



September 4, 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 September 4, 2025 letter regarding *SEC v. Sripetch*, No. 24-3830 (September 3, 2025).

Sripetch offers little guidance to this Court in this matter. As the Ninth Circuit recognized, in agreement with the Second Circuit's *SEC v. Govil* decision, "disgorgement requires one or more victims." *Sripetch*, at *4 (citing *Govil*, 86 F.4th 89, 98 (2d Cir. 2023)). The First Circuit made a similar determination in *SEC v. Navellier & Assocs., Inc.*, 108 F.4th 19, 41 n.14 (1st Cir. 2024), *cert. denied*, No. 24-949, 2025 WL 1603606 (U.S. June 6, 2025); *see also* Doc. 75 at 2.

Unlike here, where Defendant-Appellant Island Capital Management has consistently argued that there were no victims and SEC has identified none, the *Sripetch* court accepted as true SEC's allegations that there were victims because the defendant in *Sripetch* consented to liability. *Sripetch*, at *4. But the SEC has never identified *any* victims in the decade since the alleged conduct occurred in this case.

See Doc. 75 at 2 (citing Reply Br. at 21); Doc. 75 at 2 (citing Br. at 10, 45-46, 46-47; Reply Br. 20-22). Thus, the SEC failed to meet its evidentiary burden to establish that there was at least one victim who suffered any harm, either pecuniary or as to any other interference with “legally protected interests.” *See Sripetch*, at *4. Disgorgement is foreclosed in this matter.

The *Sripetch* court also reads a practicability requirement into the common-law equitable limitation that disgorgement should be returned to wronged investors. *Compare Liu v. SEC*, 591 U.S. 71, 88 (2020) (disgorgement “generally requires the SEC to return a defendant’s gains to wronged investors for their benefit”) *with Sripetch*, at *3 (quoting same but noting that the requirement only attaches “when practical”); *see also* Br. at 42-43, Reply Br. at 20-21. But neither the common law, nor *Liu*, circumscribes the limitation to “when practical.” The Ninth Circuit’s gloss on the precedent is not discernible from *Liu* and should not be adopted here.

Very truly yours,

/s/ Kara M. Rollins

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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 329 words.

/s/ Kara M. Rollins
KARA M. ROLLINS

CERTIFICATE OF SERVICE

I hereby certify that on September 4, 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