



March 6, 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 4, 2025 letter regarding *SEC v. Halitron, Inc.*, No. 24-1052 (2d. Cir. Mar. 3, 2025)—a non-precedential summary order.

*Halitron* provides little guidance to this Court. In *Halitron*, a Second Circuit panel only concluded that a district court determines the amount of a civil penalty not the jury. But that determination is not inconsistent with Defendants-Appellants' Seventh Amendment arguments. They have never argued that a district court cannot set the amount of a civil penalty within a particular tier, *e.g.*, a court may set a single Tier One penalty anywhere between \$0–7,500 for individual defendants and \$0–80,000 for organizational defendants (as adjusted for inflation as of the time of the alleged violations). *See* Br. 36–37, 38. Rather, they have argued that moving between 15 U.S.C. § 78u(d)(3)(B)'s penalty tiers, like moving between the § 78u-2(b)'s penalty tiers discussed in *SEC v. Jarkesy*, requires fact-finding by a jury, which did not occur. ECF 72 at 1; Br. 33–39; Reply Br. 23–24; *see also* S.A.83–90.

Likewise, whether one violation or multiple violations were proved is a question of fact that must be determined by the jury. *See* Br. 38–39; Reply Br. 24.

While both inquiries may permit a court to ultimately increase the amount of the penalty ordered, the court may not do so unless and until a jury has made the necessary factual determinations regarding which penalty tier applies and the number of violations that the Government established. To permit otherwise violates the Seventh Amendment.

Defendants-Appellants’ argument is also consistent with the Supreme Court’s Sixth Amendment precedents requiring juries to find the facts leading to upward departures in the range of penalties a defendant is exposed to or beyond the minimum punishment. *See* ECF 70 at 1–2 (discussing *Erlinger v. United States*, 602 U.S. 821 (2024)).<sup>1</sup> Nothing in *Halitron* counsels otherwise.

Very truly yours,

/s/ Kara M. Rollins

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cc: All counsel of record via CM/ECF

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<sup>1</sup> SEC never responded to Defendants-Appellants June 25, 2024 Fed. R. App. P. 28(j) letter regarding *Erlinger*.

**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 334 words.

/s/ Kara M. Rollins  
KARA M. ROLLINS

**CERTIFICATE OF SERVICE**

I hereby certify that on March 6, 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