

Who Will Stop Aegis as it Continues to Harm Investors?

by [Craig McCann](#) and [Mike Yan](#)

Introduction

Aegis is one of the highest risk brokerage firms in the country and is using its retail customer accounts to stuff the worst underwritings in the country. Sadly, unless some authority stops Aegis, an update later in the year will show further investor wreckage as a result of Aegis's disregard for its most basic duties.

In March 2024, we documented that Aegis was systematically underwriting spectacularly failing nano-cap stocks in a previous post. We concluded that investors, including many Aegis' retail customers, suffered \$3.0 billion to \$5 billion in losses in recent years as a result of Aegis' conduct.

You can read that post, "Aegis Capital is Farm-to-Table Securities Fraud Purveyor, Harming Investors at Least \$5 Billion!" LinkedIn [here](#) or on our website [here](#).

In the three months since we published our research into Aegis underwritings, Aegis has continued - unabated - to harm investors through its underwriting activities. In this post, we briefly summarize our prior findings and demonstrate the ongoing investor harm being perpetrated by Aegis.

Prior Findings

Table 1 from our prior post partially captured investors' experience with Aegis underwritings, although it misses the bid-ask spreads and markup and markdowns which were substantial.

Table 1 Aegis Underwritten Offerings by Year, 2010-2024

Year	#	Issued Amount	Selling Concessions		Average Aegis Offering Returns Relative to Stock			
					Aegis Offering Returns		S&P 500	MicroCap
					First 12 Months	To February 28, 2024		
2011	1	\$3,337,000	\$266,960	8.0%	-60.6%	-99.8%	-499.4%	-213.6%
2012	17	\$119,516,923	\$9,304,750	7.8%	1.1%	-66.5%	-404.1%	-180.3%
2013	8	\$95,797,825	\$6,939,785	7.2%	-24.5%	-86.9%	-324.6%	-142.3%
2014	14	\$143,468,046	\$11,191,338	7.8%	-15.4%	-20.1%	-185.5%	-55.5%
2015	8	\$46,969,484	\$3,482,213	7.4%	-65.7%	-80.4%	-248.2%	-120.3%
2016	7	\$39,825,001	\$2,988,070	7.5%	-59.6%	-92.8%	-255.2%	-128.6%
2017	15	\$100,438,438	\$7,005,360	7.0%	-34.4%	-83.1%	-212.1%	-100.8%
2018	1	\$1,650,000	\$115,500	7.0%	-83.1%	-99.2%	-193.9%	-95.7%
2019	9	\$45,480,919	\$3,535,282	7.8%	-35.7%	-80.4%	-164.3%	-90.1%
2020	20	\$128,818,886	\$10,420,061	8.1%	54.7%	-77.9%	-140.7%	-84.6%
2021	33	\$766,574,361	\$58,982,486	7.7%	-79.9%	-91.6%	-114.2%	-63.0%
2022	22	\$252,557,544	\$20,441,173	8.1%	-67.0%	-51.6%	-75.2%	-47.0%
2023	29	\$142,599,052	\$11,451,328	8.0%	-47.9%	-70.9%	-89.9%	-78.9%
2024	2	\$9,400,000	\$706,000	7.5%	n/a	-43.0%	-48.2%	-48.3%
Total	186	\$1,896,433,478	\$146,830,308	7.7%	-49.5%	-75.4%	-156.4%	-80.0%
					-\$938,714,091	-\$1,429,287,802	-\$2,965,269,440	-\$1,517,676,394

We also concluded that in at least three instances Aegis marked the close or looked the other way while others marked the close to facilitate an underwriting. We described one of these examples, Meten. Figure 1, excerpted from our earlier post, shows the dramatic, unexplained (we think the explanation is obvious) one-day spike in Meten's stock price which facilitated Aegis's underwriting.

Figure 1 Meten / BTCT Closing Price Preceding September 1, 2021 Underwriting



In a follow-up, we described facts leading us to conclude that someone marked the close in SeaChange International to facilitate that Aegis underwriting. We also illustrated how an issuer and underwriter might game the dilution disclosure when the issuer is burning through resources at a rapid pace, as was true of virtually all the Aegis underwritten issuers we reviewed. You can read that post, "Another Example of Apparent Marking-the-Close" on LinkedIn here or on our website here.

SeaChange’s closing stock price declined 72.3% from \$3.72 on March 31, 2020 to \$1.03 on March 26, 2021, before spiking to close at \$2.08 on March 29, 2021 and then continuing its decline to \$0.08 on a split-adjusted basis on February 28, 2024. See Figure 2, excerpted from our SeaChange post.

Figure 2 SeaChange Daily Closing Price, March 31, 2020 to March 18, 2024



The fleeting spike in SeaChange’s closing price to \$2.08 the day before the offering occurred with no material news but on extraordinary volume. Trading in SeaChange on March 29, 2021 drove the price up throughout the day to close at \$2.08. The issuer and the underwriter benefited from this activity as it allowed the issue size to be larger. If SeaChange had closed above \$2.40, the issue size would not have been limited at all but the effort to push the closing price higher appears to have run out of juice.

The trading volume on March 29, 2021 was 440 times the trading volume on March 26, 2021 and 12 times the float. In fact, the average trading volume per minute on March 29, 2021 was roughly equal to the trading volume for the entire day on March 26, 2021. See Figure 3, excerpted from our SeaChange post.

