After the Raise: What Form C-AR Filing Data Reveals About Regulation Crowdfunding's Ongoing Reporting Regime

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Half of Reg CF issuers have never filed an annual report. The filing record shows why: compliance rises steadily with the size of the investor base, and the file-once-and-stop pattern is largely Rule 202(b) operating as written. What remains is a narrower and more fixable problem than the headline suggests.

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Regulation Crowdfunding has moved roughly $2.9 billion into more than 6,000 U.S. companies since 2016.[1] Every one of those issuers took on an ongoing disclosure obligation the day its offering closed. Half are no longer meeting it.

Of the 5,383 Reg CF issuers whose first annual report has come due, 50.6 % have filed one.[2] The reflex is to read that as mass non-compliance. Part of it is. But much of the pattern beneath it is Regulation Crowdfunding operating precisely as written: Rule 202(b)(2) ends the ongoing reporting obligation once an issuer has filed a single annual report, since its most recent Reg CF sale, and then has fewer than 300 holders of record.[3]

Sorting the filing record by investor base size makes the point empirically. Compliance rises with the number of investors – from 33.4% of issuers with fewer than 100 investors to 89.0% of issuers with 1,000 or more – and silence falls the other way, from 45.9% to 7.8%.[4] Whatever is failing in this market is failing least where the most investors are relying on the disclosure.

For issuer counsel that reframes the question. It is rarely whether a client may stop reporting. It is whether the client stopped in a way that leaves a defensible record – and the answer turns on an unresolved question about how Rule 202(b) operates, addressed in Part IV.[5] The practical stakes are concrete: eligibility to raise under Regulation Crowdfunding again, a conditional exemption from Exchange Act registration, and a diligence record that cannot be reconstructed years later.

I. The Obligation, Precisely Stated

Section 4(a)(6) of the Securities Act exempts crowdfunding offerings from registration, and Section 4A(b)(4) conditions that exemption on the issuer filing annual reports and financial statements with the Commission and making them available to investors.[6] Rule 202(a) implements the mandate: an issuer that has sold securities in reliance on Section 4(a)(6) must file an annual report with the Commission and post it on its own website no later than 120 days after the end of the fiscal year covered by the report.[7]

The content is not trivial. Form C-AR carries forward much of the Form C disclosure package – directors, officers and principal shareholders, the business and business plan, use of proceeds from prior offerings, related-party transactions, capital structure and outstanding indebtedness, and a discussion of financial condition – together with financial statements certified by the principal executive officer as true and complete in all material respects, unless reviewed or audited statements are available, in which case the certification is not required.[8] For an issuer that raised $100,000 from a few dozen investors, that is a genuine annual undertaking, and it is the first thing to go when the company is busy or struggling.

Two features of the regime are routinely underappreciated by clients. First, EDGAR filing and website posting are separate requirements under Rule 202(a); an issuer that files but never posts has not fully complied. Second, the ongoing reporting problem does not begin at the annual report. Rule 203(a)(3) requires progress updates on Form C-U during and at the close of the offering, and those are filed inconsistently enough that the amount an issuer actually raised often cannot be determined from the filing record at all.[9] An issuer that treats the Form C-U casually has already established the habit that produces the annual-report gap.

II. What the Filing Record Actually Shows

Take the 5,383 issuers whose first annual report has come due. Of those, 2,722 have filed at least one – 50.6%. The more revealing question is what happens after the first filing.

A raw count of lifetime filings is misleading here, because an issuer that has had only one deadline cannot be distinguished from one that quit. Adjusting for exposure – asking, for each report in sequence, what share of the issuers whose k-th report had actually come due filed it – produces the following.[10]

Report	Issuers whose report was due	Filed	Continuation from prior report
First	5,383	50.6%	–
Second	4,676	22.8%	39.1%
Third	3,860	14.6%	52.8%
Fourth	2,884	9.6%	49.1%
Fifth	1,905	8.3%	57.6%

Table 1. Regulation Crowdfunding annual reports filed, adjusted for filing opportunity. "Continuation" is the share of issuers that filed report k−1 and went on to file report k once it came due. Source: CCLEAR.

The steepest drop is the first one. Of issuers that filed a first annual report and then reached a second deadline, 39.1% filed again; after that roughly half of the remaining filers continue each year. Whatever is happening in this market happens at the transition from the first report to the second.

Cross-tabulating the same cohort against the number of investors gives the market's central pattern. The median funded issuer drew 122 investors, and 73.2% drew fewer than 300.[11]

Investors	Issuers	Filed ≥1	Filed 2+	Investors held	Silent
Under 100	2,027	33.4%	7.1%	98,414	45.9%
100–299	1,321	57.7%	16.3%	233,864	32.4%
300–999	728	76.2%	40.0%	394,793	17.0%

Investors	Issuers	Filed ≥1	Filed 2+	Investors held	Silent
1,000 or more	498	89.0%	66.1%	1,457,165	7.8%
Not available	809	35.1%	12.5%	–	46.1%

Table 2. Filing behavior by size of the investor base. "Silent" means no annual report, no termination notice, and no observable indication that the company has ceased operating. Source: CCLEAR.

