

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17647**

**SEC Sanctions Penny Stock Investor for Unregistered Trading**

**October 28, 2016** – The Securities and Exchange Commission today charged a New York-based penny stock investor and his entity with violating the federal securities laws when they sold millions of shares of a microcap company to the investing public for sizeable profits.

Curt Kramer and his Great Neck, N.Y.-based entity, Hope Capital, Inc., agreed to disgorge those profits and pay a penalty for a total of more than \$679,000, to settle the charges.

An SEC investigation found that from mid-December 2008 through mid-May 2009, Kramer and Hope Capital sold over 113.5 million shares of Spongetech Delivery Systems, Inc. (Spongetech) stock to the investing public for profits of \$525,603. Kramer and Hope Capital had obtained these shares from two Spongetech affiliates in 16 private transactions, and at significant discounts from market prices. Kramer had negotiated the purchase of the shares with Spongetech's CFO. After Kramer and Hope Capital received the shares, they sold the shares in U.S. public markets within days or a few weeks of the purchases. The discount Kramer and Hope Capital received enabled them to promptly sell the Spongetech shares at a profit. No registration statement was filed as to any of the shares that Kramer and Hope Capital sold to the investing public, and no exemption from registration requirements was applicable to these transactions.

The SEC's order finds that Kramer and Hope Capital violated Sections 5(a) and 5(c) of the Securities Act of 1933. Without admitting or denying the SEC's findings, Kramer and Hope Capital consented to the entry of a cease and desist order, to a prohibition from acquiring any security from any affiliate of an issuer of securities, and to pay disgorgement of \$525,603, plus prejudgment interest of \$54,144. Kramer also agreed to pay a civil penalty of \$100,000.

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