

**Commertize, Inc.** 20250 SW Acacia St., Suite 130 Newport Beach, CA 92660

October 21, 2026

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

**Re: File No. 4-927 — Order Granting Temporary Conditional Exemptive Relief Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934 for Tokenized Securities Venues and Covered Firms (Release No. 34-106402, September 17, 2026); Response to Question 4**

Dear Ms. Countryman:

Commertize, Inc. (“Commertize”) respectfully submits this comment on Question 4 of the Commission’s Solicitation of Comments. Question 4 asks three things:

“Should the TSV Exemption be modified to permit a TSV to trade securities other than Tokenized NMS Stock? Which types of securities should TSVs be limited to trading under the TSV Exemption? Should the non-security crypto assets or tokenized money market funds that are permitted to trade in pairs with Tokenized NMS Stock on a TSV be limited to certain types of non-security crypto assets or tokenized money market funds?”

Order at 58. We answer all three. In short: **the third sentence should be answered functionally rather than by enumeration; the first two should be answered by a graduated sequence rather than a single extension; and any extension should be conditioned on a substitute architecture that replaces, rather than borrows, the conditions this Order derives from the national market system.** We describe that architecture below, because we think it is the part of this question the Commission most needs answered and the part a commenter in our position is best placed to answer.

## **1. Who we are, and the limits of what we can tell you**

Commertize is a technology company in Orange County, California that builds issuance and administration infrastructure — securityholder registers, transfer-restriction enforcement and investor onboarding — for privately placed, exempt interests in real-world assets represented in tokenized form. Commertize is not registered with the Commission in any capacity: it is not a broker-dealer, an exchange or alternative trading system, or a transfer agent, and it does not operate any trading venue. We have not completed a tokenized offering to date. We therefore write as a firm designing infrastructure to current law, not as one reporting operating experience, and we have tried to confine ourselves to points where design perspective is worth something and to flag where it is not.

## 2. The Order's perimeter is role-based, and that is the right way to extend it

The Order permits a TSV to make available for trading a Tokenized NMS Stock trading “in a pair with another Tokenized NMS Stock, a non-security crypto asset (e.g., a payment stablecoin issued by a permitted payment stablecoin issuer), or a tokenized money market fund,” and provides that “[a]ny non-security crypto asset or tokenized money market fund must be directly paired and traded alongside a Tokenized NMS Stock to be eligible for trading on a TSV.” Order at 7–8. Footnote 23 adds that a pair “can include two or more legs,” each of which “must be a Tokenized NMS Stock, non-security crypto asset, or tokenized money market fund.”

A money market fund is, as the Order notes, “a type of fund registered under the Investment Company Act and regulated pursuant to Rule 2a-7.” Order at 8 n.25. It is not an NMS stock. It has no consolidated tape, no national best bid and offer, and no primary listing exchange whose halts could be mirrored. The perimeter the Order draws is therefore not “NMS stock and nothing else.” It is: **the traded risk asset must be a Tokenized NMS Stock; the remaining legs of the pair may be a cash-equivalent registered security or a non-security crypto asset.** That is a distinction of *role*, not of *asset class*, and we think it is the correct organizing principle for any extension — including one that never reaches securities like the ones our systems serve.

We are careful not to overclaim from this. The Order states that it “does not provide an exemption for purposes of the Investment Company Act of 1940,” and that activities involving tokenized investment companies “may raise issues under the Investment Company Act, such as multi-class issues under section 18 ... and the application of section 22(d) and rule 22c-1.” Order at 7 n.22. The money-market-fund permission is **venue-side only**: the Commission relieved the venue of the “exchange” definition; it did not relieve the instrument of anything. We think that is the feature rather than the limitation. Relief under Question 4 would likewise be venue-side. It would require no change to the exempt status of any security, no new offering exemption, and no alteration of Regulation D, Rule 144 or Rule 144A. It would answer only the question the Order was built to answer: on what conditions may a permissioned on-chain venue operate without registering as an exchange.

