UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

In the Matter of the Application of

DREAMFUNDED MARKETPLACE, LLC and
MANUEL FERNANDEZ

For Review of Disciplinary Action Taken by
the Financial Industry Regulatory Authority

Administrative Proceeding File No. 3-20639

APPLICANT MANUEL FERNANDEZ'S REPLY IN SUPPORT OF MOTION UNDER RULE OF PRACTICE 401 TO STAY PERSONAL BARS

Applicant Manuel Fernandez, pro se and solely on his own behalf, replies to FINRA's Opposition filed August 13, 2026 ("Opposition"). This reply is timely under Rule of Practice 154(b), 17 C.F.R. § 201.154(b).

I. FINRA'S FIRST TWO ARGUMENTS IDENTIFY RULE 401(d) AS THE PROPER BASIS FOR RELIEF

FINRA first argues that Fernandez cannot obtain a stay under Rule of Practice 401(c) because his timely Rule 470 motion renders the August 3, 2026 Order nonfinal, so he is not presently "entitled to review in a federal court of appeals." Opp. at 3–4. FINRA next argues that staying the Commission's Order would not stay the bars, because FINRA — not the Commission — imposed them. Opp. at 4.

Taken together, those two arguments do not show that no stay is available. They identify the subsection of Rule 401 that addresses precisely this circumstance: Rule 401(d), governing a stay of action taken by a self-regulatory organization.

Rule 401(d)(1) provides:

> "A motion for a stay of an action by a self-regulatory organization for which the Commission is the appropriate regulatory agency, for which action review may be sought pursuant to § 201.420, may be made by any person aggrieved thereby at the time an application for review is filed in accordance with § 201.420 *or thereafter*."

17 C.F.R. § 201.401(d)(1) (emphasis added). Rule 401(d)(1) contains no requirement that the movant be presently entitled to review in a court of appeals, and no requirement that any Commission order be final. It requires only that the SRO action be one for which review may be sought under Rule 420 — which this bar plainly is, *see* 17 C.F.R. § 201.420(a)(1), (4) — and that the motion be made when the application for review is filed "or thereafter." Fernandez's application for review was filed in October 2021.

Exchange Act Section 19(d)(2) supplies the same authority by statute: an application for Commission review does not operate to stay SRO action "unless such appropriate regulatory agency otherwise orders." 15 U.S.C. § 78s(d)(2). FINRA itself invokes that provision. Opp. at 10. The statute FINRA cites therefore confirms what FINRA's Section II.B denies: the Commission may order a stay of FINRA's action.

Commission Rule 19d-2 is more specific still. It provides that where a self-regulatory organization imposes a final disciplinary sanction as to which a notice must be filed under Exchange Act Section 19(d)(1), "any person aggrieved thereby for which the Commission is the appropriate regulatory agency may file with the Commission a written motion for a stay of imposition of such action pursuant to Rule 401 of the Commission's Rules of Practice." 17 C.F.R. § 240.19d-2. Fernandez's bars are final disciplinary sanctions imposed by FINRA, a registered securities association, and are among the actions for which review is available under Rule 420. *See* 17 C.F.R. § 201.420(a)(1), (4). Rule 19d-2 thus confirms that Commission procedure expressly contemplates a written motion to stay the sanctions FINRA imposed.

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Fernandez's August 6 motion was captioned as a motion "under Rule of Practice 401," cited Rule 401(a), and sought a stay of the FINRA-imposed bars themselves. To the extent the Commission concludes that subsection (d) rather than subsection (c) governs that relief while reconsideration is pending, Fernandez respectfully asks that the motion be construed accordingly. The Commission has recently confirmed that it affords pro se filings a liberal construction. *Adam Strege*, Exchange Act Release No. 105234, at 1 & n.4 (Apr. 14, 2026).

Two further provisions confirm that a labeling dispute need not prevent consideration on the merits. Rule 401(a) provides that "[t]he Commission may issue a stay based on such motion or on its own motion." 17 C.F.R. § 201.401(a). And Rule 401(d)(2) provides that a stay of SRO action "may be entered summarily, without notice and opportunity for hearing." Id. § 201.401(d)(2).

II. THE COMMISSION HAS RESOLVED SIMULTANEOUS RECONSIDERATION AND STAY REQUESTS ON THEIR MERITS

FINRA contends that the motion is "improperly interposed" and should be denied on that ground alone. Opp. at 3–4. The Commission's practice is otherwise. In *Steven Altman, Esq.*, the respondent moved for reconsideration of a final Commission opinion and order under Rule of Practice 470 and, in the same motion, for "a stay pending judicial review." Exchange Act Release No. 63665, at 2 (Jan. 6, 2011). The Commission did not treat the stay request as barred by the pendency of the reconsideration motion. It denied reconsideration and then reached the stay on its merits: "Nor do we see a basis for granting a stay. We generally consider a stay request in light of four factors . . . ." Id. at 3. The Commission applied those factors and denied the stay on that basis. Id.

