Before the U.S. Securities and Exchange Commission

Petition for Rulemaking Pursuant to Rule 192

Material Digital Compute Infrastructure Commitments, Credit Support, and Risk-Transfer Disclosure

Petitioner: Denis Čule Kulaš

Citizen of the European Union

[redacted]

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Secretary

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549-1090

Dear Secretary:

Pursuant to Rule 192 of the Commission's Rules of Practice, 17 C.F.R. § 201.192, I respectfully petition the Securities and Exchange Commission to consider a targeted supplemental disclosure framework for material contractual commitments and credit-support arrangements associated with digital compute infrastructure.

The requested action would complement, rather than duplicate, two recent petitions:

- Petition 4-903, requesting disaggregation of cloud revenue and unrealized gains involving commercially entangled entities; and
- Petition 4-910, requesting standardized disclosure concerning AI compute asset aging, utilization, depreciation sensitivity, impairment, and economic yield.

Those petitions address the quality of reported revenue, investment gains, and productive assets. This petition addresses the other side of the same financing structure: long-duration contractual commitments, project debt, leases not yet commenced, purchase and take-or-pay arrangements, guarantees, backstops, special-purpose project structures, and the transmission of potential losses to financial institutions.

This petition does not assert that an AI investment bubble exists, that major technology registrants are insolvent, or that all contractual commitments are debt. It asks the Commission to determine whether investors receive sufficiently standardized information to distinguish among these categories and assess how material infrastructure projects are financed and protected.

I. Statement of the Petitioner's Interest

I am an individual citizen of the European Union with a personal interest in the sustainable development of artificial intelligence and in the resilience of the financial system on which that development increasingly depends.

My interest is not in restricting AI investment or choosing technological winners. I am concerned that a useful technology could suffer unnecessary damage if long-duration infrastructure commitments, project financing, and contingent support arrangements cannot be assessed until after a market disruption.

I initiated this work because diffuse responsibility can create inaction: each person or institution may reasonably assume that another actor is already assembling the full picture. Subsequent research showed that other petitioners have identified important parts of the issue. This submission seeks to support their work and add a missing contractual-liability and risk-transfer dimension.

II. The Disclosure Problem

Public filings already contain substantial information about debt, leases, purchase obligations, guarantees, capital expenditures, and risk factors. The problem is not necessarily complete absence. It is fragmentation, inconsistent categorization, different time horizons, and limited project-level reconciliation.

An investor reviewing a material digital compute infrastructure project may encounter:

1. recognized corporate or project debt;
2. finance and operating lease liabilities;
3. material leases that have been signed but have not yet commenced;
4. noncancelable purchase, capacity, power, construction, or take-or-pay commitments;
5. guarantees or backstop arrangements provided by a sponsor, customer, supplier, or affiliate;
6. special-purpose entities or joint ventures that legally incur project debt;
7. warrants, equity interests, prepaid rent, or other consideration exchanged for credit support;
8. contracted revenue presented on a gross, undiscounted basis; and
9. collateral whose economic value may depend on rapidly changing technology.

Each category may be properly accounted for under existing standards. Yet an investor may still be unable to reconcile the categories at the project level, identify whether the same economic exposure has been counted more than once, or determine how a customer default would activate support and transmit a loss.

The phrase “off-balance-sheet debt” can therefore be misleading. Some exposures are recognized liabilities; some are disclosed commitments; some are executory contracts; some are contingent obligations; and some remain obligations of separate project entities. The Commission can improve investor understanding by requiring these categories to be separated, not by labeling all of them as debt.

III. Evidence That a Targeted Review Is Warranted

Authors writing in the BIS Quarterly Review have examined the increasing use of on- and off-balance-sheet borrowing, special-purpose vehicles, private credit, insurer financing, and bank credit lines in funding AI infrastructure. The publication expressly states that the views are those of the authors and not necessarily those of the BIS or its member central banks. The Financial Stability Board has separately identified data-collection challenges and deepening interconnections among private credit funds, banks, insurers, pension funds, and other market participants.

Public filings of large technology registrants disclose substantial amounts across debt, leases, leases not yet commenced, purchase commitments, and other contractual arrangements. However, the definitions and reporting periods are not sufficiently comparable to reproduce confidently some aggregate figures circulating in public debate. This is itself a reason for standardized reconciliation.

Illustrative project: TeraWulf-Fluidstack-Google

TeraWulf’s public filings and a company press release furnished to the SEC provide a useful illustration without establishing that the project is distressed.

Those materials disclose or state, among other things:

- $3.2 billion principal amount of 7.75% senior secured project notes due in 2030;
- 378 MW of contracted critical IT load in the later annual report;
- a company-announced estimate of $6.7 billion in contracted revenue for the earlier approximately 360 MW scope;

- Google credit support described by the company at approximately $3.2 billion; and
- a structure under which, following specified Fluidstack payment defaults or insolvency events, Google may pay a contractual termination fee or cure amounts due and assume the relevant lease.

