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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

ADMINISTRATIVE PROCEEDING :
File No. 3-18325 :
In the Matter of :
GLOBAL DIGITAL SOLUTIONS, INC., :
Respondent. :

**RESPONDENT'S OPPOSITION TO DIVISION OF ENFORCEMENT'S MOTION FOR
AN ORDER OF SUMMARY DISPOSITION AGAINST RESPONDENT
GLOBAL DIGITAL SOLUTIONS, INC.**

Joshua D. Brinen
Brinen & Associates, LLC
90 Broad Street, Second Floor
New York, New York 10004
(212) 330-8151 (Telephone)
(212) 227-0201 (Fax)
jbrinen@brinenlaw.com
Attorneys for Respondent

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GLOBAL DIGITAL SOLUTIONS, INC.**

Respondent Global Digital Solutions, Inc. ("Global"), by and through its undersigned counsel, submits this Opposition to the Division of Enforcement's Motion for an Order of Summary Disposition, a copy of which is annexed hereto as Exhibit A.

PROCEDURAL BACKGROUND

On December 26, 2017, the Securities and Exchange Commission ("the SEC") issued an Order Instituting Administrative Proceeding and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the "OIP") to determine whether it is necessary or appropriate for the protection of investors to suspend (for a period not exceeding twelve months) or revoke the registration of each class of GDSI's securities registered pursuant to Section 12 of the Exchange Act. On January 8, 2018, Global served an Answer to the OIP. On February 15, 2018, the SEC served the Motion for an Order of Summary Disposition.

PRELIMINARY STATEMENT

Pursuant to 17 CFR 201.250(c), "a party may make a motion for summary judgment on one or more claims or defenses, asserting that the undisputed pleaded facts, declarations, affidavits, deposition transcripts, documentary evidence or facts officially noted pursuant to § 201.323 show that there is no genuine issue with regard to any material fact and that the movant is entitled to summary disposition as a matter of law." Here, in support of its motion, the SEC alleges as follows:

There is no dispute [Global] has not filed its periodic reports for over two years. Thus, there is no genuine issue with regard to any material fact as to [Global's] violations of Exchange Act Section 13(a) and the rules thereunder, and the Law Judge should grant summary disposition as a matter of law. Exhibit A, *6.

The SEC further alleges as follows:

[Global] has failed to file two annual reports and six quarterly reports. Failure to file periodic reports as required by Commission rules and regulations is a serious violation of "a central provision of the Exchange Act." Exhibit A, *7 (citation omitted).

The SEC still further alleges as follows:

[Global] continues to avoid its reporting requirements. This apparent lack of urgency on the part of [Global] to bring its filings current further illustrates why revocation is the appropriate remedy in this case. In fact, [Global] has not stated when it will be prepared to issue a report, if ever. [Global's] high degree of culpability suggests the company's securities registration should be revoked. Exhibit A, *10.

In opposing a motion for summary disposition, "a respondent may present genuine issues with respect to facts that could mitigate his or her misconduct." *Seghers v. SEC*, 548 F.3d 129, 134 (D.C. Cir. 2008) (citation omitted). Here, Global respectfully submits the Affidavit of Global's Chief Executive Officer William J. Delgado, annexed hereto as Exhibit B, for the

express purpose of responding to the SEC's allegations.

GLOBAL'S OPPOSITION

First, Global has removed all of the bad-actors in the management and the Board of Directors who were directly involved in the securities violations involving press releases pursuant to the Securities and Exchange Commission's own complaint.

Second, Global had to, and is contending with several class action and derivative lawsuits spawned by the Securities and Exchange Commission complaint as well as a simple contract dispute with Global's prior PCAOB auditor for unpaid fees.

The new Chief Executive Officer, Mr. Delgado, has endeavored to resolve each issue. To that end the company has:

- a. Settled the lawsuit with the Securities and Exchange Commission;
- b. Dismissed the Class Action for Failure to State a Claim;
- c. Moved to Dismiss the Second Amended Complaint in the Class Action matter;
- d. Moved to Dismiss the derivative action for a lack of personal jurisdiction;
- e. Negotiated a settlement with the PCAOB accountant to obtain their release the prior workpapers and to assist in the transition to the new auditors, Turner Stone & Co who were hired on July 7, 2017.

The company acknowledges that it has not been able to file the necessary reports. It has not been able to file such reports due to the following reasons:

- a. The prior management has prevented the new management from obtaining access to the necessary books and records to move forward with the preparation of the required filings;
- b. The prior management has ceased communication preventing the new management from moving forward with the preparation of the required filings;
- c. The prior auditors would not transition the audit workpaper file to the new auditors;
- d. The company acknowledges that it is delinquent in its settlement payment due to the Securities and Exchange Commission;
- e. The company had to obtain the necessary funding to accomplish these tasks.

Global did not fail to appreciate the consequences or the seriousness of failing to make such reports. To that end, the company has done the following:

- a. Negotiated a settlement with the PCAOB accountant to obtain their release the prior workpapers and to assist in the transition to the new auditors.
- b. Engaged with a new auditor, Turner Stone, who at the time of this submission, prepared to sign-off on the December 31, 2015 audit.
- c. Engaged a comptroller consultant, Eventus Consulting, on January 17, 2018, to assist in the preparation of the financial statements for audit by the new auditor Turner Stone.
- d. Engaged a new attorney to assist in preparation of the Securities and Exchange Commission filings.

The new attorney, auditor, and the comptroller consultant have set a schedule to remediate the open issues. To further that end, the company has committed to the schedule attached to the affidavit of William Delgado.

The company, the new attorney, auditor, and the comptroller consultant have all agreed that the company can and will maintain its quarterly filing once caught up.

The company has committed to paying the settlement amount due to the Securities and Exchange Commission on or before April 15, 2018.

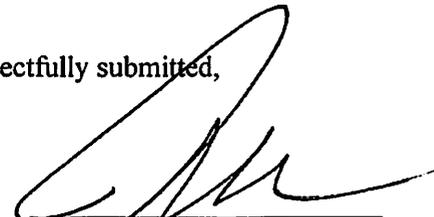
CONCLUSION

Global has hired the undersigned counsel's firm for the express purpose of overseeing the timely completion and filing of all reports that are overdue, and of ensuring that, going forward, all reports are completed and filed in accordance with applicable rules and regulations. *See* Exhibit C, Affidavit in Support of Respondent's Opposition to Division of Enforcement's Motion for an Order of Summary Disposition Against Respondent Global Digital Solutions, Inc. In so doing, Global manifests a genuine commitment to fulfilling its corporate responsibilities as they relate to the within action.

Wherefore, it is requested that the Motion for an Order of Summary Disposition be denied.

DATED: New York, New York
March 9, 2018

Respectfully submitted,



Joshua D. Brinen
Brinen & Associates, LLC

90 Broad Street, Second Floor
New York, New York 10004
(212) 330-8151 (Telephone)
(212) 227-0201 (Fax)
jbrinen@brinenlaw.com
Attorneys for Respondent Global Digital
Solutions, Inc.