Figure 3 SeaChange Intraday Price and Volume, March 26 and March 29, 2021



Aegis Keeps on Harming Investors in 2024

At the time we first posted about Aegis's underwritings, Aegis had underwritten two offerings in 2024. Between mid-February and the end of May 2024, Aegis underwrote 9 offerings totaling \$95 million for 8 issuers listed in Table 2.

Table 2 Aegis's Underwritings February 1, 2024 - May 31, 2024

Company Name	Ticker	Date	Size	Price
Sunshine Biopharma	SBFM	2/13/2024	\$9,955,000	\$0.14
BYND Cannasoft Enterprises	BCAN	3/12/2024	\$7,000,000	\$0.06
C3is	CISS	3/15/2024	\$6,000,000	\$0.05
Applied UV	AUVIQ	3/27/2024	\$2,762,881	\$1.60
Flora Growth Corp.	FLGC	4/4/2024	\$3,230,000	\$1.90
Serve Robotics /DE/	SERV	4/17/2024	\$40,000,000	\$4.00
Cyngn	CYN	4/23/2024	\$4,999,685	\$0.10
Flora Growth Corp.	FLGC	4/26/2024	\$3,794,000	Market
Cemtrex	CETX	5/3/2024	\$10,000,000	\$0.85

As is typical of the other issuers Aegis underwrites, these 8 issuers were small failing firms in which no uninformed retail investors should invest. Of course, the issuers' laughable condition - if what Aegis is doing to investors was only funny - was well known to Aegis as the underwriter in these offerings. But it's even worse; 6 of the 8 issuers were companies whose securities Aegis had previously underwritten with disastrous results for Aegis's investors. See Table 3.

Table 3 Aegis's Recent Underwritings with Companions

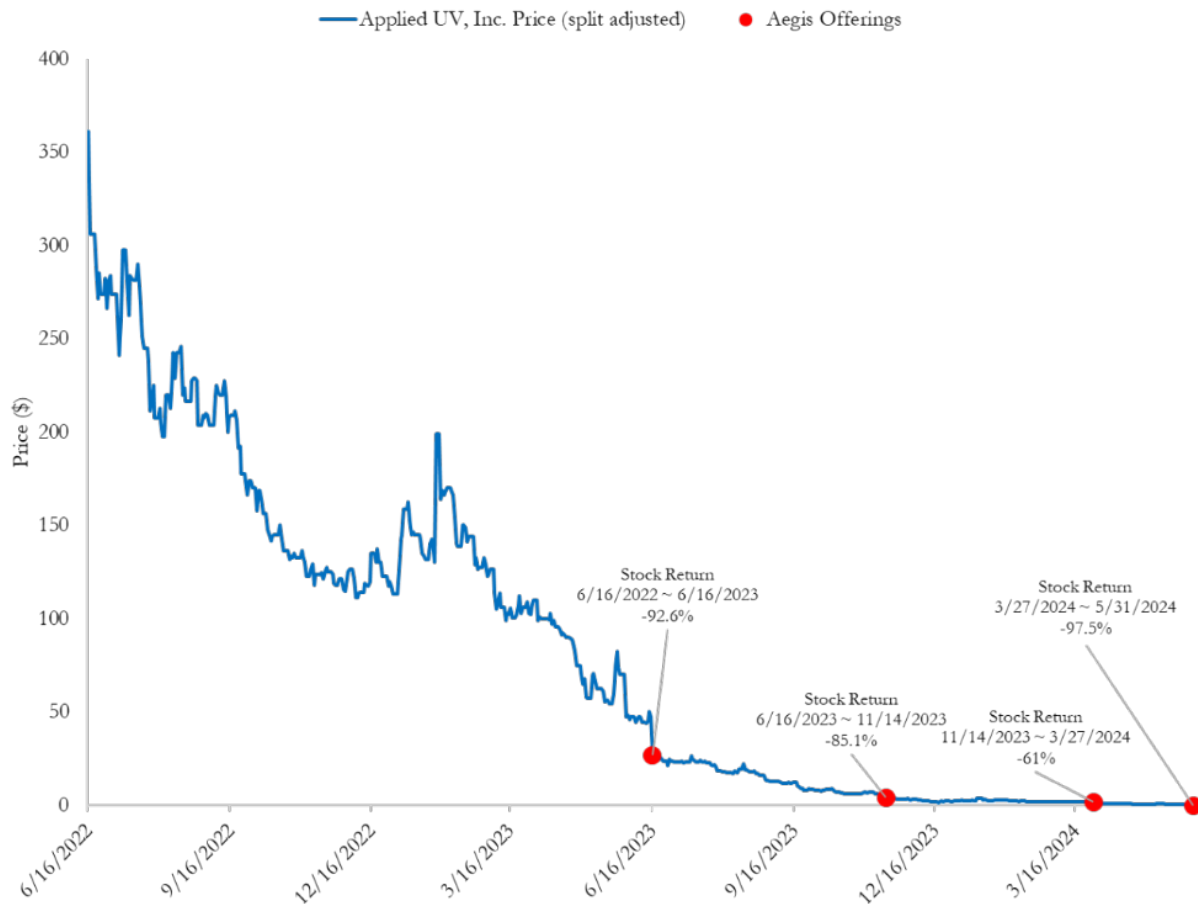
Company Name	Ticker	Date	Size	Price
Applied UV	AUVIQ	6/16/2023	\$4,999,730	\$1.00
Applied UV	AUVIQ	11/14/2023	\$6,399,596	\$0.15
Applied UV	AUVIQ	3/27/2024	\$2,762,881	\$1.60
BYND Cannasoft Enterprises	BCAN	7/19/2023	\$2,600,001	\$1.50
BYND Cannasoft Enterprises	BCAN	12/19/2023	\$1,500,000	\$0.52
BYND Cannasoft Enterprises	BCAN	3/12/2024	\$7,000,000	\$0.06
C3is	CISS	1/19/2024	\$7,000,000	\$0.25
C3is	CISS	3/15/2024	\$6,000,000	\$0.05
Cemtrex	CETX	8/22/2018	\$1,650,000	\$1.65
Cemtrex	CETX	5/3/2024	\$10,000,000	\$0.85
Cyngn	CYN	10/19/2021	\$26,250,000	\$7.50
Cyngn	CYN	12/7/2023	\$4,999,781	\$0.15
Cyngn	CYN	4/23/2024	\$4,999,685	\$0.10
Flora Growth Corp.	FLGC	4/4/2024	\$3,230,000	\$1.90
Flora Growth Corp.	FLGC	4/26/2024	\$3,794,000	Market
Serve Robotics /DE/	SERV	4/17/2024	\$40,000,000	\$4.00
Sunshine Biopharma	SBFM	2/15/2022	\$8,000,000	\$4.25
Sunshine Biopharma	SBFM	2/13/2024	\$9,955,000	\$0.14

