

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

In the Matter of the Application of DNA Brands, Inc. (DNAX) and ZA Group, Inc. (ZAAG) Shareholders For review of action taken by FINRA	ADMINISTRATIVE PROCEEDING File No.: 3-22572
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**APPLICANTS' REPLY IN SUPPORT OF NOTICE OF SUBSEQUENT EVENTS
AND MOTION FOR EXPEDITED CONSIDERATION**

FINRA's Opposition confirms the central point of Applicants' May 26 Notice: this proceeding is ripe for prompt decision, and the events of the last four months have made expedition more urgent, not less. FINRA now discloses, for the first time, five months into a pending Section 19(d) proceeding and only because Applicants filed their Notice, that both Issuers refiled their corporate-action requests in February 2026; that ZAAG's was processed once Hicks divested; and that DNAX's was not processed but instead "lapsed" and was administratively closed on May 6, 2026, twelve days before DNAX lost its public quotation. Applicants address three matters: (I) the newly disclosed February 2026 submissions and what they confirm; (II) FINRA's mootness and "not similarly situated" arguments; and (III) FINRA's Rule 322 sealing motion and the request for expedited consideration.

**I. THE FEBRUARY 2026 SUBMISSIONS CONFIRM THE NEED FOR PROMPT
COMMISSION ACTION**

Applicants did not know, when they filed the May 26 Notice, that ZAAG had filed a new Rule 6490 application on February 4, 2026, or that DNAX had filed one on February 5, 2026. Applicants are individual shareholders, not the Issuers' "duly authorized representatives," and had no access to the Issuers' FINRA Gateway correspondence. FINRA, which had that information from the day each was filed, disclosed it only in its June 2, 2026, Opposition—

paired with a motion to seal the very documents from Applicants. *See* FINRA Opp. at 4–5 & nn. 3, 5.

Applicants accept FINRA’s representation that ZAAG’s February 4 submission included documentary evidence of Hicks’s divestment and that FINRA processed ZAAG’s Company-Related Actions on that basis on May 18–19, 2026. To the extent the May 26 Notice described FINRA’s processing of ZAAG’s corporate actions as occurring “without any new submission,” that characterization was made without the information FINRA has now disclosed, and Applicants correct it. The correction does not weaken Applicants’ position; it sharpens it. Three points follow directly from what FINRA has disclosed, and each bears on the motions now before the Commission.

The disclosure confirms the operative impediment was always present-tense, not historical. FINRA’s original deficiency determinations, July 18, 2025 (ZAAG) and August 1, 2025 (DNAX), were grounded in Hicks’s years-old, settled regulatory record, with no current legal restriction on his ability to hold convertible notes. FINRA’s decision to process ZAAG’s actions the moment Hicks divested confirms that the real driver under Rule 6490(d)(3) was Hicks’s present relationship to the Issuer—not the historical record FINRA actually cited. That is the precise defect Applicants asked the Commission to review.

DNAX tried to cure the very deficiency FINRA now calls the differentiator. FINRA’s footnote 5 discloses that DNAX refiled on February 5, 2026; that DNAX produced a Trillium purchase agreement evidencing the sale of Hicks’s convertible position; that FINRA then demanded “proof of funds”; and that, when FINRA was unsatisfied, it “deemed [the request] lapsed” on May 6, 2026. FINRA Opp. at 7–8 & n.5. Whatever the merits of that demand, the disclosure establishes that DNAX did attempt the same cure ZAAG made, disposing of FINRA’s “they did nothing” framing.

FINRA disposed of DNAX by unreviewable “lapse,” not by any final determination. That is itself the structural problem the Application targets. A “lapsed” closure produces no reviewable decision, no findings, and no record. And FINRA’s demand for third-party proof of payment is nowhere specified in Rule 6490’s text: the deficiency factors enumerated in Rule 6490(d)(3) do not include any obligation to produce documentary evidence of consideration paid to a third-party assignor, yet that unwritten standard is what disposed of DNAX’s February submission. The Commission cannot test FINRA’s account of the closure on the present record because the supporting documents are the subject of FINRA’s own sealing motion. This is the regulatory dynamic the Application exists to police.

