



August 18, 2023

**VIA CM/ECF**

David J. Smith  
Clerk of Court  
U.S. Court of Appeals for the 11th Circuit  
56 Forsyth St., N.W.  
Atlanta, Georgia 30303

Re: Response to Rule 28(j) Letter in No. 22-13129, *U.S. Securities and Exchange Commission v. Spartan Securities Group, Ltd., et al.*

Dear Mr. Smith,

We respond to Plaintiff-Appellee's August 18, 2023 letter regarding *SEC v. Ahmed*, 72 F.4th 379 (2d Cir. 2023) and *SEC v. O'Brien*, \_\_ F. Supp. 3d \_\_, 2023 WL 3645205, at \*13 (S.D.N.Y. 2023), *appeal pending* (2d Cir. 23-1071).

*Ahmed* supports Defendants-Appellants' argument that the NDAA's amendments to the Exchange Act serve "to make explicit that which had previously been only implicit" that disgorgement is an available equitable remedy under the Exchange Act. Br. at 45. As the Second Circuit noted, "[t]he express addition of 'disgorgement' as a remedy ... is thus best read, not as superfluity, but as a 'belt and suspenders' clarification[.]" *Ahmed*, 72 F.4th at 396. As Defendants-Appellants have argued, *see* Br. 42-46 and Reply Br. 20-22, "[t]he NDAA's text evinces no intent to contradict *Liu* [*v. SEC*] or to strip disgorgement of 'limit[s] established by longstanding principles of equity' in favor of an unbounded 'legal' form of disgorgement." 72 F.4th at 396 (quoting *Liu*, 140 S. Ct. at 1947). *Ahmed* thus directly contradicts the SEC's contention that the NDAA's amendment somehow

offers greater “flexibility to distribute disgorged funds to the Treasury[.]” SEC Br. at 40, because the bounds of equity remain in force even after its enactment, which necessarily includes consideration of *how* a disgorgement award operates and *who* it is awarded to. *See* Reply Br. at 20-22 (discussing interplay between *Liu* and *Kokesh v. SEC*, 581 U.S. 455 (2017)).

*O’Brien* provides no guidance to this Court regarding how it should review this matter. As that out-of-circuit district court noted, “disbursement to the Treasury” was not disputed by the defendant. 2023 WL 3645205, at \*13. As a result, that court did not engage with any of the arguments made by defendants-appellants that the disgorgement ordered in this matter is inappropriate because disgorgement to the Treasury is “incompatible with traditional notions of equity” and “exceeds the bounds of equity[.]” Br. at 42; Reply Br. at 18-22.

Appellants do not make the retroactivity argument Appellee alleges. Only that if the motions to dismiss or summary judgment were properly granted, the counts at issue would not have been revived.

Very truly yours,

/s/ Kara M. Rollins

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cc: All counsel of record via CM/ECF

**AMENDED CERTIFICATE OF INTERESTED PERSONS AND  
CORPORATE DISCLOSURE STATEMENT**

*SEC v. Spartan Securities Group, Ltd.*, No. 22-13129

Defendants-Appellants amend the CIP contained in their first brief as required by Fed. R. App. P. 26.1, 11th Cir. R. 26.1, and 11th Cir. R. 26.1-2(b):

1. Aristocrat (ASCC), *microcap issuer involved in charged conduct*
2. Barbero, Megan, *Attorney for the Commission*
3. Berkowitz, Dan, *Attorney for the Commission*
4. Brooks, Darin L., *Counsel for Amicus Curiae Investor Choice Advocates Network*
5. Bustillo, Eric I., *Regional Director for Plaintiff-Appellant*
6. Carson, Jay R., *Counsel for Amicus Curiae The Buckeye Institute*
7. Changing Technologies (CHGT), *microcap issuer involved in charged conduct*
8. Conley, Michael A., *Attorney for the Commission*
9. Connect X Capital Markets LLC, *Non-party owner of Defendants-Appellants Island Capital Management, LLC and Spartan Securities Group, LTD*
10. Cook, Jeffrey, *Senior Counsel for Plaintiff-Appellee*
11. Court Document Services, Inc. n/k/a ChinAmerica Andy Movie Entertainment Co. (CAME), *microcap issuer involved in charged conduct*

12. Dhillon Law Group, Inc., *District Court Law Firm for Defendants-Appellants* (added)
13. Dilley, Carl E., *Defendant-Appellant*
14. Dinello Restaurant Ventures, Inc., n/k/a AF Ocean Investment, *microcap issuer involved in charged conduct\**
15. Eldred, Micah J., *Defendant-Appellant*
16. Eldred, Toni, *Indirect owner of Defendants-Appellants Island Capital Management, LLC and Spartan Securities Group, LTD through her interest in Connect X*
17. Envoy Group, Corp. (BLGI), *microcap issuer involved in charged conduct\**
18. E-Waste Corp. n/k/a EZ Raider Co. (EZRG), *microcap issuer involved in charged conduct\**
19. Fernandez, Wilfredo, *District Court Counsel for Plaintiff-Appellee*
20. First Independence Corp. n/k/a Codesmart Holdings, Inc. (ITEN), *microcap issuer involved in charged conduct\**
21. First Social Networx, Corp. n/k/a Rebel Group, Inc. (MOXG), *microcap issuer involved in charged conduct\**
22. First Titan n/k/a GlobeStar Therapeutics Corp. (RSTC), *microcap issuer involved in charged conduct\**
23. First Xeris, *microcap issuer involved in charged conduct\**

