Americans for Financial Reform Education Fund

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

July 20, 2026

Re: Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies ("proposed amendments") (File Number S7-2026-18)

Dear Secretary Countryman:

We write to urge the Securities and Exchange Commission (SEC) to refrain from adopting the proposed amendments. These far-reaching amendments, if adopted, would harm investors, make markets less fair and efficient, and increase the cost of capital. Additionally, the proposed reforms stand on a flawed economic analysis, unclear rationales, and tenuous legal authority. Lastly, they would not further the SEC's stated goal of increasing the number of initial public offerings (IPOs).

The Proposed Amendments Are Highly Consequential and Represent a Major Overhaul of Public Markets

These proposed amendments are highly consequential, as they would exempt 81 percent of public companies — non-accelerated filers — from a suite of disclosures and other requirements. In the executive compensation realm, companies would be exempted from providing the CEO to median worker pay ratio, pay versus performance disclosures, and the compensation discussion and analysis. Additionally, companies would not have to conduct shareholder advisory votes on executive compensation matters, including say-on-pay, say-on-pay frequency, and golden parachute votes. Congress imposed many of these requirements in the Dodd-Frank Act in recognition of the role executive pay incentives played in contributing to the Global Financial Crisis. Other critical disclosures that would no longer be required for non-accelerated filers are risk factors and policies and procedures for the review, approval, or ratification of related party transactions. These companies would also be exempted from auditor attestation of internal control over financial reporting (ICFR), a key requirement Congress instituted under the Sarbanes-Oxley Act (SOX) to prevent accounting and auditing frauds like Enron and WorldCom. Many of these requirements were adopted after thorough SEC study and notice and comment rulemaking processes, which led to the conclusion that the benefits of these requirements exceeded their expected costs. Despite this, the SEC now proposes to do away with these requirements for a supermajority of companies in one fell swoop, without adequately explaining why the analysis accompanying the prior rulemakings was flawed or what has changed to justify such dramatic alterations.

The SEC Has Not Provided Adequate Time to Assess the Proposed Changes

In just the month of May, the SEC issued four highly consequential, complex releases, proposing to amend dozens of rules that have been on the books for decades. The four releases together propose to permit semiannual in lieu of mandatory quarterly reporting;[1] collapse the filer status framework;[2] fundamentally restructure the registered offering process;[3] and rescind the climate-related disclosure rule.[4] The SEC itself has labeled the collective impact of the filer status framework and registered offerings proposals as "transformative,"[5] and legal experts have labeled the collective actions in the four releases as "the largest regulatory revision of the Securities Acts during the Commission's over 90-year history."[6]

However, the SEC is only providing 60-day, overlapping comment periods encompassing the Independence Day holiday, which is not enough time for the public to review and develop thorough responses to each proposal. Commissioners Peirce and Uyeda, and former Commissioner Roisman, have criticized this approach in the past. We therefore request the SEC extend the comment period.

Commissioner Peirce has said that the notice-and-comment process "is intended to be a dialogue" that "flows only when the Commission affords the commenting public sufficient time both to review and analyze proposals thoroughly and to formulate fully articulated opinions and suggestions," noting that "a comment period . . . should generally be at least 60 days," with 90-day comment periods "likely more appropriate" for "complicated rulemakings or at times when we have many rulemakings outstanding simultaneously." She further cautioned that "[s]hort comment periods are particularly problematic when they coincide with holidays, end-of-year operational obligations, or other periods in which commenters' staff are likely to be unavailable."[7]

Former Commissioner Roisman raised similar concerns over comment periods that "overlap with comment periods for [multiple] other proposed Commission rules" and "fall over the course of several major holidays," warning that when several proposals are pending concurrently, "the public will be left with *hundreds of questions* on which we are seeking input in [a] short amount of time," such that the SEC risks "not allowing enough time to receive the substantive kind of feedback" needed "from the many types of market participants whom these rules will affect."[8]

