

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

IN THE MATTER OF THE APPLICATION OF

**UHF LOGISTICS GROUP, INC.
(OTC:RGLG) SHAREHOLDERS**

FOR REVIEW OF ACTION TAKEN BY

FINRA

ADMINISTRATIVE PROCEEDING

File No.: 3-22473

**AMICUS BRIEF IN OPPOSITION TO FINRA'S MOTION TO DISMISS ENTREX
SHAREHOLDERS' APPLICATION FOR REVIEW**

I. INTRODUCTION

This amicus brief is submitted by ZA Group, Inc. ("ZAAG"), who are similarly situated to the shareholders of Entrex Carbon Market, Inc. (f/k/a UHF Logistics Group, Inc.) ("Entrex") in experiencing significant delays by the Financial Industry Regulatory Authority ("FINRA") in processing corporate actions under FINRA Rule 6490. ZAAG submit this brief in opposition to FINRA's motion to dismiss the Entrex shareholders' application for review by the Securities and Exchange Commission ("Commission"), urging the Commission to deny FINRA's motion and proceed with a full review of this matter to address systemic issues in FINRA's administration of Rule 6490.

The Entrex shareholders' application for review arises from FINRA's 15-month delay in processing Entrex's properly filed corporate action requests under Rule 6490, specifically a name and symbol change submitted on December 8, 2023, and a 1:20 reverse stock split submitted on February 23, 2024. FINRA's Department of Market Operations ("Operations") held Entrex's corporate future in regulatory limbo, failing to issue a determination until April 21, 2025, after the shareholders filed their application for Commission review on April 8, 2025. This belated approval, announced on FINRA's Daily List on April 21 and April 24, 2025, was a transparent attempt to moot the shareholders' claims and evade Commission oversight. The shareholders assert that FINRA's delay constituted a constructive denial of services, causing economic and reputational harm, and that FINRA's pattern of delays is "capable of repetition, yet evading review," necessitating Commission intervention to prevent future abuses. The shareholders further contend that they have standing as "persons aggrieved" under Section 19(d) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78s(d)(1), and that FINRA's refusal to produce the certified record violates Commission Rule 420(e), 17 C.F.R. § 201.420(e). FINRA's

motion to dismiss argues that the matter is moot due to its eventual approval, that the shareholders lack standing, and that the Commission lacks jurisdiction, claims the Entrex shareholders and ZAAG vigorously disputes.

Amicus curiae ZA Group, Inc. (“ZAAG”) is a corporation with securities traded on the OTC market. ZAAG has a direct and substantial interest in this proceeding as it has suffered financial, operational, and reputational harm due to FINRA’s prolonged and unexplained delay in processing a routine corporate action request — specifically, a reverse stock split — under FINRA Rule 6490, which amounts to a constructive denial of services under Section 19(d) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78s(d).

ZAAG submitted its reverse stock split request to FINRA nearly a year and a half ago, FINRA has failed to issue a determination. During this time, FINRA has repeatedly issued duplicative and often circular information requests, all of which ZAAG has answered thoroughly and in good faith. Despite these efforts, the request remains unresolved. This unreasonable delay effectively denies ZAAG the ability to implement an essential corporate action, resulting in market confusion, reputational harm, and disruption to corporate operations. ZAAG’s ability to restructure its capital and maintain investor confidence has been significantly impaired, and the uncertainty created by FINRA’s inaction has hindered the company’s ability to function effectively in the public markets.

Notably, FINRA has cited the presence of certain shareholders, including Trillium Capital LLC, a passive investor in ZAAG, as a basis for delay, despite the fact that Trillium’s prior enforcement matters were fully resolved in 2018 and have long been publicly disclosed. No new allegations or developments have arisen since that time. The re-litigation of these settled matters

as a pretext to stall corporate action approvals is arbitrary and prejudicial, raising serious questions about regulatory overreach, inconsistency, and fairness.

ZAAG believes FINRA's treatment of corporate action requests has become unpredictable and inconsistent, effectively denying issuers timely access to market mechanisms critical to investor relations and corporate governance. This pattern undermines the intent and structure of Rule 6490 and the Exchange Act.

ZAAG's experiences mirror those of the Entrex shareholders, reflecting a troubling pattern of FINRA's systemic delays that harm investors, issuers, and market integrity. These delays create regulatory uncertainty, financial losses, and barriers to corporate actions essential for market participation. ZAAG supports the Entrex shareholders' position that FINRA's actions—or inactions—constitute a constructive denial of services reviewable under Section 19(d) of the Exchange Act, and that the Commission must exercise its oversight authority to address FINRA's procedural abuses.

For these reasons, FINRA's motion must be denied.

II. ARGUMENT

Amicus curiae ZA Group, Inc. ("ZAAG") supports the Entrex Shareholders' position that FINRA's prolonged inaction constitutes a constructive denial of services under Section 19(d) of the Exchange Act. ZAAG has been awaiting FINRA approval of a straightforward corporate action—a reverse stock split—for 16 months. During this period, FINRA has repeatedly requested duplicative information from the issuer. Despite ZAAG's thorough responses, the request remains unresolved—effectively denying the company the ability to proceed with a routine and essential corporate action.

This pattern of delay mirrors the constructive denials discussed in *Gregory Acosta*, Exchange Act Release No. 89121, 2020 WL 3428890, at *4 & n.15 (June 22, 2020), and *MFS Sec. Corp. v. New York Stock Exchange*, 277 F.3d 613, 620 (2d Cir. 2002). In both cases, the regulator's failure to act within a reasonable timeframe was held to be functionally equivalent to a denial, thus triggering Section 19(d)'s procedural protections.

ZAAG is particularly concerned that FINRA's delay appears to be based not on any deficiency in the corporate action request itself, but rather on the identity of one of its shareholders: Trillium Partners LP. FINRA has recently raised the fact that Trillium's manager was the subject of an SEC enforcement action settled in 2018, a matter long known to FINRA and fully resolved more than six years ago. There is no indication that Trillium's investment in ZAAG has any relevance to the corporate action at issue. FINRA's reliance on this remote and immaterial fact further underscores that the delay here is arbitrary, discriminatory, and inconsistent with its obligations under Rule 6490 and the Exchange Act. Regulatory delay that rests on improper or irrelevant considerations is not merely inefficient—it is unlawful under *Acosta* and MFS Securities.

Moreover, FINRA's conduct violates its duties under Rule 6490, which requires FINRA to process corporate action requests in accordance with clear procedural standards. FINRA's failure to issue a timely and reasoned determination not only hampers ZAAG's operations and investor relations but also deprives ZAAG of the procedural rights guaranteed by the Exchange Act, including the right to appeal. Finally, YCRM notes its constitutional concerns, such as violations of the private nondelegation doctrine, as raised in *Alpine Sec. Corp. v. Fin. Indus. Regul. Auth.*, 121 F.4th 1314 (D.C. Cir. 2024).

III. CONCLUSION

FINRA's motion to dismiss represents a calculated attempt to evade Commission oversight through procedural maneuvering. Allowing this case to be dismissed would encourage future abuses of process and undermine the statutory and constitutional structure of SRO oversight. ZAAG, having suffered similar harms from FINRA's delays, urge the Commission to reject FINRA's arguments regarding mootness, jurisdiction, and standing, and to address the systemic issues in FINRA's administration of Rule 6490. The Commission's review is essential to protect investors and ensure FINRA's accountability as a self-regulatory organization.

For these reasons, ZAAG respectfully requests that the Commission deny FINRA's motion and proceed with full review of this matter.

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Respectfully submitted,
PULLP

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