

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
KEVIN P. BRENNAN, DONALD G. HUGGINS,)
MARC S. PAGE, AND OPTIMIZED)
TRANSPORTATION MANAGEMENT, INC.,)
)
Defendants.)

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. From at least January through March 2010, Defendants Kevin P. Brennan, Donald G. Huggins, Marc S. Page, and Optimized Transportation Management, Inc. engaged in a fraudulent market manipulation scheme involving the company's stock.

2. The Defendants paid a bribe to a purported corrupt broker, who was a friend and business associate of a middleman, to induce the purchase of shares of Optimized Transportation Management stock in the open market.

3. The Defendants engaged in this scheme in an effort to generate the appearance of market interest in Optimized Transportation Management, induce public purchases of the stock, and artificially increase its trading price and volume.

4. Unbeknownst to the Defendants, the corrupt broker was a fictional creation of the FBI, and the middleman was a witness cooperating with the FBI.

5. As a result of the conduct described in this Complaint, the Defendants violated Section 17(a)(1) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a)(1); Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b); and Exchange Act Rule 10b-5(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c). Unless restrained and enjoined, they are reasonably likely to continue to violate the federal securities laws.

6. The Commission respectfully requests that the Court enter: (a) a permanent injunction restraining and enjoining the Defendants from violating the federal securities laws; (b) an order directing the Defendants to pay disgorgement with prejudgment interest; (c) an order directing the Defendants to pay civil money penalties; (d) an order barring the Defendants from participating in any offering of a penny stock; and (e) an order barring Brennan from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

II. DEFENDANTS

7. During the relevant time period, Brennan was the CEO and CFO of Optimized Transportation Management. Brennan has been licensed as a Certified Public Accountant in Pennsylvania since 1985 and in Florida since October 1988. His licenses are currently inactive. He resides in Pittsburgh, Pennsylvania.

8. During the relevant time period, Huggins was involved in the promotion of Optimized Transportation Management’s stock. He resides in St. Petersburg, Florida.

9. During the relevant time period, Page was involved in the promotion of Optimized Transportation Management’s stock. He resides in Tiburon, California.

10. During the relevant time period, Optimized Transportation Management was a Delaware corporation with its principal place of business in Springville, Utah. It purported to offer transportation and logistics services. Its common stock was quoted on OTC Link operated by OTC Markets Group, Inc. and the OTC Bulletin Board under the symbol "OPTZ." Optimized Transportation Management was deleted from the OTC Bulletin Board in February 2011. Optimized Transportation Management's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and thereby became subject to Section 13(a) reporting obligations. On May 2, 2012, Optimized Transportation Management filed a Form 15 to deregister its stock.

11. Optimized Transportation Management's stock is a "penny stock" as defined by the Exchange Act. At all times relevant to this Complaint, the stock's shares traded at less than \$.49 per share. During the same time period, Optimized Transportation Management's stock did not meet any of the exceptions to penny stock classification pursuant to Section 3(a)(51) and Rule 3a51-1 of the Exchange Act.

III. JURISDICTION AND VENUE

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

13. This 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 District. For example: Brennan met with the cooperating witness in Broward County to finalize the scheme;

Page directed the cooperating witness in Florida to mail him a advance towards his “commission”; and Huggins arranged for a stock certificate to be sent to the broker in Florida.

14. The Defendants, directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce, or of a means or instrumentality of interstate commerce, or of the mails, in connection with the conduct alleged in this Complaint.

IV. THE FRAUDULENT SCHEME

15. In January 2010, Page, a purported consultant for several penny stock companies, and the cooperating witness began discussing possible fraudulent stock transactions involving several issuers. Page acted as a promoter or finder of issuers to participate in the transactions.

16. Ultimately, Page identified Optimized Transportation Management as a good candidate for a market manipulation scheme that would create the false impression in the market that the stock was developing an active public market, supporting a rising stock price.

17. Page told the cooperating witness Optimized Transportation Management “need[s] \$500k right now. They played around with [the stock] and brought it to \$1 and now it gravitates down”

18. Page also told the cooperating witness “. . . my thinking is I want to do things that might be in the grey zone but that’s because the [expletive] politicians can’t get their [expletive] together.”

19. In early February 2010, Page introduced the cooperating witness, by telephone, to Brennan, who was then the CEO and CFO of Optimized Transportation Management. The three began discussing a possible market manipulation involving the company’s stock. The next month, Brennan and the cooperating witness met in Broward County to finalize the fraud.

