

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.

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**RECEIVER'S MOTION FOR APPROVAL OF CLAIMS PROCESS**

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 Claims Process, and requests that this Court enter an order: (1) approving the procedure to administer claims set forth herein; (2) approving the proof of claim form attached as **Exhibit A** (the "Proof of Claim

Form"); and (3) permitting notice of the deadline for submission of the Proof of Claim Form by mail, email (where possible), and by posting on the Receivership website.

The Securities and Exchange Commission (the "SEC") does not object to the relief sought by the Receiver in this Motion and agrees with same.

## **I. INTRODUCTION**

On August 23, 2018, the United States Securities & Exchange Commission ("SEC") initiated this action against Defendants 1 Global and Carl Ruderman, and Relief Defendants 1 West Capital LLC ("1 West"), Bright Smile, BRR Block, Ganador, Media Pay, Pay Now, and the Ruderman Family Trust. [D.E. 1]. The SEC alleged that Defendants engaged in a four-year long unregistered securities fraud totaling more than \$287 million, victimizing thousands of investors nationwide. *Id.*, ¶ 1. The SEC sought, among other relief, permanent injunctive relief, civil penalties, and disgorgement. *Id.*, pp. 33-34. The same day, the SEC requested an asset freeze and the appointment of a receiver over Relief Defendants Bright Smile, BRR Block, Digi South, Ganador, Media Pay, and Pay Now. [D.E. 6; D.E. 7]. The Court entered a sealed order appointing Jon A. Sale, Esq. as Receiver for the Receivership Entities (the "Receivership Order").<sup>1</sup> [D.E. 12]. The Court also entered an order freezing Defendants' assets (the "Freeze Order"). [D.E. 13].

Pursuant to the Receivership Order, the Receiver was obligated to, among other things: (1) take immediate possession of the Receivership Entities' property, assets, and estates of every kind; (2) investigate the way the affairs of the Receivership Entities were conducted and institute actions and proceedings for the benefit of investors and other creditors; and (3) make payments and disbursements from the funds and assets taken into control, or thereafter received by the Receiver,

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<sup>1</sup> The Court later expanded the Receivership over the Ruderman Family Trust and the Bright Smile Trust, on November 21, 2018, and the Receivership Order is controlling over them as well. [D.E. 115.]

as may be reasonable, necessary, and advisable in discharging the Receiver's duties. [D.E. 12, ¶¶ 1-2, 9].

In accordance with his powers and obligations under the Receivership Order, the Receiver determined that is in the best interest of the Receivership Entities to commence a claims process, by which all investors in, and creditors of, the Receivership Entities may make claims for the return of funds to which they may be entitled. Thereafter, the Receiver will evaluate and process claims for the purposes of recommending an eventual plan of distribution to the Court.

The Receiver is substantially underway in the process of determining legal obligations of the Receivership Entities. However, for the Receiver to confirm the extent of the Receivership Entities' legal obligations, and to allow investors, creditors, and other interested parties to advise the Receiver of any possible claims against the Receivership Entities, the Receiver proposes that the Court approve the Proof of Claim Form and the procedures to administer claims described in this Motion.

## **II. SOURCES OF RECOVERIES**

The Receiver has recovered a significant amount of funds to date. The bulk of recovered funds and those still to be recovered generally fall into six categories: (1) funds recovered from bank accounts; (2) funds recovered in connection with the sale of Bright Smile's assets; (3) funds recovered in connection with the settlement of Ganador's claims; (4) funds to be recovered from the liquidation of digital currency holdings; (5) funds to be recovered in connection with clawback litigation; and (6) funds recovered, and to be recovered, from non-Receivership entities and individuals who were holding such funds, properly or improperly, on behalf of the Receivership Entities. Based upon the collections to date and anticipated future collections and recoveries, the Receiver believes it is appropriate to initiate a claims process now in order to be in a position to

expeditiously make one or more distributions to creditors as additional funds are recovered and in contemplation of the ultimate wind down the Receivership.

### **III. PROPOSED CLAIMS PROCESS AND REQUESTED RELIEF**

The Receiver seeks to initiate a claims process by requesting that investors and creditors of the Receivership Entities submit the Proof of Claim Form attached as Ex. A. Once approved by the Court, the Receiver will provide the Proof of Claim Form to all known investors, creditors, and interested parties with potential claims ("Claimants"). The Proof of Claim Form will also be made publicly available on the Receivership website.

#### **A. Claims Bar Date**

The Receiver seeks entry of an order establishing a filing deadline for all Claimants (with alleged claims arising in any way out of the activities of the Receivership Entities) to assert those claims (the "Claim Bar Date").

