

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 0:18-cv-61991-BB

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.

**RECEIVER’S UNOPPOSED MOTION TO APPROVE SALE OF RECEIVERSHIP
ACCOUNT AND FINAL PAYMENT TO DIGITAL CURRENCY CONSULTANT**

Jon A. Sale, not individually, but solely in his capacity as the Court-appointed receiver (the “Receiver”) for Bright Smile Financing, LLC (“Bright Smile”); BRR Block Inc. (“BRR Block”); Digi South LLC (“Digi South”); Ganador Enterprises, LLC (“Ganador”); Media Pay LLC (“Media Pay”); Pay Now Direct LLC (“Pay Now”); the Ruderman Family Trust; and the Bright Smile Trust (the "Receivership Entities"), respectfully submits this motion for approval of (1) the sale of the Receivership’s cryptocurrency account at Binance to an independent, uninterested non-party, and (2) final payment to the Court-approved digital currency consultant. Counsel for the Securities and Exchange Commission does not object to the relief sought in this Motion.

INTRODUCTION

On October 15, 2019, the Court approved the Receiver's employment of a digital currency consultant ("DCC") to assist with the liquidation of the Receivership's cryptocurrency holdings and other related matters. [D.E. 240]. To date, the DCC has assisted with the liquidation of over \$300,000 in cryptocurrencies, for the benefit of the Receivership Estate. The DCC has been paid approximately \$12,000 for this work.

As of the date of this filing, there remains only approximately \$30,000-40,000¹ in cryptocurrency held in a Binance account owned by the Receivership. These remaining coins were purchased *before* Binance created Binance U.S. and changed its business model to separate out U.S. customers. Binance's customers in the U.S. are now required to make purchases and hold their coins on the Binance U.S. platform. As such, the Receivership's remaining coins are held in a Binance account that is no longer accessible to U.S. persons. Binance has issued guidance to U.S. customers in this situation that they should either travel to a foreign country to access the coins or use another service, such as a virtual private network ("VPN"), to gain access and transfer them to a Binance U.S. account.

After discussions with the SEC and others with knowledge of these processes, the Receiver determined that the best course of action would be to *sell* the remaining account to a non-party, independent buyer, rather than take steps to try to access the account to liquidate the holdings. The Receiver tasked the DCC with locating potential buyers for the account. The DCC located several potential buyers and relayed their offers to the Receiver. The Receiver chose the buyer who made the best offer, the Receiver's counsel had conversations with that buyer, and the Receiver's counsel discussed the potential sale with SEC. This Motion follows.

¹ Total value fluctuates, as the remaining coins are lesser-known and more illiquid.

THE RECEIVERSHIP ORDER

On August 23, 2018, the Court entered an order appointing Mr. Sale as the Receiver. [D.E. 12]. The Receivership Order provides, among other things, that the assets and property of the Receivership Entities, whatsoever and wherever located, are to be placed in the Receiver's control [*Id.* at ¶ 1] and the Receiver has sole title to the assets and property, including but not limited to all books, papers, codes, records, data, bank accounts, savings accounts, securities, supplies, equipment, and other real property [*Id.* at ¶¶ 1, 17].

The Receiver is obligated to investigate how the affairs of the Receivership Entities were conducted and institute actions and proceedings for the benefit of investors and other creditors. [D.E. 12, ¶ 1]. The Receiver is also obligated to, among other things, "make, or authorize the making of, such agreements as may be reasonable, necessary, and advisable in discharging the Receiver's duties." *Id.*, ¶ 8. The Receiver files this Motion in connection with his obligations under the Receivership Order.

THE TERMS OF THE PROPOSED SALE

The proposed sale, if approved by the Court, is as follows:

- On the date of a Court order approving this sale, the Court-approved DCC and the buyer will both view the remaining assets in the Receivership account at Binance, which are all crypto coins.
- Specifically, the DCC and the buyer will both view the total U.S. dollar value of the remaining cryptocurrency at that time.
- The buyer has agreed to pay the Receivership 60% of the total U.S. dollar value of the remaining cryptocurrency in the account at the time of that initial viewing (the "Purchase Price").