Applied UV

Aegis underwrote a \$2,762,881 offering for Applied UV on March 27, 2024 after underwriting 2 previous Applied UV offerings totaling \$11.4 million in the past 12 months. The three 424bs can be located [here](#), [here](#) and [here](#).

- Applied UV's stock price had declined 92.6% over the one year prior to the first Aegis underwriting.
- Applied UV's stock price dropped another 85.1% over the five months between Aegis' first and second underwritings and a further 61% between Aegis's second and third underwritings.
- In the two months between the last Applied UV underwriting and May 31, 2024, the stock price dropped 97.5%.
- Cumulatively in the past two years Applied UV's stock price has dropped 99.99% while Aegis was underwriting its securities offerings.

Figure 4 Aegis's Applied UV Securities Offerings

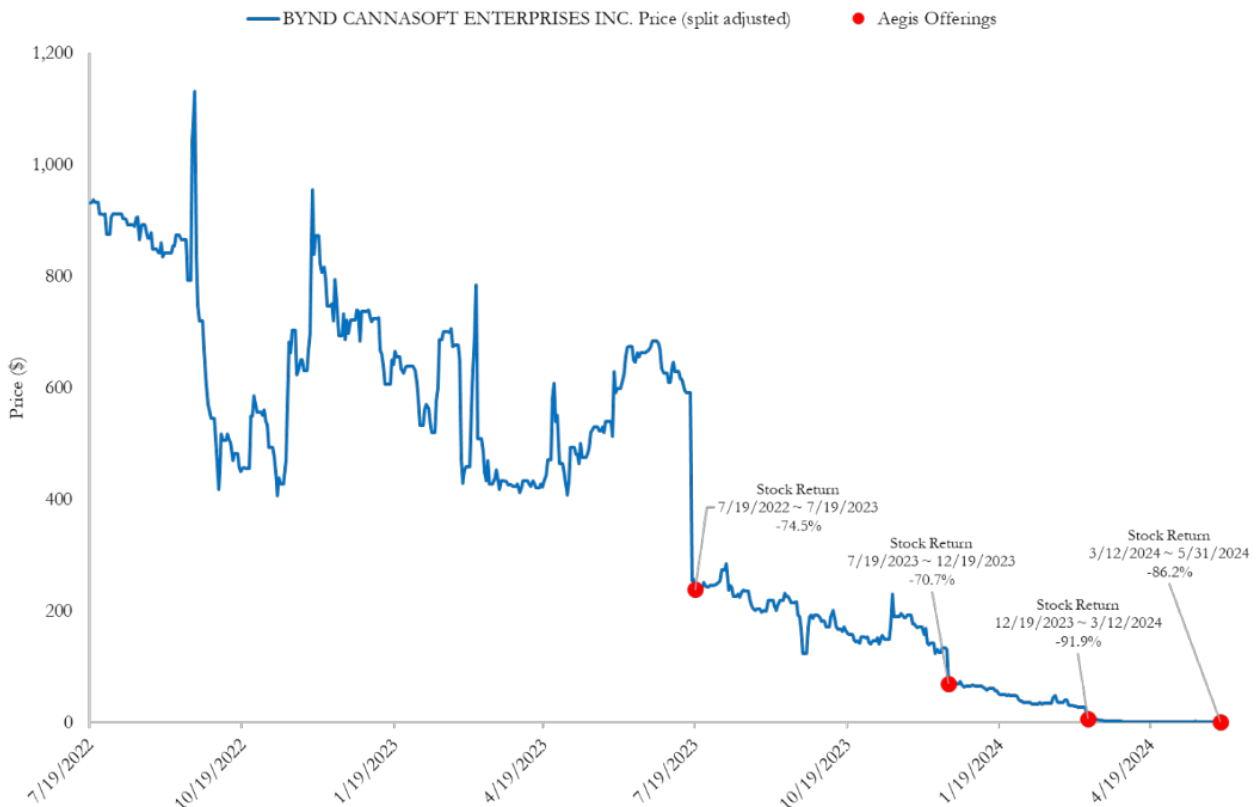


BYND Cannasoft Enterprises

Aegis underwrote a \$7,000,000 offering for BYND Cannasoft on March 12, 2024 after underwriting 2 previous BYND Cannasoft offerings totaling \$4.1 million in the previous 9 months. The three 424bs can be located [here](#), [here](#) and [here](#).

