



Creditors recover \$112 million from South Florida cash advance scheme that defrauded over 3,700 investors

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Checks totaling \$112 million have been delivered to 3,750 investors in Florida and across the U.S. after they lost their savings in a securities fraud scheme involving two South Florida companies that provided cash advances to small businesses.

Miami investment banker James Cassel, of Cassel Salpeter & Co., liquidating trustee of 1 Global Capital and 1 West Capital of Hallandale Beach, announced the recovery after 16 months of legal actions and financial analysis that took investigators to multiple cities and towns around the U.S.

“We have returned 40 cents on the dollar,” he said in an interview Monday. “It took us 14 or 16 months to collect that.”

Cassel said the investors, a large number of whom live in Florida, were mainly retirees who turned over anywhere from \$20,000 to \$100,000 to 1 Global and its affiliates. He said more recovery efforts are under way.

“We continue to pursue collections where we can and legal actions where we can, and we’re working to see what else we can garner for the estate,” he said. Cassel credited the law firms of Greenberg Traurig and Genovese Joblove & Battista, the restructuring and recovery firm of Development Specialists Inc., and the U.S. Securities and Exchange Commission for teaming to help maximize the recovery.

Last year, the SEC sued 1 Global Capital, 1 West Capital and ex-CEO Carl Ruderman for allegedly defrauding the investors out of \$287 million.

Headquartered in Hallandale Beach, 1 Global Capital operated from early 2014 until July 27, 2018, when it filed for bankruptcy. As of that time, Global had raised more than \$330 million. Internal documents showed a \$50 million cash deficit, the SEC alleged. A federal judge granted an SEC request for an asset freeze against Ruderman, 1 Global Capital and several affiliated companies.

Federal prosecutors based in South Florida also investigated the company, which advertised itself as a lending firm that provided cash for small businesses in need, promising investors a profit from loans it made to small and midsize companies.

In its complaint filed in U.S. District Court in Miami, the commission alleged that the cash advance company and Ruderman fraudulently raised millions by selling unregistered securities to investors through a network of agents that included brokers barred from the industry.

Ruderman allegedly moved money to several other companies he controlled, and allegedly misappropriated \$35 million for his own use, the complaint said. At a hearing in September, U.S. Bankruptcy Judge Raymond B. Ray in Fort Lauderdale [approved a plan](#) calling for the return of a sizable portion of the millions raised by 1 Global Capital.

Attorney Paul Keenan of Greenberg Traurig said a vote backing the plan drew approvals from 2,425 of the investors.

In addition, the commission announced in September that Ruderman consented to a final court judgment in which he was permanently barred from violating federal securities laws, and held liable for turning over nearly \$32 million in “ill-gotten gains” and paying a \$15 million civil penalty. Ruderman also agreed to turn over \$750,000 in cash and 50 percent equity in a multi-million dollar condominium.

Authorities also pursued several other individuals in the case. They included:

- Jan Atlas, a securities lawyer from Fort Lauderdale, pleaded guilty to one count of securities fraud, according to the U.S. Attorney’s Office. He also agreed to be disbarred. Prosecutors said he wrote two opinion letters in 2016 that allegedly contained false information describing how 1 Global Capital investment actually worked and the duration of the investment, which omitted information about its automatic renewal.
- Alan Heide, 1 Global Capital’s chief financial officer, pleaded guilty to one count of conspiracy to commit securities fraud.
- Henry J. “Trae” Wieniewitz III, an external sales agent, was accused of unlawful sales of 1 Global securities. The commission said it settled with Wieniewitz in July, where he agreed to a final court judgment holding him and

his former company jointly liable for turning over \$3.5 million and paying a \$150,000 civil penalty.