- The buyer will pay Purchase Price, locked in as of the date of the Court’s order, within five days of the Court’s order (expected to be approximately \$18,000 to \$24,000).
- Upon receipt of the Purchase Price payment, the DCC will transfer control of the account to buyer permanently.

BEST INTERESTS OF THE RECEIVERSHIP ESTATE

The Receiver respectfully submits that the Court should approve the proposed sale of the Receivership account because it is in the best interests of the Receivership Estate and is commercially reasonable. The process of reaching the proposed transaction was fair, well-informed, and well-advised by legal and financial professionals. The sale of the account allows the Receiver to collect 60% of the total value of the account without taking on any of the risks of transferring the assets from an account blocked to U.S. persons to some other account, or any of the risks involved in attempting to liquidate the remaining cryptocurrency.

District courts have broad power and wide discretion in determining relief in an equity receivership. *SEC v. Elliott*, 953 F. 2d 1560, 1566 (11th Cir. 1992). The Court’s wide discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566. The relief sought by the Receiver in this Motion falls squarely within the Court’s discretionary powers.

A receiver’s proposed sale of assets in an equity receivership is governed by 28 U.S.C. § 2001, unless the Court orders otherwise. *See* 28 U.S.C. 2004 (“Any personalty sold under any order or decree of any court of the United States shall be sold in accordance with 28 U.S.C. § 2001, *unless the court orders otherwise.*”) (emphasis added).

Judicial sales must generally be conducted by public auction. 28 U.S.C. § 2001(a). However, courts may determine in equity receiverships that the best interests of the estate are served by permitting *private sales*, with adequate notice to all interested parties. 28 U.S.C. §

2001(b). Here, the Receiver seeks approval from the Court to enter a private sale and to deviate from the requirements of section 2001. Courts in the Eleventh Circuit and elsewhere have exercised their discretion in permitting receivers to enter private asset sales, outside of the requirements of sections 2001 and 2004. *See FTC v. E.M. Sys. & Serv., LLC*, 2016 WL 11110381, *3 (M.D. Fla. 2016).² Indeed, this Court in this Receivership has permitted similar private sales. *See* [D.E. 162, 198].

Here, the Receiver believes that the proposed sale will maximize the value of the subject assets while at the same time relieving the Receiver of all risks associated with transfer and liquidation of the assets. Based on the Receiver's due diligence, and that of the Court-approved DCC, the terms of the proposed sale are fair and reasonable, representing a sensible means of assuring a beneficial outcome to the Receivership.

REQUEST FOR PAYMENT TO DCC

As noted above, the Receiver has paid the Court-approved DCC approximately \$12,000 to date. This amount exceeded the Receiver's original estimation for payment to the DCC of approximately \$6,000, given complications in analyzing the value of the assets and in accessing some of the assets, as discussed throughout this Motion. The work performed by the DCC has been exceptional and, in the Receiver's view, the amount of work billed and paid to date has been fair and in accordance with the Receiver's requests. Moreover, the DCC has aided substantially in the recovery of over \$300,000 for the benefit of the Receivership Estate.

² Citing to *SEC v. Nadel*, No. 8:09-cv-87-T-26TBM, Dkt. 1050 (M.D. Fla. Aug. 13, 2013) (waiving requirements of three independent appraisals and publication of terms of sale); *SEC. v. Kirkland*, No. 6:06-cv-183-Orl-28KRS, 2008 WL 4264532, at *3 (M.D. Fla. Sept. 12, 2008) (permitting sale of motorcycle based on highest of six offers received); *SEC. v. Billion Coupons, Inc.*, No. CIV. 09-00068 JMS-LEK, 2009 WL 2143531, at *4 (D. Haw. July 13, 2009) (recommending receiver be given discretion to sell items at best price without court confirmation) report and recommendation adopted, 2009 WL 2365696 (D. Haw. July 29, 2009)).

