

PETITION FOR RULEMAKING BEFORE THE U.S. SECURITIES AND EXCHANGE COMMISSION

DATE: 10/26/2026

TO:

Secretary of the Commission

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549-1090

Via Electronic Submission Email: secretary@sec.gov, Secretarys-Office@SEC.GOV

PETITIONER:

Jeffrey Howerton

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**RE: Petition for Rulemaking Pursuant to 5 U.S.C. § 553(e) and 17 C.F.R. § 201.192:
Mandatory Disclosure of Clandestine Organizational Networks, Transnational Shadow
Structures, FINRA Registration Vetting, and Prohibitions on the Tactical
Weaponization of Compliance Procedures**

Dear Secretary of the Commission,

Pursuant to Section 553(e) of the Administrative Procedure Act (APA) and Rule 192 of the Securities and Exchange Commission's Rules of Practice (17 C.F.R. § 201.192), the Petitioner formally requests that the Commission adopt new regulatory standards under **Title 17 of the Code of Federal Regulations (CFR)**.

The substance of the proposed regulations, the compelling market rationale driving them, and the Commission's statutory authority to act are detailed below.

I. SUBSTANCE OF THE PROPOSED REGULATIONS

The Petitioner proposes that the Commission adopt new disclosure mandates, compliance parameters, and auditing protocols for all publicly traded issuers, registered broker-dealers, investment advisers, and self-regulatory organizations (SROs):

1. **Mandatory Disclosure of Clandestine and Fraternal Affiliations:** All executive officers, board directors, and key decision-makers of a publicly traded issuer must file an annual disclosure detailing any active or past affiliations with closed, clandestine, or non-public fraternal organizations capable of influencing institutional governance, private placements, or employment hiring practices.
 2. **Transnational Operational and Capital Flow Mapping:** Issuers must explicitly map and disclose any reliance on private-sector corporations, international branches, or shell companies that function as operational extensions of foreign or domestic intelligence actions, detailing the exact routing of cross-border capital flows to ensure that standard retail investors are not exposed to hidden, non-commercial structural risks.
 3. **FINRA Background Check Integration:** The Commission shall direct the [Financial Industry Regulatory Authority \(FINRA\)](#) to amend the **Uniform Application for Securities Industry Registration or Transfer (Form U4)** and **Form U5** to incorporate explicit background check disclosures regarding active or past membership in closed, non-public fraternal networks or clandestine organizations that present an institutional conflict of interest.
 4. **Prohibition on Tactical Compliance Manipulation (Weaponized Posturing):** The regulations shall establish that when corporate insiders or active market participants face legitimate regulatory inquiries or internal investigations regarding market manipulation or conflict-of-interest violations, any counter-claims of discrimination or targeted harassment filed by those personnel must be subjected to immediate independent audit by the SEC Office of Federal Statutory Compliance or the Division of Enforcement. It strictly prohibits the use of internal, unwritten corporate agreements that allow personnel to leverage demographic or minority status to shield themselves from financial accountability or suppress whistleblower reports.
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II. MARKET RATIONALE AND INTEREST (WHY THIS IS NECESSARY)

The integrity of U.S. capital markets relies on absolute transparency and the eradication of information asymmetry between corporate insiders and everyday retail investors.

- **Eradicating Shadow Insider Networks and Cross-Border Manipulation:** The extensive statutory and corporate shields given to proprietary operations can be weaponized by closed factions or secret societies to run parallel hiring, capital-allocation, and trading systems. When these internal corporate mechanics are kept secret, ordinary investors face systemic exclusion from market opportunities. Furthermore, these clandestine institutions frequently utilize international branches and multi-layered offshore bank accounts to mask the true origin, destination, and intent of cross-border capital flows, creating shadow financial ecosystems that distort true market valuations.
- **Addressing Market Vulnerabilities and Capital Allocation Risk:** A major threat to market integrity involves the risk of insider trading and market manipulation orchestrated through non-public, fraternal, or clandestine networks. When capital deployment, corporate strategy, and trading decisions are coordinated within secret societies, it undermines the fair-market principle of equal information access. Furthermore, risks emerge when business operations and investment activities are advanced by entities leveraging external conflict metrics, parallel compliance files, or localized data pools to generate and structure financial instruments or asset-backed securities. This practice introduces unquantifiable structural risks to the public markets, as retail investors remain completely unaware of the underlying non-commercial dependencies behind the issuance.
- **Preventing Strategic Deflection via Compliance Channels:** A critical danger to market stability occurs when bad actors within corporate networks collectively exploit internal civil rights and compliance frameworks by falsely claiming victimhood. When these individuals face legitimate scrutiny regarding shadow operations or undisclosed conflicts, they may weaponize claims of discrimination as a defensive tactic. By acting like the victims, they create an unwritten, underground corporate standard that paralyzes internal audits, insulates coordinated factions, and prevents federal market regulatory enforcement.
- **Securing Investor Civil Status Rights:** Everyday citizens lacking institutional, government, or clandestine access are vulnerable to coordinated "offensive strikes" carried out through corporate and regulatory machinery. This regulation establishes that an individual's lack of affiliation with government networks or secret societies can never be used as a basis to exclude them from economic