20. According to the scheme, the middleman's friend, a purportedly corrupt broker, would use money held in his customers' discretionary accounts to buy \$500,000 worth of publicly-traded shares of Optimized Transportation Management's stock in the open market over a period of approximately one month. In exchange, Brennan would provide the broker with 33% of that amount, or \$165,000 worth of Optimized Transportation Management stock, as an inducement payment.

21. As part of the scheme, the parties agreed the broker would engage in matched trades of Optimized Transportation Management stock with specific stockholders affiliated with Brennan and Huggins.

22. During a series of telephone conversations in March 2010, Brennan, Huggins, and the cooperating witness discussed that as part of the scheme, Optimized Transportation Management would issue news releases to coincide with the beginning of the fraudulent trading to provide a cover for the buying. Brennan agreed to provide the cooperating witness with the advance "news" to show to the broker.

23. Brennan, Huggins, and the cooperating witness also agreed that after the first fifteen days of trading and again after thirty days of trading, Optimized Transportation Management would compensate the broker for his efforts during those periods.

24. In addition, Brennan agreed to provide the broker with a "good faith" deposit of \$5,000 of Optimized Transportation Management's unrestricted stock, to be issued to the broker's girlfriend.

25. Furthermore, the parties agreed Page would receive a "commission" of \$16,500 for introducing the parties to the deal, including an advance payment of \$1,000.

26. During their meeting on March 4, 2010, Brennan told the cooperating witness he wanted to move quickly but needed to speak with his “partner” Huggins, and that Huggins and Page “are actually orchestrating this whole thing.”

27. On March 8, 2010, per Page’s instructions, the cooperating witness sent a check for \$1,000, payable to Page’s girlfriend, as the advance towards his commission.

28. A week later, Huggins telephoned the cooperating witness, informing him he had arranged for delivery of the deposit for the broker. Huggins then sent a certificate, issued to the broker’s girlfriend, for 25,000 unrestricted shares of Optimized Transportation Management stock.

29. The following day, Huggins provided the cooperating witness with three advance press releases he had received from Brennan to forward to the broker.

30. On March 17, the FBI purchased 15,000 shares of Optimized Transportation Management stock in the open market for \$.30 and \$.32 per share, for a total cost of \$4,770.

31. Of the shares the FBI purchased, Huggins arranged for matched sell orders for all 15,000 shares at \$.30 and \$.32 per share.

32. Also on March 17, Optimized Transportation Management issued a press release it had provided to the cooperating witness the previous day. The company issued this press release to create the false impression the buying activity was spurred by positive news about Optimized Transportation Management.

COUNT I

Fraud In Violation of Section 17(a)(1) of the Securities Act

33. The Commission realleges and incorporates paragraphs 1 through 32 of its Complaint.

34. From at least January through March 2010, the Defendants directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

35. By reason of the foregoing, the Defendants, directly and indirectly, violated and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. §77q(a)(1).

COUNT II

Fraud in Violation of Section 10(b) and Rule 10b-5(a) and (c) of the Exchange Act

36. The Commission realleges and incorporates paragraphs 1 through 32 of its Complaint.

37. From at least January through March 2010, the Defendants, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly:

- (a) employed devices, schemes or artifices to defraud; or
- (b) engaged in acts, practices and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

38. By reason of the foregoing, the Defendants directly or indirectly 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(a) and (c), 17 C.F.R. § 240.10b-5(a) and (c).

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

I.

Declaratory Relief

Declare, determine, and find that the Defendants have committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining the Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Sections 17(a)(1) of the Securities Act and Section 10(b) and Rule 10b-5(a) and (c) of the Exchange Act, as indicated above.

III.

Disgorgement

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

IV.

Penalties

Issue an Order directing the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); and Section 21(d) of the Exchange Act, 15 U.S.C. § 78(d)(3).

V.

Penny Stock Bar

Issue an Order barring Brennan, Huggins, and Page from participating in any offering of penny stock, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), for the violations alleged in this Complaint.

VI.

Officer and Director Bar

Issue an Order pursuant to Section 20(e) of the Securities Act and Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 77t(e) and 15 U.S.C. § 78u(d)(2), barring Brennan from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

VII.

Further Relief

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

VIII.

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 it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully submitted,

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