The Receiver proposes that the Claim Bar Date be set ninety (90) days from the date of any order approving the claims process described in this Motion. This date will allow the Receiver enough time to distribute the proposed notice (as hereafter defined), while also giving investors and other potential claimants enough time to file a Proof of Claim Form. Claimants must file Proof of Claim Forms to participate in any distribution of the Receivership Entities' assets. The Receiver proposes that Proof of Claim Forms postmarked after the Claim Bar Date be disallowed.

The Receiver submits that a Claim Bar Date is appropriate despite the Receiver's desire to permit as many Claimants as possible to participate in these proceedings. A Claim Bar Date provides the Receiver with reasonably prompt certainty as to the total amount of potential claims against the Receivership Entities. Such certainty will facilitate a timely claims resolution and

distribution process.<sup>2</sup> The Receiver also requests that the Court order that the claims process contemplated in this Motion be the sole form of recovery for Claimants against the Receivership Entities, and that all Claimants participating in the claims process also return, along with their Proof of Claim Forms, a release in favor of the Receivership Entities and the Receiver (the “Release”) in the form attached as **Exhibit B**. These Releases will be held in escrow by the Receiver's counsel until the earlier of: (1) payment in full of the Claimant’s allowed claim; or (2) the discharge of the Receiver.

B. Notice

The Receiver and his professionals have spent considerable time, effort, and resources examining documents and other data relating to the Receivership Entities. Based on the review of these voluminous documents, the Receiver believes he has identified many of the potential Claimants. As to these known potential Claimants, the Receiver possesses last known mailing addresses and email addresses. While some of these mailing addresses and email addresses may not be current, and it is possible there may be some unknown potential Claimants, the Receiver does not believe that notice by publication or some other alternative means beyond mailing, emailing, and posting on the Receivership website is necessary. This is especially true given the cost of alternative means of publication and the fact that the largest Claimant—1 Global—is known to the Receiver and in contact with the Receiver.

Therefore, if approved by the Court, the Receiver will provide Proof of Claim Forms and the Notice of Claim Bar Date, in the form attached as **Exhibit C** (the "Notice"), to potential Claimants by mail, email, and posting on the Receivership website at

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<sup>2</sup> Especially here, where the Receiver anticipates that one claimant—1 Global—will account for most of the distributed funds and has requested a prompt claims process so that its distribution can then be administered through its bankruptcy case process.

[www.lglobalreliefdefendants.com](http://www.lglobalreliefdefendants.com).

The Receiver believes that such notice is reasonably calculated to inform all known and unknown Claimants of the claims process and the Claim Bar Date

C. Procedures for Administration of Claims

The Receiver has developed a proposed procedure and Proof of Claim Form to efficiently, equitably, and promptly identify potential Claimants, the dollar amounts of claims, and validity of any claims. The Receiver's proposed procedure will ensure certainty as to the total number and dollar amounts of claims against the Receivership Entities, and thus allow for an equitable distribution among approved Claimants. The Receiver's proposed procedure also allows the Receiver to obtain information to ensure that all Claimants' claims are verified, and any potential setoffs are identified and applied.

The Receiver and his professionals have spent considerable time and resources examining voluminous documents relating to the Receivership Entities, including financial information. Based on this examination, the Receiver has determined that an approach similar to the Net Invested Capital methodology be utilized to determine recommended distributions.

Under the recommended distribution methodology, the Receiver will examine the total amount each Claimant contributed to a Receivership Entity and subtract all payments made to that Claimant, irrespective of whether the payments are characterized as interest, earnings, profits, returns or redemptions of principal, incentive fees, management fees, or by any other terminology. For example, a Claimant that contributed \$100,000 in funds to a Receivership Entity but received \$50,000 back from the Receivership Entity in payments would have a claim amount of \$50,000. The Receiver proposes that this distribution methodology be the starting point for all

determinations as to distributions in the proposed claims process.<sup>3</sup>

If a Claimant asserts claims against more than one Receivership Entity, the Claimant must identify the claims separately on one Proof of Claim Form. The Claimant must include all claims on the Proof of Claim Form to preserve them.<sup>4</sup>

To the extent the Receivership Entities do not have enough funds to pay all approved claims, each Claimant's claim amount will serve as the basis for determining the pro rata distribution of funds.

The identification of a claim amount for a Claimant does not mean that the Claimant has a valid claim. The Receiver reserves the right to object to the validity of any submitted claim.

