

U.S. SECURITIES AND EXCHANGE COMMISSION

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VIRTUAL
small
business
FORUM

ACCESS TO CAPITAL

MORE CRITICAL NOW THAN EVER



Highlights from the 2019 Small Business Forum in Omaha, Nebraska.

[Top] SEC Commissioners and “Capital Formation Success Stories from the Silicon Prairie” panelists.

[Center] “Capital Formation Success Stories from the Silicon Prairie” panelists engage in a dialogue about capital raising.

[Bottom] SEC Commissioners and “Harmonization: What a Concept” panelists.



■ ■ ■ 2020 FORUM WELCOME MESSAGE

Welcome and thank you for sharing your afternoon with us at this year's [Small Business Forum](#).

The theme of this year's Forum is "Access to Capital: More Critical Now Than Ever." Our team in the [Office of the Advocate for Small Business Capital Formation](#) is immersed in addressing the challenges that 2020 has brought to small businesses and their investors. Small businesses are currently in a state of crisis, with many abruptly shutting their doors this spring in response to COVID-19. While Congress has provided relief through several legislative measures, the consensus among many is that public assistance will not be enough. Effective pathways for investors to support small businesses' capital needs are more critical now than ever to help businesses weather the current environment, to rebuild, and to continue to create the companies we depend on for the future. The Commission's recent [temporary crowdfunding relief](#) is one example of how your feedback has been put into action. We need your input on what you think is needed to support our capital markets, both short-term and long-term.

In addition, as we look to dismantle longstanding racial inequality in our country, the opportunities afforded by entrepreneurship and capital investment can create powerful bridges across social and economic barriers. Our Office is focused on identifying and addressing the capital raising challenges faced by minority-owned and women-owned small businesses and their investors. While entrepreneurship is by no means a panacea to the myriad of challenges with which we are grappling, I look forward to hearing your ideas to improve the capital raising toolkit to work well for all.

In closing, thank you to our speakers for your thought leadership, to our participants for committing time to use your voice to shape Congress and the Commission's path ahead, to our advisory planning group for providing valued feedback to shape this program, and to the incredible team here at the SEC who collaborated to make this year's Forum a success. I am grateful for your contributions, and I look forward to learning from your unique perspectives.



MARTHA LEGG MILLER

Director

Office of the Advocate for
Small Business Capital Formation

■ ■ ■ AGENDA

12:00 P.M.

WELCOME

[Martha Legg Miller](#)

Director, Office of the Advocate for Small Business Capital Formation
U.S. Securities and Exchange Commission

INTRODUCTORY REMARKS FROM SEC COMMISSIONERS

U.S. Securities and Exchange Commission

[Jay Clayton](#), *Chairman*

[Hester M. Peirce](#), *Commissioner*

[Elad L. Roisman](#), *Commissioner*

[Allison Herren Lee](#), *Commissioner*

12:20 P.M.

MARKET PERSPECTIVES ON CAPITAL RAISING

Spotlight: Empowering Women Entrepreneurs

Insights from investors who support women-founded companies

» [Erica Duignan Minnihan](#)

Founder and Managing Partner, Reign Ventures

» [Samara Mejia Hernandez](#)

Founding Partner, Chingona Ventures

Keynote: Investing in the Underestimated

» [Arlan Hamilton](#)

Founder and Managing Partner, Backstage Capital

Spotlight: Rural and Thriving

Overcoming the unique challenges of building companies in rural communities

» [Wil Jenkins](#)

Investor and Entrepreneur, Uptown Salon and Boutique

» [Christy Laxton](#)

Executive Director, Wyoming County Economic Development Authority

» [Nathan Ohle](#)

CEO, Rural Community Assistance Partnership, Inc.

Keynote: Small Business Macro Perspectives

» [Jovita Carranza](#)

Administrator, U.S. Small Business Administration

Spotlight: Stories from Founders of Color

Building minority-owned companies and raising capital

» [Davyeon Ross](#)

Co-Founder & President, ShotTracker

» [Sevetri Wilson](#)

Founder & CEO, Resilia

Keynote: The Founder's Journey

- » [Pete Flint](#)
Managing Partner, NFX

Spotlight: Building Tomorrow's Public Companies

Exploring the pathway to IPO and the future of public offerings

- » [Stephen Graham](#)
Partner, Fenwick & West LLP
- » [Brian Levey](#)
Chief Business Affairs and Legal Officer, Upwork Inc.

