

TNCDP, Inc.*Public Comment — SEC File No. 4-927*

September 21, 2026

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

Submitted electronically via SEC.gov

Re: File No. 4-927 — Comment on Question 4: Consideration of a Tier 2 Regulation A Tokenized Secondary Market Pilot

Dear Ms. Countryman:

TNCDP, Inc. submits this comment in response to the Securities and Exchange Commission's September 17, 2026 Order granting temporary, conditional exemptive relief for Tokenized Securities Venues ("TSVs") and the accompanying request for comment. TNCDP focuses on digital securities, capital formation, and corporate infrastructure. This comment addresses Question 4 of the Order: whether the TSV Exemption should be modified to permit a TSV to trade securities other than Tokenized NMS Stock.

The Commission's Order creates a five-year framework, effective through September 17, 2031, under which qualifying TSVs may facilitate trading in Tokenized NMS Stock through permissioned automated market makers and liquidity pools, subject to detailed conditions. The Order does not extend that eligibility to non-NMS securities, including many securities issued in Tier 2 offerings under Regulation A.

This comment identifies a framework the Commission could evaluate for a limited pilot involving SEC-qualified Tier 2 Regulation A equity securities. The central question is not whether smaller issuers should be subject to less regulation. It is whether a distinct set of conditions can address the characteristics of non-NMS securities while allowing the Commission to gather empirical data about onchain trading, ownership records, settlement, liquidity, surveillance, and investor outcomes in a smaller-issuer environment.

I. Question 4 Creates a Direct Opportunity to Evaluate Non-NMS Securities

Question 4 asks whether the TSV Exemption should be modified to permit trading in securities other than Tokenized NMS Stock and, if so, what types of securities should be eligible. SEC Release No. 34-106402, at 58 (Sept. 17, 2026). That question is particularly relevant to Tier 2 Regulation A because Regulation A occupies a distinct space between private exempt offerings and fully Exchange Act-registered, exchange-listed public companies.

Regulation A is an exemption from Securities Act registration, so securities sold under Regulation A should be described as SEC-qualified rather than Securities Act-registered. For Tier 2 offerings, however, the regulatory framework includes an offering statement on Form 1-A, Commission qualification before sales, audited financial statements, and ongoing annual, semiannual, and current reporting. The Commission's guidance states that Tier 2 issuers are required to file annual reports, semiannual reports, and current reports on an ongoing basis.

Those requirements do not make Tier 2 securities equivalent to NMS stocks, and the differences matter. They do, however, provide a defined federal disclosure framework that could serve as a foundation for a separate pilot with additional eligibility and trading conditions.

II. A Regulation A Pilot Would Need Its Own Market-Structure Conditions

The current TSV Exemption is designed around NMS stocks. Among other things, its volume limits reference average daily share volume reported through an effective transaction reporting plan. A non-NMS Regulation A security may not have the same consolidated reference price, trading volume, exchange halt mechanism, or depth of market. A workable non-NMS pilot therefore would need a different calibration rather than simply extending the existing NMS conditions unchanged.

A separate framework could define eligibility by the issuer's SEC reporting status, transfer-agent arrangements, public float or holder characteristics, and compliance history. It could also use independent volume, concentration, and volatility controls rather than relying on NMS market data that may not exist for the security.

This distinction is important for investor protection. Lower-liquidity securities can be more susceptible to price dislocation, concentrated ownership, promotional activity, and manipulation. A pilot could address those risks through narrower initial eligibility, transparent trading rules, enhanced surveillance, and Commission access to onchain and offchain records.

III. Illustrative Eligibility Framework for a Tier 2 Regulation A Pilot

The following elements illustrate how a pilot could be structured for study. They are intended as a framework for evaluating the issue rather than a claim that every condition would be necessary in every case.

