Our Document Request Response #6 (“PREV”) incorporated by reference in toto.

Block Transfer

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September 15, 2025

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via secure email

Dear Mr. Vitulano,

This letter responds to the findings of our first Commission examination. This has been an exceptional experience, surrounded with clearly competent staff. Thank you for the support.

At the start of the exam, I finished my third comment letter, which meant a lot to me. These last years I’ve worked with two exceptional industry advocates fighting tooth and nail for investor protections against settlement failures. I believe covered securities are far too contaminated.[1]

Fails to settle are a plague that has hardened into a deadly sludge ready to freeze our American economy. I believe we need a root canal to remedy the nebulous offenders. Ex. 8.2 is an email exchange with Don Grande and David Rodgers Webb detailing the imminent inflection point.

Could a smart group of regulators get to the bottom of DTCC's new offering? The law requires more than notice and comment because a monopoly overhauling central clearing in the NMS *is* more than notice-and-comment simplicity. As the agency changes, I hope it is a *bright* new day.

In good faith,

/s/John Wooten

[1] The Commission has a statutory basis to call a Federal Advisory Committee ("FAC") at "such times[] as the Commission may determine" in ¶ (f)(4) of 15 USC § 78q-1 (the "NMS Statute").

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I. Master Securityholder File Maintenance

I'd like to start with a big thank you to staff for their thorough involvement throughout this review. I sincerely appreciate all the findings in the 14 Aug 2025 Deficiency Letter within Appendix A (the "Findings" or "Letter"). Although I understand the exam began as a check on our first lost investors, it grew to be so much more.

This wouldn't have been possible without the express dedicated efforts of yourself, Ms. Gallagher, and Mr. Martin; all of whom I understand worked tirelessly to understand the account systems I developed. For all the silent effort the team of staff within the examination put in, thank you. The technical learnings amazed. I'm glad all the nice things I said about the Commission over the years based on sentiments from written rulemaking turned out to be true (I expected so much, but you never know).

I developed much of TAD3[2] alone with the swatch of securities regulation history as my guide, but testing things out with real investors really changed my perspective[3] and code maturity. I

[2] *See* two paragraphs explaining the vision of the "third" "Transfer Agent Depository" communicated to all three on the introductory call of 12 Jun 2025 at 2pm ET, *available at* PREV at 10. I understand my distinction in the issuer arrangement could've caused some confusion around the framing of what began as proprietary systems. For clarity, I did not consider the full collection of these codebases complete until months of additional development with Lyyor as a guinea pig of sorts (for lack of a better term) deploying live investor data. This led up to my finalizing "open publication" of everything's maturity in Response 1 n.10, now deprecated in accordance with decentralized *infra* note 43, *available at* https://web.archive.org/web/20250612221938/https://www.blocktransfer.com/blog/post/introducing-transfer-agent-depository.

[3] For instance, I was so enveloped in the law, as I saw in some of the staff remarks along similar regards, that I used "securityholder" in my diction for just about everything the first few years. But when I saw the real faces of people joining in as investors, my mind just changed as all the data standards I'd been developing suddenly meant something to someone. I think it really prepared me for some of the impact scope expansions inspired by the community just a couple weeks after publishing the blog in *Id.* And, to the extent I don't say it again, I earnestly appreciated the timing of this Exam as it came just about near my breaking point of waiting to clarify my operating competency, which (as stated in the meetings after our introduction) the staff line of questioning has helped me a lot in understanding.

know my last remarks with Donna and Dave cemented around everyone just doing their job,[4] but I just want to say that I'm not sure I would've had the confidence to make some of the bold remarks communicated in regards to industry developments that happened throughout the exam process without the Commission's inspiring new leadership. Despite practically my whole professional career in markets, I've only recently come to understand the liberating power of formative capitalist works like Rand, and it's inspiring to see our democracy embrace these innovative principles in a securities regulator that promotes experimentation over prescription.

Lastly, as someone who's obsessed with the origins of modern central clearing, I'm very thankful we have sufficient technology available to document precisely how our systems develop together. I think we could've avoided much of the problems of these last 25 years if there was a little more public scrutiny on the changes in DTC's ownership c.1990.[5] But hey, monopoly is monopoly, and there's nothing I can do about it any more than continuing my work.

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[4] *See* Response 7 § 3, inspired by our concluding remarks about how government shake-ups didn't affect examiners' ability to do their job. As more thoroughly documented there, it was pretty nice (if I might speak candidly) to see the predictability of existing rules applied only within their statutory scope, with honestly not much concern given to the means by which our systems completed those goals. I understand some materials might have been shared with other Examination staff who've seen certain blockchain transfer-agent technologies, and I appreciate that I felt like I was always "competing" for compliance against my own systems and standards, which I haven't seen employed elsewhere. What I'm saying is that it didn't feel like I had to compete with everyone else, because of the freeing and accepting space staff made for my own efforts to stand alone within the compliance frameworks, which I appreciate.

[5] For almost a year now I've had backlogged on my agenda work updating public disclosures around Cede, which our community jokes only had a two-sentence Wikipedia page when we all started our research, shown in public draft, *available at* https://github.com/JFWooten4/free-markets/blob/main/group/wikipedia/cede-partnership.md. After reading far too many documents from fifty years ago, I'll just briefly say that I think a lot went downhill when Denzer "forged a consensus several years later that modified the ownership formula by reducing the weight of long-position market value[] with correspondingly greater weight given to fees paid to the depository." Quote is from his autobiography, and I'm sure staff are at least remotely familiar with the domineering corporate control of DTCC's board, even if not examined directly. I just promise myself daily and the Commission that I won't let this travesty of self-interested governance happen again.

A. About Preliminary Network Constructs

I really appreciated staff properly identifying the legacy database of preservice shareholders as a subsidiary file to the master distributed ledger as the "MSF"[6] and authoritative record of share issuances.[7] I believe we have a unique opportunity because much of our interlinked automated records rely on an open-source community ledger which I view as the ideal financial payment network. I'll leave those remarks to *infra* § 4 because they differ from the agent-based deployment Findings which connect more clearly with the existing intermediary-based securities laws.

I find this ledgering accounting concept relevant to answering Findings, and so I momentarily

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[6] As we lamented in much discourse, there isn't really a statutory definition of what constitutes a MSF. And so there is a collection of data points between proprietary ingestion and public blockchain which we combine to evidence owners. The staff really helped me come to terms with this, and I intend to make the collation of this information easier over time by increasing our caching and logging functionality (described *infra*) and clarification work on protocol design (with the Division of Trading and Markets ("DTM") as the appropriate venue as I understand our third chat) so that we can run validating nodes on Stellar. These increased archival functions will open up much more direct means of creating record-retention policies which scale with organizational growth.

[7] I haven't had outside counsel ever walk me through legacy rule interpretations, as I said in our chat upon queries on collaboration or consultants. As will be evidenced *infra* § II.C.1.b, I want to produce the highest-quality infrastructure through our own developments and contemplations on the written rules. To the extent I need to say this, I believe this means aligning the Syndicate on the same playing field as all market participants as we grow, resisting any ridiculous attempts at politicking the Commission through personal campaigning. Many of these one-sentence rules have a lot of wiggle room for interpretation, and I've benefitted immensely from pouring through historic written interpretive guidance which explain present staff positions on certain investor protections and structure.

defer to an observation on balances.[8] This was documented at a relatively high level in the ENCORE comment letter in § III, discussing the system specifically and broader financial transparency implications and governance. There's already a lot of documentation regarding technical specifics, including my own work cited during the exam, so I'll try to keep things simple and relevant.

As staff identified, accounts on the ledger aren't something we own or control for normal users.[9] Rather, users generate a local mathematical secret akin to a digital account certificate unique to their digital holdings. We can extrapolate this account into linked subsidiary accounts for retirement portfolios, joint wallets, corporate treasuries, and so on.

These functions, and the ownership of arbitrary securities assets within, are established tools built within the network's decade of recordkeeping. I had little to no hand in creating transfer

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[8] These thoughts broadly stem from some of our first reactions in the meeting over block explorers, which I got the impression maybe you hadn't seen used by many registrants. Regardless of personal background, I think it would be good for the documented history and early learners to divulge slightly into balance designs on the distributed ledger, network, or protocol—all of which refer to the underlying financial blockchain we've explored as a base record reference. The core system tracking balances and enforcing rules comes from communications between computer peers who agree every few seconds to a true collection of all holding records. Anyone can run community software to interact with this data, and a common way to explore accounts involves using a neutral "explorer" website (or even a local instance) that looks at the current state of agreed transactions.

[9] During the exam I communicated some exceptions for minors and proposed share-distribution accounts linked to Pending EDGAR Next work. The coming sections will expand on relevant aspects of this as we scope down the level of central control we exert over issuer balances and positions. With an API link to create and check filings including specific offering details, I envision a much easier and transparent public process for allocating registered shareholder offerings. The onboarding and key provision so far through Login.gov has been really great.During the exam I communicated some exceptions for minors and proposed share-distribution accounts linked to Pending EDGAR Next work. The coming sections will expand on relevant aspects of this as we scope down the level of central control we exert over issuer balances and positions. With an API link to create and check filings including specific offering details, I envision a much easier and transparent public process for allocating registered shareholder offerings. The onboarding and key provision so far through Login.gov has been really great.

functions, exchange standards, or operation consensus. But I've discovered immense faith in the ledger's technical designs based on years of alternative investigations exploring all industry technologies, and I promise staff that there exists no equal in efficiency, achieving every just design consideration.

B. Prompt Certificate Detail Posting

Our signature guarantees[10] aim to automate as much shareholder interaction as possible. It relies on the security and integrity of the ledger, without us as a central recordkeeper with active control over balance maintenance. While we do have oversight functions communicated to control records, TAD3's designed to require minimal involvement outside corporate actions.

This means minimal human involvement outside oversight functions like issues originated by staff, courts with jurisdiction, or issuer onboarding.[11] During our second meeting, staff kindly reminded me of the accurate debit and credit update requirements[12] with agent-based turnaround

[10] Response 1 § XIV.A lays out the exact cryptography behind what I'm saying here, but I believe we've explored this enough in our meetings to speak at a high level. In both principle and practice, the network has not faced any severe operating outages using its current longstanding consensus method. This original and innovative technology marked the genesis of an independent project with storied founders who are very well known in the industry. To the extent relevant, all these years have placed immense test strains and stress-tests on the ledger, and it's always kept up with the needs of immense activity.

[11] For clarity in finding 1 below, I have removed the PENDING flag from the legacy database. In Response 7, I explained how I would differentiate between issued shares and those with an intention or view to issue. But in thinking about changes to authorization structure discussed further on, I realized there should be no middle ground between intent and issuance outside of registration authority. Since issuers can retroactively file Form D, there is no basis in withholding MSF issuance until receiving shareholder account completion data under our current written operating agreements.

[12] *See* 17 CFR § 240.17Ad-10(a). The findings cite subpart (1), which has the specific diction between different rifle records explored *infra* § I.C. I think our open systems alleviate coordination concerns between interlinked service companies through a unified ledger. I will make this more efficient in implementing the operating changes to issuer agreements ideated in *Id.*

times.[13]

Admittedly, I have overlooked this streamlining requirement in deference to bona fide speedy execution. I see now that the systems need to be configured to make automatic posting the default or embedded in operating procedures. We discussed this more in the community because of interest in the buy-in provisions and their relation to Cede, *available at* https://github.com/WhyDRS/SEC-Comments/issues/10#issuecomment-2467020278.

Thankfully none of my mistakes resulted in a challenge akin to this or an aged record difference, given the de minimis amount of mistakes and lack of secondary markets for Laylor. I believe continuing decentralized attestations in the corporate signer scheme will remove these challenges as we implement IssuerLink with increasing efforts discussed and documented. I appreciate that the rule applies equally to all agents while providing the flexibility of additional information Rule 17Ad-9(a)(8).

C. Segmenting Legacy Subsidiary Files

The biggest problem in my mind was an ongoing record difference between the number of shares held in an internal legacy holdings subsidiary tally and those on the ledger. The letter cites these as occurring for the period of September 2023 through April 2025, which is because I did not think through the client's issuance instructions well enough, resulting in noncompliance with Rule 17Ad-10(b). I presumed that oral comments made would affect the status of a

[13] *Id.* at subpart (2). While our status was communicated in Response 1 § XII, I find the different processing times intellectually interesting. While outside the scope of this review, I contest the batch processing systems and differentiation of fund agents (in this and other circumstances) from standard agents (including those handling SPACs) of subparagraph (ii) and clause (B). I intend to alleviate these historic limitations by continuing to further document TAD3 at the public developer site.

securityholder, which was not correct or particularly personally diligent.[14]

I plan to correct this inefficiency by adding functionality to public APIs also used internally throughout the codebases.[15] There's already functionality to tally ledger balances, and I want to combine this with an internal legacy database scan. The renewed data feed will display both internal tallies of shares held and the public total of Distributor account stock.[16]

In discussing access to the legacy subsidiary file through API, I would like to make clear that I only intend to publish broad summary statistics about investors and issuers through the existing

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[14] People are susceptible to errors like this, but again the point of TAD3 is to remove us as much as possible, without making the issuers into AI robots. In all seriousness, I do not want to cross a line of constantly questioning the behavior of affiliated agents. I believe it is the purview of CFOs and other leadership to manage the trusted contacts they configure through manual or automated means. And their signatures (in electronic writing or digital cryptograph) are required for a strong basis of automating their actions into accessible capital formation choices.

[15] Staff can follow the progress of the development on GitHub at a permissionless issue page, *available at* https://github.com/blocktransfer/syndicate-api/issues/3. Members of the public can view my code changes as they deploy, commenting on recommendations to keep data transparent. Again, the referenced balances function uses Python to ensure maximum readability and compatibility with basic logic thoughts investors may have without coding experience. I appreciate its readability, and I will take into account all public comments during my improvements to the endpoints disclosed in comments.

[16] One instance of the endpoint can be found in Response 1 note 16, *available at* https://api.blocktransfer.com/assets/1984803ORD/outstanding. In conjunction with making these updates, I will include more adequate public disclosure of these endpoints in a documentation improvement issue, *available at* https://github.com/blocktransfer/TAD3-docs/issues/6. There are many more which only sparsely have public deployment through the source code of Issuers.info, and I will fix this so there's clearer open information. I will need to monitor changes in usage over time, as the present gateway uses an authentication-less HTTP scheme for increased efficiency at the cost of not offering public rate-limiting, elected because I trust the community to use the technology responsibly.

public releases.[17] IssuerLink's existing communications has access to more intimate shareholder information such as name and address, for communication to issuer executives with adequate permissions assigned by signature thresholds on a corporate account by Agreement administrators. However, this employs mutual TLS authentication between remote AWS instances with independent IAM controls to protect PII.

I have been working on open-sourcing IAM permissioning controls for at least eight months, and it is an important prerequisite to publishing backup automation CRON-jobs discussed later. In my maturing ecosystem collaboration ideas, I have made significant progress in this regard. While I don't have a specific blocking item for this work, I intend to create a new permissioning publication roadmap for internal Syndicate systems after completing work in a public issue for the community, *available at* https://github.com/JFWooten4/agenda/issues/4.

D. Remediating Record Modification Differences

For clarity in response to diction in the Letter, it was my own incidental misunderstanding of issuance security policy embedded in corporate law which led to the challenge with Investor A's 100,000 share issuance. I have fixed this error in a transaction crediting the authorized and issued shares to the Distributor account, balancing out the internal holdings recorded at 72,450,000 shares, *available at* https://stellar.expert/explorer/public/tx/079e1406fd0068e80c45f27a73205212e5774d88668bc4660cd89010d34fdf36 (the "Fix Transaction"). I believe the best way to avoid this mistake going

[17] For instance, I shared documentation about our public Federation Server implementation of SEP2. In a custom "plus mode" adding features to the base technology, I allow the communication of a registration's country code, *available at* https://github.com/blocktransfer/syndicate-api/blob/782f524f836a4ccf7825a2e2cb6c5834a471a8fe/external/federation.py#L25. This is disclosed in public privacy policies, and I believe it makes a significant impact on cross-border transfer fraud. Briefly, it should be obvious if you think you're sending funds to a friend, but an account ID pulls up a jurisdiction from halfway across the world, a form of extremely simple authenticity protection not available in certain financial systems.

forward is more process around issuance transactions.[18]

As with standard ledger transfers, I do not find it appropriate for modern technology to take anywhere near 30 days to process issuer instructions. We can fix this going forward by codifying and delegating issuance activity, especially for new investors.[19] Once more distribution activity happens on-chain, it will be easier to build permissionless tools checking automatically for discrepancies amongst the public message signatures.

