

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF COLUMBIA

UNITED STATES SECURITIES AND)	
EXCHANGE COMMISSION,)	
450 Fifth Street, NW)	
Washington, D.C. 20549)	
)	
Plaintiff,)	
)	
v.)	Civil No.
)	
)	
OCUMED GROUP, INC., a Delaware)	
Corporation,)	
ALFRED CAGGIA, and)	
LOUISE CUMMINGS,)	
)	
Defendants.)	

COMPLAINT

Plaintiff, the United States Securities and Exchange Commission, avers as follows:

NATURE OF ACTION

1. This action involves the defendants' violations of the federal securities laws and associated Commission rules. Defendants Ocumed Group, Inc. ("Ocumed Group" or "the Company"), Alfred Caggia (president, chief operating officer and a director), and Louise Cummings (a director), signed and filed a fraudulent Form 10-KSB with the Commission for the Company's fiscal year ended April 30, 2002. The Form 10-KSB falsely stated that an independent accountant had audited the Company's financial statements as required – when in fact, none had. Instead, defendant Caggia and the Company's then chief financial officer and a

- director, Paul Filipek,^a forged a “Report of Independent Public Accountants” and included it in the Company’s Form 10-KSB filed with the Commission in August of 2002.
2. By his conduct detailed in this Complaint, Caggia violated Sections 10(b), 13(b)(5) and 13(d), and 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§78j(b), 78m(a), (b)(5), (d), 78p(a) and 78t(e)], and Exchange Act Rules 10b-5, 13a-14, 13d-1, 13d-2 and 16a-3 [17 C.F.R. 240.10b-5, 240.12b-20, 240.13a-1, 240.13a-14, 240.13d-1, 240.13d-2 and 240.16a-3]. Caggia aided and abetted violations of Section 13(a) and Rules 12b-20 and 13a-1 of the Exchange Act.
 3. Cummings violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and aided and abetted violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder.
 4. Ocumed Group violated Sections 10(b) and 13(a) of the Exchange Act, and Rules 10b-5, 12b-20 and 13a-1 thereunder.
 5. Accordingly, the Commission seeks a judgment: (1) permanently enjoining each of the defendants from further securities laws violations; (2) imposing monetary penalties against each of the individual defendants; (3) barring each of the individual defendants from serving as an officer and director of any public company; and (4) requiring defendant Caggia to disgorge ill-gotten gains.

^a Filipek died April 3, 2004.

JURISDICTION

6. The Court has jurisdiction over this action under Exchange Act Sections 21(d), (e) and 27 [15 U.S.C. §§ 78u(d), (e) and 78aa]. Venue is proper under Section 27 of the Exchange Act.

DEFENDANTS

7. Defendant Ocumed Group, Inc. is a Delaware corporation headquartered in Roseland, New Jersey. Through its facilities in Roseland and in Sarasota, Florida, Ocumed Group manufactures and sells ophthalmic products in the prescription and over-the-counter drug markets. Ocumed Group's common stock is a registered equity security under Exchange Act Section 12 [15 U.S.C. §78l]. At all relevant times, Ocumed Group's shares have been publicly traded in the Pink Sheets under the symbol "OCUM."^b
8. Defendant Alfred Caggia has, at all relevant times, served as president, chief operating officer, and a director of defendant Ocumed Group. He resides in Montvale, New Jersey. At all relevant times, Caggia has beneficially owned 46 percent of Ocumed Group's common stock through entities he owns and controls.
9. Defendant Louise "Toni" Cummings has, at all relevant times, served as one of Ocumed Group's directors, and as the administrative vice president at corporate headquarters in Roseland, New Jersey. She resides in Caldwell, New Jersey.

^b Ocumed Group filed a Chapter 11 bankruptcy on April 23, 2004. *In re Ocumed Group, Inc.*, No. 04-24136 (Ch. 11) (Bankr. D.N.J.). The automatic stay in bankruptcy, however, does not bar this action, which is brought under the Commission's regulatory authority. *See* 11 U.S.C. § 362(b)(4).

**FIRST CLAIM – Violation of Exchange Act Section 10(b)
and Rule 10b-5 Thereunder**

10. The Commission incorporates the allegations in paragraphs 1-9 as though fully set forth in this paragraph.
11. Defendants Ocumed Group, Caggia and Cummings, by use of means or instrumentalities of interstate commerce and/or the mails, directly or indirectly:
(a) employed devices, schemes, and/or artifices to defraud; and/or (b) made untrue statements of material fact and/or omitted to state material facts necessary to prevent other statements made from being misleading; and/or (c) engaged in acts, practices, or courses of business which operated as a fraud on any person, all in violation of Exchange Act Section 10(b) and Exchange Act Rule 10b-5.
12. Defendant Ocumed Group filed a fraudulent 10-KSB with the Commission in August 2002 for its fiscal year ended April 30, 2002.
13. The Ocumed Group 10-KSB for its fiscal year ended April 30, 2002 purported to contain a “Report of Independent Public Accountants” from an “independent” public accounting firm, supposedly reporting the results of an independent audit. The report stated, among other things, that the accounting firm had audited the Company’s financial statements, and that the financial statements, “present fairly, in all material respects, the financial position of Ocumed Group, Inc.”
14. The “Report of Independent Public Accountants” is fraudulent and a forgery. In fact, no independent accountant audited Ocumed Group’s financial statements for the fiscal year ended April 30, 2002.