Two objections have to be met before that table can carry any weight. The first is vintage. Compliance does fall sharply by cohort, from 81.4% of 2016 issuers to 44.0% of 2024 issuers, and the larger-crowd offerings are concentrated in the earlier years – so the vintage effect runs in the same direction as the investor gradient and could in principle produce it. It does not, and two checks show why. Looking inside a single year holds company age constant automatically: among issuers that first raised in 2021, 25.8% of those with fewer than 100 investors have filed, against 90.3% of those with 1,000 or more, and the same pattern recurs in every year measured. Asking instead what each group's rate would be if all four contained the same mix of older and newer companies moves the figures only from 33.4, 57.7, 76.2 and 89.0% to 33.0, 57.2, 75.1 and 86.0. Of the 56 point spread between the smallest and largest groups, roughly three points is attributable to when they raised.[12] The second objection is platform, and the gradient survives that too: it is present within individual intermediaries, not merely across them.

The same relationship appears in dollars. Issuers that have filed at least one annual report raised a median of about $220,000; issuers that have never filed raised a median of about $80,000.[13] Filing behavior in this market tracks the scale of the raise on every measure available. Both figures locate where non-compliance sits; neither describes the market's upper range, since they are medians of a heavily skewed distribution spanning the market's entire history, including the years when the offering ceiling stood at about $1.07 million.

The same split appears in what issuers sold. Regulation Crowdfunding is not one market: roughly a quarter of issuers raise through debt or revenue-share instruments, typically small operating businesses borrowing against cash flow, and those issuers file at 27.5 and 41.5% against 59.9 % for equity. Instrument survives the obvious objection that it is merely deal size in disguise – within the under-100-investor bucket equity issuers file at 43.9% against 21.3% for debt, and within the 100-to-299 bucket at 66.0 against 41.2 – though the gap closes in the 300-to-999 bucket on thin numbers, and debt issuers are effectively absent above 1,000 investors.[14] The market also changes character as offerings get larger: of the funded offerings that raised at least $1 million, 93.4 % were equity, SAFE or convertible and 2.2 were debt. The instrument with the weakest filing record is the one least present at the top of the size distribution.

One further measure matters for diagnosis. "Ever filed" is not the same as "filed on time," and the gap between them says something about cause. Of the annual reports that were filed, 53.1 % arrived within Rule 202(a)'s 120 days. But the median late filing was only 26 days late, and fewer than 8% of late filings were more than a year late.[15] The dominant failure mode among issuers that engage with the obligation at all is a small company filing a few weeks behind schedule.

III. Why "File Once and Stop" Is Frequently Lawful

Rule 202(b) provides that an issuer "must continue to comply with the ongoing reporting requirements … until one of the following occurs," and then lists five conditions:[16]

- the issuer becomes required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- the issuer has filed, since its most recent sale of securities under Regulation Crowdfunding, at least one annual report, and has fewer than 300 holders of record;
- the issuer has filed, since its most recent sale, the annual reports required for at least the three most recent years, and has total assets not exceeding $10 million;
- the issuer or another party repurchases all securities issued in reliance on Section 4(a)(6), "including any payment in full of debt securities or any complete redemption of redeemable securities"; or
- the issuer liquidates or dissolves in accordance with state law.

The fourth condition deserves more attention than it usually gets. Regulation Crowdfunding is not solely an equity market: a meaningful share of issuers raise through debt and revenue-share instruments, typically small operating businesses rather than venture-track companies, and for those issuers repayment is the ordinary end of the arrangement rather than an exit event. Rule 202(b)(4) names that outcome – payment in full of debt securities – among the conditions on which the obligation ends, and unlike paragraph (b)(2) it is not preceded by any filing requirement.[17]

Two qualifications keep this narrower than it first appears, and counsel should not read it as a general amnesty for debt issuers. The provision reaches an issuer that repurchases **all** securities issued in reliance on Section 4(a)(6), so a company that raised both a debt round and an equity round is not released by repaying the debt alone. And whether satisfying any condition in paragraph (b) ends the obligation of its own force, or whether the issuer must also file Form C-TR, is the unresolved question taken up in Part IV – it applies to (b)(4) exactly as it applies to (b)(2). What can be said is narrow but material to the figures in this article: repayment is not reported to the Commission and cannot be observed in the filing record, so any population described as silent may include issuers for whom the annual report had ceased to be the operative obligation. How many is not determinable from public filings.

Two features of the second condition are easy to miss and both matter to counsel. The clock resets on every new Reg CF sale: an issuer that filed one annual report in 2019 and raised again in 2022 is not eligible under (b)(2) until it files a report after the 2022 sale. And the holder count is not the issuer's investor count.

