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March 26, 2026

VIA ELECTRONIC SUBMISSION

Email: Secretarys-Office@SEC.GOV

The Honorable Paul S. Atkins

Chairman

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549

Ms. Vanessa A. Countryman

Secretary

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549

RE: Petition for Rulemaking – Proposed Amendments to Securities Act Rules 163B and 169 to Harmonize IPO Communication Rules with Regulation Crowdfunding and Regulation A+ Extending Retail “Testing the Waters” Provisions to IPOs

Dear Chairman Atkins and Secretary Countryman:

Thank you, Chairman Atkins for your commitment to “make IPOs great again”¹ and the Commission’s concrete progress toward that objective – which I strongly believe is the single most powerful intervention for capital formation, PE/VC liquidity, and retail wealth access. The September 2025 policy statement, the December 2025 “Revitalizing America’s Markets” address outlining the three-pillar reform agenda², and the Commission’s January 2026 request for comment on Regulations S-K and S-X³ together represent the most significant pro-IPO agenda at the Commission in a generation. These reforms rightly address the issuer-side barriers – cost,

¹Chairman Paul S. Atkins, Open Meeting Statement on Policy Statement Concerning Mandatory Arbitration and Amendments to Rule 431 of the Commission’s Rules of Practice, September 17, 2025.

²Chairman Paul S. Atkins, “Revitalizing America’s Markets at 250,” Keynote Address, New York Stock Exchange, December 2, 2025.

³SEC Division of Corporation Finance, Request for Comment on Regulations S-K and S-X, January 2026; Director Erik Moloney Statement on 2026 Disclosure Reform Priorities, February 13, 2026.

complexity, and regulatory uncertainty – that have driven a 50% reduction in U.S. public company listings since the mid-1990s.

Drawing on my 35 years working in the capital markets ecosystem supporting startups, venture capital and private equity firms – starting with 10 years managing four tech IPOs and their IR/Corporate Development from 1991– I respectfully submit this petition proposing complementary reforms on the *investor side* of the IPO equation. The Chairman’s three pillars address why companies have avoided going public. The reforms proposed here address who gets to participate when companies go public – and how the Commission’s own communication rules can be harmonized to support, rather than impede, retail investor access to the safest class of securities offerings: IPOs.

This petition is submitted as a companion to a letter submitted to the Senate Committee on Banking, Housing, and Urban Affairs (enclosed), urging passage and strengthening of HR 3339: the Equal Opportunity for All Investors Act of 2025, and HR 3383: the INVEST Act – both now before the Committee following overwhelming bipartisan support (HR 3339 passed the House Financial Services Committee 49-2; HR 3383 passed the Committee 41-10 and the full House 302-123, with 87 Democrats joining all Republicans). My letter to Chairman Scott and Ranking Member Warren recommends, among other actions, that the Committee send an oversight letter to the Commission urging the specific regulatory harmonization requested in this petition.

HR 3339 would transform the Accredited Investor definition from a wealth-based exclusion to an education-based qualification – a historic shift especially critical in light of Executive Order 14330 democratizing 401(k) access to alternative assets.⁴ Education is one of the most powerful protections for retail investors, needed for the potential additional risks (and rewards) of private assets. As I detailed in the enclosed Senate letter, private market reforms cannot succeed without a functioning IPO market. The 2022-2024 venture capital liquidity crisis repeats the 2007 crisis and demonstrates that private markets become distressed without public market exit pathways. In 2007, VCs requested my support to create IPO and liquidity solutions, – for which we built, InsideVenture, the first private market platform (now the Nasdaq Private Market). Our IPO solutions were later dropped by the first acquirer, SecondMarket, in favor of secondary trading liquidity only, which we’ve seen has limitations without IPO exits. The Chairman’s issuer-side reforms and the investor-side harmonization proposed here are natural complements.