15. Instead, defendant Caggia and then officer and director Paul Filipek, as they later admitted under oath, fabricated the “report” without the accounting firm’s knowledge, included it in the Company’s 10-KSB, and, along with defendant Cummings, signed and filed the 10-KSB with the Commission.
16. In so doing, defendant Caggia knowingly or recklessly made material misrepresentations in Ocumed Group’s 10-KSB for the Company’s fiscal year ended April 30, 2002.
17. Cummings signed the 10-KSB without reading it or making any inquiries about its content or meaning. She made no inquiries about her duties or responsibilities as a director of a public company. She did not know or inquire whether the Company even had an independent accountant when she signed the 10-KSB. She failed to read any of the six other Ocumed filings with the Commission that she signed as a director of the Company. She told the Commission staff, “I would never ask a question why.”
18. In signing the 10-KSB, defendant Cummings knowingly or recklessly made material misrepresentations in Ocumed Group’s 10-KSB for the Company’s fiscal year ended April 30, 2002.
19. Each of the defendants violated Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5.

SECOND CLAIM – Violation of Exchange Act Section 13(a) and Rules 12b-20 and 13a-1 Thereunder, and Aiding and Abetting Under Section 20(e)

20. The Commission incorporates the allegations in paragraphs 1-19 as though fully set forth in this paragraph.

21. Section 13(a) of the Exchange Act and Rule 13a-1 thereunder require issuers to file annual reports on prescribed forms. Implicit in this reporting requirement is that the reports be accurate.
22. Exchange Act Rule 12b-20 requires that periodic reports, including annual reports, contain all information necessary to ensure that the statements made therein are not materially misleading.
23. Ocumed Group was required, at all relevant times, to file a Form 10-KSB.
24. Ocumed Group violated Exchange Act Section 13(a) and Exchange Act Rules 12b-20 and 13a-1 when it filed its 10-KSB containing fraudulent information for the Company's fiscal year ended April 30, 2002.
25. Section 20(e) of the Exchange Act imposes liability where any person knowingly or recklessly provides substantial assistance to another person in violation of the Exchange Act or any rule thereunder. Such a person is in violation to the same extent as the person to whom the assistance is provided.
26. As described above, Caggia knowingly or recklessly provided substantial assistance to Ocumed Group in violation of Exchange Act Section 13(a), and Rules 12b-20 and 13a-1 of the Exchange Act, and therefore aided and abetted Ocumed Group's violations.
27. As described above, Cummings knowingly or recklessly provided substantial assistance to Ocumed Group in violation of Exchange Act Section 13(a), and Rules 12b-20 and 13a-1 of the Exchange Act, and therefore aided and abetted Ocumed Group's violations.

THIRD CLAIM – Violation of Exchange Act Section 13(b)

28. The Commission incorporates the allegations in paragraphs 1-27 as though fully set forth in this paragraph.
29. Defendant Caggia's conduct, as described above, violated Section 13(b)(5) of the Exchange Act, which provides that no person shall knowingly fail to implement a system of internal accounting controls, or knowingly falsify any book, record or account for an issuer of securities whose securities are registered under Section 12 of the Exchange Act.

FOURTH CLAIM – Violation of Exchange Act Rule 13a-14

30. The Commission incorporates the allegations in paragraphs 1-29 as though fully set forth in this paragraph.
31. Exchange Act Rule 13a-14 requires each principal executive officer and each principal financial officer of an issuer to include certain certifications on, among other things, quarterly reports filed on Form 10-QSB. The certifications include, but are not limited to, the following:
 - a. That he or she has reviewed the report;
 - b. That the report does not contain any untrue statements of material fact, or omit material facts necessary to make statements made therein not misleading; and
 - c. That the report fairly presents in all material respects the financial condition of the issuer for the stated periods in the report.

32. Caggia is Ocumed Group's "principal executive officer" as that term is used in Rule 13a-14.

33. Caggia was required by law but failed to include the certifications specified in Rule 13a-14 in the Forms 10-QSB, which Ocumed Group filed for the quarters ended July 31, 2002, October 31, 2002 and January 31, 2003. Caggia violated Rule 13a-14.