- BYND Cannasoft's stock price had declined 74.5% over the one year prior to the first Aegis underwriting.
- BYND Cannasoft's stock price dropped another 70.7% over the five months between Aegis' first and second underwritings.
- BYND Cannasoft's stock price dropped a further 91.9% between Aegis's second and third underwritings.
- In the two and a half months between the last BYND Cannasoft underwriting and May 31, 2024, the stock price dropped another 86.2%.
- Cumulatively in the past two years BYND Cannasoft's stock price has dropped 99.92% - from \$931 to \$0.77 - while Aegis was underwriting its securities offerings.

Figure 5 Aegis's BYND Cannasoft Securities Offerings

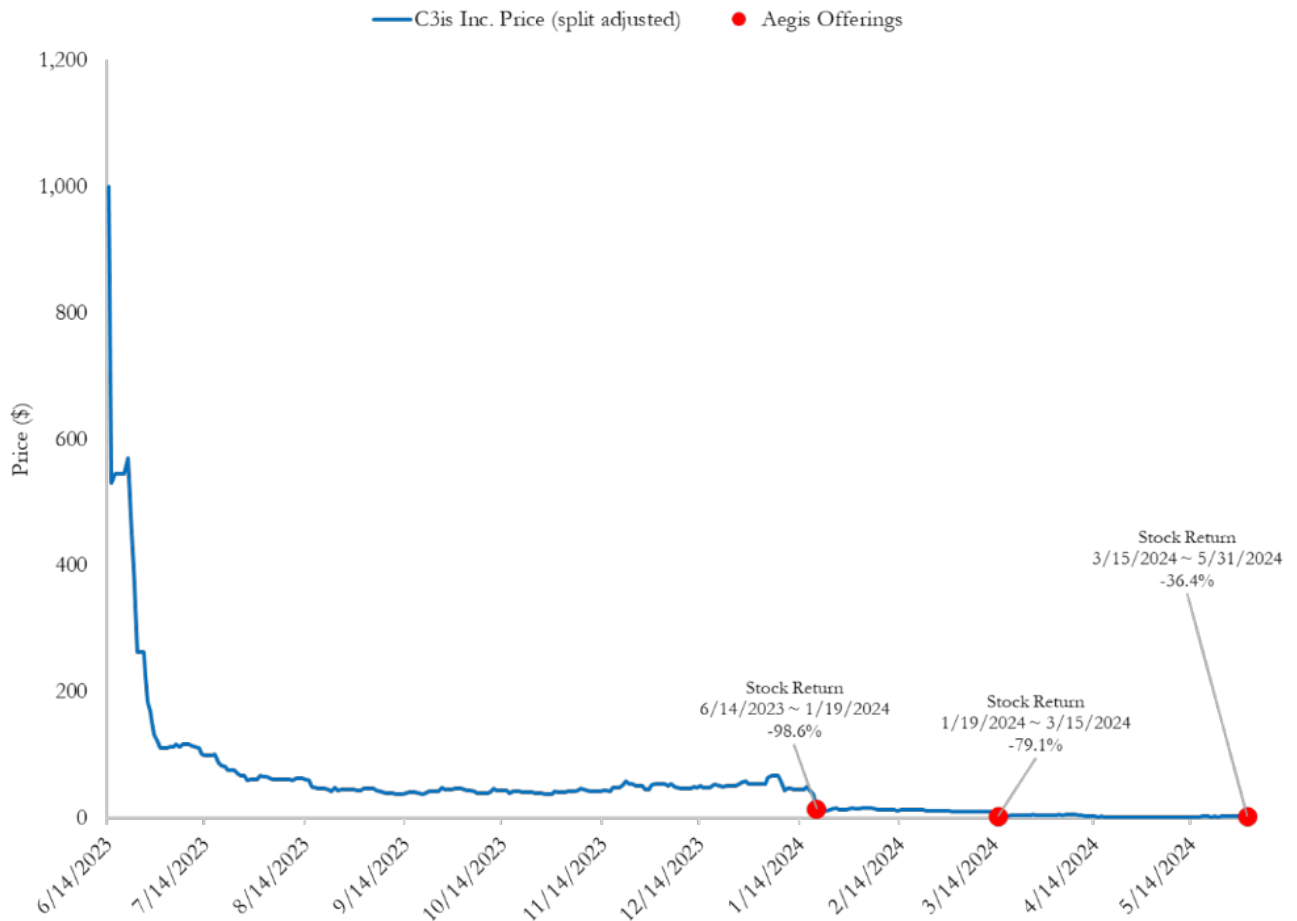


C3is

Aegis underwrote a \$6,000,000 offering for C3is on March 15, 2024 after underwriting a previous \$7,000,000 C3is offering 2 months earlier. The two 424bs can be located [here](#) and [here](#).