The staff has addressed the count twice, and the two interpretations push in opposite directions. Interpretation 202.01 requires the issuer to count all holders of record of the same class of securities issued in the Reg CF offering, whether or not they bought in that offering – so pre-existing angels and converted noteholders holding the same class count toward the 300.[18] Interpretation 202.02, issued in July 2026, closes the opposite route: an issuer that offered through a Rule 3a-9 crowdfunding vehicle may not treat the vehicle as a single holder of record, and must instead count the investors who invested through it.[19]

Read together, those interpretations settle a question that was genuinely open until recently and that some issuers had been resolving in their own favor. They also fix the direction of measurement error in the analysis that follows: investor count is a floor on the Rule 202(b)(2) count, not a ceiling. Any population described here as eligible to terminate is therefore an upper bound, and the true figure is smaller.

Applying the reset properly narrows the eligible population considerably. Of the cohort, 2,271 issuers – 42.2% – have filed at least one annual report since their most recent Reg CF sale. A further 451 issuers have filing histories that predate their most recent raise and are therefore outside (b)(2) despite having filed. Of the issuers that did file after their last sale, 1,259 also had fewer than 300 investors.[20]

The filing record behaves as that rule would predict. Among issuers that filed at least one annual report, the share that filed once and never again falls in lockstep with eligibility: 78.9% of filers with fewer than 100 investors filed only once, against 25.7% of filers with 1,000 or more.[21] What the data cannot show is whether those issuers left lawfully, because ceasing to file and being entitled to cease look identical in the filing record. The one observable signal points the other way. EDGAR records terminations on Form C-TR by 842 issuers market-wide through year-end 2025 – fewer than the 1,082 issuers in this cohort alone that filed exactly one annual report and had fewer than 300 investors.[22] Because the first figure covers the entire market and the second a subset of it, the comparison holds a fortiori: most issuers relying on the exit condition are not filing the notice that Rule 203(b)(3) requires.

There is a hard limit on all of this, and it is the most important qualification in this article. Rule 202(b)(2) is available only to an issuer that has filed at least one annual report. An issuer that has never filed anything cannot invoke it. The exit condition explains the behavior of filers; it does not excuse non-filers. The issuers below 300 investors that are operating and have filed nothing at all are not lawfully outside the regime. They are one filing away from a lawful exit – one that would lapse again on any further Reg CF sale – and they have not made that filing.

IV. What Silence Actually Costs

Here the rules do not speak with one voice, and counsel should know it. Rule 202(b) says an issuer "must continue to comply … until one of the following occurs," which reads as termination by operation of law when the condition is met. Rule 203(b)(3) says an issuer "eligible to terminate its obligation to file annual reports" must file Form C-TR within five business days, which reads as an election the issuer perfects by filing. The Commission's compliance guide describes Form C-TR as notice that the issuer "will no longer provide annual reports," which sounds like the second reading. The two provisions have not been reconciled in published guidance.

The distinction is not academic because it determines whether roughly a thousand issuers in this market are compliant or delinquent right now. Under the automatic reading, an eligible issuer that never filed Form C-TR owes no further annual reports and is delinquent only on the notice. Under the election reading, its annual reports kept coming due, and it is delinquent on all of them. Counsel advising an issuer that intends to stop should file the Form C-TR and not litigate the question, because the downside of the unfavorable reading is considerable and the cost of the filing is a few minutes.

Three consequences follow, and they fall very differently on the two populations.

Eligibility to raise again. Rule 100(b) makes an issuer ineligible to rely on Section 4(a)(6) if it has previously sold Reg CF securities and has not filed the ongoing annual reports required during the two years immediately preceding a new offering statement.[23] For an issuer that never filed, this bites, and the instruction lets it cure by filing the overdue reports. For an issuer whose obligation validly terminated, no reports were required, and there is nothing to cure – unless the election reading is correct, in which case there is.

That this screen operates in practice is visible in the timing of filings. Among repeat issuers, annual reports cluster sharply in the ninety days before the next Form C – 271 filings against 84 in the preceding ninety-day window, a better than three-to-one concentration that seasonality does not explain.[24] Issuers are curing delinquency in order to raise again. It is the clearest evidence in this dataset that any part of the regime is self-enforcing.

The Section 12(g) exclusion. Exchange Act Rule 12g-6 excludes Reg CF securities from the "held of record" count for Section 12(g) purposes, but only while the issuer is current in its Rule 202 annual reports, has total assets of $25 million or less, and has engaged a registered transfer agent.[25] This consequence deserves proportion. Section 12(g) registration is triggered only above $10 million in total assets and 2,000 holders of record, or 500 non-accredited holders. For the median issuer in this market – 122 investors – it cannot occur under any scenario. It is a live risk for a small minority of issuers with large direct holder bases and growing balance sheets, and it is the minority for which the cost is largest.