FIFTH CLAIM – Violation of Exchange Act Section 13(d) and Rules 13d-1 and 13d-2 Thereunder

34. The Commission incorporates the allegations in paragraphs 1-33 as though fully set forth herein.

35. At all relevant times, Caggia was an officer and director of Ocumed Group who beneficially owned more than five percent of Ocumed Group's outstanding shares of common stock.

36. Section 13(d) of the Exchange Act and Rule 13d-1 provide that any person who acquires, directly or indirectly, the beneficial ownership of more than five percent of any class of equity securities registered under Section 12 of the Exchange Act must file a statement on Schedule 13D with the Commission. The statement must include, *inter alia*, specified information about the acquisition, and the type and number of shares held. The Schedule 13D must be filed within 10 days after the acquisition.

37. Caggia acquired more than five percent of the beneficial ownership of Ocumed Group's common stock in August 2001, and therefore had — and continues to have — a duty to file a Schedule 13D with the Commission.

38. Caggia failed to file a Form 13D within the 10-day period or at any other time. Caggia is in violation of Section 13(d) of the Exchange Act and Exchange Act Rule 13d-1.
39. Moreover, between August 2002 and December 2002 – during the time the fraudulent 10-KSB was on file at the Commission – Caggia and Filipek, who together had beneficial ownership of a majority of Ocumed Group’s outstanding common stock, caused over 3.5 million shares of their common stock to be transferred to certain individuals in exchange for what they alleged were purchases of technology for the Company’s use.
40. Exchange Act Rule 13d-2 requires any person who must file a Schedule 13D to file an amendment to the schedule if there is any material increase or decrease in the percentage of the class of securities the person beneficially owns.
41. The transfers described above in this claim of the complaint each caused a material decrease in the percentage of common stock Caggia beneficially owned.
42. Caggia, however, has never filed an amendment to a Schedule 13D (or a Schedule 13D in the first instance). Caggia has therefore violated — and continues to violate — Exchange Act Rule 13d-2.

**SIXTH CLAIM – Violation of Exchange Act Section 16(a) and Rule 16a-3
Thereunder**

43. The Commission incorporates the allegations in paragraphs 1-42 as though fully set forth in this paragraph.
44. Section 16(a) of the Exchange Act and Exchange Act Rule 16a-3 require an officer or director of an issuer of registered securities to file Form 3 with the Commission within 10 days after assuming such a role setting forth, among other items, the number of the issuer's equity securities beneficially owned.
45. An officer or director must also file Form 4 setting forth any subsequent change in beneficial ownership of the issuer's equity securities by the tenth day after the end of the month in which the change in beneficial ownership occurred, and Form 5 within 45 days after the issuer's fiscal year disclosing all transactions not previously reported on Forms 3, 4, or 5.
46. Caggia has, since August 2001, been an officer and director of the Company.
47. Caggia has, since August 2001, beneficially owned common stock (an equity security) in the Company.
48. The percentage of Caggia's beneficial ownership of the Company's common stock changed on several occasions, as detailed above, after August 2001.
49. Caggia has never filed a Form 3, 4 or 5 with the Commission.
50. Caggia has violated — and continues to violate — Section 16(a) of the Exchange Act and Rule 16a-3 thereunder.

PRAYER FOR RELIEF

WHEREFORE, the Commission requests that the Court enter judgment:

- a. permanently restraining and enjoining defendant Ocumed Group, Inc., its agents, servants, employees, representatives, attorneys, affiliates and all persons in active concert or participation with them who receive actual notice of the Court's permanent injunction, from future violations of Section 10(b) and 13(a) of the Exchange Act, and Exchange Act Rules 10b-5, 12b-20 and 13a-1 thereunder;
- b. permanently restraining and enjoining defendant Caggia, his agents, servants, employees, representatives, attorneys, affiliates and all persons in active concert or participation with them who receive actual notice of the Court's permanent injunction, from future violations of Sections 10(b), 13(b)(5) and 13(d), and 16(a) of the Exchange Act and Exchange Act Rules 10b-5, 13a-14, 13d-1, 13d-2 and 16a-3 thereunder, and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder;
- c. permanently restraining and enjoining defendant Cummings, her agents, servants, employees, representatives, attorneys, affiliates and all persons in active concert or participation with them who receive actual notice of the Court's permanent injunction, from future violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5 thereunder, and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder;
- d. imposing civil penalties against defendants Caggia and Cummings under Section 21(d)(3) of the Exchange Act;
- e. requiring defendant Caggia to disgorge ill-gotten gains based on his conduct set forth in this complaint;

- f. barring Caggia and Cummings from serving as officers or directors of any issuer which has securities registered under Section 12 of the Exchange Act or which is required to file reports under Section 15(d) of the Exchange Act; and
- g. granting such other relief as this Court deems just and equitable.

Dated: May __, 2004

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