

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10239 / October 27, 2016**

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

**In the Matter of**

**CURT KRAMER**  
**AND HOPE CAPITAL, INC.**

**Respondents.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 8A OF THE SECURITIES ACT  
OF 1933, MAKING FINDINGS, AND  
IMPOSING REMEDIAL SANCTIONS AND  
A CEASE-AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Curt Kramer and Hope Capital, Inc. (together, the “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondents' Offer, the Commission finds<sup>1</sup> that:

1. **Curt Kramer**, age 42, is a resident of Glen Head, New York. From 2007 to at least 2009, he was the owner, sole officer, and registered agent of Hope Capital, Inc.
2. **Hope Capital, Inc. ("Hope Capital")** is a New York corporation with its principal place of business in Great Neck, New York.
3. 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 in violation of the registration requirements of Section 5 of the Securities Act, and for profits of \$525,603.
4. Kramer and Hope Capital obtained these Spongetech shares from two Spongetech affiliates, RM Enterprises International, Ltd., a/k/a RM Enterprises International, Inc., ("RM Enterprises") and Flo Weinberg, Inc. ("Weinberg"). As noted in Spongetech's public filings, RM Enterprises was the majority shareholder of Spongetech and was controlled by Spongetech's CEO and CFO. Spongetech's public filings also stated that Weinberg was a wholly owned subsidiary of RM Enterprises. RM Enterprises and Weinberg shared the same address as Spongetech.
5. Kramer and Hope Capital purchased the 113.5 million shares from RM Enterprises and Weinberg in 16 private transactions, and at significant discounts from market prices. Kramer negotiated the purchase of the shares with Spongetech's CFO.
6. 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.
7. 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.
8. From December 16, 2008 through May 26, 2009, Kramer and Hope Capital sold over 113.5 million shares of Spongetech stock in illegal, unregistered transactions and obtained profits of \$525,603.
9. Kramer and Hope Capital used the mails and other means of interstate commerce in connection with these offers and sales of Spongetech shares.

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<sup>1</sup> The findings herein are made pursuant to Respondents' Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

10. As a result of the conduct described above, Kramer and Hope Capital violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the direct or indirect sale or offer for sale of securities through the mails or interstate commerce unless a registration statement has been filed or is in effect.

### **Undertakings**

Respondents Curt Kramer and Hope Capital have undertaken to:

Forgo directly or indirectly, including but not limited to, through any of their affiliates or successors, acquiring any security from any affiliate of an issuer of securities, as the term “affiliate” is defined by Securities Act Rule 144(a)(1).

### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Respondents’ Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondents Kramer and Hope Capital cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

B. Respondents Kramer and Hope Capital shall comply with the undertaking enumerated in Section III above.

C. Respondents Kramer and Hope Capital shall, pursuant to the installment plan set forth in paragraph E below, jointly and severally pay disgorgement of \$525,603 and prejudgment interest of \$54,144 to the Securities and Exchange Commission. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, transfer them to the general fund of the United States Treasury, subject to Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

D. Respondent Kramer shall, within 120 days of the Order being issued, pay civil money penalties totaling \$100,000 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

E. Respondents shall pay disgorgement of \$525,603, prejudgment interest of \$54,144, to the Securities and Exchange Commission. Payment shall be made in the following installments:

- (i) \$226,583 within 14 days of the entry of the Order;
- (ii) \$226,582 within 60 days of the Order being issued; and
- (iii) \$126,582 within 120 days of the Order being issued.

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Kramer and Hope Capital as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Antonia Chion, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

F. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this proceeding, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of civil penalties in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they

shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

**V.**

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent Kramer, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Kramer under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Kramer of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields  
Secretary