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[1] Securities and Exchange Commission. "SEC Proposes Amendments to Permit Optional Semiannual Reporting by Public Companies." May 5, 2026.
[2] Securities and Exchange Commission. "SEC Proposes Transformative Reforms to Help Public Companies Conduct Registered Offerings and Simplify Reporting Requirements." May 19, 2026.
[3] *Id.*
[4] Securities and Exchange Commission. "SEC Proposes Rescission of Climate-Related Disclosure Rules." May 29, 2026.
[5] Securities and Exchange Commission. "SEC Proposes Transformative Reforms to Help Public Companies Conduct Registered Offerings and Simplify Reporting Requirements." May 19, 2026.
[6] Coates, John C. et al. "Comment on SEC Proposal, *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*." June 26, 2026 at 9.
[7] Peirce, Hester M. "Rat Farms and Rule Comments – Statement on Comment Period Lengths." Securities and Exchange Commission. December 10, 2021.
[8] Roisman, Elad L. "Statement on the Proposed Rules Regarding 10b5-1 Plans." Securities and Exchange Commission. December 15, 2021.

Lastly, Commissioner Uyeda has argued that providing thoughtful comments on a rule proposal is challenging enough "when the rule proposal is dense and the scope of the rulemaking is over-broad," and that difficulty becomes "nearly impossible when the Commission asks for public comment on multiple proposals affecting the same stakeholders at the same time."[9]

The Proposed Amendments Would Increase the Incidence of Fraud, Harm Investors, Make Markets Less Fair and Efficient, and Increase the Cost of Capital

The proposed reforms would significantly decrease disclosure and other requirements, which would negatively affect investors, markets, and capital formation, including through increased investor costs, less informed investment decisions, greater market mispricing, and misallocation of capital across the economy.

First, the proposed reforms would impose additional costs on investors. Scaled reporting will not reduce investors' need for the information a supermajority of companies will be exempted from disclosing. Instead, the proposed rules would shift the costs of obtaining such information from the issuers who have easy access to the required information to investors who will be forced to purchase such information from private data providers. Such information will be less complete and less reliable than SEC-mandated disclosures.

Second, the quality of the information will also be impaired due to the lack of auditor attestation of ICFR. The significance of this gap is empirically established: research has found that among companies with ineffective internal controls, the expected rate of full and accurate disclosure without auditor attestation ranges between only eight and 15 percent.[10] When internal control weaknesses go undetected or unremediated because they have not been subjected to independent auditor scrutiny, the risk of material misstatement, financial fraud, and restatement significantly increases.[11]

Third, the significant decrease in information available to all investors would make markets less fair. There would be more material nonpublic information available to corporate insiders and others with business or personal relationships with issuers or management, putting retail and index fund investors at a disadvantage.

Fourth, the proposed amendments would undermine capital formation, as reduced transparency may result in investors seeking a higher risk premium or avoiding investments in companies that are exempted from disclosures and other requirements. Transparency is critical to forming and

[9] Uyeda, Mark T. "Remarks to the Investment Company Institute's 2025 Investment Management Conference." Securities and Exchange Commission. March 17, 2025.
[10] *See* Benoit, Robert. Lord & Benoit, LLC. "Bridging the Sarbanes-Oxley Disclosure Control Gap." 2006 at 3.
[11] *See* Brickey, Kathleen F. "From Enron to Worldcom and Beyond: Life and Crime After Sarbanes-Oxley." Washington University Law Review. 2003.

maintaining investments. The reduced visibility from the significant decrease in information elevates risk and widens information gaps, which can deter long-term institutional capital investment. This could have the opposite intended effect on IPOs, as the knowledge that companies that have been public for less than five years will be exempt from critical disclosures and other requirements might negatively impact IPO pricing.[12]

Fifth, the proposed amendments would also undermine efficient capital allocation. If investors lack robust disclosures, high-quality companies can lose out in capital raising to lower-quality companies.

The SEC's Economic Analysis Is Flawed

There are many flaws in the SEC's economic analysis. We will focus on just five. First, the SEC's economic analysis does not engage with the studies it cites. Throughout the release, the SEC invokes academic and empirical literature to support its policy conclusions, but the analysis stops at citation. The SEC fails to explain whether it agrees with the methodology or conclusions of the studies cited, whether those studies are consistent with the SEC's own proprietary data, or what the SEC's reasoning is for accepting or discounting them. The purpose of disclosing the empirical basis for a rule is to allow commenters to engage with the SEC's analytical conclusions, not merely with the titles of papers the SEC has chosen to mention. By treating citation as a substitute for analysis, the SEC has deprived commenters of a meaningful ability to evaluate, contest, or supplement the SEC's reasoning.