opportunity, devalue their standing within the financial sector, or restrict their fair access to regulatory remedies.

III. PROPOSED SEC MONITORING AND AUDIT MATRIX

The Petitioner requests that the SEC Division of Enforcement and the Division of Corporation Finance expand their active risk-assessment frameworks to track the following specific corporate vulnerabilities:

A. Tracking of Coordinated Fraternal Collusion

- **The Target:** Private, closed, or clandestine organizations whose members hold public or private sector market positions and coordinate internally to influence hiring logs or influence corporate litigation.
- **The Mechanism:** Treating unwritten corporate agreements by secret factions to manipulate public resources as a form of institutional market collusion, subjecting them to systematic tracking via the SEC's quantitative analytics matrices.

B. Monitoring of International Branch Capital Divergence

- **The Target:** Publicly traded issuers or registered broker-dealers utilizing complex international subsidiary networks to move funds outside standard domestic accounting oversight.
- **The Mechanism:** Requiring continuous forensic tracing of transnational capital flows connected to known fraternal or non-commercial operational nodes to identify and flag unauthorized parallel financial activities.

C. Independent Auditing of Tactical Compliance Filings

- **The Target:** Factions within a registered entity that intentionally orchestrate false or tactical internal discrimination complaints to secure leadership positions or insulate their market operations from external investigation.
 - **The Mechanism:** Directing the Commission to monitor patterns of repetitive, interconnected corporate civil rights complaints to determine if a group is collectively weaponizing the legal system to displace unaffiliated personnel or conceal financial misconduct.
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IV. ESTABLISHMENT OF A MANDATORY FEDERAL DUTY OF INQUIRY AND RIGHT TO RECOVERY

To protect citizens entirely lacking independent clandestine or governmental capabilities, a Universal Duty of Inquiry and Right to Information Access must be codified:

1. **Absolute Duty of Inquiry:** The Commission shall bear an affirmative, ongoing obligation to conduct routine, multi-level checks to discover any parallel, lower-level, or clandestine proceedings—including those maintained by secret societies, fraternal networks, or fractional interest groups—that concern or impact an individual citizen.
 2. **Broadened Exculpatory Standard:** Any information, evidence, or hidden operational context maintained within these parallel systems that bears upon a citizen's record or the validity of internal corporate discrimination claims shall be treated as mandatory exculpatory evidence under the highest standards of regulatory due process.
 3. **Affirmative Right to Know:** Any citizen discovered to have been an undisclosed subject of, or asset within, a parallel or clandestine proceeding shall possess an immediate right to full statutory disclosure and enhanced standing to ensure total transparency and prevent collective evasion of accountability.
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V. LEGAL AUTHORITY OF THE COMMISSION TO ACT

The Commission possesses broad statutory authority under the Securities Act of 1933 and the Securities Exchange Act of 1934 to mandate disclosures necessary or appropriate in the public interest or for the protection of investors:

- **Section 7 and Section 19(a) of the Securities Act (15 U.S.C. §§ 77g, 77s(a)):** Granting the Commission expansive authority to define accounting, technical, and trade terms, and to prescribe the forms and information required in registration statements.
- **Section 13(a) and Section 14(a) of the Exchange Act (15 U.S.C. §§ 78m(a), 78n(a)):** Empowering the Commission to require periodic reports and proxy disclosures to ensure fair dealing and maintain public investor confidence.

Pursuant to federal administrative guidelines, the Commission is requested to review this petition and determine whether to initiate a formal notice-and-comment rulemaking proceeding.