I would also like to note that I did not change the Rule 15c2-11(b)(5)(F) tally on our disclosure platform.[20] Again, I am using the ATS disclosure principles because they are a good and reasonable industry standard, with diligence paid by staff into certain reform petitions. However, I do not view our role as anything close to an exchange, and I designed this system with the first objective of transparent public information no matter the trading venue, as also scoped out by

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[18] The findings cite the need for continuous attention and diligence, which I agree with. In an optimal world, I want these mistakes caught during the addition of new legacy investor records. The existing code gives great deference to Syndicate agents onboarding past issuer shareholdings, which I think is fine for now given the ease of adding process checks in individual actions. The more overarching migration work to IssuerLink can give proactive alerts as to potential errors when combined with more logging functions, the chief actionable integration I will detail later.

[19] The first part to this approach involves the long-term expansion of agents participating in the TAD. Different representatives and registered persons can verify and process distributions to the extent they cannot be automated through EDGAR Next. More immediately, the IssuerLink interface can build transactions for issuer executives to cryptographically sign using the SEP53b standard communicated. The technology designs have always assumed these forms of authentication would then be communicated to us as agent for storage alongside processing due issuances.

[20] *See* issuer webpage communicated and planned to have future network effects as the site and issues grow, *available at* https://www.issuers.info/1984803. I do not think it makes sense to update the amount outstanding because this record difference resulted in our failure to ever issue the stock into the MSF. More broadly, I find it bad form to change point-in-time issuer disclosures retroactively; this could lead investors to check our own history of updates to what should be a stable reference. I find this doubly important given our use and design around the Issuers.info API communicated which acts as a direct link between other financial publication platforms.

Rule 14a-16.[21]

Also, in response to the Rule 17Ad-10(b) Findings, I do believe both the master securityholder file and subsidiary files must accurately represent all relevant debits and credits until the record difference is resolved, with the caveat that the two did not match. There were still all (admittedly limited) public investor transactions on the network, while legacy shareholdings including Investor A had written tracking on the legacy side. Notwithstanding, there was certainly a discrepancy and inaccurate reconciliation where both records did not match for an extended time period, which the outstanding API changes ought remedy.

E. Legacy Issue Date Processing

Investor B's 1 million shares were revoked/cancelled on December 8, 2023, as a result of the clawback by the issuer. The shares were subsequently re-issued to Investor B pursuant to an email authorization from Laylor to BlockTrans on February 26, 2024. However, the Staff's review of the information maintained on the Legacy Database for Investor B disclosed that the issue date ("aqAt"), reflected in the "holdings" column (column k), corresponded to the original establishment of the cancelled position on September 11, 2023, not February 26, 2024 (authorization date) or March 21, 2024 (date of transaction on the Stellar blockchain).

For immediate clarity, I intend to modify issuer agreement templates going forward to require issuances to account IDs on the ledger rather than the Legacy database. I appreciate the specificity on holdings location of this data, and this was my fault based on the manual

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[21] *Id. See, e.g.*, my own amendment to published financial statements, *available at* https://github.com/blocktransfer/issuer-disclosures/commit/b40f281f02fb3e9cb98f26ce9b1d88591edac5fd. This approach follows the Commission's own submission and amendment process. I believe we have an important role to play in maintaining longstanding public references at a neutral shared site. I will support these efforts by including directly creative-commons disclosure language in the issuer template waiving rights to proprietary permissioning of financial and other statements, a working item from *infra* note 75 link 2.

processing of these reauthorizations.[22] I discussed with staff the segmentation of issue and acquisition dates for tax purposes, and I would like to clarify that I do not want the final design here to use disjointed tracking timestamps because the flow of securities should only move one way: toward on-chain issuance records.[23]

The delay between authorization and issuance on the ledger reflects my efforts to have the investor open a full account rather than only provide an address for insertion to the Legacy database.[24] The fix here will include CRON check improvements to oversee ledger activity in a

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[22] I made mistakes reaching out to this investor because of nonstandardized issuer import data. Staff recommended maintaining an independent record of issuances and cancellations in parallel to the shareholding sources. I have been thinking about the design implications here since our second meeting, and I will implement a solution which complies with Rule Ad9(a)(5–6)'s tracking requirements as I complete a public standard published alongside changes in an open issue, *available at* https://github.com/blocktransfer/TAD3/issues/1. The tracking here relates to my work simplifying internal records *infra* note 31 so there is an authoritative source outside our internal documents surrounding issues and cancels, which should really live within IssuerLink data repositories that can use this standard's data processing format.

[23] Much of these sentiments stem from the immensely positive effect on capital formation I believe Rule 144 can have in the future with automated vesting releases. There are deep implications of issuer status within the Disclosure API for proper holding-period calculation during the distribution migration from Legacy into wallet holdings. This is another reason I kept the onboarding date as a timestamp of "aqAt" rather than reissuance, because I wanted shares to be available for secondary movement as soon as possible. This was naive and led to my elementary diction in the agreement template to attempt maintenance of the onboarding date as holding-period basis for no reason justifiable, and to the detriment of accurate issuance in the old manual process.

[24] *See* reissuance transaction with a memo from the email confirmation, *available at* https://stellar.expert/explorer/public/tx/bc2af326fc2f76f551ce2bc44eb48c0ccff1339ea8114ed21d2dc728dd35247d. It was just sent to the distributor account without any holding period since internal syndicate accounts don't themselves face restrictive legends. The manual extended search period stemmed from our lack of standardized onboarding procedures, which we will fix in the new agreement templates based on lessons learned such as this investor's email being cutoff in a PDF capitalization table communicated. I will also shorten the cycle of authorization to issue by modifying the timing of transactions and their balance in the Legacy table, discussed in the hash memo section below.

more automated basis to prevent differences like the Rule 17Ad-10(a) violation to post the credit of 100,000 shares to the blockchain for the issuance to Investor A within the 30-day time frame.[25] I did not mean to post delayed transaction information for this investor, even if it was within the month time frame.

The automated running work here will introduce diligent programmatic and continuous attention to resolve all record differences which caused BlockTrans' MSF for Laylor to have discrepancies. We failed to timely process the issuance of Investor A's shares to correspond with appropriate certificate detail in the Legacy Database, not posting a credit required by Rule 17Ad-10(a)(2)(i) under the Exchange Act given manual early input. This also meant the Firm was not in compliance with Rule 17Ad-10(e) under the Exchange Act when we failed to maintain a current control book for Laylor represented as asset 1984803ORD.

F. Control Data Understatement Changes

I know we touched on the data locale of control book entries in our second meeting, reviewing public information and combinations of shareholder data. However, I'd like to bring it up in response to the Letter's use of "as evidenced in the excel spreadsheet of" the Legacy database output. Part of all the efforts surrounding programmatic access to this file through open-source

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[25] The CRON scanning work is a large undertaking which I haven't entirely scoped out yet, involving automated work jobs and caches searching for abnormalities on-chain. It will involve searching through transaction metadata like the 144 claim periods within claimable balance entries including such data as embedded in creation transactions as shown in an example, *available at* https://stellar.expert/explorer/public/tx/24a054a5f885875732ac1732c93e6172721ffaa061816f74130722063e5e291e. The differentiation between balance ID entries and creation or redemption transactions existed because of a default caching time horizon for network RPC nodes offering API services. I will work out a combination of caching and node-operating data service operations which will support these efforts.

code is to minimize the risks of a simple database file used as a record of assets.[26] And indeed the referenced issuer disclosure site's summary of shares outstanding is just a frontend wrapper on the discussed issuer API.[27]

As communicated, I like APIs a lot, because they force me to think deeply through the design parameters of system interactions at scale. Rule 17Ad-10(e) under the Exchange Act states that every recordkeeping transfer agent shall maintain and keep current an accurate control book for each issue of securities. One reason this failed to happen was because I did not implement Laylor's new issuances through an API, despite having the operational capabilities to interlink authorization and issuance in the same transaction.

One reason I have not done this yet is because of the need for a decentralized group of independent hot signers among organization members. By batching signatures together with air-gapped local hardware signing review, we can drastically increase our throughput with the same level of safety presently employed in operational signing today, but without the geographic centralization evident *infra* § 3. Additionally, and related to this, staff cite that a change in the

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[26] Standard spreadsheets have obvious problems in their ability to change and create record differences, a function not present on append-only blockchains with proper balance checks like employed. Moreover, the TAR letter cites an institutional risk management strategy reliant on "Excel spreadsheets[,]" highlighting the second creeping risk of organizational culture growing around manual database sharing. I've seen this too often in examining my father's banking work, and it's critical in the systems design that only authoritative records like the ledger or Legacy database serve as venue to holdings. It's just not worth introducing the local fragmentation challenges of managing files and local version history in a table tracking shares, introducing immense centralization and needed access control to authorized hierarchical interfacing devices.

[27] *See* source raw HTML plaintext for Laylor webpage, employing only a placeholder of information without actual data from any control book, *available at* https://github.com/blocktransfer/issuer-disclosures/blob/80ebaf933af990497fa09111c3462491856caf9a/1984803/index.html#L54C10. This connects to linking a footer embed integration which then invokes the procedural call to the Gateway API, *available at* https://github.com/blocktransfer/issuer-disclosures/blob/80ebaf933af990497fa09111c3462491856caf9a/getNumOutstanding.js. Thus the ledger's MSF data comes from a functional operation of live ledger balances, presently operating on Stellar-Development-Foundation Horizon nodes. The most important part to me is clarifying in the codebase and TAD standards through documentation how wallet identification works for affiliated keys.

control book shall not be made except upon written authorization from a duly authorized agent of the issuer, which is how these keys operate.[28]

We failed to reflect the issuance of the 100,000 shares as well because of this pending development backlog, understating Laylor's control book during the exam period. We will timely post credit going forward by attempting in all regards to turn issuances into routine turnaround items without human involvement.[29]

G. Adjusting Legacy "From" Blame

Much of our problems with differences between Legacy and ledger counts stem from using a blame identifier based on authorization of issuance. There was a column for basis of issue in the Legacy database which had either a hash of an onboarding transaction or a hash of an issuance email. Problems occurred because you can have a hash of an issuance email without a corresponding transaction hash actually issuing the shares.

In the instance of an issuer in the wealthy system, I will now change the "from" blame to the transaction hash of a ledger operation creating the authorized issuance. This could go directly to an investor account if immediately specified in issuance instructions. Otherwise, it would go to the Distributor account.

The transaction itself will still contain a hash affirming a link to issuance instructions, and so the

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[28] I understand this statute has not been updated in two decades, and so I am probably just wasting time writing this. But I want to ink down that we do not use physical signatures because they require centralization, *inter alia*. Small said other agents use email for authorizations, despite hesitations thereon communicated, and so I understand it's not a big deal. But just for documentation I plan to upgrade this form of issuance through the IssuerLink platform wherein cryptographic Ed25519 signing curves are expected to verify intent.

[29] Generally, I prefer retroactive checks on issuer authority, giving them the leeway to handle their affairs up until the point where they prove incapable. For instance, I have mentally toyed around with sending clients hardware wallets with biometric authentication for years, but have not done so for reasons of centralization and data security discussed *infra* § II.D. I believe finance executives can map out their own firms' credential management given sufficient public educational materials. This will be a core assumption test I'll work to adopt while deploying IssuerLink based on prototyped login schemes through the investor app.

Legacy database detail will still have a link to the authorizing issuer communication. This approach mirrors the Department of Commerce's recently published reference scheme, also using the transaction hash to reference stable authorized data, *available at* https://www.commerce.gov/news/press-releases/2025/08/department-commerce-posts-2nd-quarter-gross-domestic-product-blockchain. The actual transaction contains a memo field containing the data meant to be published as authoritative basis, akin to an issuance communication, *available at* https://stellar.expert/explorer/public/tx/251986873717821440.

This new approach will not make it possible to create a new operational Legacy entry without a corresponding share issuance on-chain, and it does not require changes to the code because input functions already use syntax for transaction hashing, *available at* https://github.com/blocktransfer/py-TAD3-horizon/blob/def8aaa17338073afe871de5881a30e406ba3d3c/investors/legacy/importLegacyAccount.py#L40C27. I will keep this change in mind when implementing the automated issuer connections so that shares are actually outstanding if and when added to the Legacy holdings entries, to the extent such an off-chain record will be allowed by issuer template agreements. The only other change is procedural in the sense that shares must be issued before the Legacy entry rather than the other way around in the original implementation.

Additionally, staff note that a review of the information maintained on the Legacy Database for Investor A disclosed that the data populating the "from" column (column J) reflected the Memo (HASH) from the transaction issuing another investor's 300,000 shares. I want to clarify that this is because of the old reference-by-issue-hash scheme, as the particular issuer email issuing to Investor A also issued to this other investor in the same communication. Going forward I will prevent data mistakenly linking to different investors' certificate detail by processing any multiple issuances in separate transactions.

These transactions may share a common memo (HASH) if the issuing basis, but they will have unique transaction hashes which are derived from much more than just the memo. It is generally a better policy in my mind anyway to deliver shares in unique operations in the amounts specified for each investor, as then the certificate detail "blame" has direct individual accountability. Moreover, this increases the public transparency as to new additions of investors to a firm.

H. Traditional Market Structure Parallel

In thinking on this point the Distributor account acts a lot like Cede & Co., and I even draw parallels as such in our meeting all together. I think to how most of the shares in it belong to the President and Chairwoman, a fact which is well-known among investors (as for my basis for mentioning this here) and would be disclosed in a public company.[30] As exemplified *infra* note 84, DTC may hold more shares than duly authorized on issuer ledgers in certain scenarios outside of routine settlement cycles.

This is precisely what happened in our subsidiary file of Legacy holdings, and I will file for Chapter 11 before I repeat the mistakes of The Depository Trust Company.[31] Aside from publishing a single number as to total internal legacy shareholdings, I would like to contemplate publications of nonpersonal statistics such as holdings across off-chain accounts, akin to the on-

[30] *See* traditional affiliate filings for investors who acquire through the open market, well-published ownership thresholds under Section 16 plus Schedules 13D and 13G. I described why I find public financial investment decisions material as to the equality and opportunities present in society in Response 7. I'm ready to defend this position to the bone in public policy debate and negotiations over the templated issuer arrangements which allow for the publication of financial information on the ledger, implicit in the issuance of tokenized stock on a public blockchain. This is not a perfect proxy in the concept I will describe because it requires human governmental oversight as to beneficial ownership of shell or investment companies, but it is the closest parallel.

[31] *See infra* note 51 link 1, a conversation where I express similar sentiments as to bankruptcy as an extreme threat in re the impossibility of DTC open-sourcing DA. To disclose the exact custody balances without personal information would tear open the Obligation Warehouse in a complete destruction of swap contracts' house of cards, as staff fully understand given the delay and dismissal of enhanced public reporting realities for repo agreements between systemic brokers. However, this will not be a problem in a debit-based TAD, and indeed the scoped future derivatives work from PREV § II.B.2.a uses a public trust-based smart-contracting platform. The only reason I see to hide the leverage ratio of open speculations stems from TAR at 70, maintaining public confidence in a fundamentally undercollateralized system designed to trade public pensions for private profits.

chain ledger balance reconciliation.[32] It's also why I only want stable holding references in the legacy migration database, since too much can happen under only the purview of agents purporting to use TAD3 but still maintaining off-ledger records for any accounts including Cede or Cede/FAST.

I have not at all contemplated reconciling beneficial ownership information like done *supra* note 30 because I do not think it is our place as recordkeeping agent to track the owners of an issuer. While the issuers thereof are free to do so, I don't see any need other than shareholder support to worry over demographic distributions, as exemplified by the primary identification of registered holders by public keys, followed by only an individual first-name sort key within legacy records.[33] I find it necessary to worry about the minutiae of individual recordkeeping data efficiency because I do not have the convenience of aggregating hundreds of millions of investors in the name of a select few subledgers at clearing members, chunking the job down as you move down the hierarchy discussed *infra* § III.B.

