

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
FORT LAUDERDALE DIVISION**

**Case No. 17-62255-CIV-COOKE/HUNT**

SECURITIES AND EXCHANGE  
COMMISSION,

PLAINTIFF,

vs.

IBRAHIM ALMAGARBY and  
MICROCAP EQUITY GROUP, LLC,

DEFENDANTS.

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**ORDER ADOPTING MAGISTRATE JUDGE'S  
REPORT AND RECOMMENDATION**

THIS MATTER is before me upon the Report and Recommendation (“R&R”) of the Honorable Patrick M. Hunt, U.S. Magistrate Judge (ECF No. 138), regarding Plaintiff the Securities and Exchange Commission’s Motion for Remedies (the “Motion”) (ECF No. 120).

In his R&R, Judge Goodman recommends that I grant the Motion. And, in doing so, order the following:

- Permanently enjoin Defendant Ibrahim Almagarby (“Defendant Almagarby”) and Defendant Microcap Equity Group, LLC (“Defendant MEG”) from directly or indirectly offering or selling unregistered securities in interstate commerce.
- Order Defendant MEG to disgorge the amount of \$885,126.30, plus prejudgment interest in the amount of \$182,150.69, for a total of \$1,067,276.99.
- Impose a tier-one civil penalty in the amount of \$80,000 against Defendant MEG.
- Hold Defendant Almagarby jointly and severally liable for the disgorgement amount and civil penalty imposed against Defendant MEG.
- Impose a penny stock bar against both Defendant Almagarby and

Defendant MEG.

- Require both Defendant Almagarby and Defendant MEG to surrender their shares for cancellation.

On September 13, 2021, Defendants filed their Objections to the R&R. And, on September 27, 2021, Plaintiff Securities and Exchange Commission (the “SEC”) filed its response to Defendants Objections to the R&R. I have reviewed Plaintiff’s Motion, the briefing and accompanying exhibits, Judge Hunt’s R&R, Defendants’ Objections to the R&R, the SEC’s response thereto, the record, and the relevant legal authorities. Having done so, I find Judge Hunt’s R&R to be clear, cogent, and compelling.

Accordingly, Judge Hunt’s R&R (ECF No. 138) is **AFFIRMED and ADOPTED**<sup>1</sup> as the Order of this Court. It is, therefore, **ORDERED and ADJUDGED** as follows:

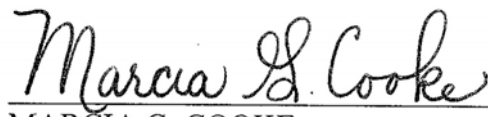
- Defendant Almagarby and Defendant MEG are **PERMANENTLY ENJOINED** from violating Section 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) by, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers’ acceptances, or commercial bills) while engaged in and pursuant to the regular business of buying and selling securities (not including security-based swaps, other than security-based swaps with or for persons that are not eligible contract participants) for their own account through a broker or otherwise unless the Defendants are registered as dealers with the Securities and Exchange Commission as provided in Section 15(b) of the Exchange Act, or unless Defendants are associated with a broker-dealer that was so registered.
- Defendant MEG is **ORDERED** to disgorge the amount of \$885,126.30, plus prejudgment interest in the amount of \$182,150.69, for a total of \$1,067,276.99.
- A tier-one civil penalty in the amount of \$80,000 is imposed against Defendant MEG.

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<sup>1</sup> The Court notes that Judge Hunt’s R&R recommends that I enjoin Defendants from “directly or indirectly offering or selling unregistered securities,” which is proscribed by Section 5 of the Securities Act. This appears to be an inadvertent error. As such, this Order adopts and affirms Judge Hunt’s R&R; however, in doing so, it grants injunctive relief for Defendants’ future violation of Section 15(a) of the Exchange Act.

- Defendant Almagarby is **JOINTLY AND SEVERALLY LIABLE** for the disgorgement amount and civil penalty imposed against Defendant MEG.
- A penny stock bar is imposed against both Defendant Almagarby and Defendant MEG.
- Both Defendant Almagarby and Defendant MEG are **ORDERED** to surrender their shares for cancellation.

**DONE and ORDERED** in Chambers, at Miami, Florida, this 29th day of September 2021.



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MARCIA G. COOKE

United States District Judge

Copies furnished to:  
*Patrick M. Hunt, U.S. Magistrate Judge*  
*Counsel of record*