The $6.7 billion contracted-revenue figure and the approximately $3.2 billion backstop description appeared in TeraWulf's August 2025 press release furnished as Exhibit 99.1 to a Form 8-K. They are company statements, and the press release identifies forward-looking statements and related uncertainties. They should not be treated as audited fair values, guaranteed cash receipts, or findings by the Commission.

These disclosures demonstrate meaningful protections. They also demonstrate the analytical limit of current public information. A reader cannot calculate from the principal filings alone:

- project-level debt-service coverage under a construction delay;
- the full payment schedule of each termination fee;
- the amount of protection available at each point in the project life;
- the forced-sale value of the collateral after technological obsolescence;
- the final holders of the project's credit risk; or
- indirect exposures through funds, bank facilities, insurance portfolios, derivatives, or secured funding.

The appropriate conclusion is not that the project will fail. The appropriate conclusion is that public information permits only a partial stress test.

IV. Requested Commission Action

I respectfully request that the Commission consider one or more of the following actions:

1. issue a concept release or staff study on material digital compute infrastructure commitments and credit-support arrangements;
2. issue interpretive guidance encouraging registrants to reconcile existing material disclosures in a standardized supplemental schedule;
3. propose amendments to Regulation S-K requiring such a schedule where digital compute infrastructure is material; and
4. coordinate, as appropriate, with the Financial Accounting Standards Board and the Financial Stability Oversight Council.

The request is deliberately incremental. A staff study or pilot review may establish whether current filings already provide sufficiently comparable information. A prescriptive rule should follow only if the Commission confirms a material gap.

V. Substance of the Proposed Supplemental Disclosure

For purposes of Rule 192, the proposed rule or amendment would require a registrant for which digital compute infrastructure is material to provide an annual supplemental schedule, with quarterly updates for material changes.

"Digital compute infrastructure" should be defined functionally and technologically neutrally to include material data-center space, high-performance or accelerated computing capacity, associated power and cooling infrastructure, and directly related equipment or capacity commitments. The definition should not depend solely on whether management labels a workload "artificial intelligence."

The Commission should apply existing securities-law materiality principles, considering both quantitative significance and qualitative importance to the registrant's growth strategy, financing, risk profile, or investor narrative. This petition does not propose a universal fixed-dollar threshold.

A. Project identification and status

For each material project or group of economically interdependent projects:

- a stable project identifier and jurisdiction;
- development stage: planning, construction, partial operation, or full operation;
- contracted critical IT capacity or another appropriate nonproprietary capacity measure;
- expected and actual commencement dates; and
- material changes in scope since the preceding report.

B. Contractual obligations by category

The schedule should separately present:

- recognized debt, including principal, stated rate, effective rate when available, maturity, and annual principal schedule;
- finance and operating lease liabilities;
- material leases executed but not yet commenced;
- purchase and take-or-pay commitments, separated into equipment, compute capacity, energy, construction, and other material categories;
- guarantees and backstop obligations provided;
- guarantees and credit support received; and
- other material contractual obligations that are economically dependent on project completion or operation.

Amounts should be presented for the remainder of the current year, each of the following five years, and thereafter. Nominal amounts should be disclosed, together with present values where those values are already calculated in the ordinary course.

C. Credit support and trigger disclosure

For each material guarantee, backstop, termination payment, or similar credit enhancement, the registrant should disclose:

- the provider and beneficiary by counterparty category, with specific identification where otherwise required or material;
- maximum covered amount or a meaningful range;
- commencement and expiration;
- the event that activates the support;
- whether coverage amortizes or otherwise declines over time;
- whether the provider may satisfy the obligation by paying cash, assuming a contract, providing replacement performance, or choosing among alternatives; and
- any material equity, warrant, fee, collateral, or other consideration issued for the support.

This disclosure should not treat credit support as an automatic offset against gross obligations. The obligation and the protection should be shown separately.

D. Revenue, customer concentration, and cancellation rights

The schedule should disclose:

- fixed and variable components of material contracted project revenue;

- the annual timing of fixed contracted payments;
- the percentage attributable to the largest customer and the three largest customers;
- material cancellation, contraction, renewal, or substitution rights; and
- whether contracted revenue depends on project completion, customer deployment, capacity acceptance, or another material condition.

Contracted revenue should be clearly distinguished from recognized revenue, cash, operating profit, and debt.

E. Collateral and connected financing

At a nonproprietary level, the registrant should disclose:

- principal collateral categories;
- the date and basis of the latest material valuation;
- whether recovery materially depends on specialized or rapidly depreciating equipment;
- material equity, debt, convertible, warrant, cloud-credit, vendor-financing, or prepaid arrangements among the project sponsor, infrastructure provider, tenant, supplier, and credit-support provider; and
- a concise explanation of how those connected arrangements affect project financing or reported revenue.

F. Reconciliation and machine readability

The schedule should:

- reconcile opening and closing balances;
- identify new contracts, commencements, cancellations, transfers, and material modifications;
- use a stable identifier so the same economic obligation is not counted multiple times at the tenant, project entity, guarantor, and creditor levels;
- show gross exposure before legally enforceable netting or credit protection; and
- use Inline XBRL tags developed through the Commission’s normal taxonomy process.

