



May 18, 2026

**Submitted by SEC Webform<sup>1</sup>**

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

**RE: File No. S7-2026-08: Publication or Submission of Quotations Without Specified Information**

Dear Ms. Countryman:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),<sup>2</sup> I am writing in response to U.S. Securities and Exchange Commission (“SEC” or the “Commission”) Release No. 34-105004, *Publication or Submission of Quotations Without Specified Information* (the “Proposal”),<sup>3</sup> which seeks to revise Rule 15c2-11 to refer only to “equity securities,” while leaving in place the existing substantive information gathering and review requirements that brokers and dealers must satisfy before initiating (or resuming) any quotation of such securities in a quotation medium. The Proposal also requests input regarding whether an exception should be provided for crypto assets that are equity securities, or whether certain provisions of Rule 15c2-11 should otherwise be tailored, including with respect to information gathering and review requirements.

Rule 15c2-11 serves a core investor protection function in opaque, retail-facing markets.<sup>4</sup> It was designed to address fraudulent behavior commonly associated with trading in stocks in the

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<sup>1</sup> <https://www.sec.gov/comments/s7-2026-08/publication-or-submission-quotations-without-specified-information>.

<sup>2</sup> Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, México, Puerto Rico, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

<sup>3</sup> The Proposal is available at <https://www.sec.gov/files/rules/proposed/2026/34-105004.pdf>.

<sup>4</sup> [Letter from Christopher Gerold, NASAA President and Chief, New Jersey Bureau of Securities, to Vanessa Countryman, Secretary, SEC, Re: File Number S7-14-19: NASAA Comment Letter Regarding Proposed](#)

over-the-counter (“OTC”) market, where high levels of retail investor participation combined with limited issuer information can create conditions particularly favorable for fraudulent misconduct.<sup>5</sup> The Commission’s 2020 amendments strengthened this core investor protection function by requiring that current and publicly available information be obtainable before quotations can be published, reinforcing transparency and accountability. At the same time, subsequent no-action and exemptive relief for fixed income securities demonstrate that the Commission can calibrate the rule’s application where warranted without undermining its fundamental purpose.

Against this backdrop, NASAA agrees with the Proposal to limit Rule 15c2-11 to equity securities and supports the Commission’s effort through the Proposal to effectively codify the existing relief for fixed income securities, but cautions against amending the rule to include express exceptions, prescriptive conditions, or narrowly tailored information gathering and review requirements for crypto asset “equity securities.” These instruments may share some risk characteristics with traditional OTC securities, including susceptibility to fraud and manipulation, but they also raise novel issues related to market structure, financial and governance rights, regulatory classification, and distribution models. Further, the U.S. market for tokenized equity securities is still in its earliest stages. Accordingly, the Commission should avoid premature and piecemeal rulemaking regarding crypto assets and should instead consider more comprehensive and coordinated crypto asset rulemaking as the market further evolves.

## **I. Purpose and Ongoing Relevance of the Rule for Equity Securities**

The broader purpose of Rule 15c2-11 is to prohibit brokers and dealers from establishing arbitrary quotations for infrequently traded OTC securities in the absence of certain information.<sup>6</sup> Adopted in 1971, Rule 15c2-11 was designed to prevent certain manipulative and fraudulent trading schemes associated with the distribution and trading of unregistered securities issued by shell companies or other companies having outstanding but infrequently traded securities.<sup>7</sup> In 2020, the Commission amended the rule to require that specified information be current and publicly available for brokers and dealers to publish a quotation for, or maintain a continuous quoted market in, a security in a quotation medium, with the goal of enhancing transparency and enabling investors to more effectively evaluate OTC markets.<sup>8</sup>

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*Amendments to SEC Rule 15c2-11, Publication or Submission of Quotes Without Specified Information* (Dec. 27, 2019).

<sup>5</sup> [Statement on Staff No-Action Letter Regarding Amended Rule 15c2-11 in Relation to Fixed Income Securities](#), Commissioner Hester M. Peirce (Sept. 24, 2021).

<sup>6</sup> Proposal at 4 n.2.

<sup>7</sup> Proposal at 7.

<sup>8</sup> Proposal at 8.

### **A. Preventing Manipulation in OTC Markets**

Rule 15c2-11 addresses a fundamental information asymmetry inherent in OTC equity markets, which are often characterized by small, thinly traded companies for which reliable public information may be scarce or nonexistent. Without proper information, a quotation could mislead investors and distort market prices. Low-volume stocks are particularly vulnerable to price manipulation, and the rule's information requirements serve as a critical check by ensuring that broker-dealers have a verified, reliable basis upon which to publish fair and accurate quotations.

Investor protection is equally central to the rule's purpose. Many OTC equity investors are retail clients who may rely entirely on a broker's quotation when making investment decisions. The 2020 amendments reinforced this protection by effectively removing pathways that had previously allowed the publication of quotations without meaningful diligence, thereby raising the baseline standard of care applicable to broker-dealers operating in OTC markets.

