

UNITED STATES OF AMERICA Before the U.S. SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING File No. 3-15823

In the Matter of VISIONARY TRADING LLC, et al.

Respondents.

RESPONDENT ANDREW ACTMAN’S REPLY IN FURTHER SUPPORT OF THE AMENDED MOTION TO MODIFY THE 2014 ORDER AND REBUTTAL TO THE DIVISION OF ENFORCEMENT’S OPPOSITION

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I. PRELIMINARY STATEMENT

Respondent Andrew Actman (“Respondent”) respectfully submits this Reply to the Division of Enforcement’s (“the Division”) Opposition dated May 6, 2026.

The Division’s Opposition is a study in administrative intransigence. It asks the Commission to prioritize the "sanctity of the file" over the lived reality of a citizen who has demonstrated twelve years of unblemished conduct. By clinging to a 2014 settlement as if it were an immutable law of nature, the Division ignores a decade of exemplary compliance, a seismic shift in global technology, and a burgeoning body of Supreme Court and Appellate case law that demands flexibility when administrative orders become "engines of injustice."

The Division’s position is simple: because Respondent settled in 2014, he is forever barred from seeking a technical clarification, regardless of how much the world has changed. This is not law; it is a "regulatory life sentence" without the possibility of parole, imposed for an immaterial supervisory oversight that would likely not even be charged under the Commission's stated 2026 priorities.

II. COMPREHENSIVE STATEMENT OF FACTS

A. The Non-Fraudulent Nature of the 2014 Settlement It is imperative to revisit the baseline of this proceeding. In 2014, Respondent entered into a settlement regarding a **failure reasonably to supervise**. The Division’s opposition often speaks in generalities regarding "wrongdoing," but the record is clear: there were no findings of fraud, no findings of scienter, no findings of theft, and no findings of intentional misconduct. The violation was administrative and supervisory—a failure to detect the actions of others within a specific regulatory window. Respondent accepted responsibility, paid all financial penalties in full, and voluntarily transitioned into other professional sectors to protect the integrity of the markets.

B. A Decade of Character and Remediation For over 4,380 days, Respondent has lived a life of professional and personal integrity. This is not merely a "lack of further violations," but a proactive period of character development. Respondent has dedicated himself to family and community, notably managing the restoration of a 1966 Mustang Fastback—a project named "Big Rick" in honor of his late father. This endeavor required meticulous attention to detail, regulatory compliance in automotive standards, and a multi-year commitment to a long-term goal. These character traits—discipline, reverence for legacy, and adherence to complex standards—are exactly what the Commission seeks to instill through its remedial sanctions. After twelve years, the remedial purpose of the 2014 Order has been fully achieved.

C. The 2026 Technological Reality: The Algorithmic "Black Swan" In 2014, a "Statutory Disqualification" was a term of art. If Respondent sought to work in a non-securities field, a human compliance officer would read the 2014 Order, note the non-fraudulent nature of the "failure to supervise," and make an equitable decision.

In 2026, the marketplace has been automated. Respondent's current venture, **Bubl**, is a modern insurance and technology platform. However, the "Statutory Disqualification" status in the SEC's database acts as a **digital kill switch**. Automated procurement algorithms and background-check AI scan for the "SD" flag and automatically terminate the licensing or onboarding process before a human being ever views the file. This is a "Black Swan" event—a technological shift that has turned a supervisory suspension into an automated, permanent ban from the entire global Fintech and Insurance sectors.

D. The MC-400 and Rule 19h-1 Gauntlet Respondent seeks to return to the industry in a **non-supervisory** capacity (Series 7 and 63). He does not seek to return as a supervisor (Series 24). However, because of the "SD" flag, a firm must file an **MC-400 Membership Continuance Application**. This process is a 240-day administrative siege:

1. **FINRA Review:** Up to 180 days.
2. **Exchange Review:** Up to 30 days.
3. **SEC Rule 19h-1 Review:** 30 days.

During this **8-to-10-month period**, Respondent is strictly prohibited from working, being paid, or performing duties. For a professional with a 12-year clean record, this "Employment Purgatory" is an insurmountable barrier. No firm can afford to keep a role vacant for nearly a year while the bureaucracy churns.