**One drafting observation on the pairing limb.** Footnote 24 provides that payment stablecoins issued by a permitted payment stablecoin issuer “categorically will not be securities by operation of statute *after the effective date of the GENIUS Act*,” being the earlier of eighteen months after enactment on July 18, 2025, or 120 days after final implementing regulations. Until that date arrives, the non-security character of a given payment stablecoin remains a facts-and-circumstances question rather than a statutory given, which means the eligibility of a pairing leg may change during the exemption’s first months without any action by the venue. The Commission may wish to address in guidance how a TSV should treat a pairing leg whose statutory status changes mid-stream.

### 3. Answering sentence three: define the pairing categories functionally

The Commission asks whether the permitted pairing assets should be limited to certain types. We read the question as capable of narrowing as easily as expanding, and we urge against narrowing by enumeration.

**Our answer: define the pairing categories by function, not by product name.** A permitted pairing leg should be a non-security crypto asset, or a security whose price is administratively struck at or about a fixed value or net asset value and whose role in the pair is to serve as the settlement or numéraire leg. “Tokenized money market fund” is an instance of that category; it is not the category. Drafting the permission functionally means the relief does not need to be reopened each time an equivalent instrument appears — a tokenized government-only fund, a tokenized deposit, a bank-issued settlement token — and it avoids the anomaly of an exemption whose availability turns on a product label rather than on the risk the product presents.

We do **not** suggest that the pairing limb be used as a side door for risk assets. The Order’s requirement that any such leg be “directly paired and traded alongside a Tokenized NMS Stock” is the right constraint and should be retained in terms. Our point is only that the description of what may occupy the settlement leg should be written to its purpose.

### 4. Answering sentences one and two: a graduated sequence, in order of fit with the Order’s own logic

We suggest the Commission consider extensions in the following order. We have ranked them by how closely each class matches the risk rationale the Order has already accepted — not by our own interest, which lies at the bottom of the list and which we identify as such.

**First, Regulation A Tier 2 securities.** These have an offering statement qualified by the Commission, ongoing reporting on Forms 1-K, 1-SA and 1-U, and no accreditation limit on holders. Secondary trading of such securities on registered venues is established practice. What they lack relative to an NMS stock is a consolidated tape, so the Order’s volume condition has no denominator. A workable substitute is a cap expressed as a percentage of units outstanding over a rolling period rather than as a percentage of average daily reported volume.

**Second, securities eligible for resale under Rule 144A.** Here the venue’s access condition and the security’s resale condition converge: the Order already requires that TSV Participants be “verified or credentialed users,” Order at 8, and Rule 144A(a)(1) already defines the eligible counterparty set. A venue restricted to qualified institutional buyers is permissioned by the exemption itself rather than by venue policy, which is a stronger guarantee than a rulebook.

**Third, interests in pooled or multi-asset private funds offered under Rule 506(c),** where net asset value is struck periodically by an independent administrator. The valuation is issuer-adjacent rather than market-derived, which is a genuine difference from every class above; the answering condition is independent administration plus a mandatory trading pause when a valuation goes stale.

**Fourth, and last, restricted interests in single-asset private issuers offered under Rule 506(c) or Regulation S.** We disclose our interest: this is the class our own infrastructure is built to serve, and we put it last for that reason. On the Order's own risk axes it presents less of what the NMS conditions are engineered to manage: there is no national best bid and offer to disrupt, no primary-listing halt to mirror, no consolidated-tape externality, permissioning is mandatory rather than optional because the securities are restricted for the life of the exemption, and the issuer authorizes the tokenization, which is the shape the Order already prefers. **The honest weakness is valuation:** an interest in a single real-world asset is valued periodically and by appraisal, not continuously and by trading. We do not think that disqualifies the class, but we think it is the reason to place it last and to condition it most heavily, and we would rather say so than have the Commission discover it.

We do not ask the Commission to extend relief to tokenized interests in operating businesses, to tokens whose value derives from a network or protocol, or to any instrument providing synthetic exposure. On the last point we agree with the Order without reservation: the exclusion of "securities where a third party issues a crypto asset representing its own security that provides synthetic exposure to an underlying security, such as a tokenized linked security or a tokenized security-based swap," Order at 2, draws the right line, and it should be carried into any extension. Direct, issuer-authorized tokens that carry the same rights as the security they represent are a different instrument from a wrapper that references one.

## 5. The substitute-condition architecture

This is the part we think is most useful, and it is the reason we are filing rather than simply agreeing.

