



March 12, 2025

VIA CM/ECF

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

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

Dear Mr. Smith,

We respond to Plaintiff-Appellee's March 11, 2025 letter regarding *SEC v. Collector's Coffee, Inc.*, 2025 WL 752221 (S.D.N.Y. Mar. 10, 2025)—another out-of-Circuit district court order.

Federal Rule of Appellate Procedure 28(j) requires supplemental authorities to be “pertinent *and* significant[.]” (emphasis added). This case, as with others SEC has brought to this Court's attention, does not meet that standard and provides little guidance to this Court. *See* ECF 54-1 (citing *SEC v. O'Brien*, an out-of-Circuit district court case where liability was consented to); ECF 57 (citing *SEC v. Stone*, an unreported out-of-Circuit district court case), and ECF 67-1 (*SEC v. Halitron*, an out-of-Circuit nonprecedential Summary Order).

As with the parties' most recent exchange, ECF 76-1 and 77, the SEC continues to misconstrue and/or misunderstand Defendants-Appellants' Seventh Amendment arguments. *See* ECF 77 at 1–2 (explaining that *SEC v. Jarkesy* requires

fact-finding to move between civil penalty tiers). In response to the SEC's March 11, 2025 letter, Defendants-Appellants rest on the arguments made in their March 6, 2025 letter, ECF 77, with a single exception.

SEC now argues that courts have "discretion to use 'the number of fraudulent transactions to determine the number of violations'" to support the district court's civil penalty determination here. ECF 78 (citing *Collector's Coffee*, 2025 WL 752221, at *18–21). But that issue is not before this Court. Rather, Defendants-Appellants have asked this Court to consider how the Seventh Amendment's guarantees are implicated when a district court's penalty determination directly contradicts the jury's factual determinations. *See* Br. 38–20, Reply Br. at 24.

Moreover, *Collector's Coffee* relies on an unreported district court case where all of the parties settled or defaulted to support the proposition now-cited by SEC. *See SEC v. GTF Enterprises, Inc.*, No. 10-CV-4258 RA, 2015 WL 728159 at *1 (S.D.N.Y. Feb. 19, 2015). This is in keeping with the SEC's habit of attempting to create precedent through default and settlement. *See* Doc. 54-1. Critically, in *GTF Enterprises* there was no jury determination at issue and, like *Collector's Coffee*, it has no relevance here.

Very truly yours,

/s/ Kara M. Rollins

KARA M. ROLLINS
JOHN J. VECCHIONE
NEW CIVIL LIBERTIES ALLIANCE
4250 N. Fairfax Drive, Suite 300
Arlington, VA 22203
Phone: (202) 869-5210
Fax: (202) 869-5238
Kara.Rollins@ncla.legal
John.Vecchione@ncla.legal
Counsel for Defendants-Appellants

cc: All counsel of record via CM/ECF

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

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

Defendant-Appellant relies on the CIP in Defendants-Appellants' opening brief, Doc. 20, as amended and attached to their November 2, 2023 Rule 28(j) Letter, Doc. 60, as required by Fed. R. App. P. 26.1, 11th Cir. R. 26.1, and 11th Cir. R. 26.1-2(b).

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

/s/ Kara M. Rollins
KARA M. ROLLINS

CERTIFICATE OF COMPLIANCE

This notice complies with Federal Rule of Appellate Procedure 28(j) because it contains 340 words.

/s/ Kara M. Rollins
KARA M. ROLLINS

CERTIFICATE OF SERVICE

I hereby certify that on March 12, 2025, 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