Exhibit A

UNITED STATES OF AMERICA
Before the
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Washington, DC 20549

ADMINISTRATIVE PROCEEDING
File No. 3-18325

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GLOBAL DIGITAL SOLUTIONS, INC.

Respondent.

**DIVISION OF ENFORCEMENT'S MOTION FOR AN ORDER OF SUMMARY
DISPOSITION AGAINST RESPONDENT GLOBAL DIGITAL SOLUTIONS, INC.**

SECURITIES AND EXCHANGE COMMISSION
Russell Koonin
Senior Trial Counsel
DIVISION OF ENFORCEMENT
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Direct Telephone: (305) 982-6385
Facsimile: (305) 536-4154
Email: kooninr@sec.gov

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I. INTRODUCTION

The Division of Enforcement (“Division”) pursuant to Rules 154 and 250 of the Commission’s Rules of Practice, respectfully moves for an order of summary disposition against Respondent Global Digital Solutions, Inc. (“GDSI”) on the grounds that there is no genuine issue with regard to any material fact. Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”), the Division is entitled as a matter of law to an order revoking each class of GDSI’s securities registered pursuant to Section 12 of the Exchange Act.

The Division seeks summary disposition because the undisputed facts show GDSI has failed to comply with Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 because it has failed to make required annual and quarterly reports. GDSI’s prolonged and continuing delinquencies warrant revocation. *See Gateway Int’l Holdings, Inc.*, Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 (May 31, 2006) (revocation appropriate where respondent admitted being in noncompliance with the filing requirements of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13, by failing to file annual and quarterly reports); *Impax Laboratories, Inc.*, Exchange Act Rel. No. 57864, 2008 SEC LEXIS 1197 (May 23, 2008) (revocation appropriate where respondent failed to rectify its reporting delinquencies for twenty-one months).

The Commission has emphasized that “[t]he reporting requirements are the primary tools which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.” *America’s Sports Voice, Inc.*, Exchange Act Rel. No. 55511, 2007 WL 858747 at *7, n. 17 (March 22, 2007) (citation omitted). The Commission further stated in *America’s Sports Voice* that even in this rapidly shrinking world, with blogs, chat rooms, and 24-hour cable news, “corporate financial statements

are one of the primary sources of information available to guide the decisions of the investing public.” *Id.* at *5, n. 11 (quoting *United States v. Arthur Young & Co.*, 465 U.S. 805, 810 (1984)). As set forth more fully below, the Division demonstrates that revocation is the necessary and appropriate sanction here.

II. PROCEDURAL BACKGROUND

On December 26, 2017, the Commission issued an Order Instituting Administrative Proceeding and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“OIP”) to determine whether it is necessary or appropriate for the protection of investors to suspend (for a period not exceeding twelve months) or revoke the registration of each class of GDSI’s securities registered pursuant to Section 12 of the Exchange Act. (OIP, Ex. 1 to Declaration of Jacqueline M. O’Reilly, appended to this Motion as Exhibit A¹). On January 8, 2018, GDSI served its Answer to the OIP. (Dec. O’Reilly, Ex. 3).

III. STATEMENT OF FACTS

GDSI is incorporated in New Jersey, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). (Dec. O’Reilly, Ex. 1, ¶1; Ex. 3, ¶2). GDSI is currently quoted on OTC Link (previously “Pink Sheets”) operated by OTC Markets Group, Inc. (Dec. O’Reilly, Ex. 2).

It is undisputed that GDSI is currently in violation of its reporting obligations under Exchange Act Section 13(a) and Exchange Act Rules 13a-1 and 13a-13. (Dec. O’Reilly, Ex. 4, at 2-3). The last Form 10-K which GDSI filed was its 2014 Form 10-K Annual Report, filed on

¹ The Declaration of Jacqueline M. O’Reilly and attached exhibits will be referred to as (Dec. O’Reilly, Ex. __).

March 30, 2015. (Dec. O'Reilly, ¶5, Ex. 4; ¶9, Ex. 8; ¶10, Ex. 9). GDSI, both in its Answer to the OIP and in response to the Commission's Division of Corporate Finance Notice of Non-Compliance, admitted it never filed a Form 10-K beyond its 2014 Form-K. (Dec. O'Reilly, Ex. 3, pg 3; ¶9, Ex. 8; ¶11, Ex. 10). The Form 10-K is due 60 days after the end of the fiscal year. (Dec. O'Reilly, ¶6, Ex. 5).

The last Form 10-Q which GDSI filed was its third-quarter 2015 Form 10-Q Quarterly Report, filed on November 6, 2015. (Dec. O'Reilly, ¶7, Ex. 6; ¶10, Ex. 9). GDSI, both in its Answer to the OIP and in response to the Commission's Division of Corporate Finance Notice of Non-Compliance, admitted it never filed a Form 10-Q beyond its third-quarter 2015 Form 10-Q. (Dec. O'Reilly, Ex. 3, pg. 3; ¶11, Ex. 10). The Form 10-Q is due 45 days after the end of the fiscal quarter. (Dec. O'Reilly, ¶8, Ex. 7).

The absence of any disputed fact, including GDSI's admitted failure to comply with Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1 and 13a-13, warrants revocation of each class of GDSI's securities registered pursuant to Section 12 of the Exchange Act.

IV.e LEGAL DISCUSSIONe

A.e Applicable Standard

The Law Judge may grant summary disposition if there is "no genuine issue with regard to any material fact" and the movant is entitled to judgment as a matter of law. 17 C.F.R. § 201.250(b). *See also Michael Puorro*, Initial Decision Exchange Act Rel. No. 253, 2004 SEC LEXIS 1348 at *4 (June 28, 2004) citing 17 C.F.R. § 201.250(b); *Garcis, U.S.A.*, Rel. No. 38495, 1997 SEC LEXIS 838 (Apr. 10, 1997) (granting motion for summary disposition).

As one Administrative Law Judge explained,

By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both genuine and material. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). Once the moving party has carried its burden, ‘its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.’ *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). The opposing party must set forth specific facts showing a genuine issue for a hearing and may not rest upon the mere allegations or denials of its pleadings. At the summary disposition stage, the hearing officer’s function is not to weigh the evidence and determine the truth of the matter, but rather to determine whether there is a genuine issue for resolution at a hearing. *See Anderson*, 477 U.S. at 249.

Edward Becker, Initial Decision Rel. No. 252, 2004 SEC LEXIS 1135 at *5 (June 3, 2004).

