising by issuers while continuing to provide important investor protections.[10]

The 2026 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to exempt offerings, which includes Regulation Crowdfunding. The Commission will consider this Forum recommendation when considering updates to the exempt offering pathways and in connection with other initiatives.

Growth-Stage Companies and Smaller Funds



1. Create a new private fund exemption to foster small or regional funds focused on community-based investing.

COMMISSION RESPONSE

The Commission regularly evaluates ways to expand and diversify access to capital, including through private funds. Further, the Commission supports collaboration among the SEC's Division of Investment Management, Division of Corporation Finance, and Office of the Advocate for Small Business Capital Formation to explore ways to enhance community-based investing. The Commission and staff will consider this Forum recommendation in connection with these efforts.



2. Preempt blue sky laws for off-exchange secondary trading in companies that make available robust, publicly accessible, and timely information, such as information required by Regulation A Tier 2.

COMMISSION RESPONSE

The Commission has previously solicited public comment on whether federal preemption should be extended to additional offers and sales of securities in both the June 18, 2019, concept release that requested comment on ways to simplify, harmonize, and improve the exempt offering framework to promote capital formation and expand investment opportunities while maintaining appropriate investor protections;[11] and in the March 4, 2020, proposed amendments to harmonize and streamline the Commission's rules for exempt offerings under the Securities Act to enhance their clarity and ease of use.[12] In addition, the 2026 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to exempt offerings, which includes Regulation A.

The Commission will continue to consider the comments received and this Forum recommendation in connection with considering updates to the exempt offering pathways and other ongoing initiatives.



3. Streamline the pathway from the private to the public markets by making previously restricted shares available for public trading under Rule 144.

COMMISSION RESPONSE

The 2026 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to Rule 144, a non-exclusive safe harbor that permits the public resale of restricted or control securities if the conditions of the rule are met. The Commission will consider this Forum recommendation when considering updates to that rule.



4. Ease compliance costs and reduce regulatory burdens for emerging fund managers with less than $100M in assets under management.

COMMISSION RESPONSE

The Commission has a longstanding commitment to understanding and addressing the concerns of small entities, including emerging fund managers. For example, the Commission tailors its regulations to the relevant characteristics of regulated entities and weighs the impact of its rules on small entities, including through performing analyses under the Regulatory Flexibility Act (RFA). On January 7, 2026, the Commission proposed to amend the small entity definitions under the Investment Company Act of 1940 (Company Act) and the Investment Advisers Act of 1940 for purposes of the RFA, in part to increase the assets under management threshold contained in these definitions to $1 billion for registered investment advisers and to $10 billion for registered investment companies.[13] If adopted, these amendments would significantly increase the number of investment advisers and registered funds that are deemed small entities. Such amendments would help the Commission more appropriately promote the effectiveness and efficiency of its regulations, with the goal of minimizing the significant economic impact on investment advisers and registered funds that are small entities.

The Commission will consider the comments received and this Forum recommendation in connection with ongoing initiatives.



5 (tie). Advance the INVEST Act.

COMMISSION RESPONSE

Congressional action aimed at improving capital formation is a welcome complement to the work we are undertaking at the SEC.



5 (tie). Increase the number of investors allowed in a fund structured under Section 3(c)(1) to more than 100 investors.

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 Company Act because it has no more than 100 beneficial owners and otherwise meets criteria outlined in Section 3(c)(1) of the Company Act. Venture capital firms and other early-stage investors who pool capital for investment in startups often use 3(c)(1) funds.

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

Small Cap Companies and the Public Markets



1. Improve public trading for companies traded over-the-counter by requiring more disclosures about short selling, institutional holdings, insider and affiliate holdings and transactions, paid stock promotion, and information about the security from transfer agents.

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 October 13, 2023, the Commission adopted 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.[14] 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 form, specified short position data and short activity data for equity securities. The Commission is evaluating the rule, including potential changes to the rule and form, and has extended the compliance date for the rule until January 2, 2028.[15] The Commission will consider this Forum recommendation in connection with this initiative.