Keynote: Scaling Your Idea

- » [Susan Tynan](#)
Founder and CEO, Framebridge

Spotlight: Small Cap Today

How smaller public companies overcome challenges in today's market climate

- » [AJ Krick](#)
CFO, Secretary and Treasurer, Smith-Midland Corporation
- » [Mary Ann Scully](#)
Chairman and CEO, Howard Bank
- » [David Wagner](#)
President and CEO, Zix Corporation

2:30 P.M. **BREAK**

2:45 P.M. **COLLABORATIVE POLICY DISCUSSIONS**

Exempt Offerings and the Capital Formation Proposal

Participants will collaborate on policy recommendations to improve the framework by which companies raise capital from investors in the exempt, or private, markets, including policy changes discussed in the SEC's recent [Accredited Investor Proposal](#) and [Capital Formation Proposal](#).

4:00 P.M. **The Path to IPO and Small Cap Companies**

Participants will collaborate on policy recommendations to address challenges faced by companies seeking to go public or that are smaller public companies.

5:15 P.M. **CLOSING REMARKS**

All times shown are in the Eastern time zone. To participate in the collaborative policy discussions via WebEx, you must [register online](#) for a user access code.

■ ■ ■ ABOUT THE SPEAKERS | SEC COMMISSIONERS

JAY CLAYTON

SEC Chairman



Jay Clayton was nominated to chair the U.S. Securities and Exchange Commission on January 20, 2017, by President Donald J. Trump and was sworn in as Chairman on May 4, 2017. Chairman Clayton is a member of the President's Working Group on Financial Markets, the Financial Stability Oversight Council, and the Financial Stability Board. He also participates on the Board of the International Organization of Securities Commissions.

THE COMMISSION UNDER CHAIRMAN CLAYTON

Regulatory Agenda

There are several areas of focus for the SEC under Chairman Clayton:

- » Furthering the interests of America's Main Street investors.
- » Making our capital markets, particularly our public capital markets, more accessible to businesses and investors, ensuring that the United States continues to be the world's leader in terms of capital formation, effective disclosure and investor protection.
- » Modernizing and enhancing the regulation and oversight of our equity and fixed income markets, taking into account advances in technology and increased interconnectedness.

SEC Strategic Plan—Emphasis on Human Capital

These areas of focus also are reflected in the Commission's 2018-2022 Strategic Plan, which also discusses the importance of developing and investing in the Commission's human capital. A point of emphasis made by Chairman Clayton is that the SEC's people—its human capital—are the agency's most important resource. Over the past several years, they have moved the Commission forward in the face of ever-changing markets as well as well-known and emerging risks. A key priority for Chairman Clayton is to continue to invest in and develop the SEC's human capital. This focus includes prioritizing diversity, inclusion and opportunity for all and led to the issuance of the SEC's first Diversity and Inclusion Strategic Plan.

Responses to Market Developments

Under Chairman Clayton, the SEC has addressed unprecedented market developments, including:

- » Securities law issues related to distributed ledger technology, cryptocurrencies and initial coin offerings;
- » Assessing and planning for the potential adverse effects on U.S. capital markets from Brexit and the transition away from LIBOR;
- » Cybersecurity and the reliance of companies and our financial system on information technology, and the resulting vulnerabilities to cyberattacks and cyber outages and the need for operational resiliency; and
- » Responding to COVID-19's impact on investors, equity and fixed income markets, and market participants while maintaining operations in a fully remote working environment.

Background, Education and Experience

Chairman Clayton was born at Fort Eustis in Newport News, Virginia, and was raised primarily in central and southeastern Pennsylvania. In his professional career, he has lived in Philadelphia, New York, London, and Washington, DC.

Prior to joining the Commission, Chairman Clayton was a partner at Sullivan & Cromwell LLP, where he was a member of the firm's Management Committee and co-head of the firm's corporate practice. From 2009 to 2017, Chairman Clayton was a Lecturer in Law and Adjunct Professor at the University of Pennsylvania Law School.