- C3is's stock price had declined 98.6% over the 7 months prior to the first Aegis underwriting in January 2024.
- C3is's stock price dropped another 79.1% over the two months between Aegis' first and second underwritings.
- In the two and a half months between the last C3is underwriting and May 31, 2024, the stock price dropped 36.4%.
- Cumulatively, in just one year, C3is's stock price has dropped 99.92% - from \$1,000 to \$1.80 - while Aegis was underwriting its securities offerings.

Figure 6 Aegis's C3is Securities Offerings

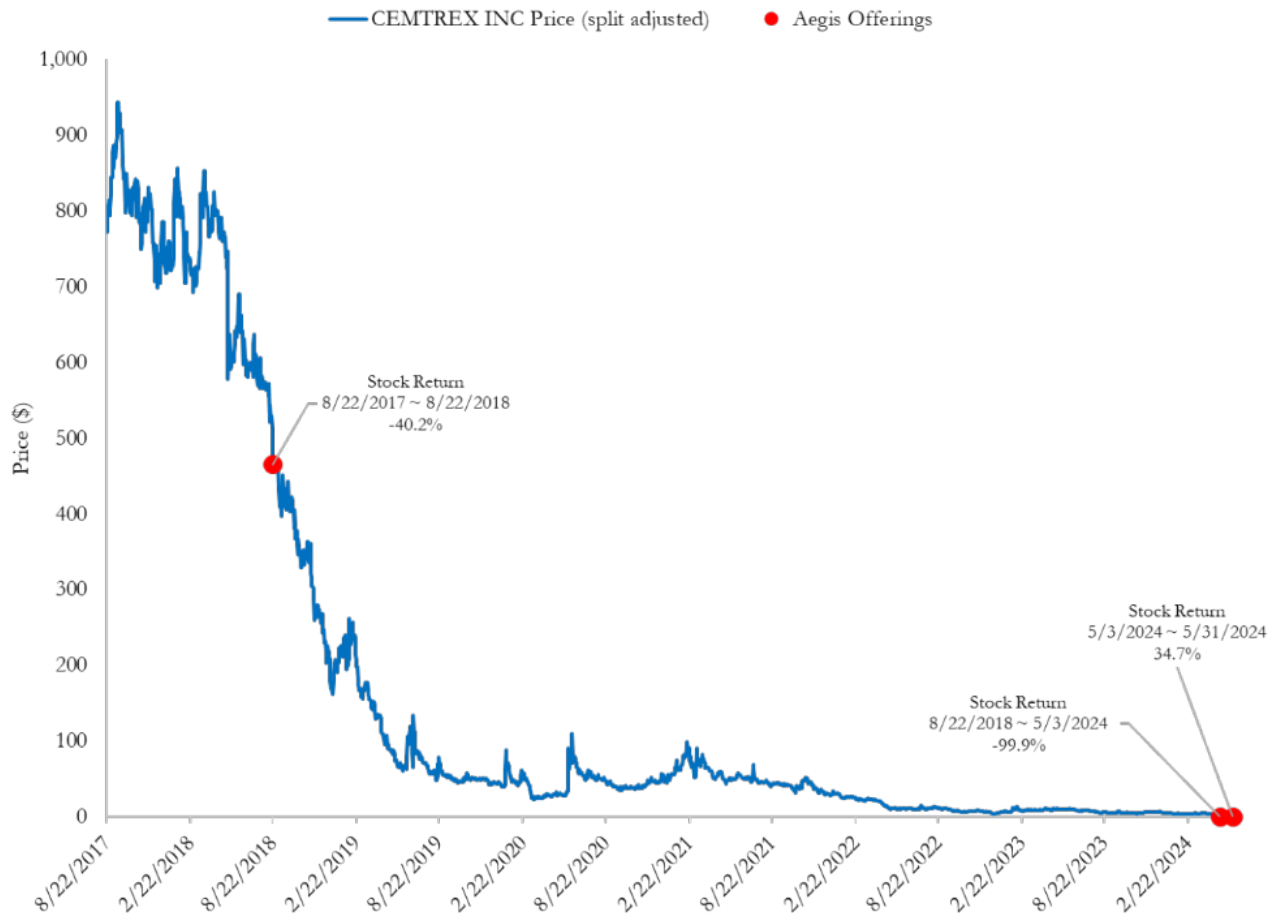


Centrex

Aegis underwrote a \$10,000,000 offering for Centrex on March 15, 2024 after underwriting a \$1,650,000 Centrex offering in 2018. The two 424bs can be located [here](#) and [here](#).

- Centrex's stock price had declined 40.2% over the 12 months prior to the first Aegis underwriting in August 2018.
- Centrex's stock price dropped another 99.9% over the nearly six years between Aegis' first and second Centrex underwritings.
- In four weeks between the last Centrex underwriting and May 31, 2024, the stock price increased 34.7 but has since dropped below the May 3, 2024 issue date price.
- Cumulatively, Centrex's stock price has dropped 99.7% while Aegis was underwriting its securities offerings.