Area	Illustrative Condition
Offering status	Security issued pursuant to an SEC-qualified Tier 2 Regulation A offering.
Reporting status	Issuer current in all required Regulation A ongoing reports, including annual, semiannual, and current reports.
Security type	Initial phase limited to common or preferred equity with clearly defined holder rights; more complex instruments could be considered later.
Issuer authorization	Issuer affirmatively authorizes tokenization and receives advance notice of venue eligibility and material changes.
Transfer agent	SEC-registered transfer agent required for participating issuers, with defined responsibility for reconciling the official securityholder record and onchain records.
Token rights	Tokenized security must convey the same economic, voting, dividend, distribution, and corporate-action rights as the represented security.
Identity controls	Permissioned access with appropriate identity, sanctions, and applicable customer-identification controls.
Trading controls	Security-specific limits on volume, concentration, volatility, and affiliate activity; trading pauses for material events or extraordinary price movements.
Surveillance	Controls designed to detect wash trading, matched trading, manipulation, abusive concentration, and suspicious transaction patterns.
Books and records	Human-readable and reasonably usable electronic records available promptly to Commission staff, including ledger and transaction data.
Primary vs. secondary	Primary issuance remains governed by the qualified Regulation A offering; the TSV pilot addresses permitted secondary trading after issuance.
Public disclosures	Clear disclosure that the venue is operating under a conditional exemption and that the security may have materially different liquidity and price-discovery characteristics from NMS stock.

IV. Transfer-Agent Integration Could Be a Core Investor-Protection Feature

A central design issue is the relationship between the distributed ledger and the issuer's official securityholder records. For smaller issuers, uncertainty over which record controls ownership, voting,

dividends, legends, restrictions, and corporate actions could create significant operational and investor-protection problems.

The Commission's September 1, 2026 proposal to modernize the registered transfer-agent rules is relevant to this question. The proposal expressly addresses electronic and blockchain-based recordkeeping and uncertificated securities. The Commission has also described transfer agents as a critical component of the securities lifecycle because they facilitate issuance, cancellation, transfer, and maintenance of official ownership records.

A Regulation A pilot could therefore require a registered transfer agent and establish clear reconciliation standards between the master securityholder file and the onchain record. That structure could reduce ambiguity over beneficial and record ownership, corporate actions, lost keys, wallet changes, restrictive legends, transfers, and error correction. It would also create a regulated operational interface between the issuer and the trading venue.

Regulation A already uses registered transfer agents in an important context. An issuer seeking to rely on the conditional exemption from Exchange Act Section 12(g) for Tier 2 securities must, among other conditions, engage a transfer agent registered with the Commission and remain current in its required Tier 2 reporting. A TSV pilot could make use of that existing regulatory infrastructure as an eligibility condition for all participating issuers, whether or not a particular issuer otherwise needs the Section 12(g) exemption.

V. Price Discovery and Manipulation Risks Require Different Controls

For NMS stock, an onchain venue can observe a highly developed offchain market with established quotations, exchange trading, public market data, and market-wide volatility controls. A non-NMS Regulation A security may lack that external reference market. This is one of the strongest reasons to design a separate pilot rather than treating the two categories as interchangeable.

Possible controls for Commission evaluation include issuer and affiliate trading restrictions, beneficial-ownership concentration thresholds, market-maker or liquidity-provider disclosure, transaction-size caps, rolling volume limits, volatility bands, circuit breakers, minimum public-float or holder-distribution standards, and mandatory pauses around material issuer events. The Commission could also require enhanced disclosure when there is no reliable independent reference price.

The Order already reflects a pilot-based approach to market-quality risk by limiting the number of eligible NMS symbols and the percentage of average daily share volume that may trade through a TSV. For non-NMS securities, analogous limits could be based on measures that do not depend on an NMS transaction reporting plan, such as public float, trailing venue volume, holder concentration, and absolute dollar-volume thresholds. Any quantitative thresholds would benefit from economic analysis and data before adoption.

VI. Secondary-Resale and State-Law Issues Should Be Addressed Explicitly

A Regulation A tokenized secondary-market pilot would also need to address legal issues that are less prominent for exchange-listed NMS stock. SEC staff guidance states that the state-law registration and qualification preemption associated with Tier 2 Regulation A does not automatically extend to ordinary post-offering resales. Unless another basis for preemption or exemption applies, secondary resales may remain subject to state securities-law requirements.

