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

Dear Chair Atkins and Members of the Commission, and Chairs of the National Security Commission on Emerging Biotechnology (NSCEB) and the House Biotechnology Caucus:

We write on behalf of BLPN - Building Legendary Professional Networks, a national professional network representing a broad cross-section of the life sciences ecosystem. Our membership includes public and private companies, investment funds, family offices, strategic partners, broker-dealers, investment professionals, academic institutions, research organizations, accelerators, non-profits, suppliers, manufacturers, and other key industry stakeholders. BLPN members are directly engaged in capital formation, company formation, technology transfer, strategic transactions, and commercialization activities across the life sciences sector.

We respectfully urge the Commission to modernize Regulation Crowdfunding ("Reg CF") to better align with the realities of capital-intensive, federally regulated industries such as life sciences. Accordingly, we recommend that the Commission consider the following actions:

1. Increase the annual Regulation Crowdfunding offering limit from \$5 million to \$20 million.
2. Simplify the Regulation Crowdfunding advertising framework to reflect modern digital capital formation practices.
3. Provide greater clarity regarding permissible issuer and funding portal communications, consistent with prohibitions on investment advice and recommendations.
4. Modernize the transition pathway between Regulation Crowdfunding and Regulation A, including permitting appropriately supervised funding portals to participate in or host specified categories of Regulation A offerings, subject to clearly defined safeguards.

The first three recommendations are consistent with the published policy positions of the Crowdfunding Professional Association (CfPA) and reflect broad industry support. The fourth addresses capital lifecycle continuity, a structural issue particularly relevant to life science issuers.

I. Regulation Crowdfunding Has Matured and Can Responsibly Scale

Since the Commission increased the Reg CF cap to \$5 million in 2021, the framework has demonstrated stability and supervisory effectiveness. Investor limits remain in place, funding portals operate under established FINRA oversight, disclosure obligations are standardized and well understood, and enforcement authority remains intact. The regulatory architecture that supported the prior increase remains fully operational. The Commission has both the authority and practical experience to scale the exemption further.

II. Capital Formation Barriers in Life Sciences Are Structural

The National Security Commission on Emerging Biotechnology (NSCEB) has identified capital formation barriers as a structural weakness in the U.S. biotechnology ecosystem and emphasized the importance of mobilizing private capital to support development and scale-up.

Life science companies are typically pre-revenue for extended periods, highly capital-intensive relative to early revenue, dependent on milestone-based scientific and regulatory validation, subject to extensive federal oversight through agencies such as the FDA and USDA, and required to generate objective, externally verifiable data before commercialization. For these companies, a \$5 million ceiling often does not fund a program through a meaningful validation milestone.

III. The Current Cap Suppresses Participation

Observed fundraising outcomes do not fully capture issuer behavior. Although relatively few offerings reach the current cap, many prospective life science issuers decline to pursue Reg CF because the maximum raise does not justify the cost, effort, and disclosure obligations associated with the offering. Utilization data therefore likely understates demand. The cap functions not merely as a ceiling, but as a gating constraint. Increasing it would expand issuer participation, not simply enlarge offering size.

IV. Adequate Capitalization Supports Investor Protection

In milestone-dependent industries such as life sciences, under-capitalization increases investor risk. When companies cannot fund through defined regulatory or scientific inflection points, they may resort to serial, fragmented financings that increase dilution and complexity. Allowing companies to raise sufficient capital to reach objective validation milestones improves disclosure continuity and reduces structural financing risk. In this context, increasing the cap advances both capital formation and investor protection.

V. Capital Lifecycle Continuity

Life science issuers frequently begin under Reg CF and later require larger follow-on financings under Regulation A to continue development. Requiring a complete shift to a new intermediary framework at this stage introduces unnecessary fragmentation and cost.

Permitting appropriately supervised funding portals to participate in or host specified categories of Regulation A offerings, subject to clearly defined safeguards, would improve continuity, preserve investor engagement, and reflect the natural growth trajectory of capital-intensive companies.

Conclusion

The Securities Act directs the Commission to balance investor protection with capital formation. For capital-intensive, federally regulated industries such as life sciences, the current Reg CF cap constrains capital formation in ways that may inadvertently increase investor risk and discourage participation. Modernizing Regulation Crowdfunding along the four lines outlined above would align the rule with market realities while preserving the core investor protections that have supported its success.

We appreciate your consideration and welcome continued engagement on these issues. We would be pleased to discuss these recommendations further with the Commission, NSCEB leadership, or Congressional staff as appropriate. For follow-up, please contact BLPN at caley@blpn.club

Respectfully submitted,



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