The Commission currently has rules regarding the disclosure of insider and affiliate holdings and transactions, and the federal securities laws require persons who promote a security to fully disclose the receipt and amount of consideration from an issuer, underwriter, or dealer. In October 2023, the Commission adopted amendments that shortened the deadline for investors who beneficially own more than 5 percent of public company securities to file applicable forms to improve transparency and provide more timely information for shareholders and the market.[16] The Commission will consider this Forum recommendation in connection with future regulatory initiatives.

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.[17] The 2026 Regulatory Agenda indicates that the SEC's Division of Trading and Markets is considering recommending that the Commission propose updates and refinements to the Commission's existing regulatory regime for transfer agents. The Commission will consider this Forum recommendation in connection with this initiative.



2. Allow at-the-market offerings for all small public companies and Regulation A Tier 2 companies that are current in their filing requirements.

COMMISSION RESPONSE

In the June 18, 2019, concept release that requested comment on ways to simplify, harmonize, and improve the exempt offering framework to promote capital formation and expand investment opportunities while maintaining appropriate investor protections,[18] the Commission solicited public comment on whether at-the-market offerings should be permitted in Regulation A. In addition, the 2026 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to exempt offerings, which includes Regulation A. The Commission will consider this Forum recommendation when considering updates to the exempt offering pathways and in connection with other initiatives.



3. Expand Form S-3 to enable more issuers to conduct offerings on Form S-3, regardless of public float.

COMMISSION RESPONSE

The 2026 Regulatory Agenda includes an initiative to consider the modernization of the Commission's shelf registration process, including eligibility to conduct offerings on Form S-3. On May 19, 2026, the SEC proposed a Registered Offering Reform rule that would significantly enhance public companies' ability to conduct registered offerings, including revising Form S-3's eligibility criteria to enable a greater number of public companies to conduct shelf offerings, which allow quicker access to the public capital markets, and extend registration and offering communication flexibilities, many of which currently are reserved only for "well-known seasoned issuers," to a broader set of issuers.[19] The Commission will consider this Forum recommendation in connection with this initiative.



4. Revise Regulation A to simplify reporting requirements for small issuers and improve companies' access to capital.

COMMISSION RESPONSE

The 2026 Regulatory Agenda includes initiatives to consider updates to the Commission's rules related to exempt offerings. The Commission will consider this Forum recommendation when considering updates to the exempt offering pathways and in connection with other initiatives.



5. Pursue regulatory reforms to reduce unnecessary cost and liability barriers associated with becoming and remaining a smaller public company.

COMMISSION RESPONSE

The 2026 Regulatory Agenda includes initiatives to encourage more companies to become and remain a public company, including rule amendments to expand accommodations that are available for emerging growth companies (defined generally to include new issuers with total annual gross revenues of less than $1.235 billion) and to rationalize filer statuses to simplify the categorization of registrants and reduce their compliance burdens. On May 19, 2026, the SEC proposed two rules that would reduce barriers associated with becoming and remaining a smaller public company. The proposed rule titled "Enhancement of EGC Accommodations and Simplification of Filer Status for Reporting Companies" would extend current disclosure scaling and other accommodations to most public companies, grant the smallest public companies extended deadlines to file their periodic reports, simplify the public reporting company filer status framework, and update the Commission's Regulatory Flexibility Act issuer "small entity" definitions.[20] In addition, the proposed Registered Offering Reform rule mentioned above would significantly enhance public companies' ability to conduct registered offerings, including revising Form S-3's eligibility criteria to enable a greater number of public companies to conduct shelf offerings, which allow quicker access to the public capital markets, and extend registration and offering communication flexibilities, many of which currently are reserved only for "well-known seasoned issuers," to a broader set of issuers.[21] The Commission will consider this Forum recommendation in connection with these initiatives.



Forum Advisory Planning Group

The SEC's Small Business Advocacy team convened a Forum Advisory Planning Group to provide strategic input on the Forum.[22] Members brought a variety of perspectives to the Forum planning process, identifying emerging issues impacting access to capital, weighing in on improvement opportunities from prior Forums, highlighting potential speakers, and promoting the event within their networks.