II. NEITHER MOOTNESS AS TO ZAAG NOR FINRA’S POST-HOC DIFFERENTIATION IS A REASON TO DEFER DECISION

Whether the Application is moot as to ZAAG is a question for the Commission to decide on the present record, not a reason to delay deciding it. If the Commission concludes the ZAAG

claim is moot, that is a final, appealable order; if not, that too is a final order. Either way, the matter is ripe and has been since FINRA filed its Motion to Dismiss in December 2025.

FINRA's own authority confirms that DNAX is not moot. Every case FINRA cites moots an application only because the relief sought was actually granted. In *Entrex*, FINRA had "processed and announced" the issuer's Company-Related Actions, so the sole § 19(f) remedy—"set aside the action" and grant "access to services," 15 U.S.C. § 78s(f)—was spent. *See Entrex Carbon Mkt., Inc.*, Exchange Act Release No. 104535, 2026 SEC LEXIS 13, at *1–2 (Jan. 2, 2026); *accord Marshall Fin., Inc.*, 57 S.E.C. 869, 877 (2004) (moot only where "even a favorable decision" would yield "no relief"); *Alpine Sec. Corp.*, Exchange Act Release No. 98868, 2023 SEC LEXIS 3223, at *22–24 (Nov. 6, 2023) ("no effective relief" remained); *Burst.Com, Inc.*, Exchange Act Release No. 43198, 2000 SEC LEXIS 1735, at *1 (Aug. 23, 2000) (relisting granted). DNAX is the mirror image: FINRA did not process DNAX's request—it lapsed and closed it. The August 1, 2025, determination remains in force, the limitation on access to services persists, and the § 19(f) remedy of setting that action aside and granting access remains fully available. By FINRA's own logic, DNAX is precisely the case that is not moot.

FINRA's "not similarly situated" argument does not change this. At most it bears on the appropriate remedy if the Commission reaches the merits; it is not a basis to defer the Motion to Dismiss. Moreover, the differentiation is thinner than FINRA suggests: the only FINRA action before the Commission is the August 1, 2025, DNAX determination, which rested on Hicks's historical record—the same theory FINRA effectively abandoned as to ZAAG. FINRA's post-hoc reliance on a February 2026 "proof of funds" dispute cannot retroactively supply a lawful basis for the 2025 determination under review.

III. THE COMMISSION SHOULD DENY FINRA'S RULE 322 MOTION AND GRANT EXPEDITED CONSIDERATION

FINRA moves to seal Exhibits A–H from Applicants on the ground that Applicants are not the Issuers' "duly authorized representatives" under Rule 6490(b). FINRA Opp. at 3, 5. That is not the standard. Rule 6490(b) governs who may submit documentation to FINRA Operations in the *ex parte* processing of Company-Related Actions; Rule of Practice 322 governs sealing in adversarial Commission proceedings. FINRA imports a submission-side limitation into an adversarial sealing analysis where it has no application. Rule of Practice 322 requires the Commission to weigh "the harm resulting from disclosure" against "the benefits of disclosure" and to seal only "upon a finding that the harm . . . would outweigh the benefits." 17 C.F.R. § 201.322(a), (c). FINRA's authorities are inapposite: they protect proprietary sales practices (*Chancey*), personally identifiable information (*Bebo*), and an active law-enforcement investigation (*Nature's Sunshine*)—not an issuer's own Rule 6490 submissions withheld from the shareholders whose Section 19(d) Application is the basis for the proceeding.