Figure 7 Aegis's Centrex Securities Offerings

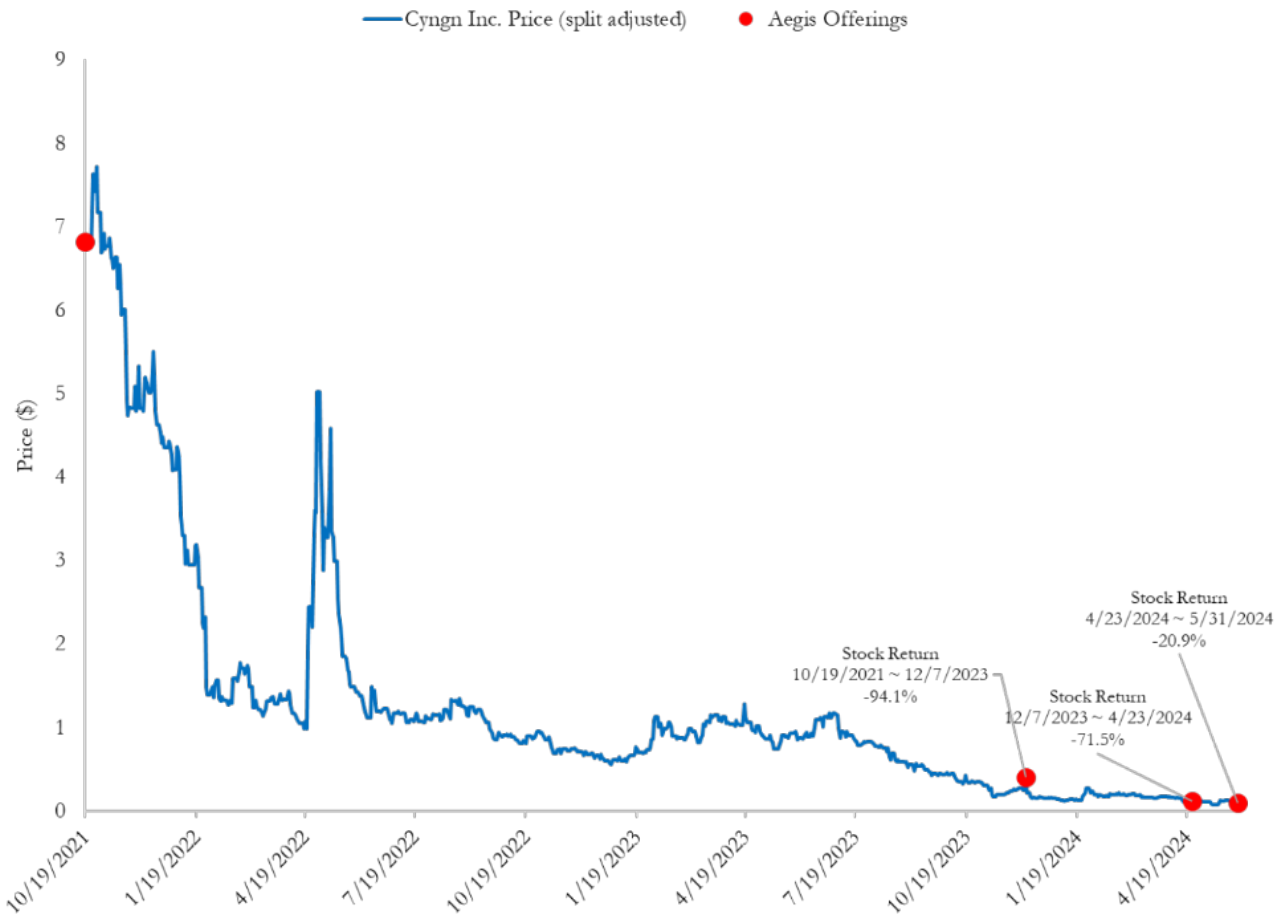


Cyngn

Aegis underwrote a \$4,999,999 offering for Cyngn on March 12, 2024 after underwriting 2 previous Cyngn offerings totaling \$31,250,000 in the previous 2 years. The three 424bs can be located [here](#), [here](#) and [here](#).

- Aegis underwrote Cyngn's initial public offering on October 19, 2021.
- The stock declined 94.1% over the next two years immediately preceding Aegis's second Cyngn underwriting.
- Cyngn's stock price dropped another 71.5% over the five months between Aegis' second and third underwritings.
- In the five weeks months between the last Cyngn underwriting and May 31, 2024, the stock price dropped another 20.9%.
- Cumulatively, in the past two years and eight months, Cyngn 's stock price has dropped 98.7% while Aegis was underwriting its securities offerings.