Business and Professional Organization Representatives

Brian Belley
CTO, Kingscrowd & President
Crowdfunding Professional Association

Nicola Corzine
Founding CEO & Executive Director
Nasdaq Entrepreneurial Center

Mike Flood
Senior VP, Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

Patrick Gouhin
Chief Executive Officer
Angel Capital Association

Rachel Koretsky
Director
DC Startup & Tech Week

Holli Heiles Pandol
Senior Counsel and Head of Policy
Carta

Ashlyn Roberts
Vice President of Government Affairs
National Venture Capital Association

Bonnie J. Roe
Partner
Cohen & Gresser LLP

Gary Ross
Chair, Small Business Issuers Subcommittee, Business Law Section's Committee on Federal Regulation of Securities
American Bar Association

Eli Velasquez
Co-Founder and Managing Partner
Investors of Color

Chad Wessel
Director, Industry Analysis
Biotechnology Innovation Organization

Greg Yadley
Partner
Shumaker, Loop & Kendrick, LLP

Non-Profit and Academia Representatives

Katie Allen
Senior Vice President
Center for American Entrepreneurship

Gregory Brown
Research Director,
Institute for Private Capital
UNC at Chapel Hill

Kristen Fanarakis
Associate Director,
Small Business Policy & Innovation
Milken Institute

Victor Hwang
Founder and CEO
Right to Start

Christiana Russell
Grant Manager of Talent Foundry
& Venture Catalyst Program
University of California San Diego

Rodney Sampson
Executive Chairman, Opportunity Hub;
SSBCI VC Fund of Funds Manager
North Carolina and Alabama

Bill Woodrum
Senior Program Officer
Claude Worthington Benedum Foundation





Government & Regulatory Representatives

Robert Bolen
National Ombudsman and Assistant Administrator for Regulatory Enforcement
U.S. Small Business Administration

Claire McHenry
Deputy Director, Securities Bureau, Nebraska Department of Banking and Finance
National Association of State Securities Administrators

Prior Forum Participants

Brian Hollins
Founder & Managing Partner
Collide Capital

Jordan Walker
Co-Founder
Backtrack

Andrew Prystai
CEO and Co-Founder
Event Vesta

Keith Zittle
Partner
Michael Best







SEC Commissioners' Remarks

CHAIRMAN PAUL S. ATKINS



Good afternoon, ladies and gentlemen, and welcome to the SEC's forty-fifth Annual Small Business Forum. Warm greetings as well to those of you who are joining us by livestream. And of course, my sincere thanks to the Office of the Advocate for Small Business Capital Formation for organizing today's program and for its steadfast advocacy on behalf of America's entrepreneurs. Let me also add the customary disclaimer that the views I express here are my own as Chairman and not necessarily those of the SEC as an institution or of the other Commissioners.

For four and a half decades, this gathering has grown to become one of our most anticipated events, perhaps because it is rooted in the premise that those who write the rules have an obligation to hear from those who operate under them. So, to all of the entrepreneurs here today, thank you for deepening our understanding with your experiences, and for enhancing our rulemaking with your recommendations.

> "[T]hose who write the rules have an obligation to hear from those who operate under them."

Although today marks my first forum as Chairman, I attended several of them as a Commissioner in the Aughts, when we convened across the country. There is something bracing about meeting small businesses in their own communities. And as we look ahead, I would welcome the opportunity to bring this program back on the road. After all, as capital formation rarely originates in Washington, so we should look beyond city limits on how best to facilitate it.

For now, though, we have a terrific program ahead of us, organized around three panels that I think reflect real friction points in our current framework. Let me say a brief word about each.

Our first panel will focus on how we can better support early-stage entrepreneurs in accessing capital. For context, the Commission last reviewed the exempt offering framework in 2020, when it adopted rule changes intended to open those pathways to small businesses. That framework continues to function well for relatively larger offerings. Yet 84 percent of early-stage businesses struggled to secure capital last year. Access to affordable capital clearly remains a challenge for entrepreneurs. And I have instructed the Commission staff to explore solutions to these barriers that these businesses face so that our rules work as much for the established as for the aspiring.

Our second panel will then turn to the role that smaller funds play in supporting growth-stage companies. Two pieces of proposed legislation in Congress—the House's INVEST Act and the Senate's Empowering Main Street in America Act—include several policies that are relevant to this space. I especially look forward to hearing our panelists' views on provisions that affect small fund managers and growth-stage companies.

