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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

– against –

DANIEL F. WIENER II,

Defendant.

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CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA  
Civil Action No. 1:11-cv-00062-IDD

COMPLAINT

Plaintiff Securities and Exchange Commission (“Commission” or “SEC”) alleges:

SUMMARY

1. Defendant Daniel F. Wiener II (“Wiener”) engaged in illegal insider trading by purchasing securities of MTC Technologies, Inc. (“MTC”) prior to MTC’s public announcement on Friday, December 21, 2007, that it had entered into a definitive agreement to be acquired by BAE Systems, Inc. (“BAE”) for \$24.00 per share plus the assumption of debt (the “Public Announcement”).

2. During the relevant period, Wiener was an executive at BAE. Although he was not directly involved in the acquisition of MTC by BAE, prior to December 21, 2007, he had regular contact with other BAE employees who were involved in highly confidential preparations for the acquisition. In the course of his employment at BAE, Wiener learned material, nonpublic information regarding BAE’s plan to acquire MTC.

3. On December 7, 2007, Wiener participated in a staff meeting in which others who were involved in the acquisition due diligence process participated. During this staff meeting, the proposed acquisition of MTC was discussed under its code name, “Project Mira.”

Approximately thirty minutes after the scheduled end of the December 7 staff meeting, Wiener placed an order to purchase 10,000 shares of MTC stock in his personal brokerage account. On December 12, 2007, Wiener placed an order to purchase an additional 1,000 shares of MTC in his wife's brokerage account. On January 28, 2008, Wiener sold all 11,000 shares of MTC, realizing a profit of \$67,686.99.

4. By trading on the material nonpublic information that he learned as a result of his employment at BAE, Wiener violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder. Accordingly, the Commission seeks: (i) entry of a permanent injunction prohibiting Wiener from violations of Exchange Act Section 10(b) and Rule 10b-5 thereunder; (ii) disgorgement of Wiener's profits from his insider trading plus prejudgment interest; and (iii) imposition of a civil monetary penalty.

#### **JURISDICTION AND VENUE**

5. This Court has jurisdiction over this matter pursuant to Sections 21(d), 21A, and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u-1, and 78aa].

6. Wiener, directly or indirectly, used the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the conduct alleged in this Complaint.

7. Venue is appropriate in the Eastern District of Virginia pursuant to Section 27 of the Exchange Act because Wiener resides and transacts business in this District. Moreover, many of the acts complained of herein occurred within this District.

## DEFENDANT

8. **Daniel F. Wiener II**, age 65, resides in Leesburg, Virginia. During the relevant period, he was employed as a vice president in BAE's Customer Solutions Operating Group ("CSOG") and worked out of BAE's offices in Herndon, Virginia and Arlington, Virginia.

## OTHER RELEVANT ENTITIES

9. **MTC Technologies, Inc.**, prior to being acquired by BAE in 2008, was a Delaware corporation with its headquarters in Dayton, Ohio. MTC's business involved developing and producing military engineering, technical, intelligence, and information technology products and systems. MTC's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and listed on NASDAQ under the ticker symbol "MTCT."

10. **BAE Systems, Inc.** is a U.S. subsidiary of BAE Systems plc., a British company that designs, develops, and produces a range of military-oriented products. During the relevant time period, BAE's CSOG Division, into which MTC's business was merged, had offices in various locations, including Herndon, Arlington, and McLean, Virginia.

## STATEMENT OF FACTS

### **I. BAE's Acquisition of MTC**

11. In the spring of 2007, BAE's CSOG division identified MTC as a potential candidate for acquisition.

12. In June 2007, MTC's investment bank contacted multiple defense companies, including BAE, to determine their interest in acquiring MTC. From June 2007 through October 2007, representatives of BAE held confidential discussions with representatives of MTC regarding a potential acquisition.

13. On November 5, 2007, BAE, through its investment bank, delivered to MTC's investment bank an indication of interest to acquire MTC for a cash price in the range of \$20.75 to \$22.00 per share, subject to completion of satisfactory due diligence, entry into an exclusivity agreement, and negotiation of mutually-acceptable terms. On November 12, 2007, after learning that MTC had received higher bids, BAE submitted a revised offer with a price range of \$23.00 to \$24.00 per share.

14. On November 16, 2007, MTC, BAE, and a second bidder executed a dual-party exclusivity agreement that provided BAE and the other bidder thirty days from November 19, 2007, to complete their due diligence of MTC and negotiate the final transaction documentation. During the last week of November and first three weeks of December, BAE conducted intensive due diligence and took substantial steps to negotiate and finalize the proposed transaction with MTC, including exchanging drafts of the merger and shareholder approval agreements.

