CROWDFUND CAPITAL ADVISORS, LLC

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July 15, 2026

VIA ELECTRONIC MAIL (Secretarys-Office@SEC.GOV)

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

Re: File No. 4-914 — Supplemental Submission: Updated Market Data and a Related Recommendation on Crowdfunding Vehicles (Rule 3a-9)

Dear Ms. Countryman:

Crowdfund Capital Advisors, LLC submits this supplement to its petition for rulemaking, File No. 4-914, which requests that the Commission raise the Regulation Crowdfunding offering limit to $20 million in any 12-month period, indexed to inflation. This supplement provides updated CCLEAR market data through July 2026 and one related recommendation: that the requested cap increase be paired with amendments to Rule 3a-9 under the Investment Company Act so that crowdfunding vehicles function as Congress and the Commission intended. We also note the pendency of File No. 4-889, which independently requests the same cap increase.

I. Updated Market Data (CCLEAR, July 2026)

Since the petition was prepared in January 2026, the market has continued to grow: 10,899 offerings by 9,300+ issuers; $2.95 billion in committed capital; a 78.8% completion rate among launched offerings; and 25.8% women-owned issuers. Two datapoints bear directly on the petition's core claim that the $5 million cap fragments capital formation without containing risk:

- 323 offerings have run contemporaneous Rule 506(c) raises totaling $422.6 million. Issuers whose capital needs exceed the cap do not stop raising — they split the round, moving the balance into an exemption with materially less disclosure. The cap is not containing offering size; it is degrading the disclosure environment for the same capital.
- The near-cap cohort analysis in the petition (40.3% of near-cap issuers returning for follow-on offerings; median 20 months to return; more than $214 million raised post-cap) has continued to compound, with repeat offerings imposing redundant Form C, audit, and annual-report costs on issuers without commensurate investor-protection benefit.

II. Related Recommendation: Streamline Rule 3a-9 Crowdfunding Vehicles

Analysis of investor accumulation across the full CCLEAR dataset shows that investor counts scale at approximately 40 investors per $100,000 raised. At the current cap, a maximum raise predicts roughly 2,200 investors; at the requested $20 million cap, roughly 8,200. Larger check sizes at larger offerings mitigate but do not eliminate this accumulation (median checks rise from $674 in sub-$100,000 offerings to $2,410 in offerings at or near the cap).

This accumulation interacts with Exchange Act Section 12(g): 279 Regulation Crowdfunding issuers have already crossed 2,000 holders of record, and 11 currently meet both 12(g) triggers. Critically, 73% of issuers at both triggers arrived there through repeat offerings — the workaround behavior the current cap compels. The Commission anticipated this problem in 2020 when it created crowdfunding vehicles under Rule 3a-9, but the vehicles go essentially unused: their operational conditions — individualized voting instructions, individualized disclosure pass-through, and individually exercisable claim rights — replicate the administrative burden of direct ownership and eliminate the vehicle's purpose.

We therefore recommend that, in the same rulemaking that raises the offering limit, the Commission amend Rule 3a-9 to: (a) permit default voting mechanisms with reasonable notice periods in lieu of affirmative individual instructions; (b) permit a designated lead investor or manager with defined authority under standardized operating agreements and disclosure; and (c) permit consolidated disclosure delivery through a portal or distribution list in lieu of individualized pass-through. Raising the cap without functional vehicles would accelerate the Section 12(g) problem; fixing the vehicles without raising the cap would address only part of the market's need. Both are within the Commission's existing rulemaking authority.

III. Conclusion

The updated data reinforce the petition's request, and the Rule 3a-9 recommendation ensures the requested relief functions as intended. We stand ready to provide the Commission or its staff with the underlying transaction-level data, additional analytical cuts, or briefings as helpful.

Respectfully submitted,

/s/ Sherwood Neiss

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cc: The Honorable Paul S. Atkins, Chairman; The Honorable Hester M. Peirce, Commissioner; The Honorable Mark T. Uyeda, Commissioner; Office of the Advocate for Small Business Capital Formation