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Commissioner Hester M. Peirce  
Chair, SEC Crypto Task Force  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: Support for the SEC Crypto Task Force's Vision and Regulatory Modernization for Digital Assets**

Dear Commissioner Peirce,

On behalf of Anderson P.C., I write to commend and express support for your February 2025 statement, "The Journey Begins," and your ongoing efforts to modernize the U.S. regulatory framework for digital assets.

We believe that the United States must lead—not lag—in creating a clear, principled, and innovation-aligned regulatory framework for digital assets. Our legal system is strongest when it empowers entrepreneurs to build confidently within well-defined guardrails, rather than forcing them to navigate ambiguous, subjective, or inconsistent interpretations. As global markets accelerate the development and adoption of blockchain technologies, U.S. innovators and operators deserve a regulatory environment that offers clarity without compromise, fosters responsible experimentation, and encourages participation in our public markets. This comment is submitted in the spirit of strengthening American leadership by ensuring our capital markets remain the most dynamic, transparent, and inclusive in the world.

We share your view that the Commission must pivot away from its prior enforcement-centric trajectory and toward a more constructive approach that enables responsible innovation, enhances investor protection, and reinforces U.S. leadership in the blockchain space. Below, we provide a high-level endorsement of your initiative, with targeted commentary on several key regulatory challenges and opportunities, including classification of digital assets, decentralized oracle networks, fair value disclosure frameworks, and the broader safe harbor proposal.

## **I. Supporting an Activity-Based Framework Over Asset-Based Classification**

We agree with your call to regulate capital-raising activities rather than asset labels. The historical focus on whether an asset is a "security" under the Howey test-while essential-has produced regulatory ambiguity and driven many legitimate projects offshore. We endorse an approach that distinguishes between primary capital-raising transactions and secondary market activity and urge the Commission to formally bifurcate the definitions of "security" under the '33 and '34 Acts. This would enable tailored treatment for novel asset classes without compromising investor protections or weakening the underlying statutory intent.

A token sold in a capital raise can, and often does, carry different implications than the same token subsequently used in a decentralized ecosystem. This functional distinction should guide regulatory treatment. Codifying a transactional definition of "security" under the '33 Act, focused on initial offerings, would align better with economic realities, and provide issuers with a clearer compliance pathway.

## **II. The Case for Decentralized Oracle Networks (DONs) as Valid Benchmarks**

We urge the Commission to issue interpretive guidance affirming that decentralized oracle networks (DONs)-such as the Pyth Network-can serve as legitimate and reliable price benchmarks under fair value accounting standards and SEC rules. These networks, which aggregate price data from first-party sources via consensus protocols, offer a tamper-resistant, transparent, and auditable means of valuing both traditional and digital assets. DONs meet or exceed the functional benchmarks used to evaluate traditional pricing services and can play a transformative role in modernizing regulatory valuation infrastructure. They offer especially strong applications in:

1. NAV calculation for digital asset funds;
2. Collateral valuation and stress testing for broker-dealers;
3. Audit verification for custodians and attestation firms;
4. Market transparency and liquidity analysis for exchanges.

Because SEC regulations and U.S. GAAP emphasize the reliability and consistency of inputs-not their technological origin-the adoption of decentralized oracles is squarely aligned with the principles of fair value. In a world where all assets are increasingly represented digitally, excluding DONs from formal recognition would introduce unnecessary friction and risk.

## **III. Tailored Disclosure Frameworks for Network Tokens**

We echo the sentiment-voiced by both your office and a16z-that Regulation S-K and S-X are ill-suited to crypto assets, particularly network tokens whose value is derived from decentralized

system participation, not from profits of a centralized enterprise. The current forms demand disclosures that are often immaterial, misleading, or irrelevant for token purchasers.

We recommend:

1. A principles-based disclosure regime, centered on transparency about tokenomics, governance, security audits, contributor incentives, and decentralization milestones;
2. A graduated reporting framework where obligations scale down as control and managerial involvement diminish;
3. Optional certification procedures where issuers may publicly document their compliance with decentralization benchmarks in lieu of ongoing traditional reporting.

This evolution in form should not reduce investor protections. On the contrary, it will improve the quality of information by aligning it with the asset's risk profile and functional reality.

#### **IV. Modernizing the Safe Harbor: Control-Based Decentralization as the Core Metric**

We support your continued refinement of the Token Safe Harbor Proposal, and specifically advocate for integrating the control-based decentralization framework proposed by the policy community. Rather than relying solely on subjective milestones or ambiguous measures of "functionality," we recommend establishing objective criteria for "network maturity," including:

1. Absence of unilateral admin control over smart contracts;
2. Public availability of source code;
3. Distributed token supply;
4. Non-custodial, permissionless access;
5. Elimination of economic reliance on a single party.

A safe harbor premised on these principles would provide clarity to projects committed to long-term decentralization, while limiting abuse by centralized issuers cloaking themselves in decentralized language. Furthermore, we encourage the Commission to allow retroactive entry into the safe harbor for projects that can demonstrate compliance with these criteria.

#### **V. Harmonizing Secondary Market Oversight and Anti-Fraud Protections**

While certain crypto assets may not meet the formal definition of a security for secondary trading purposes, the need for anti-fraud protections remains. We support the Commission's role in overseeing secondary market integrity-particularly in instances where insiders continue to shape investor sentiment through public statements or token governance.

As such, we encourage the Commission to consider expanding its fraud jurisdiction to cover digital asset markets more broadly, regardless of whether the token itself is a security. This could be done through new rulemaking or clarification of the Commission's remit under existing statutes.

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The SEC Crypto Task Force is taking bold and necessary steps to construct a functional and forward-looking digital asset regulatory regime. At Anderson P.C., we believe in legal guardrails that facilitate innovation, rather than frameworks that chill it. Regulatory certainty will not only protect investors-it will invite the brightest builders to operate within the bounds of U.S. law.

We thank you for the opportunity to provide these comments and stand ready to assist in developing further guidance, working groups, or pilot initiatives in support of these objectives.

Respectfully submitted,



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