Prior to joining Sullivan & Cromwell, Chairman Clayton served as a law clerk for the Honorable Marvin Katz of the U.S. District Court for the Eastern District of Pennsylvania. A member of the New York and Washington, DC bars, Chairman Clayton earned a BS in Engineering from the University of Pennsylvania (summa cum laude), a BA and MA in Economics from the University of Cambridge (Thouron Scholar), and a JD from the University of Pennsylvania Law School (cum laude, Order of the Coif).

HESTER M. PEIRCE

SEC Commissioner



Hester M. Peirce was appointed by President Donald J. Trump to the U.S. Securities and Exchange Commission and was sworn in on January 11, 2018.

Prior to joining the SEC, Commissioner Peirce conducted research on the regulation of financial markets at the Mercatus Center at George Mason University. She was a Senior Counsel on the U.S. Senate Committee on Banking, Housing, and Urban Affairs, where she advised Ranking Member Richard Shelby and other members of the Committee on securities issues. Commissioner Peirce served as counsel to

SEC Commissioner Paul S. Atkins. She also worked as a Staff Attorney in the SEC's Division of Investment Management. Commissioner Peirce was an associate at Wilmer, Cutler & Pickering (now WilmerHale) and clerked for Judge Roger Andewelt on the Court of Federal Claims.

Commissioner Peirce earned her bachelor's degree in Economics from Case Western Reserve University and her JD from Yale Law School.

ELAD L. ROISMAN

SEC Commissioner



Elad L. Roisman was appointed by President Donald Trump to the U.S. Securities and Exchange Commission and was sworn into office on September 11, 2018.

Commissioner Roisman joined the SEC from the U.S. Senate Committee on Banking, Housing, and Urban Affairs, where he served as Chief Counsel. In that role, and as Securities Counsel on the Committee, he counseled Chairmen Mike Crapo (R-ID) and Richard Shelby (R-AL), as well as members of the Committee, on securities, financial regulation, and international financial matters. Commissioner Roisman

worked on drafting several pieces of legislation that became law and played an integral role in the drafting and negotiation of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

Before working in the Senate, he served as Counsel to SEC Commissioner Daniel M. Gallagher, focusing on enforcement and policy relating to the U.S. equity and fixed income markets, the asset management industry, and international regulation of capital markets. Prior to joining the SEC, he held positions as a Chief Counsel at NYSE Euronext and an associate at the law firm of Milbank, Tweed, Hadley & McCloy LLP in New York.

Commissioner Roisman earned his bachelor's degree in History at Cornell University and his JD at the Boston University School of Law.

ALLISON HERREN LEE

SEC Commissioner



Allison Herren Lee was appointed by President Donald Trump to the U.S. Securities and Exchange Commission, unanimously confirmed by the U.S. Senate, and sworn into office on July 8, 2019.

Commissioner Lee brings to the SEC over two decades of experience as a securities law practitioner. Most recently, she has written, lectured, and taught courses internationally in Spain and Italy on financial regulation and corporate law. Commissioner Lee served for over a decade in various roles at the SEC, including as counsel to Commissioner Kara Stein,

and as Senior Counsel in the Division of Enforcement's Complex Financial Instruments Unit. In addition, she has served as a Special Assistant U.S. Attorney, was a member of the American Bar Association's former Committee on Public Company Disclosure, and participated on a USAID project in Armenia, assisting in the drafting of periodic reporting and disclosure provisions for a comprehensive law of the Republic of Armenia on Securities Market Regulation.

Prior to government service, Commissioner Lee was a partner at Sherman & Howard LLC, focusing on securities, antitrust, and commercial litigation. A member of the Colorado bar, she holds a bachelor's degree in Business from the University of Colorado and a JD from the University of Denver College of Law, where she was salutatorian, a Chancellor's Scholar, and served on the Law Review.

KEYNOTE AND SPOTLIGHT SPEAKERS



JOVITA CARRANZA

Administrator

U.S. Small Business Administration

[@SBAJovita](#)

As the 26th Administrator of the U.S. Small Business Administration, Jovita Carranza advocates on behalf of the 30 million small businesses in America. Prior to her public service, Carranza had a distinguished 30-year career at United Parcel Service (UPS), where she worked her way from night-shift box handler up to President of Latin America and Caribbean operations, serving as the highest-ranking Latina in the history of the company.