The Commission instituted the present administrative proceeding under Section 12(j) of the Exchange Act. Section 12(j) empowers the Commission to either suspend (for a period not exceeding twelve months) or permanently revoke the registration of a class of securities “if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder.” 15 U.S.C. §78l(j). It is appropriate to grant summary disposition and revoke a registrant’s registration in a Section 12(j) proceeding where, as here, there is no dispute the registrant has failed to comply with Section 13(a) of the Exchange Act. *See In the Matter of Digital Brand Media & Marketing, Group, Inc.*, Initial Decision Rel. No. 1226 (2017 WL 5516325 (Nov. 16, 2017)); *In the Matter of Advanced Life Sciences, Holding, Inc.*, Initial Decision Rel. No. 1065, 2016 WL 5930408 (Oct. 12, 2016); *In the Matter of Arrin Corp. et al.* Initial Decision Rel. No. 909, 2015 WL 6662347 (Nov. 2, 2015); *In the Matter of Genosys, Inc.*, Initial Decision Rel. No. 659, 2014 WL 4181614 (August 25, 2014); *California Service Stations, Inc.*, Initial Decision Rel. No. 368, 2009 SEC LEXIS 85 (Jan. 16, 2009); *Ocean Resources, Inc.*, Initial Decision Rel. No. 365, 2008 SEC LEXIS 2851 (Dec. 18, 2008); *Wall Street Deli, Inc.*, Initial Decision Rel. No. 361, 2008 SEC LEXIS 3153 (Nov. 14, 2008).

B.o GDSI has Violated and is Continuing to Violate Section 13(a) of the Exchange Act and Exchange Act Rules 13a-1 and 13a-13o

Section 13(a) of the Exchange Act requires all issuers of securities registered pursuant to Section 12 of the Exchange Act to “file...such annual reports...and such quarterly reports...as the Commission may prescribe.” 15 U.S.C. § 78m(a). Rules 13a-1 and 13a-13 require issuers to file annual and quarterly reports. 17 C.F.R. §§ 240.13a-1 and 240.13a-13. “Compliance with those requirements is mandatory and may not be subject to conditions from the registrant.”

America’s Sports Voice, 2007 WL 858747 at *4. Section 13(a) is a cornerstone of the Exchange Act, establishing a system of periodically reporting invaluable information about issuers of securities. As the Commission has stated:

Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions.... Those requirements are “the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.” Proceedings initiated under Exchange Act Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

Gateway Int’l Holdings, Inc., 2006 SEC LEXIS 1288 at *26, quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977).

No showing of scienter is necessary to establish a violation of Section 13(a) or the rules thereunder. *St. George Metals, Inc.*, Initial Decision Rel. No. 298, 2005 SEC LEXIS 2465 at *7; *Gateway*, 2006 SEC LEXIS 1288, at *22 n.28; *Stansbury Holdings Corp.*, Initial Decision Rel. No. 232, 2003 SEC LEXIS 1639 at *15 (July 14, 2003); *WSF Corp.*, Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 at *15-16 (May 8, 2002). Ultimately, if a company is in violation of Section 13(a) due to its failure to file such reports, Section 12(j) of the Exchange Act

authorizes the Commission “to revoke the registration of [the issuer’s] security” if the Commission “deems [it] necessary or appropriate for the protection of investors.” 15 U.S.C. § 78l(j).

It is wholly appropriate to revoke GDSI’s registration on a motion for summary disposition where, as here, the Section 12 issuer has failed to comply with Section 13(a). See *Chemfix*, Initial Decision Rel. No. 378, 2009 SEC LEXIS 2056 (May 15, 2009); *AIC Int’l, Inc.*, 2006 SEC LEXIS 2996 (summary disposition granted in Section 12(j) action); *Bilogic, Inc.*, 2006 SEC LEXIS 2596 (same); *Investco, Inc.*, Initial Decision Rel. No. 240, 2003 SEC LEXIS 2792 (Nov. 24, 2003) (same); *Nano World Projects Corp.*, Initial Decision Rel. No. 228, 2003 SEC LEXIS 1968 (May 20, 2003) (Division’s motion for summary disposition in Section 12(j) action granted where certifications on filings and respondent’s admission established failure to file annual or quarterly reports); *Hamilton Bancorp, Inc.*, Initial Decision Rel. No. 223, 2003 SEC LEXIS 431 (Feb. 24, 2003) (summary disposition in Section 12(j) action).

There is no dispute GDSI has not filed its periodic reports for over two years. Thus, there is no genuine issue with regard to any material fact as to GDSI’s violations of Exchange Act Section 13(a) and the rules thereunder, and the Law Judge should grant summary disposition as a matter of law.

C. Revocation is the Appropriate Sanction for GDSI’s Violations

The Commission’s determination of whether suspension or revocation is appropriate “turns on the effect on the investing public, including both current and prospective investors, of the issuer’s violations, on the one hand, and the Section 12(j) sanctions on the other hand.” *America’s Sports Voice*, 2007 WL 858747 at *3 (quoting *Gateway*, 2006 SEC LEXIS 1288 at *19.) In judging the appropriateness of revocation, the Commission has said it will consider,o

among other things: (1) the seriousness of the issuer's violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer's efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer's assurances, if any, against future violations. *Id.*; *see also Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979) (setting forth the public interest factors that informed the Commission's *Gateway* decision).

Although no one factor is controlling (*Stansbury*, 2003 SEC LEXIS 1639 at *15; *WSF Corp.*, 2002 SEC LEXIS 1242 at *5), the Commission has stated that it views the "recurrent failure to file periodic reports as so serious that only a strongly compelling showing with respect to the other factors we consider would justify a lesser sanction than revocation." *Impax Laboratories, Inc.*, Rel. No. 57864, 2008 SEC LEXIS 1197 at *27 (May 23, 2008). Consideration of these factors dictates that revocation of the registration of GDSI's securities is the appropriate remedy.

1. The seriousness of the violations

The seriousness of the violations weighs heavily against GDSI. GDSI has failed to file two annual reports and six quarterly reports. (Dec. O'Reilly, Ex. 9). Failure to file periodic reports as required by Commission rules and regulations is a serious violation of "a central provision of the Exchange Act." *Gateway*, 2006 SEC LEXIS 1288 at *26; *see also Cosmetic Center, Inc.*, Rel. No. 329, 2007 WL 1245314 at *10 (April 30, 2007).

Given the central importance of the reporting requirements imposed by Section 13(a) and accompanying rules, Administrative Law Judges have found violations of similar duration as GDSI's to be egregious. In *Energy Source, Inc.*, the Law Judge revoked the defaulted respondent's registration when it failed to file its previous six required periodic reports and was

more than one year delinquent in its periodic filing obligations. *Energy Source, Inc.*, Rel. No. 60920, 2009 WL 3633868 (Nov. 3, 2009). Similarly, in *Freedom Golf Corp.*, the Law Judge found a respondent's failure to file periodic reports for a period less than one year was an egregious violation. *Freedom Golf Corp.*, Rel. No. 227, 2003 WL 21106567 (May 15, 2003). Again, in *Cosmetic Center, Inc.*, the Law Judge considered the respondent's failure to file three annual and six quarterly reports severe because the failure to file caused investors to be without "current and accurate financial information about an issuer so that they can make an informed investment decision." *Cosmetic Center, Inc.*, 2007 WL 1245314 at *10. See also *iBIZ Technology Corp.*, Release No. 312, 2006 WL 1675913 at *4 (June 16 2006) (delinquency of two years to be "serious and recurrent"); *Investco, Inc.*, 2003 SEC LEXIS 2792 (delinquency of two years found egregious); *WSF Corp.*, 2002 SEC LEXIS 1242 (registration revoked where respondent failed to file periodic reports over a two-year period). Similarly, GDSI's violations are serious and revocation is warranted.