Subject to the Receiver's sole discretion, to be exercised in an equitable manner and in the best interest of the Receivership Entities, the Receiver may send notice of a deficiency for a submitted Proof of Claim Form to the submitting Claimant. The Receiver proposes that the Claimant have the later of the Claim Bar Date or thirty days from the date the notice of deficiency is postmarked by the Receiver to return an amended Proof of Claim Form or to supplement the Claimant's existing Proof of Claim Form.

Each Proof of Claim Form provided to the Receiver must conform substantially to and contain all the information required by the Proof of Claim Form approved by the Court. The Receiver reserves the right to reject any altered Proof of Claim Form or any Proof of Claim Form that is not filled out completely and properly executed. Such rejection by the Receiver will be treated as a deficiency, and the Claimant will have the time indicated above within which to submit

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<sup>3</sup> Where applicable, and for good cause only, the Receiver may recommend set offs after applying this distribution methodology.

<sup>4</sup> The Receiver may seek to substantively consolidate the Receivership Entities at a later point in time. If so, the Receiver will file a motion with the Court for such relief.

an acceptable Proof of Claim Form. Each Proof of Claim Form must be signed by the Claimant or, if the Claimant is not an individual, by an authorized agent of the Claimant. The Claimant must attest under penalty of perjury that the information provided in the Proof of Claims Form is true and correct. Each Proof of Claim Form must be legible, written in English, and denominated in United States currency. The submission of a Proof of Claim Form will subject the Claimant to the jurisdiction of the United States District Court for the Southern District of Florida.

All Proof of Claim Forms and Releases must be sent and postmarked on or before the Claim Bar Date at the following address:

Jon A. Sale, Receiver  
Nelson Mullins Broad and Cassel  
2 S. Biscayne Blvd., Suite 21  
Miami, FL 33131

Courtesy copies of Proof of Claim Forms and Releases may also be emailed to [trish.anzalone@nelsonmullins.com](mailto:trish.anzalone@nelsonmullins.com) and [chris.cavallo@nelsonmullins.com](mailto:chris.cavallo@nelsonmullins.com), but such emailing is not sufficient without also mailing hard copies with original signatures to the above address.

Any timely, properly completed, and properly executed Proof of Claim Form provided to the Receiver will be allowed if it is established that: (1) the claim arises out of any of the Receivership Entities' activities; (2) debts or losses recognized by law resulted from such activities; (3) any alleged claims and losses are consistent with the books and records available to the Receiver; and (4) no ground exists for denying the claim or setting off amounts claimed. After the Claim Bar Date has passed and the Receiver has evaluated all submitted claims, he will seek approval from this Court regarding: (1) allowed claim amounts; (2) priority of claims; (3) a process for Claimants to object to the Receiver's recommendations related to claims; (4) the timing and amount of distributions to be made to Claimants; and (5) if needed, the establishment of reserves for administration of the Receivership, for litigation, and for disputed claims and priorities (until



such time as all disputes are resolved).

The Receiver proposes the following schedule for resolution of claims and any objections: (1) the Receiver will inform all claimants of his recommendations concerning claims within ninety (90) days of the Claim Bar Date; (2) any claimant objections to the Receiver's recommendations are due thirty (30) days thereafter; and (3) the Receiver's responses to claimant objections are due thirty (30) days after the deadline for objections. The Court will then rule on objections, as necessary.

Within thirty (30) days of the resolution of all claims and objections, the Receiver will prepare a motion for a proposed distribution to approved Claimants. The motion will identify the total amount of funds to be distributed at that time and the total amount of allowed claims. The motion will also address the methodology applied to arrive at the proposed recommended distributions. After Court approval, any distribution to Claimants will be made in an equitable manner and in accordance with the Court's authorization. No Claimant shall receive more than the allowed amount. Any distributions of amounts less than a Claimant's total allowed amounts will be made on a *pro rata* basis. The Receiver may seek Court approval to make interim distributions.

All administrative expenses of the Receiver, including attorneys' fees and costs, litigation expenses, experts, and other administrative costs, will be paid by the Receivership Entities. These administrative expenses will be paid or reserved before any distribution to Claimants is made.

In summary, given the foregoing the Receiver respectfully requests that this Court: (1) approve the claims administration procedure set forth herein; (2) approve the Proof of Claim Form as attached as Ex. A and Release attached as Ex. B; (3) establish a deadline 60 days from the date of an order on this Motion for receipt of Proof of Claim Forms and Releases; and (4) permit notice of such deadline in the form of Notice attached as Ex. C by mail, email, and posting on the

Receivership website, as described above.

