

Subject: Answer of Respondent **TransAct Energy Corp.**

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-22574

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## **ANSWER OF RESPONDENT TRANSACT ENERGY CORP.**

Respondent TransAct Energy Corp. (“TransAct” or “Respondent”), by and through its undersigned authorized representative, hereby submits this Answer to the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the “Order”), and responds as follows:

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### **I. GENERAL RESPONSE**

Respondent denies each and every allegation contained in the Order except as expressly admitted herein. Respondent submits this Answer to provide additional factual context regarding its remediation efforts, financial capacity, and operational readiness, and reserves the right to further amend or supplement this Answer as permitted by the Commission’s Rules of Practice.

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### **II. RESPONSES TO SPECIFIC ALLEGATIONS**

#### **A. Respondent**

1. Respondent admits that TransAct Energy Corp. is a Nevada corporation with securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934. Respondent admits that it has experienced historical delinquency in its periodic reporting obligations. Respondent denies any allegation or implication that such delinquencies were willful, reckless, or intended to mislead investors.

Respondent further states that it is actively engaged in remedial efforts to bring its financial reporting into compliance and that its securities are not currently publicly quoted or traded.

## B. Delinquent Periodic Filings

2. Respondent admits that it has not consistently filed periodic reports in the form and manner required by the Exchange Act. Respondent denies that it intentionally disregarded correspondence from the Division of Corporation Finance and states that any failure to receive such correspondence was inadvertent and not an attempt to evade regulatory oversight.
3. Respondent admits that Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 require issuers with securities registered under Section 12 to file annual and quarterly reports. Respondent denies that these provisions, as applied to the facts of this matter, compel the extraordinary remedy of suspension or revocation under Section 12(j) without consideration of mitigating circumstances and ongoing corrective action.
4. Respondent states that it has commenced the audit process for its most recent two fiscal years. During the audit process, Respondent and its auditors identified a complex accounting issue under Generally Accepted Accounting Principles relating to derivative instruments, which required the engagement of a specialist valuation firm. Respondent states that the specialist evaluation has been completed and that Respondent's accountants are currently amending the financial statements to reflect the specialist's conclusions for final auditor review.
5. Respondent further states that the engagement of specialized valuation professionals, together with auditors and accounting personnel, required careful sequencing of work and payment obligations. These factors affected the timing of completion of the audit process but did not reflect an abandonment of reporting obligations. Respondent has addressed these constraints and is now positioned to complete the audit process within a defined and reasonable timeframe.
6. Respondent further states that it has entered into preliminary discussions with OTC Markets Group regarding the potential relisting of the Company's securities following the filing of audited financial statements and restoration of compliant reporting status.

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## III. AFFIRMATIVE DEFENSES AND MITIGATING FACTORS

Without admitting any allegations and expressly reserving all rights, Respondent asserts the following defenses and mitigating considerations:

1. **Active and Advanced Remediation**  
Respondent is in the advanced stages of completing audited financial statements, with remaining work limited to final amendments and auditor review.
2. **Operational Viability and Financial Capacity**  
Respondent has secured financing in the amount of approximately **\$460 million** for the construction of its first operating plant. In furtherance of that project, Respondent has negotiated site control for the plant location, completed first-stage engineering, secured feedstock supply arrangements, and initiated pre-sales discussions for anticipated production. These developments demonstrate Respondent's operational viability and capacity to sustain compliance obligations on a going-forward basis.

3. **Lack of Investor Harm**

Respondent's securities are not currently publicly quoted or traded, and there is no evidence that investors have suffered harm as a result of the alleged reporting deficiencies.

4. **Proportionality and Investor Protection**

Immediate suspension or revocation would impede completion of audited disclosures and frustrate the transition of Respondent to operating-company status, contrary to the interests of investors.

5. **Good Faith and Cooperation**

Respondent has acted in good faith, engaged qualified professionals, and intends to continue cooperating fully with the Commission.

6. **Reservation of Rights**

Respondent reserves the right to assert additional defenses as appropriate.

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#### IV. RELIEF REQUESTED

WHEREFORE, Respondent respectfully requests that the Commission:

- A. Permit Respondent a reasonable period of time to complete its ongoing audit process and related filings;
- B. Decline to suspend or revoke Respondent's securities registration at this time; or
- C. Grant such other and further relief as the Commission deems just and appropriate.

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Respectfully submitted,

TransAct Energy Corp.

By: \_\_\_\_\_  
Autho \_\_\_\_\_

Date: January 16<sup>th</sup>, 2025