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October 6, 2016

Delta County Man Sentenced to 5 Years in Prison for Securities Fraud

DENVER —Colorado Attorney General Cynthia Coffman announced today that Daniel Lee Holding of Delta County was sentenced to five years in prison and ordered to pay restitution in the amount of \$93,564.06. The sentencing, which took place in Mesa County District Court, comes as a result of Holdings' plea of guilty to securities fraud, a class three felony.

Holding came under investigation by the Colorado Division of Securities, part of the Department of Regulatory Agencies (DORA), in 2011 after the Division became aware that he was soliciting investors for "Fix and Flip" real estate investments online through craigslist.com and his own website. Holding was not registered to solicit or sell securities in the state of Colorado.

"Mr. Holding deceived innocent investors and used their money for his personal gain," said Attorney General Coffman. "Now he is going to be behind bars where he can't con any other Coloradans out of their hard-earned money."

Holding, utilizing his company Holding & Gray, LLC, told investors that funds would be used to purchase and rehabilitate properties which would then be sold for profit. In reality, Holding used little funds in the commission of real estate projects, instead using the majority of the money for non-investment related purposes.

The Division of Securities found that between June of 2009 and March of 2010, Holding raised approximately \$131,200 from multiple investors. Holding issued promissory notes to investors, which investigation revealed were secured by a Deed of Trust to a property that Holding had obtained illegally through forged documents.

Additionally, it was found that Holding had made numerous untrue statements and omissions of fact, including that he is a felon in Colorado and Nevada, that the funds would be used for expenses other than real estate investments, and that the majority of the funds were not invested into any real property.

"Anytime someone contacts you about an investment opportunity, the very first thing you should do is go online to www.investor.gov or call the Division of Securities to verify that he or she holds a valid license," stated Colorado Securities Commissioner Gerald Rome. "In cases like this

when you are dealing with a con man, the fact that he was not in possession of a license would have been an immediate red flag not to entrust any funds to this individual.”

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CONTACT

Annie Skinner
Colorado Attorney General's Office
720-508-6553
Annie.Skinner@coag.gov
www.coag.gov

Jillian Sarmo
Colorado Department of Regulatory Agencies
Division of Securities
P: 303-894-2878
jillian.sarmo@state.co.us
www.dora.colorado.gov