July 21, 2026

Via Electronic Submission

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

Re: Registered Offering Reform (File No. S7–2026–17)

Dear Ms. Countryman:

The Pinpoint Policy Institute ("Pinpoint") is a nonpartisan, nonprofit organization dedicated to promoting and defending the essential pillars of America's economic growth and prosperity. We appreciate the opportunity to submit these comments in strong support of the Securities and Exchange Commission's ("SEC") proposed rule implementing Registered Offering Reform issued on May 19, 2026.

Pinpoint fully supports the proposed rule's objectives and Chair Atkins's efforts to "Make IPOs Great Again" by spurring capital formation through the modernization and preemption of outdated and duplicative regulations while preserving strong investor protections. The proposed rule would further President Trump's longstanding efforts to eliminate unnecessary burdens and regulations that can stifle economic growth.

America's public markets have spent a generation strangled by red tape. The number of exchange-listed public companies has fallen by roughly 40 percent since the 1990s — not because businesses stopped needing capital, but because regulations have made being a public company slow and expensive. The current framework compounds the problem by giving the largest, most established corporations fast-track, flexible fundraising while smaller and newly public companies wait in line and pay proportionally more — regulation acting, in effect, as a moat for incumbents. This year's strong IPO market, arriving amid anticipated SEC reforms, illustrates the disparity: first-half proceeds already rank among the highest of any full year on record, but the number of completed IPOs has actually fallen from a year earlier — record dollars for a handful of giants, as smaller companies stack up in a pipeline that isn't clearing.

One consequence is that companies now do most of their growing while private. A generation ago, Amazon went public at a valuation of roughly $440 million, and ordinary investors captured the decades of growth that followed. Today's leading companies routinely stay private until their valuations reach the tens of billions, with 401(k) and retail investors shut out of that growth. By lowering the cost of conducting registered offerings (and of being a public company generally) the proposal improves the calculus for going public and helps return those opportunities to ordinary Americans. It would also lower the cost of capital that fuels investment, job creation, and innovation — all without removing a single investor protection.

Nowhere is the case for reform clearer than in the preemption of the inconsistent patchwork of state-level registration and qualification requirements. Fifty-plus separate regimes — each with its own filings, fees, review timelines, and investment limits — impose costs and unpredictability that fall hardest on registered products serving vital sectors of the real economy, including non-listed real estate investment trusts (REITs) and business development companies (BDCs) that lend to small and mid-sized businesses. And because a nationwide offering must clear every jurisdiction in which it is sold, the strictest or slowest regulator can effectively set the timetable and terms for the entire country.

A number of states go beyond simply reviewing disclosure. Under merit review, a state official may block an offering they personally deem unsuitable, even when all material facts have been honestly disclosed, and other states have approved the identical offering. This approach — in which government bureaucrats substitute their subjective opinion for that of informed investors — conflicts with the core philosophy of the federal securities laws, which Congress established in 1933 on the principle of disclosure rather than government approval of investments.

The costs of this approach are not hypothetical. In 1980, Massachusetts barred individual investors from purchasing shares in Apple's IPO — an offering fully registered with the SEC — because state officials deemed it too risky. Investor access depended solely on state residency, with a bureaucrat's subjective assessment overriding decisions of informed investors.

More than four decades later, this regulatory disconnect has only intensified. For example, a retail investor with a self-directed brokerage account may freely place their children's college money or their future mortgage payments in any number of speculative instruments — even a triple-leveraged ETF that can lose more than half its value within days — and no state official examines those purchases. Yet when the same investor carefully works with a licensed financial professional bound by Regulation Best Interest or fiduciary duty to select a security sold in a fully registered, SEC-reviewed offering, access depends on which side of a state line the investor happens to live, whether the issuer elected to qualify there, and what investment limits state officials impose. Access to the most transparent products in the securities markets should not vary by ZIP code.

And that is hardly the only way the current rules are backwards. Private placements under Rule 506 — which generally involve limited disclosure and no SEC registration — have been exempt from state registration since Congress preempted them in 1996. In contrast, fully registered public offerings of non-listed securities — subject to comprehensive SEC disclosure, review, and Section 11 liability — must still navigate state-by-state registration and qualification. The regulatory burden thus runs in exactly the wrong direction: the path with the most disclosure bears the heaviest state-law weight. A rational regulatory framework should not penalize transparency.

The consequences are measurable. According to Robert A. Stanger & Co., fundraising by SEC-registered non-traded REITs fell from roughly $33 billion in 2022 to under $6 billion in 2025, while private placement REIT fundraising rose from $1.4 billion to $9.6 billion, as capital migrated from the registered, fully disclosed channel to the private one. That reallocation reflects regulatory friction more than investor preference. And its cost falls on ordinary investors: private placements are generally limited to wealthy investors, so every offering that moves from the public to the private market is an opportunity withdrawn from Main Street.

To be clear, none of this is an argument against investor protection. Preemption leaves untouched full SEC disclosure review and Section 11 liability, ongoing Exchange Act reporting, FINRA oversight of distribution, and the Regulation Best Interest and fiduciary obligations of every professional recommending these securities. States would retain their ability to collect notice filings and fees, as well as their authority to investigate and prosecute fraud — the enforcement role they are best positioned to perform.

For three decades, Congress and the SEC have been retiring duplicative state review of federally supervised offerings. Congress ended state registration of mutual funds and exchange-listed securities in 1996; the mutual fund industry that grew under exclusive federal registration is now the foundation of American household investing, evidence that federal oversight alone protects investors. Registered public offerings of non-listed securities remain the last such category still subject to the state-by-state patchwork. This proposal completes the framework Congress began: one national standard for registered offerings, with states focused on the antifraud enforcement role they perform best.

Pinpoint strongly urges the SEC to adopt the proposed rules. They are a long-overdue correction to what Chair Atkins has aptly called a “compliance labyrinth” — the accumulated weight of decades of rulemaking whose cumulative cost now deters the very public participation the securities laws were designed to foster. Rules meant to sustain healthy public markets should not be the reason companies avoid them.

In particular, we urge the SEC to adopt the proposed preemption of state registration and qualification requirements, including merit review, for all registered offerings. This reform eliminates duplicative cost and delay while leaving investor protections intact. It would support capital formation, restore registered offerings as the default path for raising capital, and broaden ordinary investors' access to the fully disclosed, transparent public markets that have made the United States the most trusted place in the world to invest.

Sincerely,

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