### **B. Reinforcing the Rule's Core Purpose**

The 2020 amendments to Rule 15c2-11 were grounded in similar regulatory concerns that prompted its original adoption, and the same concerns that are still prevalent today; namely, manipulative schemes in the OTC markets, particularly for the shares of issuers with little or no business activity or assets.<sup>9</sup>

In reinforcing the rule's core purpose, the Commission's 2020 amendments required that issuer information be both current and publicly available, directly addressing enforcement findings that a majority of the Commission's enforcement cases involving allegations of fraudulent behavior in the OTC securities market had involved delinquent filings, which result in a lack of current, accurate, or adequate information about an issuer.<sup>10</sup> More broadly, the amendments were designed to, among other things, reduce unnecessary burdens on broker-dealers, enhance the efficiency of the OTC market, and promote investor protection by providing greater transparency to the investing public regarding issuers of OTC securities.<sup>11</sup> The Proposal does not question these judgments or solutions, which we believe is appropriate.

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<sup>9</sup> Proposal at 11-12.

<sup>10</sup> See [SEC Release No. 33-10842](#), *Publication of Quotations Without Specified Information* at 5-6 (Sept. 16, 2020), at 5-6.

<sup>11</sup> See [SEC Release No. 33-10842](#), *Publication of Quotations Without Specified Information* at 7 (Sept. 16, 2020).

## **II. Post-2020 Implementation: Fixed Income Relief**

Following the October 2020 publication of the final Rule 15c2-11 requiring that a broker-dealer review basic information about an issuer before providing quotations in OTC securities, market participants quickly identified significant operational and systems challenges, particularly with respect to fixed income securities.

### **A. The Commission's Response**

The Commission's Division of Trading and Markets responded through a series of no-action letters that (1) provided initial transition relief to allow for an orderly and good-faith transition into compliance, (2) extended such relief when industry representatives communicated that additional time was needed, and (3) comprehensively stated that staff would not recommend enforcement action against broker-dealers publishing or submitting quotations in a quotation medium for fixed-income securities, provided the broker-dealer had reasonably determined that the fixed-income security or its issuer met one of a specified list of criteria, or that current and publicly available information about the issuer was obtainable consistent with Rule 15c2-11(b).<sup>12</sup>

In October 2023, the Commission issued an exemptive order for fixed-income securities sold under Rule 144A, allowing qualified institutional buyers (institutions managing at least \$100 million in securities) to trade privately placed, restricted securities without SEC registration.<sup>13</sup> The exemption responded to concerns that Rule 15c2-11's information review and recordkeeping requirements were not appropriate for these transactions and applied only to securities resold to this limited, experienced investor base. Although Rule 144A does not require

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<sup>12</sup> [Letter from Josephine J. Tao, Assistant Director, SEC Division of Trading and Markets to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, FINRA, Re: Amended Rule 15c2-11 in relation to Fixed Income Securities](#) (Sept. 24, 2021) (providing initial transition relief and explaining application of Rule 15c2-11 to fixed income securities); [Letter from Josephine J. Tao, Assistant Director, SEC Division of Trading and Markets to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, FINRA, Re: Amended Rule 15c2-11 in relation to Fixed Income Securities](#) (Dec. 16, 2021) (granting temporary no-action relief to allow broker-dealers additional time to comply during the transition period); [Letter from Josephine J. Tao, Assistant Director, SEC Division of Trading and Markets to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, FINRA, Re: Amended Rule 15c2-11 in relation to Fixed Income Securities](#) (Nov. 30, 2022) (withdrawing the December 2021 letter and extending prior no-action relief in response to industry requests for additional time to implement compliance systems); [Letter from Josephine J. Tao, Assistant Director, SEC Division of Trading and Markets to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, FINRA, Re: Amended Rule 15c2-11 in relation to Fixed Income Securities](#) (Nov. 22, 2024) (withdrawing the November 2022 letter and providing comprehensive no-action relief for broker-dealers publishing or submitting quotations in fixed income securities where issuer eligibility criteria under Rule 15c2-11(b) are satisfied).

<sup>13</sup> [SEC Release No. 34-98819, Order Granting Broker-Dealers Exemptive Relief, Pursuant to Section 36\(a\) and Rule 15c2-11\(g\) under the Securities Exchange Act of 1934, from Rule 15c2-11 for Fixed-Income Securities Sold in Compliance with the Safe Harbor of Rule 144A under the Securities Act of 1933](#) (Oct. 30, 2023).

the same “current and publicly available” information as Rule 15c2-11, it was deemed appropriate to provide comparable investor protection given the sophistication and informational access of these qualified institutions.

### **B. Nature and Significance of the No-Action Relief**

The Commission's response to fixed income implementation challenges was appropriately responsive, deliberate, and incremental. Rather than abandoning Rule 15c2-11's framework, the Commission adapted it in targeted ways where the rule's intended purpose would be undermined when applied to the fixed income market. Notably, since the issuance of this tailored relief, there has not been a comparable wave of additional no-action requests, which suggests that the approach effectively addressed industry's operational concerns without requiring broader structural changes to the rule.