This panel will also examine trends of increased concentration in the venture capital industry. For example, in the first seven months of 2025, roughly forty percent of all venture capital dollars flowed to just ten companies, while the share of deals below $5 million fell to a decade low of forty-nine percent. On the fundraising side, thirty firms accounted for approximately seventy-five percent of the total venture dollars raised in 2024.

Early stage investors are often the first to identify breakthrough innovation and to broaden the pipeline of emerging companies. So smaller, nimble investment firms must continue to have the opportunity to thrive across both industries and regions.

Finally, our third panel will reflect on how to Make IPOs Great Again, especially for small cap companies. One of my highest priorities with respect to the SEC's disclosure rules is to scale the requirements with the company's size and maturity. Balancing disclosure obligations with a company's ability to bear the burdens of compliance is particularly important where Congress has directed the SEC to promulgate a disclosure rule whose costs may have a disproportionate impact on some companies.

For newly public companies, the SEC should consider building upon the "IPO on-ramp" that Congress established in the JOBS Act. For example, allowing companies to remain on the "on-ramp" for a minimum number of years, rather than forcing them off as soon as the first year after the initial offering, could provide companies with greater certainty and incentivize more IPOs, especially among smaller companies.

Raising capital through an IPO should not be a privilege reserved for those few "unicorns." More and more, public investments are concentrated in a handful of companies that are generally in the same one or two industries. Our regulatory framework should provide companies in all stages of their growth and from all industries with the opportunity for an IPO, particularly one that represents a capital-raising mechanism for the company, instead of a liquidity event for insiders.

As we pursue each of these priorities, let me close by once again thanking the organizers of today's program—and each of you for participating in it. I would also be remiss not to note that today marks the two hundred and fiftieth anniversary of the publication of Adam Smith's Wealth of Nations—a fitting occasion to convene a forum dedicated to the proposition that free individuals, unencumbered by unnecessary regulation, can build and innovate in ways that no sovereign hand could prescribe.

For forty-five years, this forum has facilitated the kind of honest discussion on which positive policy outcomes depend. For forty-five years, it has reminded us that durable rules are forged not through imposition but through dialogue—and that they must be not only well-intentioned, but well-informed. So I look forward to a constructive conversation and to the work ahead of us. Thank you.

COMMISSIONER HESTER M. PEIRCE



Good afternoon and welcome everyone to the 45th Annual Small Business Forum. Today's event is a wonderful opportunity to hear from a wide range of folks with a shared passion for the entrepreneurial spirit of America. Essential to our nation's prosperity is the willingness of founders and the investors who fund them to take on the risk of building and growing new businesses. As SEC Commissioner Barbara Thomas explained 45 years ago, "We at the Securities and Exchange Commission must help foster the kind of environment which will encourage people to accept, rather than avoid, the opportunity to take a risk in search of reward."[23] I look forward to hearing your thoughts on how the SEC can foster such an environment.

Today's panels cover capital formation challenges across all stages of the corporate cycle. We will hear about problems that are a universal experience as well as those that are unique to a particular stage of development.

"Essential to our nation's prosperity is the willingness of founders and the investors who fund them to take on the risk of building and growing new businesses."

Fittingly, the first panel starts at the start, funding founders. Founders' paths to raising money for their promising idea are riddled with regulatory landmines—a source of deep dismay and consternation for well-intentioned founders. The first thing they may encounter is the much-discussed concept of "Accredited Investor." But simply knowing what makes an investor "accredited" does not solve a founder's problems. Rather, it is just the beginning of a list of questions without neat answers. Can you sell only to accredited investors? It depends. What do you need to do to make sure that your investors are accredited? It depends. What information do you need to give to investors? It depends. Founders can find some help in wading through these questions on the SEC's website.[24] Today's discussions could help to shape substantive steps by the SEC to make life easier for founders. Among the topics you might want to consider are a micro-offering exemption that would simplify early-stage fundraising: under such an approach, as long as an issuer stays below a set offering amount, it would be able to sell shares of its company to investors without any strings other than avoidance of fraud.[25] A regulatory structure for finders, an idea under consideration by the Small Business Capital Formation Advisory Committee, also might help founders find funders.