Figure 8 Aegis's Cyngn Securities Offerings

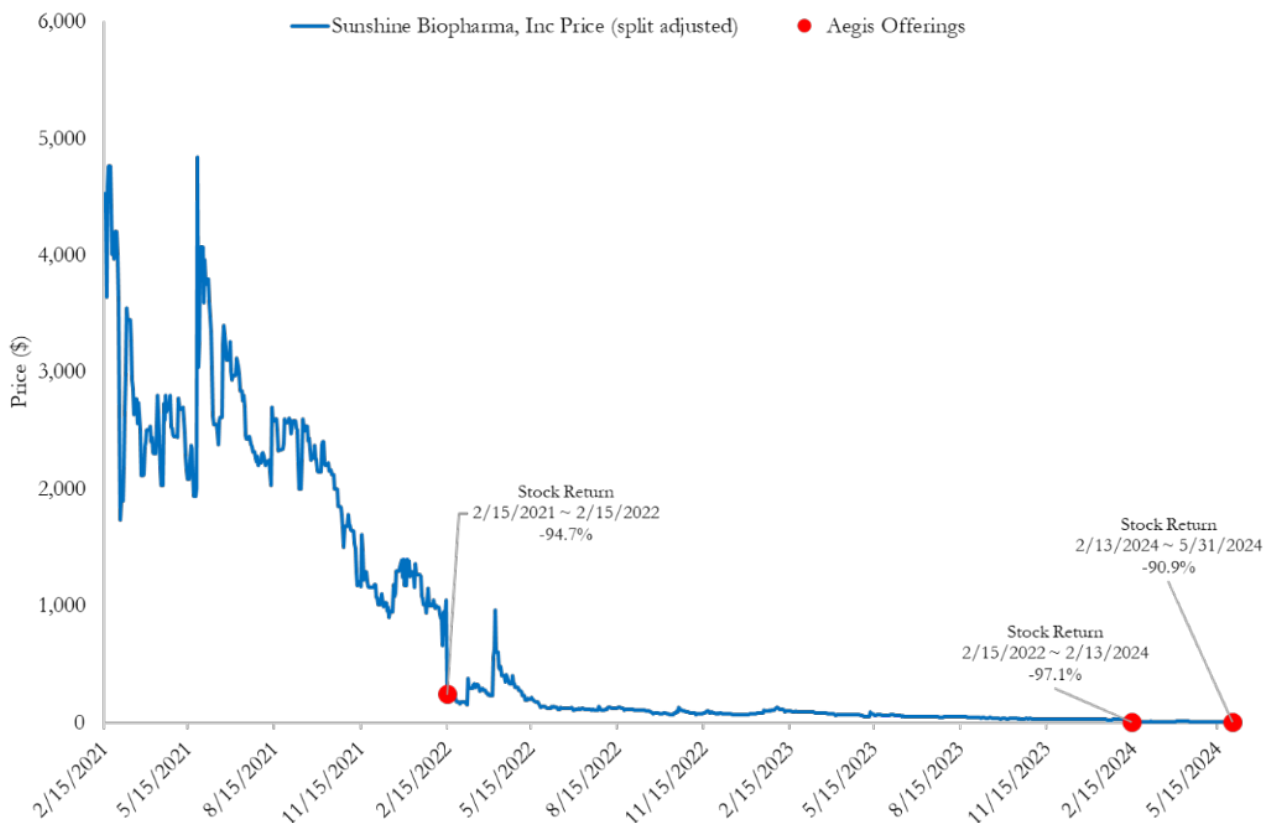


Sunshine Biopharma

Aegis underwrote a \$9,955,000 offering for Sunshine Biopharma on February 13, 2024 after underwriting a previous \$8,000,000 Sunshine Biopharma offering 2 years ago. The two 424bs can be located [here](#) and [here](#).

- Sunshine Biopharma's stock price had declined 94.7% over the one year prior to the first Aegis underwriting.
- Sunshine Biopharma's stock price dropped another 97.1% over the two years between Aegis' first and second underwritings.
- Sunshine Biopharma's stock price dropped a further 90.9% in the three and a half months between the last Sunshine Biopharma underwriting and May 31, 2024.
- Cumulatively in the past two years Sunshine Biopharma's stock price has dropped 99.99% while Aegis was underwriting its securities offerings.

Figure 9 Aegis's Sunshine Biopharma Securities Offerings



The six Aegis underwritten issuers discussed above were all issuers Aegis had underwritten prior to February 2024 and have underwritten follow-on offerings since. For completeness, we next discuss two issuers Aegis underwrote for the first time in the past few months.

Flora Growth

Aegis underwrote two Flora Growth offerings since our March 2024 post totaling \$7,014,000. The two 424bs can be located [here](#) and [here](#).

- Flora Growth's stock price had dropped 56.9% in the year prior to Aegis's first underwriting.
- Flora Growth's stock price dropped another 38.2% in the three weeks between Aegis' first and second Flora Growth underwritings.
- Flora Growth's stock price dropped a further 15.4% in the month between the last Sunshine Biopharma underwriting and May 31, 2024.
- Cumulatively in the past two years Flora Growth's stock price has dropped 77.5% while Aegis was underwriting its securities offerings.

