



**COMMISSIONER OF SECURITIES  
STATE OF GEORGIA**

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**In the matter of** :  
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 **Eric S. Hollifield** : **ENSC-221033**  
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 **Respondent.** :  
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**EMERGENCY ORDER TO CEASE AND DESIST ALL VIOLATIONS OF GEORGIA  
SECURITIES ACT, BARRING REGISTRATION, AND IMPOSITION OF CIVIL  
PENALTY**

This matter comes before the Commissioner of Securities for the State of Georgia (“Commissioner”) pursuant to the authority granted in O.C.G.A. § 10-5-70, *et seq.* of the Georgia Uniform Securities Act of 2008, as amended (“Act”). Whereas, the Commissioner undertook an investigation into the acts and practices of ERIC SHEA HOLLIFIELD (“Hollifield” or “Respondent”).

Based on the investigation, the Commissioner has found grounds to conclude that Respondent may have engaged in acts or practices constituting violations of the Act. The Commissioner has determined it is in the public interest to issue this Order.

Based upon information obtained during the investigation, the Commissioner finds as follows:

**I. FINDINGS OF FACT**

**A. The Parties**

1. Hollifield is a Georgia resident and was formerly employed by LPL Financial, LLC (“LPL”) (CRD 6413), a broker dealer registered with Commissioner, from on or about October 14, 2016 through August 12, 2021. At LPL, Hollifield was registered with the Commissioner as a broker-dealer agent pursuant to O.C.G.A. § 10-5-31. Simultaneously, Hollifield was employed at Hamilton Investment Counsel, LLC (“Hamilton”) (CRD 284564), an investment adviser registered with the Commissioner, from on or about October 14, 2016 through September 24, 2021. At

Hamilton, Hollifield was registered with the Commissioner as an investment adviser representative pursuant to O.C.G.A. § 10-5-33. Hollifield's CRD number is 3091319.

2. Morgan Systems, Inc ('Morgan") is a domestic for-profit corporation organized under the laws of the State of Georgia which deals in freight and transportation. In 2020, Hollifield was listed as CEO, CFO, and Secretary on Morgan's corporate filings made with the Georgia Secretary of State's Corporation Division.

3. Century Warehouse, Inc. ("Century") is a domestic for-profit corporation organized under the laws of the State of Georgia which deals in outsourcing warehousing and supply chain management. In 2020, Hollifield was listed as CEO, CFO, and Secretary on Century's corporate filings made with the Georgia Secretary of State's Corporations Division.

4. Anchor Global Holdings, LLC and Anchor Global Storage, LLC (collectively, "Anchor") are each a domestic for-profit corporation, organized under the laws of the State of Georgia, for warehousing and supply chain management. In 2021, Hollifield was listed as the Registered Agent and Organizer on Anchor's corporate filings made with the Georgia Secretary of State's Corporations Division.

### **B. Commissioner's Investigation**

5. On August 12, 2021, LPL terminated Hollifield's employment because Hollifield failed to disclose outside business activity to LPL and did not respond to LPL's requests regarding the outside activity which was prohibited by LPL. Hollifield's registration as a broker-dealer agent with the Commissioner subsequently terminated.

6. On September 23, 2021, the Securities Division at the Commissioner's office ("Division") received a call from representatives of LPL notifying the Division of Hollifield's recent termination and Hollifield's action that took place leading up to the termination.

7. LPL informed the Division that a customer complaint was filed by an elderly LPL customer ("Investor One") regarding Hollifield and alleging compensatory damage in the amount of one million two hundred forty thousand dollars (\$1,240,000.00).

8. On or about August 11, 2020, Hollifield, without Investor One's knowledge, requested and authorized a transfer of one million two hundred forty thousand dollars (\$1,240,000.00) from Investor One's LPL brokerage account to a Georgia real estate law firm's bank account.

9. Upon review of information received during the investigation, it was determined that Hollifield used an electronic "DocuSign" to sign Investor One's name on the transfer documents.

On documents submitted to the Division for review, both Investor One and Hollifield's signatures were on the document requesting the transfer.

10. The metadata was pulled from the digital signature on the transfer request form for the one million two hundred forty thousand dollars (\$1,240,000.00). The metadata showed that Investor One's signature came from the same IP address, which was in Atlanta, Georgia, as Hollifield's signature. Furthermore, the timestamp captured that Investor One's signature was signed on August 11, 2020 at 7:41 am and Hollifield's signature was signed two minutes later at 7:43 am on the same day. At the date and time of the signing, Investor One was on a bicycle ride with her husband in Burlington, Vermont.