A diligence record that cannot be reconstructed. This is the consequence that actually surfaces. When a Reg CF issuer is acquired, goes public or raises institutionally, buyers and underwriters ask what happened between the raise and the present. An issuer with a clean filing history answers in an afternoon; an issuer with one filing from 2019 rebuilds the record under time pressure. On the buy side the corollary is that the gap is itself a diligence item. And counsel should be candid that this, rather than enforcement, is the operative risk: the author is aware of no Commission action premised solely on a failure to file a Form C-AR. The Commission is active in this market, but its enforcement focus has been on fraud rather than on filing delinquency.[26]

V. Reading the Outcome Data

For the issuers that do report, aggregate revenue across 2,703 issuers with both a Form C baseline and a subsequent annual report grew from $2.56 billion to $4.51 billion; the median issuer grew revenue 37.4% between the two observations, 57.6% grew at all, and 17.6% crossed from pre-revenue to revenue. Those figures are measured over non-uniform horizons and in nominal dollars, so the aggregate multiple should not be read as a growth rate.[27]

The larger limitation is selection, and it should be stated in the same breath as the numbers rather than in a footnote. This cohort excludes, by construction, every issuer that failed or went quiet – and the rule structure that lets a struggling company stop reporting is the same one that lets it avoid disclosing that it is struggling. Post-funding performance data in this market is a survivor's record. An issuer marketing a follow-on raise, an intermediary citing platform-wide outcomes, or a policymaker assessing the exemption who quotes these figures without that qualification is overstating the case – and in the first two instances, doing so in a communication the antifraud provisions reach.

A related caution applies to the filings themselves. Form C and Form C-AR call for the issuer's "number of employees" without defining the term, and a meaningful number of issuers report zero while plainly operating – someone signed the form. The same pattern appears in reported investor counts, where certain intermediaries report zero across all their offerings. Counsel and researchers should treat the numeric fields in these filings as directional; defining them would cost the Commission an instruction and would materially improve the record.

VI. A Practice Checklist

- **Calendar the deadline at closing, not at year end.** The report is due 120 days after fiscal year end – April 30 for a December year end. It belongs on the closing checklist alongside the Form C-U, with the client's fiscal year confirmed in writing.
- **Count holders of record, not investors.** Interpretation 202.01 reaches all holders of the same class whether or not they bought in the offering; interpretation 202.02 looks through a crowdfunding vehicle to the underlying investors. Run the count against the cap table and document it.
- **Watch the reset.** Every new Reg CF sale restarts the one-report requirement under Rule 202(b)(2) and the three-year requirement under (b)(3). A pre-raise filing history does not carry over.
- **File Form C-TR even if you think the obligation ended automatically.** The five-business-day requirement is independent, the two readings of Rule 202(b) have not been reconciled, and the cost of the filing is trivial against the cost of being wrong.
- **Post as well as file.** Rule 202(a) requires the report to appear on the issuer's website. A filed-but-unposted report is incomplete compliance and is easy to fix.
- **Cure before the next raise.** If a follow-on Reg CF offering is contemplated, file the overdue reports before the new offering statement – not after a launch date is set. The filing data shows this is when issuers actually do it, and it is avoidable pressure.
- **Treat the first annual report as a real filing.** It is certified, permanent and public, and for most issuers in this market it is the only one they will ever file.
- **On the buy side, diligence the gap.** Pull the target's Form C, Form C-U, Form C-AR and Form C-TR history from EDGAR early. Missing filings are both a disclosure question and a signal about how the company runs itself.

VII. What This Finding Does and Does Not Support

Because the aggregate figure is arresting, it is worth decomposing rather than deploying. Of the 3,348 issuers with fewer than 300 investors, 1,440 filed at least one annual report and 1,082 of those filed exactly once. Some number are no longer operating. And a substantial remainder are operating, have filed nothing, and are therefore delinquent rather than exempt.[28]

Across the whole cohort, 1,895 issuers are operating with no annual report and no termination notice – 35.2% of the 5,383 whose report has come due. That figure treats an issuer whose website no longer resolves as no longer operating, including the 711 whose domains resolve to a parked page. The assumption is defensible, and it is also the one that produces the smaller delinquent population, so it should be stated rather than assumed: counting every parked-page issuer as still in business would raise the figure to 2,338, or 43.4%, and the investor-weighted gap from 12.2 to 14.3%. Nothing else in this analysis turns on the choice – the compliance gradient is identical under either.

So the honest summary is not that most of the gap is lawful. It is that the gap has several distinct components – issuers that exited under Rule 202(b)(2) after one filing, an undetermined number of debt issuers for whom Rule 202(b)(4) may have ended the obligation on repayment, companies that no longer exist, and genuine delinquency – and that a single aggregate rate blends them into a number describing none of them. The delinquency is real and it is large. It is also concentrated among issuers a single filing away from being entitled to leave the regime permanently.

