

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

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)
)
 Plaintiff,)
 v.)
)
 JACK FREEDMAN,)
)
 Defendant.)
 _____)

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. From no later than September 2009 through March 2010, Defendant Jack Freedman engaged in a fraudulent scheme and market manipulation involving the stock of Green Planet Group, Inc. (“GNPG”). The scheme involved payment of an illegal bribe to a middleman who would provide the payment to a purportedly corrupt broker who would use his customers’ discretionary accounts to purchase shares of GNPG in the open market.

2. Freedman engaged in this manipulation in an effort to falsely generate the appearance of market interest in GNPG, induce public purchases of the stock, and artificially increase its trading volume and price.

3. Unbeknownst to Freedman, the corrupt broker was a creation of the FBI, and the middleman was a witness cooperating with the FBI.

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

5. The Commission respectfully requests that the Court enter: (a) a permanent injunction restraining and enjoining Freedman from violating the federal securities laws; (b) an order directing Freedman to pay disgorgement with prejudgment interest; (c) an order directing Freedman to pay a civil money penalty; and (d) an order barring Freedman from participating in any offering of a penny stock.

II. DEFENDANT AND RELEVANT ENTITY

A. Defendant

6. At all times relevant to this action, Freedman was a stock promoter for GNPG. Freedman resides in Fort Lauderdale, Florida.

B. Relevant Entity

7. At all times relevant to this action, GNPG was a Nevada corporation with principal offices located in Scottsdale, Arizona. The company purported to be engaged in research and development of products and services that enhance the environment. Its common stock has been quoted on OTC Link operated by OTC Markets Group, Inc. under the symbol “GNPG” at all times relevant to this action. GNPG filed a Form S-1 with the Commission, which was declared effective as of November 9, 2006, and the

company thereby became subject to the reporting obligations of Section 15(d) of the Exchange Act.

8. GNPG's stock is a "penny stock" as defined by the Exchange Act. At all times relevant to this action, the stock's shares traded at a high of eight cents per share and an average price of five cents per share. During the same time period, GNPG'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. For example, the company's stock: (a) did not trade on a national securities exchange; (b) was not an "NMS stock," as defined in 17 C.F.R. § 242.600(b)(47); (c) did not have net tangible assets (*i.e.*, total assets less intangible assets and liabilities) in excess of \$5,000,000; and (d) did not have average revenue of approximately \$6,000,000 for the last three years. *See* Exchange Act, Rule 3a51-1(g).

III. JURISDICTION AND VENUE

9. 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.

10. This Court has personal jurisdiction over Freedman, and venue is proper in the Southern District of Florida, because Freedman resides in the District and because a substantial part of Freedman's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the District. For example, Freedman met with the cooperating witness in Broward County on December 9, 2009 and again on January 11, 2010 to discuss the scheme and to provide the cash inducement payment. In addition, Freedman emailed the cooperating witness, who was located in the District,

approximately nine times between September 2009 and March 2010 in furtherance of the scheme, and emailed copies of draft press releases to the witness on December 9, 2009 and January 2, 2010.

11. Freedman, 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

12. In September 2009, Freedman began discussing possible fraudulent transactions with the cooperating witness involving GNPG's stock. The parties exchanged several emails and telephone calls over the next three months in furtherance of the scheme. Ultimately, the parties met in Broward County on December 9, 2009 to finalize the scheme.

13. The scheme was to work as follows: (a) the witness would instruct his purportedly corrupt broker to buy publicly-traded shares of GNPG stock in the open market using the broker's customers' discretionary accounts; (b) the stock purchases would be coordinated with press releases Freedman would arrange to issue on GNPG's behalf; and (c) Freedman would provide the cooperating witness with drafts of these press releases in advance of their public dissemination.

14. With respect to the press releases, Freedman told the cooperating witness that "if I am going to work a stock, I am going to need to control the news." This was intended to facilitate the scheme's purpose, which Freedman described to the cooperating witness on December 7, 2009, as the creation of "volume" for GNPG stock. Freedman

also indicated that he would arrange for additional press to facilitate the eventual sale of the shares by the purportedly corrupt broker.

15. In furtherance of the scheme, Freedman emailed the cooperating witness draft press releases on December 9, 2009 and again on January 2, 2010. GNPG issued final versions of those releases on December 17, 2009 and January 5, 2010 respectively.

16. On January 11, 2010, Freedman again met with the cooperating witness. In exchange for the purchase of GNPG stock in the open market by the purportedly corrupt broker, Freedman agreed with the cooperating witness that he would provide the broker an inducement payment of 33 percent of the amount the broker paid for the stock. Freedman provided the witness with \$3,000 in cash as a "deposit" for the inducement payment to the broker.

17. On January 12, 2010, the FBI purchased 120,000 shares of GNPG on the open market for a total cost of approximately \$8,280.

COUNT I

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

18. The Commission realleges and incorporates paragraphs 1 through 17 of this Complaint.

19. From at least September 2009 through March 2010, Freedman, 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.

20. By reason of the foregoing, Freedman, directly and indirectly, violated and, unless enjoined, is 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

21. The Commission realleges and incorporates paragraphs 1 through 17 of this Complaint.

22. From at least September 2009 through March 2010, Freedman, directly and indirectly, by use of any means or instrumentalities of interstate commerce, or 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, or courses of business which operated or would have operated as a fraud or deceit upon any person.

23. By reason of the foregoing, Freedman, directly and indirectly, violated and, unless enjoined, is 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 Freedman has committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining Freedman, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, 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 Freedman 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 Freedman 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) of the Exchange Act, 15 U.S.C. § 78(u)(d).

V.

Penny Stock Bar

Issue an Order barring Freedman from participating in any offering of a 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).

VI.

Further Relief

Grant such other and 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 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,

August 14, 2013

By:



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