11. On July 30, 2020, Hollifield initiated a purchase of a property in Barrow County, Georgia located at 580 Maddox Road, Winder, GA 30680 ("Property"). The Property is an expansive residential estate on fifteen thousand (15,000) acres of land. Hollifield purchased this Property for one million seven hundred forty-six thousand dollars (\$1,746,000.00).

12. The investigation uncovered that the closing of the Property occurred a few days after the transfer of funds from Investor One's account and that Investor One's funds were used to facilitate the purchase of the Property.

13. The real estate law firm which received Investor One's funds was the same law firm that facilitated the real estate closing. Before Hollifield initiated the transfer, on or about August 10, 2020, Hollifield called Investor One and recommended that she liquidate most of her investments due to the pandemic's effects on the market and inflation. Furthermore, Hollifield suggested that Investor One's funds be transferred over to a Goldman Sachs account.

14. In January 2021, Investor One opened a Goldman Sachs account and waited for her funds to be transferred from her LPL account to the new Goldman Sachs account. After realizing her funds were not transferred, Investor One inquired to Hollifield as to why the money had not reached the Goldman Sachs account. When confronted, Hollifield continually blamed LPL for taking too long in transferring the funds.

15. In March 2021, Investor One received an e-mail notification from Goldman Sachs that her account was being closed due to inactivity. Realizing the funds had not been transferred from her LPL account, Investor One instantly tried getting in touch with Hollifield. Investor One also reached out to LPL and LPL informed her that her account funds had been transferred out of her LPL account to the real estate law firm in August 2020.

16. Furthermore, Investor One called the real estate law firm to ask what had happened with her funds. The real estate law firm informed Investor One that when the firm asked Hollifield why the funds that were being transferred was under Investor One's name opposed to Hollifield's name, Hollifield stated that Investor One was "family" and that she wanted to gift him this money. The real estate firm then processed the transfer and initiated the purchase of the Property at Hollifield's request.

17. Investor One has not received any funds that were liquidated from her LPL brokerage account as of the present day and Hollifield has ceased all communications with Investor One.

### **CONCLUSIONS OF LAW**

18. Paragraphs 1 through 17 are incorporated by reference as though fully set forth herein.

19. The Commissioner has jurisdiction over this matter pursuant to the Act. *See* O.C.G.A. §§ 10-5-70 and 10-5-71.

20. Pursuant to Rule 590-4-1-.10 of the Rules of the Georgia Commissioner of Securities ("Rules"), the Commissioner is authorized to issue an emergency order effective on the date of issuance provided that the "Commissioner deems that the public health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in the emergency order, in which case the order may be effective immediately pending proceedings."

21. Pursuant to O.C.G.A. § 10-5-41(b), an order issued under this chapter may revoke, suspend, condition, or limit the registration of a registrant if the activity is authorized by a violation of § 10-5-41(d).

22. Pursuant to O.C.G.A. § 10-5-73(d), "the Commissioner may impose a civil penalty up to \$50,000.00 for a single violation or up to \$500,000.00 for more than one violation."

#### **a. Violations as a Broker-Dealer Agent**

23. Under O.C.G.A. § 10-5-41(d)(13), a person is subject to discipline if the person "[h]as engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten years."

24. Pursuant to Chapter 590-4-5-.16(1), "Every entity, organization, or individual regulated by the Act shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of business. The Commissioner may, at his or her discretion, take such action authorized by the Act regarding any entity, organization, or individual regulated by the Act."

25. Pursuant to Chapter 590-4-5-.16(2)(b)(1), a broker-dealer agent is prohibited from “Engaging in the practice of lending or borrowing money or securities from a customer, or acting as a custodian for money, securities or an executed stock power of a customer[.]”

26. Pursuant to Chapter 590-4-5-.16(2)(b)(4), a broker-dealer agent is prohibited from “Establishing or maintaining an account containing fictitious information in order to execute transactions which would otherwise be prohibited[.]”

