

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9248 / August 1, 2011

SECURITIES EXCHANGE ACT OF 1934
Release No. 64999 / August 1, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14274

In the Matter of

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

Respondents.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
AND A CEASE-AND-DESIST ORDER
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933 AND
SECTION 15(b) OF THE SECURITIES
EXCHANGE ACT OF 1934 AS TO
MICHAEL BUONOMO**

I.

On February 25, 2011, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings 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 Michael Buonomo (“Buonomo” or “Respondent”), among others.

II.

Buonomo has submitted an Offer of Settlement (the “Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, the Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, as to Michael Buonomo (the “Order”) as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

A. RESPONDENTS

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

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. 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.

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 stocks within the meaning of Rule 3a51-1 under 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 or on file -- into the public markets through an account he established at Divine.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

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. Buonomo did not know Claffey and conducted no due diligence into the securities he intended to sell. Nevertheless, on or about February 28, 2006, Buonomo 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 at least \$29,017 in commissions and other remuneration for Buonomo on sale proceeds of over \$2 million.

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.

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. Buonomo knew or should have known that Claffey and JDC Swan had acquired the ADOT shares directly from the issuer. At no point did Buonomo 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.

D. VIOLATIONS

As a result of the conduct described above, Respondent Buonomo willfully² committed

² A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C.

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.

E. DISGORGEMENT AND CIVIL PENALTIES

Respondent has submitted a sworn Statement of Financial Condition dated April 27, 2011, and other evidence and has asserted his inability to pay a civil penalty, full disgorgement plus prejudgment interest.

F. UNDERTAKINGS

Respondent has undertaken to provide to the Commission, within 30 days after the end of the 12 month suspension period described below, an affidavit stating that he has complied fully with the sanctions described in Sections IV.B, IV.C, and IV.D below.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest to impose the sanctions agreed to in Respondent Buonomo's Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Section 15(b) of the Exchange Act, it is hereby ORDERED that:

A. Respondent Buonomo cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

B. Respondent Buonomo be, and hereby is, suspended from participating in any offering of a 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 for a period of twelve months, effective on the second Monday following the entry of this Order.

C. Respondent Buonomo be, and hereby is, suspended from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization for a period of 12 months, effective on the second Monday following the entry of this Order.

D. Respondent shall pay disgorgement of \$29,017 and prejudgment interest of \$5,948, but that payment of such amount except for \$3,000 is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated April 27, 2011, and other documents

Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

submitted to the Commission. The payment required by this Order shall be made to the United States Treasury, payable in four quarterly installments of \$750 each, the first payment to be made within 10 days of the entry of this Order. All four payments shall be made within 364 days of the date of this Order. If timely payment is not made, interest shall accrue pursuant to SEC Rule of Practice 600. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 and 31 U.S.C. § 3717 shall be due and payable immediately, without further application. Payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 100 F St., NE, Stop 6042, Washington DC 20549; and (D) submitted under cover letter that identifies Buonomo as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and wire transfer, money order or check shall be sent to Gerald Hodgkins, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, D.C. 20549-6109.

E. Based upon Respondent's sworn representations in his Statement of Financial Condition dated April 27, 2011, and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

F. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law and directing payment of disgorgement and prejudgment interest. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty, disgorgement and interest should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law, or contest the amount of disgorgement and interest to be ordered; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Elizabeth M. Murphy
Secretary