We saw this supremacy as a problem also *infra* II.D.4, where a single central record needs material backup efforts. With great power comes great responsibility, and I don't think there's a single person or group of people who could wield sole authoritative state control of unilateral stock ledger and the functions to change it. It's just an impossible task that's never been successfully done without extensive political connections which ultimately control the lives of governed users.

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[32] The legacy entries already have unique IDs in the time they were added as records, recorded in nanoseconds. It would be simple enough to salt this seeded randomness and publish the associated number of shares per issue. If we agree to adopt something like this, it will be made clear in issuer and investor arrangements. Broadly, DRS investors already give the leeway of a full address available to the public with limited constraints for annual meetings, and I do not think this violates standard corporate form for this reason, while offering exceptional public benefit.

[33] I've always had problems with the form type identifiers of legacy banking systems which expect all users to conform to naming styles like middle name or no suffix. I believe the approach used with all other non-addressing familiar information remaining in a single registration string offers the best support for special characters and international naming traditions. I also imagine in future identity scanning work this will simplify the storage of scanned information by removing the need to parse across spacing. It also has the benefit of making calls to get someone's name for a welcome screen extremely simple.

II. Internal and Procedural Weaknesses

A. Client Identity Verification Process

Handling KYC information has always been the most centralized function I envisioned for the Syndicate. It related deeply to my aspirations in Response 5 note 7 to disintermediate Wall Street, because of a principle I commonly cite called Conway's Law. The rule[34] originated from a paper on the innovative capacity of committees, which I've seen repeatedly fail to outperform independent money managers given the leeway to allocate capital as they see fit within their own small groups. Put more applicably, all my investing experience screams to me that small teams are the most efficient deployment of resources, and as such I've designed all possible policies to support decentralized autonomous teams of organization members without explicit directive overhead or management.

The challenge and opportunity with KYC lies in the intimate bonding requirements to process PII. Even in the legacy Persona implementation, internal team members needed to log in and authenticate identities. This processing reality conflicts with my vision for permissionless working arrangements where contributors have a minimal set of sensitive permissions, electing to work on any public repos.

My initial remedy was to outsource this to a proprietary development company backed by the titans of Sand Hill. This worked fine while the Syndicate was still completely centralized prior to

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[34] *See* summary of original paper by the author alongside the source text, *available at* https://www.melconway.com/Home/Conways_Law.html. To the briefest extent possible, Conway proposes what I have seen so intimately trading nascent crypto markets in comparison to entrenched futures derivatives. These are two extremes of a spectrum defined by institutional adoption and entrenching regulation, and the movement of these assets in the free market deeply reflects that. Watching price action subtly change after the introduction of CME bitcoin futures really showed me that the thought behind market structure changes can have downstream implications for decades to come, legitimately shaping society.

discovering the community.[35] But now that we are migrating to open standards together, a central service provider for such a crucial part of investor onboarding threatens the envisioned open team concepts I hold so dearly.

The Deficiency Letter cites our discontinued use of the legacy provider partly due to costs of the service. While this was a factor, money is not particularly an item in my mind when it comes to investor protections.[36] The bigger problem I see comes from the internalization of economies of scale and platform network effects within a poor corporate governance framework, as happened to DTCC.[37]

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[35] *See* disclosure of how I came across the investor community alongside discussion of legacy market sources of central-banker credit creation, *available at* https://lnns.co/0clzI2NVtmk. In order to join the call, I created an X account by signing up with a quick Google login, creating an account with no post history or human profile photo. Despite a complete lack of social credibility, Chives and Bibic graciously let me into the platform to speak, a common practice continually employed today to ensure we give credence to all investor voices. I believe in the relentless pursuit of all thoughtful perspectives so that we can build the best possible infrastructure for masses of people with diverse needs by their similar investing objectives.

[36] As cited in earlier work including primitive grant applications not communicated, Persona as I understand it is one of the most expensive identity verification services available. I selected it after extensive diligence into just about every reputable identity provider. And even primitive prototype implementations used alternatives such as Blockpass to test onboarding flows. I found that the streamlined user interface and direct document security features of the Persona platform far exceeded competing offerings, and so I picked it as the best possible existing solution to start.

[37] *See, e.g.*, remarks on a centralized financial institution attending a tech conference, selling banking services available for merely $35,000 a month from an infrastructure broker spoken with during extensive banking relation investigations, *available at* https://x.com/JFWooten4/status/1854654933498552550. I've seen at least three leading identity software vendors in similar booths at events including the main industry Bitcoin conference. In all instances, I'm sincerely disappointed by the extravagant waste of corporate funds which could be trivially reinvested into product development or cost decreases. I do not believe truly efficient systems should need to pander to mass audiences through cheap branded handouts and an array of agents politicking the platform into mainstream adoption sales.

1. Electing Community Network Effects

Throughout 2024, I developed a centralized product roadmap for expanding our business on the basis of a collaboration arrangement and NDA in Ex. 8.1.1 with a well-connected financial institution.[38] I embarked on these experimentations with the approval of a community vote.[39] Extensive discussion ensued around these interactions in a broad principled manner, and I would be happy to share direct links with staff if they might confirm Commission ability to access and review messages in a public Discord server.

However, even this discussion platform has centralization challenges introduced through account permissions. Last year really clarified that for me while I explored what a larger-scale deployment of technology closer to TAD2 would look like. For instance, Ex. 8.1.2 details a fiat deposit flow using partner banks before the adoption of this year's new stablecoin legislation and protections.

The KYC flows for this work presumed the use of Persona, and we had extensive back-and-forth with the entity and their counsel to connect instances and data in a potential launch. I saw here the vendor lock-in challenge with different agents using the proprietary Persona dashboard, as data stayed isolated in their servers with a single entity controlling access and review. As the

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[38] Despite explicit provisions designed to allow project code publications in § 14.3, I continually faced challenges bringing development online through community venues. The team on their end was not comfortable with or already using GitHub, and they didn't even have the inclination to join a project-specific Discord server without public references. This closed development cycle and a relentless focus on specific partner functions without any deliverable discussions between engineering teams made integrations challenging. They wanted us to act as agent for some large deals, but I disagreed with the large cut we'd take from investor returns.

[39] The poll giving me preliminary approval of our designs theorized as entirely positive, as members were uninterested in any steps forward to structural market change. When voting in early January this year, Chives remarked: "Naturally we'd rather see issuers seek to provide a custody-first best-of-all-worlds solution, but taking a step towards blockchain and public auditability even if firmly in the old ways (TAD2) is still a step in the right direction. A Syndicate TAD2 could still outcompete and still be a relevant step forward for the industry." My discomfort in the level of centralization regardless of positive sentiments back then led to much of my inspiration to reform our ownership structure and corporate Bylaws today, pending the TAR letter approval turnaround period.

group kept insisting on using Polygon, a level 2 with centralized consensus, it became clear that the focus here was adoption and corporate profits over and above impact and safety.

I've seen this viewpoint and technology mature into a consortium of ideas championed by DTCC,[40] and it truly disappoints me seeing how these centralized teams produce such centralized products.[41] As I saw this work mature around broker-dealers, it would have been trivial to discount our values and regulatory commitment to stability for a piece of the old financial game they control. But I just don't think a long-term solution will work if it's not corroborated from the bottom-up with small-business and innovation as core developmental drivers as value focuses.

2. Updating Public Policy Statements

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[40] The centralized aspects of the token infrastructure go entirely against my investor priorities and decentralized expansion precedent in *Id. See* DTCC's announcement purportedly supporting "open-source[] token standard" technologies while using a proprietary trademark to brand their own deployments of communal free software on private centralized servers with secretive internal consensus, *available at* https://www.dtcc.com/news/2025/march/20/dtcc-joins-erc3643-association. This upsets me so much because they inexplicably claim benefit for investors and supporting "a truly open and interconnected financial system, where... every silo disappears" despite practically deploying everything we discussed from block explorers to data flows within tightly gatekept oligopolistic walls. I'm making the executive choice to ignore temporarily the infuriating swath of contradictions in their public statements as a start, but I am happy to continue elaborating in a FAC based on public brainstorming, *available at* https://github.com/blocktransfer/SEC-publications/issues/11.

[41] Exs. 8.1.3–4 document leadership efforts to develop a community-based society-level ecosystem, something I heard from their team a lot at the start of our interactions years back. But I interpret our meetings and partner frameworks as encompassing direct involvement in a wide swatch of industries, in part to generate securitization originations. Their approach in doing so has always been very large deals servicing the needs of a select few prosperous tangible investment companies. I disagree with their reliance on this privileged asset class with prohibitive investment minimums decided by insiders limiting the disbursement of opportunity to the existing wealthy, and I fail to see how this more top-down approach can achieve the select philanthropic overlaps we share for regeneration.

Staff did a great job uncovering the discrepancy in our public policy's AML processing page.[42] One reason this persisted past our use of PSNA References through the admin console comes to contemplations over data access. A community post in note 6 link 1 refers to a Discord thread in the Lumants community, *available at* https://github.com/JFWooten4/free-markets/blob/d80c385d1644eb2e1e01ed41623ba3f2c1c598bf/group/stellar/retroactive-scf/community-discussions.md.

I've been thinking a little too deeply about the storage of information in a standalone identity suite, as I've wanted to use MPC "to replace our AWS stack with newly decentralized infrastructure to get our projects fully on-chain (among pros)." I've been exploring this path for over a year in the investor community through hosting our podcast, reference files, and database config, with the help of James. However, I understand now that I must sideline this for a more immediate implementation, and this works fine since it's easier to secure data on a centralized server instance anyway.

We will update website policies to reflect the proper processes and use of personal information for KYC, as staff can track on a public codebase issue, *available at* https://github.com/blocktransfer/website/issues/8.[43] As expressed in the postscript of PREV's cover letter, I do not work well with directive centralized deadlines, and I've designed all our operations to conform to asynchronous contributions made at the behest of decentralized

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[42] BlockTrans' AML Policy reflects the use of the Persona platform in its Client Identity Verification process. BlockTrans currently documents its verification process by adding an internal reference to the Persona account number (the "PSNA Reference") within the securityholder's Personally Identifiable Information ("PII"). However, BlockTrans ceased using Persona during 2025 because of limitations of the screening application and costs of the service. Therefore, BlockTrans should update its AML Policy to reflect its new process for performing and documenting client identity verification.

[43] Upon completion of the Examination, I migrated our home-domain website to the main public instance. This means staff can now track all changes to our public materials through the Git history of this repository, including market webpages. I believe this content transparency scheme will make it easier for investors to reference our work and contribute their own ideas to our development process. It also allows anyone to open a request to change our policies if they notice a discrepancy or clause which does not properly protect investors.

members.[44] I do not expect the old terms will have any effect on our inaugural client because investors have not onboarded for their securities in years.

This "waiting period" for Examination was the other main reason I haven't gone in to overhaul these policies. The PSNA Reference token is deeply ingrained in data standards and operational expectations.[45] I'm glad we were all able to get on the same page with signature guarantee policies reliant on cryptographic credentials associated in the investor's custody and associated with identity for recovery.

3. Open Identity Verification Platform

[44] This background has proved exceptionally relevant for my design work establishing nonprofit token voting standards in the DUNA, a consortium of volunteers online. I will chiefly respect the moratorium on new clients until 12 Dec 2025 based on the six-month delay from our first meeting. Additionally, software engineers use the term "blocking" for when one feature or integration needs development before another idea can be built. Before we can sign another client, I will treat all action items discussed in this letter as requirements with associated GitHub items, *available at* https://github.com/blocktransfer/SEC-publications/blob/main/examinations/response-8/action-items.md.

[45] *See* direct reference in Response #2 note 37, the public data standard for registration information encoding. Once I migrated this to the public developer documentation, I realized just how internalized the information was when siloed between TAs given IDs are unique in an organization's Persona instance. Because the identifier can't be easily shared between agents like an AccountID, the need for a uniform standard became apparent, and thus the economies of scale began piecing together for a tool shared between agents. I find this data form and operational certainty necessary to draft sufficient comprehensive public policies.

In early designs,[46] I spoke with a development team which created the identity processing system of an agent with over one hundred thousand securityholder accounts. They offered to sell us the infrastructure they made, including an onboarding app with authentication flows, for only $10,000. While I opted for cloud solutions instead early on, not understanding the proprietary software problems therewith, this stuck with me.

I know that we can build a platform that integrates with existing community standards for verification data.[47] This will allow us to move past Persona into a more stable and sustainable ecosystem which we can continually improve for investors. The end product will likely eventually integrate with our Lost Investor Database Search provider, once we acquire a more substantial professional licensing agreement with a well-known firm communicated with the American addressing coverage story requirement.

This will require completing longstanding policy work communicating data-sharing and issuer

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[46] *See* preliminary KYC integration data stands for MSF, noted in a TAD3 Python commit, *available at* https://github.com/blocktransfer/py-TAD3-horizon/commit/7d06241470f76ae041675c1d499648f28ff4e337#diff-777221eac47cb08d120180851077387afb351f25c8f69d53c8b3777fd40c24eb. Again, the design here deeply integrates with operating processes, as simplified by the mention of a subsidiary file, which is why I think the process here will live best in an inter-agent process standards repository (created). This early naive implementation uses the comma-separated example MSF noted by staff in our second meeting as reference material for other agents. For clarity, once I brought the DynamoDB integration online, this became a deprecated past design scheme which only had place in my mind for migrations between agents, partly inspired by exceptional group collaborations *infra* note 121.

[47] *See* community interoperability standard for information-sharing, *available at* https://developers.stellar.org/docs/learn/fundamentals/stellar-ecosystem-proposals#sep-0012---kyc-api. By using a system between agents, we can also communicate between each other so that all TAD securities are interoperable. The fungibility between different agents helps overall decentralized liquidity in theory. I have orderbook work to clarify with DTM regarding trades crossing between authenticated accounts in conversion payments between unauthenticated accounts.

privacy disclosures.[48] The proprietary Persona system handled much of this and data lifecycle work for us, and I want the redesign to maintain this integrity while establishing uniform standards usable in other identity-needed public repositories.[49] The work will be added alongside incremental issues and pull requests in a repository initially designed for just TAD3, *available at* https://github.com/blocktransfer/identity-verification.

This is probably the largest initial item resulting from this Exam, but it's also the work which best aligns with my backend database skills. I've done some initial investigation as to potential importable repositories that are already open-source, and I think there's a good amount of libraries to work with. The compilation into a single release will be new for me, as opposed to strict file-based executables, but I'm sure I can figure it out in time.

4. OFAC Searches and Controls

First of all, I will immediately check manually all securityholders against the OFAC SDN list, given Staff's review of BlockTrans' procedures revealed that the Registrant does not address OFAC compliance. Persona did do this, but I failed to run Investors C and D through any checks given they did not go through Persona. Staff noticed this because their PII did not reference

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[48] I understand this will mean implementing much of Regulation S-P, ideally in a way that's interoperable with other agents forking our deployments and policies. I will track work on this item in a public repository issue and, depending on the scope, I may expand the number of working items with a recorded reference back to the original item, *available at* https://github.com/blocktransfer/website/issues/3. Should staff see such "mentions:" in an issue or pull-request feed, they can assume that a related working item came up which could block development without completion. I appreciate this ability to easily cross-reference working development items.

[49] Given the risk of direct PII leaks, I want to execute this work alongside deploying a DUNA-based bug bounty for server environment penetration testing, plus overall design bugs. This approach is well-proven across the industry, as it's been a means of incentivizing some of my closest coding friends to join a project's security team. I recall an entrepreneur who couldn't believe the claim of early cryptosystems, so they paid a team of programmers hundreds of thousands of dollars to try hacking bitcoin for a few months. While they were unsuccessful, they finished up by emphasizing the genius edge-case statements handling bugs, found by the existing community so that all "back doors" were resolved.

Persona, indicating they had not been screened, and I just want to confirm that neither investor showed up on my preliminary search.

I appreciate staff referencing OFAC's website as a reference source to review our obligations. I was under the impression that such responsibilities were minimal because FinCEN does not cover firms whose ARA is the Commission, as per my reading of their public materials. I would prefer that the Treasury reach out to us directly regarding challenges with our operations, given jurisdiction.

