

Press Release

SEC Charges Company and CEO for COVID-19 Scam

FOR IMMEDIATE RELEASE

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Washington D.C., April 28, 2020 — The Securities and Exchange Commission today announced charges against Praxsyn Corp. and its CEO for allegedly issuing false and misleading press releases claiming the company was able to acquire and supply large quantities of N95 or similar masks to protect wearers from the COVID-19 virus. The SEC previously issued an [order](#) on March 26 temporarily suspending trading in the securities of Praxsyn.

According to the SEC's complaint, Praxsyn, which is purportedly based in West Palm Beach, Florida, issued a press release on Feb. 27 stating that it was negotiating the sale of millions of N95 masks and "evaluating multiple orders and vetting various suppliers in order to guarantee a supply chain that can deliver millions of masks on a timely schedule." On March 4, Praxsyn issued another press release claiming it had a large number of N95 masks on hand and had created a "direct pipeline from manufacturers and suppliers to buyers" of the masks. Praxsyn's CEO Frank J. Brady was quoted in the release as telling any interested buyers that the company was accepting orders of a minimum of 100,000 masks. Despite these claims, according to the complaint, Praxsyn never had any masks in its possession, any orders for masks, or a single contract with any manufacturer or supplier to obtain masks. After regulatory inquiries, Praxsyn issued a third press release on March 31 admitting that it never had any masks available to sell.

"As alleged in the complaint, in the midst of the ongoing COVID-19 pandemic, Praxsyn and Brady sought to exploit unsuspecting investors by issuing false and misleading press releases concerning Praxsyn's ability to source and supply N95 masks for the COVID-19 virus," said Eric I. Bustillo, Director of the SEC's Miami Regional Office.

"Today's fraud action against Praxsyn and its CEO demonstrates the SEC's dedication to investor protection and accountability," said Steven Peikin, Co-Director of the SEC's Division of Enforcement. "We will move swiftly against those who seek to profit off this national emergency by cheating or misleading investors."

"The Enforcement Division is committed to swiftly shutting down COVID-19 investment scams, seeking trading suspensions where appropriate, and pursuing fraud charges against both entities and individuals when warranted," said Stephanie Avakian, Co-Director of the SEC's Division of Enforcement.

The SEC's complaint, filed in federal court in the Southern District of Florida, charges Praxsyn and Brady with violating antifraud provisions of the federal securities laws, and seeks permanent injunctive relief and civil penalties. The SEC also seeks an officer and director bar against Brady.

The SEC's investigation, which is ongoing, has been conducted by the Microcap Fraud Task Force and supervised by Elisha L. Frank and Glenn S. Gordon. Robert K. Levenson is leading the SEC's litigation under the supervision of Andrew O. Schiff. The SEC appreciates the assistance of the Financial Industry Regulatory Authority (FINRA).

The SEC's Office of Investor Education and Advocacy previously issued an [investor alert](#) cautioning investors to be aware of COVID-19 scams.

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Related Materials

- [SEC Complaint](#)