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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

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South Florida Securities Lawyer Charged with Securities Fraud Relating to 1 Global Capital Investment Scheme

A South Florida securities lawyer and former outside counsel for 1 Global Capital, LLC has been charged with securities fraud in connection with an investment fraud scheme that impacted more than 3,600 investors in 42 different states.

Ariana Fajardo Orshan, U.S. Attorney for the Southern District of Florida, and George L. Piro, Special Agent in Charge of the FBI's Miami Field Office made the announcement.

Jan Douglas Atlas, 74, of Ft. Lauderdale, Florida, was charged today by information with one count of securities fraud, in violation of Title 15, United States Code, Sections 77q(a) and 77x, in Case No. 19CR60258. The case is assigned to U.S. District Judge Beth F. Bloom in Fort Lauderdale. If convicted, Atlas faces a maximum statutory sentence of up to five years in prison and a fine up to \$10,000.

According to the information, 1 Global Capital LLC (1 Global) was a commercial lending business based in Hallandale Beach, Florida, that made the equivalent of "pay day" loans to small businesses at high interest rates. To fund these merchant cash advance loans, 1 Global obtained funds from investors nationwide, offering short-term investment contracts. The investors would supposedly receive a proportionate share of the principal and interest payments as the loans were repaid. 1 Global raised money using investment advisors and other intermediaries, with promises of significant commissions. In many cases, the commissions were not fully disclosed to investors. According to court records, 1 Global operated from early 2014 through approximately July 27, 2018, when it filed for bankruptcy. As of that time, 1 Global had more than 3,600 investors and had raised more than \$330 million, and its own internal documents showed a \$50 million cash deficit.

Substantial questions arose during 1 Global's operations as to whether 1 Global was offering or selling a security and subject to federal and state securities laws, and whether the offering was required to be registered with the U.S. Securities and Exchange Commission. These questions were raised by investors, investment advisors, and regulators. Atlas acted as outside counsel for 1 Global and allegedly knew that if 1 Global's investment offering were determined to be a security, it would undermine the ability of 1 Global to raise funds from retail investors and to continue to operate without substantial additional expenses and reporting requirements. Such a classification would undermine the profits and fees that 1 Global and its principals would be able to obtain from 1 Global's operations.

Atlas was a long-time South Florida securities attorney who, in addition to his role as outside counsel for 1 Global, was a partner at Law Firm #1. The information alleges that at the request of 1 Global's principals, Atlas authored two opinion letters in 2016 containing false information that Atlas allegedly knew would be used by 1 Global to operate the business unlawfully. The opinion letters falsely described how the 1 Global investment actually worked, describing the 1 Global investment inaccurately in order to achieve the opinion that Individual #1 and others at 1 Global desired. The opinion letters falsely described the duration of the investment, among other things, omitting the automatic renewal aspect and that the investment was being targeted toward retail, non-sophisticated investors (such as IRA account holders). Atlas intentionally made false and misleading statements in these opinion letters, according to the information, to give 1 Global, and its employees and agents, false legal cover to continue to conduct business unlawfully.

Atlas's opinion letters were used and relied upon by 1 Global employees and agents to continue to raise money illegally. At or around the time that Atlas executed these letters he received payments from Attorney #1, an attorney who worked at Law Firm #1 and also had a fundraising role at 1 Global. Atlas allegedly understood that the payments he received from Attorney #1 constituted a percentage of commissions received by Attorney #1 of money raised by 1 Global from new investors. The funds totaled approximately \$627,000 and were paid to Atlas's personal checking account. These funds were not disclosed to Law Firm #1, and Atlas and Attorney #1 allegedly knew that they were required to disclose and share all fees paid by clients of Law Firm #1, with Law Firm #1.

Previously, on August 23, 2019, former 1 Global Chief Financial Officer Alan G. Heide entered a guilty plea to one count of conspiracy to commit securities fraud in connection with the 1 Global fraud scheme, in Case No. 19-60231-CR-RKA. Sentencing for Heide is set for December 12, 2019, before U.S. District Judge Roy K. Altman in Ft. Lauderdale.

In connection with a parallel civil enforcement action, the SEC today announced the filing of civil fraud charges against Atlas. In related cases, the SEC previously has filed civil fraud actions, *SEC v. 1 Global Capital LLC and Carl C. Ruderman*, Case No. 18-61991-CV-BB (S.D. Fla.), and *SEC v. Alan G. Heide*, Case No. 19-62047-CV-FAM (S.D. Fla.). The bankruptcy case, *In re: 1 Global Capital LLC, et al.*, No. 18-19121-RBR (S.D. Fla.), remains pending.

An information is a charging instrument containing allegations. A defendant is presumed innocent unless and until proven guilty in a court of law.

U.S. Attorney Fajardo Orshan commended the investigative efforts of the FBI's Miami Field Office. She also thanked the SEC's Miami Regional Office, IRS Criminal Investigation's Miami Field Office, and Florida's Office of Financial Regulation for their assistance. This case is being prosecuted by Assistant U.S. Attorneys Jerrob Duffy and Lisa H. Miller, and Assistant U.S. Attorney Nicole Grosnoff is handling asset forfeiture related to this matter.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>.

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