

## **PETITION FOR AGENCY ACTION UNDER SEC RULE 192**

Submitted to: **Secretary of the Securities and Exchange Commission**

Email: Secretarys-Office@sec.gov

Physical Address: 100 F Street NE, Washington, DC 20549

### **I. PETITIONER AND STATEMENT OF INTEREST**

My name is William Lee Kelly, an investor directly affected by FINRA's December 2022 actions concerning the security known as *MMTLP*. I am submitting this Petition pursuant to Rule of Practice 192, 17 C.F.R. §201.192, to request the issuance of a rule of general applicability clarifying the scope of self-regulatory organization (SRO) authority over OTC corporate actions and trading halts.

This petition does not request adjudication of any private dispute, market reopening, enforcement action, or outcome-based remedy. Its scope is limited to rulemaking, consistent with the requirements of Rule 192 and the Exchange Act.

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### **II. PROPOSED RULE TEXT (REQUIRED UNDER RULE 192)**

Pursuant to Rule 192(a), Petitioner submits the following proposed rule for the Commission's consideration:

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#### **Proposed Rule 15c2-14 — Limitation on SRO Authority to Impose Permanent Market Access Restrictions in OTC Equity Securities**

**(a)** No national securities association or self-regulatory organization (SRO) may impose a permanent or indefinite halt, or take any action that permanently eliminates public secondary-market access for any OTC equity security without prior written approval of the Commission.

**(b)** Any SRO action that limits or prohibits trading access in an OTC equity security for longer than two consecutive trading days shall be deemed a "limitation of access" requiring immediate notice under Section 19(d) of the Exchange Act.

**(c)** For all issuer-initiated corporate actions affecting OTC equity securities, an SRO may disseminate corporate-action information only as submitted by the issuer or its agent, except where modification is expressly authorized by an SEC rule or order.

**(d)** Nothing in this rule alters the Commission's exclusive authority under Section 12(k) to suspend trading when necessary for the protection of investors.

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### **III. PURPOSE OF THE PROPOSED RULE**

The proposed rule is intended to:

1. Clarify the limits of SRO authority regarding OTC trading halts;
2. Prevent SROs from unintentionally exercising powers reserved exclusively to the Commission;
3. Ensure that revisions to issuer corporate-action data occur only under SEC authority;
4. Require consistent Section 19(d) filings when investor market access is affected;
5. Promote transparency, uniformity, and investor confidence in OTC market supervision.

This petition does not request any remedy connected to the trading outcomes of *MMTLP* or any ongoing legal proceeding.

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### **IV. NEED FOR RULEMAKING**

#### **A. Confusion Regarding SRO Authority Over Extraordinary Halts**

Current rules do not expressly define the limits of SRO authority to impose extraordinary-event halts in OTC equity securities. This ambiguity has led to uncertainty among investors, issuers, and SROs.

#### **B. Lack of Standards for SRO Modification of Corporate-Action Information**

Existing rules do not regulate when an SRO may modify or reinterpret issuer-supplied corporate-action data. The proposed rule would ensure that such modifications occur only under Commission authority.

#### **C. Need for Clear Section 19(d) Filing Standards**

SROs differ widely in how they determine whether an action “limits or prohibits” access to the securities markets. The proposed rule establishes a consistent standard requiring Section 19(d) filings for market-access restrictions exceeding two days.

#### **D. Preventing Unintentional Exercise of Section 12(k) Authority**

Only the SEC may impose market-wide suspensions under Section 12(k). The proposed rule prevents SRO conduct that could inadvertently approximate a Section 12(k) action.

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## **V. STATUTORY BASIS**

This petition relies on the Commission's rulemaking authority under:

- Exchange Act §§ 3(b), 10, 15, 19(a), 19(b), 19(c), 23(a)
- Rule of Practice 192

These provisions authorize the Commission to issue rules necessary to protect investors, promote fair and orderly markets, and define or clarify SRO obligations.

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## **VI. THE PROPOSED RULE IS GENERAL, PROSPECTIVE, AND NON-ADJUDICATORY**

The proposed rule:

- Applies to all SROs and all OTC equity securities;
- Does not address the legality of any past action;
- Does not request enforcement;
- Does not request market reopening;
- Does not overlap with any private litigation;
- Creates uniform, forward-looking standards consistent with the Exchange Act.

This ensures compatibility with Rule 192 and avoids any adjudicatory implications.

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## **VII. REQUEST FOR COMMISSION ACTION**

Petitioner respectfully requests that the Commission:

1. Publish a Notice of Proposed Rulemaking adopting Rule 15c2-14;
2. Solicit public comment; and
3. Adopt final rules clarifying the scope of SRO authority over OTC halts and issuer corporate actions.

Petitioner further requests confirmation of receipt and notice of any Commission action taken in response to this petition.

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### **VIII. CERTIFICATION**

I certify under penalty of perjury that the statements contained in this petition are true and correct to the best of my knowledge and belief, and that this petition is submitted solely for the purpose of requesting rulemaking under SEC Rule of Practice 192.

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/s/

Date: 11/25/2025

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### **IX. CONTACT INFORMATION**

**Name:** William Lee Kelly

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