The Receiver discussed the relief sought herein with the SEC. The SEC authorized the Receiver to represent that it does not oppose the granting of the relief sought in the Motion.

#### **IV. MEMORANDUM OF LAW**

The Court's power to supervise an equity receivership and to determine the appropriate actions to be taken in the administration of the receivership is extremely broad. *SEC v. Elliott*, 953 F. 2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F. 2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from its inherent power to fashion relief. *Elliott*, 953 F. 2d at 1566; *SEC v. Safety Finance Serv., Inc.*, 674 F. 2d 368, 372 (5th Cir. 1982). The relief sought by the Receiver falls squarely within those powers.

In receivership proceedings, such as this, "[e]very person who has any claim or demand against the estate or property in the custody of the court through the receiver, must assert such claim or demand in the court in which such receiver was appointed." Ralph E. Clark, Clark on Receivers § 646, at 1132 (3rd Ed. 1992). Although there are many ways in which a claimant can assert a claim, one such way is for claimants to be authorized "under a general order of the appointing court [to file their] claim with the receiver." *Id.* The receiver may agree or disagree with the claim, which claim is ultimately approved or disapproved by the court. *Id.* "The claims should be definite enough to enable the receiver to pass on their validity, fairness and legality and to place them in their proper and legal category of claims for preference, if any." *Id.* § 651, at 1142.

In addition to approving a proof of claim form, it is not unusual for a court overseeing a receivership to enter an order limiting the time within which claims must be presented. *Id.* § 652, at 1142 (citing *Chicago Title & Trust Co. v. Fox Theatres Corp.*, 91 F.2d 907 (2d Cir. 1937); *People of New York v. Hopkins*, 18 F.2d 731 (2d Cir. 1927)); *U.S. Commodity Futures Trading*

*Comm'n v. Barki, LLC*, 2009 WL 2473687, \*1 (W.D. N.C. 2009) (approving a receivership claims process and a claims bar date no earlier than 30 days after notice to investors). Such an order limiting the time within which claims must be presented has been deemed to be necessary to "lay the foundation for the court to order payments to creditors and distribution to those entitled to receive" it. *Id.*, § 651, at 1142. Furthermore, a court with jurisdiction over a receivership, by advertisement and by proper notices by mail, by publication and otherwise, should take measures to notify interested parties affected by the receivership. *Id.* § 652, at 1143; *see also SEC v. Tanner*, 2006 WL 897642, \*1 (D. Kan. 2006) (approving receiver's website notice and e-mail notice to investors of a claims process and claims bar date; agreeing with Receiver that notice by publication was unnecessary under circumstances).

Under the terms of the Receivership Order, the Receiver, among other things, is authorized, empowered, and directed to (a) administer the assets of the Receivership Entities and (b) report to the Court the extent of liabilities the Receiver believes to be the legal obligations of the Receivership Entities. *See* D.E. 12. In exercising his duties, the Receiver has determined that it is reasonable, necessary, advisable, and in the best interest of the Receivership Entities to seek this Court's approval of the claims administration procedures, the Notice, Claim Bar Date, Release, and Proof of Claim Form sought in through this Motion.

## V. CONCLUSION

For the foregoing reasons, Jon A. Sale, as Receiver, respectfully requests that this Court enter an Order: (1) approving the claims administration procedure as set forth herein; (2) approving the Proof of Claim Form attached as Ex. A and Release attached as Ex. B; (3) establishing the date ninety (90) days from the entry of any order on this Motion as the Claim Bar Date; and (4) permitting notice of such deadline in the form of Notice attached as Ex. C by mail, email, and

posting on the Receivership website.

Dated: November 30, 2019.

NELSON MULLINS BROAD AND CASSEL  
Attorneys for Receiver  
One Biscayne Tower, 21<sup>st</sup> Floor  
2 S. Biscayne Boulevard  
Miami, FL 33131  
Telephone: 305.373.9400  
Facsimile: 305.995.6449

By: s/Daniel S. Newman  
Daniel S. Newman  
Florida Bar No. 0962767  
Gary Freedman  
Florida Bar No. 727260  
Christopher Cavallo  
Florida Bar No. 0092305

**CERTIFICATE OF SERVICE**

I hereby certify that on November 30, 2019, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel who are not authorized to receive electronically Notices of Electronic Filing.