ERICA DUIGNAN MINNIHAN

Founder and Managing Partner

Reign Ventures

[@ericaminnihan](#)

Erica Duignan Minnihan founded 1000 Angels, a private venture investment network that makes direct investments in high-growth, early-stage companies. Duignan Minnihan also founded Reign Ventures, an early-stage venture fund focused on Seed and Series A investment opportunities.



PETE FLINT

Managing Partner

NFX

[@peteflint](#)

Pete Flint runs NFX, a venture fund focused on early stage investments. As the co-founder of Trulia and member of the founding team of lastminute.com, Pete is a serial entrepreneur who uses his experience building and scaling companies from “great idea” to \$1 billion+ exit, guiding companies from a founder’s perspective.



STEPHEN GRAHAM

Partner

Fenwick & West LLP

[@fenwickwest](#)

Stephen Graham founded his law firm’s Seattle in 2008, where he concentrates in the areas of private and public M&A, public offerings, private placements and corporate governance matters, representing emerging and established high growth companies. Stephen also serves on the board of directors of Washington Federal, Inc., a publicly-traded bank, and as a member of the SEC’s Small Business Capital Formation Advisory Committee.



ARLAN HAMILTON

Founder and Managing Partner

Backstage Capital

[@ArlanWasHere](#)

Arlan Hamilton built the venture capital fund Backstage Capital in 2015 while homeless. The fund is dedicated to minimizing funding disparities in tech by investing in high-potential founders who are people of color, women, and/or LGBT. In 2018 Arlan co-founded Backstage Studio, which launched four accelerator programs for underestimated founders in Detroit, Los Angeles, Philadelphia, and London.



WIL JENKINS

Investor and Entrepreneur

Uptown Salon and Boutique

Wil Jenkins is an entrepreneur who moved from Austin, Texas to Pine Bluff, Arkansas, where he opened Uptown Salon and Boutique and owns several downtown properties. Wil is passionate about the revitalization of the downtown area of his community, a former hub for cotton trading in the early 1900s, to create a vibrant Main Street.



AJ KRICK

CFO, Secretary and Treasurer

Smith-Midland Corporation

[@smithmidland](#)

AJ Krick is the top financial officer at Smith-Midland Corporation, a precast concrete company traded over-the-counter. A certified public accountant, AJ brings 15 years of experience working with executives and management teams to improve processes and provide cost savings. AJ currently serves as member of the OTCQX Advisory Council.



CHRISTY LAXTON

Executive Director

Wyoming County Economic Development Authority

Christy Laxton has served the Wyoming County Economic Development Authority, started in 2001 in response to disastrous area flooding. The Authority provides support and technical assistance to West Virginia businesses, including providing over 350 loans for over \$9 million, and is focused on preserving the county's "friendly small town America feel that most people can only dream about."



BRIAN LEVEY

Chief Business Affairs and Legal Officer

Upwork Inc.

[@Upwork](#)

Brian Levey helped navigate Upwork through its IPO in 2018, and oversees the company's legal, regulatory, and government affairs functions. Upwork is an online talent solution that enables businesses to find and work with highly-skilled independent professionals. Brian currently serves as a member of the SEC's Small Business Capital Formation Advisory Committee.



SAMARA MEJIA HERNANDEZ

Founding Partner

Chingona Ventures

[@SamaraMHernandz](#)

Following over a decade in sales, operations, and technology at Goldman Sachs and early-stage investing at MATH Venture Partners, Samara Mejia Hernandez founded Chingona Ventures to invest in overlooked businesses at the earliest stages. Mejia Hernandez co-founded the Latinx Founders Collective organization to bring together Latinx founders, investors, and community leaders to support the entrepreneurial ecosystem.



NATHAN OHLE

CEO

Rural Community Assistance Partnership, Inc.

[@nathanohle](#)

Nathan Ohle leads the Rural Community Assistance Partnership (RCAP), a national nonprofit focused on access to water and economic development for rural communities across the country. His prior experience includes economic development for more than a decade at both the federal and state levels. RCAP's work in assisting some of the smallest rural communities in the US helps to build capacity and opportunity in every state across the country.



DAVYEON ROSS

Co-Founder & President

ShotTracker

[@davyeonross](#)

Davyeon Ross is a co-founder of ShotTracker, a sensors-based technology company that aims to improve the performance of competitive athletes who participate in team sports by bringing elite-level analytics to the masses. Davyeon has almost 20 years of experience in the technology space, which includes founding Digital Sports Ventures, which he sold to Digital Broadcasting Group in 2011.