What the record does not support is an investor-protection critique of the exemption itself. Counting companies, 35.2% of the cohort is operating and has filed nothing. Counting the subscriptions those companies received, the figure is 12.2% – the same population, weighted by the investors it affects rather than by the issuers it comprises – and it falls from 45.9% at the smallest offerings to 5.8% at the largest.[29] One qualification belongs alongside that, stated plainly rather than left to be discovered: because the largest offerings hold two-thirds of the market's investor positions, they also account for the single largest block of affected investors in absolute terms, notwithstanding the best compliance rate in the market. Proportionally that cohort is under-represented among affected investors by about half – it holds two-thirds of the market's investor positions and accounts for under a third of those affected – but in absolute numbers, roughly 85,000 positions, it is the largest single group. Both are true, and an analysis that reports only one of them is arguing rather than measuring.

VIII. Reform: What the Commission Can Do Alone, and What Needs Congress

Discussion of Regulation Crowdfunding reform tends to collapse into an argument about the offering cap. The reporting gap does not belong in that argument, and the reason is textual. Section 4A(b)(4) directs issuers to file annual reports "as the Commission shall, by rule, determine appropriate, subject to such exceptions and termination dates as the Commission may establish, by rule."[30] Congress wrote the obligation in one clause and handed the Commission everything downstream – content, frequency, exceptions and termination conditions. Rule 202(b) is the Commission's own creation and the Commission's to revise.

Start with the measure requiring no rulemaking at all. Every Reg CF issuer holds an EDGAR filer account with contact information on file, because a Form C cannot be submitted without one, so the Commission is better positioned than any private party to send a deadline reminder at ninety and one hundred twenty days after fiscal year end. Its greater value is diagnostic: if a reminder moves the filing rate, the problem is administrative and so is the remedy; if it does not, the case for a harder mechanism is much stronger. Nobody currently knows which.

Three rulemaking levers sit alongside it, all within existing authority. The Commission could revisit the exit itself – Rule 202(b)(2)'s 300-holder test is the provision that produces the file-once pattern, and raising it, indexing it to amount raised, or requiring a minimum number of reports would change behavior more directly than exhortation. It could define "number of employees" and the other numeric fields, which costs an instruction. And it could adopt some version of Professor Andrew Schwartz's proposal to withhold 1 % of proceeds, or $1,000, until the first annual report is filed – routed through the qualified third party that already holds offering proceeds, since a funding portal may not hold investor funds.[31] Whatever one thinks of that mechanism, it identifies the right pressure point: intermediaries carry detailed obligations at the offering stage and essentially none after closing.

The market has begun to respond on its own. Third-party services now prepare and submit Form C-AR filings on a fixed-fee basis, and some intermediaries have begun incorporating acknowledgment language into their issuer agreements so that the obligation is understood before an offering launches. Neither substitutes for a rule, but both suggest the friction is real and tractable, and both undercut the argument that annual compliance is inherently too burdensome for a company that raised $100,000.

What genuinely requires Congress is a shorter list than is commonly assumed, and it is worth stating precisely. The $5 million offering cap is not statutory: Section 4(a)(6)(A) still reads $1,000,000, and the Commission reached $5 million by rule in 2021, amending the investor participation limits in the same release.[32] Additional headroom is available under Section 3(b)(2), which authorizes exemptive relief up to $50 million with a biennial mechanism for increasing it – though that paragraph carries conditions of its own, including annual audited financial statements, which would be a considerably heavier ongoing obligation than the one this article describes.[33] A tax incentive for crowdfunding investors would require legislation. None of those measures would move the annual-report filing rate.

That last point cuts both ways, and it is where the compliance data is most often misused. An opponent who cites the aggregate 50% figure as a reason not to raise the cap has the relationship backwards: non-compliance is concentrated in offerings raising well under $1 million from a few dozen investors, whose behavior is unaffected by whether the ceiling is $5 million or $20 million, while issuers at the top of the distribution – a tenth of all funded offerings, holding some 55 % of the capital ever committed under the exemption – comply at 89%. An advocate who cites the same data as affirmative proof that the cap should rise is overreaching in the other direction; it rebuts a specific objection, no more. The honest use of this record is narrow and worth preserving.

Conclusion

The headline number – half of Reg CF issuers have never filed an annual report – is accurate and uninformative in equal measure. It blends issuers that lawfully stopped after one filing, issuers that no longer exist, and issuers that simply stopped answering, and it obscures the pattern that matters: compliance in this market rises with the number of investors relying on it, from 33 % at the smallest offerings to 89% at the largest, on every measure and within every vintage and platform tested.

For counsel the practical residue is small and concrete. Most clients in this market can leave the reporting regime by filing one annual report and one termination notice, and most have not done both. Whether the omission of the second is merely a notice failure or something more is a question the rules do not currently answer – which is itself a reason to file it. Five business days and two forms resolve a question that would otherwise be resolved years later, by someone else, at a worse moment.

