

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 45055 / November 15, 2001

ADMINISTRATIVE PROCEEDING
File No. 3-10637

In the Matter of	:	ORDER INSTITUTING CEASE-AND-
	:	DESIST PROCEEDINGS, MAKING
R-TEC TECHNOLOGIES, INC.,	:	FINDINGS, AND IMPOSING A CEASE-
	:	AND-DESIST ORDER
	:	
Respondent.	:	

I.

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

II.

In anticipation of the institution of the administrative proceedings, R-Tec Technologies has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. R-Tec Technologies admits the jurisdiction of the Commission over it and the subject matter of these proceedings. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, prior to a hearing and without admitting or denying the findings, R-Tec Technologies consents to the issuance of this Order Instituting Cease-and-Desist Proceedings, Making Findings and Imposing a Cease-and-Desist Order ("Order") and to the entry of the findings and the imposition of the remedial sanction as set forth below. Accordingly, IT IS ORDERED that said proceedings be, and hereby are, instituted.

III.

On the basis of this Order and the Offer, the Commission finds that:

- A. Respondent R-Tec Technologies is a New Jersey corporation headquartered in Flanders, New Jersey. The common stock of R-Tec Technologies is registered pursuant to Section 12(g) of the Exchange Act, and has been so registered since at least June 27, 2000. Shares of R-Tec Technologies common stock are quoted on the Over-the-Counter Bulletin Board.

- B. On September 24, 2001, R-Tec Technologies issued a press release titled "Research Company Answers the Call of Government Leaders to Protect U.S. Citizens from Biological and Chemical Terrorism" that, among other things, stated that R-Tec Technologies, "a research and development company," had "developed and patented the first mechanically operated system designed to protect civilians in every day life from biological and chemical terrorism attacks." The press release further stated that this system, which R-Tec Technologies had named the "Chemical & Biological Alarm & Neutralization Defense system," or "C-BAND system," had "been in development for several years, but ha[d] only recently been elevated to the topic of interest by Government leaders," that C-BAND "ha[d] been engineered to be an inexpensive but extremely effective method of alerting citizens that a biological or chemical agent has been released," and that "once the system detects a harmful bio or chem-agent the C-BAND unit sets in motion a series of events that are designed to isolate and neutralize the harmful agents" by dispersing "an extremely safe but effective neutralizing and sanitizing agent." The press release quoted an R-Tec Technologies researcher as saying "[w]e hope that our leaders use this technology to avert another unthinkable act by terrorists," and quoted an R-Tec Technologies employee as saying "[t]here is no greater travesty as to have the technology to save lives and not use it."
- C. On October 30, 2001, R-Tec Technologies issued a press release that acknowledged that no patent on C-BAND existed, but maintained, among other things, that the company had "developed a biological and chemical detection system specifically designed for civilian use," and that "the system includes several significant components on which the Company currently holds patents and upon which patents are pending."
- D. The September 24, 2001 and October 30, 2001 R-Tec Technologies press releases contained misrepresentations or omissions of material fact in that R-Tec Technologies has not currently developed and patented a system designed to protect civilians in every day life from biological and chemical terrorism attacks. On the contrary:
1. A prototype of the C-BAND system has never been tested.
 2. R-Tec Technologies does not have any immediate plans for the production of the C-BAND system, and does not know when or if the system will ever be commercially available.
 3. The C-BAND system has been in development only since August 2001, not "for several years."
 4. R-Tec Technologies did not create any of the technologies it proposes to use in the C-BAND system.

5. The proposed components of the C-BAND system are manufactured by other companies.
6. R-Tec Technologies does not hold any patent for the C-BAND system.
7. R-Tec Technologies has not received any commitments from any government officials or agencies concerning the C-BAND system.

On November 7, 2001, R-Tec Technologies issued a press release in which it acknowledged the facts set forth in Sections III.D.1 through 7, above.

- E. 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.
- F. R-Tec Technologies knew, or was reckless in not knowing, that these statements set forth in Sections III.B and III.C., above, were false and misleading at the time they were made.
- G. R-Tec Technologies committed or caused the violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by issuing publicly the statements set forth in Sections III.B and III.C., above.


IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanction specified by R-Technologies in its Offer.

Accordingly, IT IS ORDERED, pursuant to Section 21C of the Exchange Act, that R-Tec Technologies 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