The second panel takes on the next step in a company's development—the growth stage. Business development companies, venture capital funds, and small private funds provide much needed capital to growth-stage companies, which are engines of innovation. Broadening access to these smaller funds would increase the capital available for investment in growth-stage companies.

Ideas for increasing capital for growth-stage companies include an idea embodied in the INVEST Act, which passed the House and would amend section 3(c)(1) of the Investment Company Act of 1940 to enable a qualifying venture capital fund to have 500 investors and $50 million, up from 250 and $10 million, respectively. Additional changes could include increasing the limit for issuers that are not qualifying venture capital funds and expanding the definition of "Qualified Purchaser" under the Investment Company Act. I look forward to hearing your thoughts on these and other ideas for helping growth-stage companies.

Today's final panel will discuss the IPO process and key considerations for smaller public companies. Last year at this forum we heard from the CFO of a smaller reporting company who explained how, with limited personnel in-house, the quarterly reporting process can be a continuous year-round activity.[26] Moving away from mandatory quarterly reporting could allow smaller companies to more effectively allocate their limited resources. More generally, the Commission's ongoing initiative to streamline Regulation S-K could benefit small public companies. An important part of that initiative is listening to feedback from issuers that are already public or are considering becoming public.[27] We already have heard that executive compensation disclosures, having ballooned over the years, rankle issuers of all sizes, particularly because investors show a complete disinterest in much of the information our rules require. Similarly, because some disclosure obligations are based on dollar thresholds that have not been updated in years, disclosure burdens have increased over time. What disclosure obligations are the most onerous, and how could the SEC lower the burden on small public companies while still protecting investors?

The Small Business Forum convenes people who care deeply about creating a healthy environment for entrepreneurship. I would like to thank all the offices and teams that worked together to make this event possible. Thank you especially to today's panelists, moderators, and participants who have volunteered their time to provide the Commission with ideas about how best to help small businesses find the capital they need to serve the communities in which they operate.

COMMISSIONER MARK T. UYEDA



Good afternoon and welcome to this year's Small Business Forum. Each year, the Forum provides an opportunity to identify areas and topics where the SEC's rulebook can be better adapted for small businesses. According to some sources, "[s]mall businesses employ nearly half of the American workforce and represent 43.5% of America's GDP."[28] They are the cornerstone of the American economy, and the Commission's rules should reflect this importance.

Since the change in Administration in January 2025, the Commission's regulatory priorities have been re-focused on capital-raising policy recommendations, particularly for small businesses. How can we reduce the costs and burdens for small businesses seeking capital, without compromising investor protection?

One issue underpins many small business capital-raising topics: eliminating the duplicative qualification processes between federal and state authorities. In 1997, the Commission and state securities regulators acknowledged the need for "[e]fforts by federal and state regulatory authorities to craft a more efficient 'division of labor' with respect to securities offerings . . . "[29] (emphasis added).

> "[Small businesses] are the cornerstone of the American economy, and the Commission's rules should reflect this importance."

Nearly three decades later, this exercise remains incomplete. This is even more important for small businesses, who may be seeking to raise only a modest amount of capital—such as through a Rule 504 or Regulation A Tier One offering—and might have to qualify in all 50 states plus the District of Columbia in order to use general solicitation. The costs and time delays make such efforts often untenable.

The National Securities Markets Improvement Act of 1996 (NSMIA)[30] preempts state "blue-sky" registration for securities listed on the national securities exchanges—and also offerings under Rule 506(b) under the Securities Act of 1933.[31] The overarching aim of NSMIA was to promote efficiency and capital formation in the financial markets.[32] With regard to duplicative state regulation, NSMIA focused on whether the potential lack of uniformity in state law impacted cost of capital, innovation, and technological development in capital markets—including any impacts on small businesses.[33]

Under NSMIA, regulatory predictability was a key concern for all offerings—not merely those subject to preemption. Congress tasked the Commission with studying the extent to which uniformity of state regulatory requirements for securities that are not covered by the NSMIA preemption provisions, which was completed in 1997.[34] But this effort should not have been a "one-and-done."