Endnotes

1. Crowdfund Capital Advisors, CCLEAR dataset. CCLEAR links Regulation Crowdfunding offering statements and their exhibits with offering-page data and daily transactional capture, and matches issuers to their subsequent filings on EDGAR. Filing status – Forms C-AR, C-AR/A, C-TR and C-TR-W – is taken from EDGAR. Amount raised and investor counts are not reported in Commission filings; Form C-U captures the amount only partially and is itself inconsistently filed, so both figures come from the transactional capture rather than from the filing record.
2. Id. Population: issuers that closed a funded, pure Regulation Crowdfunding offering with a raise date on or before December 31, 2025. Of 5,870 such issuers, 5,383 had a first annual report come due (first funded raise in or before 2024) and form the cohort used throughout. Figures published on the author's own research pages use a later data cutoff and a broader full-corpus definition and will therefore differ; the cohort here is the narrower funded-and-due population, stated as of a single date.
3. 17 C.F.R. § 227.202(b)(2) (2026).
4. CCLEAR dataset, supra note 1. Filed at least one annual report, by investor count: 33.4 % below 100 investors (n = 2,027), 57.7 % at 100 to 299 (n = 1,321), 76.2 % at 300 to 999 (n = 728), 89.0 % at 1,000 or more (n = 498). Operating with no filing of any kind: 45.9, 32.4, 17.0 and 7.8 % respectively, on the status definition described in note 25. Investor counts are unavailable for a further 809 issuers, reported as a separate row in Table 1 and not distributed among the others.
5. 17 C.F.R. § 227.203(b)(3) (2026). Paragraph (b)(1) of that rule carries the annual report itself and paragraph (b)(2) governs amendments to it; the termination notice and its five-business-day deadline are in paragraph (b)(3).
6. Securities Act of 1933 §§ 4(a)(6), 4A(b)(4), 15 U.S.C. §§ 77d(a)(6), 77d-1(b)(4). For the adopting release, see Crowdfunding, Securities Act Release No. 33-9974, Exchange Act Release No. 34-76324, 80 Fed. Reg. 71,388 (Nov. 16, 2015); see also Regulation Crowdfunding: A Small Entity Compliance Guide for Issuers, U.S. Sec. & Exch. Comm'n.
7. 17 C.F.R. § 227.202(a) (2026).
8. 17 C.F.R. § 227.202(a) (2026) (incorporating the disclosure requirements of 17 C.F.R. § 227.201(a), (b), (c), (d), (e), (f), (m), (p), (q), (r), (s) and (x)). The certification is a default rather than a universal: Rule 202(a) provides that where an issuer has available financial statements reviewed or audited by an independent public

accountant, those statements must be provided and the principal executive officer's certification is not required.

9. 17 C.F.R. § 227.203(a)(3) (2026) (progress updates on Form C-U). The completeness of the Form C-U record is itself a limitation on public knowledge of this market: the amount actually raised in a Reg CF offering is not reliably recoverable from Commission filings alone.

10. CCLEAR dataset, supra note 1. Exposure-adjusted: for each k, the denominator is issuers whose k-th annual report had come due as of the cutoff, not all filers. Raw lifetime filing counts overstate abandonment, because an issuer that has had only one filing deadline appears indistinguishable from one that stopped.

11. CCLEAR dataset, supra note 1. Investor counts are summed across each issuer's funded offerings and are available for 4,574 of the 5,383 issuers (85.0 %). Median 122 investors; mean 477.5; 25th %ile 51; 75th %ile 333. Counts recorded as zero are treated as unavailable rather than as genuine: certain intermediaries report zero across all of their offerings while those offerings show a median amount raised in six figures. Comparable zero values appear in the employee field of Form C filings.

12. CCLEAR dataset, supra note 1. Filed at least one report, by year of first funded raise: 81.4 % (2016), 68.7, 59.6, 61.1, 53.9, 48.7, 45.0, 42.5 and 44.0 % (2024). Issuers in the largest bucket first raised on average about fourteen months earlier than those in the smallest. Standardizing each bucket to the pooled vintage distribution yields 33.0, 57.2, 75.1 and 86.0 %, against raw figures of 33.4, 57.7, 76.2 and 89.0. The gradient is present in all eight vintages with usable cell sizes, with a mean spread of 51 percentage points, and it holds within individual intermediaries.

13. CCLEAR dataset, supra note 1 (probe of Aug. 19, 2026, run on the broader full-corpus definition described in note 2; the amount comparison is directional rather than exactly comparable to the cohort figures used elsewhere in this article).

