

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 9482 / November 22, 2013**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 70923 / November 22, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15619**

**In the Matter of**

**JOSEPH P. DOXEY and  
WILLIAM J. DANIELS,**

**Respondents.**

**ORDER INSTITUTING  
ADMINISTRATIVE AND CEASE-AND-  
DESIST PROCEEDINGS PURSUANT  
TO SECTION 8A OF THE  
SECURITIES ACT OF 1933 AND  
SECTIONS 15(b)(6)(A) and 21C 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 Sections 15(b)(6)(A) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Joseph P. Doxey (“Doxey”), and pursuant to Section 8A of the Securities Act and Section 15(b)(6)(A) against and William J. Daniels (“Daniels”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENTS**

1.       Doxey, 58 years old, is a resident of Boca Raton, Florida. Doxey founded Pure H2O Bio-Technologies, Inc. in 1989 and has served as the company’s chairman, chief executive officer, president and director since its inception. Doxey participated in an offering of Pure H2O Bio-Technologies, Inc. stock, which is a penny stock.

2.       Daniels, 44 years old, is a resident of Port Richey, Florida and was the sole officer, director and shareholder of Observation Capital, LLC during the relevant

time period. During the period 1991 through 2000, Daniels worked as a registered representative at broker-dealers and held Series 7 and 63 licenses. Daniels participated in an offering of Pure H2O Bio-Technologies, Inc. stock, which is a penny stock.

**B. OTHER RELEVANT ENTITIES**

1. Pure H2O Bio-Technologies, Inc. (“Pure H2O”), incorporated in Florida in 1989 and headquartered during the relevant period in Boca Raton, Florida, purported to be developing the Integrated Hospital Potable Water Disinfection System (“IHPWDS”), a water disinfection system that would be used for residential, commercial, hospital, and medical facilities. The State of Florida dissolved Pure H2O in 2011 for non-payment of fees; the company was revived in 2013 and is currently listed as active by the Florida Department of State. The company’s common stock is quoted on the OTC Link (formerly “Pink Sheets”) operated by OTC Markets Group Inc.

2. Observation Capital, LLC is an inactive Texas limited liability company which purportedly maintained its principal office in Texas during the relevant time period.

**C. DOXEY’S MATERIALLY FALSE PRESS RELEASES**

1. From April 2008 through May 2009, Doxey drafted and caused Pure H2O to disseminate six press releases which stated that certification of the IHPWDS by an independent product certification laboratory was expected in three to four months or within the quarter the release was issued, or was underway. The press releases were issued on April 1, 2008; October 22, 2008; January 29, 2009; March 3, 2009; April 1, 2009; and May 4, 2009.

2. The press releases identified the independent product certification laboratory as the “[U.S. Environmental Protection Agency’s] contractor National Sanitation Foundation.” This entity, which had actually changed its name some years prior to the press releases at issue to NSF International (“NSF”), had developed a protocol for certifying water purifiers. Certification pursuant to the protocol was not legally required during the relevant time period, but was regarded by Pure H2O personnel as critical to marketing a water purification system to hospitals and medical facilities. The NSF certification was widely recognized in the water treatment industry as providing third-party quality assurance.

3. Pursuant to the protocol, NSF would test a product to ensure that it reduced potentially harmful contaminants and organisms; did not leach contaminants into the water; generated drinkable water; and was structurally sound and would not leak or burst during use. As part of the certification, NSF would also visit the production facility to ensure that the product was being manufactured in a manner consistent with information submitted to NSF.

4. Each of the six press releases was materially false and misleading because the NSF certification process never commenced. Pure H2O never completed its pre-certification testing, which was critical to proceeding with NSF certification, chiefly because Pure H2O was short of funds by mid-2008. Pure H2O never submitted to NSF the information necessary -- including the IHPWDS product, product specifications, and precertification test results -- for NSF to perform a product certification. In addition, the time required to complete certification was beyond that referenced in the press releases, and prior to March 2009, the company did not have the funds necessary to build a manufacturing facility, the inspection of which was a requirement for certification. The press releases exaggerated the status of an implied governmental regulatory certification for Pure H2O's product. Lastly, a material omission in the press releases was the failure to disclose the company's lack of resources to complete precertification testing, pay for a manufacturing facility, and pay for NSF certification.