### **III. Rulemaking for a Crypto Asset Specific Exception Would Be Premature**

Traditional Rule 15c2-11 information requirements (e.g., issuer financials, officers, business description) do not always map cleanly onto crypto assets, where identity, governance structures, and financial disclosures may be unclear or, in some cases, nonexistent. Crypto assets also do not consistently involve sophisticated participants or alternative, reliable information channels. Unlike fixed income markets, where retail participation is generally more limited, crypto markets raise concerns about significant retail participation, including widespread purchases by retail investors and large concentrations in their portfolios. In addition, the same concerns broker-dealers have raised in the fixed income securities context, and that have been addressed through the no-action letters referenced in Section II, may be present in the context of Rule 15c2-11's applicability to crypto assets.

The Commission has only recently begun articulating distinctions among tokenized securities issued directly by issuers, wrapped assets backed by custodial holdings, and synthetic exposures that to varying degrees replicate economic performance without ownership of the underlying asset.<sup>14</sup> Further, tokenized securities markets in the United States remain in early stages, with limited trading venues, pilot programs for trading tokenized securities,<sup>15</sup> and no standardized practices or comprehensive regulatory clarity. As a result, market infrastructure, disclosure norms, product norms, and comprehensive regulatory frameworks have not yet developed to a level that would support prescriptive rulemaking in this area.

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<sup>14</sup> SEC, [Statement on Tokenized Securities](#) (Jan. 28, 2026) (Division of Corporation Finance providing its views on the taxonomies associated with tokenized securities and related classification considerations).

<sup>15</sup> E.g., Dechert LLP, [SEC Approves Nasdaq's Tokenized Securities Trading Proposal](#) (Mar. 25, 2026) (discussing the SEC's approval of Nasdaq's proposal to permit trading of securities in tokenized form, building on its Depository Trust Company's tokenization pilot program).

Finally, it remains unclear how these types of assets will be issued, registered (or exempted), and distributed. Crypto tokenized equity-like instruments may be offered to retail investors, raising concerns that the same risks addressed by Rule 15c2-11 are likely to be present, including manipulation schemes such as pump-and-dump activity in crypto markets.<sup>16</sup> At the same time, the reliability of public information remains uncertain, as issuers may provide limited disclosures or information may be embedded in smart contracts whose mechanics are difficult to interpret or verify, or contained in whitepapers. Given these factors, a sufficiently developed factual and market foundation does not yet exist for the Commission to adopt durable, asset-specific rules in this area.

#### **IV. Recommendations Regarding Crypto Assets**

NASAA recommends that the Commission maintain the baseline applicability of Rule 15c2-11. That is, to the extent that a crypto asset qualifies as an equity security, Rule 15c2-11 should continue to apply in order to ensure consistent investor protection and preserve the broker-dealer gatekeeping function. That gatekeeping role reflects the responsibility of broker-dealers to serve as one of the first lines of defense against fraud, including by preventing the establishment of quoted markets where only minimal, outdated, or nonpublic information exists. This function is particularly important in the equity context, where retail investors may be exposed to heightened risks.

We would also recommend that the Commission defer any prescriptive rulemaking with regard to crypto assets. The Commission should continue to rely on guidance and incremental regulatory measures, as it has successfully done in the fixed income context. This approach would allow market structure and regulatory taxonomies to further develop, which would support more informed and effective rulemaking in the future.

Finally, we would recommend that crypto-related regulatory issues be addressed in a unified framework rather than through isolated or asset-specific exceptions. A unified approach would reduce regulatory fragmentation, improve consistency across asset types, and promote overall coherence in the Commission's regulatory framework for digital assets.

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<sup>16</sup> E.g., BitcoinTaxes, [Pump and Dump Scams in Crypto 2025: The Dark Side of Crypto](#) (Aug. 29, 2025); U.S. Dep't of Justice, U.S. Atty's Off. For the Dist. Of Mass., [Eighteen Individuals and Entities Charged in International Operation Targeting Widespread Fraud and Manipulation in the Cryptocurrency Markets](#) (Oct. 9, 2024); Faith Karimi, [This 'Cryptoqueen' scammed investors out of \\$4 billion, the FBI says. Then she boarded a plane and disappeared](#), CNN BUS. (Jan. 22, 2023).

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**V. Conclusion**

Rule 15c2-11 reflects a calibrated and still-relevant approach to investor protection rooted in longstanding concerns about the integrity of the OTC markets. We agree with the Proposal's approach of limiting the Rule's application to equity securities, appropriately preserving the Rule's core protective function without overextending its framework. Given the evolving and uncertain nature of crypto and tokenized securities markets, the Commission should continue to rely on interpretative guidance and incremental measures until a clearer factual and structural foundation emerges. More broadly, crypto markets warrant a cautious and coordinated regulatory approach to ensure that investor protection objectives are maintained while allowing market structure and regulatory taxonomy to mature.

NASAA appreciates the opportunity to comment on the Proposal. Thank you for considering these views. Should you have any questions about this letter, please contact either the undersigned or NASAA's General Counsel, Vince Martinez, at (202) 737-0900.

Sincerely,

A handwritten signature in cursive script that reads "Marni Rock Gibson".

Marni Rock Gibson  
NASAA President