

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 45056 / November 15, 2001

ADMINISTRATIVE PROCEEDING  
File No. 3-10638

In the Matter of	:	ORDER INSTITUTING CEASE-AND-DESIST
	:	PROCEEDINGS, MAKING FINDINGS AND
DISEASE SCIENCES, INC.	:	IMPOSING CEASE-AND-DESIST ORDER
	:	
	:	

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public cease-and-desist proceedings be instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Disease Sciences, Inc. ("Disease Sciences" or "Respondent").

II.

In anticipation of these administrative proceedings, Disease Sciences has submitted an Offer of Settlement, 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 facts, findings or conclusions herein, except as to jurisdiction of the Commission over Disease Sciences and over the subject matter of this proceeding, which Disease Sciences admits, Disease Sciences consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings and Imposing Cease-and-Desist Order ("Order"). Accordingly, IT IS ORDERED that proceedings, pursuant to Section 21C of the Exchange Act, against Disease Sciences be, and hereby are, instituted.

### III.

On the basis of this Order and the Offer submitted by Disease Sciences, the Commission makes the following findings:

#### A. Respondent:

Respondent Disease Sciences is a Delaware corporation headquartered in Boca Raton, Florida. The common stock of Disease Sciences is registered pursuant to Section 12(g) of the Exchange Act and has been registered since at least May 9, 2000. Shares of Disease Sciences' common stock are traded in the over-the-counter market, and quoted on the NASDAQ OTC bulletin board.

#### B. Disease Sciences' Public Statements:

1. On October 16, 2001, Disease Sciences issued a press release headlined "Disease Sciences, Inc. Ultra-High Pressure Pulse Technology Kills Conventional Pathogens Including Anthrax." Among other things, the press release stated that using High Pressure Pulse ("HPP") technology Disease Sciences "may be able to develop a simple, inexpensive method for cleaning our food and water supplies should they come under attack from bio-terrorism, as well as sterilize other items, such as mail and packages that could be accommodated in the pressure apparatus."
2. On October 17, 2001, Disease Sciences issued a press release stating that "[Disease Sciences] is presently investigating commercially viable projects" using HPP technology.

#### C. Material Information Omitted From Disease Sciences' Public Statements:

The Disease Sciences press releases omitted to state that at the time of the press releases, HPP had not been tested for or shown to be practical or economical for the uses suggested in the Disease Sciences October 16 press release; and Disease Sciences did not yet have a license to use HPP for any of the uses suggested in the October 16 press release.

#### D. Disease Sciences Violated Section 10(b) and Rule 10b-5 of the Exchange Act

Section 10(b) of the Exchange Act and Rule 10b-5 thereunder prohibit, in connection with the purchase or sale of any security, making any untrue statement of a material fact or omitting to state a material fact necessary to make the statements made in light of the circumstances under which they were made, not misleading.

Disease Sciences issued publicly the statements set forth above. Disease Sciences knew, or was reckless in not knowing, that these statements were false and misleading at the time they were made.

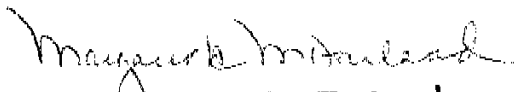
Accordingly, the Commission finds that Disease Sciences violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions specified in the Offer submitted by Disease Sciences. Accordingly, IT IS HEREBY ORDERED that Disease Sciences be and hereby is ordered to cease and desist from committing or causing any violation and any future violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz  
Secretary

  
By: Margaret H. McFarland  
Deputy Secretary