The interplay between federal and state securities laws should be a matter of continuing study by the Commission. It is both impractical, costly, and unrealistic to expect an issuer to register a small securities offering in dozens of states. This is especially true given the lack of uniformity among states. However, states can play an important role in preventing fraud for offerings conducted in their jurisdiction.

Regulators should consider moving beyond a binary approach to preemption. For example, when an offering is qualified in the state of a company's principal place of business, should the offering still be reviewed by multiple other states? Why should not a notice filing in the other states be sufficient? Such a framework could promote more effective oversight among state regulators, reduce the time it takes to fully comply with offering regulations, and maintain effective investor protection.

I look forward to reviewing the Forum's policy recommendations and a read-out of today's sessions. Thank you to the team in the Office of the Advocate for Small Business Capital Formation for planning this event. I hope that you all enjoy the Forum.


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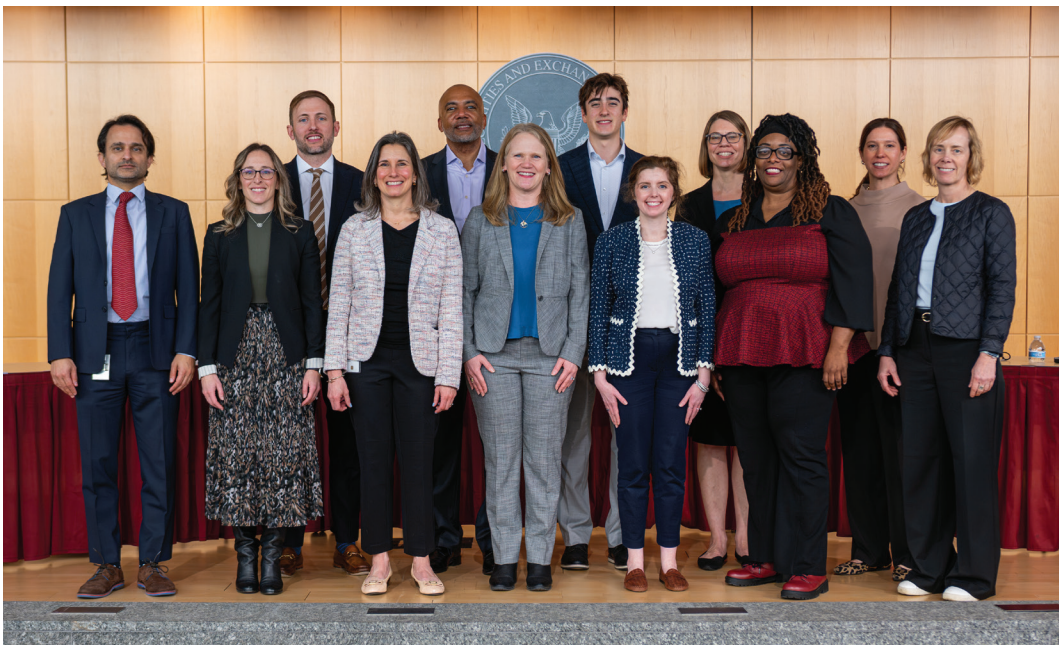

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Office of the Advocate for Small Business Capital Formation

While the content of the Forum comes from participants, the planning, organization, and execution of the Forum is led by the SEC's Office of the Advocate for Small Business Capital Formation. The Forum is one of the Office's many responsibilities as it advocates for pragmatic solutions to address challenges faced by small businesses and their investors raising and deploying capital. The Office serves small businesses from early-stage startups 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. The Office was established within the SEC by Congress via the bipartisan SEC Small Business Advocate Act of 2016 to be led by an independent advocate who reports to the entire Commission as well as to multiple committees of Congress.

Meet the Team



From left to right: Pablo Echeverri, Courtney Haseley, T.J. Collins, Julie Zelman Davis, John Sanders, Amy Reischauer, Leonardo Eulate, Sarah Kenyon, Jenny Riegel, Vikki Porter, Kimberly Dinwoodie, and Kathryn Steinberg (not pictured: Todd VanlLaere).

Engage with Us!

