

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

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
SHELDON R. SIMON,)
)
Defendant.)
<hr/>	

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. From February through May 2011, defendant Sheldon R. Simon engaged in a fraudulent market manipulation scheme involving the stock of EcoEmissions Solutions, Inc.

2. Simon agreed to provide a corrupt promoter with details about a plan to manipulate the price and trading volume of EcoEmissions so the corrupt promoter could participate in the fraudulent scheme. In return, the corrupt promoter agreed to pay Simon a quarter of all profits from a trading account the promoter would use to manipulate EcoEmissions stock.

3. Simon engaged in this scheme in an effort to generate the appearance of market interest in EcoEmissions, induce public purchases of the stock, and artificially increase its trading price and volume.

4. Unbeknownst to Simon, the corrupt promoter was a witness cooperating with the FBI.

5. As a result of the conduct described in this Complaint, Simon 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, he is 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 Simon from violating the federal securities laws; (b) an order directing Simon to pay disgorgement with prejudgment interest; (c) an order directing Simon to pay civil money penalties; and (d) an order barring Simon from participating in any offering of a penny stock.

II. DEFENDANT AND RELATED ENTITY

7. During the relevant time period, Simon was a stock promoter for EcoEmissions. Simon resides in Palm Beach Gardens, Florida.

8. During the relevant time period, EcoEmissions was a Delaware corporation headquartered in Tempe, Arizona. EcoEmissions purported to be involved in designing, supplying, and manufacturing pollution control systems for diesel engines. EcoEmissions’ common stock was quoted on the OTC Link operated by OTC Markets Group, Inc. under the symbol “ECMZ.” EcoEmissions filed a Form S-1 with the Commission that became effective on May 27, 2008, thereby subjecting EcoEmissions to the reporting obligations of Section 15(d) of the Exchange Act.

9. EcoEmissions’ 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 81 cents per share. During the same time period, EcoEmissions’ 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, EcoEmissions' stock did not trade on a national securities exchange and was not an "NMS stock," as defined in 17 C.F.R. § 242.600(b)(47). Furthermore, EcoEmissions did not have net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of \$5,000,000; and did not have average revenue of at least \$6,000,000 for the last three years. *See* Exchange Act, Rule 3a51-1(g).

III. JURISDICTION AND VENUE

10. 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.

11. This Court has personal jurisdiction over Simon, and venue is proper in the District, because at all relevant times, Simon has resided in Palm Beach Gardens, Florida. In addition, many of Simon's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the District. For example, on February 10, 2011, Simon met with the cooperating witness in West Palm Beach to discuss the fraudulent scheme.

12. Simon, 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

13. In February 2011, Simon, a purported consultant for several penny stock companies, including EcoEmissions, and the cooperating witness began discussing possible fraudulent stock transactions involving several issuers, including EcoEmissions.

14. During a February 10, 2011 meeting in West Palm Beach and over the course of several phone calls, the cooperating witness told Simon he had trading authority over a large amount of money in the account of an unnamed person, and Simon discussed his plans to manipulate the price and trading volume of EcoEmissions.

15. As part of the scheme, the cooperating witness and Simon agreed that Simon would supply the cooperating witness with advance notice of press releases that Simon would arrange to be released to coordinate with the fraudulent trading. In return, the cooperating witness agreed to pay Simon a quarter of all profits obtained from the trading in EcoEmissions stock.

16. On March 1 and 2, 2011, Simon sent the cooperating witness advance copies of press releases regarding EcoEmissions.

17. On March 5, 2011, Simon sent the cooperating witness an email highlighting his intent to manipulate EcoEmissions stock, stating that “between a few of us we can play ping-pong to [\$]2.00 with no trouble at all even before IR [investor relations] starts.”

18. On March 7, 2011, the FBI purchased 2,000 shares of EcoEmissions in the open market at 50 cents per share, for a total cost of approximately \$1,000.

19. On March 8, 2011, the FBI purchased 2,500 shares of EcoEmissions in the open market at 79 cents per share, for a total cost of approximately \$1,975.

20. Because of Simon’s other business dealings, the scheme was not completed until about two months later. Throughout this time, during a series of telephone calls and emails, Simon told the cooperating witness that the market manipulation of EcoEmissions, while delayed, was still planned.

21. During a May 6, 2011 phone call, Simon told the cooperating witness the EcoEmissions scheme had started again, remarking, "we brought [EcoEmissions] down in order to make it very attractive to everybody." Simon also said that some of the press releases he had previously provided to the cooperating witness would be publicly released later that afternoon and the morning of the next trading day (May 9).

22. On May 6, 2011, the FBI purchased a total of 15,000 shares of EcoEmissions stock in the open market at 16 cents per share, for a total cost of approximately \$2,400.

23. On several dates between May 6, 2011 and May 18, 2011, EcoEmissions issued press releases to the public that were nearly identical to the releases Simon had provided to the cooperating witness on March 1 and 2. Simon arranged for the issuance of the press releases to create the false impression the buying activity was spurred by positive news about EcoEmissions.

24. In a May 9, 2011 telephone conversation, Simon told the CW not to sell any EcoEmissions stock, stating, "we're making a little history for the week so next week we can bang it to a buck or two [dollars]."

25. Later that day, the cooperating witness left a message for Simon that he had sold the EcoEmissions stock he previously purchased.

26. On May 11, 2011, the cooperating witness met with Simon and paid him \$3,000 in cash, telling Simon the money represented 25% of the total profits of \$12,000 from the trading in EcoEmissions stock.

COUNT I

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

27. The Commission realleges and incorporates paragraphs 1 through 26 of its Complaint.

28. From February through May 2011, Simon directly and indirectly, by use of any 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.

29. By reason of the foregoing, Simon, 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

30. The Commission realleges and incorporates paragraphs 1 through 26 of its Complaint.

31. From February through May 2011, Simon, directly and indirectly, by the use of any 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 or deceit upon any person.

32. By reason of the foregoing, Simon directly or 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 Simon have committed the violations of the federal securities laws alleged in this Complaint.

II.

Permanent Injunctive Relief

Issue a Permanent Injunction restraining and enjoining Simon, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating Section 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 Simon 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 Simon to pay civil money penalties 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).

V.

Penny Stock Bar

Issue an Order barring Simon 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)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6), for the violations alleged in this Complaint.

VI.

Further Relief

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

VII.

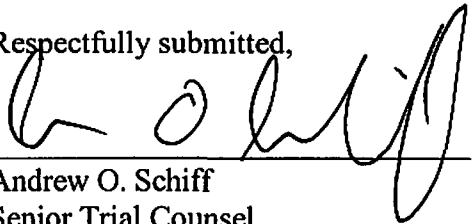
Retention of Jurisdiction

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.

August 14, 2013

Respectfully submitted,

By:



Andrew O. Schiff
Senior Trial Counsel
S.D. Fla. Bar No. A5501900
Direct Dial: (305) 982-6390
E-mail: SchiffA@sec.gov
Lead Attorney

Trisha D. Sindler
Senior Counsel
Florida Bar No. 0773492
Telephone: (305) 982-6352
E-mail: FuchsT@sec.gov

**ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION**
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Telephone: (305) 982-6300
Facsimile: (305) 536-4154