14. CCLEAR dataset, supra note 1. Filed at least one annual report by instrument: equity 59.9 % (n = 2,265), SAFE 55.4 % (n = 1,362), convertible 47.3 % (n = 353), revenue share 41.5 % (n = 393), debt 27.5 % (n = 978). Within the under-100-investor bucket the equity and debt rates are 43.9 and 21.3 %; within the 100-to-299 bucket, 66.0 and 41.2 %. The gap closes in the 300-to-999 bucket, where debt issuers file at 76.9 % against 79.8 % for equity, but that rests on 39 debt issuers. Above 1,000 investors there are too few debt issuers to report. Instrument is assigned from the security type of an issuer's funded offerings and is a proxy for business model rather than a measure of it. Of 718 funded offerings raising at least $1 million, 93.4 % were equity, SAFE or convertible and 2.2 % debt; of the 250 raising at least $2 million, 96.8 % and 1.2 % respectively. Those 718 offerings are 10.0% of all funded offerings and account for 54.9% of all capital committed under the exemption.

15. CCLEAR dataset, supra note 1, measured against the filing date recorded on EDGAR. Of 5,321 annual reports filed by cohort issuers, 2,826 were filed within the 120 days Rule 202(a) allows.

16. 17 C.F.R. § 227.202(b) (2026). The introductory language is "An issuer must continue to comply with the ongoing reporting requirements … until one of the following occurs." Paragraphs (b)(2) and (b)(3) each condition eligibility on reports filed "since its most recent sale of securities pursuant to this part," and (b)(3) requires the annual reports "for at least the three most recent years," not merely three reports.

17. 17 C.F.R. § 227.202(b)(4) (2026) (the obligation continues until "[t]he issuer or another party repurchases all of the securities issued in reliance on section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities"). Note that the condition requires repurchase of all such securities, so it does not reach an issuer that repaid a debt round while equity issued under the same exemption remains outstanding. Repayment is not reported to the Commission, so neither the incidence nor the size of this population can be determined from the filing record. It is identified here as an unquantified component of apparent non-compliance among debt and revenue-share issuers, not as a quantified deduction from it.

18. Regulation Crowdfunding Compliance and Disclosure Interpretation 202.01 (Apr. 5, 2017) ("The issuer would count all holders of record of securities of the same class of securities issued in the Regulation Crowdfunding

offering for which the reporting obligation exists, regardless of whether the holders of record purchased their securities in the Regulation Crowdfunding offering.”).

19. Regulation Crowdfunding Compliance and Disclosure Interpretation 202.02 (July 9, 2026) (an issuer that offered through a crowdfunding vehicle compliant with Rule 3a-9 under the Investment Company Act may not treat the vehicle as one holder of record; “[f]or purposes of Rule 202(b), ‘record holders’ means investors who invested in the offering”). See 17 C.F.R. § 270.3a-9.

20. CCLEAR dataset, supra note 1. Of the cohort, 838 issuers raised in more than one funded offering. Measured on EDGAR filing dates, 2,271 issuers (42.2%) have filed at least one annual report since their most recent Reg CF sale; 451 filers’ reports all predate their most recent sale, leaving them outside Rule 202(b)(2) notwithstanding a lifetime filing history. Of the post-sale filers, 1,259 also had fewer than 300 investors and are the population most likely to have satisfied the condition – an upper bound, for the reason given in the text.

21. CCLEAR dataset, supra note 1. Among issuers that filed at least one annual report, the share filing exactly once was 78.9 % below 100 investors, 71.8% at 100 to 299, 47.6% at 300 to 999, and 25.7% at 1,000 or more.

22. Counts of Forms C-AR, C-AR/A, C-AR-W, C-TR and C-TR-W were taken from the Commission’s own quarterly EDGAR full-index filing manifests rather than from the author’s database. Through December 31, 2025 the indexes record 875 Form C-TR filings and 24 Form C-TR-W filings, made by 842 unique filers, and 4,709 Form C-AR filings by 2,753 unique filers. Because EDGAR counts by filing date while the cohort figures in this article are keyed to the fiscal period covered, the two are aligned rather than identical; the author’s C-AR coverage matches the EDGAR manifests to within a fraction of a %, while its termination coverage lags them, which is why termination figures here are reported from EDGAR directly.

23. 17 C.F.R. § 227.100(b) (2026) and the instruction thereto. The provision disqualifies an issuer that has not filed the ongoing annual reports required “to the extent required” during the two years preceding a new offering statement – language that does no work against an issuer whose obligation validly terminated, and full work against one that never filed.

24. CCLEAR dataset, supra note 1. Among 714 repeat issuers with annual reports on file, 271 filed an annual report within the 90 days preceding their next Form C, against 84 in the preceding 91-to-180-day window – a 3.2-to-1 concentration where uniform timing predicts roughly 1 to 1. Annual reports cluster seasonally (48.7 % are filed in April and 25.2% in May, following the 120-day deadline for a December fiscal year end), but Form C filings are close to uniform across months, ranging from 6.6 to 9.3 %. Because the two comparison windows are equivalent random samples of the same seasonal distribution, seasonality does not account for the concentration.