2. The recurrent nature of the violations

Consideration of this second *Gateway* factor also favors revocation of GDSI's registration. GDSI's violations of Section 13(a) of the Exchange Act are repeated, recurrent, and ongoing. See *iBIZ Technology Corp.*, 2006 WL 1675913 at *4; *Investco, Inc.*, 2003 SEC LEXIS 2792 at *6 (delinquency of two years found egregious and recurrent); *WSF Corp.*, 2002 SEC LEXIS 1242 (respondent failed to file periodic reports over a two year period). GDSI's failure to file multiple annual and quarterly reports over more than a year constitutes recurrent violations of the Exchange Act and its rules. In short, GDSI engaged in repeated violations of the reporting requirements. GDSI bears sole responsibility for its failure to make timely filings. It has sought no extension, nor has it provided any assurances as to when or if it will make its required filings.

See Investco, Inc., 2003 SEC LEXIS 2792 at *6 (delinquent issuer's actions were found to be egregious and recurrent where there was no evidence that any extension to make the filings was sought); *Freedom Golf Corp.*, 2003 WL 21106567 at *3 (respondent's failure to file periodic reports for a period less than one year described as recurrent and egregious).

3.e The degree of culpability involved

GDSI is entirely at fault for failing to file its Forms 10-K and 10-Q in a timely manner. Culpability in the failure to file reports required by the Exchange Act requires nothing more than knowledge that the reports must be filed and an accompanying failure to make such filings. *Cosmetic Center, Inc.*, 2007 WL 1245314 at *10. In *Cosmetic Center, Inc.*, the Law Judge considered the issuer's violations to have been committed with "a high degree of culpability" because its "President, CEO, COO, and CFO knew that [the issuer] was required to file periodic reports and that it had not done so since the last quarter of 2004." *Id.* at 10. Similarly, in *Gateway*, the Commission found the conduct of the delinquent issuer "evidenced a high degree of culpability," because the company "knew of its reporting obligations, yet failed to file" seven periodic reports. *Gateway*, 2006 SEC LEXIS 1288 at *22.

The same conclusion is inescapable here. GDSI has not denied knowing its reporting obligations but rather admits it failed to file its periodic reports for more than two years. (Dec. O'Reilly, Ex. 3). GDSI's excuse that it accumulated liabilities and had to litigate ongoing legal claims, and hence was without funds to pay auditors and consultants to complete the delinquent Forms 10-K and 10-Q, does not absolve its culpability. *See Freedom Golf Corp.*, 2003 WL 21106567 at *3 (respondent's admitted lack of funds makes the likelihood of future violations a foregone conclusion and illustrates respondent's failure to recognize the wrongful nature of its conduct).

GDSI's conduct illustrates "that the company has treated Commission imposed deadlines as little more than suggestions." *Phlo Corp.*, Rel. No. 307, 2006 WL 372657 at *15 (Feb. 17, 2006). Long after GDSI was provided notice of the Division's potential action against it on October 16, 2016 (Dec. O'Reilly, Ex. 10), GDSI continues to avoid its reporting requirements. This apparent lack of urgency on the part of GDSI to bring its filings current further illustrates why revocation is the appropriate remedy in this case. In fact, GDSI has not stated when it will be prepared to issue a report, if ever. GDSI's high degree of culpability suggests the company's securities registration should be revoked.

4. The extent of GDSI's efforts to ensure compliance and the credibility of assurances against future violations

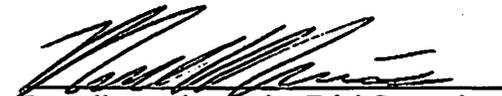
GDSI has made no assurance of future compliance. GDSI has not provided any information suggesting it will comply with its reporting requirements. In short, GDSI has made no effort to become compliant. Even if GDSI made a subsequent filing, which it has not, such filing would not preclude revocation of its registration. Neither a company's subsequent filing of previously omitted reports, nor assurances that the company will soon file such reports, are sufficient to categorically exempt the delinquent filer from registration revocation pursuant to Section 12(j) of the Exchange Act. See *Bilogic, Inc.*, 2006 SEC LEXIS 2596 at *17 (Nov. 9, 2006). An issuer cannot escape penalties under Section 12(j) simply on the basis of bare assertions that the issuer will soon return to full compliance. In *Bilogic, Inc.*, in granting the Division's motion for summary disposition, the Administrative Law Judge stated "[a]s a general matter, a respondent cannot defeat the Division's motion...by using its attorney to make vague, generalized representations about its beliefs and aspirations." *Id.* at 12. Here, GDSI has not made any assurances it will be in compliance with the reporting requirements. Thus, consideration of this element of the *Gateway* framework weighs heavily against GDSI.

V. CONCLUSION

For the reasons set forth above, the Division respectfully requests the Administrative Law Judge grant the Division's Motion for Summary Disposition and revoke the registration of GDSI's securities registered under Exchange Act Section 12.

Dated: February 15, 2018

Respectfully submitted,



Russell Koonin, Senior Trial Counsel
Division of Enforcement
U.S. Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
305-982-6385 (Direct Dial)
305-536-4154 (Facsimile)
kooninr@sec.gov

CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, N.E., Washington, D.C. 20549-9303, and that a true and correct copy of the foregoing has been served on this 15th day of February 2018, on the following persons entitled to notice:

Hon. Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557
Service via Email: ALJ@sec.gov

Joshua D. Brinen, Esq.
Brinen & Associates, LLC
90 Broad Street, Second Floor
New York, NY 10004
(Counsel to Respondent)
Service via First-Class Mail and Email to jbrinen@brinenlaw.com



Russell Koonin

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDING
File No. 3-18325

<p>In the Matter of</p> <p>GLOBAL DIGITAL SOLUTIONS, INC.</p> <p>Respondent.</p>

DECLARATION OF WILLIAM J. DELGADO

I, William J. Delgado, affirm the following to be true under penalties of perjury:

1. My name is William J. Delgado.
2. I am the Chief Executive Officer of the named corporate defendant in the within
action.
3. I affirm these facts based upon my own personal knowledge of them.
4. I live at [REDACTED], Fair Oaks, California [REDACTED]
5. I am resident of the State of California.
6. I am a director of Global Digital Solutions, Inc. ("GDSI").
7. I have been a director of GDSI from 2003 to present.
8. I am the Chief Executive Officer of GDSI.
9. I have served as Chief Executive Officer of GDSI from 2016 to present.
10. I became Chief Executive Officer of GDSI on the termination of the former Chief
Executive Officer Richard J. Sullivan and Chief Financial Officer David A. Loppert for their

involvement in the securities violations involving press releases. See, CASE NO. 9:16-cv-81413-RLR the Complaint of which is attached to this Affidavit as Exhibit A.

