



34175 Ardenwood Blvd
Fremont, CA 94555
(510) 745-1700 – Tele
(510) 745-0493 – Fax
www.ardelyx.com

July 18, 2019

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

Re: File No. S7-06-19: Amendments to the Accelerated Filer and Large Accelerated Filer Definitions

Dear Ms. Countryman:

On behalf of Ardelyx, Inc. we are pleased to support the SEC's proposed rule to amend the definitions of "accelerated" and "large accelerated" filers. Ardelyx, Inc. is a clinical stage, pre-commercial, specialized biopharmaceutical company focused on developing first-in-class medicines to improve treatment choices for people with cardiorenal diseases. Tenapanor, a first-in-class inhibitor of NHE3, has been evaluated for the treatment of people with irritable bowel syndrome with constipation, or IBS-C, and is also being evaluated for the treatment of hyperphosphatemia in patients with end-stage renal disease, or ESRD, who are on dialysis. In November 2018, we submitted a New Drug Application, or NDA, for tenapanor for the treatment of people with IBS-C, which was accepted for substantive review by the United States Food and Drug Administration, or FDA. Our company went public in 2014 as an emerging growth company (EGC), which enabled us to access public capital markets earlier in our growth cycle due to the regulatory relief provisions provided by the JOBS Act of 2012.

Both the ability to access public capital markets and the regulatory relief afforded to EGCs/small public companies have enabled us to invest significantly in research and development to advance our clinical pipeline and make potential breakthrough drug discoveries to treat chronic diseases. We commend the SEC for pursuing thoughtful and targeted regulatory relief—as indicated by the proposed rule—to enable companies like ours to continue to invest heavily in generating long-term value for our shareholders and patients, alike.

If the proposed rule is implemented in its current form, Ardelyx, Inc. and other small public companies will benefit from relief from Sarbanes-Oxley (SOX) 404(b), the auditor's attestation of internal controls over financial reporting, until the company



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exceeds either the \$100 million annual revenue cap or \$700 million in public float. The certainty and predictability provided by the proposed rule will enable small public companies like ours to prioritize investments in factors that actually determine success or failure in the biotech industry, such as the science and technology underpinning our company's potential, expanding our clinical pipeline to treat new and broader patient populations, designing and executing clinical trials that enhance our opportunity to garner approval from the Food and Drug Administration, and implementing a marketing strategy to reach patients and to improve lives. While well-intentioned, SOX 404(b) has harmed small public companies because of its disproportionate expense, which diverts capital away from research and development, and the evidenceⁱ and our experience that it is not material for, or important to, our investors. We strongly believe that this proposed rule will benefit small public companies and their investors by freeing up more capital to hire talent, invest further in research and development, and expand our clinical pipeline to improve our ability to succeed in developing new drugs to treat the nation's most intractable health problems. For these reasons, the SEC's proposal to expand relief from SOX 404(b) for small public companies is a welcomed step forward to making our public capital markets more accessible and attractive to small companies.

We commend the SEC's efforts to ease the regulatory burdens facing small companies under the proposed rule.

Very truly yours,



Mark Kauffmann, Chief Financial Officer
Ardelyx, Inc.

ⁱ Study by Profs. Craig Lewis and Joshua T. White of Vanderbilt University, "Science or Compliance: Will Section 404(b) Compliance Impede Innovation by Emerging Growth Companies in the Biotech Industry?" February 2019, https://www.bio.org/sites/default/files/BIO_EGC_White_Paper_02_11_2019_FINAL.pdf.