5. Each press release had the effect of materially increasing either Pure H2O's stock price and/or trading volume over the prior day's trading.

6. Doxey had final authority over the distribution of each press release; controlled the substance of and substantially participated in drafting, if not drafted in its entirety, each of the materially false press releases; and directed their dissemination to the public via a wire service and by having them posted on Pure H2O's web site.

7. In addition to misrepresentations and omissions to the general public made through press releases, Doxey misrepresented the facts to Daniels in inducing him to purchase Pure H2O securities. In late summer 2008, Daniels read Pure H2O's April 2008 press release, and came away with the impression that the IHPWDS was beyond development stage and that NSF certification was expected to be completed successfully in a few short months, after which the IHPWDS would be released into the market. He met with Doxey in late summer 2008. Although Doxey did disclose to Daniels that the company needed funds to finance the NSF certification, he falsely represented to Daniels that the IHPWDS was completely built, that an inventory of product had been amassed, and that the IHPWDS was then undergoing NSF certification.

8. Doxey knew, or was reckless in not knowing, that a) his actions constituted a device, scheme or artifice to defraud; b) the statements he made in press releases and to Daniels contained material misrepresentations and omissions; and c) he engaged in acts, practices and a course of business that operated as a fraud upon PureH2O's investors.

#### D. UNREGISTERED OFFERS AND SALES

1. From October 2008 through May 2009, Doxey orchestrated twelve private placements of Pure H2O stock to Daniels on behalf of Observation Capital, LLC, which ultimately paid \$57,654 for nearly 360 million shares of Pure H2O. At no time was a registration statement pertaining to any of the twelve offerings on file or in effect with the Commission.

2. Doxey handled every aspect of the offerings and sales, including negotiating the terms with Daniels; documenting or having the transactions documented; being the sole officer and director of the company to sign the subscription agreements on behalf of Pure H20; procuring legal opinions that the sales were exempt from registration and that the shares should be issued without restrictive legend; and instructing Pure H20's transfer agent to issue the shares to the investor.

3. Each of the twelve offerings was effected purportedly pursuant to Rule 504(b)(1)(iii) of Regulation D of the Securities Act. However, this exemption was unavailable because neither Daniels nor Observation Capital qualified as an "accredited investor" under Regulation D. Additionally, no other exemption from registration applied to the twelve offerings.

4. Within days of receiving each of the twelve offerings' allotment of shares, Observation Capital, at Daniels' direction and under his control as its sole owner, officer and director, began selling the shares into the market, ultimately selling over 258 million of those shares over the course of six months and generating \$73,900.46 in illicit proceeds.

#### E. VIOLATIONS

1. As a result of the conduct described above, Doxey willfully violated Section 10(b) of the Exchange Act and Rules 10b-5(a), (b) and (c) thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities, and willfully violated Sections 17(a)(1), (2) and (3) of the Securities Act, which prohibits fraudulent conduct in the offer and sale of securities.

2. As a result of the conduct described above, Doxey and Daniels willfully violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the direct or indirect sale or offer for sale of securities unless a registration statement has been filed or is in effect.

### 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 Respondents an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Doxey should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 5(a), 5(c),

17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5(1), (2) and (3) thereunder;

C. Whether, pursuant to Section 8A of the Securities Act, Respondent Daniels should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 5(a) and 5(c) of the Securities Act;

D. What, if any, remedial action is appropriate against Respondents, including, but not limited to, civil penalties pursuant to Section 8A(g) of the Securities Act and Section 21B(a) of the Exchange Act and disgorgement pursuant to Section 8A(e) of the Securities Act;

E. Whether, pursuant to Section 21C(f) of the Exchange Act, Respondent Doxey should be prohibited, conditionally or unconditionally, and permanently or for such period of time as it shall determine, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, or that is required to file reports pursuant to Section 15(d) of the Exchange Act;

F. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b)(6)(A) of the Exchange Act.

#### 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 Respondents shall file Answers 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 Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents 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