Figure 10 Aegis's Flora Growth Securities Offerings

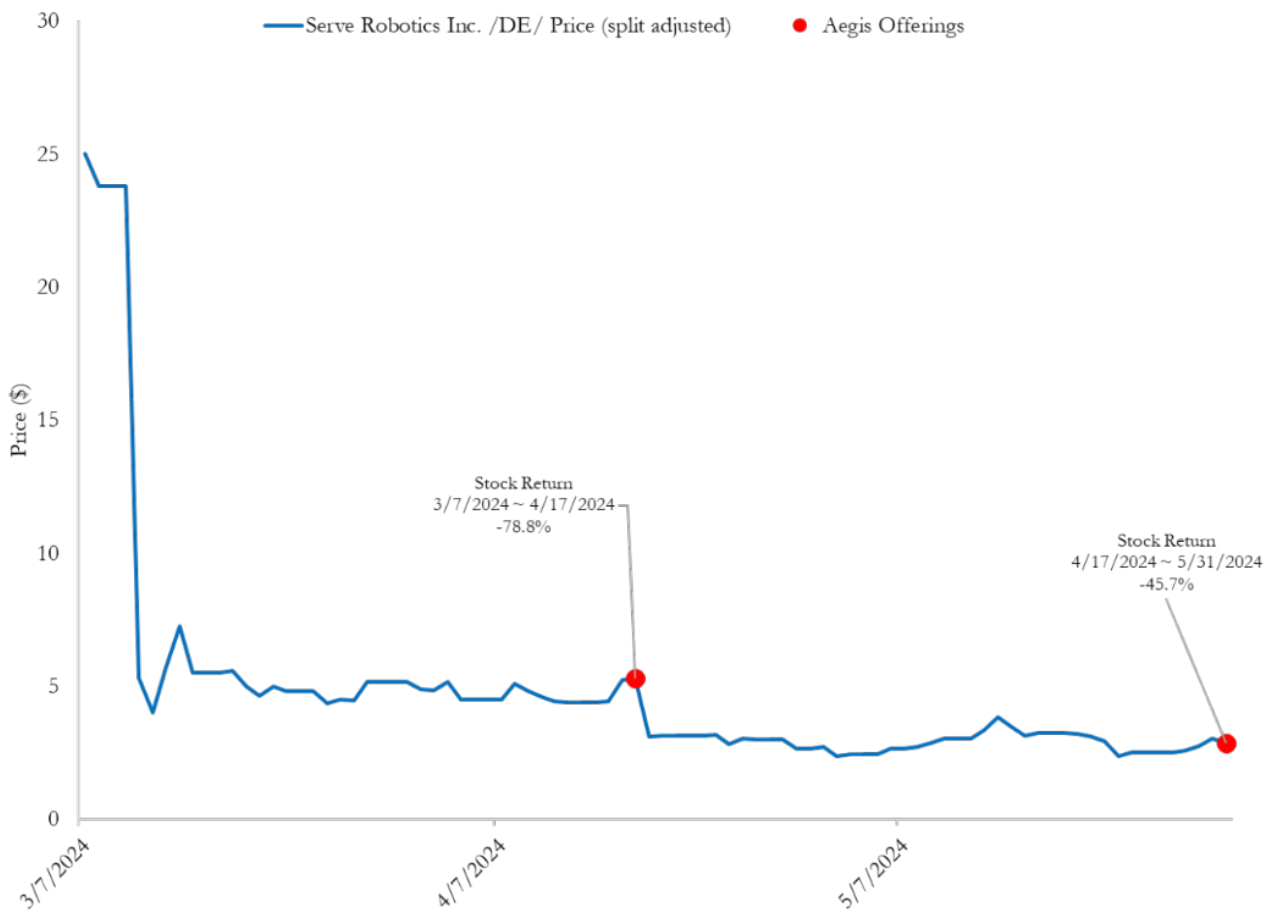


Serve Robotics

Aegis underwrote a \$40,000,000 offering for Serve Robotics on April 17, 2024. The 424b can be located [here](#).

- Serve Robotics's stock price had declined 78.8% over the six weeks prior to the first Aegis underwriting.
- Serve Robotic's stock price dropped a further 45.7% in the six weeks between the Aegis underwriting and May 31, 2024.
- Cumulatively in the past three months Serve Robotic's stock price has dropped 88.5% while Aegis was underwriting its securities offering.

Figure 11 Aegis's Serve Robotics Securities Offerings



Conclusion

In March 2024 we published our research documenting how Aegis has caused between \$3 billion and \$5 billion in investor harm as a result of underwriting systematically failing nano-cap stocks. This update can be thought of as an "out of sample test" of whether Aegis truly is specialized in selling the worst securities in the market in exchange for hefty compensation and without regard to the harm it is causing to investors. This out-of-sample test confirms that Aegis continues its abusive business practices.

The eight issuers Aegis underwrote since early February have **all** produced disastrous results for investors.

The average cumulative returns from the first Aegis underwriting to May 31, 2024 for these 8 issuers is **-87.74%**. Excluding the two first time Aegis underwritten issuers, the average cumulative returns from the first Aegis underwriting to May 31, 2024 is **-97.42%**.

The average cumulative returns from one year prior to the first Aegis underwriting to May 31, 2024 for these 8 issuers is **-95.53%**. Excluding the two first time Aegis underwritten issuers, the average cumulative returns from one year prior to the first Aegis underwriting to May 31, 2024 is **-99.72%**.

Issuer	Cumulative Return to 5/31/2024	
	Since First Aegis Offering	From 1 Year Before First Aegis Offering
Applied UV	-99.85%	-99.99%
BYND Cannasoft Enterprises	-99.67%	-99.92%
C3is	-86.69%	-99.82%
Cemtrex	-99.92%	-99.95%
Cyngn	-98.68%	-98.68%
Sunshine Biopharma	-99.74%	-99.99%
Flora Growth	-47.73%	-77.45%
Serve Robotics	-45.66%	-88.48%
Average	-84.74%	-95.53%

Aegis is one of the highest risk brokerage firms in the country and is using its retail customer accounts to stuff the worst underwritings in the country. Sadly, unless some authority stops Aegis, an update later in the year will show further investor wreckage as a result of Aegis's disregard for its most basic duties.

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