Visit us online:
SEC.gov/oasb

Speak to our team:
(202) 551-5407

Email us:
smallbusiness@sec.gov

Learn the ropes:
sec.gov/resources-small-businesses

Supporting Small Businesses from Startup to Small Cap: A Full Suite of Resources

The SEC offers a wide variety of educational materials and other resources for small businesses and their investors on all aspects of the capital-raising lifecycle, including, for example:



Small Business Videos

Users can find educational videos on common capital-raising topics as well as videos summarizing the potential impact of Commission policy or rulemaking initiatives on small businesses and their investors. For example, in May 2026, the SEC launched three new videos providing high-level overviews of the SEC's Registered Offering Reform, Filer Status, and Semiannual Reporting proposals. Users looking to learn more about the SEC's rulemaking process can also view the SEC's video on How to Comment: Engage in the Rulemaking Process.

Funding Roadmap

This roadmap guides users through the different options for funding a small business, from personal savings to grants and loans to capital-raising from investors, providing context for when securities laws apply to small business financing activities.





Capital-Raising Building Blocks

This suite of educational materials breaks down fundamental securities law concepts into plain language, including new resources focused on crypto assets and related transactions, public reporting companies, Regulation A, non-profit organizations, and how to comment on SEC rulemaking.

Exempt Offerings

Users can find more detailed resources on common capital-raising pathways—like how to raise capital from investors by offering and selling securities under an exemption from the registration requirements.



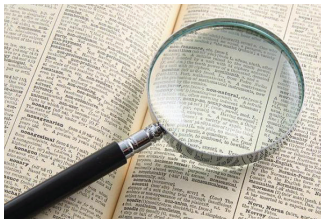


Going Public

In this section, the SEC offers resources on how to prepare for and conduct a registered public offering as well as the reporting and other requirements for public companies.

Glossary

The SEC continues to expand a curated glossary of key terminology that makes the language of capital raising more accessible to small businesses and their investors. Users looking to learn more will also find links to additional resources such as the latest SEC Corporation Finance Interpretations.



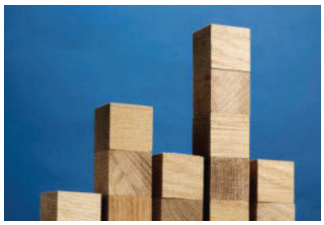


Small Business Events and Recordings

Users can find information on—and in many cases, recordings of—webinars, panel discussions, and other events focusing on issues facings small businesses and their investors.

SmallBiz Essentials

The SEC's SmallBiz Essentials blog series covers a number of basic securities law and other capital-raising concepts. Entrepreneurial support organizations and others in the small business ecosystem are invited to share them as guest blog posts with their networks.





Endnotes

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 Participants voluntarily submitted the information presented in this report in connection with their registration online. The report solely includes submitted data and does not reflect non-responses.

3 In the participant votes for recommendations in the Growth-Stage Companies and Smaller Funds section, there was a tie for 5th place, so that section has 6 recommendations.

4 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.

5 *See* "Office of Information and Regulatory Affairs, Office of Management and Budget, U.S. Securities and Exchange Commission Agency Rule List," (2026) *available at* https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST&currentPub=true&agencyCode=&showStage=active&agencyCd=3235&csrf_token=709E7368BCA6E602BBD4F353C42FC3EA337F35A5EDB3D91B1296502551A5F5817CCE0F88D6AD836B1BFBD6D2203818B36FAB.

6 *See* "Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets," Release No. 33-11412 (Mar. 17, 2026) *available at* https://www.sec.gov/files/rules/interp/2026/33-11412.pdf.

7 *See* https://www.sec.gov/resources-small-businesses.

8 *See* https://www.sec.gov/files/funding-roadmap-capital-raising.pdf.

9 *See* https://www.sec.gov/resources-small-businesses/additional-government-resources-small-businesses.

10 *See* "Final Rule: Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets," Release Nos. 33-10884; 34-90300; IC-34082; File No. S7-05-20 (Nov. 2, 2020) *available at* https://www.sec.gov/files/rules/final/2020/33-10884.pdf.

11 *See* "Concept Release on Harmonization of Securities Offering Exemptions," Release Nos. 33-10649; 34-86129; IC-33512; File No. S7-08-19 (June 18, 2019) *available at* https://www.sec.gov/files/litigation/litreleases/2019/33-10649.pdf.