25. 17 C.F.R. § 240.12g-6 (2026); Securities Exchange Act of 1934 § 12(g), 15 U.S.C. § 78l(g). Section 12(g) registration is triggered only where the issuer has total assets exceeding $10 million and a class of equity security held of record by either 2,000 persons or 500 persons who are not accredited investors.

26. See, e.g., SEC v. Netcapital Inc., Litig. Release No. 26607 (Aug. 10, 2026) (alleging that a publicly traded parent overstated revenue by approximately 345 % through sham consulting agreements while raising more than $25 million, charged under Securities Act § 17(a) and Exchange Act §§ 10(b) and 13(a)). The action concerns Exchange Act reporting fraud by a public company, not an issuer’s Regulation Crowdfunding annual report.

27. CCLEAR dataset, supra note 1, comparing each issuer’s earliest funded Form C with its most recent annual report. The comparison horizon is not uniform – intervals range from roughly one to nine years – so the aggregate multiple is not an annualized growth rate and is not adjusted for inflation. It is also an aggregate, and is therefore influenced by a small number of large issuers.

28. CCLEAR dataset, supra note 1. Business status is observed from whether the issuer’s website still resolves, not from dissolution filings. Within the cohort, 4,110 issuers resolve to a live site and 1,214 do not – 503 recorded as closed and 711 resolving to a parked page – with 59 further issuers for which no status was recorded. An issuer whose site no longer resolves is treated throughout as no longer operating, as are the 59 unrecorded issuers. That assumption is contestable, because a parked domain can also reflect an auto-renewed registration

behind an operating business, and it is the assumption that produces the smaller delinquent population; the alternative is reported in the text at Part VII.

29. CCLEAR dataset, supra note 1. Across the cohort, investor positions total 2,184,236, of which 266,334 are held in issuers that are operating and have filed neither an annual report nor a termination notice. These are positions rather than individuals: the dataset holds no personally identifying information about investors, so it cannot be determined whether the same person subscribed to several rounds of one issuer or invested across different issuers, and each subscription is counted separately. The number of distinct people behind these figures is unknown and is necessarily smaller. Investor-weighted silence by bucket: 45.9% below 100 investors, 31.1% at 100 to 299, 16.1% at 300 to 999, and 5.8% at 1,000 or more. Because the largest bucket holds 66.7 % of all investor positions, it also accounts for the largest single share of affected positions – 31.9%, or roughly 85,000 – while the two smallest buckets hold 15.2% of positions and account for 44.3% of those affected. Both framings follow from the same data. On the alternative status assumption described in note 25 the corresponding figures are 312,601 investors and 14.3 %, with the same gradient.

30. Securities Act of 1933 § 4A(b)(4), 15 U.S.C. § 77d-1(b)(4) (requiring the issuer, "not less than annually, [to] file with the Commission and provide to investors reports of the results of operations and financial statements of the issuer, as the Commission shall, by rule, determine appropriate, subject to such exceptions and termination dates as the Commission may establish, by rule").

31. Andrew A. Schwartz, How to Fix the Crowdfunding Compliance Crisis, CLS Blue Sky Blog (June 24, 2025). Because Exchange Act § 3(a)(80), 15 U.S.C. § 78c(a)(80), defines a funding portal as an intermediary that does not hold, manage or handle investor funds or securities, a holdback would need to run through the qualified third party already holding offering proceeds under 17 C.F.R. § 227.303(e) rather than through the portal itself.

32. The $5,000,000 limit appears in 17 C.F.R. § 227.100(a)(1), not in the statute; Securities Act § 4(a)(6)(A), 15 U.S.C. § 77d(a)(6)(A), still reads $1,000,000. The Commission raised the limit by rule in Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, Securities Act Release No. 33-10884, 86 Fed. Reg. 3496 (Jan. 14, 2021), which also amended the investor participation limits. Inflation indexing under Securities Act § 4A(h) would have produced a materially smaller figure.

33. Securities Act § 3(b), 15 U.S.C. § 77c(b). Paragraph (b)(1) caps small-issues exemptive authority at $5,000,000, but paragraph (b)(2)(A) authorizes an exemption up to $50,000,000, and paragraph (b)(5) directs the Commission to review that amount every two years and "increase such amount as the Commission determines appropriate" – the mechanism by which Regulation A Tier 2 reached $75 million. Paragraph (b)(2) carries its own conditions, including at subparagraph (F) a requirement that issuers file audited financial statements annually.

Data and licensing. The figures in this report are drawn from CCLEAR, the Crowdfund Capital Advisors record of funded Regulation Crowdfunding offerings, reconciled against the Commission's EDGAR full-index filing manifests. Model and regression output is available on request. Offering-level data requires a license. Contact data@cclear.ai.