

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 18-CV-61991-BLOOM**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

v.

**1 GLOBAL CAPITAL LLC, and  
CARL RUDERMAN,**

**Defendants, and**

**1 WEST CAPITAL LLC,  
BRIGHT SMILE FINANCING, LLC,  
BRR BLOCK INC.,  
DIGI SOUTH, LLC,  
GANADOR ENTERPRISES, LLC,  
MEDIA PAY LLC,  
PAY NOW DIRECT LLC, and  
RUDERMAN FAMILY TRUST,**

**Relief Defendants.**

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**PLAINTIFF'S UNOPPOSED MOTION FOR JUDGMENT AGAINST  
DEFENDANT 1 GLOBAL CAPITAL LLC AND RELIEF DEFENDANT 1 WEST  
CAPITAL LLC AND NOTICE OF FILING CONSENT TO JUDGMENT**

Plaintiff Securities and Exchange Commission hereby moves on an unopposed basis for the Court to enter a Judgment against Defendant 1 Global Capital LLC and Relief Defendant 1 West Capital LLC (collectively the "Debtors"). By the attached Consent of the Debtors to Judgment entered into on their behalf by Bradley D. Sharp, solely in his capacity as the Chief Restructuring Officer of the Debtors, a properly authorized officer with the requisite authority to

enter into the Consent on behalf of the Debtors (“Consent”),<sup>1</sup> the Debtors have consented to the attached Judgment against the Debtors (“Judgment”).<sup>2</sup>

Accordingly, the Commission respectfully requests entry of the attached unopposed Judgment, which will resolve all issues of liability against the Debtors, while leaving for future resolution the monetary issues.

Respectfully submitted,

November 27, 2018

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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on November 27, 2018, the foregoing document was filed electronically with the Clerk of Court using CM/ECF system and served via CM/ECF.

*/s/ Christopher Martin*  
\_\_\_\_\_  
Christopher Martin

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<sup>1</sup> The Consent is attached hereto as Exhibit A.

<sup>2</sup> The Judgment is attached hereto as Exhibit B.

**SERVICE LIST**

*SEC v 1 Global LLC et al., Case No. 18-cv-61991-BB, U.S.D.C. (SD Fla.)*

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*Attorneys for Court-Appointed Receiver, Jon A. Sale, Esq.*

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 18-cv-61991-BB-BLOOM**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**1 GLOBAL CAPITAL, LLC, and  
CARL RUDERMAN,**

**Defendants, and**

**1 WEST CAPITAL, LLC,  
BRIGHT SMILE FINANCING, LLC,  
BRR BLOCK, INC.,  
DIGI-SOUTH, INC.,  
GANADOR ENTERPRISES, LLC,  
MEDIA PAY, LLC,  
PAY NOW DIRECT, LLC, and  
RUDERMAN FAMILY TRUST,**

**Relief Defendants.**

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**CONSENT OF DEFENDANT 1 GLOBAL CAPITAL LLC AND RELIEF DEFENDANT  
1 WEST CAPITAL LLC TO JUDGMENT**

1. Defendant 1 Global Capital LLC and Relief Defendant 1 West Capital LLC (collectively the "Debtors"), by and through their undersigned counsel, acknowledge having been served with the Summonses and the Amended Complaint in this action, enter a general appearance, and admit the Court's jurisdiction over the Debtors and over the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which they admit), the Debtors hereby consent, subject to bankruptcy court approval in the Debtors pending Chapter 11 Bankruptcy Case (Case No. 18-19121-RBR (Bankr. S.D. Fla.), the "Bankruptcy Case") to the entry of entry of the Judgment

Against Defendant 1 Global and Relief Defendant 1 West (“Judgment”) in the form attached hereto and incorporated by reference herein, which, among other things, permanently restrains and enjoins 1 Global from violating Sections 5(a) and 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a)(1) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”).

3. The Debtors agree that, upon motion of the Commission, if any, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and prejudgment interest against the Debtors or a civil penalty against 1 Global. The Debtors further understand that, if disgorgement is ordered, they shall pay prejudgment interest on disgorgement, calculated as starting from July 28, 2018, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). The Debtors further agree that in connection with the Commission’s motion for disgorgement or a civil penalty, and at any hearing held on such a motion: (a) the Debtors will be precluded from arguing that Defendant 1 Global Capital did not violate the federal securities laws as alleged in the Amended Complaint; (b) the Debtors may not challenge the validity of this Consent or the Judgment; (c) solely for the purposes of such motion, the allegations of the Amended Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission’s motion for disgorgement, the parties may take discovery, including discovery from appropriate non-parties.

4. The Debtors waive the entry of findings of fact and conclusions of law pursuant to

Rule 52 of the Federal Rules of Civil Procedure.

