



Division”), and counsel for the Respondent have negotiated this Final Order to Cease and Desist; and

**WHEREAS**, the Respondent elects to permanently waive any right to judicial review or a hearing and appeal under Chapter 78A (the North Carolina Securities Act) or Chapter 150B of the North Carolina General Statutes (the Administrative Procedure Act) with respect to this Final Order to Cease and Desist;

**NOW, THEREFORE**, the Securities Administrator, acting through her duly appointed Deputy Securities Administrator, pursuant to and under all authority granted by the North Carolina Securities Act, and with the consent of the Respondent, does hereby issue this Final Order to Cease and Desist in settlement of the above-captioned matter.

## **I.**

### **JURISDICTION AND CONSENT**

Respondent admits the jurisdiction of the Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Final Order to Cease and Desist, and agrees to the issuance of this Final Order to Cease and Desist by the Deputy Securities Administrator.

## **II.**

### **FINDINGS OF FACT**

1. Respondent Hollenbeck is, upon information and belief, a natural person who resides at 1524 Chimney Rock Drive, Kernersville, North Carolina, 27284 and maintains offices at 935 N. East Mountain Street, Kernersville, North Carolina, 27284.

2. On February 18, 2002, Respondent Hollenbeck offered and sold an “investment opportunity” in the form of a sale-and-leaseback program to members of the public in North Carolina whereby investors could allegedly earn a fixed 13.49% rate of return by purchasing equipment from Mobile Billboards of America, Inc. (hereinafter “MBA”) and simultaneously leasing the purchased equipment to management/lease companies related to MBA.

3. The offer and sale of the sale-and-leaseback program to persons in North Carolina under the circumstances described in Paragraph 1, above, constitutes the “offer” of and “sale” of a “security” as those terms are defined in N.C.G.S. §§78A-2(8) and 78A-2(11) respectively.

4. The security offered and sold by the Respondent to persons in North Carolina was not registered with the Securities Division of the Department of the Secretary of State under the provisions of the Securities Act prior to or at the time of being offered or sold to persons in North Carolina and was not exempt from registration nor covered under federal law, in violation of N.C.G.S. §78A-24.

5. At the time of effecting securities transactions on February 18, 2002 (as described in Paragraph 1, above), Respondent Hollenbeck was registered as a salesman with a dealer registered under the Securities Act, however the security transactions effected were not recorded on the regular books or records of the dealer and the transactions were not disclosed nor authorized in writing by the dealer prior to execution of the transactions.

6. Due to a review of representative activity by the dealer with whom Respondent Hollenbeck was registered at the time of the securities transactions (as described in Paragraph 2, above), the dealer discharged Hollenbeck on May 17, 2002 and concluded that Hollenbeck effected security transactions with customers not recorded on the regular books or records of the dealer and that the transactions were not disclosed nor authorized in writing by the dealer prior to execution of the transactions, in violation of firm policy.

7. Respondent Hollenbeck is not currently registered as a salesman or dealer pursuant to the Securities Act.

8. In connection with the offer and sale of the aforesaid security to persons in North Carolina, the Respondent omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of N.C.G.S. §78A-8(2), in that the Respondent omitted to state to offerees that the security being offered was not registered pursuant to the provisions of the Securities Act, in violation of N.C.G.S. §78A-24.

9. It is in the public interest of the citizens of North Carolina that Respondent be permanently prohibited from violating the provisions of the Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, and transacting business as a dealer or salesman.

### **CONCLUSIONS OF LAW**

1. The Secretary of State has statutory authority pursuant to N.C.G.S. §78A-47(b)(2) to enter and issue a Final Order to Cease and Desist Order against the Respondent.

2. There is reasonable cause to believe the Respondent has engaged in violations of the Securities Act, specifically N.C.G.S. §§78A-8, and 78A-24.

3. There is reasonable cause to believe the Respondent will continue to commit acts and omissions in violation of the Securities Act.

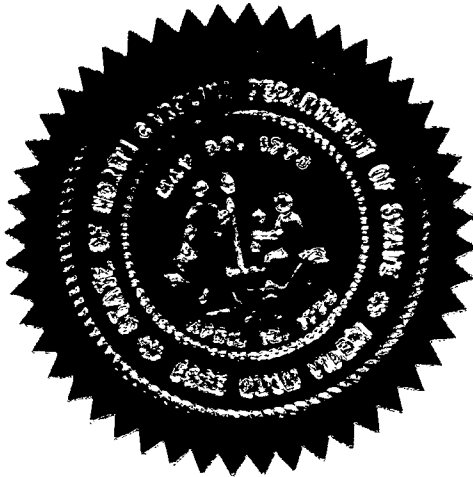
4. It is necessary and appropriate for the protection and preservation of the public interest or for the protection of investors that the Respondent be permanently ordered to cease and desist from making offers and sales of securities in violation of the Securities Act and, in connection with such solicitations, omitting to state material facts necessary to make other statements made, in light of the circumstances under which they were made, not misleading.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to the authority contained in N.C.G.S. §78A-47(b)(2), that Respondent, **SCOTT BRADLEY HOLLENBECK** and **ANY AND ALL PERSONS IN ACTIVE CONCERT AND PARTICIPATION WITH SCOTT BRADLEY HOLLENBECK**, shall permanently cease and desist:

- a. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of Mobile Billboards of America, Inc. in the form of a “sale-and-leaseback program” and any security of any issuer, howsoever denominated, unless and until such securities have been registered pursuant to the provisions of the Securities Act;
- b. offering for sale, soliciting offers to purchase, or selling, in or from North Carolina, the securities of Mobile Billboards of America, Inc. in the form of a “sale-and-leaseback program” and any security of any issuer, howsoever denominated, unless and until said persons become registered as dealers or salesmen pursuant to the provisions of the Securities Act;
- c. in connection with the offer, sale or purchase of any security, omitting to state material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading.

**WITNESS MY HAND AND THE OFFICIAL SEAL** of the North Carolina Department of the Secretary of State, this the 20th day of October 2004.

Time of entry: 5:12 P.M.



**ELAINE F. MARSHALL  
SECRETARY OF STATE OF NORTH CAROLINA and  
SECURITIES ADMINISTRATOR,**

by: /s/ David S. Massey  
**DAVID S. MASSEY  
DEPUTY SECURITIES ADMINISTRATOR**