Press Coverage | July 8, 2026

SEC Reform Good for Life Sciences Startups, but Getting Pushback

RELATED PROFESSIONALS

David S. Wolpa

David Wolpa, a partner in Troutman Pepper Locke's Corporate Practice Group, was quoted in the July 8, 2026, *BioWorld* article, "SEC Reform Good for Life Sciences Startups, but Getting Pushback."

> David Wolpa, a partner at Troutman Pepper Locke, also commented on the "tremendous amount of capital" biopharma and med-tech startups need, which often means they go public earlier than other industries. Their access to capital markets can be essential, but the SEC's disclosure and accounting rules can be difficult for them, he told *BioWorld*. The SEC's proposed reforms would keep costs lower and reduce the regulatory burden while giving startups access to the public markets, he added.
>
> …
>
> Although IPOs have picked up this year, Wolpa noted that there are 3,000 fewer public companies today than there were in the late 1990s. Yet today's economy is a lot larger than it was then, as is the U.S. population. In explaining the fall-off of public companies, Wolpa said part of the reason is the cost of going public due to increased requirements under the 2002 Sarbanes-Oxley Act and the 2010 Dodd-Frank Act that came in response to the 2008-2009 financial crisis.
>
> Another reason is that there's a lot more private investment in biopharma and med-tech startups than there was in the late 1990s, Wolpa said. Many of those companies are staying private longer because of the advantage of avoiding the regulatory burden that comes with going public, he added.
>
> Both Wolpa and Bradford see the SEC's proposals as being good for life sciences startups, as they would give companies and their investors more options. In particular, Wolpa noted one proposed amendment that would preempt state securities law registration and qualification requirements for all registered offerings, which would mitigate the costs and complexity of conducting a multistate offering for over-the-counter (OTC) companies.
>
> "This is an overlooked element," he said, as there are a lot of companies actively traded but not listed on the exchanges because they don't meet the listing requirements. Currently, these OTC companies are subject to layered state rules, left over from an older era. Once they're kicked down to OTC, biopharma and med-tech companies have more difficulty raising capital, Wolpa said.
>
> Following the 2020-2021 pandemic boom, several small biopharma and med-tech companies were delisted when their stock fell below the $1 listing threshold. A preemption from state rules could help those companies, Wolpa said, and it also could encourage private companies to go public through OTC trading. The result, he added, is that there could be more OTC drug and device companies.
>
> The most important takeaway of the proposed SEC reforms for biopharma and med-tech is that raising capital on the public markets would be easier, and for an extended period of time, Wolpa said.

RELATED INDUSTRIES + PRACTICES

- Corporate