s/Daniel S. Newman  
Daniel Newman

**SERVICE LIST**

<p><b>SECURITIES AND EXCHANGE COMMISSION</b>                  Miami Regional Office                  801 Brickell Avenue, Suite 1800                  Miami, Florida 33131                  Robert K. Levenson                  Chris Martin                  Senior Trial Counsel                  levensonr@sec.gov                  martinc@sec.gov                  Telephone: 305.982.6300                  Facsimile: 305.536.4154</p>	<p><b>MARCUS NEIMAN &amp; RASHBAUM LLP</b>                  2 South Biscayne Boulevard                  Suite 1750                  Miami, Florida 33131                  Jeff Marcus                  jmarcus@mnrlawfirm.com                  Telephone: 305.400.4262  <i>Attorneys for Defendant Carl Ruderman</i></p>
<p><b>GREENBERG TRAURIG, LLP</b>                  333 S.E. 2nd Ave., Suite 4400                  Miami, FL 33131                  Paul J. Keenan Jr.                  keenanp@gtlaw.com                  Telephone: 305.579.0500  <i>Attorneys for Defendant 1 Global Capital, LLC and                  Relief Defendant 1 West Capital, LLC</i></p>	

**PROOF OF CLAIM IS TO BE FILED WITH RECEIVER – DO NOT FILE WITH  
COURT**

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.

\_\_\_\_\_ /

**PROOF OF CLAIM FORM**

<b>CLAIMANT CONTACT INFORMATION:</b>  Name of Claimant: _____  Name of Person Submitting Form and Relationship to Claimant (if different from Claimant): _____  Name and Address Where Notices Should be Sent: _____ _____ _____  Telephone No.: _____ Email Address: _____ Fax No.: _____	<b>CLAIM STATUS:</b>  <input type="checkbox"/> Check box if you are aware that anyone else has filed a Proof of Claim Form relating to your Claim. <i>(Attach statement giving particulars.)</i>  <input type="checkbox"/> Check box if you have never received any notices from the Receiver.  <input type="checkbox"/> Check box if the address entered on this form differs from the address on the envelope sent to you by the Receiver.  <input type="checkbox"/> Check here if this Proof of Claim Form: <input type="checkbox"/> amends <input type="checkbox"/> replaces <input type="checkbox"/> supplements a previously filed Proof of Claim Form, dated: _____.
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<b>SEND PROOF OF CLAIM FORM TO:</b>  Jon A. Sale, Receiver Nelson Mullins Broad and Cassel Attention: Trish Anzalone  <b>MAILING ADDRESS:</b>  2 S. Biscayne Blvd., Suite 2100 Miami, FL 33131	<b>THIS SPACE IS FOR RECEIVER'S USE ONLY:</b>  <b>Claim No.:</b> _____
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## INSTRUCTIONS

### PLEASE READ CAREFULLY – FAILURE TO FOLLOW ALL INSTRUCTIONS MAY JEOPARDIZE YOUR ENTIRE CLAIM

#### 1. **Where to File Proof of Claim.**

This form must be completed in accordance with the instructions below and timely delivered to Jon A. Sale, Receiver, Attention Trish Anzalone, Nelson Mullins Broad and Cassel, 2 S. Biscayne Blvd., Suite 2100, Miami, FL 33131, the Court-appointed Receiver over 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 (collectively, the “Receivership Entities”).

#### 2. **Deadline for Filing Proof of Claim.**

The deadline for delivering this Proof of Claim is [\_\_\_\_\_], 2020. Any Proof of Claim not delivered or postmarked to the Receiver on or before [\_\_\_\_\_], 2020 will be considered untimely and may result in disallowance of the Claim.

#### 3. **Who Should File a Claim.**

Anyone who believes they are owed any money by any of the Receivership Entities, which claim arose prior to August 23, 2018.

#### 4. **Information and Documentation to Be Provided by Claimant.**

Each item of information and documentation requested in this Proof of Claim Form will be used by the Receiver in determining each Claimant’s eligibility in any distribution of Receivership Property, and in calculating the appropriate amount of each allowed claim, subject to the Court’s approval. Please be as detailed and complete as possible with regard to submissions and documents attached to this form, as it may affect both your eligibility to participate and the amount of your allowed claim. **Do not send original documents. *Providing false, misleading or incomplete information or incomplete documentation will delay any disbursement made from this Receivership Estate and could jeopardize your distribution altogether.***

#### 5. **Claimant Contact Information.**

Complete the Claimant Contact Information section on the first page of this Proof of Claim Form, giving the name, address, telephone number, e-mail address and fax number of the Claimant to whom the Receivership Entity allegedly owes money or property.