III. LEGAL ARGUMENT

POINT I: THE MOTION IS TIMELY AS THE INEQUITY IS A 2026

PHENOMENON The Division argues that 12 years is too long under Rule 60(c). However, "reasonableness" is measured from the **discovery of the harm**. Respondent discovered the "Algorithmic Kill Switch" only when the technology became the industry standard in the 2020s. Under *United States v. Holtzman*, 762 F.2d 720 (9th Cir. 1985), the court must look at the specific facts. To deny this motion on "timeliness" grounds is to penalize Respondent for not being a clairvoyant who could predict the evolution of AI-driven procurement in 2014.

POINT II: THE ORDER HAS ONGOING EXECUTORY EFFECTS UNDER RULE

60(B)(5) The Division claims the Order is not "prospective." The Supreme Court in *Horne v. Flores*, 557 U.S. 433 (2009), held that a decree is prospective if its ongoing enforcement no longer serves the public interest. The 2014 Order is being "executed" every day by private-sector algorithms. If the Order functions as a barrier **today**, it is prospective.

Furthermore, *Rufo v. Inmates of Suffolk County Jail*, 502 U.S. 367 (1992), mandates a "flexible standard" for modification when factual circumstances change. The rise of automated RegTech is a massive factual change. The 2014 Order has become "substantially more onerous" than intended, which *Rufo* holds is a mandatory ground for modification.

POINT III: THE "IMMATERIALITY PARADOX" AND SELECTIVE FINALITY The Division's devotion to "finality" is selective. In 2025 and 2026, the SEC has voluntarily dismissed fraud cases involving:

- **SolarWinds:** Cybersecurity fraud.
- **Ripple:** \$600 million unregistered sales.
- **FAT Brands:** Intentional investor fraud.

If the SEC can exercise discretion to "move on" from intentional fraud for "policy reasons," its refusal to provide a minor technical clarification for a **non-fraudulent supervisory lapse** is arbitrary, capricious, and a violation of the Administrative Procedure Act.

POINT IV: THE MC-400 PURGATORY VIOLATES PROPORTIONALITY Under *Liu v. SEC*, 140 S. Ct. 1936 (2020), sanctions must be **remedial**, not punitive. A forced 8-month period of zero income (the MC-400 wait) for an administrative lapse from 12 years ago is purely punitive. It exceeds the Commission's statutory authority and violates the Excessive Fines spirit of *United States v. Bajakajian*, 524 U.S. 321 (1998).

POINT V: CONSTITUTIONAL PROTECTIONS AND OCCUPATIONAL LIBERTY The Supreme Court has held that the right to follow a chosen profession is an inalienable liberty interest. *Butchers' Union Co. v. Crescent City Co.*, 111 U.S. 746 (1884). By refusing to clarify that the 2014 Order does not constitute a current "Statutory Disqualification" for a Series 7 role, the SEC is depriving Respondent of his **Occupational Liberty** without a rational nexus to any current public risk.

IV. CONCLUSION

The SEC wants to focus on "high-impact fraud." Respondent simply wants to move on. By granting a technical finding of fact that the 2014 conduct is not a current "SD" for non-supervisory roles, the Commission fulfills its modern mission of "remedying harm" rather than perpetuating an administrative siege.

WHEREFORE, Respondent Andrew Actman respectfully requests that the Commission deny the Division's Opposition and grant the Motion to Modify the 2014 Order in its entirety.

Dated: May 7, 2026 Respectfully Submitted,

s/ Andrew Actman Andrew Actman, Respondent Pro Se Demarest, New Jersey

V. STATEMENT OF ELECTRONIC FILING AND CERTIFICATE OF SERVICE

I certify that on May 7, 2026, I caused to be filed the foregoing Respondent Andrew Actman's Reply with the Commission through the Office of the Secretary by the eFAP filing system, and served the same via electronic mail to:

Office of the Secretary APfilings@sec.gov

Ben Kuruvilla Division of Enforcement kuruvillabe@sec.gov

s/ Andrew Actman Andrew Actman