5. The Debtors waive the right, if any, to a jury trial and to appeal from the entry of the Judgment.

6. The Debtors enter into this Consent voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to the Debtors or to anyone acting on their behalf, to induce either of them to enter into this Consent.

7. The Debtors agree this Consent shall be incorporated into the Judgment with the same force and effect as if fully set forth therein.

8. The Debtors will not oppose enforcement of the Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waive any objection based thereon.

9. The Debtors waive service of the Judgment and agree that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to them of its terms and conditions.

10. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against the Debtors in this civil proceeding. The Debtors acknowledge no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. The Debtors waive any claim of Double Jeopardy based upon the settlement of this proceeding, including imposition of any remedy or civil penalty herein. I Global further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal

or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, 1 Global understands that it shall not be permitted to contest the factual allegations of the Amended Complaint in this action.

11. The Debtors understand and agree to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of the Debtors' agreement to comply with the terms of Section 202.5(e), they: (a) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Amended Complaint or creating the impression that the Amended Complaint is without factual basis; (b) will not make or permit to be made any public statement to the effect that the Debtors do not admit the allegations of the Amended Complaint, or that this Consent contains no admission of the allegations, without also stating they do not deny the allegations; and (c) upon filing of this Consent, the Debtors hereby withdraw any papers filed in this action to the extent they deny any allegation in the Amended Complaint. If the Debtors breach this agreement, the Commission may petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in this paragraph affects the Debtors': (i) testimonial obligations; or (ii) the right



to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. The Debtors hereby waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorneys' fees or other fees, expenses, or costs expended by the Debtors to defend against this action. For these purposes, the Debtors agree they are not the prevailing party in this action, since the parties have reached a good faith settlement.

13. The Debtors agree to promptly seek a court order in the Bankruptcy Case, pursuant to Fed.R.Bankr.P. 9019, authorizing the Debtors to enter into this Consent and to the entry of the Judgment.

14. The Debtors further agree that the Commission may, upon issuance of the court order in the Bankruptcy Case referenced in paragraph 14 above, present the Judgment to the Court for signature and entry without further notice.

15. The Debtors agree that this Court shall retain jurisdiction over them and over this matter for the purpose of enforcing the terms of the Judgment. The Bankruptcy Court shall continue to maintain jurisdiction over all such matters to which the Bankruptcy Court has jurisdiction over in the Bankruptcy Case.

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Bradley D. Sharp, solely in his capacity as the Chief Restructuring Officer of the Debtors,


as a properly authorized officer with the requisite authority to enter into this Consent on behalf of the Debtors, hereby consents to the Court's Entry of the attached Judgment.

November 21, 2018

By:   
Bradley D. Sharp  
Chief Restructuring Officer of the Debtors

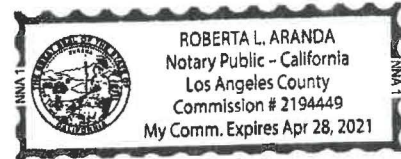
STATE OF CALIFORNIA            )  
  )  
COUNTY OF Los Angeles        )

On this 26<sup>TH</sup> day of November 2018, before me personally appeared Bradley D. Sharp who  is personally known to me or \_\_\_\_\_ produced a driver's license bearing his name and photograph as identification, and who executed this Consent, and he acknowledged to me that he executed the same.

  
Notary Public Roberta L. Aranda

Approved as to Form:

By: \_\_\_\_\_  
Jared E. Dwyer, Esq.  
Greenberg Traurig LLP  
333 SE 2<sup>nd</sup> Avenue, Suite 4100  
Miami, FL 33131  
*Counsel to the Debtors*





# **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO. 0:18-cv-61991-BB-BLOOM**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

v.

**1 GLOBAL CAPITAL LLC, and  
CARL RUDERMAN,**

**Defendants, and**

**1 WEST CAPITAL LLC,  
BRIGHT SMILE FINANCING, LLC,  
BRR BLOCK INC.,  
DIGI SOUTH, LLC,  
GANADOR ENTERPRISES, LLC,  
MEDIA PAY LLC,  
PAY NOW DIRECT LLC, and  
RUDERMAN FAMILY TRUST,**

**Relief Defendants.**

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**JUDGMENT AGAINST DEFENDANT 1 GLOBAL CAPITAL LLC  
AND RELIEF DEFENDANT 1 WEST CAPITAL LLC**