24. Global Group n/k/a Tyme Technologies, Inc. (TYME), *microcap issuer involved in charged conduct\**
25. Gordon, Glenn S., *Associate Regional Director for Plaintiff-Appellant*
26. Gray Reed & McGraw, *Law Firm for Amicus Curiae Investor Choice Advocates Network*
27. Grilli, Peter J., *District Court Mediator*
28. Hernandez Covington, Virginia, U.S.D.J., *United States District Court Judge*
29. Investor Choice Advocates Network, *Amicus Curiae*
30. Island Capital Management, LLC, d/b/a Island Stock Transfer, *Defendant-Appellant*
31. Johnson, Alise M., *District Court Counsel for Plaintiff-Appellee*
32. Kelly, Michael J., *Counsel for Plaintiff-Appellee*
33. Kids Germ n/k/a Topaz Resources, Inc. (TOPZ), *microcap issuer involved in charged conduct\**
34. Kruckenberg, Caleb, *District Court Counsel for Defendants-Appellants*
35. Lopez, David D., *Former Defendant (terminated July 30, 2021)*
36. Morales-Christiansen, Anna Patricia, *District Court Counsel for Defendants-Appellants*
37. Nestor, Christine, *District Court Counsel for Plaintiff-Appellee*

38. Matthew Seth Sarelson P.A., *District Court Law Firm for Defendants-Appellants*
39. Mooney, Brian, *District Court Mediator*
40. Neutra Corp. (NTPR), *microcap issuer involved in charged conduct\**
41. New Civil Liberties Alliance, *Legal Organization for Defendants-Appellants*
42. Obscene Jeans n/k/a MyGo Games Holding Co. (OBJE), *microcap issuer involved in charged conduct\**
43. On the Move n/k/a Artificial Intelligence Technology Solutions (AITX), *microcap issuer involved in charged conduct\**
44. Peter J. Grilli, PA, *Law Firm for District Court Mediator*
45. PurpleReal.com, Corp., *microcap issuer involved in charged conduct\**
46. Rainbow Coral Corp. (RBCC). *microcap issuer involved in charged conduct\**
47. Reynolds, Scott Richard, *Indirect owner of Defendants-Appellants Island Capital Management, LLC and Spartan Securities Group, LTD through his interest in Connect X*
48. Rollins, Kara McKenna, *Counsel for Defendants-Appellants*
49. Sarelson, Matthew S., *District Court Counsel for Defendants-Appellants*
50. Spartan Securities Group, LTD., *Defendant-Appellant*
51. Staroselsky, Daniel, *Counsel for Plaintiff-Appellee*

52. Sum, Alice K., *District Court Counsel for Plaintiff-Appellee*
53. Top to Bottom Pressure Washing, Inc. n/k/a Ibex Advanced Mortgage Technology, Inc. (IBXM), *microcap issuer involved in charged conduct\**
54. The Buckeye Institute, *Amicus Curiae*
55. The Mooney Firm, PLLC, *Law Firm for District Court Mediator*
56. Tuite, Christopher P., U.S.M.J., *United States District Court Magistrate Judge*
57. Ulmer & Berne LLP, *District Court Law Firm for Defendants-Appellants*
58. U.S. Securities and Exchange Commission, *Plaintiff-Appellee*
59. Vecchione, John J., *Counsel for Defendants-Appellants*
60. VonderHeide, Heidi E., *District Court Counsel for Defendants-Appellants*
61. Quality Wallbeds, Inc. n/k/a Horrison Resources Inc. (SLPC), *microcap issuer involved in charged conduct\**
62. Wegman Hessler Valore, *Law Firm for Amicus Curiae*
63. Wolper, Alan Mitchell, *District Court Counsel for Defendants-Appellants*
64. Zitman, Christine, *Indirect owner of Defendants-Appellants Island Capital Management, LLC and Spartan Securities Group, LTD through her interest in Connect X*

No publicly traded company or corporation has an interest in the outcome of this case or appeal.

**CERTIFICATE OF COMPLIANCE**

This notice complies with Federal Rule of Appellate Procedure 28(j) because it contains 350 words.

/s/ Kara M. Rollins  
KARA M. ROLLINS

**CERTIFICATE OF SERVICE**

I hereby certify that on August 18, 2023, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Eleventh Circuit by using the appellate CM/ECF system which sent notification of such filing to all counsel of record.

/s/ Kara M. Rollins  
KARA M. ROLLINS