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Bankruptcy trustee recovers \$12M more for victims of \$332M 1 Global Capital fraud

*By Ashley Portero
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A bankruptcy trustee recovered and distributed \$12 million to thousands of creditors who were victims of a \$332 million investment fraud.

Cassel Salpeter and Co. chairman and co-founder [James S. Cassel](#), who was appointed director of 1 Global Capital's estate in bankruptcy court, said about 3,750 creditors that invested in the company received a payment. To date, Cassel has recovered \$124 million on behalf of 1 Global Capital victims, after distributing an initial [\\$112 million payment to investors in 2019](#).

“Considering the challenges posed in collecting on 4,000 cash advances and pursuing legal actions all over the country, this significant additional distribution is a spectacular result for a situation like this,” Cassel said. “It is a testament to the team of professionals and the staff who worked diligently to continue the recovery efforts during the difficult year of 2020.”

Cassel said the liquidating trust will continue to pursue actions to generate additional returns to creditors.

Hallandale Beach-based 1 Global Capital, which provided loans to small businesses, filed for Chapter 11 bankruptcy in 2018.

Soon after the bankruptcy filing, the U.S. Securities and Exchange Commission filed civil fraud charges against the company and former CEO [Carl Ruderman](#), claiming they fraudulently raised \$332 million from investors.

According to the SEC lawsuit, 1 Global Capital overstated the value of investors' accounts and their rate of returns and misappropriated at least \$32 million to personally benefit Ruderman. Ruderman agreed to disgorge \$32 million in ill-gotten gains and pay a \$15 million civil penalty to settle the charges.

Many of the scheme's victims were elderly individuals who invested between \$50,000 and \$100,000, Cassel said.

Earlier this month, the SEC charged three former 1 Global Capital sales agents with federal securities registration violations. The commission alleged the trio collectively [sold more than \\$21 million in unregistered transactions](#) to retail investors while acting as unregistered brokers.

In September, the SEC [filed charges against Fort Lauderdale attorney Andrew Dale Ledbetter](#) for allegedly using false legal opinion letters to raise \$100 million from investors as outside counsel for 1 Global Capital.