Second, the SEC did not conduct an individualized assessment of whether each proposed change is independently justified. Instead, it bundled a substantial number of discrete amendments in its economic analysis. In addition, the SEC ignored some of its proposals entirely in its economic analysis.[13] If the SEC proposed any of these amendments individually, it would have had to perform a thorough, individualized assessment of each of their impacts. Instead, the SEC is attempting to eliminate a long list of regulatory obligations for a supermajority of companies in one single release. The SEC's failure to conduct this individualized assessment leaves open the question of whether it would have proposed any particular element of this release had it considered that element in isolation, and deprives the public of engaging with such assessments.

Third, the SEC has made no attempt to assess how the changes proposed in this release interact with the changes proposed in the three other releases simultaneously subject to public comment, as discussed above. Each of these proposals independently reduces the disclosure obligations of public

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[12] *See* Barth, Mary E., Wayne R. Landsman, and Daniel J. Taylor. "The JOBS Act and Information Uncertainty in IPO Firms." Stanford Graduate School of Business. January 2017. (finding that Emerging Growth Companies taking advantage of certain reduced disclosure requirements was associated with larger underpricing and post initial public offering volatility). *See also* Leone, Andrew J. and Steve Rock. "Disclosure of Intended Proceeds and Underpricing in Initial Public Offerings." Journal of Accounting Research. February 2007. (finding that more specific disclosures about intended use of proceeds are associated with lower IPO underpricing).

[13] Coates, John C. et al. "Comment on SEC Proposal, *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*." June 26, 2026 at 21.

companies. Taken together, their combined effect on investor protection, market integrity, and the total information environment for investors is dramatically larger than the sum of the individual parts. An investor assessing whether to provide capital to a newly-public company under the regime created if the proposals included in these four releases are all adopted would face a significantly different information environment than the SEC's release-by-release analysis acknowledges. The SEC has the data and the analytical capacity to assess these interactive effects.

Fourth, the SEC's cost justification for exempting a much larger cohort of companies from auditor attestation of ICFR is undermined by the evidence on what compliance costs today. The initial post-SOX spike in audit fees was a supply-side shock: the law substantially increased demand for audit services without a commensurate immediate increase in supply. That spike has long since dissipated. As Professor John Coates of Harvard Law School — who published one of the first evaluations of SOX in 2007 and co-authored a ten-year multidisciplinary review of the Act's costs and benefits in 2014 — has documented, audit compliance costs fell dramatically following the 2007 Public Company Accounting Oversight Board (PCAOB) revisions to the implementation standards, and by 2012, the incremental cost of attestation for companies with less than $10 billion in market capitalization had declined to an average of approximately $350,000.[14] The SEC's assertion that auditor attestation of ICFR compliance imposes costs that cannot be justified by its investor protection benefits reflects a picture of the regulatory burden that may have been accurate in 2003, not 2026.

Fifth, the SEC does not acknowledge how technology has fundamentally transformed disclosure production, including by reducing costs to companies of producing disclosure and the costs to investors of digesting and analyzing the information provided. The marginal cost of drafting, formatting, filing, and distributing the disclosures the SEC proposes to eliminate is a rounding error in the budget of any company with a public float approaching $700 million. We are no longer living in a world where disclosure documents are filed physically or through early EDGAR systems, or where printing, typesetting, and distribution costs were far more significant.

The SEC Does Not Provide Clear Rationales for the New Thresholds

The SEC does not provide clear rationales for how it decided to draw the line between companies that would be required to provide the full suite of disclosures and abide by other longstanding requirements and those that would be exempted, including its choice to: 1) more than double the public float threshold from $700 million to $2 billion; 2) change the public float calculation methodology; 3) use public float as a metric at all; and 4) increase the seasoning period for newly-public companies from one to five years.

The SEC's own analysis in the release acknowledges that simply adjusting the $700 million threshold for inflation from 2005 to 2026 would yield $1.15 billion, while adjusting for the proportionate

[14] Coates, John C. and Suraj Srinivasan. "SOX After Ten Years: A Multidisciplinary Review." Accounting Horizons. 2014.

increase in the S&P 500 over the same period would yield $3.85 billion.[15] The SEC rejects both methodologies without adequate explanation and arrives at $2 billion, a figure that is not compelled by any stated principle, is not derived from any identified methodology, and sits between the two benchmarks the SEC itself calculated and then discarded.

