

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



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### State Securities Board

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KENNETH W. ANDERSON, JR.  
MEMBER

SSB Docket No. 01-05

IN THE MATTER OF THE DENIAL OF  
THE AGENT REGISTRATION OF  
MARCUS LENNOX HOLLIMAN

§  
§ Order No. DOR-1418  
§

TO: Marcus Lennox Holliman  
821 North Creek Drive  
Laredo, TX 78041

#### DENIAL OF INVESTMENT ADVISER REGISTRATION BY CONSENT

Be it remembered that Marcus Lennox Holliman ("Respondent Holliman") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner"), and consented to the entry of this Order without admitting or denying the Findings of Facts and Conclusions of Law contained herein, except the first and second Findings of Fact which are admitted.

#### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to appear and present evidence in this matter; (b) Respondent's right to appeal this Order; and (c) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2000) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2000) ("Administrative Procedure Act").
2. Respondent has filed an application for registration as a sole proprietor investment adviser with the Securities Commissioner on or about July 7, 1999.
3. In connection with this application for registration as an investment adviser, Respondent submitted the Form ADV and Form U-4 with attachments containing information regarding his prior business background, educational background and qualifications.

4. In connection with its review of his application, the Staff of the State Securities Board requested additional information and correction of incomplete information on the Respondent's filings with the Securities Commissioner.
5. The Staff obtained an academic certificate from the University of Southern Mississippi which indicates that Respondent attended the university from "Spring 1992 1/13/92 5/8/92 FT, Fall 1992 8/24/92 12/18/92 Withdrawn 11/02/92".
6. On or about May 1, 1998, The Texas Attorney General filed suit in Bexar County Texas against Wade B. Cook and Wade Cook Seminars, Inc. for violation of the Texas Deceptive Trade Practices-Consumer Protection Act.
7. Respondent submitted a resume to the Securities Commissioner as part of his application filing on July 2, 1999 that indicated that the Respondent completed four years of collegiate studies for a degree in Business Administration. The foregoing document contained false and misleading information and is grounds for denial of registration pursuant to Section 14.A(6) and (7) of the Texas Securities Act.
8. Respondent's Schedule F of Form ADV filed with the State Securities Board on July 2, 1999 indicated that the Respondent attended the University of Southern Mississippi for 3.9 years toward a Degree in Business Administration. The foregoing information relating to Respondent's educational background is false and misleading and is grounds for denial of registration pursuant to Section 14.A(6) and (7) of the Texas Securities Act.
9. Respondent is on the Board of Directors and holds the position of Director of Trading Operations with Nova Derivatives, an unregistered company that provides equity investment solutions through strategic option positions, trading, consultation, and customized entity structuring.
10. Nova Derivatives had a company website at [www.novaderivatives.com](http://www.novaderivatives.com). Respondent testified during a Section 28 Hearing that he had access to and read the information on the web site. In the Respondent's biographical sketch on the website, it was stated that Respondent is a registered investment adviser, as well as a licensed stockbroker. Respondent was further portrayed as having received his degree in Business Administration from the University of Southern Mississippi. The foregoing information relating to Respondent's registration and educational background is false and misleading. Respondent's use of false and misleading information on this web site is grounds for denial of registration pursuant to Section 14.A(3) of the Texas Securities Act.
11. Respondent was present and voluntarily gave sworn testimony in a Section 28 investigative hearing on October 5, 2000 at the Texas State Securities Board, 208 E. 10th Street, 5th Floor, Austin, Texas 78701.
12. Respondent testified in the Section 28 hearing under oath that he did not receive a degree from the University of Southern Mississippi but that he did attend the

University of Southern Mississippi for three (3) years. The foregoing testimony relating to Respondent's educational background is false and misleading and is grounds for denial of registration pursuant to Section 14.A(6) and (7) of the Texas Securities Act.

13. Pursuant to his testimony in his Section 28 hearing, Respondent was employed by Wade Cook as an instructor giving investment seminars throughout the country. Respondent's Form U-4 filed with the Securities Commissioner in connection with his application for registration as an investment adviser fails to disclose that employment. Respondent's failure to disclose this employment on Form U-4 is grounds for denial of registration pursuant to Section 14.A(6) and (7) of the Texas Securities Act.

#### CONCLUSIONS OF LAW

1. A failure to disclose information required by Form U-4 or Form ADV constitutes a violation of a Board Rule. The foregoing constitutes a violation of Sections 14.A(6) and 14.A(7) of the Texas Securities Act, which are each a basis for the issuance of an order denying the application of an investment adviser.
2. Submitting false or misleading information on Form U-4 or Form ADV is a fraudulent business practice. The foregoing constitutes a violation of Section 14.A(3) of the Texas Securities Act, which is basis for the issuance of an order denying the application of an investment adviser.
3. Making misleading or untrue statements in connection with testimony in a Section 28 Hearing is a fraudulent business practice and constitutes a violation of Section 14.A(3) of the Texas Securities Act, which is basis for the issuance of an order denying the application of an investment adviser.
4. Making misleading or untrue statements on a web page relating to a person business and educational background or registration status is a fraudulent business practice and constitutes a violation of Section 14.A(3) of the Texas Securities Act, which is basis for the issuance of an order denying the application of an investment adviser.

#### ORDER


1. It is therefore ORDERED that the registration of Marcus Lennox Holliman as a sole proprietor investment adviser is hereby denied;

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this <sup>28<sup>th</sup> dec</sup> ~~26<sup>th</sup>~~ day  
of February, 2001.

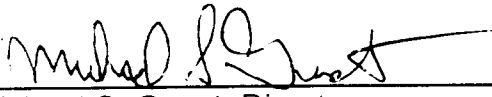


DENISE VOIGT CRAWFORD  
Securities Commissioner

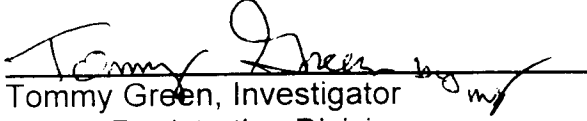
Respondent:

  
\_\_\_\_\_  
Marcus Lennox Holliman

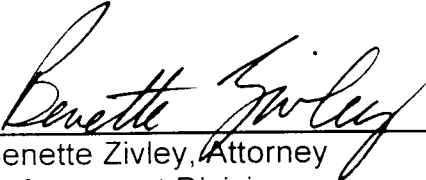
Approved as to Form:



Michael S. Gunst, Director  
Dealer Registration Division



Tommy Green, Investigator  
Dealer Registration Division



Benette Zivley, Attorney  
Enforcement Division

**ACKNOWLEDGMENT**

On the 26 day of Feb, 2001, Respondent Marcus Lennox Holliman, ("Respondent"), personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and, for the purpose of settlement, the Findings of Fact and Conclusions of Law contained therein; and,
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

Homero Pina

Notary Public in and for

the State of TEXAS

[affix notary seal here]

My commission expires on:

3-4-03