The portal design will include KYC policies which include OFAC provisions and eventually direct searching and caching ability. I will add a deployment URL to the identity verification repository when this functionality works to notify on hits. Additional ongoing integration work will aim to automate the freezing of wallets.

I appreciate the objectives of requiring "[e]very person or business in the U.S.[] monitor transactions" on behalf of the federal government so as to prevent things like terrorist financing, which is not a good thing. However, I do not agree with the ability of government bureaucrats to decide entire countries shouldn't be allowed use of our universal global reserve currency, because doing so has greatly harmed masses of people and hindered a generation of impoverished and repressed citizens to achieve economic or political freedom by leaving their home for other capitalist nations. I believe the Constitution protects our civil liberties, and using money without asking for permission seems necessary to act out freedom, *available at* https://x.com/punk6529/status/1494444624630403083.

B. Lost Securityholder Search Evidence

As staff note, a review of BlockTrans' Unresponsive or Lost User Policy disclosed that we did not require BlockTrans to maintain evidence of the specific search terms, search results, or screenshots/summaries of reports generated by the search engines used; so did not maintain such documentation. Consequently, BlockTrans' written procedures did not appear to be adequately designed to demonstrate compliance with the requirements of the Rule. However, during the examination, the Registrant took steps to update its written procedures for Unresponsive or Lost User to incorporate requirements to document each search with comprehensive screenshots or generated reports that include the search date, search terms, and U.S.-based personal identifiers.

I'd like to note that my default policy so far has been to only request a TIN when investors acquire interest in a security which pays a dividend, and I broadly do not like using a single

eight-digit number as a stable identifier of identity. Additionally, I'd like to note that I will be updating our policy to adequately address challenges documented regarding the identification of lost minors, given child privacy laws discussed which apply to search providers. At the very least, this will result in the completion of an outstanding issue related to the matured adulthood of a securityholder earlier this year, *available at* https://github.com/blocktransfer/website/issues/10.

In a call with Laylor's chief executive on 16 Jul 25 at 4:03pm ET, it became apparent that two minors without addresses discussed during the exam are particularly young nieces or nephews of known parties who are not investors. While this working item is a little more related to onboarding policy work discussed, it matters a lot to me because of early experiences having material tech issuers disposed of when I turned 18 (turning a couple grand into approximately one Tesla). For these instances and any other new investors prior to completing the KYC platform, I'll use an email identification chain substantiated by selfies with an identification card and timestamped note, exemplified in Ex. 8.3 as a means of verification I've used on multiple cryptocurrency exchanges.

TAR letter n.135 references Buffett, an influential thinker in my mind who was analyzed in *The Psychology of Money* by Morgan Housel to arrive at approximately my reasoning of why it's important we establish independently-custodied accounts for minors within the bounds of existing international property laws:

> The danger here is that when compounding isn't intuitive we often ignore its potential and focus on solving problems through other means. Not because we're overthinking, but because we rarely stop to consider compounding potential.
>
> None of the 2,000 books picking apart Buffett's success are titled This Guy Has Been Investing Consistently for Three-Quarters of a Century. But we know that's the key to the majority of his success. It's just hard to wrap your head around that math because it's not intuitive.
>
> There are books on economic cycles, trading strategies, and sector bets. But the most powerful and important book should be called Shut Up And Wait. It's just one page with a long-term chart of economic growth.

C. Handling Mail and Securities

The staff's discussions with BlockTrans disclosed that it currently uses PhysicalAddress for receipt and handling of its mail. PhysicalAddress scans envelopes received at the 99 Wall Street address for the Registrant and posts them on its platform for review by BlockTrans. The Registrant will then instruct PhysicalAddress on how to handle the item (i.e., forward, open/scan to PDF, or shred). However, BlockTrans has not established written procedures to define what category/type of mail should receive which treatment.

Rule 17Ad-12(a) under the Exchange Act states that any registered transfer agent that has custody or possession of any funds or securities related to its transfer agent activities shall assure that (1) all such securities are held in safekeeping and handled, in light of all facts and circumstances, in a manner reasonably free from risk of theft, loss, or destruction. As noted above, securityholders had been instructed to mail physical stock certificates to BlockTrans. Although the Registrant has not received any physical certificates at the 99 Wall Street address, BlockTrans' failure to have a documented methodology for handling different categories/types of mail received at a virtual business address appears to be an internal control weakness.

1. Extending Safeguarding Interpretive Proxy

First of all, I would like to commend the Commission for bringing transfer agent regulations back onto the proposed-rule stage earlier this month.[50] I particularly appreciate how this is the only one of 23 agency rules with a regulatory classification under E.O. 14192. If I might say so, transfer agents offer the perfect outdated regulatory regime to update with the leeway given by any deregulations.

Namely, in just a few months we'll reach the ten-year anniversary of staff contemplations of TA market structure in S7-27-15. In this time, the monopoly concerns raised about DTCC have only

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[50] *See* statement on the public release of Spring's regulatory flexibility agenda from Chair Atkins earlier this month, *available at* https://www.sec.gov/newsroom/speeches-statements/atkins-2025-regulatory-agenda-090425. The agenda item in RIN 3235-AL55 offers a unique opportunity for "simplifying pathways for raising capital and investor access to private businesses." I sincerely appreciate its reintroduction and agree with all processing designations elected brilliantly.

strengthened as they roll out an industry-encompassing[51] system designed to encompass all U.S. assets.[52] Unlike other proposed rulemaking, 3235-AL55 has a single congressional authority.[53]

I find this single public-policy precedence judiciously relevant on the basis of limited past TA operational controls, especially those dropped from June 12th's "regulatory reset."[54] For now, I'll elaborate on two of the policy choices implicated in meeting remarks over TA internal

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[51] I commented extensively on the horrendous unilateral authority implicit in the design of DTCC Digital Assets ("DA"), *available at* https://lnns.co/O8NUZfc1KGe. *See also* blog post published the day Dave reached out to begin the examination process, subtitled with a critique on "keeping control centralized" in what the title purports is a master plan for unchecked power, *available at* https://genfinity.io/2025/04/30/dtcc-on-chain-patent-global-finance-takeover. The author responds to a patent application from DTCC which substantially mimics my own, albeit with much less public transparency. Should we really allow complex widespread rollout for dozens of untested proprietary contracts without as much as even an Advanced Notice?

[52] *See* DA's encompassing grasp on financial institutions and investable assets in the TAR letter at § II.D.1 ¶¶ 8, 13, and 16–18. Should we continue handing American savings and retirements into the opaque custody of an entity which is already too big to fail? Such view was explicitly elucidated by the author of the patent incorporated by reference in *Id. See, e.g.,* substantiated professionals supporting critiques of singular custody nominees with both industry and academic evidence pointing to yet another public bailout in TAR letter nn. 51, 106, and 143–145.

[53] At least for proposed items with a defined legal authority from *supra* note 50, with one important safe-harbor consideration citing basis in 57 rules. *See also* the specific transfer-agent item, *available at* https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202504&RIN=3235-AL55. With legislative standing from the NMS Statute, might we have a greater burden of investigation than standard notice and commenting? Again, subparagraph (f)(2)(A)(ii) spells out the need for enhanced FAC review "in the absence of a uniform rule" for safety.

[54] This has been one colloquial reference to the 14 dropped rule changes within online professional circles, referring to the deregulatory staff actions at, *available at* https://www.sec.gov/files/rules/final/2025/33-11377.pdf. *See also generally* Commissioner Atkins' remarks that this *is* (*emphasis originally through publications) a new day at the agency, which is great. I'll keep this citation short to keep focus on the direct action changes above, which touched some very significant policy items from the last Administration. Extraordinary commitment to free markets.

protections. In contemplating these ideas, I have to ask myself, "might clear, public rules on GitHub solicit trust?"

a) SCI and Cybersecurity Protections

When I toured Georgia Tech in high school, the student guide made great efforts to point out the Klaus Advanced Computing Building, one of the more striking buildings on campus where I attended many graduate cryptography classes. Chris Klaus also happened to be a leading donor proponent of CREATE-X, the entrepreneur incubation and promotion program discussed in our first two meetings.[55] The guide told us about how Klaus dropped out to pursue his cybersecurity startup, which sold to IBM for over $2,000,000,000.[56]

In my early-action application to Tech, I explicitly mentioned the program in terms of my first blockchain startup, MonerAds.[57] Upon admission, I applied to the summer program freshman year. However, I was told after pitching a panel on my ideas that I could not join without a cofounder.

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[55] The program itself acted as a typical startup incubator with experienced industry mentors. To the extent it relates to this Exam, it included the opportunity to continually pitch investors. While I always knew the shares would need to reside in a nonprofit, I played along with these charades. This experience gave me respect for small-business capital formation, as Donna commented on July 15th.

[56] In 2025 dollars.

[57] I cited these years of experience in our first meeting as background for the remote-first organizational design which I understand to best efficiently organize a free-software working community. I find relevant the public Secretary-of-State filings' privacy redactions and inclusions, *available at* https://www.sosnc.gov/online_services/search/Business_Registration_profile/14324280. North Carolina follows the Commission's policy of censoring emails while publishing full physical addresses and phone numbers. However, I disagree with their requirement of a "principal office" which was my parents' house and, in the Articles available under "View Filings" with No. C201815700063, the family residence of a friend.

This began years of wrestling with other peoples' vision for how I should run a transfer agency,[58] since "most startups fail without a cofounder."[59] While I appreciate those sentiments, I found the discipline to patiently wait for the right opportunity in the unforgiving indifference of market quiet. This approach paid off four years later when I encountered the exceptional partner cited in PREV § III.

One year after meeting Jerry in *supra* note 58, he began teaching graduate cybersecurity classes. They introduced me to the immense centralized risks of concentrating market PII and MNPI,[60] exemplified in Ex. 8.8, a report on the Equifax data breach. Throughout the semester, we'd walk after lectures discussing market structure and contemplations on securing a self-custody blockchain TAD.

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[58] Nobody understood what a TAD was, and it was too much effort with the scarce public documentation back then to satisfactorily convince them of the need for such a new system. Namely, I was bafflingly unfamiliar with the TAR letter's PCO event, despite an explicit surprise reference thereto in a school pitch competition touted by the tour guide which immediately intrigued me, *available at* https://youtu.be/S75IvkicWD8. The months of pitching preparation for this show introduced me to valuable early connections, many of whom are in the example shareholder ledger prop, *available at* https://docs.google.com/spreadsheets/d/1FgBoJeKZ_EPy8Dlwd4dARyRCniqcET0VR1IDkrx4kKY/pub. One particularly relevant judge from early pitch-practice and application sessions was Jerry Perullo, the ICE CISO for two decades quoted in the EDGAR comment at 21.

[59] Approximate paraphrase of the repeated statistics I heard regarding failed solo founders. Ex. 8.7 is a response to this critique drafted at the end of 2019 and submitted to the committee early in 2020 to finalize my rejected inaugural application. This ultimately let me move on from a venture which was frankly harmful to the environment and consumer technology, as I had practically come to recognize by the later stages of the application process. Thereafter, I published my thesis and, within a year pushing through COVID hardships, incorporated the early-form Registrant.

[60] These two deadly acronyms have been my top concerns in open-sourcing Syndicate infrastructure over the last years. I found in early development efforts details *infra* § III.D that it can be challenging to extensively test interface deployments without established and voluminous sample data. This is why I issued the DEMO asset from the Syndicate's mainnet account, facilitating early code sprints. I plan to overcome this challenge with future testnet integrations and faker users.

b) Exchange Software Licensing Decision

The reform agenda changes dropped rulemaking proposing new cybersecurity oversights for transfer agents and an expansion of Regulation SCI to systemic infrastructure including swaps data repositories. Large brokers (including those running an ATS) and the uncovered clearing agencies are the backbone of markets, making up the critical NSCC participant base. Staff identified this and sought to regulate away risks.

> [C]losed-source software is just awful, riddled with bugs. It would not stand a day if it was open and bug-bountied, but it has the advantage that no one's looking. And I'm saying that because, if it's open-source, people find the bugs immediately, and people even fix the bugs immediately and it moves a lot faster.
>
> [C]losed-source software is just kind of living a lie with its head in the sand.

I share this quote from Jerry[61] because I believe wholeheartedly that we can achieve the due and necessary increased cyber protections Americans need more efficiently with the open-source principles shared regarding an investor identity verification software. I have adopted these working principles in all that I do, as shown, for example, by the crafting of this entire response on GitHub, *available at* https://github.com/blocktransfer/SEC-publications. Might a recognition of this differentiated working path help us prevent catastrophes like the eight-figure Russian MNPI hack from EDGAR letter § II.B.1.a?

[61] *See* roundtable discussion with veteran cybersecurity executives acting in c-suite roles largely involved in financial services or data lakes, *available at* https://adversarial.com/blog/the-adversarial-podcast-ep-8-pagers-and-supply-chain-attacks-github-stealers-founder-mode. At 48:21, Jerry summarizes a shared, agreed perspective that open tools have historically proved more resilient, secure, and trusted than the proprietary infrastructure of central actors presently encompassed by enhanced Commission technological oversight. I've shared the podcast with technically inclined community members as great permissionless education. We can do it.



What I'm getting at has been deeply intertwined with my Examination responses since citing community sentiments in Response 3 note 11. It's a decision to decentralize control and economic benefit from a select corporation or association of intermediaries, in favor of investor quality. We face a paramount decision as to the Commission's immediate response to DA's

"tokenized securities," framed within our circles[62] as very distinct paths for investors and the future of law.

c) Proprietary Versus Individual Custody

During the summer we registered with the Commission, Klaus and their team told us about their experiences and capital. After denying an offer to invest in the Firm, Klaus explained an enterprise internet sale to NASA. The company convinced the agency to purchase their cybersecurity software, and Klaus was just about to walk into the closing room to negotiate a fee to outfit protection on all their computers.

Given the novelty of port protection in the early 2000s, a mentor told him to ask for ten times whatever he would charge. I see our markets in a similar state today, where the backend systems can extract as much rent as spreads statutorily allow. With no alternative to the leveraged central clearing rail, investors must give up direct ownership no matter the cost just to trade at all.

We only had so much past technology to deal with the flaws of central closed institutional

[62] *See* bottom image comparing financial infrastructure to railroad tracks, with DTCC on a very different path than certain public blockchain systems which implicitly facilitate peer-to-peer trade through a layer-one decentralized protocol. The post responds to remarks regarding the function of markets to serve society by driving innovation and prosperity, a key objective of all my work given the tendency of public companies running exchanges to prioritize their highest-frequency customers, who have the least to do with the efficient formation of capital supporting the rise of business and employment for masses of Americans. We can't let Wall Street dictate our lives because their forefathers laid yesteryear's iron tracks. What if we all had equal access to the market for capital at a local level?

registration.[63] As society forced costs down through infrastructure innovation, we unintentionally centralized legal registers into a single electronic record, akin to a select complex service vendor.[64] But today Wall Street sells a product trivially replaced by distributed ledgers for free.

NASA paid the exorbitant rate because there weren't modern decentralized open-sourced solutions putting everyone on the same playing field, just as most investors handed untold billions into plumbing enabled by indirect beneficial ownership. In reflecting on CISO reference materials and observation of managed cyber platforms' growth,[65] I've concluded the most

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[63] *See* study communicated from the Commission to Congress two years before DTC's formation, examining decades-long structural changes to the capital markets, *available at* https://www.sechistorical.org/collection/papers/1970/1971_0310_SECInstitutionalInvestor_01.pdf. Extensive staff research from Chapter I to II found institutional ownership soared as concentrated custodians "increased their share of total stock outstanding from less than 7 percent to approximately 19 percent" in the lead-up to the Paperwork Crisis. This coincides with Commission requests for the dominant exchange relinquishing mandated trading fees at 9, bringing free-market cost to block trades for the first time since the brokers' 1972 oligopoly agreement. Do we have enough mass-market participants again?

[64] For instance, my mom held directly registered shares of Merck for decades, participating in their dividend reinvestment plan. Reviewing TA statements for her position revealed historic fees in lieu of compounding investments which inspired early contemplations on investor pricing, *available at* https://github.com/JFWooten4/DRIP-fee-impact. Historically, even these costly charges undercut top brokerage rates; but, as staff know, competitive changes moved the industry to profits from custody, routing, and lending. This grab for all possible collateral led my mom's broker to call her requesting she deposit her shares with them for "safekeeping and consolidation" in a single account without legal control in insolvency, as freely admitted by CCP proponents when testifying on perfected interests.