The SEC's proposed changes to the public float calculation methodology —- replacing the current single-day measurement with a 10-trading-day average and requiring the threshold to be met in two consecutive years before a filer's status changes — compound the effect of the higher threshold in ways the release does not separately analyze. These methodological changes are not neutral adjustments for volatility; they are substantive expansions of the scope of companies that will qualify as non-accelerated filers. A company whose public float averages $1.9 billion would today be a large accelerated filer; under the proposal, it would be an non-accelerated filer because of the interaction of the higher threshold, the averaging methodology, and the two-year lookback requirement. The SEC has not analyzed or justified this compounding effect on its own terms.

The SEC gave a cursory at best explanation of why it was continuing to use public float as a metric at all, which can be managed by executives. As the "Shadow SEC," composed of legal academics, noted in its comment, "reliance on public float or public float alone is increasingly question-begging" due to the increasing prevalence of unicorns with less than 2,000 shareholders and less than 500 non-accredited investors in IPOs.[16] Additionally, to the extent that scaled disclosures can be justified by not wanting to impose costs disproportionate to companies' ability to bear them, public float is not a reasonable way to measure companies' ability to sustain those costs.[17] The "Shadow SEC" recommended metrics related to "size (revenues, assets, or employees), complexity (segments, locations, length and detail of financial statements), or stage of development (e.g., pre-revenue, negative operating cash flow, or mature)."[18]

Lastly, the SEC does not give a credible rationale for leaving investors in the dark and without the protections auditor attestation of ICFR provides for five years (instead of one) after a company goes public regardless of its size. This is a particularly alarming oversight given the prevalence of unicorns going public, which means the SEC's proposal, if adopted, could result in exempting some of the largest and most consequential companies in the public markets from full disclosures and other important requirements.

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[15] *See* Securities and Exchange Commission. "Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies." Proposed Rule. May 19, 2026 at 42 n.137.
[16] Coates, John C. et al. "Comment on SEC Proposal, *Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies*." June 26, 2026 at 13.
[17] *Id.* at 13-14.
[18] *Id.* at 14.

The SEC Does Not Have the Authority to Make the Sweeping Exemptions It Is Proposing

By changing the definition of large accelerated filer, the SEC is attempting to grant sweeping exemptions to 81 percent of public companies. The SEC's legal authority to do so is tenuous at best. First, although the SEC has broad exemptive authority under the Securities Exchange Act, such authority is not unlimited, as exemptions need to be "necessary or appropriate in the public interest" and "consistent with the protection of investors."[19] As discussed above, these proposals, if implemented, would undermine investor protection — and the public interest.

Second, Congress did not extend this exemptive authority to the SEC under SOX, and there is no general exemptive authority under SOX. Section 404(b) of SOX requires that the registered public accounting firm that prepares or issues the audit report for an Exchange Act reporting company attest to, and report on, management's assessment of the effectiveness of the company's internal control over financial reporting (ICFR). Congress expressly defined which companies are exempt: the Dodd-Frank Act amended SOX to exempt any issuer that is "neither a large accelerated filer nor an accelerated filer" as defined by the SEC,[20] and the JOBS Act separately exempted emerging growth companies.[21] Both exemptions are statutory grants of limited, defined relief and not a general invitation for the SEC to reshape the 404(b) landscape as it sees fit. Congress's decision to locate the auditor attestation requirement in SOX rather than amending the Exchange Act was deliberate: it placed section 404(b) beyond the reach of the SEC's general exemptive authority such that any relief from that requirement would require congressional action. The SEC's proposal attempts to circumvent this structural choice.

Indeed, the SEC does not purport to invoke any general exemptive authority to relieve 81 percent of companies from section 404(b). Instead, it proposes to achieve the same result through a definitional gimmick. By proposing to raise the large accelerated filer public float threshold to $2 billion, extending the seasoning period to five years, and combining those changes with a 10-trading-day averaging methodology and a two-year lookback requirement, the SEC is attempting to move a large cohort of currently-covered companies outside its definition, thereby triggering the section 404(c) exemption for those companies without invoking any express authority to grant an exemption and, more importantly, in contravention of congressional intent. That the SEC proceeds by definitional gimmick rather than formal exemption or congressional authorization is not an accident — it reflects the absence of any authority to otherwise accomplish this proposed drastic erosion of investor protections.