I. THE COMMUNICATION RULES PARADOX

The Commission has determined – three times – that retail solicitation is consistent with investor protection: in Regulation Crowdfunding (2015), Regulation A+ (2015), and Rule 506(c) (2013).⁵ Yet the Commission’s own Rules 163B and 169 produce the following inversion:

⁴Executive Order 14330, “Democratizing Access to Alternative Assets for 401(k) Investors,” August 2025.

⁵Regulation Crowdfunding, 17 C.F.R. §§ 227.100–227.503 (2015); Regulation A+, 17 C.F.R. §§ 230.251–230.263 (2015); Rule 506(c), 17 C.F.R. § 230.506(c) (2013).

Regulation Crowdfunding (minimal disclosure, highest risk): Unlimited retail solicitation permitted.

Regulation A+ (moderate disclosure): Full retail solicitation with pre-filing “testing the waters.”

Traditional IPOs (comprehensive SEC review, audited financials, ongoing reporting – *the safest offering type*): Retail communications prohibited; TTW limited to QIBs and IAs only.⁶

The policy judgment has been made. What remains is consistent application. Since 2012, EGCs have represented approximately 87% of all IPOs, with 68% utilizing “testing the waters” as a standard practice⁷ – giving institutions early access to shape pricing and secure allocations while retail investors are entirely excluded from equivalent communications. From my experience managing four IPOs over 10 years in the 1990s – retail investors routinely comprised half our shareholder base and 20% or more of IPO allocations – this exclusion is not an investor protection; it is a structural barrier that channels retail capital toward riskier alternatives where the Commission has already approved their participation. I believe that incorporating retail participation pre- and at the IPO allocation will encourage a smoother transition from private to public ownership and encourage more companies to execute earlier, smaller IPOs. Reddit’s and Airbnb’s IPOs – which reserved 8% and 7% of shares respectively for users and hosts through directed share programs – both delivered strong and sustained aftermarket returns, with Reddit’s stock trading at approximately four times its IPO price one year after listing and Airbnb at approximately twice its IPO price after five years, demonstrating that consumer-based participation can support a smoother transition to public ownership.⁸

II. REQUESTED RULEMAKING ACTIONS

Pursuant to Section 553(e) of the Administrative Procedure Act⁹ and Rule 192 of the Commission’s Rules of Practice, I respectfully petition the Commission to take three complementary actions:

A. Amend Rule 163B¹⁰ to expand the class of permitted TTW recipients beyond QIBs and IAs to include retail investors in connection with IPOs and other registered offerings:

- (i) Expand permitted TTW recipients to include, at minimum, Accredited Investors under Rule 501 of Regulation D, with a pathway to broader retail access consistent with the education-based accreditation framework proposed in HR 3339;

⁶Securities Act Rule 163B, adopted Sept. 26, 2019, effective Dec. 3, 2019. 84 Fed. Reg. 53,011 (Oct. 4, 2019).

⁷JOBS Act § 5(d), codified at 15 U.S.C. § 77e(d) (2012). [Solicitations of Interest Prior to a Registered Public Offering, Securities Act Release No. 33-10699](#) (Sept. 26, 2019). See also: Latham & Watkins, “The JOBS Act After Five Years,” (2017).

⁸Kali Hays, “Inside the growing trend championed by Reddit of companies offering risky IPO shares to their users,” Fortune, March 20, 2024.

⁹Administrative Procedure Act, 5 U.S.C. § 553(e).

¹⁰ See supra note 6 (Securities Act Rule 163B, 84 Fed. Reg. 53,011).

(ii) Maintain existing anti-fraud protections under Sections 12(a)(2) and 17(a) of the Securities Act and Rule 10b-5, which apply to all TTW communications regardless of recipient class;

(iii) Require that written retail TTW materials include a brief legend stating no offer to sell is being made and no allocation commitment exists; and

(iv) Permit use of digital channels – including company websites, email, and social media – for retail TTW communications, subject to recordkeeping and anti-fraud provisions.

B. Amend Rule 169¹¹ to broaden the safe harbor for factual business communications during registered offerings:

(i) Clarify that the safe harbor for “regularly released” factual information applies to digital and social media communications, reflecting the evolution of corporate communications since the rule’s adoption;

(ii) Permit issuers to publish factual, balanced information about their business directed to retail audiences during the registration period, consistent with registration statement disclosures; and

(iii) Harmonize Rule 169 with the communication standards under Reg A+ and Reg CF, under which issuers may freely communicate with prospective retail investors.

C. Issue Interpretive Guidance confirming that the Commission’s existing policy judgments permitting retail solicitation in Reg CF, Reg A+, and Rule 506(c) apply with equal force to IPOs – the most comprehensively regulated offering type. Such guidance would provide immediate market clarity while any formal rulemaking proceeds.

III. INTERNATIONAL PRECEDENT

Major securities markets – including the UK, Hong Kong, and India – mandate minimum retail allocation tranches of 10-35% and permit retail-directed communications during the IPO process.¹² These jurisdictions have demonstrated that retail participation in IPOs can coexist with robust investor protection. Harmonizing Rules 163B and 169 would align U.S. practice with these international standards while preserving the comprehensive anti-fraud and disclosure framework that distinguishes American securities regulation.

IV. CONCLUSION

The Chairman’s agenda to make IPOs great again is working to restore the supply of public offerings by reducing issuer-side barriers. The reforms proposed in this petition would help restore the demand side – ensuring that retail investors can participate in, and benefit from, the revitalized IPO market this Commission is building. Together, the Chairman’s three pillars and

¹¹Securities Act Rule 169, 17 C.F.R. § 230.169.

¹²UK: FCA rules and London Stock Exchange guidance. Hong Kong: HKEX Listing Rules require minimum public offer tranche (typically 10–25%). India: SEBI mandates minimum 35% retail allocation.

the investor-access harmonization requested here would address both sides of the equation that has driven the quarter-century decline in U.S. public markets.

I respectfully request that the Commission publish this petition for public comment and initiate rulemaking proceedings at its earliest convenience. I would welcome the opportunity to provide additional information or participate in any hearing or roundtable the Commission may convene on this subject.

Respectfully submitted,

Mona DeFrawi

CEO & Founder, Radivision, Inc.

Former Founder & CEO, InsideVenture (now the Nasdaq Private Market)

Former Director, CapGen Financial

Former VP Corporate Development / Director IR: USinternetworking (Nasdaq: USIX); Martek Biosciences (Nasdaq: MATK); Meridian Medical Technologies (Nasdaq: MTEC); Crop Genetics International (Nasdaq: CROP)

Forbes 'Most Powerful Women in Technology'; Top 100 Women in Fintech; Silicon Valley Business Journal 'Woman of Influence'

Recognized for "Pillar 2" of National Venture Capital Association's 4-Pillar Plan to Restore Liquidity in the U.S. Venture Capital Industry (2009).

Enclosure:

1. Letter to the Honorable Tim Scott, Chairman, and the Honorable Elizabeth Warren, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs (March 25, 2026):
"Recommended Investor Protections and IPO Reforms to Safely Deliver Main Street Wealth Access, U.S. Capital Formation, and Stronger Public Markets with HR 3339 and 3383"
2. Radivision Infographic: *Restoring Capital Formation, Liquidity & Wealth Access for Everyone*

CC:

Commissioner Hester M. Peirce, U.S. Securities and Exchange Commission
Commissioner Mark T. Uyeda, U.S. Securities and Exchange Commission
Commissioner Caroline A. Crenshaw, U.S. Securities and Exchange Commission
The Honorable Tim Scott, Chairman, Senate Committee on Banking, Housing, and Urban Affairs
The Honorable Elizabeth Warren, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs
Senate Committee on Banking, Housing, and Urban Affairs
The Honorable French Hill, Chairman, House Committee on Financial Services
The Honorable Maxine Waters, Ranking Member, House Committee on Financial Services
Division of Corporation Finance, U.S. Securities and Exchange Commission