11. In addition to the civil action initiated and settled with the Securities and Exchange Commission, the actions of the former Chief Executive Officer and Chief Financial Officer generated a class-action lawsuit and a derivative action. See, HULL v. GLOBAL DIGITAL SOLUTIONS, INC. et al, 16-cv-05153 in the District of New Jersey. See also, Lopez v. Delgado, et al., C-70-16 (Mercer County) and Lopez v. Delgado, et al., L-2126-17 (Mercer County).

12. The former Chief Executive Officer and Chief Financial Officer also involved the company is a dispute over fees with the company's prior PCAOB auditors, PMB Helin Donovan, LLP. See, PMB Helin Donovan, LLP vs. Global Digital Solutions, Inc., Circuit Court for Palm Beach County, Florida, Case No.: 50-2017-CA-01 1937-XXXX-MB

13. During the ensuing period I have been Chief Executive Officer of the company, I have endeavored to resolve each issue.

14. To that end the company has:

- a. Settled the lawsuit with the Securities and Exchange Commission;
- b. Dismissed the Class Action for Failure to State a Claim;
- c. Moved to Dismiss the Second Amended Complaint in the Class Action matter;
- d. Moved to Dismiss the derivative action for a lack of personal jurisdiction; and
- e. Negotiated a settlement with the PCAOB accountant to obtain their release of the prior workpapers and to assist in the transition to the new auditors, Turner Stone & Co who were hired on July 7, 2017.

15. The company acknowledges that it has not been able to file the necessary reports.
16. It has not been able to do so for the following reasons:
 - a. The prior management has prevented the new management from obtaining access to the necessary books and records to move forward with the preparation of the required filings;
 - b. The prior management has ceased communication, preventing the new management from moving forward with the preparation of the required filings;
 - c. The prior auditors would not transition the audit workpaper file to the new auditors;
 - d. The company acknowledges that it is delinquent in its settlement payment due to the Securities and Exchange Commission;
 - e. The company had to obtain the necessary funding to accomplish these tasks.
17. The company did not file the necessary reports lacking the knowledge of the consequences or the seriousness of failing to make such reports. To that end, the company has done the following:
 - a. Negotiated a settlement with the PCAOB accountant to obtain their release of the prior workpapers and to assist in the transition to the new auditors.
 - b. Engaged with a new auditor, Turner Stone, who at the time of this submission, prepared to sign-off on the December 31, 2015 audit.
 - c. Engaged a comptroller consultant, Eventus Consulting, on January 17, 2018, to assist in the preparation of the financial statements for audit by the new auditor Turner Stone.

d. Engaged a new attorney to assist in preparation of the Securities and Exchange Commission filings.

18. The new attorney, auditor, and the comptroller consultant have set a schedule to remediate the open issues. To further that end, the company has committed to the schedule attached to this affidavit.

19. The company has committed to paying the settlement amount due to the Securities and Exchange Commission on or before April 15, 2018.

20. The company, the new attorney, auditor, and the comptroller consultant have all agreed that the company can and will maintain its quarterly filing once caught up.

Dated: Sacramento, California
March 8, 2018



William J. Delgado

Sworn to before me this
_____ day of _____

SEE ATTACHED NOTARY

Notary Public
Commission Expires: 11/10/2019
(Affix Notary Stamp or Seal)

CALIFORNIA JURAT FORM

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

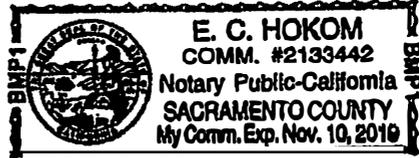
COUNTY OF SACRAMENTO

Subscribed and sworn to (~~affirmed~~) before me on this 8TH day of MARCH, 2018, by

WILLIAM J. DELGADO

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Notary Signature _____



OPTIONAL

Description of attached document:

Number of pages: _____

Document date: _____

Other _____

Global Digital Solutions, Inc.
SEC Filing Catch-Up Schedule
As of the Latest Practicable Date

<u>DOCUMENT</u>	<u>PERIOD COVERED</u>	<u>ESTIMATED FILING DATE</u>
Form 10-K	12/31/15	3/23/18
Form 10-Q	3/31/16	3/29/18
Form 10-Q	6/30/16	4/4/18
Form 10-Q	9/30/16	4/10/18
Form 10-K	12/31/16	4/20/18
Form 10-Q	3/31/17	4/26/18
Form 10-Q	6/30/17	5/2/18
Form 10-Q	9/30/17	5/8/18
Form 10-K	12/31/17	5/15/18
Form 10-Q	3/31/18	5/21/18

Exhibit A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
GLOBAL DIGITAL SOLUTIONS, INC.,)
RICHARD J. SULLIVAN, and)
DAVID A. LOPPERT,)
)
Defendants.)
_____)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges as follows:

INTRODUCTION

1. The Commission brings this action to enjoin Global Digital Solutions, Inc. (“Global Digital”), its former Chairman and CEO, Richard J. Sullivan, and its former CFO, David A. Loppert (collectively “Defendants”), from further violations of the anti-fraud and reporting provisions of the federal securities laws, and against Defendants Sullivan and Loppert from further violations of the certification provisions of the federal securities laws.

2. From approximately October 2013 through approximately March 2014, Defendants issued misleading press releases and filings regarding Global Digital’s operations, revenue projections, and acquisitions of various companies relating to Global Digital’s purported cyber arms manufacturing and security and technology solutions capabilities. At the same time, Global Digital’s website falsely described Global Digital as having sophisticated operations and potential revenue growth in these areas.

3. Global Digital misrepresented in press releases that it planned to merge with a company that had a \$95 million exclusive equipment manufacturing contract for sophisticated grenade launchers, when in fact the company had no such contract.

4. Global Digital also stated in a press release that in the upcoming quarter, it anticipated being able to project annual revenue between \$60 million to \$75 million, when it had no reasonable basis for this projection.

5. Global Digital also issued a press release announcing that it had made an offer to acquire a large arms manufacturer for \$1.082 billion, while failing to disclose that it had no prospect of financing the purchase and that the arms manufacturer had already rejected Global Digital's offer. Misleading information pertaining to the \$1.082 billion acquisition was also included in Global Digital's March 11, 2014 Form 8-K and in its 2014 year end Form 10-K filings with the Commission. Both Sullivan and Loppert signed these filings, falsely attesting to their accuracy.

6. Sullivan edited, reviewed and approved Global Digital's website where false and misleading press releases were also posted.

7. Neither Sullivan nor Loppert filed with the Commission Forms 3, Forms 4 or Forms 5 indicating their beneficial ownership in Global Digital's securities.