**6. Claim Status.**

If you have never received any notices from the Receiver about this case, and/or if the address differs from the address on the envelope sent to you by the Receiver, check the appropriate boxes on the form on the first page. If this Proof of Claim Form changes, replaces or supplements a Proof of Claim previously filed by you, check the appropriate box on the form and provide the date the previous Proof of Claim Form was filed. Furthermore, check the appropriate box if anyone else has filed a Proof of Claim Form relating to your Claim, and in an attached statement provide particulars such as who filed the related Proof of Claim Form, its date and amount.

**7. Supporting Documents Relating to Claim**

Please attach to this Proof of Claim Form all documents that show that a Receivership Entity owes the obligation claimed. If documents are not available, attach an explanation as to why they are not available. Failure to attach supporting documents could delay the processing of your claim and may result in the partial or full denial of your claim.

*Please make sure that you sequentially label all the documents that you produce to the Receiver in connection with your Claim, to ensure that both you and the Receiver have the same record of documents received, and in order to maintain integrity and order among the documents the Receiver receives among numerous documents. The Receiver recommends that you label on the bottom right hand corner of each document using your initials and beginning with the number 001 (e.g. for John Q. Smith, the first page of the production of documents would be labeled "JQS001," the second page "JQS002" and so on). Labeling by hand is acceptable.*

***DO NOT SEND ORIGINAL DOCUMENTS AT THIS TIME – ONLY SEND COPIES OF DOCUMENTS.***

**8. Questions Seeking Additional Information.**

Please answer the questions to the best of your ability. This will assist the Receiver with his investigation efforts and may lead to the recovery of additional assets.

**9. No Blank Answers.**

If a particular item does not apply to you specifically, write "not applicable." If you do not know the answer to a particular item, write "not known." ***Do not leave a question blank. Use additional pages as necessary to provide complete responses.***

**10. Signature – Legal Authority to Submit Claim.**

The Proof of Claim Form must be signed and dated by the Claimant, or a duly authorized officer or legal representative in the space provided on the final page. To the extent that the signatory is authorized pursuant to a power of attorney or court appointment, documentation of such authority must be provided.

**11. Independent Verification of Claims – Requests for Supplemental Information.**

All Claims are subject to verification by the Receiver and any professionals and experts he retains. It is important to provide complete and accurate information to facilitate this effort. Claimants may be asked to supply additional information to complete this process. Claims will not be considered for payment until they have been verified.

**12. Communications with Receiver.**

Any questions about this form or process (including supporting documentation) should be made by e-mail to [trish.anzalone@nelsonmullins.com](mailto:trish.anzalone@nelsonmullins.com) and [chris.cavallo@nelsonmullins.com](mailto:chris.cavallo@nelsonmullins.com), or in writing to the Receiver's office, Jon A. Sale, Receiver, Nelson Mullins Broad and Cassel, 2 S. Biscayne Blvd., Suite 2100, Miami, FL 33131. If you have information that you believe may be helpful to the Receiver, the SEC or any other law enforcement agencies, we encourage you to contact the Receiver's counsel at the above e-mail addresses.

**13. Certification of Truthfulness.**

Each Person completing a Proof of Claim Form is required to certify, under penalty of perjury, that all the information contained in this Proof of Claim Form is correct, to the best of such Person's knowledge, and that such Person is authorized by the Claimant to submit the Proof of Claim Form on the Claimant's behalf.

**14. Requests for Additional Information or Documentation.**

The Receiver may require additional information or documentation. By submitting a Proof of Claim Form, each Claimant agrees to cooperate with the Receiver in these requests and provide all requested documentation or information. *Failure to provide all such requested information or documentation may result in delays in the claims process or in the partial or complete disqualification of your claim.*

**15. Exclusive Jurisdiction**

By submitting the Proof of Claim, Claimants acknowledge they shall submit themselves to the exclusive jurisdiction of the U.S. District Court for the Southern District of Florida for all issues pertaining to Proof of Claim and the resolution of same.

**PROOF OF CLAIM**

**I. Identify the Claim**

**1. Who is the current creditor?**

\_\_\_\_\_  
Name of the current creditor (the person or entity to be paid for this claim)

\_\_\_\_\_  
Other names the creditor used with the debtor

**2. Has this claim been acquired from someone else?**

\_\_\_\_\_  
No                      Yes                      \_\_\_\_\_  
If yes, from whom?

**3. Does this claim amend one already filed?**

\_\_\_\_\_  
No                      Yes                      \_\_\_\_\_  
If yes, when was the original filed?

**4. Do you know if anyone else has filed a Proof of Claim for this claim?**

\_\_\_\_\_  
No                      Yes                      \_\_\_\_\_  
If yes, who made the earlier filing?