Marshall G. Swatt
 4830 Hyde Rd Syracuse, NY 13210
Phone 646 391 4669

INVOICE NO. 11005	DATE FEB 27TH, 2026
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BILL TO	PAYMENT TO	INSTRUCTIONS
Nelson Mullins 2 South Biscayne Blvd 21 st Fl Miami, FL 33131 Melsonmullins.com	Marshall G Swatt	Payment Via ACH: Payee: Marshall G. Swatt, Bank: TD Bank, Routing Number: 0260-1367-3 , Account Number: 791 720 8568 Payment by check: payee: Marshall G. Swatt. Mailing Address: 608 Ackerman Ave., Syracuse, NY 13210

DATE	DESCRIPTION	UNIT PRICE	TOTAL
Jan 22 2025	Chat with Chris about Binance.com, review my notes on Binance, draft email & text w/ options & recommendation 2.5 hours	\$225/hr	\$562.50
Feb 6 2025	Chat w/ Chris about possibly selling portfolio to buyer. Bill for time spent contacting potential buyers and discussing 1 hour	\$225/hr	\$225.00
Feb 13 2025	Prepare list of potential buyers. Chat with potential buyer in Toronto at electricity trading firm 2.25 hours	\$225/hr	\$506.25
Apr 9 2025	Chat w/ Chris to [REDACTED] Chris to discuss internally 1 hour	\$225/hr	225.00
May 29 2025	Chat w/ Chris. [REDACTED] Wants to find a buyer. ID the current value & reach out to more buyers .5 hours	\$225/hr	112.50
Jun 11 2025	Checked market prices and updated spreadsheet with current market values of Binance.com holdings, emailed Chris the file 1 hour	\$225/hr	225.00

YOUR LOGO
HERE

DATE	DESCRIPTION	UNIT PRICE	TOTAL
Jun 17 2025	Chats with 2 potential buyers about account, [REDACTED] 2 hours	\$225/hr	450.00
Jun 18 2025	Correspondence with potential buyers .5 hours	\$225/hr	112.50
Jun 20 2025	Correspondence with potential buyers 1 hour	\$225/hr	225.00
Jun 23 2025	Correspondence with potential buyers 1.25 hours	\$225/hr	281.25
Jul 1 2025	Correspondence with potential buyers .75 hours	\$225/hr	168.75
Jul 2 2025	Correspondence with potential buyers .25 hours	\$225/hr	56.25
Jul 3 2025	Correspondence with potential buyers .5 hours	\$225/hr	112.50
Jul 4 2025	Correspondence with potential buyers .75 hours	\$225/hr	168.75
Jul 7 2025	Follow-ups with serious parties and update to Chris 1.5 hours	\$225/hr	337.50
Jul 8 2025	Confirm call w/ buyer [REDACTED] 1 hour	\$225/hr	225.00
Jul 10 2025	Intro call between [REDACTED] & Chris .5 hours	\$225/hr	112.50
Sep 10 2025	Draft a summary of the terms of sale of the Binance account to an independent 3 rd party 1 hour	\$225/hr	225.00
Jan 30 2026	Update the market prices of the Binance account holdings 1 hour	\$225/hr	225.00
Jan 7-Feb24 2026	Follow-ups with attorney and discuss details of plan to sell Binance account, confirm buyer interest	\$225/hr	393.75



DATE	DESCRIPTION	UNIT PRICE	TOTAL
	1.75 hours		
Jan 7-Jan 23 2026	Correspondence with Binance account buyer 1.25 hours	\$225/hr	281.25
Feb 27 2026	Review draft motion to approve sale .75 hour	\$225/hr	168.75
FUTURE	revisions, additional correspondence & final negotiations with buyer 2 hrs	\$225/hr	450.00
FUTURE	final review of account with buyer 1 hr	\$225/hr	225.00
FUTURE	final transfer of account control to buyer 2 hrs	\$225/hr	450.00
SUBTOTAL			\$6525.00
28 hours			
TOTAL DUE BY DATE			\$6525.00

Thank you for your business!