FINRA cannot have it both ways. It rests its two principal arguments—ZAAG mootness and DNAX differentiation—on these very exhibits while asking the Commission to hide them from the parties those arguments are aimed at. A protective order may shield documents from

disclosure; it cannot convert sealed material into evidence against the party denied access to it. If the Commission is to weigh Exhibits A–H in deciding the pending motions, Applicants must be permitted to see and respond to them; if FINRA insists on sealing them from Applicants, the Commission should not consider them against Applicants. That is ordinary adjudicative fairness, and it is reinforced here because FINRA, not Applicants, is the party introducing material outside the certified record. *See* FINRA Opp. at 4 n.3 (acknowledging the Rule of Practice 452 question).

If FINRA wishes to redact discrete personally identifiable information from the exhibits, Applicants do not object. But blanket sealing of an opposition’s entire evidentiary record from the opposing party is not what Rule 322 permits.

On expedition, FINRA argues that because DNAX has already been relegated to the Expert Market, expedited consideration would have “no impact.” FINRA Opp. at 11. That inverts the inquiry. Applicants do not contend that the Commission’s expedition will itself reverse an OTC Markets tier change, and Applicants accept that the mechanical trigger for that change is a broker-dealer disclosure determination under Exchange Act Rule 15c2-11, a regime distinct from Rule 6490. The relevance of the Expert Market relegation is not causal but temporal: it confirms that the harm Applicants flagged on May 26 is no longer speculative, that it compounds daily, and that the cost and feasibility of any eventual remedy worsen with delay. A live controversy in which the harm has begun to materialize is the strongest case for prompt decision, not the weakest.

FINRA’s footnote 6, contending that Rule 161 was not the right vehicle for the request, is best resolved by treating the May 26 motion and this Reply as renewed under Rule of Practice 154 and the Commission’s inherent authority to manage its docket. *Cf. BTHC X, Inc.*, Exchange Act Release No. 87653, 2019 SEC LEXIS 4946, at *6 n.14, *7 n.17 (Dec. 3, 2019) (Commission evaluates expedition requests “based on the facts and circumstances of each case”). The substance of the request is unchanged: prompt resolution of the Motion to Dismiss on the developed record now before the Commission.

CONCLUSION

For the foregoing reasons, Applicants respectfully request that the Commission (1) deny FINRA's Rule 322 motion insofar as it would seal Exhibits A–H from Applicants, or in the alternative decline to consider those exhibits against Applicants; (2) rule promptly on FINRA's pending Motion to Dismiss on the developed record now before the Commission; and (3) grant expedited consideration of the underlying Application for Review. In the alternative, and for the reasons set out in the May 26 Notice, Applicants renew their request that the Commission direct FINRA to process DNAX's Company-Related Action submission on the legal theory on which it processed ZAAG's—namely, that a third-party convertible note holder's historical regulatory record does not, without more, constitute a present-tense impediment under Rule 6490(d)(3)—pending resolution of this proceeding.

Dated: June 4, 2026

Respectfully submitted,

/s/ Nicolas Morgan

Nicolas Morgan
INVESTOR CHOICE ADVOCATES NETWORK
453 South Spring Street, Suite 400
Los Angeles, CA 90013
nicolas.morgan@icanlaw.org

Attorney for ZA Group, Inc. and
DNA Brands, Inc. Shareholders

CERTIFICATE OF SERVICE

Pursuant to Rule 150, I certify that on June 4, 2026, I caused a copy of the foregoing *Applicants' Reply in Support of Notice of Subsequent Events and Motion for Expedited Consideration* to be filed through the SEC's eFAP system and served on the following by electronic mail:

Counsel for FINRA
Elizabeth Sisul
Associate General Counsel
FINRA – Office of General Counsel
1700 K Street, NW
Washington, DC 20006
(202) 728-6936
elizabeth.sisul@finra.org
nac.casefilings@finra.org

/s/ Nicolas Morgan

Nicolas Morgan
Attorney for ZA Group, Inc. and
DNA Brands, Inc. Shareholders