Block Transfer
99 Wall Street #4640
New York, NY 10005

August 13, 2025

Donna Gallagher
c/o U.S. Securities and Exchange Commission
100 Pearl Street, Suite 20-100
New York, NY 10004-2616

via secure email

Dear Ms. Gallagher,

This letter loosely extends our recent Response #6 (“PREV”) and relates to requested items communicated orally in our meeting this morning at 9:30 AM ET, which included Dave. It establishes reference patterns based on your own questions and helpful information about examination processing he generously shared just now and on 15 Jul 2025 at 10 AM ET.

I understand this may be our last written interaction before the final letter, which we will respond to publicly.[1] I would send this information by email if it did not include a spreadsheet attachment, because I value a more direct line of communication with staff, like inbound calls.

We approach Rule 144 releases very differently than my understanding of other TA recordkeeping systems, in support of exchange points discussed. I’ve thought through this very much given the opportunity for private contracted sales between two individual accredited peers.

But these standards have questionable enforceability, especially abroad where I particularly want to spread access to quality equity investments. It would mean a lot to receive any written feedback on envisioned nonprofit-DAO governing remediation, even in a footnote.

In good faith,
John Wooten

[1] I’ve apprecaited Commissionleninccy inn allowing our repsonse publicaitons, helping sharpe a public roadmap of future working item.s The ocmmunicatedcommunitty crowdsourcing eforts and funding rely eavily on trasnparent working items. This is why I hinted at deep appreiation for asnychnorous written staff quetions, espicalilly given the large amunt of material pending.

1. Updating Principal Office

I understand staff would like us to amend item 3(c) in Form TA-1 to reflect my physical whereabouts. I would like our private record to reflect that I have concerns over our physical security given the magnitude of corrupt Wall Street schemes reliant on DTC's failings. I keep hardware wallets for Syndicate operations lightly referenced by Dave at these whereabouts.[2]

Notwithstanding, I would appreciate guidance as to how to respond to item 3(b) in Form TA-2 at the end of the year. I do not believe our information has been "inaccurate, incomplete, or misleading" on the basis of today's reasoning. Would it be okay to check "not applicable," understanding that I have only recently come to understand the need to change TA-1?

[2] Tis cmae up as a reminscent point in our first meeting, and the orignal agrneda thereto refrenced questions over cryptgoraphy reeperformed. While these hot wallets are sepearte from a full key backup as maintened for continutity, they do allow signing cold trasnactions given a pin. I intentd to depricate these central signers as the eteam grows and can use remote multisig.

2. Maintaining Issuance Dates

Our main question revolved around continually tracking the issue or acquisition date of imported holdings. I will reflect further on the difference between the two in the final response. Exhibit 1 is the spreadsheet representation of a screenshot provided in Response #3 Exhibit #3 from AWS.

During previous questions about supplemented information, I noticed the ingenious idea of first combining "Exhibit X Supplement Y" into the name X.Y. Later, this was smartly expanded to [Response number].[exhibit number].[supplement number].[and so on].

Accordingly, I will use this format going forward, whereby this new item is Exhibit 7.1, adding hard data to Exhibit 3.3. I intend to continue all examinations using this numbering.

2.1 [redacted] Claimable Balance

The claimable balance associated with this investor's holdings is on line 8, *available at* https://stellar.expert/explorer/public/tx/da94ed189947e91aee260aef43852784a3fb4816820f148cdd3db487ef7db35c. The transaction records 500,000 Laylor shares moving from the distributor account to the investor, with a restrictive legend applied during the period of the issuer's applicable 144 time.

While the block explorer link reveals part of the balance ID with details expanded, staff can view the full blockchain data surrounding the discussion through Horizon, *available at* https://horizon.stellar.org/claimable_balances/00000000a6d2b550f010184087d246a8b7648c000011403006153972037e55a082a2336f. The claimable balance database and associated migration functions keep the zero-padded header for Horizon compatibility.

2.2 Import Process Migration

During the time of this transaction, I was still crafting the exact data migration automation to move investors from legacy entries into registered Stellar accounts. The completed framework can be found in the Syndicate-API code, *available at* https://github.com/blocktransfer/syndicate-api/blob/782f524f836a4ccf7825a2e2cb6c5834a471a8fe/investors/distributeAssetsFromLegacyAccEntryToStellar-HOT_KEYS.py.

I had finished designing the claimable-balance database framework and its role between legacy and registered investors. However, I hadn't yet connected all the databases through execution code, which I started testing with DEMO assets immediately after this:

Here, the second 500,000 balance creation is the investor's shares, and my development testing begins afterwards to continue on. This was the last early legacy distribution before the revocation transaction.