The Supreme Court has addressed precisely this kind of definitional end-run. In *West Virginia v. EPA*, the Court rejected the EPA's argument that its proposed rule fit within a broad statutory term as a matter of "definitional possibilities," noting that "almost anything could constitute" a qualifying

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[19] 15 U.S. Code § 78mm(a)(1).
[20] Sarbanes-Oxley Act § 404(c). (internal citations omitted)
[21] JOBS Act § 103.

term "shorn of all context" and that "[s]uch a vague statutory grant is not close to the sort of clear authorization" required when an agency asserts authority to resolve a question of vast economic and political significance.[22]

The systematic exemption of over 80 percent of public companies from a congressionally-imposed auditor attestation requirement — a requirement Congress has repeatedly and deliberately retained for all but narrowly defined categories of companies — is precisely such a question. The logical endpoint of the SEC's claimed authority illustrates the problem. If the SEC's claimed authority to set the large accelerated filer threshold is truly unlimited and the only constraint is whatever the SEC believes is appropriate, then there is no principled stopping point. The SEC could set the threshold at $1 trillion and thereby effectively erase section 404(b) for every reporting company in existence, reducing a congressionally-enacted investor protection to a nullity through a rulemaking exercise rather than legislation. The absurdity of that outcome reveals the problem with the SEC's position.

The Proposed Amendments Would Not Further the SEC's Stated Goal

While the stated justification of this proposal is the SEC's goal of increasing the number of companies that go public each year, the central reason for the decline in initial public offerings has been the deregulation of private markets, not the costs associated with public company disclosure requirements. Over the years, both the SEC and Congress have expanded the number of investors eligible to purchase securities in unregistered transactions and the number of shareholders a company can have while remaining private, liberalized the methods private companies can use to solicit investors, and eased restrictions on the ability of investors in private companies to resell their securities in unregistered transactions.[23] Together, these changes in law and regulations have allowed many private companies to meet their capital and liquidity needs without accessing the public markets for longer periods of time. Below is a timeline of many of these changes.[24]

- 1972: The SEC adopted Rule 144 allowing investors to resell private securities after two years if certain conditions are met and after three years without conditions.
- 1982: The SEC adopted Regulation D. Rules 504 and 505 (now rescinded) exempted certain small offerings from registration requirements. Currently, Rule 504 exempts offerings of $10 million or less from registration, without requiring disclosures or an assessment of purchasers' sophistication. Rule 506 allows issuers to sell unlimited amounts of securities to an unlimited number of "accredited investors" without disclosure, and up to 35 other

[22] 597 US 697 (2022).
[23] Jones, Renee M. Boston College Law School. "Congressional Testimony: Examining Private Market Exemptions as a Barrier to IPOs and Retail Investment." September 11, 2019; Renee M. Jones, Untamed Unicorns: Why Startup Finance is Broken and How to Fix It. Harvard University Press. August 4, 2026.
[24] Unless otherwise cited, the timeline draws from three sources: 1) De Fontenay, Elisabeth. Duke University School of Law. "The Deregulation of Private Capital and the Decline of the Public Company." 68 Hastings Law Journal. 2017. and 2) Jones, Renee M. Boston College Law School. "Congressional Testimony: Examining Private Market Exemptions as a Barrier to IPOs and Retail Investment." September 11, 2019. 3) Aran, Yifat. "Making Disclosure Work for Start-Up Employees." Columbia Business Law Review. December 1, 2019.

investors if disclosure is provided to those investors. For individuals, "accredited" status is determined based on the investor's income and net worth. Rule 502(c) prohibited general solicitations for all Regulation D offerings. These new regulatory exemptions eliminated many of the requirements developed through caselaw that investors in exempt offerings be knowledgeable about investing and have access to information about the investments being offered.