Respectfully submitted,

(Signature)

Jeffrey Howerton

APPENDIX A: DECLARATION AND STATEMENT OF RATIONALE BASED ON PERSONAL EXPERIENCE

I. Formal Statement of Personal Narrative

Pursuant to federal administrative practice, the Petitioner provides the following account of personal observations, institutional encounters, and experiences within both educational and institutional structures. This narrative illustrates the practical impact of undisclosed parallel proceedings, unwritten standards, and cross-border networks on individuals lacking institutional or clandestine access.

The Petitioner's awareness of closed institutional networks began during their time at Brown University, where they learned about the existence of localized secret societies, such as the "Pacifica House," which operate through word of mouth, internal mechanisms, and unwritten traditions. Observations indicated that numerous academic, social, and post-graduation opportunities were facilitated through these closed groups, establishing a system of exclusion for unaffiliated individuals. Over time, it became apparent that various private fraternal organizations and interconnected networks align their internal policies to restrict direct communication and input from outside individuals, creating a closed loop of information and benefits. It is a system where most activities on campus and after graduation are handled as the de facto manner for subsequent undertakings, from which unaffiliated persons are wholly excluded. These groups frequently connect their policies directly to a person's individual circumstances while establishing rules where the subject is never to be spoken to, preventing any outside input or resolution.

This pattern of closed, parallel interactions has historically intersected with public entities, law enforcement, and political figures. Prior to attending Brown University, the

Petitioner experienced orchestrated internal proceedings in Lompoc, California, where a group of individuals sought to generate defamatory claims regarding the Petitioner's personal habits, falsely claiming drinking problems despite the Petitioner never having been drunk. These unverified claims were subsequently introduced into administrative defense proceedings by various individuals holding public or quasi-public positions. As part of these parallel actions, records indicate that individuals attempted to audit and undermine the Petitioner's academic credentials and resume. These actions involved reaching out to public officials and administrators—including figures affiliated with the Santa Barbara County Board of Supervisors, such as Gail Marshall, congressional representatives like Lois Capps, and administrators at Lompoc High School. These entities sought to challenge the Petitioner's academic standing and class honors, demanding that honors be revoked based on unverified operational criteria.

Furthermore, these parallel activities involved inquiries from the Santa Barbara District Attorney's office, which contacted local residents regarding the actions of public figures, including the Petitioner's relative, Joyce Howerton, the former Mayor of Lompoc. These encounters demonstrate a recurring practice where public figure laws, localized political networks, and cross-jurisdictional agency contacts are utilized to manage disputes, conduct off-the-record discovery, and maintain parallel files outside of established public view. This historical context includes a wider matrix of interconnected local and national affiliations, spanning historical entities like the Bohemian Club and its Bohemian Grove Action Network (which Joyce Howerton protested through the Action Network during protests against the Diablo Canyon nuclear power plant), private gentlemen's clubs, and historical regional organizations (e.g., Jewish groups such as the Standard Club in Chicago or the Harmonie Club in New York, and the Los Rancheros Visitadores ride leaders at Hollister Ranch), alongside pre-Civil War populations, regional capital alignments, and historical lawsuits against the U.S. government regarding Civil War roles.

Observations suggest that certain entities within these regional and historical networks, including various racial or cultural affinity groups, have historically utilized parallel structures to advance specific commercial or investment activities. In some instances, unverified personal files, outstanding data pools, or the specific baseline circumstances of unaffiliated individuals have been integrated into underlying narratives to structure business opportunities or facilitate the issuance of public securities. These interactions occur without the direct involvement or knowledge of the affected party, generating financial advantages for internal networks while avoiding standard disclosure channels.

During the Petitioner's early stages at Brown University, retaliation and targeted actions from individuals from the Lompoc area continued through stalking and organized

attempts to sabotage the college period. Individuals planted within the institution, including a basketball player from Michigan and an associated sports-oriented individual, initiated actions to benefit from parallel proceedings. Information received from peers indicated that every individual within that specific collegiate sphere was systematically linked via government employment or informant networks, with operations monitored through underground conversations and specific social rules. This disruption forced outside informants to intervene, causing further institutional friction.

The Petitioner also observed the structural operation of state-mandated service organizations and public interest firms, such as the North County Rape Crisis Center (established with a state mandate) and the Environmental Defense Center (a public interest law firm that defended the Abalone Alliance and Joyce Howerton against lawsuits filed by PG&E and the County of San Luis Obispo). Following the events of September 11, 2001, multiple organizations were requested to transition into centralized programs, creating de facto government-aligned institutional plants. Throughout these multi-layered experiences, the Petitioner observed that when complaints or inquiries are raised through standard channels, including federal and state regulatory frameworks, agencies lack clear, accessible procedures for non-affiliated citizens to address these multi-layered conflicts. Instead, the systemic reliance on institutional secrecy allows coordinated groups within public and private employment to categorize external challenges as psychological anomalies or persecutory delusions. This systemic response effectively discredits the reporter through easy discreditation mechanics while preserving the underlying unwritten practices, manipulating corporate compliance frameworks, and preventing regulatory resolve.

II. IDENTIFICATION OF SYSTEMIC THEMES AND MARKET PROBLEMS

Based on the experiences and observations detailed in Section I, the Petitioner identifies three distinct structural vulnerabilities within current federal securities compliance, corporate governance, and self-regulatory framework architectures:

- **THEME 1: The Institutional Shield of Special Abilities and Corporate Secrecy**
 - *The Problem:* The high level of secrecy granted to proprietary corporate systems, combined with unrecorded cross-border operations, makes it virtually impossible for an ordinary investor to distinguish between officially promulgated corporate rules and unwritten "underground rules."

When insiders possess specialized access or clandestine operational capacities, everyday market participants without equivalent access are left entirely without resources or clear administrative channels to challenge unfair or ad-hoc treatment.

- **THEME 2: Systemic Information Asymmetry and Transnational Capital Routing**

- *The Problem:* Current financial discovery mechanisms and SRO frameworks do not account for lower-level, parallel, or off-the-record proceedings managed by localized factions, collegiate secret societies, or fraternal networks operating through international branches. When these closed groups connect their policies to an outside individual—frequently establishing rules that prohibit direct contact or information input—the affected citizen is wholly excluded from the process. This creates a severe information asymmetry where an individual's data or circumstances are utilized as an operational example or a vehicle for hidden financial positioning while they are denied the right to review or correct the record.

- **THEME 3: The Deflection of Financial Accountability Through Tactical Compliance Claims**

- *The Problem:* In both public and private financial sectors, coordinated groups frequently utilize established civil rights protections, internal compliance mechanisms, and discrimination claim frameworks as a defensive maneuver to shield internal operations from federal scrutiny. When personnel facing regulatory investigation leverage their background, gender, or minority status to claim immediate victimhood, it creates an underground standard that halts legitimate oversight. This tactical deployment of counter-claims allows internal networks to resolve outstanding financial or personnel issues to their own benefit, using the unresolved circumstances of unaffiliated individuals as leverage, while leaving the initial systemic vulnerabilities unaddressed.

III. PROPOSED FORMAL AND REGULATORY SOLUTIONS

To resolve the systemic issues identified under the themes above, the Petitioner requests the adoption of the following generalized regulatory standards within Title 17 of the Code of Federal Regulations (CFR):

1. **Expansion of Securities Civil Rights Protections to Prohibit Affiliation-Based Exclusion:** Title 17 of the CFR shall be amended to explicitly prohibit any registered entity, publicly traded issuer, or broker-dealer from discriminating against, excluding, or systematically denying career or market resources to any individual based on their **lack of connection to a government entity, political network, or private fraternal organization**. The regulation must mandate that access to professional opportunities and market mechanisms remain strictly equal for non-affiliated citizens.
2. **Establishment of a Mandatory FINRA Form U4/U5 Disclosure Requirement:** The Commission shall mandate that FINRA update its registration background check codes to require all applicants to affirmatively disclose any past or active alignment with closed, non-public fraternal networks or secret societies. Any failure to disclose such affiliations shall trigger an automatic statutory disqualification review under FINRA compliance rules.
3. **Mandatory Federal Inquiry into Transnational Parallel Files:** The Commission shall establish a routine check mechanism within the Division of Enforcement. Upon a credible report from an interested party, the SEC shall be legally obligated to audit relevant issuer accounts and international branch logs to determine if an individual's data or identity has been utilized without consent within any off-the-record tracking, parallel administrative proceedings, or closed operational files managed by fraternal networks, secret societies, foreign governments, local police departments - idea is everything.
4. **Independent Auditing of Tactical and Counter-Discrimination Compliance Filings:** To prevent the weaponization of internal compliance codes, any counter-claims of discrimination or victimhood filed by corporate insiders or broker-dealer personnel who are currently the subject of an active regulatory inquiry or internal investigation must be automatically referred to an independent federal oversight body, such as the **SEC Office of Federal Statutory Compliance**. This independent review ensures that internal corporate agreements cannot be used to suppress public reports, distort whistleblower protections, or insulate coordinated factions from financial accountability.