

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94790 / April 25, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20832

In the Matter of

**SCOTT A.
MERKELSON,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Scott A. Merkelson (“Respondent”).

II.

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 paragraph III.2 below, which are admitted, Respondent consents to the entry of this (“Order”), as set forth below.

III.

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

1. Merkelson, age 44, resides in Plantation, Florida. He was employed at 1 Global Capital, LLC ("1 Global") from April 2017 until September 2018 as the company's Director of Business Development. Merkelson participated in the offer and sale of 1 Global's securities to individual investors while acting as an associated person of 1 Global, which acted as an unregistered securities broker-dealer by effecting securities transactions or inducing the purchase of securities and paying transaction-based compensation. Prior to working at 1 Global, Merkelson was associated as a registered representative with numerous broker dealers from 1998 until January 2017. After leaving 1 Global, Merkelson was briefly employed with two other broker dealers but was terminated for failure to meet licensing requirements. During the time he was employed at 1 Global, Merkelson held Series 3, 7, 24, 55, 63, and 65 licenses.

2. On April 11, 2022, a final judgment was entered by consent against Merkelson, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Scott A. Merkelson, No. 22-cv-60702-WPD (S.D. Fla. 2022).

3. The Commission's Complaint alleged, among other things, that Merkelson signed 1 Global's false and misleading investor account statements that misstated investors' rate of return, and misrepresented the role of an accounting firm in the investor account statements and in 1 Global's marketing documents. According to the Complaint, Merkelson manipulated 1 Global's contractually-based management fee to artificially raise or lower investors' rate of return reflected on the investor account statements. The Complaint further alleged that the statements Merkelson signed falsely claimed 1 Global's independent audit firm endorsed and agreed with 1 Global's rate of return formula, and that 1 Global had audited financial statements. In reality, Merkelson knew that 1 Global never had audited financial statements and that no auditor endorsed or agreed with its rate of return formula. Merkelson knew 1 Global's sales agents used the false investor account statements to solicit prospective investors.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Merkelson be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Merkelson be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for

purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary