

21 October 2026

Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. 4-927; Release No. 34-106402 — Temporary Conditional Exemptive Relief for Tokenized NMS Stocks and Request for Comment

Dear Secretary:

I submit these comments in my individual capacity as an independent researcher studying continuity of cryptographic authorization. I have filed patent applications relating to cryptographic migration and authorization continuity. These interests inform my research; I do not request recognition of any product, provider or proprietary method.

In response to Questions 1 and 5, I recommend targeted clarifications to the Public Notice requirements. Investors should be able to understand what happens to their holdings when operational arrangements change, and which aspects of that explanation are supported by current evidence.

The Order already requires material updates to the Public Notice, correction of materially inaccurate or incomplete information, and records supporting ongoing compliance. My suggestions build on those provisions. I do not suggest that compliance is assessed only at admission, or that deployment on a public, permissionless ledger makes every token freely transferable. The token's controls and the applicable arrangements matter.

1. Explain the consequences of exercising upgrade powers

Condition III.n addresses powers to change or suspend distributed ledger applications and identifies the persons able to exercise them. The Notice could also explain, where material, the consequences for positions and permissions outstanding when those powers are exercised.

Relevant information would include whether an existing holding remains usable, whether previously granted permissions continue under changed rules, whether holder participation is needed, and what notice and practical options a holder receives. A restriction on access should be distinguished from successful restoration of the affected functionality.

These would be explanations of the arrangement actually provided, rather than requirements to implement any particular upgrade method.

2. Describe the scope and limits of a trading halt

Condition II.H addresses a TSV's response to a stoppage in the underlying stock. The Public Notice also addresses trading stoppages. An investor should be able to distinguish the TSV's own trading suspension from any broader restriction imposed through the token or associated arrangements.

Where material and reasonably known, the Notice could explain whether the suspension affects transfers outside the TSV, redemption, or use in other arrangements; which relevant activities remain possible; and which consequences have not been established. A description of effects outside the TSV should identify its evidential limits. It should not imply that the TSV controls every venue or can enumerate every downstream position.

I do not assume that such external activity is permitted or available in any particular instrument. Nor do I propose an obligation to control systems outside the TSV's authority. The objective is to prevent a holder from mistaking a venue-specific halt for a broader assurance.

3. Make the basis for rights verification understandable over time

Condition II.E requires verification of the rights and privileges conferred by the tokenized stock and addresses the arrangements for issuer communications. The Order's continuing requirements already matter to that assessment.

The Commission could clarify how the Notice should describe the date, scope and material dependencies of that verification, and how material subsequent changes should be reflected. For example, a change in custody, tokenization arrangements or the delivery of issuer communications may require attention even when the token contract is unchanged.

The disclosure should distinguish a documented arrangement from an independent check of its operation, and explain any material uncertainty. An onchain record alone should not be presented as verifying an offchain entitlement. I do not propose a new determination of ownership or a separate automatic-halt requirement in this comment.

4. Clarify notice following material changes

Condition II.D provides an issuer-notice process before admission. The Commission could clarify how the existing update provisions address material post-admission changes relevant to that notice, including changes to the tokenizer, custodian or arrangements supporting issuer communications.

A useful disclosure would identify who receives notice, what triggers it, and whether any further review or objection process is available under the applicable arrangements. This would explain the process without treating the pre-admission objection provision as an unrestricted continuing veto, or assuming that every change requires a new consent right.

Suggested clarification

Where a material change affects an admitted tokenized stock or the arrangements supporting its trading, the Public Notice should explain the practical consequences for holders, the scope and date of the supporting assessment, material dependencies and uncertainties, and the notice or review process that applies. It should distinguish effects within the TSV's control from effects that depend on other persons or systems.

These clarifications would help investors evaluate operational changes while preserving flexibility in implementation. They concern understandable disclosure and notice, not a prescribed cryptographic architecture. They do not require publication of secret keys, exploit instructions or sensitive operational details.

Respectfully submitted,

Arifa Khan

Independent researcher

Submitted in an individual capacity

Reference

U.S. Securities and Exchange Commission, Release No. 34-106402, File No. 4-927, September 17, 2026, particularly Conditions II.C, II.D, II.E, II.H and II.L; Section III, including III.n; and Section VI, Questions 1 and 5. <https://www.sec.gov/files/rules/exorders/2026/34-106402.pdf>