27. Pursuant to Chapter 590-4-5-.16(2)(b)(5), a broker-dealer agent is prohibited from “Sharing directly or indirectly in profits or losses in the account of any customer without the written authorization of the customer and the broker-dealer which the agent represents;”

28. Pursuant to Chapter 590-4-5-.16(2)(b)(3), a broker-dealer agent is prohibited from “Engaging in an outside business activity away from the broker-dealer without giving prior written notice[.]”

29. As detailed in paragraphs 5 through 17 above, Hollifield was a registered broker-dealer agent that is regulated by the Act. Hollifield engaged in dishonest and unethical practices in securities when he transferred Investor One’s funds to an account he had direct control over to purchase the Property without Investor One’s knowledge and did not return the funds until the present day.

30. Hollifield also engaged in the practice of the borrowing of securities from a customer by transferring, in an unauthorized capacity and without the knowledge of Investor One, one million two hundred forty thousand dollars (\$1,240,000.00) to an account in which Hollifield had direct access.

31. Hollifield made false representations to Investor One that her funds would be transferred over from her LPL account to a Goldman Sachs account months after Hollifield had made the purchase of the Property and knew the money in Investor One’s LPL account was no longer there.

32. Furthermore, Hollifield shared profits of Investor One’s investments when he initiated the transfer of Investor One’s funds, presenting himself as Investor One, in order to utilize the funds to purchase the Property. Hollifield shared profits without the knowledge or written authorization of Investor One.

33. During this time, Hollifield failed to disclose to LPL his affiliations with Morgan, Century, and Anchor.

34. Hollifield's actions are violations of O.C.G.A. § 10-5-41(d)(13) due to his dishonest and unethical actions in relation to the unauthorized borrowing and transfer of one million two hundred forty thousand dollars (\$1,240,000.00) from Investor One's account and not disclosing his other business practices to LPL. Based on this conduct, Hollifield is subject to discipline under O.C.G.A. §§ 10-5-41 and 10-5-73.

**b. Violations as a Regulated Individual**

35. Pursuant to Chapter 590-4-5-.16(2)(1), an individual regulated by the Act is prohibited from "Making false, misleading, deceptive, or exaggerated, representations or predictions in the offer, purchase or sale of securities[.]"

36. Pursuant to Chapter 590-4-5-.16(2)(3), an individual regulated by the Act is prohibited from "Executing a transaction on behalf of a customer without authorization to do so[.]"

37. Pursuant to Chapter 590-4-5-.16(2)(5), an individual regulated by the Act is prohibited from "Exercising any discretionary power in effecting a transaction for a customer's account without first obtaining written authority from the customer, unless the discretionary power relates solely to the time and/or price for the execution of the order[.]"

38. Pursuant to Chapter 590-4-5-.16(2)(6), an individual regulated by the Act is prohibited from "Effecting transaction pursuant to discretionary authority that are excessive in size or frequency in relation to the financial resources of the customer or the character of his or her account[.]"

39. As detailed in paragraphs 5 through 17 above, Hollifield is an individual that is regulated by the Act. While Hollifield was employed by LPL, Hollifield made a false representation to Investor One when he told her 1) the one million two hundred forty thousand dollars (\$1,240,000.00) still remained in her brokerage account, and 2) that her funds would be transferred into a Goldman Sachs account even after Hollifield had, without Investor One's authorization, transferred the funds out of her account to purchase the Property.

40. Hollifield exercised discretionary authority and executed a transaction without written authorization when he signed to transfer one million two hundred forty thousand dollars (\$1,240,000.00) which was excessive in size compared to the financial resources of Investor One who was elderly and relied on this LPL account to sustain her financial wellbeing for the rest of her life. Hollifield's conduct was dishonest and unethical. Based on this conduct, Hollifield is subject to discipline under O.C.G.A. §§ 10-5-41 and 10-5-73.

## II. ORDER

**WHEREFORE**, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. **ERIC SHEA HOLLIFIELD** immediately **CEASE AND DESIST** all violations of the Georgia Uniform Securities Act of 2008, as amended.
2. **ERIC SHEA HOLLIFIELD** pay a civil penalty in the amount of five hundred thousand dollars (\$500,000.00). Full payment of this monetary penalty is due within thirty (30) days of the entry of a Final Order by the Commissioner of Securities.
3. **ERIC SHEA HOLLIFIELD** is **BARRED** from registration with the Commissioner as an investment adviser representative pursuant to O.C.G.A. § 10-5-33.
4. **ERIC SHEA HOLLIFIELD** is **BARRED** from registration with the Commissioner as a broker-dealer agent pursuant to O.C.G.A. § 10-5-31.

