

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

**SECURITIES ACT OF 1933**  
**Release No. 10274 / December 19, 2016**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 79605 / December 19, 2016**

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

**In the Matter of**

**JOSEPH P. DOXEY,**

**Respondent.**

**ORDER MAKING FINDINGS AND  
IMPOSING A CEASE-AND-DESIST ORDER  
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.**

On November 22, 2013, 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 Sections 15(b)(6)(A) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Joseph P. Doxey (“Doxey” or “Respondent”). Respondent has submitted an Offer of Settlement which the Commission has determined to accept.

**II.**

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, Respondent consents to the entry of this Order Making Findings and Imposing a Cease-and-Desist Order 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 (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### **Summary**

From April 2008 through May 2009 (the "Relevant Period"), Doxey the chairman, chief executive officer, president, and director of Pure H2O Bio-Technologies, Inc. ("Pure H2O"), caused Pure H2O to disseminate six materially false and misleading press releases relating to the purported certification of a water purification system that Pure H2O was purportedly developing. Doxey also made the same material misrepresentations in these press releases orally when soliciting direct investments in Pure H2O stock. From October 2008 through May 2009, Doxey orchestrated Pure H2O's twelve private placements of nearly 360 million shares to an investor who in turn resold the shares to public investors in violation of the registration requirements of the Securities Act. As a result of this conduct, Doxey willfully violated Sections 5(a), 5(c), and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5 thereunder.

#### **Respondent**

1. Doxey, 61 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. During the Relevant Period, Doxey directly or indirectly sold shares in an offering of Pure H2O.

#### **Other Relevant Entity**

2. Pure H2O, incorporated in Florida in 1989 and was headquartered during the Relevant Period in Boca Raton, Florida. The company 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 but was dissolved again for non-payment of fees in 2014. During the Relevant Period, the company's common stock was quoted on the OTC Link (formerly "Pink Sheets") operated by OTC Markets Group Inc. Pure H2O stock meets the definition of penny stock in Section 3(a)(51) of the Exchange Act.

#### **Background**

3. From April 2008 through May 2009, Doxey drafted and caused Pure H2O to disseminate six press releases. In each press release, the company stated that certification of the IHPWDS by an independent product certification laboratory was expected in three to four months or within the current quarter, or that certification 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.

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<sup>1</sup> 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.

4. The press releases identified the “[U.S. Environmental Protection Agency’s] contractor National Sanitation Foundation” as the independent product certification laboratory for IHPWDS. This entity, which had previously changed its name to NSF International (“NSF”), had a protocol for certifying water purifiers. Although certification was not legally required during the Relevant Period, it was regarded by Pure H2O personnel as critical to marketing IHPWDS to hospitals and medical facilities. The NSF certification was widely recognized in the water treatment industry as providing third-party quality assurance.

5. Pursuant to its 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 a product’s production facility to ensure that the product was being manufactured in a manner consistent with information submitted to NSF.

6. Each of the six press releases was materially false and misleading because Pure H2O never commenced the NSF certification process. 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, on each date when Pure H2O issued one of the six press releases, the time required to complete NSF certification was greater than the timeframe referenced in each release. Moreover, prior to March 2009, Pure H2O did not have the funds necessary to build a manufacturing facility, the inspection of which was a requirement for certification. By stating that certification was expected in months or was underway, Pure H2O misleadingly implied in the press releases that the company had adequate resources and facilities to obtain NSF certification when, in reality, the company lacked the resources to complete precertification testing, pay for a manufacturing facility, or pay for an NSF certification.

7. The materiality of the press releases is also demonstrated by the fact that each press release had the effect of materially increasing Pure H2O’s stock price and/or trading volume over the prior day’s trading.

8. Doxey had final authority over the distribution of each press release. He controlled the content and substance of each release including each materially false and misleading statement. He directed the dissemination to the public of each press release via a wire service and had each release posted on Pure H2O’s web site.

9. In addition, Doxey orally misrepresented the facts to a Pure H2O investor inducing that investor to purchase Pure H2O securities. The investor met with Doxey in late summer 2008. Although Doxey did disclose to the investor that the company needed funds to finance the NSF certification, he falsely represented to the investor that Pure H2O had completely built the IHPWDS, that the company had amassed product inventory, and that the IHPWDS was then undergoing NSF certification.

10. Doxey knew, or was reckless in not knowing, that Pure H2O’s statements in its press releases and the statements he made to the investor contained materially false and misleading

representations. Contemporaneous e-mails corroborate Doxey's awareness of the false and misleading statements.

11. From October 2008 through May 2009, Doxey also orchestrated twelve private placements of Pure H20 stock to an LLC owned by the investor. Doxey, through Pure H20, ultimately received \$57,654 for nearly 360 million shares of Pure H20. The investor, through the LLC, resold the acquired shares to the public. At no time was a registration statement pertaining to any of the twelve offerings on file or in effect with the Commission.

12. Doxey handled every aspect of the offerings and sales, including negotiating the terms with the investor; documenting or having the transactions documented; signing the subscription agreements as a company officer on behalf of Pure H20; procuring legal opinions stating that the sales were exempt from registration and that the shares could be issued without restrictive legend; and instructing Pure H20's transfer agent to issue the shares to the investor.

13. Each of the twelve offerings purportedly relied on an exemption from registration pursuant to Rule 504(b)(1)(iii) of Regulation D of the Securities Act. However, Rule 504 is not available for development stage companies and Pure H20 met the definition of a development stage company. Additionally, no other exemption from registration applied to the twelve offerings.

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

15. As a result of the conduct described above, Doxey 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.

#### **Disgorgement and Civil Penalties**

16. Respondent has submitted a sworn Statement of Financial Condition dated September 21, 2016 and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest and a civil penalty.

#### **IV.**

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

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b)(6)(A) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Doxey cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5 thereunder.

B. Respondent Doxey be, and hereby is:

prohibited, for three years from the date of this Order, 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; and

barred 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.

C. Respondent shall pay disgorgement of \$57,654 and prejudgment interest of \$15,758.78, but payment of such amounts is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated September 21, 2016 and other documents submitted to the Commission. Based upon Respondent's sworn representations in his Statement of Financial Condition dated September 21, 2016 and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

D. 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 disgorgement and pre-judgment interest and of the maximum civil penalty allowable under the law. 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 disgorgement and interest and a penalty should not be ordered; (3) contest the amount of disgorgement and interest to be ordered or the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Brent J. Fields  
Secretary