**II. Give Information About the Claim as of the Date the Case Was Filed**

**5. How much is the claim?**

\$ \_\_\_\_\_

**Does this amount include interest or other charges?**

\_\_\_\_\_  
No                      Yes

**If yes, attach statement itemizing interest, fees, expenses, or other charges.**

**6. Which Receivership Entity is the debtor for your claim?**

\_\_\_\_\_

**7. What is the basis for the claim?**

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(Examples: goods sold, money loaned, lease, services performed, etc.)

**Attach copies of all documents supporting the claim.**

**8. Is all or part of the claim secured?**

\_\_\_\_\_  
No

\_\_\_\_\_  
Yes

**If the claim is secured by a lien on property:**

\_\_\_\_\_  
Real Estate

\_\_\_\_\_  
Motor Vehicle

\_\_\_\_\_  
Other (describe)

\_\_\_\_\_  
Basis for perfection

\$ \_\_\_\_\_  
Value of property

\$ \_\_\_\_\_  
Amount of claim that is secured

\$ \_\_\_\_\_  
Amount of claim that is unsecured

\$ \_\_\_\_\_  
Amount necessary to cure any default as of the date of the Receivership (August 23, 2019)

% \_\_\_\_\_  
Annual interest rate (fixed \_\_\_ or variable \_\_\_)

**9. Is this claim based on a lease or other contract?**

                                    
No                      Yes

\_\_\_\_\_  
If yes, attach the executed contract and describe what, if any, amount is necessary to cure any default as of the date of the Receivership (August 23, 2019)

**10. Is this claim subject to a right of setoff?**

  \_\_\_\_\_  
No                      Yes                      If yes, please identify the property

**Certification of Truthfulness**

Pursuant to 28 U.S.C. § 1746, I, the undersigned, hereby certify, under penalty of perjury, and pursuant, that all of the information provided in this Proof of Claim Form is true and correct and that the undersigned is authorized to make this Claim. By initialing each item below, I specifically certify that:

		<b><u>Initial</u></b>
1.	I have read the Instructions to the Proof of Claim Form <b>prior</b> to completing the Proof of Claim Form.	_____
2.	When calculating the amount of the claim, I gave the Receivership Entities credit for any payments made to me.	_____
3.	I have examined the information provided in this Proof of Claim Form and have a reasonable belief that the information is true and correct.	_____
4.	I acknowledge a duty on my part to supplement or amend this Proof of Claim Form to disclose a material change with respect to any answer or information provided in connection herewith.	_____

Signed, under penalty of perjury, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name of Claimant: \_\_\_\_\_

Relationship to Claimant (Title): \_\_\_\_\_

*[Sign and print name, the name of the Claimant on whose behalf you are submitting this Claim and your relationship to the Claimant. If you are signing on behalf of the Claimant, state the basis for your authorization to sign on behalf of claimant, and attach any power of attorney or other relevant authorization.]*

**RELEASE OF CLAIMS (by Claimants)**

The undersigned person (the "Affiant"), in consideration of:

the participation in the court-approved claims process of which this Release of Claims is an integral part,

on behalf of:

such Affiant, and his/her/its officers, directors, partners, members, shareholders, managers, agents, representatives, heirs, executors, trustees, administrators, predecessors, subsidiaries, successors, affiliates, assigns, advisors, legal representatives, attorneys, and employees (collectively, the "Releasors"),

hereby releases and discharges:

Bright Smile Financing, LLC; BRR Block Inc.; Digi South LLC; Ganador Enterprises, LLC; Media Pay LLC; Pay Now Direct LLC; the Ruderman Family Trust; and the Bright Smile Trust (the "Receivership Entities"), and Jon A. Sale, individually and in his capacity as receiver for the Receivership Entities (the "Receiver"), and each of their respective officers, directors, partners, members, shareholders, managers, agents, representatives, heirs, executors, trustees, administrators, predecessors, subsidiaries, successors, affiliates, assigns, advisors, legal representatives, attorneys, and employees (the "Receiver's Related Parties") (collectively, the "Releasees"), but it is expressly agreed that this Release of Claims only releases the parties referenced herein and does not release, among others, any of the persons or entities listed in Schedule A hereto, and their respective assigns and representatives,

from:

all liabilities arising from any and all claims, demands, controversies, actions, causes of action whether asserted or unasserted, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, proceedings, agreements, promises, variances, trespasses, obligations, liabilities, fines, penalties, costs, expenses, attorneys' fees, and damages of whatsoever character, nature, or kind, in law or in equity, whether known or unknown, fixed or contingent, liquidated or unliquidated, pending or not pending, disclosed or not disclosed, whether directly, representatively, derivatively or in any other capacity (collectively, the "Claims"),

which the Releasors ever had, now have or hereafter can, shall or may have for, against the

