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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:
THE COMMISSIONER OF BUSINESS
OVERSIGHT,
Complainant,
v.
TERRANCE T. HOLLIDAY, an individual, and
HOLIDAY RX, INC., a California corporation,
Respondents.

FINAL ORDER LEVYING
ADMINISTRATIVE PENALTIES PURSUANT
TO CORPORATIONS CODE SECTION 25252

The Commissioner of Business Oversight ("Commissioner"), finds that:

I.

Statement of Facts

1. At all relevant times herein, Holiday Rx., Inc. ("Holiday Rx") was a California corporation with its primary place of business at 4141 Via Marina #819, Marina Del Rey, CA 90292.

1 2. At all relevant times herein, Terrance T. Holliday (“T. Holliday”) was the Agent for
2 Service of Process and the control person of Holiday Rx.

3 3. Whenever reference is made in this Statement in Support to “Respondents” doing any
4 act, the allegation shall mean the act of each respondent acting individually, jointly and severally.

5 4. In 2010, Respondents offered and sold securities in the State of California, in the form
6 of shares of stock. Respondents represented to investors that T. Holliday was the owner of Holiday
7 Rx and that Holiday Rx owned and operated a chain of successful pharmacies.

8 5. Respondents offered and sold these securities to at least two (2) investors (referred to
9 herein as “S.R.” and “B.M.”) residing in California, raising at least \$100,000.00 in the following
10 amounts:

11 a) Investor S.R. - \$50,000.00, invested on August 26, 2010;

12 b) Investor B.M. - \$50,000.00, invested on December 5, 2010.

13 6. In connection with the offer and sale of these securities, Respondents made, or caused
14 to be made, misrepresentations of material fact or omitted to state material facts necessary in order to
15 make the statements made, in the light of the circumstances under which they were made, not
16 misleading. These misrepresentations and omissions were the following:

17 a) Respondents misrepresented to investors S.R. and B.M. that they would receive a 5%
18 interest return every quarter, when in fact Respondents paid none of the promised interest payments
19 and the entirety of the investors’ principal funds remain unpaid to the present.

20 b) Respondents failed to disclose that T. Holliday was diverting funds in the Holiday Rx
21 business bank accounts to pay for personal expenses and luxury items, rental payments for his
22 personal residence, and frequent cash withdrawals.

23 c) Respondents failed to disclose the May 10, 2010, adverse civil judgment for
24 \$201,369.62 against Respondents following trial in the State of Texas, in the lawsuit entitled *Sealy*
25 *Commerce Park, LP v. Terrance Holliday, et al.*, Case No. 2008-72798.

26 d) With respect to investor B.M., Respondents failed to disclose that, on November 10,
27 2010, former Holiday Rx board member, Lance Takao, filed a civil suit in the Superior Court for Los
28 Angeles County against Respondents, demanding an inspection of the accounting books of Holiday

1 Rx and alleging that T. Holliday had abused his corporate powers by diverting company funds for
2 personal expenses.

3 7. Corporations Code section 25401 prohibits the offer and/or sale of securities in this
4 state by means of written or oral communications that include untrue statements of material fact or
5 omits material facts necessary in order to make the statements made, in the light of the circumstances
6 under which they were made, not misleading.

7 **II.**

8 **Final Order Levying Administrative Penalties**

9 **(For violations of Corporations Code section 25401)**

10 8. On or about February __, 2016, the Commissioner served Respondents with the
11 Notice of Intention to Issue Order Levying Administrative Penalties Pursuant to Corporations Code
12 section 25252, Statement in Support, and accompanying documents.

13 9. The Commissioner has not received a request for hearing and the statutory time period
14 to request a hearing has expired.

15 **NOW, GOOD CAUSE APPEARING, IT IS HEREBY ORDERED THAT:**

16 Administrative penalties totaling \$3,500.00 are levied against Respondents, Holiday Rx, Inc.,
17 and Terrance T. Holliday, individually and jointly and severally, as follows:

18 a) First violation: \$1,000.00 for the first transaction in which Respondents
19 offered and sold securities in violation of Corporations Code section 25401 as described in
20 paragraph 5(a);

21 b) Second violation: \$2,500.00 for the second transaction in which Respondents
22 offered and sold securities in violation of Corporations Code section 25401 as described in
23 paragraph 5(b).

24 The administrative penalties levied in the amount of \$3,500.00 shall be due and payable to
25 the Department of Business Oversight within 30 days of service of this Final Order and sent to the
26 attention of: Robert Lux, Senior Counsel, Department of Business Oversight; 1350 Front Street,
27 #2034; San Diego, California 92101.

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1 This Final Order Levying Administrative Penalties is the final decision of the Commissioner
2 pursuant to Corporations Code section 25252.

3 Dated: January 26, 2016
4 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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6 By _____
7 MARY ANN SMITH
8 Deputy Commissioner
9 Enforcement Division
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