8. By reason of the foregoing, Global Digital, Sullivan and Loppert violated Section 17(a)(2) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a)(2), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. § 240.10b-5(b); Global Digital violated Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-11 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-11; Sullivan and Loppert violated Section 16(a) of the

Exchange Act, 15 U.S.C. § 78p, and Rules 13a-14(a) and 16a-3 thereunder, 17 C.F.R. §§ 240.13a-14(a) and 240.16a-3; Sullivan and Loppert aided and abetted Global Digital's violations of Sections 10(b) and 13(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78m(a), and Rules 10b-5(b), 12b-20, 13a-1, and 13a-11 thereunder, 17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1, and 240.13a-11. Unless the Court enjoins the Defendants, they are reasonably likely to continue to violate these provisions of the federal securities laws.

DEFENDANTS

9. Global Digital. is incorporated in New Jersey, with its principal place of business located in West Palm Beach, Florida. Global Digital purports to be in the "cyber arms manufacturing" and "security technology solutions" industry. Global Digital's common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. Its stock is quoted on the OTC Link marketplace for trading over-the-counter stocks operated by OTC Markets Group, Inc., under the ticker symbol "GDSI." Global Digital's stock is a "penny stock" under the federal securities laws. Global Digital was previously named Creative Beauty Supply, Inc., until March of 2004 when Global Digital and Creative Beauty Supply Inc., merged. Global Digital is delinquent in making required filings with the Commission, having not filed its December 31, 2015 Form 10-K or its March 31, 2016 Form 10-Q.

10. Richard J. Sullivan is a resident of Boynton Beach, Florida. He was Global Digital's Chairman and Chief Executive Officer during the relevant period.

11. David A. Loppert is a resident of Palm Beach Gardens, Florida. He was Global Digital's Executive Vice President and Chief Financial Officer during the relevant period.

JURISDICTION AND VENUE

12. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), 20(g), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d)(1), 77t(g), and 77v(a); and Sections 21(d) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa.

13. The Court has personal jurisdiction over the Defendants, and venue is proper in the Southern District of Florida, because many of the Defendants' acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida. In addition, at all relevant times, Global Digital's principal place of business was in the Southern District of Florida, and Sullivan and Loppert resided in the District.

14. In connection with the conduct alleged in the Complaint, the Defendants, directly or indirectly, singly or in concert with others, made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, or the mails.

DEFENDANTS' FRAUDULENT CONDUCT

A. Global Digital's Business

15. Though previously known as Creative Beauty Supply, Inc., a beauty products supply company incorporated in New Jersey, during the relevant period, Global Digital held itself out to be a company "that is positioning itself as a leader in providing cyber arms manufacturing, complementary security and technology solutions and knowledge-based, cyber-related, culturally attuned social consulting in unsettled areas."

16. On August 12, 2013, Sullivan was appointed as Global Digital's President and Chief Executive Officer, and Loppert was appointed Executive Vice President and Chief Financial Officer. Thereafter, both Sullivan and Loppert were involved in all aspects of Global

Digital's business. Loppert resigned his position in April 2015 and Sullivan resigned in May 2016.

17. From at least August 2013 until March 2014, Global Digital operated out of an office in West Palm Beach, Florida; however, it had no customers, never manufactured any "cyber arms" and never provided any "security technology solutions" services or "social consulting in unsettled areas."

B. Global Digital's False and Misleading Press Releases And Subsequent Private-Placement Fundraising

1. The \$95 Million Exclusive Manufacturer Contract Press Releases

18. On October 8, October 11, and October 21, 2013, Global Digital issued three press releases, each touting its impending merger with Airtronic USA, Inc., a company which Global Digital claimed had become the exclusive OEM (Original Equipment Manufacturer) supplier of M203 and M203A grenade launchers for a major international client under a private label agreement with a "first stage value of approximately \$95 million." In the October 8, 2013 press release, Sullivan described the announcement as "exciting but not completely unexpected news."

19. Defendants' representation that Airtronic would be the exclusive supplier of \$95 million worth of grenade launchers was false and misleading. Airtronic was not positioned to be the OEM for the \$95 million agreement referenced in the release, as this agreement never actually existed. Indeed, Airtronic only had an order for grenade launchers and accompanying equipment worth approximately \$300,000. The then CEO of Airtronics repeatedly requested Global Digital to remove these misleading statements from Global Digital's website and specifically cited its failure to do so as one of the reasons why Airtronics terminated its merger agreement with Global Digital.

20. On November 11, 2013, only a few weeks after the misleading October 21, 2013 press release, Global Digital raised \$50,000 from investors through a private placement offering.

2. The \$60 Million to \$75 Million Annual Revenue Projection Press Release

21. On November 15, 2013, Global Digital issued a press release stating that in the upcoming first quarter of 2014, it anticipated being able to project annual revenue between \$60 million to \$75 million because it expected that it would be able to announce several acquisition agreements for its “targeted global growth strategy.”

22. Global Digital’s revenue projections were false and misleading, and it had no basis for them. First, during the fourth quarter of 2013, Global Digital had only \$509,224 in cash and no credible financing in place to acquire any of these companies. Second, Global Digital only undertook financial due diligence on *one* company after the issuance of its November 15, 2013 press release.

23. Global Digital never acquired any of the companies referenced in its press release and never informed the public that their projected annual revenue would not be reached.

3. The March 11, 2014 and March 12, 2014 Remington Press Releases

24. On March 11, 2014, Global Digital issued a press release announcing that the company had issued an unsolicited letter of intent to acquire Remington Outdoor Company, Inc. (“Remington”), also known as Freedom Group, Inc., a large arms manufacturer located in the United States. The press release stated that Global Digital had made an unsolicited offer on March 10, 2014, to purchase Remington for \$1.082 billion in cash. The press release further represented that Global Digital was pursuing two acquisitions in addition to the Remington offer. Sullivan detailed several reasons why he was optimistic about the potential acquisitions, and was

quoted as saying that the company was “extremely excited and confident about all three of these proposed acquisitions.”

25. This press release was false and misleading. During the first quarter of 2014 Global Digital had less than \$272,000 in cash and had no credible financing options to pursue this acquisition. Additionally, Sullivan and Loppert knew as early as January 2014 that Remington only wanted a fully-financed, cash-only deal and the investment bank assisting Global Digital in presenting the offer never attempted to find financing options for the Remington deal because the parties did not have a signed offer letter. Indeed, Sullivan and Loppert knew the Remington offer had repeatedly been rejected and therefore Sullivan had no reason to be “excited” or “confident” about the proposed Remington acquisition.

26. Global Digital failed to consummate either of the other two deals referenced in the press release. No subsequent press releases were issued informing the public that these acquisitions did not go forward.

27. On March 12, 2014, Global Digital issued an identical press release included with its Form 8-K, with one minor correction, stating that the offer to acquire Remington was for \$1.082 billion “in cash and shares” of Global Digital common stock, instead of just cash per the March 11, 2014 release. However, the content still contained the same false and misleading information since Sullivan and Loppert knew that Remington had already rejected the offer and would only consider a fully-financed, cash-only deal. Moreover, again, Global Digital had less than \$272,000 in cash and no imminent, credible financing when it made this statement.