The entry of the Order is deemed to be in the public interest and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to Respondents and shall not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

**SO ORDERED** this 5<sup>th</sup> day of January 2022.

**BRAD RAFFENSPERGER**  
**SECRETARY OF STATE**  
**COMMISSIONER OF SECURITIES**

By:   
C. Ryan Germany  
Assistant Commissioner of Securities



**COMMISSIONER OF SECURITIES  
STATE OF GEORGIA**

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**In the matter of**

**Eric S. Hollifield**

**Respondent.**

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**ENSC-221033**

**NOTICE OF OPPORTUNITY FOR HEARING**

**TO: Eric Shea Hollifield  
3374 Mill Grove Terrace  
Dacula, GA 30019**

Pursuant to O.C.G.A. §10-5-73(b), Respondent is hereby notified that within thirty (30) days after receipt of a request for a hearing in a record from Respondent, this matter will be scheduled for a hearing unless another date and time is otherwise agreed to by the parties. If Respondent does not request a hearing and none is ordered by the Commissioner within thirty (30) days after the date of service of this Order, this Order will become final as to Respondent by operation of law. If a hearing is requested or ordered, the Commissioner, after notice of and opportunity for hearing to Respondent, may modify or vacate this Order, or extend it until final determination.

**1. GROUNDS:** The grounds for the issuance of the Order are that Respondent has engaged in conduct in violation of O.C.G.A. §§ 10-5-41 and 10-5-73. *et seq.*

**2. REQUEST FOR HEARING:** A request for a hearing may be delivered to the attention of Noula Zaharis, Director, Office of the Secretary of State, Securities and Charities Division, 2 Martin Luther King Jr. Drive SE, Suite 317 West Tower, Atlanta, Georgia 30334 or by electronic mail at [nzaharis@sos.ga.gov](mailto:nzaharis@sos.ga.gov).

**3. PROCEDURE FOR REQUESTING A HEARING:** If Respondent requests a



hearing, the request for hearing must be in writing and contain the following information:

- A title which indicates the nature of the proceedings;
- The complete name and address of the person or persons on whose behalf the request is filed;
- The name and address of all other persons known to have a legal interest in the proceedings;
- If the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
- A clear and concise statement of the facts upon which the contested case arises;
- A prayer setting forth the relief sought; and
- A statement of the grounds upon which the person contends he is entitled to the relief sought.

**4. SCHEDULING OF HEARING:** If requested, a hearing will be scheduled and the Respondent will be notified of the date, time and location of the hearing.

**5. ISSUES TO BE ADDRESSED:** If a hearing is requested, the issues to be addressed are set forth in the attached Order that is incorporated herein by reference and made a part of this Notice of Opportunity for Hearing.

**6. CONTESTED CASES:** This is a contested case proceeding and pursuant to the Rules it shall be conducted as expeditiously as possible, with regard to the rights of the parties, and in a manner to enable the parties to obtain relevant information needed for preparation of the case to the extent that such disclosure is authorized or required by law.

**7. LEGAL AUTHORITY AND JURISDICTION:** This Notice of Opportunity for Hearing is issued pursuant to O.C.G.A. § 10-5-73, Rule 590-4-6-.01, *et seq.*, and O.C.G.A. § 50-13-1, *et seq.* (The Georgia Administrative Procedure Act).

**8. INFORMAL CONFERENCE:** Respondent may request an informal prehearing conference with the Division Director pursuant to the Commissioner's Rule 590-4-6-.12 adopted under the Act. The receipt of a request for a prehearing conference will toll, until the date scheduled for the prehearing conference, the running of the time for requesting a hearing. Further information regarding an informal conference may be obtained by contacting Noula Zaharis at (470)-312-2787.

**9. RIGHTS OF PARTIES:** The parties to this matter shall have all of the rights provided

for in the Act and the Rules, including but not limited to the following:

- to subpoena witnesses and documentary evidence;
- to be represented by legal counsel; and
- to respond to and present evidence on all issues involved.

SO ORDERED this 5<sup>th</sup> day of January 2022.

**BRAD RAFFENSPERGER**  
**SECRETARY OF STATE**  
**COMMISSIONER OF SECURITIES**

By:   
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C. Ryan Germany  
Assistant Commissioner of Securities