



In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section 3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Loppert, age 62, is a chartered accountant in South Africa, but has never been a licensed certified public accountant in the United States. He served as Global Digital Solutions Inc.’s (“Global Digital”) Executive Vice President and Chief Financial Officer from approximately August 2013 until April 2015.

2. Global Digital, previously known as Creative Beauty Supply, Inc., is a former beauty products supply company incorporated in New Jersey, with its principal place of business located in West Palm Beach, Florida. It is purportedly in the “cyber arms manufacturing” and “security and technology solutions” industry. Global Digital became a reporting company on October 10, 2013. Its securities are registered under Section 12(g) of the Exchange Act and its common stock is quoted on the OTC Link (formerly ‘Pink Sheets’) operated by OTC Markets Group, Inc. under the symbol “GDSI.” According to its Form 10-K for the fiscal year ended December 31, 2013, filed on March 28, 2014, Global Digital sold stock in private placements and upon warrant exercises.

3. On August 11, 2016, the Commission filed a complaint against Loppert and others in SEC v. Global Digital Solutions Inc., et al., Civil Action No. 9:16-cv-81413-RLR (S.D. Fla.). On December 20, 2016, the court entered an order permanently enjoining Loppert, by consent, from future violations of Section 17(a)(2) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5(b), 13a-14, and 16a-3 thereunder; and aiding and abetting Global Digital’s violations of Section 17(a)(2) of the Securities Act and Section 10(b) and 13(a) of the Exchange Act and Rules 10b-5(b), 12b-20, 13a-1, and 13a-11 thereunder. Loppert was also ordered to pay a \$90,000 civil money penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)]; was barred from serving as an officer or director of any issuer that has a class of securities registered pursuant to Exchange Act Section 12 [15 U.S.C. §781], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], pursuant to Section 20(e) of the Securities Act [15 U.S.C. §77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)]. Loppert was also barred from participating in any

offering of penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)], and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

4. The Commission's complaint alleged, among other things, the following: that from October 2013 through March 2014, Loppert, in conjunction with Defendants Global Digital and Global Digital's former Chairman and CEO, issued misleading press releases and filings regarding Global Digital's operations, revenue projections and proposed acquisitions of various companies. These public announcements affected the stock's trading price and volume. Loppert reviewed and edited press releases pertaining to unsubstantiated projected revenue run rates for the upcoming fiscal year and a purported \$1.082 billion acquisition by Global Digital of one of the country's largest arms manufacturers. Loppert signed Global Digital's Form 8-K (current report) and Form 10-K (annual report) filings with the Commission, which contained the same misleading information concerning the acquisition of the arms manufacturer, even though Loppert was aware that the arms manufacturer had previously rejected Global Digital's offer and that Global Digital lacked the ability to conclude the proposed transaction. Furthermore, Loppert was aware that Global Digital's website contained the aforementioned misleading press releases.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Loppert's Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

Loppert is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields  
Secretary