UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

Case No. 17-62255-CIV-COOKE/HUNT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

IBRAHIM ALMAGARBY and MICROCAP EQUITY GROUP, LLC,

Defendants.

_____/

AMENDED ORDER ADOPTING MAGISTRATE JUDGE'S REPORT AND RECOMMENDATION AND FINAL JUDGMENT AS TO IBRAHIM ALMAGARBY AND MICROCAP EQUITY GROUP, LLC

THIS MATTER is before me upon the Report and Recommendation ("R&R") of the Honorable Patrick M. Hunt, U.S. Magistrate Judge (ECF No. 138), regarding Plaintiff the Securities and Exchange Commission's Motion for Remedies (the "Motion") (ECF No. 120).

In his R&R, Judge Hunt recommends that I grant the Motion. And, in doing so, order the following:

- Permanently enjoin Defendant Ibrahim Almagarby ("Defendant Almagarby") and Defendant Microcap Equity Group, LLC ("Defendant MEG") from directly or indirectly offering or selling unregistered securities in interstate commerce.
- Order Defendant MEG to disgorge the amount of $885,126.30, plus prejudgment interest in the amount of $182,150.69, for a total of $1,067,276.99.
- Impose a tier-one civil penalty in the amount of $80,000 against Defendant MEG.
- Hold Defendant Almagarby jointly and severally liable for the disgorgement amount and civil penalty imposed against Defendant MEG.

- Impose a penny stock bar against both Defendant Almagarby and Defendant MEG.
- Require both Defendant Almagarby and Defendant MEG to surrender their shares for cancellation.

On September 13, 2021, Defendants filed their Objections to the R&R. And, on September 27, 2021, Plaintiff Securities and Exchange Commission (the "SEC") filed its response to Defendants Objections to the R&R. I have reviewed Plaintiff's Motion, the briefing and accompanying exhibits, Judge Hunt's R&R, Defendants' Objections to the R&R, the SEC's response thereto, the record, and the relevant legal authorities. Having done so, I find Judge Hunt's R&R to be clear, cogent, and compelling.

Accordingly, Judge Hunt's R&R (ECF No. 138) is **AFFIRMED** and **ADOPTED**[1] as the Order of this Court. It is, therefore, **ORDERED** and **ADJUDGED** as follows:

- Defendant Almagarby and Defendant MEG are **PERMANENTLY ENJOINED** from violating Section 15(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act") by, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) while engaged in and pursuant to the regular business of buying and selling securities (not including security-based swaps, other than security-based swaps with or for persons that are not eligible contract participants) for their own account through a broker or otherwise unless the Defendants are registered as dealers with the Securities and Exchange Commission as provided in Section 15(b) of the Exchange Act, or unless Defendants are associated with a broker-dealer that was so registered.

- Defendant MEG is **ORDERED** to disgorge the amount of $885,126.30, plus prejudgment interest in the amount of $182,150.69, for a total of $1,067,276.99.

- A tier-one civil penalty in the amount of $80,000 is imposed against Defendant MEG.

[1] The Court notes that Judge Hunt's R&R recommends that I enjoin Defendants from "directly or indirectly offering or selling unregistered securities," which is proscribed by Section 5 of the Securities Act. This appears to be an inadvertent error. As such, this Order adopts and affirms Judge Hunt's R&R; however, in doing so, it grants injunctive relief for Defendants' future violation of Section 15(a) of the Exchange Act.

- Defendant Almagarby is **JOINTLY AND SEVERALLY LIABLE** for the disgorgement amount (plus prejudgment interest) and civil penalty imposed against Defendant MEG.

- Defendant Almagarby and Defendant MEG are **PERMANENTLY BARRED** from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Securities Exchange Act of 1934 [17 C.F.R. 240.3a51-1].

- Both Defendant Almagarby and Defendant MEG are **ORDERED** within ten (10) days of the entry of this Judgment to (1) surrender for cancellation MEG's remaining shares of stock of the following issuers and surrender MEG's remaining conversion rights under the convertible securities issued by them: Aluf Holdings, Inc., Axxess Pharma, Inc., Bulova Technologies Group, Inc., CD International Enterprises, Inc., CUBA Beverage Company, Daniels Corporate Advisory Company, Inc., Dewmar International BMC, Inc., East Coast Diversified Corp., Elray Resources, Inc., Energy Revenue America, Inc., Eyes on the Go, Inc., Gold & Silver Mining of Nevada, Inc., Gold and GemStone Mining Inc., Green Energy Enterprises, Inc., Greenfield Farms Food, Inc., Grid Petroleum Corp./ Simlatus Corporation, Halberd Corporation, Halitron, Inc., Healthnostics, Inc., Healthy & Tasty Brands Corporation (a/k/a GRILLiT, Inc.), Hybrid Coating Technologies, Inc., In Ovations Holdings, Inc., Indo Global Exchange(s) Pte, Ltd., InoLife Technologies, Inc., InternetArray, Inc., Las Vegas Railway Express, Inc., LIG Assets, Inc., Medical Care Technologies Inc., Mining Global, Inc., MyECheck, Inc., Next Galaxy Corp., North American Cannabis Holdings, Inc., PM&E, Inc., PotNetwork Holdings Inc., PPJ Healthcare Enterprises, Inc., Quasar Aerospace Industries, Inc., Sanomedics, Inc., Seven Arts Entertainment, Inc., and Urban Ag Corp. (the "Issuers"); and (2) send copies of correspondence evidencing the surrender for cancellation of MEG's remaining shares of the Issuers and its remaining conversion rights under the convertible securities issued by the Issuers to the Commission's counsel in this action.

- Defendants shall satisfy their obligation to pay the disgorgement, prejudgment interest, and civil penalty ordered herein by paying $1,147,276.99 to the Commission within 30 days after entry of this amended order and final judgment. The Commission shall promptly provide Defendants with instructions for making payment. Upon making payment, Defendants shall simultaneously transmit photocopies of evidence of payment to the Commission's counsel in this action.

- The Commission shall hold payment(s) received by Defendants, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the

Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund.

DONE and ORDERED in Chambers at Miami, Florida this 15th day of February 2022.

Marcia G. Cooke

MARCIA G. COOKE
United States District Judge

Copies furnished to:
Patrick M. Hunt, U.S. Magistrate Judge
Counsel of record