[65] *See, e.g.*, discussion over proprietary security services discovered through AWS startup program offering a central hosting solution akin to constituent software platforms, *available at* https://zopen.to/K8CAHO5DfzKCt1eNINvS. This development approach mimics initial staff impressions of TAD3 from the first meeting, which I understand as consisting of a system deployed completely over a service provider with control of data. As we see with questionable FTD data from the TAR letter nn. 11, 24, and 32–35, such centrality rarely works in the long run. Even Jerry replies with enough caution to "definitely steer clear so there is no chance they think I grabbed their idea" given the natural unnecessary competition between similar fundamental established infrastructure.

efficient systems allow the flexibility of decentralized open implementations with improvements returned to the shared project.[66] I want to bring this decentralized self-custody ethos from independent code ownership into the market with a DEX.

d) Alternate Trading Venue Problems

Lastly, the dropped rulemaking dismissed the 2022 amendments to the definition of an exchange, as was so famously subject to comment by the crypto industry.[67] I care most intimately about the quality of exchange infrastructure in the public markets, based on the immense transaction costs

[66] This is precisely what I've been getting at with the relentless citation and use of the Affero GPL, an established standard for interoperable derivative software system improvements. It takes what might start as a centralized project and allows the community to expand functionality based on their own approved needs as they use a system. After deep exploration of distributed projects for months leading up to PREV n.20 link 1, a timeline communicated in our first meeting, I came to the conclusion that this licensing approach may well be the only means to maintain shared infrastructure for decades with the public transparency necessary for market functionality. At least without the token incentives of crypto networks with consensus mechanisms which have all total value as systemic insurance.

[67] *See* original dissenting statement from Commissioner Peirce disdaining "an expansion in the definition of exchange that would apply to any trading venue, including so-called communication protocol systems, for any type of security," *available at* https://www.sec.gov/newsroom/speeches-statements/peirce-ats-20220126. The removal of this consideration had industry-changing effects for the entity incorporated in the TAR letter n.119's accompanying text, which I brought up in our third meeting as a current context for discussion of DEX regulatory principles. The Staff did an excellent job guiding my thoughts, motivated by experiences in the second footnote link, more thoroughly discussed with the community on our podcast, *available at* https://lnns.co/rswev9D3A1n/4848. I sincerely appreciate Commissioner Peirce's highlight of EtherDelta's settled enforcement action in a meaningful public forum as a great example of the needed differentiation between on-chain transparent order books and proprietary private servers, *available at* https://youtu.be/kl7omhTtERE?t=1427.

Wall Street's taken from me and my family over and over again.[68] While such a large market-structure change should not be tucked away in a proposal for Treasuries, the fact remains that proponents of central exchanges can view some blockchain systems as silos of liquidity devoid of protection given inaugural implementations which skirted the line between centrally controlled unregulated exchanges.[69]

In years of exploration into ATS regulations, history, and operations, much of my interpretation came from a brief email exchange with Anthony Weeresinghe about one year before the Commission brought action against Ustocktrade. In just a brief rejection of bona fide help to our college design team, thousands of pages of legislative history crystallized into my view of understanding these broker-dealers as relentlessly self-interested firms with profits solely derived

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[68] In a last-ditch effort to buy part of BlockTrans at the end of the program "demo day," Klaus directly offered "any help I may need" under the clear and later-verified implication of direct economic benefit, a tradeoff I find unacceptable based on personal sentiments well explained in TAR letter n.175. He might have gotten exactly what he asked NASA for given a lack of alternatives, just as brokers hold unchallenged keys to access the legacy exchange infrastructure built on centralized, closed custody chains. But I do not believe markets need profit-seeking intermediaries that squeeze every possible micro-cent out of collective savings and retirements. I see our best opportunity for sustainable efficient markets in nonprofit infrastructure designed with investor protections and capital formation above and beyond limited corporate shareholder-value interests, because certain natural monopolies just don't integrate well with default capitalist governance with so much at stake.

[69] For instance, the intermediary incorporated by reference at *Id.* link 2 used a server-based software messaging platform based on a central company, *available at* https://github.com/airswap/airswap-protocols. Even open-source solutions like this have layers of centralization built in when they rely on supplemental consensus mechanisms or a central off-chain matching server, including when a smart contract executes on a proprietary firm-based ledger. I've explored this in PREV § 0.B and a wide swath of public work, because I view the implications as allowing automated debited clearing without a central counterparty when using a shared order book and matching engine. There does not exist legal precedent for these disintermediated structures, despite the plethora of benefits they provide investors when done properly.

through intermediating trade.[70] Comparatively, my constituents use blockchain market-makers for exemplary fraud investigations using nothing more than block explorers thanks to the public transparency afforded by distributed ledgers using legitimate consensus, a form of independent decentralized stability not afforded to shareholders transacting on central servers.

I prefer public blockchains which, in their own continuing operations, prove themselves as secure with no need for central attestation based on proprietary principles, as adopted in an ecosystem mantra that Bitcoin is the world's largest bug bounty since any vulnerabilities can make you a fortune. As laid out in the TAR letter n.149, I've seen this method directly improve our own underlying infrastructure, and I know that we can get the rollout of DEXes right over time. That's why I'm so concerned over the hastily rolled out DA without due consideration of its real market-structure and stability risks.

As laid out in the TAR letter § II.B, DA proposes for the first time to lower trading costs by interleaving margin between participants' CCP accounts. Regardless of trading venue employed, my interpretation of the SRO rule changes to date reads that the industry will afford huge implementation leeway to the already-mighty DTCC. Any mishandling has been scoped as catastrophic by Commissioner Peirce in TAR letter n.21, a concern which has recently picked up significant steam in our community given concerns around ex-parte clearing collateral marked in special unguaranteed trades in direct opposition to central clearing mandates within CNS, *available at* https://x.com/ReesePolitics/status/1956433323741585824.

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[70] *See* suit initiated by the Commission after the trading platform ceased operations and withdrew registration at ¶ 13 of the settled case, *available at* https://www.sec.gov/files/litigation/complaints/2023/comp25799.pdf. My outreach was within a month of October based on memory, placing it almost exactly around the collapse of the trading firm. Despite this abject failure, the founder requested $1,000 from our student group just to chat about running a purportedly retail-first and charitable venue. I've found that the exchange managers use witholding information as their chief tool for misleading public interest from the nature of their central control, as exemplified earlier this year in a lunchtime chat with a data sales executive at the LSE who kept tight-lipped on clientele, communications, and form in business practices to the point that I honestly got a headache speaking with their colleagues, as evidenced by community disucssion, *available at* https://github.com/orgs/WhyDRS/discussions/46.

2. Figuring Direction During Flight

In writing the prior subsubsection, I noticed a single-brick Lego was ajar on a Millennium Falcon model in my office. I had a similar experience noticing a single missing brick out of a dozen completed sets while in therapy for conditions discussed in the email submitting Response #2 sent on 16 Jun 2025 at 4:40pm ET. My mind just notices all the little things in systems, wanting everything in its place.

This drive led me to begin all this work because I just don't stand the clear flaws in legacy clearing. Over time, this expanded to almost all legacy financial systems and I felt the painful inefficiency again and again, before much of my business access was simply revoked. In preparing for the event in *supra* note 70 link 2, I remarked to my dad frustrations over ABS offerings because of this same inability to process without fixing mistakes.[71]

I just disagree with large swaths of their business practices, and so I decided to find technologies that let the market obviate their roles. Gensler jokes about how you'd need to re-engineer the whole market system to truly implement blockchain, in his first MIT OpenCourseWare class. I've referenced that so many times in DUNA discussions because I heard those words and just spent years looking into the "why not" side.

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[71] In my fourth year attending comprehensive panels and speaking on tokenization, I'd still not fully understood the operating principles that allowed sustainable long-term nonpredatory deal flow. I've come to the conclusion examining market plumbing that, whenever things don't make sense to me, it's probably because they are very centralized and carry a corresponding level of obfuscation. Even in drafting my written preparatory remarks, I knew I couldn't make it to the moot point in note 1 regarding decentralized communal efforts because of the clear expensive firm-sponsored tickets attendees all had around their necks, *available at* https://github.com/users/JFWooten4/projects/1/views/1?pane=issue&itemId=81176338. The thing that really gets me on bureaucratic politicking calls with panelists preparing over the years was how I could bring a point up like the significance of community friendship, have everyone nod their heads in agreement on needed collaboration items, and then never mention it again.



I just don't see a good reason the world needs to run everything on their antiquated railroad, so to speak. And that's why I laid out these primitive controls for a machine I will endeavor to its limits while growing towards my core objective to facilitate decentralized exchange in PREV § II.B.2. It will take much practice to get steering the different aspects down perfect, which is why I appreciate your help.

D. Physical Securities and Lifecycle

I hope that by this point I have well established my intention to operate as a digital-first transfer agent. I understand this is not the approach taken by all agents, but I think it is the most efficient for TAs using TAD3. It seemed in our meetings that staff were well informed of this approach, but they were still kind enough to recommend additional processes for handling.

We do not currently have written procedures pertaining to the cancellation and/or destruction of securities certificates. Part of the challenge I always saw with allowing certificates stems from the location of registration on Stellar. There is a naïve approach of placing all certificated shares in an omnibus account similar to a Distributor account, or having us as agent open and handle individual accounts for each certificate holder, using central keys to sign and effect Medallion'd transfers.

In following this line of thinking, I spent months contemplating the distribution of "certificates" in the form of embossed metal seed-phrase cards. However, I found this faced the same centralization challenges of a physical processing facility.[72] While it might be faster and easier to centrally provision everyone's account phrases, I know investors receive far better security

[72] Namely, the distribution of physical certificates would act as a central point of failure requiring immense security and operational control measures only possible through centralization. In community policymaking work, I've used the example of a DTC processing vault my dad helped finance in the early 2000s, employing retinal scanners. I employed this line of reasoning when reading Rule 17Ad-19(a)(2), which I'd be remiss to not point out was written two decades ago in S7-18-00. The immense regulation and malleability of paper documents always seemed completely incompatible with my vision for a decentralized financial system unhindered by non-routine processing exceptions that fuel FTDs.

guarantees by controlling their own self-custody wallets.[73]

Thus, my initial approach was to scan and shred old certificates using the PhysicalAddress service and destruction facilities maintained at 99 Wall Street.[74] I will change these operating practices to maintain proper safeguarding of certificates received in the mail in a new process which defines procedures for cancellation and destruction.[75] I am migrating our tally journal into the CRON work detailed later and in its own repository, and I will add a piece for the rare

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[73] *See* onboarding flow for local seed generation and physical user storage, used to sign transactions in a warm wallet in the sense that compatible apps submit authenticated messages to Horizon nodes. This approach keeps securities in a fungible pool within the investor's account on Stellar, avoiding unique or serial certificate numbers given balances automatically denominate up to seven decimal places in response to transfer items. Even the “destruction” or “cancellation” exemplified in the DEMO burning transaction stays completely evidenced on the distributed ledger without “physical ruination” or disposal needs. While there's an argument Rule 17Ad-19(a)(7) covers such an event, it was my reading that this only applied to actual paper certificates. Given the use of “printed” in 17 CFR § 240.17f-1 (“Rule 17f-1”) paragraph (a)(6).

[74] I sincerely appreciate staff clarifying that this would not be an acceptable operating strategy given the use of employees not fingerprinted by the FBI under Rule 17f-2. I do understand the legacy stamping perforation process typically followed before shredding, but I failed to see how that makes a difference given a decent cross-cut machine. It seems I failed to contemplate under Rule 17Ad-12 the consequences of having an outside party blindly open certificates which could contain investor information. I have not previously considered items such as address or legacy certificate number as top safeguarding concerns outside of the registered PII database because the only way to transfer securities in my mind comes from cryptographic proof laid out in our signature-guarantee policy

[75] These changes will be clearly made publicly in an issue audit log, *available at* https://github.com/blocktransfer/TAD3/issues/3. They will involve the creation of written operating procedures minimizing interactions with certificates, since the closest thing I have to controlled access is a lock on the front door. Additionally, I will contact Laylor and let them know not to have any certificates sent to us for shredding, nullifying the old destruction clause in our Agreement. Going forward, we will use a standard open-source issuer template which defines mandatory key provisions, so that this disconnect between business model and TAD3 compatibility will not again face issuer-specific discrepancy, *available at* https://github.com/blocktransfer/TAD3/issues/4.

shredding records of Rule 17Ad-19(c)(3).

1. Certificate Cancellation and Destruction

In the early days of Block Transfer, I joined Kenmark's STAMP program because I thought inefficient processes were backed into the law. There I saw firsthand just how troublesome physical transfer guarantees can be even with a comprehensive oversight network.[76] I am glad we can move past this historic limitation with uncertificated securities represented in token specie on an issuer ledger.

Unfortunately, other regulations do write specific corporate interests into our "national" market functions.[77] I take particular issue with the Lost and Stolen Securities Program with its associated

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[76] *See, e.g.*, sales brochure for the physical rubber stamps used at legacy agents, *available at* https://kemark.com/assets/stamp2000equipment.pdf. The footer's barcode reference section references the "missing equipment database," promoting the ease of checking equipment with a guarantor and location ID number. In investigating agent onboarding materials, I learned just how often these industry-standard stamps are lost or stolen from guarantor institutions. Thus, by making agents constantly check against a list of known fraudulent stamp numbers, the program loses credible efficacy with a centralized certificate authority, which again goes against every principle I know of good cryptosystems.

[77] *See, e.g.*, CTA/CQ Plan LLC and UTP Plan LLC within SIP specifications of regulations I will not cite for relevance focus on the NMS Statute. As staff presently wrestle with skyrocketing central costs of a crucial swap reporting facility, I'd like to remind myself in this submission archive of the materiality these choices have for investor confidence, as shown in a community post, *available at* https://www.reddit.com/r/Superstonk/comments/1k1pmgr/comment/mnpj6je. We've discussed this extensively on our podcast, including specific remarks regarding the last-minute delays and petition commenting with post author WhatCan incorporated in working items surrounding this Examination. I don't feel it's fair to talk about the lost securities cancellation programs without implicating these larger market record difference problems perpetuated.

Form X-17F-1A filings, based on an outdated view of uncertificated trading.[78]

15 U.S.C. § 78q ("Rule 78q") clause (f)(1)(A) requires transfer agents to "report to the Commission [or its designee]... information about securities that are missing, lost, counterfeit, stolen, or cancelled." Since implementing the Congressional requirement, a designee which ultimately came under the operation of DTC managed this program for the indenture industry, as staff know. However, at the start of this year, this responsibility was outsourced to a technology consultant for no consideration.[79]

I sincerely appreciate that the Program is no longer run by the DTCC, and I offer nothing but the highest accolades for diligent staff effort to streamline industry services, especially when such changes decentralize power amongst dispersed participants with competing interests. I also applaud the original purpose of Rule 78q in clause (f)(3)(A) to investigate crime. However, I doubt that missing stock certificates are as high up on the Attorney General's agenda today,

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[78] *See* staff report responding in part to rule updates referenced *supra* note 72 describing the Program in equivalent terms to its present material operations, *available at* https://www.sec.gov/files/377fin.pdf. At 3, staff reference the Program's basis in a last Congressional review of market plumbing which resulted in significant settlement reform from five decades ago and cited in TAR letter nn.57, 140. I bring up age because we are wrestling with a bureaucratically-defined government interjection of markets just not relevant to the current industry structure of pioneering forerunners. I view it as an ongoing hindrance to capital formation which serves only as a form of red tape blocking new entrants, as shown by Recommendation C's unfathomably meaningless "suggest[ion] that SIC hold LSSP Advisory Board meetings on a semiannual or annual basis."

[79] *See* first new designation of stolen securities program to Accenture Federal Services LLC, *available at* https://www.sec.gov/files/rules/other/2025/34-102541.pdf. This change came a year and a half after the Commission posted a statement of work with over 100 pages of minute details and a massive deliverables schedule including migration from DTC's systems, *available at* https://sam.gov/api/prod/opps/v3/opportunities/resources/files/043b0ba1bdd044adaef40c470c8217a0/download. At § H-3, staff clarify that Accenture will collect fees from Program participants, presenting a government-mandated expense to a private company for up to the next decade if elected under § F-2. The government goes on to mandate fee categories and relative sizes in § C.1, which I might construe as interjection in the free market using rules defined by bureaucrats in 1978 alongside the Depository Trust Company

requiring extensive ongoing use of the National Crime Information Center.

2. Lost Certificate Statutory Programming

We don't live in the decades of past where bearer certificates and lost coupons created major problems.[80] Staff note that "Rule 17Ad-19(b) under the Exchange Act requires every transfer agent involved in the handling, processing, or storage of securities certificates to establish and implement written procedures for the cancellation, storage, transportation, destruction, or other disposition of securities certificates." However, in creating and adopting such a policy above and beyond naive shredding, I am concerned that such processing rule steps may be construed as "business activities" which "involve the handling of securities certificates" under Rule 17f-1(b).

In our second meeting, I placed emphasis on how legacy imported investor balances were "static" except in the case of issuer discretion like splits.[81] In this light, I explained how legacy positions supported by the issuer or communicated from an outgoing agent are taken at face value as registered on any MSF or stockholder list, not as endorsements on certificates not communicated before migration. This treatment aligns with the registration requirement of

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[80] I think that's a fair statement. Whether it was DTC or others (this is the only point I will give them a lifeline on), dematerialization changed market structure in ways not adequately responded to by regulation after the flaws revealed in Regulation SHO. In a new market structure, even one generously presumed around DA, there no longer needs to be a physical policing force out searching or destroying missing certificates. The larger looming cyber problems of stolen account credentials back almost all the fraud I've investigated, and the only remedy legacy agents have for this is sending paper mail verification codes.

[81] Admittedly, I did make manual adjustments to the legacy database's holdings on the basis of the Stock Revocation. However, this is not an expected access pattern I believe our services or ledger ought to support. Issuers do not generally have the authority to rescind issued securities, and I want to strengthen the language in our arrangements form *supra* note 75 link 2 to prevent such an instance in the future. Namely, I will use the onboarding lessons pending documentation alongside other policy pages related to Response 7 as basis for requiring new clients to have comprehensive shareholder information, in the sense that they are certain of such persons' intent to hold shares, as opposed to an "airdrop" with ongoing outreach; *available at* https://github.com/blocktransfer/website/tree/ee725d7cc9ae09a4bc04a61275fd010266328533/compliance/team.

securities and industry standards to require Medallion endorsement of physical transfers alongside submission of any materials for processing.

Because all certificates are ignored by rule,[82] I do not think it would be fair to classify us as a reporting institution under Rule 17f-1(a)(1). In analyzing the content of Form X-17F-1A, I further posit such reports would not make sense for our business because of the inability to lose digital assets in a manner such as those defined in line 4.[83] The investors have something much closer to "digital gold" (for lack of a better metaphor) which crucially is abundantly apparent when involved in fraud, thanks to the on-chain monitoring of *supra* § II.C.1.d.

I believe a Transfer Improvement Proposal ("TIP") standard designed alongside community contributors will best protect investors by laying out a shared framework for identifying, investigating, and rectifying on-chain crime using agent-controlled trustline management. Given attempted dismantlings of the CFPB in *National Treasury Employees Union v. Russell Vought, 25-5091, (D.C. Cir.),* I further find it questionable if law enforcement's centralized database

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[82] The Laylor Agreement included a clause declaring past certificates null and void, which is why I included the address for shredding facilities. The corporate decree to remove the status of these securities certificates justified the handling of destruction by external parties, in my mind. However, I think this declaration (if it's even valid in various courts of law) is asking too much from the issuer, compared to the much easier route of just saying they cannot be used anymore and should be kept or disposed of at shareholders' will. Any communicated certificate numbers from an outgoing agent would have no place within TAD3's data standards and hence no bearing on operations.

[83] The exception here, of course, is a cryptographic seed phrase. This is why I put so much work into both the identity recovery verification system design and DUNA governance for the affirmation of rule logic surrounding verified account restoration functionality, *available at* https://github.com/blocktransfer/py-TAD3-horizon/blob/def8aaa17338073afe871de5881a30e406ba3d3c/investors/executeVerifiedRestore.py. I find this incredibly important for enabling efficient trusted access to Stellar since this will be most investors' first time interacting with a web3 application, handling their own ownership keys in self-custody. *See also* an example of decentralized community discussion directly related to Commission objectives in relation to precisely this safety feature, *available at* https://github.com/JFWooten4/agenda/issues/7#issuecomment-2992215559. I've come to the conclusion that it's only through spontaneous online conversations with passionate investors that we might build the best public policy fully encumbering the interests of the decentralized investing public ad hoc.

within Accenture policing will help protect the public more than existing SRO enforcement actions upheld by *Alpine's* immediate rejection. These rules make procedural isolations for certificates, but the point of my work in TAR letter § IV was a distinct protection for all investors using secure DRS records.

3. Exchange Act Counterfeiting Reports

Rule 78q(f)(1)(A) clearly refers to all securities, which include any uncertificated stock in 15 USC § 78c(a)(10). By extension under UCC § 8-501, this applies to entitlements traded at clearing agencies covered under paragraph (1)'s participation requirements. However, it is my understanding of public information that DTC does not report the cancellation of nominee-based exchange entitlements.[84]

As cited *supra* note 65, 37,347,572 shares of Bed Bath & Beyond, Inc. had no basis in lawful issuance on the corporate register, but they appeared in Cede & Co.'s account resulting in voided claims when reconciled. Moreover, customer accounts and circulated in DTC's system held 12,370,657 shares of Dole Food Company, Inc. in excess of authorized shares outstanding, which were treated as counterfeit equivalents in a class action. *See also* TAR letter n.19 where the treasuries from Lehman customers were effectively stolen as their property was diverted to satisfy secured creditors, even though the beneficial owners thought they still controlled those

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[84] *See, e.g.,* case involving the cancellation of outstanding shares held by the CEO of QS Energy, Inc. in a "fraudulent scheme to manipulate the market" through a combination of public promotions and private sales of restricted stock, *available at* https://www.sec.gov/litigation/complaints/complr17283.htm. Upon punishment by the Southern District of New York, the issuer was ordered "to cancel any issued and outstanding shares of STWA stock currently owned" in street-name beneficial title, *available at* https://www.sec.gov/enforcement-litigation/litigation-releases/lr-19469. However, Cede & Co. never relinquished the certificates related to such securities, forcing the company to later waste millions of shareholder dollars acquiring stock in the market to avoid litigation with DTCC, *available at* https://www.sec.gov/Archives/edgar/data/1103795/000101968716005479/R19.htm. For about one decade between the registrar's cancellation of the shares and a later FAST agent's reissuance of those 3,047,403 common units, DTC failed to effect or report the corresponding cancellation in its nominee system, thereby continuing to recognize as outstanding shares that had been judicially nullified, in clear violation of a mandate they were entrusted to police.

securities; again, not reported.



I've sincerely appreciated "navigating e" efforts from the staff and my Dad over the years, helping me see the fraud of DTCC for what it is.[85] Behind us in this photo is an F-111, the plane my grandpa from PREV spent most of his time flying in the Strategic Air Command. He trained and practiced for years on years to fly the main nuclear bomb carriage in the fuselage directly into the heart of Russia's CPSU.

[85] I mean this as slightly as possible, with complete respect for the lack of options staff have given the present market structure and literally hundreds of years entrenching broker credit-based clearing. Such of my market-design inspirations come from a deep analysis of the Amsterdam stock exchange's handling of shares in the Dutch East India Company over its tenured lifespan. Despite being just a few blocks away from the issuer's transfer agent and corporate secretary, trading emerged on contracts to avoid transaction costs despite poor legal protections of debtor losses, as discussed in my first community interaction. Other countries have proper debt-based direct ownership models which keep reconciliation simple and honest in the names of actual investors.

I plan to follow a similar path towards today's CCP.[86] I view transfer agents like fighter pilots in the cockpit of oversight and direction in TAD33's plane. We have the network as an engine propelling us to bring decentralized exchange forward as a bomb nullifying their predatory business models in a view towards our best possible futures.[87]

4. Deleted Certificate Detail, Backups

Securities cancellation dates are required as part of the minimum certificate detail pursuant to Rule 17Ad-9(a) under the Exchange Act. However, for those securityholders without Stellar Accounts whose shares are held in the "Distribution Account," there is no clear audit trail that records the number of shares cancelled by securityholder or the date of cancellation, requiring review of several sources. As a result, BlockTrans does not maintain or have readily accessible the cancellation dates or share amounts for cancelled securities of securityholders allocating to the Distribution Account.

This is correct, and I have had this on the backburner for far too long. In the immediate term, I will create a database backup for Legacy upon changes in registration information. This manual option will tie us over until I can set up proper IAMs to implement a workflow to perform daily backups where there are changes, which will be made available through the repository at

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[86] I have no intention of signing the FAST LPA agreements, and if exchanges choose to delist serviced securities in response, then it will be on the impetus of the courts to decide on antitrust action. Central clearing counterparties only serve to extend Wall Street's unprecedented ability to generate credit out of the value of our markets. They have no right to take so much power and voting control on the basis of managing our retirement accounts' pooled investments. And unlike a certain predecessor, for clarity, I will not "eject" into the cushy arms of any generous acquisition or endorsement offers for votes.

[87] In my grandpa's decades in the Air Force, he was always proving himself to higher-ups to keep flying in higher and higher skies for the freedom he found in a starry Cold War. What we have now, as showcased by Erik's comments in Response 3 note 2, is perhaps the deadliest game of trained competitors to exchanges that practically build our capital market. I take these designs very seriously, because I feel like my grandpa the first time he flew a B47 out of surviving necessity. As the only sober member of a team that had to take off early after a night of drinking, he forcefully took charge of the cockpit with the support of a runway commander, proving himself through flight.

https://github.com/blocktransfer/CRON-jobs and evidenced by a reasonable file name identifying backup function. This will also capture changes for deleted certificate detail for any manual deletion of cancelled securityholders in a more readily generated backup file maintained according to the Ad-7 retention standards.

I envision this repository will also handle the storage movements between S3 buckets, once it is no longer done through manual backups in the admin console. This is dependent on establishing the open-source IAM permissions so as to additionally document publicly our backup processes (in the CRON code through variable names at the very least). I have a lot of immature thoughts as to the application of retention law to uncached ledger state, originally explored in reconstruction backpedaling work to generate reports at arbitrary heights without state historic backups, *available at* https://github.com/blocktransfer/record-dates.

Given my hostility toward Cede, I'd like to disclose my operational approach to supplanting FAST. Since early developments, I naively presumed that we would manage the keys and wallets for DTC. I coded reporting schemes and implemented live vanity-address placeholders with direct caching of broker requests in performant internal databases. However, I've come to the conclusion that this was too much, and we are not a custodian for the shares of a clearing agency, inspired by community sentiments regarding nominee street-name operations before Cede.

III. Distributed Autonomous Physical Address

I appreciate staff referring to me by the "Principal/Founder" titles used in past filings, rather than the arbitrary "Chief Compliance Officer" title of past responses. As is hopefully clear by now, I prefer designing systems which themselves, or in conjunction with a decentralized governance group, protect investors without the traditional hierarchical authority of a bureaucratic decision-making body. TAR letter n.81 exemplifies the abject failures this approach can have on individual investors, and my decentralized approach serves to further goals to bring the market up without a central long-term point of failure.

In organizing our physical or mailing address, I'd like to remark that being the "only employee" now, while my own interpretation, may not even be a fair one given all of us in the community have been "paid" $0 from the Syndicate as actors.[88] In discussing this unique structure with many outside the Commission, I want to clarify that this is not a small phase before we onboard larger issuer clients. If anything, I want less and less direct involvement between representative people and any potential MNPI gained from direct discussions with insiders.[89]

I will reiterate one more time my plan for share donation of my entire class-E positions in TAR Letter at 66, saying I will "donate my shares in the company to WhyDRS," marking perhaps the

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[88] *See* lack of prior income at https://wooten.link/taxes. Most of our deepest contributors spent considerable personal resources continuing advocacy and development efforts, myself included as evidenced in capital contributions of public Syndicate financials, *available at* https://www.issuers.info/1846058/BAL/2024-12-31_Annual.pdf. By keeping all our operating work such as this and financial statements such as funds public, I intend to make it as simple as possible for external collaborators to join our work with confidence. In time I expect that market rewards can incentivize ongoing work, which will show up in public payments on Stellar.

[89] The essence of this growth will develop over time alongside sentiments made publicly surrounding the decentralization of sales efforts. While traditional venture interest has steered me towards commissioned arrangements, my firsthand experience distributing such products and services to small businesses showed me that the normal conversion metrics of business services easily conflicted with investor protections needed for secure, documented onboarding. Thus, I believe a more community-centered restorative consideration mechanism will best reward growth efforts without incenting material conflicts of interest. I am developing this with experimentation over time, and staff can follow along with these efforts outside of direct letter responses on my working agenda, *available at* https://github.com/JFWooten4/agenda/issues/13.

first nonprofit transfer agent in direct contradiction to commentators on industry regulations conflated with only for-profit agents subject to conflicts of interest.[90] By making this shift, I hope to incent more exponential individual contributions, as much web development can be exponentially faster with a select few experts. I saw this in my years of building out the backend TAD3 functions, as everything can be built and documented based on a deep understanding of source materials.[91]

I will establish these new procedures in adopting the standard issuer commercial agreement in *supra* note 75 link 2, in conjunction with ownership transition work redefining bylaws to bind our interests with those of the investing public alongside issuer servicings. I just know that so many already hold the heart for deep technical excellence and guardianship of the core capital-formation purpose of markets, as evidenced by extensive recent publications explaining interest-guarding decisions, *available at* https://www.reddit.com/r/Superstonk/comments/1nelijo/warrants_a_chain_of_problems_for_shorts. I've worked extensively with this author in recent work including a petition submitted during

[90] *See* STA remarks lamenting on thin markets (big enough to fund an industry advocate group and lavish annual conference) in § II which threaten "small shareholder positions" without sufficiently efficient technology, *available at* https://www.sec.gov/comments/s7-27-15/s72715-20.pdf. *See also* annual public meeting hosted through the infrastructure I believe will work best for longstanding investor meeting archives hosted in an easily accessible public permissionless medium, *available at* https://youtu.be/3uwH2jfLCNE?t=956. This moment marks my own approval of appointment of as agent for ourselves alongside issuance of my shares on-chain in preparation for donation to the DUNA. I find it much easier to satisfy the spirit of the law when all our development passes through the watching eyes of scrupulous investors, as shown in healthy skepticism and collaborative clarification together in *supra* note 83 link 2, discussing important account recovery protections.

[91] As an anecdote encompassing my point of view, I grew up running cross-country and track in high school. I understand that some of the most successful in our investor community did that same, as compared to early team members I've worked with who had more experience in centralized team sports like American football. While the latter group could easily follow bureaucratic outline templates, I found that the former whom I surround myself with are much more exciting in that they define and exceed their own limits without asking permission to accomplish incredible work. It's a unique ability to practice, develop, and hone skills independent of working hours or physical location which I have found quite significant in my ability to source the niche talent needed developing a unique market offering with underappreciated blockchain technology.

our examination and contextual sources in the TAR letter, and I'm continually amazed by their dedication and efforts despite no direct market compensation for their immense passion to do good.

A. TA-1 Principal Office Address

Part of this whole concept is that there is no addressable "principal office where transfer agent activities are, or will be, performed." WhatCan, as one of so many collaborators, greatly values their anonymity and geographic isolation, creating tangential progress like the update to DSPP share ownership locate disclosures at a major TA last year.[92] This is especially true as issuer and Syndicate deployments rely on multisignature wallets with dispersed signers, as orally communicated in our last meeting when I was instructed to bring these points up with the Division of Trading and Markets.