Accordingly, a federal TSV framework for Tier 2 securities should not assume that Regulation A qualification alone resolves every resale issue. The Commission could seek comment on how state qualification and exemption regimes, federal resale exemptions, and venue access rules would interact. Clear treatment would help reduce the risk that technological settlement changes the form of a transaction without resolving the underlying securities-law requirements.

The Commission would likewise need to specify the broker-dealer, dealer, transaction-reporting, and surveillance obligations that apply to venue operators, liquidity providers, and participants. The current Order expressly provides only the exemptions stated in the Order and does not create a general exemption from other applicable federal securities laws. A non-NMS pilot should preserve that principle and identify any additional targeted relief separately.

VII. A Pilot Can Be Structured to Produce Useful Data Without Assuming the Outcome

A limited pilot could be designed around data collection rather than a presumption that tokenization will improve liquidity or investor outcomes. Tokenization may reduce certain operational frictions, but it does not itself create economically justified liquidity, eliminate information asymmetry, or prevent manipulation. Those questions are empirical.

A defined pilot could allow the Commission to compare onchain and conventional market activity across measures such as bid-ask spreads, execution quality, settlement failures, transfer times, ownership-record accuracy, corporate-action processing, cybersecurity incidents, concentration, price volatility, manipulation alerts, retail participation, and investor complaints. Periodic public reporting of aggregated results could help inform future rulemaking.

The five-year duration of the existing TSV Exemption provides a natural experimental period. A non-NMS pilot could begin with a narrower group of issuers or securities and expand only after operational and market-integrity data support further consideration. The Commission could also retain authority to suspend individual securities, venues, or categories when conditions warrant.

VIII. Conclusion

Question 4 asks whether the TSV Exemption should extend beyond Tokenized NMS Stock. Tier 2 Regulation A securities present a concrete category for the Commission to evaluate because they combine a federal qualification process and ongoing reporting framework with market characteristics that differ materially from NMS stocks.

A thoughtful evaluation would need to address those differences directly: price discovery, liquidity, manipulation risk, transfer-agent reconciliation, state-law treatment of secondary resales, broker-dealer and dealer obligations, transaction reporting, and investor disclosures. The framework above describes one way those issues could be organized for a limited, data-driven pilot.

TNCDP, Inc. submits this framework for the Commission's consideration in connection with Question 4 and the Commission's broader evaluation of how onchain securities markets may develop under the federal securities laws.

Respectfully submitted,

/s/ Natalie Collins

Natalie Collins

Chief Executive Officer

TNCDP, Inc.

Appendix A — Selected Authorities and Source Materials

The following Commission materials and staff guidance are the principal public authorities referenced in this comment.

1. SEC Release No. 34-106402, File No. 4-927, Order Granting Temporary Conditional Exemptive Relief and Request for Comment (Sept. 17, 2026) — [SEC.gov](https://www.sec.gov)
2. SEC Press Release 2026-90, “SEC Issues Innovation Exemption to Facilitate the Trading of Tokenized NMS Stock and Request for Comment” (Sept. 17, 2026) — [SEC.gov](https://www.sec.gov)
3. SEC, Regulation A — Small Business Capital Raising — [SEC.gov](https://www.sec.gov)
4. SEC, Regulation A: Guidance for Issuers — [SEC.gov](https://www.sec.gov)
5. SEC Press Release 2026-81, “SEC Proposes to Modernize Rules for Registered Transfer Agents” (Sept. 1, 2026) — [SEC.gov](https://www.sec.gov)
6. SEC Division of Corporation Finance, Consolidated Corporation Finance Interpretations — Regulation A secondary resale / state-law preemption guidance — [SEC.gov](https://www.sec.gov)

Note: This submission is intended as a public comment on market-structure policy and does not constitute an offer to sell or a solicitation of an offer to buy any security.