15. On December 20, 2007, BAE submitted a final offer to purchase MTC for a cash price of \$24.00 per share, plus the assumption of debt.

16. On Friday, December 21, MTC's Board of Directors voted to approve BAE's offer to purchase MTC for \$24.00 per share plus the assumption of debt, and the agreement was publicly announced that day at 8:20 p.m. Eastern Standard Time.

## **II. Wiener Possessed Material, Nonpublic Information Regarding BAE's Acquisition of MTC**

17. From April 2007 through at least December 2007, Wiener was employed as Vice President for Government Wide Acquisitions Contracts in the CSOG division of BAE, the unit into which MTC's business ultimately was merged. As a BAE employee, Wiener was required to comply with all BAE policies and procedures, including BAE's "Insider Information Policy," which prohibited employees from trading on the basis of nonpublic information relating to BAE.

18. Although Wiener was not involved in and did not work on the acquisition of MTC by BAE, which was internally code-named "Project Mira," he had regular contact with BAE employees who were aware of, or did work on, Project Mira. Wiener's direct supervisor within CSOG ("Wiener's Supervisor"), who recruited Wiener to BAE, was the most senior member of the team that identified MTC as a potential candidate for acquisition during the spring of 2007. Moreover, certain of Wiener's colleagues worked on the Project Mira team. While those colleagues were working as part of the Project Mira team, Wiener continued to interact with them on a regular basis.

19. On Friday, December 7, 2007, Wiener's Supervisor held a Business Development team meeting ("BD Meeting") at BAE's offices in McLean, Virginia, that was attended by Wiener, among others. The BD Meeting was scheduled to last from 10:00 a.m. EST to 2:00 p.m. EST. During the BD Meeting, Wiener's Supervisor told attendees that completing Project Mira had become a top priority for BAE, and a discussion of Project Mira ensued. Although MTC was referred to during the meeting only by its code name "Mira," Wiener actively participated in the discussion and shared detailed information concerning the target's business, including its aircraft integration capabilities and specific contract bidding opportunities, that revealed that he knew that "Mira" referred to MTC.

20. Wiener's knowledge that BAE was in the process of acquiring MTC and that this acquisition had become a priority for BAE constituted material information. Because the proposed acquisition had not yet been publicly announced, the information was nonpublic. Moreover, Wiener knew or was reckless in not knowing that the proposed acquisition had not yet been publicly announced, and, therefore, that the information was nonpublic.

### **III. Wiener's Trading of MTC Stock**

21. Later that same day, December 7, 2007, approximately thirty minutes after the scheduled end of the BD Meeting, Wiener placed an order to purchase 10,000 shares of MTC common stock in his personal brokerage account at Wachovia. This was the first time Wiener had ever purchased MTC stock.

22. The following week, on December 12, 2007, Wiener purchased another 1,000 shares of MTC common stock in his wife's personal brokerage account at Wachovia.

23. On January 28, 2008, following the Public Announcement of BAE's acquisition of MTC, Wiener sold all 11,000 shares, realizing a profit of \$67,686.99.

#### **CLAIM FOR RELIEF**

##### **[Insider Trading in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder]**

24. Paragraphs 1-23 of this Complaint are realleged and incorporated by reference.

25. Wiener, by engaging in the conduct described above, directly and indirectly, in connection with the purchase and sale of securities, and by use of the means and instrumentalities of interstate commerce, the mails, or a national securities exchange has knowingly or recklessly:

- (a) employed devices, schemes and artifices to defraud;
- (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) engaged in acts, practices or courses of business that have operated or will operate as a fraud and deceit upon other persons.

26. Wiener purchased securities of MTC, while in possession of nonpublic information relating to the acquisition of MTC by BAE, in breach of the duty of trust and confidence that he owed to his employer, BAE, the source of the material, nonpublic information.

27. By reason of the foregoing, Wiener violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

(i) permanently enjoining Wiener from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

(ii) ordering Wiener to disgorge all ill-gotten gains from his unlawful conduct, with prejudgment interest;

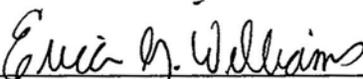
(iii) ordering Wiener to pay an appropriate civil monetary penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1], for his violations of the federal securities laws; and

(iv) awarding such other and further relief as this Court may deem just and appropriate.

Date: March 17, 2011

Respectfully submitted,

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