- 1988: The SEC adopted Rule 701, which exempts securities offerings to private company employees if under an aggregate amount of $5 million within a one-year period.
- 1990: The SEC adopted Rule 144A, allowing investors to resell private securities to large institutional investors.
- 1996: Congress passed the National Securities Markets Improvement Act (NSMIA), removing the 100 investor limit in private funds and allowing the SEC to lift caps on aggregate offering amounts under Rules 504, 505, and 701.
- 1997: The SEC amended Rule 144 so that investors can resell private securities after one year if certain conditions are met.
- 1999: The SEC lifted the $5 million annual cap on exempted offerings to private company employees under Rule 701. For offerings exceeding $5 million during any one-year period, companies were required to provide certain disclosures.
- 2007: The SEC amended Rule 144 so that investors can resell private securities after one year without conditions.
- 2007: The SEC exempted employees holding stock options from the 500 shareholder cap under section 12(g) of the Securities Exchange Act.
- 2012: Congress passed the JOBS Act, creating new exemptions from registration and directing the SEC to exempt Rule 506 transactions limited to accredited investors from the ban on general solicitation. Congress also amended section 12(g) of the Securities Exchange Act, increasing the number of shareholders triggering registration from 500 to 2,000 (excluding certain shareholders including employees).
- 2013: The SEC implemented Rule 506(c), which allows companies to engage in general solicitations of exempt offerings as long as the issuer takes reasonable steps to make sure that all investors are accredited.
- 2018: Congress passed the The Economic Growth, Regulatory Relief and Consumer Protection Act, raising the Rule 701 threshold for requiring disclosure to employees from offerings of over $5 million in a year to offerings of over $10 million in a year. The SEC implemented this change.
- 2025: The SEC issued a no action letter relaxing the obligations of issuers to verify the accredited status of purchasers in a Rule 506(c) transaction exempt offering conducted by means of general solicitation.[25] This change will make it easier for private fund managers to

[25] Byrne, Jeb. Chief, Office of Small Business Policy. Division of Corporate Finance. "No Action Letter: Latham & Watkins." U.S. Securities and Exchange Commission. March 12, 2025.

cast a wide net when seeking new investors and risk luring investors into unsuitable investment vehicles.

Taken together, these changes removed the principal involuntary triggers that once pulled large, widely-held private companies into the public reporting regime, and instead gave issuers durable, repeatable tools to raise unlimited capital privately, in unlimited succession. The proposed rulemaking makes no attempt to reconcile the proposal's stated rationale of encouraging companies to go and stay public against this private-market reality. It does not consider reasonable alternatives that would actually increase the number of IPOs: revisiting the actions it has taken to deregulate private markets listed above. Additionally, the SEC has long had the legal authority to revisit how it counts beneficial ownership of private companies for purposes of section 12(g) of the Securities Exchange Act: instead of counting investment vehicles and special purpose entities as single holders of record, it could count their beneficial owners, better reflecting the economic reality of private shareholding.

Meanwhile, the role of regulatory costs in the decline of initial public offerings is minimal. Indeed, a 2021 study found that "[r]emoving all estimated regulatory costs increases the average IPO likelihood after 2000 from 0.95% to 1.4%, which explains only 7.4% of the decline in IPO likelihood from pre-2000 to post-2000."[26] Moreover, the approach ignores what is likely the single most significant cost impeding public offerings, the commission imposed by investment banks, a charge that falls disproportionately on smaller issuers.[27] Therefore, the reduction in reporting and other requirements is very unlikely to have a real impact on costs for issuers.

Finally, we are also concerned that the SEC has proposed these changes at a time when the agency lacks the political balance mandated by the Securities Exchange Act of 1934 and has not met the statutory requirement that appointments to the SEC alternate by party.[28] We urge the SEC to withdraw the proposal in its entirety.

Thank you for the opportunity to comment on this proposal. For further discussion, please contact Natalia Renta at natalia@ourfinancialsecurity.org.

Sincerely,

Americans for Financial Reform Education Fund

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[26] Ewens, Michael, Kairong Xiao, and Ting Xu. "Regulatory Costs of Being Public: Evidence from Bunching Estimation." National Bureau of Economic Research. August 2021 at 5.
[27] Busaba, Walid Y. and Felipe Restrepo. The "7% solution" and IPO (under)pricing. 144 J. of Financial Economics 953. ("In our 1996 to 2018 sample, the 7% spread is charged in 94% of IPOs with gross proceeds between $20 million and $100 million.").
[28] 15 U.S.C. 78d(a) (providing that no more than three commissioners shall be members of the same political party and that "in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable").