

SEC Suspends Trading in 15 Public Companies for Suspicious Social Media & Trading Activity

On February 26, 2021, the Securities and Exchange Commission (SEC) issued an order that suspended the trading of securities in 15 OTC public companies due to questionable trading activity and social media promotions that the SEC suspects to have been part of a coordinated attempt to artificially inflate stock prices.

The 15 companies include: Bebida Beverage Co. (BBDA), Blue Sphere Corporation (BLSP), Ehouse Global Inc. (EHOS), Eventure Interactive Inc. (EVTI), Eyes on the Go Inc. (AXCG), Green Energy Enterprises Inc. (GYOG), Helix Wind Corp. (HLXW), International Power Group Ltd. (IPWG), Marani Brands Inc. (MRIB), MediaTechnics Corp. (MEDT), Net Talk.com Inc. (NTLK), Patten Energy Solutions Group Inc. (PTTN), PTA Holdings Inc. (PTAH), Universal Apparel & Textile Company (DKGR), and Wisdom Homes of America Inc. (WOFA).

The SEC's order is part of the agency's continuing effort to respond to suspected attempts to exploit investors through the use of social media promotional campaigns, as witnessed during the market's recent volatility. Most notably were the recent headlines made by Reddit users who collaborated to artificially inflate the price of Gamestop (GME) that resulted in the suspension of trading GME. Similarly, the SEC also recently suspended trading in: Bangi Inc. (BNGI), Syllos Corp. (UNGS), Marathon Group Corp. (PDPR), Affinity Beverage Group Inc. (ABVG), All Grade Mining Inc. (HYII), and SpectraScience Inc. (SCIE).

The SEC's recent trading suspensions stem from questions around the recent increased activity in the trading of these companies, as well as the influence that social media has played in the trading activity of these companies. Additionally, the SEC's order provides that none of the aforementioned companies have filed any information with the SEC or OTC markets for over a year.

Following the issuance of the order, Melissa Hodgman, the acting director of the SEC's Division of Enforcement issued a statement providing, "We proactively monitor for suspicious trading activity tied to stock promotions on social media, and act quickly to stop that trading when appropriate to safeguard the public interest. We also remind investors to exercise caution and do their diligence before investing generally, including in companies promoted on social media."

Under Section 12(k) of the Securities Exchange Act of 1934, the SEC can suspend trading in a stock for 10 days and generally prohibit a broker-dealer from soliciting investors to buy or sell the stock again until certain reporting requirements have been met.

The SEC order can be [viewed here](#).



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