C. Global Digital's False and Misleading SEC Regulatory Filings

1. Global Digital's False and Misleading Form 8-K

28. On March 11, 2014, the same day that Global Digital issued a press release announcing its unsolicited offer to purchase Remington, Global Digital also filed a Form 8-K containing the same information and attaching a copy of the March 11, 2014 press release as an exhibit. Sullivan signed this Form 8-K.

29. This Form 8-K represented that Global Digital had submitted a non-binding offer, dated January 27, 2014, and received "no response" to such offer, which by its terms then expired on February 17, 2014.

30. The next day, on March 12, 2014, the March 11, 2014 Form 8-K was amended via an explanatory note clarifying that the offer to purchase Remington contemplated cash and stock, rather than just cash as stated in the March 11, 2014 press release. This amended Form 8-K was resigned and refiled by Loppert.

31. These Forms 8-K were false and misleading. It was not true that Global Digital received "no response" to its offer. In fact, Global Digital received various communications from the investment banker representing Remington's shareholders, and these communications were always consistent: Remington had no interest at all in Global Digital's offer; the investment banker repeatedly told Global Digital's investment banker that Remington was only interested in a fully-financed, cash-only deal; Remington rejected the deal on several occasions, including after the January 27, 2014 offer and the March 10, 2014 offer. Remington's investment banker relayed these rejections to Global Digital's investment banker, and this individual communicated these rejections to Sullivan and Loppert prior to the release of the March 12, 2014 Form 8-K.

32. It was also misleading to announce publicly an offer to purchase a company for over \$1 billion (whether in cash or in cash and stock), given that Global Digital had less than \$272,000 in cash and had no credible financing options to support making such an offer. Moreover, Sullivan and Loppert knew Remington was only interested in a fully-financed, cash-only deal as early as January 2014.

2. Global Digital's False and Misleading Form 10-K

33. After Global Digital filed the March 11, 2014 and March 12, 2014 Forms 8-K and companion press release, various news sources reported on Global Digital's offer to purchase Remington. Many of these sources also referenced an internal memorandum written by Remington's CEO/Chairman which dismissed Global Digital's offer as a publicity stunt that lacked any credible financing. On March 17, 2014, Sullivan wrote a letter to Remington's CEO/Chairman, asking to speak with him and "dispel these misguided notions and set the record straight."

34. On March 28, 2014, approximately two weeks after Global Digital issued its Forms 8-K and companion press release regarding the Remington offer, the company filed its Form 10-K, stating that Global Digital had not received a response to its offer and would "continue efforts to enter into discussions with a view of moving forward" with the offer.

35. The statements contained in the Form 10-K were false and misleading, as Global Digital knew it had no chance of consummating the Remington offer and had no means of financing such an acquisition. In fact, no deal was ever consummated and no correction was ever issued. Both Sullivan and Loppert were fully aware that Remington's CEO/Chairman dismissed the offer and yet both signed the March 28, 2014 Form 10-K without changing any of the language contained in the March 11, 2014 Form 8-K.

D. Global Digital's Misleading Website

36. Global Digital's website, which Sullivan authored, reviewed or approved, contained the November 15, 2013 and "corrected" March 12, 2014 press releases. Moreover, the October 8, October 11 and October 21, 2013 press releases were also available on the website until Global Digital removed or modified them.

E. Sullivan and Loppert Failed to File Statements of Beneficial Ownership of Securities on Forms 3, 4 and 5

37. Global Digital became an effective reporting company with the Commission on October 10, 2013. At that time, both Sullivan and Loppert owned shares of Global Digital stock, and both failed to file an Initial Statement of Beneficial Ownership, known as Form 3.

38. On March 5, 2014, Sullivan was granted 3 million stock options of Global Digital stock and Loppert was granted 1.5 million. Neither filed a Statement of Changes in Beneficial Ownership of Securities, known as Form 4.

39. As indicated in Global Digital's Form 10-K, dated March 30, 2015, Sullivan owned 30,240,000 shares of Global Digital Stock and Loppert owned 9,500,000. Together both Sullivan and Loppert owned just over 36% of Global Digital stock as of March 26, 2015. At no time did Sullivan or Loppert file an Annual Statement of Beneficial Ownership of Securities, known as Form 5.

CLAIMS FOR RELIEF

COUNT I

**Violation of Section 17(a)(2) of the Securities Act
(As to Global Digital, Sullivan and Loppert)**

40. The Commission repeats and realleges Paragraphs 1 through 39 of its Complaint.

41. Global Digital, Sullivan and Loppert, in the offer or sale of securities by use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly negligently obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading.

42. By reason of the foregoing, Global Digital, Sullivan and Loppert violated and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT II

**Violation of Section 10(b)
of the Exchange Act and Exchange Act Rule 10b-5(b)
(As to Global Digital, Sullivan and Loppert)**

43. The Commission repeats and realleges Paragraphs 1 through 39 of its Complaint.

44. Global Digital, Sullivan and Loppert, directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, knowingly or recklessly made untrue statements of material facts and omitted to state material facts necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, in connection with the purchase or sale of securities.

45. By reason of the foregoing, Global Digital, Sullivan and Loppert violated and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

COUNT III

**Aiding and Abetting Violations of Section 10(b)
of the Exchange Act and Rule 10b-5(b) thereunder
(As to Sullivan and Loppert)**

46. The Commission repeats and realleges Paragraphs 1 through 39 of this Complaint as if fully set forth herein.

47. Defendant Global Digital directly or indirectly, by use of any means or instrumentality of interstate commerce, or of the mails, knowingly or recklessly made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 10(b) of the Exchange Act and Rule 10b-5(b), 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b). Defendants Sullivan and Loppert knowingly or recklessly substantially assisted Global Digital's violations of Section 10(b) and Rule 10b-5(b) of the Exchange Act. Unless enjoined, Defendants Sullivan and Loppert are reasonably likely to continue to provide substantial assistance to again aid and abet Global Digital's violations.

COUNT IV

**Violations of Section 13(a) of the Exchange Act
and Exchange Act Rules 12b-20, 13a-1, and 13a-11
(As to Global Digital)**

48. The Commission repeats and realleges Paragraphs 1 through 39 of this Complaint as if fully set forth herein.

49. Defendant Global Digital violated Section 13(a) and Rules 12b-20, 13a-1, and 13a-11 of the Exchange Act, by knowingly or recklessly failing to timely and accurately file

reports with the Commission; omitting information necessary to make the required information, in the light of the circumstances under which they were made, not misleading; and by filing or causing to be filed with the Commission materially false and misleading financial and information statements.

50. By reason of the foregoing, Defendant Global Digital violated, and is reasonably likely to continue to violate, unless enjoined, Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-11 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-11.