Because I was manually processing so many positions with no capital basis, I hastily constructed the transaction for this investor after confirming their account information. This led me to enter "Basis: $0" as the memo despite internally registering a $1,000 basis to the investor, from Exhibit 2.1.4–5.[3]

Part of this confusion on my part and fault came from the different sole-proprietor registration used during onboarding, communicated in Exhibit 2.9.13.[4] Since I was manually inputting the data, I failed to make the final connection between the investor's name and business, which initially led to the transaction showing no basis on the duplicative public record.

After noticing this and fixing the error soon after in the CB database, I realized the

[3] While I had received and recorded basis information from the original Bylaws and oral discussion, I do not believvee I had yet associated this basis information with the legacy "holdings" coulumn. I remember speciifcally adding each basis entry ot the database manually after this error, cemebnting the present data structure while completing the distribution code.

[4] I;'';ve ignored sole proporietreytshiops in the account records of PII becuase they are pass-through entities which cannot hold propertryt. I ncases where the issuer idenitifed ownerrhsip by these sole-props, I affiremd their identities durign onbaording before registering the shares in the owenr's name. This structure is not a valid account type in the root global options selector.

internal Dynamo record should be the definitive reference point for distribution basis rather than a one-time transaction memo. This has the added benefit of allowing investors to update tax information later on should a migrating issuer or DWAC transfer not properly communicate.

2.3 Future Team Portal

PREV note 31 references a supplement which very roughly outlines preliminary designs for a support infrastructure made available to Syndicate team members. I care deeply about building this system because I'm hesitant to deploy production workflows with hot signer keys.

This thinking accounts for the "blame" column of Exhibit 7.1, whereby the account IDs of team members reviewing and approving distribution transactions through such a portal become part of the stored balance record. I find this important for internal control records because distributions from legacy holdings are the one place where we have direct custody of assets already issued but not held in our own name.

It is simple to check against illicit wrongdoings from the issuer address, due in part to the creation of new outstanding shares in any compromise. But it's much tougher to permissionlessly tell if a team member distributes legacy stock to their own account.

Thus, this internal record acts as a starting design for pending policies around onboarding, which will be made available surrounding future development at a compliance page, available at http://blocktransfer.com/compliance/team/legacy-investor-onboarding. As indicated in public TAD3 code, this will likely also involve moving import data fields on-chain, given noted additional documentation requirements for IRS payment plans, *available at* https://github.com/blocktransfer/py-TAD3-horizon/blob/def8aaa17338073afe871de5881a30e406ba3d3c/globalToolsAssets.py#L15.

My development philosophy here depends on outstanding feedback related to Response #4 note 12 as I work in the ecosystem to connect contract-based "smart accounts" to the SDEX. I prefer the flexibility of the present internal recordkeeping standard until completing all this.

2.4 Stored Issuing Dates

Both links provided in *supra* § 2.1 display the recipient of the balance as the investor's public key: `GBPGEB5H6Q25JK6A44ZLGBQNE353TDVXLFCPZHDAY652K6A2QUVLSF4K`. This lets us internally store only the relevant balance ID while only "trusting" blockchain data for claimants as holders of record in sample production code, *available at* https://github.com/blocktransfer/py-TAD3-horizon/blob/def8aaa17338073afe871de5881a30e406ba3d3c/investors/stockSplit.py#L142C22-L142C22.

Moreover, the migration code (and my own past manual efforts) transition the legacy holdings' acquisition date "aqAt" to column B, maintaining the Unix record of timestamps. Future team portals would only routinely allow internal members to review this original information to affirm the investor, while migrations only copy existing information told.

3. Maximizing Public Information

I appreciate that staff have been to the point throughout this process. Given past outreach attempts, I thought there would be much more “politicking” involved. It’s refreshing, to say the least, that we can all speak chiefly to the facts and circumstances in law.

As I’ve thoroughly expressed, I think there’s a lot we can do going forward to “best” empower investors with what I consider the optimal financial infrastructure available. Much of these thoughts revolve around a sort of protectionist domain for something like TAD3, which admittedly hints at prior SRO centralizing efforts to thwart competition.

While I’ll continue to express these points when prompted through policymaking staff through proposed rules or other public means, I appreciate a better understanding of Examination scope. It’s not that I want control over this visualized future system in any way, because I think the innovating transfer agents deploying it should collectively contribute policy with investors.

I just have this very specific vision of what I believe to my core our markets need to prevent a repeat of what I see as the largest fraud. Transparency sits at the core of this view, which is why I care about releasing issuer-specific information, such as contribution bases, through public means like transaction memos so investors can watch investment flows.

Especially for our inaugural issuer who’s not reliably provided public financial disclosures through Issuers.info, I second remarks, *available at* https://youtu.be/dic7G8CleQ8. This video in particular came after a Silicon Valley venture, which I interviewed through formative college outreach, threatened to sue my nonconfidential disclosure of a vague “$2,500,000 [raise] from prominent venture capital funds.”

There are so many downstream implications from the centralization of capital provided by hidden financial disclosures and backroom dealings funding American innovation. I hope we’ll steward these wrongs into a newfound egalitarian financial system because we need it!