CROWDFUND CAPITAL ADVISORS, LLC
1700 Lincoln St., 17th Fl., Denver, CO 80203 | (877) 427-2350 | www.crowdfundcapitaladvisors.com

July 13, 2026

VIA ELECTRONIC MAIL (Secretarys-Office@SEC.GOV)

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Petition for Rulemaking Pursuant to Rule 192 of the Commission's Rules of Practice — Request to Amend Regulation Crowdfunding Offering Limits Pursuant to Securities Act Section 3(b)

Dear Ms. Countryman:

Pursuant to Rule 192(a) of the Commission's Rules of Practice (17 C.F.R. § 201.192(a)), Crowdfund Capital Advisors, LLC respectfully submits this petition for rulemaking and requests that it be docketed and assigned a file number. This petition was originally transmitted to Chairman Atkins on January 6, 2026; we resubmit it to your office to ensure it is properly entered into the Commission's public petition file. We note that a separately filed petition, File No. 4-889, also requests an increase in the Regulation Crowdfunding offering limit; this petition is complementary to, and independent of, that filing, and supplies transaction-level market data bearing on the same question.

Introduction and Summary of Request

This petition respectfully requests that the U.S. Securities and Exchange Commission ("Commission") amend Rule 227.100(a) of Regulation Crowdfunding ("Reg CF") to increase the maximum aggregate offering amount permitted during any 12-month period to $20 million, with automatic inflation indexing.

The current $5 million cap—while appropriate when initially adopted—has become a binding constraint on capital formation for a substantial share of Reg CF issuers. Empirical evidence demonstrates that the cap fragments otherwise efficient capital raises into multiple offerings without providing commensurate investor-protection benefits.

Pursuant to Section 3(b) of the Securities Act of 1933, the Commission has clear authority to adjust offering limits where doing so promotes capital formation while maintaining appropriate safeguards.

Data Reliability and Market Transparency

The Commission's publicly reported Regulation Crowdfunding statistics rely heavily on EDGAR filings, including Form C-U progress updates. However, compliance with Form C-U has been inconsistent since Reg CF's inception, resulting in systematic underreporting of capital raised and incomplete visibility into issuer behavior.

These limitations were documented in a June 2025 analysis summarized by Crowdfund Insider and based on underlying empirical research authored by the petitioner. The purpose of this disclosure is not to

criticize the Commission's reporting efforts, but to underscore a known structural limitation: uneven Form C-U compliance makes EDGAR-only datasets insufficient as the sole basis for evaluating capital-formation outcomes.

To address these gaps, Crowdfund Capital Advisors developed CCLEAR, a comprehensive transaction-level dataset tracking every Regulation Crowdfunding offering and investment since market inception. The empirical findings presented in this petition rely on CCLEAR because it provides a more complete and accurate view of issuer behavior under Reg CF.

In addition to correcting for incomplete Form C-U reporting, the CCLEAR dataset reflects issuer-level capital formation at the transaction level, including instances where issuers conducted contemporaneous exempt offerings as part of a single financing round. In practice, issuers may combine Regulation Crowdfunding with other exempt offerings, such as Rule 506(c), in order to meet capital requirements that exceed the current Reg CF cap.

As a result, Reg CF offering totals reported on EDGAR may understate the total capital raised in a given financing round. Transaction-level aggregation provides a more accurate representation of issuer capital formation and better reflects the economic reality faced by growing companies.

These patterns further suggest that the current $5 million cap may contribute to unnecessary structural complexity in capital raising, whereas a higher Reg CF limit could promote greater transparency and efficiency by allowing issuers to conduct a single, consolidated financing under a standardized disclosure framework.

Empirical Evidence Supporting a Higher Cap

Analysis of issuers that approached the current Reg CF cap (approximately $4–5 million raised in a single offering) reveals the following:

- 40.3% of near-cap issuers subsequently returned to the Reg CF market for follow-on offerings.
- The median time to first follow-on offering was 20 months, consistent with ordinary business growth cycles.
- The median amount of additional capital raised post-cap was approximately $3.1 million.
- In aggregate, more than $214 million was raised by issuers after initially approaching the cap.
- 29.4% of near-cap issuers raised at least $1 million in post-cap Reg CF offerings.

These findings demonstrate that the current cap fragments capital formation rather than constraining risk.

Rationale for a $20 Million Cap with Inflation Indexing

A modest increase to $10 million risks recreating the same inefficiencies currently observed at the $5 million level. Issuers seeking $10–20 million are often post-revenue, customer-rich, and operationally mature, yet unable to leverage their customers as investors given the offering caps. This precludes these issuers from benefitting from this exemption.

Reg CF uniquely allows issuers to raise capital from their customers and communities, an advantage that scales with issuer maturity. A $20 million cap would enable Series A and smaller Series B-scale raises without altering the existing disclosure, intermediary, or investor-protection framework.

Indexing the cap to inflation would preserve its real economic value over time and reduce the need for repeated regulatory intervention.

Investor Protection and Market Maturity

Regulation Crowdfunding has operated for nearly a decade and encompasses 9,300+ issuers. During this period, enforcement actions have been rare, systemic fraud has not emerged, and investor harm has not materialized at scale.

Standardized disclosures under Form C and Form C-AR benefit issuers by clearly defining expectations and benefit investors by enabling comparability, benchmarking, and transparency that do not exist in other exempt markets. Expanding Reg CF would extend these benefits rather than diminish them.

Requested Action

For the reasons set forth above, the petitioner respectfully requests that the Commission:

1. Increase the Regulation Crowdfunding offering limit to $20 million in any 12-month period; and

2. Index the offering limit to inflation.

Such action would promote capital formation, enhance market efficiency, preserve investor protection, and expand issuer choice within the exempt offering framework.

Petitioner's Interest

The petitioner participated in the policy development process that led to the adoption of Regulation Crowdfunding and has worked continuously since its implementation on issuer compliance, market analysis, and regulatory reporting. He is the creator of the CCLEAR dataset, a transaction-level database tracking Regulation Crowdfunding offerings, and the author of INVESTOMERS, which examines issuer–investor dynamics in securities-based crowdfunding.

We stand ready to provide the Commission or its staff with supporting data, additional analysis, or briefings as helpful.

Respectfully submitted,

Sherwood Neiss
Principal, Crowdfund Capital Advisors, LLC
sherwood@theccagroup.com

cc: The Honorable Paul S. Atkins, Chairman; The Honorable Hester M. Peirce, Commissioner; The Honorable Mark T. Uyeda, Commissioner; Office of the Advocate for Small Business Capital Formation