

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63980 / February 25, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14274

In the Matter of

**DIVINE CAPITAL MARKETS,
LLC, DANIELLE HUGHES AND
MICHAEL BUONOMO**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF
THE SECURITIES ACT OF 1933,
AND SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF
1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Divine Capital Markets, LLC (“Divine”), Danielle Bionda Hughes (“Hughes”), and Michael Buonomo (“Buonomo”) (collectively “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Divine Capital Markets, LLC is a broker-dealer registered with the Commission with its principal office located in New York. During the relevant period Divine conducted a general securities business through its registered representatives and traders; and participated in the offering of shares of Advanced Optics Electronics Inc.

2. Danielle Hughes, age 41, is a New Jersey resident. Throughout the relevant period, Hughes held a controlling interest in, and was a person associated with, Divine. Hughes was also Divine's Chief Executive Officer and its General Securities Principal responsible for supervision of equities, institutional and retail sales. From approximately June 3, 2006 through September 6, 2006, Hughes was also Divine's Chief Compliance Officer.

3. Michael Buonomo, age 36, is a New Jersey resident. Throughout the relevant period Buonomo was a registered representative associated with Divine and participated in the offering of shares of Advanced Optics Electronics Inc. Throughout much of the relevant period Buonomo reported to Hughes, who was his supervisor.

B. OTHER RELEVANT ENTITIES

1. Advanced Optics Electronics Inc. ("ADOT") 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 Exchange Act. During the period of January 1, 2006 through December 31, 2007, ADOT's shares were quoted on the OTC Bulletin Board under the symbol "ADOT" and its shares ranged between \$0.00013 and \$0.001 per share. ADOT was a development stage corporation with no earnings, no operating revenues and no final products. Throughout the relevant period ADOT's common shares were penny stock within the meaning of Rule 3a51-1 of the Exchange Act.

2. JDC Swan Inc. ("JDC Swan") is a Florida corporation wholly owned by Jason Claffey.

3. Jason Claffey ("Claffey"), age 36, is a Florida resident. Claffey is the president and sole owner of JDC Swan. Through JDC Swan, Claffey acquired over 9.8 billion shares of ADOT directly from the issuer and sold them shortly thereafter -- without a registration statement in effect -- into the public markets through an account he established at Divine.

C. FACTS

1. From at least as early as January 2006 through approximately June 2007, Claffey, through his company, JDC Swan, acquired a total of over 9.8 billion shares of ADOT in private transactions directly with the company. None of the 9.8 billion ADOT share certificates bore a restrictive legend.

2. On or about February 27, 2006, Claffey contacted Buonomo to open a securities account at Divine for the purpose of liquidating shares of bulletin board and pink sheet companies. Hughes and Buonomo did not know Claffey and conducted no due diligence into the securities he intended to sell. Nevertheless, on or about February 28, 2006, Hughes approved the opening of the JDC Swan account. The same day, Buonomo -- with Hughes' approval -- began publicly offering and selling unregistered shares of ADOT through Claffey's JDC Swan account.

3. In a span of two weeks, from February 28, 2006, through March 13, 2006, Claffey offered and sold a total of 325 million restricted shares through Divine. By September 4, 2006, the total ADOT restricted shares offered and sold through Divine had grown to over 2 billion for proceeds of over \$1 million.

4. From February 28, 2006, and continuing through June 2007, Buonomo offered and sold a total of over 9.8 billion shares of ADOT on behalf of JDC Swan, without a registration statement in effect or on file, generating over \$60,000 in commissions and other remuneration for Divine on sale proceeds of over \$2 million. Throughout the period, Buonomo memorialized numerous deliveries of ADOT certificates and sales in Divine's electronic client relationship database which was available to, and typically monitored by, Hughes.

5. Buonomo was extensively involved in the logistics of the ADOT sales. Claffey sent the ADOT certificates to Buonomo, who forwarded them to Divine's clearing broker, who then arranged to have the shares put in "street name." When the shares were ready for sale, Buonomo notified Claffey, who then placed the sale orders. Buonomo accepted the orders and arranged for the sales to be executed by a market maker. After execution, Claffey periodically sent wire requests to Buonomo to withdraw the sale proceeds. These wire requests were often approved by Hughes.