Releasees, upon or by reason of:

anything related to the Receivership Entities, and any claims in any way related to any actions or omissions of the Receiver relating in any manner to his role as the

Receiver for the Receivership Entities (collectively, the "Released Claims"), *provided* the Releasees shall not be released for acts of fraud, willful misconduct or gross negligence and further provided that the Receiver and Receiver's Related Parties shall be entitled to rely upon the advice of counsel concerning his, her, or their duties pursuant to, or in connection with, any act taken under the Order Appointing Receiver dated August 23, 2019, and any other related act, document, instrument or agreement.

The Releasors shall not commence, prosecute, or assert any action, complaint, demand, cause of action, arbitration or other proceeding of any kind relating to, arising out of or involving in any way the Released Claims including, without limitation, any action for contribution, indemnity or otherwise, against or affecting any of the Releasees or any of their property, except for the purpose of enforcing this or any other Release executed in connection with the court appointed claims process.

In the event that any Releasor breaches the foregoing paragraphs, such Releasor shall indemnify and hold harmless each Releasee for any loss or damages, however suffered, caused by such breach, including, without limitation, costs, expenses and reasonable attorneys' fees, including, without limitation, attorneys' fees incurred in the course of enforcement of this indemnification provision.

The Releasors represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity any claim released hereby that they have had, now have or may have against Releasees or any portion thereof or interest therein.

This Release may be modified only by a writing duly executed by the parties hereto.

This Release shall be governed by and interpreted in accordance with the laws of the State of Florida, without giving effect to any conflicts of laws rule or principle that might require the application of the laws of another jurisdiction.



Any action relating to this release or breach thereof falls within the exclusive jurisdiction of the United States District Court for the Southern District of Florida, and Affiant submits to such jurisdiction.

IN WITNESS WHEREOF, the Affiant has set his or her or its hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(Name of Affiant):

\_\_\_\_\_

(Signature):

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

(Position):

\_\_\_\_\_

[Individual Acknowledgement]

STATE OF \_\_\_\_\_ )  
 : ss.:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same, and that by his/her signature on the instrument, the individual executed the instrument.

\_\_\_\_\_  
Notary Public

[Corporate Acknowledgement]

STATE OF \_\_\_\_\_ )  
 : ss.:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as \_\_\_\_\_ of \_\_\_\_\_, and that by his/her signature on the instrument, the individual or entity upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Signature and Office of individual taking acknowledgment

\_\_\_\_\_  
Notary Public

**Schedule A**  
**to Release of Claims (by Claimants)**  
(Persons or Entities Carved Out from Release)

1 Global Capital LLC  
Jan Atlas  
Kelly Bernardone  
Steve Bernardone  
Douglas Beharie  
Evens Bellevue  
Jeanne Canigiani  
Amarnath Kubandren  
Charquetta Neal  
Mary Patterson  
Raquel Ramirez  
Rolando Ramos  
Carl Ruderman  
Steve Schwartz  
John Snead  
Sabrina Stewart  
Deysi Tamayo  
Raymond Velez

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.

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**NOTICE TO POTENTIAL CLAIMANTS**

TO: All persons who may have a claim against Bright Smile Financing, LLC; BRR Block Inc.; Digi South LLC; Ganador Enterprises, LLC; Media Pay LLC; Pay Now Direct LLC; the Ruderman Family Trust; or the Bright Smile Trust (the "Receivership Entities"), which arose prior to August 23, 2018.

All potential Claimants who seek to be eligible for recoveries from the Receivership Entities must complete, sign and return the Proof of Claim Form and the Creditor Release. Both the Proof of Claim Form and the Creditor Release must be returned to the Jon A. Sale, Receiver, Nelson Mullins Broad and Cassel, 2 S. Biscayne Blvd., Suite 2100, Miami, FL 33131.

Copies of the Proof of Claim Form and Creditor Release are available from the Receiver by downloading copies from the receivership website at [www.1globalreliefdefendants.com](http://www.1globalreliefdefendants.com). **Do not file the Proof of Claim or Creditor Release with the Court. The Proof of Claim Form and Creditor Release must be sent to the Receiver, postmarked by no later than \_\_\_\_\_, 2020. Failure to file a claim timely shall result in a waiver of any rights to participate in any distribution of funds through the Receivership.**