

**11 CV 1321**

JUDGE PAULEY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

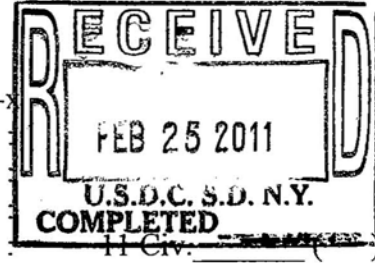
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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ADVANCED OPTICS ELECTRONICS, INC.;  
LESLIE S. ROBINS; JASON CLAFFEY;  
and JDC SWAN, INC.,

Defendants.  
-----X



COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission") in its Complaint against defendants Advanced Optics Electronics, Inc. ("ADOT"); Leslie S. Robins ("Robins"); Jason Claffey ("Claffey"); and JDC Swan, Inc. ("JDC Swan") (collectively, "Defendants") alleges the following:

**SUMMARY OF THE ALLEGATIONS**

1. Between January 2006 and June 2007, the Defendants acted in concert to distribute over 9.8 billion shares of the common stock of ADOT to the public without a registration statement filed with, or declared effective by, the Commission. At the time of the distribution, no exemption from registration was available.

2. Throughout the relevant period ADOT was a Nevada development stage company based in New Mexico. From approximately January 2006 to June 2007, acting through defendant Robins, the Chairman of its Board of Directors, ADOT issued over

9.8 billion shares of its common stock to JDC Swan. As Robins was aware, JDC Swan and its principal Claffey acquired the ADOT shares with a view towards public distribution of them. Shortly after each acquisition, Claffey offered and sold the ADOT shares publicly in the open market through a securities account he established in the name of JDC Swan at Divine Capital Markets LLC, a registered broker dealer located in New York. The unregistered public distribution of ADOT shares raised proceeds of over \$2 million. After the sales, Claffey periodically wired approximately 70 percent of the proceeds to an ADOT bank account controlled by Robins. Each of the offers and sales of ADOT shares was made without a registration statement filed with, or declared effective by, the Commission. No exemption from registration was available for the offers or sales.

3. By engaging in the conduct alleged in this Complaint, the Defendants violated Section 5(a) of the Securities Act of 1933 (the "Securities Act"), which prohibits any person from making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security for which a registration statement is not in effect, or to transport any such security for the purpose of sale or delivery after sale.

4. The Defendants also violated Section 5(c) of the Securities Act, which prohibits any person from making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell any security unless a registration statement has been filed.

5. Unless the Defendants are preliminarily and permanently enjoined, they will continue to engage in the acts or practices set forth in this Complaint and in similar acts or practices.

6. The Commission brings this action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] seeking a preliminary and permanent injunction against the Defendants, prohibiting them engaging in the acts or practices alleged herein.

7. The Commission also seeks a Final Judgment ordering the Defendants to disgorge their ill-gotten gains pursuant to Section 21(d)(6) [15 U.S.C. § 78u(d)(5)] and to pay prejudgment interest thereon, and ordering the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)].

8. Finally, the Commission seeks an order prohibiting the Defendants from participating in the offering of penny stock pursuant to Section 603 of the Sarbanes-Oxley Act of 2002 (Section 20(g) of the Securities Act) [15 U.S.C. § 77t(g)].

#### **JURISDICTION AND VENUE**

9. This Court has jurisdiction over this action, pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)].

10. Venue lies in this District pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)]. The Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, or of the mails, in connection with the transactions, acts, practices and courses of business alleged herein. A substantial part of the events giving rise to the Commission's claims occurred in the Southern District of New York: (1) the offers and sales of the 9.8 billion unregistered shares of ADOT

common stock were made by the Defendants through a securities account maintained at a broker-dealer located in this District; (2) the ADOT shares were delivered into the account maintained in this District, (3) the instructions for the sales of ADOT were conveyed into this District; (4) the actual open market offers and sales were made electronically through facilities located in this District; and (5) the proceeds from the offers and sales were transferred by wire from bank accounts located in this District.

### THE DEFENDANTS

11. **Advanced Optics Electronics, Inc.**, is a currently inactive Nevada corporation formerly headquartered in Albuquerque, New Mexico. Throughout the relevant period, ADOT's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78l(g)]. ADOT's shares are quoted on the OTC Bulletin Board under the symbol "ADOT." From January 1, 2006, through December 31, 2007, the price of ADOT's common stock ranged between \$0.00013 and \$0.001 per share.