6. All of the offers and sales of the 9.8 billion shares of ADOT were made without a registration statement in effect, or on file and with no valid exemptions from registration. All of the offers and sales made use of means or instruments of transportation or communications in interstate commerce or of the mails.

7. Both Buonomo and Hughes knew or should have known that Claffey and JDC Swan had acquired the ADOT shares directly from the issuer. At no point did Buonomo or Hughes perform any due diligence to determine if there was a registration statement in effect or on file with respect to the offers and sales of ADOT shares.

a. Hughes Failed Reasonably to Supervise Buonomo By Ignoring Red Flags

i. In addition to being Divine's majority owner and CEO, Hughes was Buonomo's direct supervisor for much of the relevant time and was Divine's General Securities Principal in the areas of: (1) equities; (2) institutional and retail sales; (3) underwritings; and (4) private placements. From approximately June 3, 2006 to

September 6, 2006, Hughes also assumed the role of Divine's Chief Compliance Officer in a one-person compliance department. Hughes was also responsible for reviewing Divine's trade tickets for unusual concentrations, specifically to determine whether the trade tickets "involved sizable positions in a single security."

ii. From the inception of the account, Hughes ignored red flags that the ADOT sales constituted an unregistered distribution. Shortly after the JDC account was opened, Hughes was put on notice that the JDC Swan account was acquiring and would be selling share certificates received from an issuer. On the very first day of trading, Buonomo alerted Hughes that he had sold 45 million shares from the first (65-million share) ADOT certificate that Divine had received. Buonomo further advised Hughes that Divine would receive another share certificate the following day. Throughout the relevant period, Buonomo memorialized JDC Swan's certificate deliveries and sales in Divine's electronic client relationship database. Hughes was the administrator of the database and accessed the system frequently.

iii. In late August 2006, Buonomo alerted Hughes that the JDC Swan account had delivered a certificate for 65 million shares and asked if he could execute sales of these shares. On this occasion, Hughes instructed Buonomo to obtain the stock purchase agreements, which showed that JDC Swan had acquired the shares directly from ADOT. On at least one occasion, Hughes forwarded the stock purchase agreement to facilitate the ADOT sales.

iv. In September 2006, Hughes hired a new Chief Compliance Officer who alerted her on several occasions to the large number of ADOT shares flowing through the JDC Swan account. Hughes took no steps to prevent the sales or to ensure that the sales were either registered or exempt from registration.

b. Hughes and Divine Failed Reasonably to Supervise Buonomo By Maintaining Inadequate Supervisory Procedures

From approximately June 3, 2006 through September 6, 2006, Hughes was responsible for developing and maintaining the firm's supervisory policies and procedures. Throughout the February 27, 2006 through July 2007 period, Divine's supervisory policies were inadequate to provide guidance to supervisors regarding the appropriate inquiry to determine whether the public sale of shares acquired directly or indirectly from an issuer was prohibited by Section 5 of the Securities Act. For example, the policies did not address unregistered distributions through statutory underwriters. The supervisory procedures also failed to address situations in which certificates without restrictive legends were acquired by a customer from an issuer with a view to distribution. If Hughes and Divine had developed reasonable policies and procedures requiring appropriate due diligence in situations in which a customer sold large blocks of illiquid stock in a little-known company and prohibited re-sales of such shares, the firm likely would have prevented and detected Buonomo's violations of Section 5.

D. VIOLATIONS

1. As a result of the conduct described above, Buonomo and Divine willfully committed violations of Sections 5(a) and (c) of the Securities Act, which makes it unlawful for any person directly or indirectly to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or to offer to sell securities unless a registration statement has been filed as to such security.

2. As a result of the conduct described above, Divine and Hughes failed reasonably to supervise Buonomo with a view to detecting and preventing Buonomo's violations of Section 5(a) and (c) of the Securities Act.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. Whether, pursuant to Section 8A of the Securities Act, Divine and Buonomo should be ordered to cease and desist from committing or causing violations of, and any future violations of, the Securities Act and whether Divine and Buonomo should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act.

D. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Divine and Buonomo from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934 ("Order"), on the Respondents and their legal agents.

The attached Order has been sent to the following parties and other persons entitled to notice:

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