VI. Proportionality and Protection of Confidential Information

The proposed schedule should not require disclosure of proprietary chip configurations, cluster architecture, individual workload data, trade-secret pricing formulas, or the identity of every ultimate investor.

The Commission could permit aggregation or ranges where necessary to prevent competitive harm, provided that the disclosure remains sufficient to evaluate material timing, concentration, and risk transfer.

The Commission should also avoid duplicate reporting. If a required amount already appears in audited financial statements, the supplemental schedule should cross-reference and reconcile that amount rather than require a second independent calculation.

The most sensitive information needed for a full financial-system stress test-such as ultimate beneficial holders, fund leverage, bank credit lines, derivatives, and forced-sale collateral values-may be more appropriately collected confidentially by prudential and systemic-risk authorities. This petition asks the Commission to improve issuer-level disclosure within its mandate, not to assume the functions of bank, insurance, pension, or private-fund supervisors.

VII. Relationship to Petitions 4-903 and 4-910

The Commission would benefit from evaluating the three proposals together:

- Petition 4-903 addresses commercially entangled revenue and investment gains;
- Petition 4-910 addresses asset aging, utilization, depreciation, and economic productivity;
- this petition addresses contractual obligations, project finance, credit support, and loss transmission.

Together, the proposals would permit investors to examine three connected questions:

1. What is the quality and independence of reported demand and revenue?
2. How productive and durable are the assets built to meet that demand?
3. Who is contractually obligated to pay, and who bears the loss if the assumptions fail?

The third question cannot be answered by asset or revenue disclosure alone.

VIII. Request for Interagency Coordination and an Exploratory Scenario

The Commission should consider transmitting relevant findings to the Financial Stability Oversight Council and coordinating with domestic and international counterparts.

An exploratory scenario, without automatic capital consequences, could test:

- construction delay and cost overrun;
- lower utilization or compute-service pricing;
- accelerated technological obsolescence and collateral-value decline;
- default of a major tenant and activation of guarantees;
- higher funding costs or failed refinancing; and
- a combined severe scenario with second-round effects.

The purpose would not be to predict a crash. It would be to identify where a cash shortfall appears, which contractual protection activates, and which sector ultimately absorbs the loss.

IX. Legal Basis

The Commission has longstanding authority to require disclosures necessary or appropriate in the public interest or for investor protection under Sections 7, 10, and 19(a) of the Securities Act of 1933 and Sections 12, 13, 15(d), and 23(a) of the Securities Exchange Act of 1934, including through Regulation S-K and related periodic-reporting requirements. Regulation S-K, 17 C.F.R. Part 229, cites these and other statutory authorities.

This petition does not ask the Commission to modify recognition or measurement under U.S. GAAP through rulemaking. It requests supplemental, decision-useful disclosure and reconciliation of material financing and contractual arrangements. The Commission may determine whether coordination with FASB is appropriate for taxonomy, accounting presentation, or related standard-setting questions.

X. Conclusion

Artificial intelligence may justify substantial, long-lived infrastructure investment. That possibility strengthens the case for clear financial information; it does not weaken it.

The requested action would neither discourage legitimate capital formation nor presume that large commitments are unsound. It would allow investors to distinguish debt from other commitments, obligations from protections, contracted revenue from cash flow, and project-level borrowing from sponsor liability.

I respectfully request that the Commission consider a concept release, staff study, interpretive guidance, or rulemaking to establish a standardized supplemental disclosure schedule for material digital compute infrastructure commitments and credit-support arrangements, and that it consider this request together with Petitions 4-903 and 4-910.

Respectfully submitted,

Denis Čule Kulaš

Citizen of the European Union

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Principal supporting sources

1. U.S. Securities and Exchange Commission, Rule 192, 17 C.F.R. § 201.192, and *Petitions for Rulemaking Submitted to the SEC*.

https://www.sec.gov/rules-regulations/petitions-rulemaking-submitted-to-sec

2. Petition 4-903, Hera Hyeonseo Lee, *Petition for Rulemaking to Require Disaggregated Disclosure of Cloud Revenue and Unrealized Gains from Commercially Entangled Entities in the AI Infrastructure Sector*, June 7, 2026.

https://www.sec.gov/files/rules/petitions/2026/petn4-903.pdf

3. Petition 4-910, Raymond Gillis, *AI Compute Asset Aging and Economic Yield Disclosure*, July 7, 2026.

https://www.sec.gov/files/rules/petitions/2026/petn4-910.pdf

4. Bank for International Settlements, *Financing the AI infrastructure boom: on- and off-balance sheet borrowing*, March 16, 2026.

https://www.bis.org/publ/qtrpdf/r_qt2603u.htm

5. Financial Stability Board, *Report on Vulnerabilities in Private Credit*, May 6, 2026.

https://www.fsb.org/2026/05/report-on-vulnerabilities-in-private-credit/

6. TeraWulf Inc., Form 10-K for the fiscal year ended December 31, 2025.

https://www.sec.gov/Archives/edgar/data/1083301/000108330126000031/wulf-20251231.htm

7. TeraWulf Inc., Form 8-K and Exhibit 99.1, August 18, 2025.

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