MARY ANN SCULLY

Chairman and CEO

Howard Bank

[@howardbank](#)

Mary Ann Scully is the Chief Executive Officer of Howard Bank and is Chairperson of its board of directors. Mary Ann has more than 40 years of varied executive experiences in the Maryland marketplace. After heading the organizing team that launched Howard Bank in 2004, Mary Ann led the company through over ten capital raises, Exchange Act registration, and five business combinations, creating Baltimore City's largest locally headquartered banking company and Maryland's fourth-largest locally headquartered bank.



SUSAN TYNAN

Founder and CEO

Framebridge

[@susanrtynan](#)

Susan Tynan founded Framebridge to make it easy for everyone to custom frame the things they love. Susan successfully raised both angel and venture capital on the path to building her company. Prior to founding Framebridge, Susan held roles at consumer technology startups Taxi Magic and Living Social.



DAVID WAGNER

President and CEO

Zix Corporation

[@ZixCorp](#)

David Wagner joined email security company Zix Corporation as President and Chief Executive Officer in January 2016, following two decades of leadership roles at Dallas-based tech companies. As CFO of Entrust, Wagner led the successful integration of the company after its acquisition by Datacard, delivered revenue growth, and led the re-investment strategy to move Entrust solutions to the cloud.



SEVETRI WILSON

Founder & CEO

Resilia

[@sevetriwilson](#)

Sevetri Wilson is a serial entrepreneur who founded Resilia, a technology startup that aims to revolutionize how nonprofits are created and maintained and how enterprises scale impact. She became the first black woman in New Orleans to raise over \$1 million of venture capital, and one of only 11 to raise over \$3 million. Sevetri bootstrapped her first company, Solid Ground Innovations, with zero outside capital.

■ ■ ■ GUIDELINES FOR CRAFTING POLICY RECOMMENDATIONS DURING COLLABORATIVE DISCUSSIONS

The Forum is a unique opportunity for attendees to craft recommendations to improve the regulatory framework impacting how companies raise capital from investors. To help focus each session on the most significant policy challenges, each Collaborative Policy Discussion will contribute a limited number of recommendations to the final report that will be announced at the beginning of each session.

THE RECOMMENDATION PROCESS

Collaborate

All participants will have an opportunity to suggest and craft policy recommendations.

Tailor

Recommendations should provide strategic guidance on areas for future action and address the most significant capital formation issues facing small businesses and their investors.

Craft

Be clear, concise and to the point. Recommendations should be stated in one to two sentences without multiple subparagraphs.

Filter

Attendees will collaboratively filter the group's recommendations for desirability, workability and achievability.

Prioritize

All recommendations will be included in the Forum Report in the order in which they are prioritized.

ENGAGE WITH US

THE OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION

The [Office of the Advocate for Small Business Capital Formation](#) is the SEC's newest office and began operations in 2019. The Office advances the interests of small businesses and their investors at the SEC and in the capital markets. The Office actively engages in outreach to solicit views on relevant capital formation issues, providing assistance to resolve significant problems, analyzing the potential impact of proposed regulations and rules on small business, and recommending changes to mitigate capital formation issues and promote the interests of small businesses and their investors. While the Small Business Forum is in its 39th year, Congress directed the Office to assume responsibility for the marquee event in its enabling legislation.



**MARTHA LEGG
MILLER**
Director



COLIN A. CALEB
Attorney



**JULIE ZELMAN
DAVIS**
Senior Special Counsel



**JESSICA W.
MCKINNEY**
Special Counsel



JENNY RIEGEL
Policy Manager



MALIKA SULLIVAN
Executive Assistant



TODD VANLAERE
Law Clerk

We would like to acknowledge and thank the teams across the agency that worked tirelessly to help make this event possible, including the Office of Public Affairs and the Office of Information Technology.

ADDITIONAL RESOURCES

[Rulemaking
Video Gallery](#)

[Prior Fora
Materials](#)

[How to Raise
Capital from
Investors](#)

[COVID-19
Resources for
Small Businesses](#)

[SEC Vendor
Outreach Day](#)

[SEC Supplier
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U.S. SECURITIES AND EXCHANGE COMMISSION