12 *See* "Proposed Rule: Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets," Release Nos. 33-10763; 34-88321; File No. S7-05-20 (Mar. 4, 2020), *available at* https://www.sec.gov/files/rules/proposed/2020/33-10763.pdf.

13 *See* "Amendments to the "Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act," Release Nos. IA-6935; IC-35864; File No. S7-2026-01 (Jan. 7, 2026) *available at* https://www.sec.gov/files/rules/proposed/2026/ia-6935.pdf.

14 *See* "Short Position and Short Activity reporting by Institutional Investment Managers," Release No. 34-98738; File No. S7-08-22 (Oct. 13, 2023), *available at* https://www.sec.gov/files/rules/final/2023/34-98738.pdf.

15 *See* "Order Granting Temporary Exemptive Relief, Pursuant to Sections 13(f)(3) and 36(a)(1) of the Securities Exchange Act of 1934 from Compliance with Rule 13f-2 and Form SHO, and Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934 from Certain Aspects of Rule 10c-1a," Release No. 34-104303 (Dec. 8, 2025), *available at* https://www.sec.gov/files/rules/exorders/2025/34-104303.pdf.

16 *See* "Modernization of Beneficial Ownership Reporting," Release Nos. 33-11253; 34-98704; File No. S7-06-22 (Oct. 10, 2023) *available at* https://www.sec.gov/files/rules/final/2023/33-11253.pdf.

17 *See* "Transfer Agent Regulations," Release No. 34-76743; File No. S7-27-15 (Dec. 22, 2015), *available at* https://www.sec.gov/rules/concept/2015/34-76743.pdf.

18 *See* "Concept Release on Harmonization of Securities Offering Exemptions," Release Nos. 33-10649; 34-86129; IC-33512; File No. S7-08-19 (June 18, 2019) *available at* https://www.sec.gov/files/litigation/litreleases/2019/33-10649.pdf.

19 *See* "Registered Offering Reform," Release Nos. 33-11418; 34-105513; IC-36160; File No. S7-2026-17 (May 19, 2026) *available at* https://www.sec.gov/files/rules/proposed/2026/33-11418.pdf.

20 *See* "Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies," Release Nos. 33-11419; 34-105515; File No. S7-2026-18 (May 19, 2026) *available at* https://www.sec.gov/files/rules/proposed/2026/33-11419.pdf.

21 *See* "Registered Offering Reform," Release Nos. 33-11418; 34-105513; IC-36160; File No. S7-2026-17 (May 19, 2026) *available at* https://www.sec.gov/files/rules/proposed/2026/33-11418.pdf.

22 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).

23 Barbara Thomas, Commissioner, Risk Taking and Capital Formation: Remarks before the Town Hall of California (July 7, 1981), https://www.sec.gov/news/speech/1981/070781thomas.pdf.

24 Securities and Exchange Commission, Resources for Small Businesses, https://www.sec.gov/resources-small-businesses.

25 *See e.g.* Hester Peirce, Commissioner, Bridging the Gap: Remarks before the Northwest Securities Institute (May 30, 2025), https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-northwest-securities-institute-053025.

26 44th Annual Small Business Forum (April 10, 2025), pg. 137, https://www.sec.gov/files/2025-SBF-508-Transcript.pdf.

27 https://www.sec.gov/comments/cll-15/regulation-s-k#no-back.

28 Small Business Data Center (last visited March 7, 2026) https://www.uschamber.com/small-business/small-business-data-center.

29 Report on the Uniformity of State Regulatory Requirements for Offerings of Securities That Are Not "Covered Securities" Pursuant to Section 102(b) of the National Securities Markets Improvement Act of 1996 (October 11, 1997), Executive Summary, *available at* https://www.sec.gov/news/studies/uniformy.htm (hereinafter, "Uniformity Report").

30 National Securities Markets Improvement Act of 1996, Pub. L. No. 104–290, 110 Stat. 3416 (1996) (hereinafter, "NSMIA")

31 For background, refer to https://www.sec.gov/resources-small-businesses/exempt-offerings/private-placements-rule-506b.

32 Uniformity Report, at Section II, and NSMIA.

33 *Id*.

34 Uniformity Report, at Section IV.A.





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