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November 2, 2021

Vanessa A. Countryman
Securities and Exchange Commission
100 F St. NE, Room 10915
Washington, DC 20549-1090

**RE: Application of Deep ATS LLC for Review of Action taken by FINRA;
File No. 3 – 20362
Submission of response to FINRA’s Brief**

Dear Ms. Countryman,

Deep ATS, LLC (Deep) is seeking the BD license from FINRA to establish and operate an Alternative Trading System (ATS).

Our response to FINRA’s brief is as follows:

Attached are Deep’s responses to all the information reports raised by FINRA.

On June 24, 2020 an interview was held, during which a working model of the ATS was demonstrated. FINRA staff did not voice their objections during their interview, but highlighted them in the denial letter. They did not pose a single question to Ramesh Puranik, on whom they later alleged a lack of experience.

FINRA did not finalize their decision within the mandated 180 days, but prompted Deep to seek additional time. Even after the deadlines expired, FINRA took more than a month to send the denial letter.

After the denial, Deep sought to appeal the decision. In the hearing held on February 12, 2021, the ruling authorities summoned each person involved in the processing of the application and asked repetitive questions on the information reports, during which each justified their actions. This was a kangaroo court where the judge and jury were pro-FINRA regardless of what they label it. It took close to a year. It was a TOTAL waste of time. This was imposed on our firm simply to stymie our efforts.

Deep submits that FINRA's dealings with the entire application process were arbitrary and pre-determined due to the previous issues Sam Balabon, the CEO, had with FINRA.

Main objections of FINRA in their brief

1. *Deep ATS' Membership Interview:*

At its membership interview, and in subsequent correspondence, Deep ATS offered to "hand over all the patents...and all technology already built to FINRA for a 3% royalty..."

Sam Balabon, as a businessman, may utilize any lawful opportunity for gains. Therefore, he commented that if FINRA is interested in the technology he might pass it on for a royalty. This should not be construed as a lack of intention to carry out the business; this is simply conjecture.

2. *Member Supervision Discovers Balabon's Undisclosed Business Activity.*

Sam Balabon as a businessman has started many ventures and has closed them when they were not found viable. This particular firm in question, Moentum, occurred years prior to the application period. Sam Balabon wrote the SEC Chairman personally to seek guidance on cryptocurrency. Deep did not have any intention to hide facts as is FINRA's claim.

3. *Concerns about Deep's ability to comply with federal securities laws.*

Sam Balabon had operated a BD under the same name for more than 10 years and did not encounter any such concerns with compliance. Sam Balabon and Ramesh Puranik have the required Series 24 license. Moreover, in 2016, FINRA approved the application to sell private placements — which shows FINRA did not notice any objectionable behavior or inability to deal with compliance. It was also submitted by Deep that if activities became complex, suitable personnel would be hired to monitor the necessary compliance. As Deep would not be involved in business immediately, it was felt that Sam Balabon with his expertise gained from the earlier BD can deal with the required compliance procedures effectively. In addition, for a startup with no foreseeable business activity in the near future, it does not make sense to appoint experienced staff at a great cost.

FINRA quotes several rules in this matter to justify their decision.

4. *Investment Banking Executive did not have Series 79 license.*

It is true that Ramesh Puranik, the proposed investment bank executive could not obtain a Series 79 license, but FINRA could have approved the BD without investment banking activity instead of denying the entire BD application.

5. *Deep did not establish all contractual and other business relationships.*

It was clearly demonstrated that Deep had the letters of in principle agreement/intent from the clearing firm, electronic storage vendors, auditors, and Fidelity Bond. However, FINRA insists that working contracts should be signed — which is only possible after obtaining the BD license.

6. *Deep failed to have a supervisory system.*

FINRA arbitrarily decided that the resume of Ramesh Puranik does not satisfy the abilities required for supervision under the law. Deep does not understand what type of experience FINRA is looking for.

7. *Deep may evade or otherwise compliance with federal laws.*

This is purely arbitrary and has no evidence. Just the fact that Sam Balabon failed to disclose Moentum does not make him a person with dubious intentions. Enough reasons and explanations have been provided as to why the disclosure was not made.

8. *Sam Balabon failed to obtain Series 57 license.*

It was explained by Deep that in accordance with FINRA rules, Series 57 is required for Trader Principal; however, Deep will not have trading activity for customers or for itself. The Series 24 license held by Sam Balabon is sufficient to supervise the market-making activities of the ATS.

9. *A firm must be ready to be fully operational for an NMA to be granted.*

This is a new objection, which was absent in the letter of denial and additional correspondence as well as in the hearing.

10. *Deep did not ask for immediate decision after 180 days.*

It was at FINRA's insistence that Deep made the requests for additional time. Now FINRA is trying to use the failure of the firm to seek an

immediate decision as a ground to justify their denial which demonstrates the opportunistic and high-handed attitude of FINRA.

11. *FINRA quotes many rules and claims Deep's appeal is unsubstantial.*

It is easy for one in authority to quote many rules to justify their actions, but for the victim (Deep) the only recourse is to seek justice from an impartial body such as the SEC.

Deep respectfully submits that the SEC should review this matter and instruct FINRA to approve the NMA.

Sam Balabon's efforts to reform FINRA and the security markets in general and FINRA's own rule breaking like the 180-day BD application breach should be considered. The SEC should not sweep FINRA's failings under the rug. FINRA should be punished like they punish the people who engage with them by forcing them into a type of complexity that is unfair in so many ways.

Some of Sam Balabon's accomplishments in the field:

1. Inventor of the D-Limit order type of IEX.
2. Alerted the SEC in a letter of what occurs during margin calls of big accounts.
3. Alerting the SEC on how to audit wholesalers like Citadel.
4. Alerting the SEC that it is wrong to allow FINRA to fine BDs as a way to line their own pockets.
5. Alerting the SEC that the whole BD concept is that they must underwrite 100 percent of their product when they only charge a small percentage. Worse, they allow FINRA to be the judge and jury for any disputes.
6. Showing the SEC how FINRA could be completely rebuilt for the people and not for itself (trading system outlined in congressional letter).

Sam Balabon has devoted his life for many years to society for the Deep Liquidity project. If the SEC rules in favor of FINRA, this will end Sam Balabon's efforts to reform the security markets.

Respectfully submitted,



Ramesh Puranik
Deep ATS LLC