Notwithstanding this and additional comments, discussions with the Registrant revealed that the 99 Wall Street address is the location of a virtual business address service that receives/handles mail for clients, and BlockTrans does not maintain any personnel here. This is true, and I have changed the line-3 physical location of the Firm as requested.[93] Reflectively, there is nothing

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[92] This recently matured into an industry-first segmentation of Cede operational-efficiency shares held on behalf of plan participants in a quarterly filing, *available at* https://x.com/JFWooten4/status/1965650137058783396. By using our own unique techniques developing and learning how they have done so much bad, we are just starting to understand their wrongs fully. And we want to bring markets to the future to fix and cement stability over and above the calamity of complexity they've ensued on American savings and retirements, just as a start. Simply put, I just can't see this change coming from a single centralized office association without deference to our people.

[93] *See* filing adding my home address in accession number 0001846058-25-000004, *available at* https://www.sec.gov/Archives/edgar/data/1846058/000101968716005479/R19.htm. Since this was submitted on Aug. 26, about a year after moving into this rented duplex, I will mark it as delayed on this year's form TA-2. But to say this address is at all central to our operations is a leap at best. I have intentionally precluded myself from meeting other community members over the years to explicitly prove that such physical coordination is not a prerequisite to online collaboration through the DAO superstructure, an entity which follows a lack of principal office in *infra* note 117.

special about my person as an operator of most ledgered balances maintained in TAD3, given particularly that the Syndicate does not maintain any validator infrastructure based on the work needed to affirm independent exchange protocol order submissions communicated in our last meeting.



Anyone can self-elect to become a member of the DUNA parent, just as anyone can use the public infrastructure in front of the mail processing facility to capture its stoney exterior. But there is a very stark difference between the insides of mail rooms and distributed ledgering and

communication tools based on collaborative immutable tracking.[94] I can best exemplify this principle with the split riptrack rail in *supra* § II.C.1.b.

The straight rail segment goes over an elevated bridge and behind my local church towards the Amtrak station in Connersville.[95] It's the standard centralized route with a single bureaucratically defined path that's operated for decades. But a slight left turn brings collected locomotives under the mainline and into a collection of local rail loops dating back to the late 1800s. It's these hidden routes intertwined with nature which I enjoy so much, riding one after finishing material TAR letter drafting, and seek to replicate with our natural-connection working teams.

B. Scoped Individual Positional Aspirations

Just as an early switch-tower operator stayed to their specialized route planning, so too do I envision and presently see specialized community members excelling in their chosen skillsets. I have relatively simple aspirations in the long run because I just want a vision of a decentralized

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[94] Particularly the append-only nature of technologies including git, used to craft this response letter, makes it trivial to clearly see where all contributions come from, regardless of location. It is specifically the meddling of taxing governments tracking open-source expert workers that leads so much development devoid of professional working arrangements. I believe we can use this to our advantage thanks to the permissionlessness of on-chain remunerations and online participation without office infrastructure. It's my view that such expenses only complicate long-term software infrastructure projects, as communicated based on experiences operating closer to a for-profit in *supra* note 59.

[95] The service, originating in Chicago, continues straight from our town stop into D.C. and later turns towards New York. I understand we were a rail hub for industrial manufacturing before the events of 1971, as Kayla works in what was a factory built for Ford nearly a century ago. With one train every few days in the dead of night, it hardly inspires nationalized trail travel. Notwithstanding, the station was built by the local Rotary Club and bears a patriotic statue, directly across from a grain processing silo facility shipping freight on the private-operated line.

transfer agency protocol to exist and work as it needs to.[96] I will continue my efforts to decentralize the Registrant so that we can convince Trading and Markets of our lack of central physical operations, a key tenet to passing through decentralized exchange in my view.

I suspect that staff in other divisions may agree with my interpretation of individual roles in remote-first organizations such as those detailed in our initial examiner explanation chain, emailing information about public comment submitted in relation to online-only filers. Far be it for me to guess at internal agency processes, but it took the Commission over three times as long to process this TA-1 as did the 2023 update referenced in the Deficiency letter. Perhaps they took pause in a residential address sourced as an office space, which I have not seen very often examining other small transfer-agent filers.

I started BlockTransfer to address clear problems present in legacy market infrastructure. We discussed exercising unfair exchange fees, and reform advocates have documented structural flaws for decades.[97] Central control created these problems as clearing and settlement developed

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[96] Supporting our market and by extension all its end retirees, while opening up our borders for the entrapped capital abroad, is enough for me. I am a relatively simple person with few needs outside an insatiable desire to manage the assets which cross my way. *See, e.g.*, the shirt I'm wearing in Ex. 8.3 (taken 7 years ago) which matches the exact shirt I wore in Exs. 2.9.7.1–3, the KYC onboarding images from my selfie verification video as I opened a beta account. One of my first contemplations in open-sourcing the organizational design was a maximum wage, because I don't believe early adopters should abuse public utilities to enrich themselves, *available at* https://github.com/blocktransfer/org-docs/issues/1.

[97] *See* 2009 OIG report uncovering "involuntary" stock loans, *available at* https://www.sec.gov/files/450.pdf#page=8, which persist into today's frauds, *available at, e.g.*, https://www.finra.org/media-center/newsreleases/2025/finra-fines-apex-clearing-32-million-violations-relating-fully-paid. *See also* overvoted and uninstructed ballots opaquely collated before reaching election inspectors, *available at* https://www.sec.gov/spotlight/proxy-voting-roundtable.shtml. These sentiments made their way into the crypto task force earlier this year through input highlighting the complex chain of intermediated nominee ownership reconciliation, *available at* https://www.sec.gov/files/ctf-input-mooney-041425.pdf#page=29. I just can't watch those problems grow and harm investors when such a simpler solution exists waiting for use in present blockchain technologies.

into the pyramid of middlemen we know so well.[98]

I appreciate that the Commission is used to applying its laws to centralized organizations with principal offices and hierarchical organization reporting. But I believe many of these legacy tools limit brilliant contributors' ability to make the best local decisions. I want to continue developing our moral quality through transparent arrangements that remove delegated hierarchical decisions which concentrate power in senior figureheads, granting policymaking authority to all participants.[99]

C. Team Mail Processing Policy

I've always known we'd expand and someone else would handle PhysicalAddress mailroom digital processing, resulting in necessary public policy. I've avoided developing these standards because historic implementations would be implicitly centralized as directive working

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[98] I take particular trouble with the custodial banks and intermediated clearing firms offering post-trade settlement to brokers with professional trading firms and platforms. There is no reason for this complex hierarchy built on the backs of investors in the context of an immediately-possible direct-holding market structure with all the benefits of the custodial structure explored in the TAR letter. I don't understand how DTCC's own DACCTO can publicly criticize the centrality of large financial institutions while nobody bats an eye at the deployment of their new consolidation technology eyeing for direct exchange integrations. All the money paying their salaries only comes from one place and it's the retirement incomes of a stagnating public majority.

[99] Our approach revolves around using a transparency public blockchain as the issuer's master ledger. This ledger uses a decentralized consensus mechanism and a distributed data retention standard deployed globally. With anyone able to participate at a moment's notice without express permission, it is not possible to organize all efforts into a central location, much less a principal office given any self-interested participating TAD3 issuer could at any moment deploy a whole team of experienced developers. It's precisely this flexibility I need to fight for to ensure others don't turn to me as a chokepoint on crucial expansion decisions.

instructions in a hierarchical centralized organization.[100] However, I have a better scope of vision for authority-light team expansion to routine items like KYC processing, which I intend to mature going forward including through this processing.

I wonder now to staff what our examination jurisdiction will look like given the Commission's regional-office operating model. And I question if it would affect the consistency of examination understanding to limit material sharing to a single jurisdiction or not. I liked the original New York registration because I presumed it would be the most scrutinous examination region of possible addresses.[101]

While I do not agree with the changes in public locale information, I appreciate staff efforts to

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[100] Such a policy is material because section 12 of the subscriber agreement indemnifies PhysicalAddress from Syndicate damages resulting in mishandling, despite no evidence of anything but professional service in the past, *available at* https://physicaladdress.com/subscriber-agreement. Donna and Dave were kind enough to inform me that most agents have specific written outsourcing agreements with their providers, which I forwent in exchange for the scaling benefits and infrastructure stability discussed in our meeting all together. I stand by this interpretation of technical quality, which I was not able to ascertain with strictly comparable scan turnaround times at any other providers during an extensive search across the industry. Accidentally, I will rewrite a policy for adaptation into ongoing operations exploring the treatment of different mail items based on requested and personal use cases, *available at* https://github.com/blocktransfer/website/issues/9.

[101] As evidenced in the filing, I presently live in a remote part of the country which isn't close to any convenient centralized offices like Wall Street. I want to continue our relationship with the best location for secure physical correspondence. But I do not see this vision combining with the necessary decentralized and often anonymous assistance of others, particularly through the DUNA structure which I presume would have oversight implications as a whole parent. Their security matters over working independence and cryptographic security, which is why I designed and will document the for-benefit-of addressing service aliases as a default option for all committed members.

streamline regulatory oversight.[102] One option I've always had configured is an external review account with limited read permissions across all mail items. I have configured for years now this custom account profile which can connect to any communicated staff email for permissionless access to all processed materials and audit logs of access history.[103]

I propose again an option for staff to have more personal oversight and interactions with my own limited scope of work. My intentions are to increase permissionless Commission disclosures, lowering the burden of verifying good-faith correct operations, similar to the proposed mailbox access and overlooked interleave scheme of PREV § II.B.2.d, offering an "API to access our PII." I understand the role physical visits used to play, and so I would be happy to cover space

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[102] For instance, staff particularly instructed us in meeting 2 to use for line 3 the address "to which you would forward packages." Despite only ever forwarding a few items related to centralized documents and institutions like FINRA's old fingerprinting cards, as discussed from before the Sterling transition, I appreciate their basis. Few firms understand the systems and culture needed to scale a decentralized organization or (to the extreme) autonomous distributed workforces with self-aligning interests. We will share all possible information through our public policies and query responses to get staff more comfortable with this, as it relates deeply to the processing of items from applications which sign transactions for users at arbitrary locations when processed through the Stellar Consensus Protocol.

[103] For secretarial assistance, the permissioning options define granular user access controls, ranging from administrative actions (such as updating company settings, users, and senders) to envelope-level operations (viewing, archiving, moving, deleting, forwarding, or scanning contents), as well as account functions like billing, blocking senders, and managing folders. This will allow accounts which can only add and process mail items without any option to remove potential mail items into the trash before scanning them. While our policy has been to scan all mail as soon as it comes in, the updating processing policy will flesh this into a more reactive policy sensitive to investor information and organizational privacyFor secretarial assistance, the permissioning options define granular user access controls, ranging from administrative actions (such as updating company settings, users, and senders) to envelope-level operations (viewing, archiving, moving, deleting, forwarding, or scanning contents), as well as account functions like billing, blocking senders, and managing folders. This will allow accounts which can only add and process mail items without any option to remove potential mail items into the trash before scanning them. While our policy has been to scan all mail as soon as it comes in, the updating processing policy will flesh this into a more reactive policy sensitive to investor information and organizational privacy.

for staff to move into the other side of our duplex since our neighbors moved out last week.

D. Early Team Working Arrangements

Before the distributed open-source development now leading our work, I communicated in our first meeting early experiences with collegiate working peers.[104] Ex. 8.5 contains early consideration and rights arrangements with implicated team members designed around central employment and transfers of IP for Affero if elected by the Syndicate. I will continue working on bringing developers onto this project with continued efforts to achieve community funding, as communicated in the email preparing for our second meeting's scheduling.[105]

I'm happy with what we were able to accomplish in our short time together, showing the potential growth of these works joined together in a strictly central organization with direct selling. This was particularly well exemplified in our preparatory remarks and submission to the discussed Senior Design Expo, *available at* https://expo.gatech.edu/prod1/portal/portal.jsp?c=17462&p=413142918&g=413665329&id=416518489. It was here speaking on Zoom calls with public CFOs when the collective team shined,

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[104] These efforts principally led to prototype development of our investor app wallet concept. Most everything else was just my continued efforts. Staff can view the commit history of the Flutter repository (tech stack described in the affixed report), based on the Figma wireframe design in the main info page, *available at* https://github.com/blocktransfer/investor-app. I find this style of volunteering free-software permissionless contributions (albeit with a proper license) much more efficient for global community growth, and it's the main form of work I endeavor in myself and aspire for us.

[105] *See* related preparatory community discussion before live call shared with Donna and Dave in *supra* § II.A.2, extending years of grant applications which began with team pitch material, *available at* https://github.com/user-attachments/files/21184218/BT_app_pitch.2.pdf. At 14, the early working group presented our strengths, despite facing initial rejection from decentralizing community funding mechanisms. Without this support, much of these early efforts dissipated, as evidenced by termination arrangements in Ex. 8.5.2.1, largely due to team members continuing on to graduate educations while I continued working full-time on the Registrant. *See also* Figma design work and early implementations under the group and arrangements for IssuerLink prototypes based on market feedback, which I am continuing to seek support developing collaboratively, *available at* https://github.com/blocktransfer/issuerlink.

speaking with local judges and professors to explain our work which ultimately led to the group recognition, *available at* https://www.flickr.com/photos/gatechengineers/52546254100/in/photostream.

I remember telling my partner[106] last November that I was going to need some space to work extremely hard compiling my TAR comment.[107] She retorted that everything would just be normal because that's about the speed I always work. I found the retort humorous and drew direct parallels from *Fred Brooks'* sentiments in *The Mythical Man-Month*, claiming that you can't fry an egg faster by adding more cooks.

In its most literal interpretation, the size of a development team doesn't matter if one or two people don't have their heads wrapped around the scope of efforts. I saw this early on when modifying the backend API data structure which changed entire issuer processing flows, akin to our foundational work in Response 2 and early discussions clarifying needed processes which engineers wouldn't always predict. Thanks to the exceptional clarity of communications from the staff, it's a whole lot easier for me to scope out ongoing work and needed features.

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[106] Kayla was discussed in our first meeting in relation to her participation in the filing of Form ID for our first client, as more thoroughly communicated in the EDGAR letter at §§ I.B, I.C.1. The letter goes on to express concerns over the centralization of notary services, including online. I've seen dispute help from my partner without written contract. As communicated orally, we cohabitate and generally she has access to my office space, but Kayla does not perform ongoing duties for the Syndicate or have a direct working arrangement. I understand that this was a relative inconsistency in our Agreement, and I will not have her involved in any more deals in any operating capacity as agent.

[107] *See* draft migration to open-source codebase after nearly a year of contemplation, *available at* https://github.com/WhyDRS/SEC-Comments/commit/47a54e2240418632588831e0f54a40845e5cdd9e. This work ultimately matured into Response 1 note 20 given the severity of our present situation which I've touched briefly in PREV §§ 0.B, II.B.2.a. She has been nothing but supportive of my efforts over the years, which helps a lot because only a select few investors and staff can knowledgeably speak about much of these nuances. Admittedly I still have quite a bit of work to do refactoring IssuerLink in the immediate future now that Form ID cannot be completed by notarized proxy by a service party.

IV. Core Market, Investor Protections

I have studied extensively the history of American SROs. I believe a material shift occurred in the early 2000s as market participants ceased broad public education as to their services.[108] However, before these problems, member interests were relatively aligned with proper governance of underlying exchange infrastructure, which weren't horrible at protecting represented households.

The bigger problem I see with modern SROs stems from their lack of adequate transparency, and it's their centralization. This concentrated workforce lacks connection with investing communities, making rule-changes existential announcements introducing sweeping policy changes without pre-notice industry discussion.[109] We have a unique opportunity to modernize this process with a member-interest model which rewards substantive regulatory contributions in a

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[108] *See* preliminary notes which didn't make their way into the TAR letter for deference to the need of *Aslipinke* pending its unfortunate completion, *available at* https://github.com/WhyDRS/SEC-Comments/issues/15. While I started our first interaction off with a bold statement that "SROs don't work" (approximate) alongside my derogatory comments in TAR letter § II.D.1.c, I don't see any other policy tools to work with, ignoring not regulating mandated protections. If no other agents adopt TAD3, then this could be an appropriate response given DUNA ownership of the Syndicate. However, given the open-source permissionless deployment optionality of our software communicated, I believe this would be a naïve and dangerous risk of recklessness waiting for one bad actor to receive an automatic Form TA-1 EFFECT, as communicated.

