

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8444 / July 16, 2004

SECURITIES EXCHANGE ACT OF 1934
Release No. 50035 / July 16, 2004

ADMINISTRATIVE PROCEEDING
File No. 3-11551

<p>In the Matter of</p> <p style="text-align:center">CyberCare, Inc.,</p> <p>Respondent.</p>

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against CyberCare, Inc. (“CyberCare” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent 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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 (the “Order”), as set forth below.

III.

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

Respondent

1. CyberCare, Inc. ("CyberCare"), a Florida corporation based in Boynton Beach, Florida, is a technology-assisted health management company. CyberCare's common stock, which is registered with the Commission pursuant to Section 12(j) of the Exchange Act, was quoted on the Nasdaq National Market from at least April 2000 to August 2002. CyberCare's common stock has since been delisted from the Nasdaq and is currently quoted on the Pink Sheets.

Background

2. From October 1999 through May 2000 (the "relevant period"), CyberCare issued a series of false and misleading press releases that announced agreements that were non-existent or grossly exaggerated, or made projections regarding future orders that lacked any reasonable basis. In addition, two of the press releases announced multimillion dollar transactions with entities that lacked the financial wherewithal to consummate the deals. CyberCare also included some of this false information in its filings with the Commission.

3. CyberCare issued the first of these false press releases on December 10, 1999, when it announced that CyberCare had entered into an agreement with a state agency for a two-stage program to serve patients with CyberCare's Electronic HouseCall System ("EHC"). According to the release, the first stage of the program was to equip several patients with EHCs leased by the state, and the second stage was for CyberCare to sell several thousand EHCs directly to the state. At the time CyberCare issued this press release, however, the state agency had not agreed to any such program and was merely reviewing an unsolicited proposal that CyberCare submitted.

4. On January 6, 2000, CyberCare issued another false and misleading press release announcing that a Georgia company expected to help CyberCare sell 100 EHCs during 2000, and between 3,000 and 6,000 EHCs by year-end 2003. Although the Georgia company did enter into a joint marketing agreement with CyberCare, the projections in the press release were false and the press release was issued without the Georgia company's approval.

5. On March 21, 2000, CyberCare issued a press release announcing that a Florida health care provider placed an order for 12,500 EHCs, an amount larger than all previous

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.

EHC orders combined. The press release failed to disclose, however, that the health care provider was in severe financial distress, as CyberCare knew, and did not have the ability to finance or purchase the 12,500 EHCs, which were valued at approximately \$60 million. In fact, the transaction announced in the March 21, 2000 press release was never completed.

6. In addition to the false and misleading press releases, CyberCare's Form 10K-SB, filed with the Commission on April 4, 2000, also contained false information. The Form 10K-SB represented that CyberCare had received orders and commitments for over 36,000 EHCs to be sold over the next three years – translating to over \$180 million in sales. In reality, CyberCare did not have such orders or commitments.

7. During 2000, CyberCare also gave a number of presentations to investment banks and brokerage firms in connection with an offering of CyberCare's common stock. These presentations included statements regarding fictitious orders for CyberCare's products. In addition to the false orders that were described in CyberCare press releases, CyberCare falsely represented other "orders" that CyberCare purportedly received. For example, CyberCare claimed to have received an order for several hundred EHC units from a residential development when, in reality, no units had been ordered. Also, in February of 2000, CyberCare claimed to have received an order for 60,000 EHCs from a joint-venture that CyberCare formed with an Asian business concern. This representation was false, as the joint-venture never ordered 60,000 units and dissolved in the summer of 2000.

8. As a result of the conduct described above, CyberCare violated Section 17(a) of the Securities Act, Sections 10(b) and 13(a) of the Exchange Act, and Rules 10b-5, 12b-20, and 13a-1 thereunder.

IV.

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

Accordingly, it is hereby **ORDERED**:

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, that Respondent CyberCare cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, and Sections 10(b) and 13(a) of the Exchange Act, and Rules 10b-5, 12b-20, and 13a-1 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