COUNT V

Aiding and Abetting Global Digital's Violations of Section 13(a) and Rules 12b-20, 13a-1, and 13a-11 of the Exchange Act (As to Sullivan and Loppert)

51. The Commission repeats and realleges Paragraphs 1 through 39 of this Complaint as if fully set forth herein.

52. Defendants Sullivan and Loppert aided and abetted Global Digital's violations of Section 13(a), 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-11 of the Exchange Act, by knowingly or recklessly substantially assisting Global Digital, which failed to timely and accurately file reports with the Commission; omitted information necessary to make the required information, in the light of the circumstances under which they were made, not misleading; and by filing or causing to be filed with the Commission materially false and misleading informational statements.

53. Unless enjoined, Sullivan and Loppert are reasonably likely to continue to provide substantial assistance to again aid and abet Global Digital's violations, unless enjoined, of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-11 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-11.

COUNT VI

Violations of Rule 13a-14 of the Exchange Act
(As to Sullivan and Loppert)

54. The Commission repeats and realleges Paragraphs 1 through 39 of this Complaint as if fully set forth herein.

55. Defendants Sullivan and Loppert, in violation of Rule 13a-14 of the Exchange Act, directly or indirectly, as officers or directors of an issuer, falsely certified in an annual report that based on their knowledge, the disclosure report did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report.

56. By reason of the foregoing, Defendants Sullivan and Loppert violated, and are reasonably likely to continue to violate, unless enjoined, Exchange Act Rule 13a-14, 17 C.F.R. § 240.13a-14.

COUNT VII

Violations of Section 16(a) and Rule 16a-3 of the Exchange Act
(As to Sullivan and Loppert)

57. The Commission repeats and realleges Paragraphs 1 through 39 of this Complaint as if fully set forth herein.

58. Section 16(a) of the Exchange Act and Rule 16a-3 thereunder require officers, directors and beneficial owners of more than ten percent of any class of equity security registered pursuant to Section 12 of the Exchange Act to file periodic reports disclosing ownership.

59. Defendants Sullivan and Loppert were required to file Forms 3, 4, and 5 and failed to do so.

60. By reason of the foregoing, Defendants Sullivan and Loppert violated, and are reasonably likely to continue to violate, unless enjoined, Section 16(a) of the Exchange Act, 15 U.S.C. § 78p(a), and Rule 16a-3 thereunder, 17 C.F.R. § 240.16a-3.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Permanent Injunctive Relief

Issue permanent injunctions pursuant to Section 20(b) of the Securities Act, 15 U.S.C. § 77t(b), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), restraining and enjoining Global Digital, Sullivan and Loppert, their officers, agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them, and each of them, from directly or indirectly violating Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2), and Sections 10(b), 13(a), 16(a) of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78p(a), and Rules 10b-5(b), 12b-20, 13a-1, 13a-11, 13a-14 and 16a-3, 17 C.F.R. §§ 240.10b-5(b), 240.12b-20, 240.13a-1, 240.13a-11, 240.13a-14, and 240.16a-3.

II.

Civil Penalties

Issue an Order directing Global Digital, Sullivan and Loppert to pay a 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).

III.

Disgorgement

Issue an Order directing Global Digital to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

IV.

Officer and Director Bar

Issue an Order, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] barring Defendants Sullivan and Loppert 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. § 78l), or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

V.

Penny Stock Bar

Issue an order barring Defendants Sullivan and Loppert from participating in any offering of penny stock, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78(u)(d)(6).

VI.

Further Relief

Grant such other further relief as may be necessary and appropriate.

VII.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

DEMAND FOR JURY TRIAL

The Commission hereby demands trial by jury.

Respectfully submitted,

August 11, 2016

By: s/ Russell Koonin
Russell Koonin
Senior Trial Counsel
Fla. Bar No. 474479
Direct Dial: (305) 982-6385
Facsimile: (305) 536-4154
E-mail: kooninr@sec.gov

Christine Nestor
Senior Trial Counsel
Fla. Bar No. 597211
Direct Dial: (305) 982-6367
Facsimile: (305) 536-4154
E-mail: nestorc@sec.gov

Jacqueline M. O'Reilly
Counsel
Fla. Bar No. 29326
Direct Dial: (305) 416-6296
E-mail: oreillyj@sec.gov

Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Telephone: (305) 982-6300

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

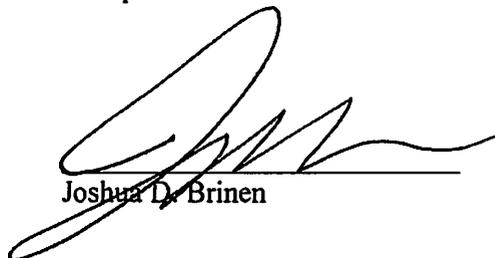
ADMINISTRATIVE PROCEEDING :
File No. 3-18325 :
 :
In the Matter of :
 :
GLOBAL DIGITAL SOLUTIONS, INC., :
 :
Respondent. :
_____ :

AFFIDAVIT IN SUPPORT OF RESPONDENT'S OPPOSITION TO DIVISION OF ENFORCEMENT'S MOTION FOR AN ORDER OF SUMMARY DISPOSITION AGAINST RESPONDENT GLOBAL DIGITAL SOLUTIONS, INC.

I, Joshua D. Brinen, being duly sworn, affirm the following under the penalties of perjury:

1. I have personal knowledge of the facts affirmed herein.
2. I am principal of Brinen & Associates, LLC, attorneys for Respondent Global Digital Solutions, Inc. ("Respondent").
3. Respondent has hired Brinen & Associates, LLC to perform legal services for, among other things, ensuring that Respondent's outstanding filings are timely completed and filed, and that future filings are completed and filed as required.

Dated: New York, New York
March 9, 2018


Joshua D. Brinen

Sworn to before me this

9TH day of MARCH 2018

Martha S. Thrush

Notary Public

Commission Expires: OCTOBER 16, 2021

(Affix Notary Stamp or Seal)

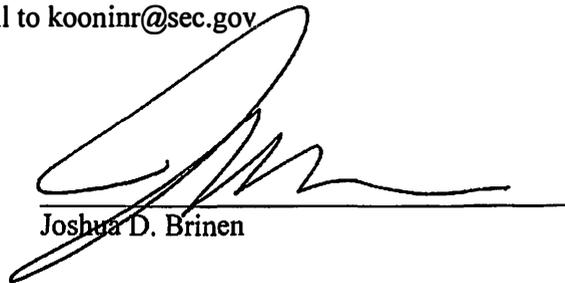
State of New York County of New York
 Subscribed and sworn to (or affirmed) before me
 this 9TH day of MARCH, 2018.
 By JOSHUA D. BRINEN
 Personally known OR produced identification _____
 Type of identification produced _____
Martha S. Thrush
MARTHA S. THRUSH, Notary Public 092T146663030
My Commission Expires October 16, 2021

CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, N.E., Washington, D.C. 20549-9303, and that a true and correct copy of the foregoing has been served on this 9th day of March 2018, on the following persons entitled to notice:

Hon. Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2557
Service via Overnight and Electronic Mail to ALJ@sec.gov

Russell Koonin, Senior Trial Counsel
Division of Enforcement
U.S. Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Service via Overnight and Electronic Mail to kooninr@sec.gov



Joshua D. Brinen