[109] *See, e.g.*, recent introduction of DA settlement reported alongside all-caps media coverage with an immense amount of media spam promoting certain investments, *available at* https://x.com/AltcoinDaily/status/1965452197438914906. I do not know if staff can log in to X to view comments, so I will drop the investment point just to highlight how imminently interested this room, seemingly full of hundreds of people, is in purported news of a filing to "tokenize stocks" (ignoring the lack of a formal tokenization definition). *Compare* this manufactured interest with the distinct lack of comments expressing meaningful feedback on structural changes not related to issuer-based interests regarding securities listings. In my view, they have turned into money-voting machines rather than the truly effective forms of egalitarian governance the notice-and-comment periods were supposed to enable, without strong facilitation incentives.

view towards decentralized development towards the most efficient systems for all participants in the system.

In my limited time, it's challenging to convey the faith I have in these incredible Americans and other nationals invested in our markets. I've seen them uncover secrets the industry fought tooth-and-nail to keep secret. And they've done it using their own data standards and open-source publications.[110]

I know they would excel at an opportunity to prove their ability to protect investor rights within a TAD, because I've already seen them flourish in an infinitely-more-complex custodial system.[111] And, perhaps more than I've seen across extensive online investigations, they actually care about getting the granular details right now, rather than patching up holes in a sinking ship. To exemplify this point, *see* personal sentiments related to our introduction which have recently formulated in the acquisition of a family engagement rink, *available at*

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[110] One particularly incredible individual regularly attends our DUNA meetings and acts as the main propagator of an open dataset on transfer agents, *available at* https://github.com/WhyDRS/Database. Aside from the hundreds of community guides assembled for international brokers, it collates unprecedented collective information. By adapting work from other members' tireless efforts, thousands of companies receive updated information from crowdsourcing and staff programmatic feeds. On top of all that, James cares so much about the information that he worked on the code late into the night while on a tropical vacation, completely of his own accord.

[111] As someone who's had the choice between popularity and profit versus integrity and values, I particularly appreciate how the community handled what we consider the overtaking of Reddit discussion forums by paid corporate interests. This claim, substantiated by Ex. 8.4.4 at 248, led the community to a choice between smaller independent study on market reform or endless success within the bounds of agents viewed as subject to Wall Street interests, shown in Response 3 coauthor LRF's post, *available at* https://www.reddit.com/user/LastResortFriend/comments/1cay67k/ninetyfive_nails_in_the_coffin. Needless to say, they chose a smaller following dedicated to active constructive reform while turning away a well-known activist's generous platforming offer, evidenced by a lack of history with Dave Lauer and foundational comments in a decentralized post, *available at* https://tess.lemmy.ca/post/lemmy.ca/1698574. They are exceptional people who fit flawlessly into my humanitarian vision additionally established by the laments, as shown through personal reflections in Ex. 8.4.3 at 21 and foundational community media, *available at* https://www.youtube.com/clip/Ugkx3-JF93_OxlmMWJORNA0Tyqk11gV2hHrc.

https://zopen.to/rEFuJA21XeqFGgGirt02.

A. Informal "Friendship" Working Arrangements

In drafting explanations of the DEX for DTM last year, I had the fortune of meeting a longtime virtual comrade named Tim.[112] Our work in the exchange field has continually overlapped, and we've had great experiences helping each other with our respective knowledge and mutually beneficial design feedback. I've experienced much of this in my experiences with the WhyDRS community, as well.[113]

These last years, I've come to understand just how foundational these informal, permissionless

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[112] Tim was featured as a particularly harmed options investor during the squeeze that shook out markets to the core, as evidenced in scratch notes, *available at* https://workdrive.zohopublic.com/writer/open/q1cs0ac7c2313aedf454c9a58e284d6d2f247 at 2. They'd been helping me without asking for anything in return for about three years by the time we met at a Lumanut convention in Austin, detailed further in PREV n.20 link 1. The DEX documentation work is the fifth of six page updates I'm doing in a pull request, *available at* https://github.com/stellar/stellar-docs/pull/723#issuecomment-2410026689. This link highlights a draft comment made in response to Tim electing to review some of my JavaScript code, an area where he has expertise, and to which I initially responded in a community forum that "the permissionless aspect really helps (did not solicit this, nor did they contact me before or after this)."

[113] *See, e.g.*, one of many high-profile introductions offered without prompting or any form of retroactive kickbacks, *available at* https://x.com/6days1week/status/1965631680917774690 (introducing on great standing the Syndicate to Alan Konevsky). While I see a strong and likely insurmountable difference of design ethos between the operators of central exchanges, it's nonetheless a very generous sentiment which may lead to fruitful collaborations going forward (who knows). Indeed, in an early rendition of pitching materials presented to venture capitalists in my earliest days getting warmed up to the idea of communal ownership, I had a whole supplemental exhibit showcasing public advocacy work promoting the Syndicate by this individual, whom I have never met in person. And, as an aside, I absolutely love 6days' work making quick and impactful landing pages such as a short Google site, *available at* https://deoccupywallst.com (to say nothing of pioneering ownership clarification work featured in TAR letter n.164 link 4).

relationships are to open-source software projects, so often established by a like-minded community of building activists. People who just want to see something in the world that nobody else seems to support in a fashion conducive to individual rights and liberties, such as access to margining methodologies.[114] Even in past referenced referral work from our first meeting, I met some incredible software developers committed to individual liberties I believe our forefathers would envy.[115]

It really is a magical feeling to watch others flourishing with their own self-identified goals which (directly or indirectly) lead to our shared goal of an honest and open financial system. And it doesn't matter whether you're in an apartment, a dorm, or your own house; because everything shows up in writing or orally through our recorded DUNA meetings or casual chat space. All informal, with no directive working arrangements, as shown by the work *supra* note 112 at link

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[114] Unfortunately, after over a year of waiting, the FOIA office rejected my hard-worked request No. 24-01211-E, a full 375 pages of confidential margining methodologies I find instrumental to meaningfully analyzing the procyclical systemic risk OCC contracts post to the rollout of DA, instruments I would appreciate additional documentation on should we proceed together in FAC. Comparatively, all the incredible work I've seen from the community embraces an open-first sharing mentality designed to get everyone up to speed without profit motive, which is just really refreshing for someone who spent too many years in the proprietary education space. Given my horrid experiences with DTCC Learning, I can't say enough nice things about the developer documentations which teach me so much about so many protocols over the years because of people willing to rise to the task of adequate public information. I have materially attempted to support this ecosystem through the publication of hundreds of videos representing thousands of work-hours for the benefit of public education I found particularly formative, *available at* https://github.com/wealth-dao.

[115] *See, e.g.*, commits in response to permissionless bounties within the TAD3 Python repository, establishing a very early primitive disclosure website for sharing "medallion" signature guarantee policies, *available at* https://github.com/blocktransfer/py-TAD3-horizon/pull/3. Sepand and Dominik (from another PR, helping with interpretation) have previously and continued going on shipping exceptional free software out into the world on their own accord from the far strungs of Denmark to "Who Knows Where / not set." Crucially, all GitHub contributions can be audited permanently (to the extent projects are not deleted by admins) as shown in this example, so anything that goes wrong or might be unintended can be seen permissionlessly by any member with a web browser. I've come to understand that this sort of software collaboration model is employed by top technology companies in the public markets, and we get to use it completely for free.

2, where I had a lack of any formal employment or contractor agreement to begin this work.

Also relevant to my comments on deadlines, I needed some time off to work on the TAR letter, realized while watching the systemic problems surrounding certain securities contaminate systemic financial institutions. I reflected on this and just stopped working on the code change without saying anything to anyone, evidenced in my brainstorming repository earlier this year, *available at* https://github.com/JFWooten4/JFWooten4/commit/7176023f0f06b6e9bd0a4bae4906f698df65a38a. And they have been completely awesome about the whole experience, as evidenced by a comment supporting the publication of my work "whenever it's ready!!," *available at* https://github.com/stellar/stellar-docs/pull/723#issuecomment-2275964399.

B. Pioneering Industry Governance Model

As communicated, WhyDRS is the first American Decentralized Unincorporated Nonprofit Association, a new type of legal entity pioneered by the State of Wyoming for the governance of nonprofits through a decentralized autonomous community. Since drafting my first hackathon prototype, I'd invested years into understanding DTC's systems. It has always been abundantly apparent to me that a new form of market structure around decentralized exchange requires an equivalent new form of decentralized market oversight.[116]

Relevant to the parent entity addressing and search items briefly discussed, I specifically wrote out Filing ID to employ the same PhysicalAddress service for maintaining interest not related to

[116] *See generally* a whole lot of the problems staff wrestled with since suing Erik back in the day from *supra* note 87. As even Gensler admitted in TAR letter n.121, the Commission has never addressed the regulation of such a decentralized, uncontrollable, and permanent venue. This was a challenge seven years ago, and it will continue to be a challenge until we start working with online communities that actually care about investor protections above and beyond ICO returns. This is the only online community interested in launching a crypto token I've ever seen that does not want economic trading interests associated with their governance stakes, and I love it.

process.[117] In case staff aren't familiar, DAO laws allow participation and remuneration using only public keys.[118] As an aside, the DAO report was my favorite reaching back in high school.

This unique situation with market-structure implications led me to writing the text associated with TAR letter n.176, which I understand implicates review under a FAC. Staff can bring this up to the Parties whenever they'd like, but I just want to say that I wouldn't be working this hard if I didn't believe DA poses an immediate clear and present danger given certain warrants which

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[117] *See* formation documents available through interface flow of "Detail" > "History" > "Initial Filing - See Filing ID" (dated 2 Jul. 2024, a day after the historic law went into effect), *available at* https://wyobiz.wyo.gov/business/FilingDetails.aspx?eFNum=092220161123070164047165092135019155094110144189. Importantly for this decision, PhysicalAddress.com claims to have never lost a service location in their operating history, having undertaken significant efforts to assure long-term reliability. Art. II defines the Association as operating "on a decentralized basis with no principal physical office[,]" except for functions required by state law or IRS correspondence (in practice, not note 1). Analyzing for-profit DAO filings from Wyoming, the first state to allow such entities, I've come to the conclusion that it's impossible to run a DAO that isn't clearly distributing securities without a remote-first commitment in practice.

[118] This is one meaningful reason I asked staff about DUNA ownership of the Syndicate, as I want to make sure no element of control exceeds the interpretive threshold laid out in Rule 17f-2. Our "decentralized decision-making, voting, and distribution processes" (*Id.*) could make it challenging to enforce fingerprinting requirements on anonymous contributors within "a remote-first operating model, ensuring that all essential functions and activities can be performed virtually." Relevant here, we have extensively ideated principles and (speaking for myself) stress-tested different forms of token-based consensus to enforce our objectives of having no clear control persons above 10% voting weight (and minimal about the Section 13(d) or 8(a)(iv) code A requirements). And, for clarity, those such "persons" may just be public keys connected to an online pseudonymy, although (since the DUNA could be the sole ownership entity) I think the larger challenge comes in drawing a line between "involvement in transfer agent functions" under Exchange Act § 3(a)(25)(A–E) for members who contribute to our open-source codebase.

begin trading on 7 Oct. 2025.[119] The first canary died some time ago.

I'm actively working to encode a pioneering governance stock within compatible community interfaces and member wallets, *available at* https://blog.block.science/introducing-neural-quorum-governance. I believe this could be the only decentralized charitable voting technology able to isolate us from the corruptibility of prior experience with marketable tokens. We have been discussing this since grouping together and will implement as a team based on our ongoing DUNA meetings.

C. Community Helping Each Other

> The problem of 'too central to fail' can be addressed by reorganizing the underlying network topologies, while the problem of 'too large to fail' remains, at least to a certain extent. It is reasonable to conclude that for systemic risk-efficient allocations (i.e. the optimized networks) the individual systemic risk becomes more proportional to liabilities.
>
> Policies that explicitly account for the network structure of financial markets are a necessary and efficient way to reduce systemic risk.

[119] For instance, I cancelled an excursion to visit my father in order to write this Response, which was planned during the week of an event, *available at* https://x.com/JFWooten4/status/1964030067912089825. My mother was visiting the area after its conclusion, and this could have been my only opportunity all summer to see them both for more than a single day. However, I abandoned my aspirations of an enjoyable three months the moment I drank my third Monster to finish the TAR letter in time for Response 1's central submission window, which again I found reasonable. Notwithstanding, I hope this extensive physical exertion shows.

These sentiments come from a mathematical journal related to a recent academic community[120] publication, highlighting the core structural argument I see most often in payment networks, *available at* https://arxiv.org/pdf/1905.05931. In case it was not obvious, I believe passionately that the only sustainable means to build critical capital infrastructure comes from a decentralized community not beholden to the select few who so often control legacy oligopolies. It's just not responsible to concentrate so much directed influence into the hands of a group which by its definition cannot adopt the comprehensive societal needs adopted within a free market.

This reality inspired my years of government work investigating the foremost tools the DUNA will use to shield DAO participants from unneeded critique, so that everyone can get on with work without worry of individual liabilities. It's why I dedicated so much effort to maturing what I understand to be the greatest possible governance stack, allowing incredible platform releases where community username handles collectively contribute upgrades together. I've seen this over and over within social working circles these last years, and it's a magical inspiration every time I find new friends.[121]

I care very deeply about investing. It is my interpretation of personal information that it is the

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[120] *See* evidence-based analysis of DRS trends amongst issuers of interest to the Commission in determining structural integrity of the hierarchical DTC-based National Market System, *available at* https://dx.doi.org/10.2139/ssrn.5328867. This author was party to the governance discussion of Ex. 6.2.5, previously detailed as a proactive brainstorming session for a transfer-agent governance body surrounding a DRS solely operated by agents. I'm thankful we have this new opportunity for industry to opt in to increasing services and responsibilities with some of the brightest retail minds representing American investor interests. In discussion of the work on our podcast, I found particular concern with the thinning SIPC pool after the Silicon Valley crashes, leaving a single bps.

[121] While ultimately my goal is creating a streamlined, predictable bureaucracy within the Syndicate that interlinks with the bureaucratic investor protections needed for reliable safety, having friends along the way makes everything a whole lot more fun. *See*, *e.g.*, good times meeting together to lament over ownership disclosures, progressing in knowledge while smiling at legacy absurdities, *available at* https://x.com/6days1week/status/1930253851325583747. *See also* open permissionless coding education gifted into the world out of reciprocal goodness, helping new members get up and running fast, *available at* https://www.youtube.com/playlist?list=PL9SrRYIjnam2aIFOYuFj2jyGkaE7IQpFX. I just can't help but believe with every fiber of my being that this is the most efficient way to organize an unstoppable movement.

chief act I was put on this planet to do. But I cannot do my job without the gatekept unreconcilable centralized permission of Wall Street. I appreciate the opportunity to work together for a chance to heal the challenged systems of yesteryear, and I can't think of a better group of people to collaborate alongside.

D. Postscript of Parallel Efforts

I was walking around my neighborhood after some intense thought about policies related to this Response. I ventured down a street just past where I'd normally walk, and I found a little banjo shop attached as an outbuilding to someone's house.

When I walked in, I was greeted by a whole shop floor of specialized woodworking and sculpting materials. I recognized quite a few very nice machines from college that could make just about anything. Then I saw the owner sitting with a friend enjoying the space.

After some time talking together, the owner shared their old photo book of banjos they'd made. He had some of the most incredible pieces I've seen designed in an instrument, hand-etching incredible intimate details in gold platings. Some of his pieces sold for dozens of thousands or more on the secondhand market.

Ex. 8.4.1–2 is a photo of this artist's pick guards, crafted using a jeweler's machine in the shop. I love this concept of letting people have everything they need right in their local environment, able to work whenever the creative urge strikes them. And it really was like a full-scale factory in this side building, enough apparently to act as a service facility for a big-name banjo company.

It turns out this artist actually had a career for decades in his prime as a relatively famous player. He lamented on all the times touring around and showing off the pieces he carved from scratch in the most eloquent way possible. I want to give people that same feeling, to create their own portfolios and play them on.

I cannot overstate how serious I take the allegation of David, standing up against a Goliath who's sent endless lobbyists and consultants to tear down his claims in law. *See, e.g.*, direct attacks in state courts meant to represent the people's views in TAR letter n.169. I sincerely hope the Commission contemplates their documented work, because I cannot fathom what a piece of reactive legislation would look like, permitting their crash to hit all because of willful ignorance.