Every substantive quantitative condition in the Order is derived from a reference market. The symbol and volume limitations are expressed against "the average daily share volume during the prior month" as reported by an effective transaction reporting plan; the tiering borrows the Tier 1 and Tier 2 buckets of the limit up-limit down plan; the pause obligations mirror action taken on the primary listing exchange. Order at 23. For any security without a public reference market, those conditions do not merely need adjusting — **they have no referent at all.** We take that seriously, and we take it as the strongest argument against extending this relief in its present form. It is, we think, why Chairman Atkins described the Order as a bridge toward durable rulemaking rather than as the durable rule.

So rather than ask the Commission to extend conditions that cannot travel, we propose the set that would replace them:

1. **Issuer authorization as a condition of eligibility, not notice and an opportunity to object.** The Order's Issuer Notice regime is calibrated to a public company with a public float. A private issuer's transfer restrictions are its own contractual and exemption-based obligations; tokenized interests in it should not be tradable on a venue without its affirmative written authorization.
2. **Participant eligibility fixed by rule, not by venue policy.** Access limited to persons verified as accredited investors under Rule 501(a) using the verification standards applicable to Rule 506(c), and to qualified institutional buyers under Rule 144A(a)(1) for resales in reliance on that rule, with sanctions and anti-money-laundering screening completed before access is granted.

3. **Transfer-time enforcement, with refusals recorded.** Every transfer permissioned against the issuer's restrictions at the moment of transfer, so that a transfer failing the issuer's conditions is never effected rather than unwound afterward, and so that each refusal is itself a record. The Order already contemplates the mechanism: it notes that a token "could be encoded with criteria to only allow transfers ... to crypto wallet addresses of persons that meet the TSV's" criteria, and that screening "may be done through, for example, active, offchain management or onchain protocols." Order at 10. For a restricted security that mechanism does more work than it does for a listed stock, because the restriction runs for the life of the exemption rather than ending at settlement.
4. **A holder-of-record cap per issue, set below the Section 12(g) registration thresholds,** and monitored continuously from the register. This is the substitute for a volume cap: it limits the consequence the Commission would actually care about — an issuer backing into registration obligations it has not prepared for — rather than limiting turnover for its own sake.
5. **An independent valuation cadence, with a mandatory pause on staleness.** Valuation by a person independent of the issuer and the venue, published on a stated cadence, with trading suspended automatically when the most recent valuation exceeds a stated age. This is the substitute for the mirrored-halt condition: where there is no primary listing exchange whose halt can be mirrored, the event that should stop trading is the information going stale.
6. **Records maintained to the standard applicable to registered transfer agents,** whether or not the recordkeeper is registered: a reconciled securityholder file, control book and transfer journal, reconciled on a stated cadence, breaks resolved on a stated timetable, and exportable in a non-proprietary machine-readable format. We address this recordkeeping standard at greater length in our comment on File No. S7-2026-30 (Transfer Agent Rules, Release No. 34-106246), which we expect to submit in that docket, and we intend the two comments to be read as one position.
7. **No primary issuance on the venue,** consistent with the Order at 22: all offers and sales registered or exempt, and the venue not used for initial offerings.
8. **The Order's existing qualitative conditions carried across unchanged** — public, auditable smart contracts deployed on a public, permissionless distributed ledger; public notice of operations and of affiliate trading; no leverage; no misrepresentation; and books and records. Order at 19, 32, 33–34. We note that the permissionless-ledger condition is satisfied by the architecture already in general use for this purpose, and that a private or consortium ledger would fail it.

Conditions 4 and 5 are the two that do real work, because they are the ones that replace a reference market with something the Commission can supervise. We would rather be held to them than to a volume cap computed against a denominator that does not exist.

## 6. What a limited pilot would show

A pilot on those terms would let the Commission observe whether transfer-time enforcement performs as its proponents claim — on a population of investors verified before access, in issues whose holder counts are capped and monitored, and in a market where a failure cannot propagate into a public price. If it does not perform, the Commission learns that at a scale where the answer is cheap. We would welcome the opportunity to answer any operational questions the staff may have.

Respectfully submitted,

**Commertize, Inc.**

By: \_\_\_\_\_ Cameron Razaghi President