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Altman reflects that a reconsideration motion and a stay request may be presented and resolved together in a single order. Fernandez asks the Commission to take that course here.

III. FINRA'S RELIANCE ON PAGE DOES NOT REACH THE CONTINUING FINRA ACTION

FINRA relies on *Edgar R. Page*, which FINRA quotes for the propositions that a pending reconsideration motion renders agency action nonfinal and that, consequently, "no stay [is] required." Opp. at 3–4 (quoting Investment Advisers Act Release No. 4416, 2016 SEC LEXIS 2045, at *2 (June 8, 2016)).

Fernandez accepts the first proposition. The second does not resolve this motion. As FINRA describes it, *Page* concerned an opinion and order of the Commission — sanctions the Commission itself had imposed. Here, FINRA insists in the same brief that the bars continue to operate because *FINRA* imposed them and the Commission merely sustained them. Opp. at 4. On FINRA's own account, then, a stay of the Commission's Order is not merely unnecessary; it is beside the point.

That is exactly why Rule 401(d) exists. Without it, FINRA's two positions would combine into an unexplained gap: the Commission's Order would be too nonfinal to stay under Rule 401(c), while FINRA's sanction would remain fully operative notwithstanding the pending reconsideration, and no mechanism would reach it. Rule 401(d) and Section 19(d)(2) close that gap by permitting a stay of the SRO action itself.

IV. THE STAY FACTORS SUPPORT RELIEF, OR AT MINIMUM CONDITIONED RELIEF

A. The pending Rule 470 motion presents specific record-based questions.

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The Rule 470 motion does not restate a general disagreement with the outcome. It identifies particular respects in which the Opinion's account of the record differs from documents in the Commission's own docket: the treatment of preservation and waiver as to the private-nondelegation objection; the statements that Applicants did not dispute the real-estate finding or specifically challenge the misstatement sanctions; and the description of the sanctions as "stayed" when the personal bars were not.

The Commission set aside one of the three bars because FINRA had not explained why a sanction at the top of a range extending from a brief suspension to a bar was warranted. Opinion at 18–19. That disposition confirms that sanctions questions in this proceeding were open to correction. At minimum, the pending motion presents specific record-based questions appropriate to resolve before the bars operate further.

B. The injury is the continued operation of the sanction itself.

FINRA characterizes the injury as "economic or reputational." Opp. at 9. Fernandez does not rest on lost profits, lost opportunities, or reputational harm. He is subject to a complete prohibition on association with a FINRA funding portal member. Time spent excluded while reconsideration is pending cannot be restored if he later obtains relief.

The Commission has acted on that concern. In *Allen Holeman*, Exchange Act Release No. 86769 (Aug. 26, 2019), the Commission entered a partial stay of a four-month suspension and a monetary fine pending judicial review — as the Commission has since described it, "regardless of the likelihood of success on the merits or the other components of the traditional four-factor stay test." Release No. 105425, at 2 n.8 (citing *Holeman*).

Fernandez acknowledges the limit of that authority. As the D.C. Circuit noted in *Alpine*, the Commission has "customarily stayed suspensions less than a bar," while a stay of a permanent bar pending Commission review is appropriate "only in extraordinary circumstances." *Alpine*, 121 F.4th at 1329 (quoting *Donald L. Koch*, 2014 WL 2800778, at *3 n.15) (formatting modified). Fernandez submits that this proceeding presents such circumstances: the bars took effect in September 2021 and have operated continuously for nearly five years; the Commission denied a stay in November 2021 on a record that predated *Alpine*; the renewed stay motion filed May 11, 2026 was fully briefed and never decided on its merits, being dismissed as moot; and the requested stay would run only until the Commission resolves a motion it may decide promptly.

C. Any investor-protection concern can be met by conditioned or partial relief.

FINRA argues that a stay would leave Fernandez free to associate with another funding portal member. Opp. at 10. A stay would not compel any member to associate with him, approve any position, or authorize any particular activity, and DreamFunded ceased operating as a funding portal in 2017.

In any event, Rule 401(b) provides that the Commission "may grant a stay in whole or in part, and may condition relief under this section upon such terms, or upon the implementation of such procedures, as it deems appropriate." 17 C.F.R. § 201.401(b). If the Commission concludes that conditions are warranted during the period needed to resolve the Rule 470 motion, Fernandez requests conditioned or partial relief rather than outright denial.

D. Correction regarding FINRA Rule 9360.

FINRA is correct that Fernandez's opening motion overstated the effect of FINRA's post-*Alpine* rule amendments. Opp. at 8. Those amendments delayed the effectiveness of expulsions and related firm-level actions; a bar ordinarily remains effective upon service of the

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NAC's decision. Fernandez withdraws the statement that a stay would "align" his bars with FINRA's current rules and does not rely on it.