12. **Leslie S. Robins**, age 72, is a California resident. Throughout the relevant period, Robins was ADOT's Executive Vice President, Secretary and Chairman of the Board.

13. **Jason Claffey**, age 36, is a resident of Boca Raton, Florida. Throughout the relevant period, Claffey was the president and sole owner of JDC Swan, which he operated from his residence.

14. **JDC Swan, Inc.**, is a Florida corporation wholly owned by Claffey.

**FACTS**

15. From at least February 28, 2006, through June 2007, ADOT's common stock was a "penny stock" as defined in SEC Rule 3a51-1 [17 C.F.R. 240.3a51-1] promulgated under the Exchange Act [15 U.S.C. § 78(a) et seq.].

16. From at least January 2006 through approximately June 2007, ADOT, acting through Robins, issued over 9.8 billion shares of ADOT common stock and delivered the shares to JDC Swan. The issuance was made pursuant to a series of purchase agreements ("Purchase Agreements") between ADOT and JDC Swan. The Purchase Agreements falsely stated that the ADOT shares were "free trading and may be sold by [JDC Swan] at any time in market transactions," and falsely represented that the shares were "registered in an applicable registration statement." None of the share certificates issued by ADOT to JDC Swan bore a restrictive legend. The Purchase Agreements were signed by Robins on behalf of ADOT and Claffey on behalf of JDC Swan.

17. There was no registration statement in effect or filed with the Commission with respect to any of the ADOT shares offered and sold by Robins, ADOT, JDC Swan, and Claffey through the JDC Swan account, nor were there any applicable exemptions from registration pertaining to those offers and sales.

18. After each issuance of ADOT shares, Claffey arranged to have the shares deposited into an account he established in the name of JDC Swan at Divine. Claffey placed orders with Divine to sell the shares. Following Claffey's instructions, Divine placed the sale orders on the open market, using facilities of the OTC Bulletin Board.

19. The first issuance took place on February 28, 2006, the day after the JDC Swan account was established. On that occasion, Claffey deposited an ADOT share certificate for 65 million shares into the JDC Swan account and placed an order to sell the shares. Following Claffey's instructions, Divine arranged the sale through a market maker who executed the sales through the use of the OTC Bulletin Board. The remaining sales took place in a similar manner.

20. Robins and Claffey also submitted signed representation letters to ADOT's transfer agent and/or to Divine falsely representing that the ADOT shares were "free trading in market transactions."

21. In total, Claffey deposited and sold over 9.8 billion shares of ADOT common stock, raising proceeds of over \$2 million. Claffey periodically requested that the net proceeds of the ADOT sales be wired to him at a JDC Swan bank account he maintained in Florida. Upon receipt of the net sale proceeds, Claffey retained approximately 30% and wired the remaining 70% to an ADOT account to which Robins was a signatory.

**CLAIM FOR RELIEF**

**(Violations of Securities Act Sections 5(a) and (c))**

22. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 21 of this Complaint.

23. The ADOT shares offered and sold to into the public markets as alleged herein constitute “securities” as defined in the Securities Act.

24. Robins, ADOT, Claffey, and JDC Swan, directly or indirectly, singly or in concert, made use of the means or instruments of transportation or communication in interstate commerce, or of the mails, to offer and sell securities through the use or medium of a prospectus or otherwise when no registration statement had been filed or was in effect as to such securities and when no exemption from registration was available.

25. By reason of the foregoing, Robins, ADOT, Claffey, and JDC Swan have violated, and unless enjoined, will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

**PRAYER FOR RELIEF**

**WHEREFORE**, the Commission respectfully requests that the Court grant the following relief:

A. An Order preliminarily, and a Final Judgment permanently, restraining and enjoining ADOT, Robins, JDC Swan, and Claffey, their agents, servants, employees, and attorneys and all persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from

future violations of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

B. A Final Judgment ordering ADOT, Robins, JDC Swan, and Claffey to disgorge their ill-gotten gains, plus prejudgment interest.

C. A Final Judgment ordering ADOT, Robins, JDC Swan, and Claffey to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d).

D. A Final Judgment ordering that ADOT, Robins, JDC Swan, and Claffey be permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77(t)(g).


E. Such additional relief as to this Court deems just and proper.

Dated: February 25, 2011

Of Counsel:

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Respectfully submitted,

  
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