

May 7, 2025

The Honorable Paul Atkins
Chairman
U.S. Securities and Exchange Commission
100 F St. NE
Washington, DC 20549

Dear Chairman Atkins:

Congratulations on your confirmation as Chairman of the U.S. Securities and Exchange Commission. The undersigned organizations representing the U.S. innovation ecosystem look forward to working with you to bolster capital formation, expand investment opportunities, and promote a regulatory infrastructure that supports innovation and entrepreneurship. To that end, we encourage you to consider the following priorities and recommendations as you develop your policy agenda to drive economic growth, job creation, and opportunity and ensure America's capital markets remain the envy of the world.

Promoting access to capital

The U.S. capital markets are the engine that powers innovation and economic growth, but raising capital can be daunting for many startups, funds, and businesses. These challenges are even more acute today, as startups and small businesses continue to face economic headwinds and global competition is increasing. While the availability of private capital has grown substantially over the past few decades, opportunities to access these resources are limited outside of traditional capital-raising hubs and networks. Capital has become more mobile, but proximity matters, particularly for the earliest stages.

To promote capital formation, we encourage you to focus on improving access to capital at all stages of a company's lifecycle, including by:

- Expanding exempt offering pathways and reducing regulatory barriers to help more entrepreneurs and funds launch and grow
- Exploring policies to improve secondary liquidity in the private markets
- Tailoring regulations and addressing other barriers in the public markets framework to help ease the transition and encourage more companies to go public if it fits their business model

Supporting emerging managers and bolstering regional capital networks

Emerging managers play a key role in supporting startups across the country. These smaller funds are more likely to participate in earlier rounds and invest in a more diverse pool of entrepreneurs located in their geographic area. Policies that help drive capital to emerging ecosystems, broaden local networks, and promote increased opportunities for underrepresented founders and capital allocators will help create more economic opportunity and a more inclusive ecosystem.

To broaden access to capital for entrepreneurs and investors outside of traditional funding hubs, we encourage you to consider:

- Expanding the category of qualifying venture capital investments to include fund-of-fund investments and portfolio company investments acquired through secondary transactions, which could drive more capital into emerging markets, increase diversity in the venture ecosystem, and help unlock liquidity
- Maintaining current financial thresholds and providing additional on-ramps for individuals to qualify as accredited investors, increasing community-based sources of capital for entrepreneurs
- Working with Congress to increase the size and investor limits for qualifying venture capital funds to help smaller fund managers assemble competitive funds and reach more investors, which could foster more localized networks and provide greater access to capital for entrepreneurs in emerging ecosystems

Expanding access to investment opportunities

Today, private market investment opportunities are largely reserved for institutional or wealthy investors. Most individuals are generally prohibited from participating in the private markets because of the wealth-based accredited investor standard. For these investors, the public markets are often the only available option, but as the number of publicly traded companies has declined, so has the number of investment opportunities. These investors are also missing out on upside potential as companies are staying private longer. More people should be able to access these opportunities and participate in this economic journey. Expanding private market investment opportunities while preserving important investor protections will not only drive innovation, but will also help broaden economic opportunity.

We encourage the Commission to consider expanding retail investor exposure to private markets in a responsible way, including by:

- Modernizing the accredited investor standard by expanding on-ramps to reflect financial sophistication rather than only financial means, which will help democratize access to private market investment opportunities.

- Expanding access to private market investments through professionally managed funds, where investors benefit from fiduciary obligations, diversification, and institutional diligence
- Examining chaperoned access through investment professionals, subject to appropriate parameters

Thank you for your leadership. We look forward to working with you to modernize the policy infrastructure to provide more opportunities for investors and ensure America's entrepreneurs and innovators across the country can access the capital they need at each stage in their lifecycle.

Sincerely,

Angel Capital Association
AngelList
CapGains, Inc.
Carta
Center for American Entrepreneurship
Engine
Financial Technology Association
Institute for Portfolio Alternatives
Mercury
National Venture Capital Association
Technology Councils of North America