The corrected picture, however, bears on this motion. FINRA amended its rules so that firm expulsions would not take effect before Commission review was available, but left individual bars effective on service. The individualized stay mechanism that Section 19(d)(2) and Rule 401(d) provide is therefore the remaining avenue by which the timing concern can be addressed as to a barred individual.

V. THE COMMISSION SHOULD STATE THE EFFECT OF THE PENDING MOTION ON THE JUDICIAL-REVIEW PERIOD

FINRA represents that the August 3 Order is not final while the timely Rule 470 motion is pending and that Fernandez is therefore not presently entitled to judicial review. Opp. at 3. Fernandez has relied on that position and has not filed a petition for review.

The Supreme Court has explained that where a reconsideration petition is filed within the agency's review period and within the period for judicial review of the original order, "the petition tolls the period for judicial review of the original order, which can therefore be appealed to the courts directly after the petition for reconsideration is denied." *ICC v. Brotherhood of Locomotive Engineers*, 482 U.S. 270, 279–80 (1987). The D.C. Circuit has applied the corresponding rule in the other direction, treating a petition filed before the agency resolves reconsideration as incurably premature.

The same understanding appears in the authority FINRA cites. In *Nasdaq Stock Market LLC v. SEC*, 1 F.4th 34 (D.C. Cir. 2021), petitioners raised the concern that if they waited for the Commission to act, their petitions "would have been untimely." The court answered that, "[g]iven our conclusion that the Governance Order is not 'final' within the meaning of Exchange Act section 25, the exchanges no longer face that risk." Id. (concluding discussion).

Fernandez accordingly requests that any order resolving this motion state that, because the timely Rule 470 motion renders the August 3 Order nonfinal, the sixty-day period under Exchange Act Section 25(a), 15 U.S.C. § 78y(a), is not presently running and runs from the Commission's disposition of that motion. That clarification costs the Commission nothing, is consistent with the position FINRA has taken, and avoids an unnecessary jurisdictional dispute over the review FINRA acknowledges is presently unavailable.

VI. THE SCOPE OF FINRA'S FILING

Rule of Practice 470(b) provides that "[n]o response to a motion for reconsideration shall be filed unless requested by the Commission." 17 C.F.R. § 201.470(b). FINRA acknowledges that provision and nonetheless devotes several pages to the merits of the Rule 470 motion. Opp. at 5 n.1, 5–8.

Fernandez does not move to strike. He asks only that, to the extent the Commission considers those arguments, the corresponding portions of this Reply be treated as responsive, or that he be permitted a brief opportunity to respond.

VII. REQUESTED RELIEF

Fernandez respectfully requests that the Commission:

1. construe his August 6, 2026 Rule 401 motion, to the extent necessary, as seeking a stay of the underlying FINRA action under Rule of Practice 401(d) and Exchange Act Section 19(d)(2);

2. stay the two FINRA bars sustained in the August 3, 2026 Opinion under Rule of Practice 401(d) pending disposition of the timely Rule 470 motion; and, if reconsideration is

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denied, continue that stay or enter such further stay under Rule 401(c), Rule 401(d), or the Commission's other authority as is necessary to preserve meaningful review during any timely petition for review under Section 25(a);

3. alternatively, grant partial or conditioned relief under Rule 401(b), or enter a summary stay under Rule 401(d)(2), while the Commission considers the request;

4. if the motion is denied on procedural grounds, deny it *without prejudice* to renewal promptly after the Commission disposes of the Rule 470 motion, so that no procedural gap prevents a stay request pending judicial review;

5. state that, because the August 3 Order is nonfinal while the timely Rule 470 motion remains pending, the sixty-day period under Exchange Act Section 25(a) is not presently running and runs from disposition of that motion; and

6. grant such other relief as the Commission considers just and appropriate.

Dated: August 13, 2026

Respectfully submitted,

/s/ Manuel Fernandez
Manuel Fernandez
Applicant, pro se
Email: manny@dreamfunded.com

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CERTIFICATE OF SERVICE

I certify that on August 13, 2026, I served a true and correct copy of the foregoing Reply by electronic mail upon the following persons, counsel for the Financial Industry Regulatory Authority, at the electronic service addresses shown:

Michael M. Smith, Associate General Counsel
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A copy was also transmitted the same day by electronic mail to FINRA's case-filings address, nac.casefilings@finra.org.

/s/ Manuel Fernandez
Manuel Fernandez

CERTIFICATION REGARDING SENSITIVE PERSONAL INFORMATION

I certify that sensitive personal information has been omitted or redacted from this filing in accordance with Commission Rule of Practice 151(e), 17 C.F.R. § 201.151(e).

/s/ Manuel Fernandez
Manuel Fernandez

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