



December 10, 2025

The Honorable Paul S. Atkins
Chairman U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Exemptive Framework for Secondary Trading of Tokenized and Exempt Securities—Proposal for Qualified Disclosure Publisher Recognition

Dear Chairman Atkins:

We write in response to your recent remarks at the New York Stock Exchange on December 2, 2025, and at the Investor Advisory Committee meeting on December 4, 2025, in which you invited input from market participants on how the Commission might use its exemptive authorities to enable on-chain innovation while maintaining strong investor protections.

GUARDD, Inc. is a disclosure compliance platform that enables secondary trading of exempt securities—including tokenized assets—by providing standardized, publicly accessible issuer disclosures that satisfy federal requirements of Rule 15c2-11 under the Securities Act of 1934 and state Blue Sky laws through their exemption for prescribed disclosures posted in a nationally recognized securities manual (the “Manual Exemption”). Since 2021, we have published publicly available disclosures for over 560 securities across Regulation A+, Regulation Crowdfunding, and Regulation D offerings, working in partnership with Mergent (a Nationally Recognized Securities Manual), broker-dealers, and Alternative Trading Systems.

We believe the Commission has an opportunity to facilitate compliant secondary markets for tokenized securities by establishing a framework for "Qualified Disclosure Publishers"—entities that meet specified standards for collecting, verifying, and publicly disseminating issuer information. This approach would leverage existing market infrastructure, align with the Commission's disclosure-based regulatory philosophy, and provide the "cabined, time limited, transparent, and anchored in strong investor protections" framework you described.

I. THE PROBLEM: TOKENIZED SECURITIES WITHOUT SECONDARY LIQUIDITY

As you observed at the IAC meeting, "tokenized shares risk becoming nothing more than conversation pieces if their owners cannot trade them competitively in liquid on-chain environments." This concern applies equally to the broader universe of exempt securities issued under Regulation A+, Regulation Crowdfunding, and Regulation D.

The primary offering infrastructure for exempt securities has developed significantly since the JOBS Act of 2012. Platforms facilitate compliant capital raises, and issuers can efficiently reach investors. However, secondary trading remains constrained by:

1. The complexity of Rule 15c2-11 compliance for non-reporting issuers;
 2. The cost and administrative burden of state-by-state Blue Sky recognition and compliance;
 3. The absence of a streamlined disclosure framework scaled for private company size and resources;
- and

4. Uncertainty regarding how existing rules apply to tokenized securities and on-chain trading venues.

These barriers have resulted in limited secondary liquidity for investors, reduced attractiveness of exempt offerings relative to other capital formation options, and—as you noted—pressure for tokenized products to proliferate offshore rather than within U.S. regulatory frameworks.

II. THE EXISTING PATHWAY: MANUAL EXEMPTION AND RULE 15C2-11

A compliant pathway for secondary trading of exempt securities already exists, though it is underutilized due to complexity and lack of formal SEC guidance.

Rule 15c2-11 under the Securities Exchange Act of 1934 establishes information requirements that must be satisfied before a broker-dealer can publish quotations for a security. For issuers not subject to Exchange Act reporting requirements, Rule 15c2-11(b) specifies the "catch-all" information that must be current and publicly available.

Separately, 43 states recognize the "Manual Exemption" from state securities registration for secondary transactions, provided that the issuer's information is published in a "nationally recognized securities manual." This exemption enables securities to be transferred across state lines without triggering state-by-state registration requirements.

By publishing standardized disclosure through a nationally recognized securities manual that covers the Rule 15c2-11(b) information requirements, an issuer can satisfy both federal information availability requirements and most state Manual Exemption requirements, enabling its securities to trade on registered Alternative Trading Systems.

This is the framework GUARDD operationalizes today. We collect over 100 data fields from issuers—including company information, officer and director details, financial statements, capitalization, material contracts, and (where applicable) token characteristics—verify the information, and publish it through Mergent's National Securities Manual. Issuers update their disclosures quarterly and annually. The information is publicly accessible to investors, regulators, and market participants.

III. PROPOSED SOLUTION: QUALIFIED DISCLOSURE PUBLISHER RECOGNITION

We propose that the Commission use its exemptive authority under Section 36 of the Securities Exchange Act of 1934 to establish a framework recognizing "Qualified Disclosure Publishers" (QDPs) for purposes of satisfying the information availability requirements of Rule 15c2-11 and facilitating secondary trading of exempt securities, including tokenized securities.

A. Framework Structure

Under this framework, the Commission would:

1. Define criteria that an entity must satisfy to be recognized as a Qualified Disclosure Publisher;
2. Provide that current publication of issuer information through a recognized QDP satisfies the "publicly available" information requirements of Rule 15c2-11(b) for purposes of broker-dealer quotation activities;
3. Clarify that Alternative Trading Systems may rely on QDP-published information when facilitating secondary trading of exempt securities, including tokenized securities;
4. Create uniformity across state-level requirements by pre-empting state law for secondary trading of securities with compliant QDP-published information; and

5. Establish reporting or examination requirements for QDPs to ensure ongoing compliance with the framework.

B. Proposed Criteria for Qualified Disclosure Publishers

We propose that a Qualified Disclosure Publisher must satisfy the following criteria:

1. Information Standards
 - a. Collect and publish, at minimum, all information specified in Rule 15c2-11(b)(5)(i) through (xiv) for non-reporting issuers;
 - b. For tokenized securities, additionally collect and publish: token contract address, blockchain network, token standard (e.g., ERC-20, ERC-1404), transfer restriction mechanisms, and smart contract audit status;
 - c. Require issuer certification of information accuracy and completeness; and
 - d. Maintain records sufficient to demonstrate the source and verification of published information.
2. Update Requirements
 - a. Require issuers to report material changes within a specified period (e.g., 10 business days);
 - b. Require updated financial information within 90 days of fiscal year end;
 - c. Require quarterly confirmation that published information remains current or identification of changes; and
 - d. Establish procedures for flagging or removing issuers that fail to maintain current information.
3. Public Accessibility
 - a. Make issuer information freely accessible to the public through a searchable online platform;
 - b. Provide information in standardized, machine-readable formats; and
 - c. Maintain historical records of published information and updates.
4. Operational Standards
 - a. Maintain written policies and procedures for information collection, verification, and publication;
 - b. Implement controls to prevent unauthorized modification of published information;
 - c. Maintain business continuity and data retention capabilities; and
 - d. Consent to Commission examination of books and records related to QDP activities.