This cause comes before the Court upon Plaintiff Securities and Exchange Commission's Unopposed Motion for a Judgment ("Judgment") Against Defendant 1 Global Capital LLC ("1 Global") and Relief Defendant 1 West Capital LLC ("1 West") (collectively the "Debtors"). By the Consent of 1 Global and 1 West to Judgment ("Consent") annexed hereto, without admitting or denying the allegations of the Amended Complaint (except that they admit the jurisdiction of this Court over them and over the subject matter of this action), subject to bankruptcy court approval in the Debtors' pending Chapter 11 Bankruptcy Case (Case No. 18-1921-RBR (Bankr. S.D. Fla.), the "Bankruptcy Case"), which has been so approved, the Debtors have entered a

general appearance, consented to entry of this Judgment, waived findings of fact and conclusions of law, and waived any right to appeal from this Judgment. The Court finds that good cause exists for entry of the Judgment. Accordingly, the Commission's Motion is **GRANTED**. The Court further orders as follows:

**I.**

**PERMANENT INJUNCTIVE RELIEF**

**A. Section 5 of the Securities Act of 1933 ("Securities Act")**

**IT IS HEREBY ORDERED AND ADJUDGED** that 1 Global is permanently restrained and enjoined from violating Section 5 of the Securities Act (15 U.S.C. § 77e) by, directly or indirectly, in the absence of any Applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of

the registration statement) any public proceeding or examination under Section 8 of the Securities Act (15 U.S.C. § 77h).

**IT IS FURTHER ORDERED AND ADJUDGED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) 1 Global's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with 1 Global or with anyone described in (a).

**B. Section 17(a) of the Securities Act**

**IT IS FURTHER ORDERED AND ADJUDGED** that 1 Global is permanently restrained and enjoined from violating Section 17(a) of the Securities Act (15 U.S.C. §§ 77q(a)) in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of material fact or any omission of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,

with respect to:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of investor funds,

(D) compensation to any person, or

(E) the misappropriation of investor funds or investment proceeds.

**IT IS FURTHER ORDERED AND ADJUDGED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) 1 Global's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with 1 Global or with anyone described in (a).

**C. Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act")**

**IT IS FURTHER ORDERED AND ADJUDGED** that 1 Global is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act (15 U.S.C. § 78j(b)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5), by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

with respect to:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of investor funds,



(D) compensation to any person, or

(E) the misappropriation of investor funds or investment proceeds.

**IT IS FURTHER ORDERED AND ADJUDGED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) 1 Global's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with 1 Global or with anyone described in (a).

**D. Section 15(a) of the Exchange Act**

**IT IS FURTHER ORDERED AND ADJUDGED** that 1 Global is permanently restrained and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange Act, [15 U.S.C. § 78o(a)], by using the mails or other means or instrumentalities of interstate commerce, to effect transactions in, or to induce or attempt to induce the purchase or sale of securities, without being associated with a broker or dealer that was registered with the Commission in accordance with Section 15(b) of the Exchange Act (15 U.S.C. §78o(b)).

**IT IS FURTHER ORDERED AND ADJUDGED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) 1 Global's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with 1 Global or with anyone described in (a).

**II.**

**MONETARY RELIEF**

**IT IS FURTHER ORDERED AND ADJUDGED** that upon motion of the Commission, if any, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and prejudgment interest on disgorgement against the Debtors and a civil penalty

against 1 Global, and if so, the amount of the disgorgement and prejudgment interest against the Debtors and the amount of any civil penalty against 1 Global. If disgorgement is ordered, the Debtors shall pay, subject to an order of the bankruptcy court, prejudgment interest on disgorgement, calculated as starting from July 28, 2018, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's motion for disgorgement or a civil penalty, and at any hearing held on such a motion: (i) the Debtors will be precluded from arguing that 1 Global did not violate the federal securities laws as alleged in the Amended Complaint; (ii) the Debtors may not challenge the validity of the Consent or this Judgment; (iii) solely for the purposes of such motion, the allegations of the Amended Complaint shall be accepted as and deemed true by the Court; and (iv) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement, the parties may take discovery, including discovery from appropriate non-parties.

**III.**

**INCORPORATION OF CONSENT**

**IT IS FURTHER ORDERED AND ADJUDGED** that the Consent filed herewith is incorporated herein with the same force and effect as if fully set forth herein, and the Debtors shall comply with all of the undertakings and agreements set forth therein.

**IV.**

**RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED AND ADJUDGED** that this Court shall retain jurisdiction of this matter and the Debtors in order to implement and carry out the terms of this Judgment and all Orders and Decrees that may be entered, to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and to order any other relief that this Court deems appropriate under the circumstances, subject to any necessary approvals or orders of the Bankruptcy Court. The Bankruptcy Court shall continue to maintain jurisdiction over all such matters over which the Bankruptcy Court has jurisdiction in the Bankruptcy Case.

**V.**

**RULE 54(b) CERTIFICATION**

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

**DONE AND ORDERED** this \_\_\_\_ day of \_\_\_\_\_ 2018, at \_\_\_\_\_, Florida.

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**BETH BLOOM**  
**UNITED STATES DISTRICT JUDGE**

Copies to all parties and counsel of record