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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.

STATEMENT IN SUPPORT OF ORDER  
LEVYING ADMINISTRATIVE PENALTIES  
PURSUANT TO CORPORATIONS CODE  
SECTION 25252

Jan Lynn Owen, the Commissioner of Business Oversight ("Commissioner"), brings this action in the public interest and alleges and charges as follows:

**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 in Holiday Rx. Respondents represented to investors that T. Holliday was the  
7 owner of Holiday 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 against  
24 Respondents for \$201,369.62 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, a former Holiday Rx board member, Lance Takao, filed a civil suit in the Superior Court for  
28 Los Angeles County against Respondents, demanding an inspection of the accounting books of

1 Holiday Rx and alleging that T. Holliday had abused his corporate powers by diverting company  
2 funds for 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 omit to state material facts necessary in order to make the statements made, in the light of the  
6 circumstances under which they were made, not misleading.

7 **II.**

8 **Order Levying Administrative Penalties**

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

10 8. The Commissioner re-alleges and reincorporates by reference paragraphs 1-7 of this  
11 Statement in Support as though fully set forth herein.

12 9. Corporations Code section 25252 authorizes the Commissioner to issue an order  
13 levying administrative penalties against any person for willful violations of any provision of the  
14 Corporate Securities Law of 1968 (“CSL”) and any rules promulgated thereunder. Specifically,  
15 Corporations Code section 25252 provides, in relevant part:

16  
17 The commissioner may, after appropriate notice and opportunity for hearing,  
18 by orders, levy administrative penalties as follows:

19 (a) Any person subject to this division, other than a broker-dealer or  
20 investment adviser, who willfully violates any provision of this division, or  
21 who willfully violates any rule or order adopted or issued pursuant to this  
22 division, is liable for administrative penalties of not more than one thousand  
23 dollars (\$1,000) for the first violation, and not more than two thousand five  
24 hundred dollars (\$2,500) for each subsequent violation.

25 10. Based on the foregoing findings of fact, as set forth fully above in paragraphs 1-7,  
26 Respondents willfully violated Corporations Code section 25401 by making untrue statements or  
27 omissions in association with the offer and sale of Holiday Rx common stock in California and  
28 elsewhere, to at least 2 investors.

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**WHEREFORE**, good cause showing, and pursuant to Corporations Code section 25252, the Commissioner prays for an order levying administrative penalties against Respondents Holiday Rx, Inc. and Terrance T. Holliday jointly and severally, as follows:

That pursuant to Corporations Code section 25252, the Commissioner levying administrative penalties of one thousand dollars (\$1,000.00) for the first violation of Corporations Code section 25401 and two-thousand, five-hundred dollars (\$2,500.00) for the subsequent violation, as listed below:

- a) First violation: \$1,000.00 for the violation as described in paragraph 5(a);
- b) Second violation: \$2,500.00 for the violation as described in paragraph 5(b).

The total amount of administrative penalties for Respondents' violations of Corporations Code section 25401 is \$3,500.00.

Dated: January 26, 2016  
San Diego, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
ROBERT R. LUX  
Senior Counsel  
Enforcement Division