C. Exemptive Relief Requested

Specifically, we request that the Commission consider exemptive relief that would:

1. Confirm that broker-dealers may rely on information published by a recognized QDP to satisfy the information review requirements of Rule 15c2-11(a) for quotations in securities of non-reporting issuers;
2. Confirm that an ATS that limits trading in non-reporting issuer securities to those with current information published through a recognized QDP satisfies any applicable information availability requirements;
3. For tokenized securities specifically, provide that the QDP framework satisfies any information availability requirements that would otherwise apply to on-chain secondary trading, provided the trading occurs through a registered ATS or other Commission-regulated venue;

4. Protect investor access by pre-empting the inconsistent state Manual Exemption provisions and preserving states' anti-fraud enforcement authority with respect to secondary trading of non-reporting issuer securities; and
5. Establish a process by which entities may apply for recognition as a QDP and by which the Commission may withdraw recognition for failure to satisfy ongoing requirements.

IV. ALIGNMENT WITH COMMISSION PRIORITIES

This proposal aligns with the priorities you have articulated in recent remarks:

A. Scaled Disclosure

At the NYSE, you called for disclosure requirements that "scale with a company's size and maturity" and provide investors with a "minimum effective dose of regulation." The QDP framework would establish disclosure standards calibrated for private company issuers—substantive enough to inform investors and enable price discovery, but not so burdensome as to preclude secondary liquidity for smaller issuers.

B. Materiality-Based Disclosure

You emphasized that disclosure should be "rooted in the concept of financial materiality" rather than "ever-expanding checklists." The QDP information standards track the existing Rule 15c2-11(b) framework, which Congress and the Commission have already determined reflects the material information needed for informed secondary trading.

C. Enabling On-Chain Markets

At the IAC meeting, you noted that the Commission "must tackle other stages in the securities transaction lifecycle" beyond issuance if tokenized securities are to trade in liquid environments. The QDP framework directly addresses the disclosure infrastructure needed for compliant on-chain secondary markets.

D. Cabined, Transparent, and Investor-Protective

You called for an exemptive framework that is "cabined, time limited, transparent, and anchored in strong investor protections." This proposal:

- Is cabined to specific securities (exempt offerings) and specific venues (registered ATSS);
- Could be time limited through a pilot program or sunset provision;
- Is transparent through public accessibility requirements and Commission examination authority; and
- Protects investors through standardized disclosure, update requirements, and issuer certification obligations.

E. Building on the JOBS Act

You expressed interest in "building upon the JOBS Act" and its framework for emerging companies. The JOBS Act facilitated primary capital formation for smaller issuers; the QDP framework would extend that vision to secondary liquidity, completing the capital formation lifecycle. By establishing pre-emption of the state-level patchwork of Manual Exemption requirements, this will ensure uniformity of access to secondary trading markets across all U.S. states and territories.

V. PROOF OF CONCEPT: GUARDD'S OPERATIONAL TRACK RECORD



GUARDD offers a proof of concept demonstrating that this framework is operationally viable:

- Since 2021, we have processed disclosures for over 560 securities;
- Our disclosures are published through Mergent's National Securities Manual, recognized for Manual Exemption purposes in 43 states;
- Our platform serves issuers across Regulation A+, Regulation Crowdfunding, and Regulation D offerings;
- We have integrated with multiple Alternative Trading Systems, including PPEX ATS operated by North Capital Private Securities Corporation;
- Our information standards cover the full Rule 15c2-11(b) dataset, plus token-specific information where applicable.

We do not suggest that GUARDD should be the exclusive Qualified Disclosure Publisher. Rather, our operational experience demonstrates that the framework is workable and that market demand exists. Formal Commission recognition would provide regulatory clarity, encourage additional market entry, and expand secondary liquidity options for issuers and investors.

VI. CONCLUSION

The infrastructure for compliant secondary trading of exempt and tokenized securities exists today. What is lacking is regulatory clarity that would give market participants confidence to build on this foundation.

By establishing a Qualified Disclosure Publisher framework, the Commission can:

- Enable secondary liquidity for exempt securities without requiring issuers to assume full Exchange Act reporting obligations;
- Facilitate on-chain secondary markets within a regulated, transparent framework;
- Maintain investor protection through standardized, verified, publicly accessible disclosure;
- Keep tokenized securities markets onshore rather than ceding them to offshore venues; and
- Demonstrate that the Commission can adapt existing authorities to technological innovation without sacrificing its core mission.

We respectfully urge the Commission to consider this proposal and would welcome the opportunity to discuss it further with Commission staff. We are prepared to provide additional detail on operational requirements, information standards, or other aspects of the framework.

Thank you for your consideration and for your leadership in pursuing regulatory approaches that facilitate capital formation while protecting investors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sherwood Neiss".

Sherwood Neiss
Chief Executive Officer GUARDD, Inc.

cc: Commissioner Hester M. Peirce
Commissioner Mark T. Uyeda
Commissioner Caroline A. Crenshaw