INITIAL DECISION RELEASE NO. 1412
ADMINISTRATIVE PROCEEDING
FILE NO. 3-20627

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the Matter of	:	INITIAL DECISION
	:	MAKING FINDINGS AND
THE REGISTRATION STATEMENT OF	:	IMPOSING SANCTION BY DEFAULT
LIFE SCIENCE HOLDINGS, INC.	:	February 11, 2022

APPEARANCE: Jack Kaufman and Leslie Kazon for the Division of Enforcement, Securities and Exchange Commission

BEFORE: Carol Fox Foelak, Administrative Law Judge

SUMMARY

This Initial Decision suspends the effectiveness of the registration statement of Life Science Holdings, Inc. The basis for this "stop order" is that the registration statement includes material misstatements and omissions and untrue and misleading statements of material facts, including failure to include audited financial statements and wildly improbable representations of future earnings.

I. INTRODUCTION

A. Procedural Background

The Commission initiated this proceeding by an Order Instituting Proceedings (OIP) on October 15, 2021. The proceeding is a stop order proceeding, authorized pursuant to Section 8(d) of the Securities Act of 1933. The OIP ordered Life Science to file an Answer within ten days after service of the OIP and ordered that a hearing on the allegations commence at 10:00 a.m. on November 2, 2021, via remote means and/or at the Commission's offices at 100 F Street, N.E., Washington, DC 20549. OIP at 2-3. Life Science, a Wyoming corporation, was served with the OIP by personal service on Brian D. Olson, an officer of Life Science, on October 20, 2021. *See* Securities Act Section 8(d); 17 C.F.R. § 201.141(a)(2)(ii), (v). Life Science did not file an Answer, due on Monday, November 1, 2021, and did not appear at the November 2, 2021, hearing. *Life Sci. Holdings, Inc.*, Admin. Proc. Rulings Release No. 6834, 2021 SEC LEXIS 3337 (A.L.J. Nov. 3, 2021).

At the one-day hearing, held via remote means, the Division of Enforcement called two witnesses from whom evidence was taken, one from the Commission's Division of Corporation Finance (CorpFin) and the other from the Food and Drug Administration (FDA): Suzanne Hayes, Chief of CorpFin's Office of Life Sciences; and Kevin Bugin, Deputy Director of the Office of New Drugs of the Food and Drug Administration.[1] Life Sciences did not appear. A post-hearing briefing schedule was set: the due dates for the Division of Enforcement's opening filing, Life Science's opposition, and the Division's reply were November 23, December 7, and December 14, 2021, respectively. *Id*. at*2. The Division filed Proposed Findings of Fact and Conclusions of Law on November 16, 2021. To date, Life Sciences has filed nothing during this proceeding. Thus, Life Science has failed to file an Answer; appear at the hearing of which it had been notified; or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(1), (2). Accordingly, Life Science is in default, and the undersigned finds that the allegations in the OIP are true as to it. *See* OIP at 3; 17 C.F.R. §§ 201.155(a), .220(f), .310. Additionally, the five exhibits admitted at the November 2, 2021, hearing provide support for the truth of the allegations in the OIP, as does the registration statement itself. Official notice has been taken of the Commission's public official records concerning Life Science, pursuant to 17 C.F.R. § 201.323.

The findings and conclusions in this ID are based on the record. Official notice pursuant to 17 C.F.R. § 201.323 is taken of the Commission's public official records and of the Wyoming Secretary of State records as well. *See Joseph S. Amundsen*, Exchange Act Release No. 69406, 2013 SEC LEXIS 1148, at *1 n.1 (Apr. 18, 2013), *pet. denied*, 575 F. App'x 1 (D.C. Cir. 2014). Preponderance of the evidence was applied as the standard of proof. *See Steadman v. SEC*, 450 U.S. 91, 97-104 (1981). All arguments and proposed findings and conclusions that are inconsistent with this ID were considered and rejected.

B. Allegations and Arguments of the Parties

This proceeding concerns a registration statement filed by Life Science on September 28, 2021. The Division of Enforcement seeks a stop order pursuant to Securities Act Section 8(d), alleging that the registration statement contains material misrepresentations and omissions within the meaning of Section 8(d) and omits to include certain additional material information required by Commission rules; and further, noting that it failed to contest or otherwise participate in this proceeding, Life Science is in default.

II. FINDINGS OF FACT

The Commission's public official records, of which official notice is taken pursuant to 17 C.F.R. § 201.323, disclose that Life Science filed a registration statement under the Securities

[1] Citations to the transcript are noted as "Tr. __." Citations to exhibits, all of which were offered by the Division, are noted as "Div. Ex. __."

Act on September 28, 2021.[2] The registration statement, filed on Form S-1, represents that Life Science (CIK No. 1874816),[3] is organized under the laws of Wyoming and is developing a drug containing selenium to prevent and cure cancer and numerous virus-based diseases, including Ebola and Covid-19. It represents that the company does not own any real estate, factories, research laboratories, or other assets and has never had any employees or revenue, nor any audited financial statements. However, it represents that it has been involved in research for fifty-one years, has hundreds of billions of dollars in patent infringement claims, and expects its financial picture to change dramatically after it goes public – it projects $32 billion and $320 billion in earnings, in the first year and second years, respectively, after going public. It states, "Our first drug is likely to be an immediately FDA approved product to fight COV-19," likely followed by drugs to fight various cancers and viruses, subsequent to clinical trials.

Life Science is a Wyoming corporation in good standing, organized in 2010.[4] The registration statement identifies David M. Olson and his son Brian D. Olson as Life Science's owners, co-Presidents, co-CEOs, and only Directors. The document provides a United States phone number and a postal mailing address in Minneapolis, Minnesota, for Life Science. By letter dated October 6, 2021, to David M. Olson, CorpFin staff stated that the registration statement had serious deficiencies and requested that it be withdrawn.

CorpFin's Suzanne Hayes is in charge of an office, staffed by attorneys and accountants, that reviews registration statements. Tr. 14-15. She found that Life Science's Form S-1 registration statement lacked a great deal of information and telephoned the company on September 29, 2021, at the number provided in the registration statement. Tr. 15, 17-18. She left a voicemail saying that there were concerns about the registration statement. Tr. 18. The next day Brian Olson returned the call and she advised him that the registration statement had serious deficiencies, such as lacking financial statements. Tr. 19. She requested that he withdraw the registration statement or file a delaying amendment so that it would not go effective by lapse of time. Tr. 19-20. He replied that he did not believe they needed financial statements because the company had no activity, would have to discuss the issue with his father, and would call back the next day. Tr. 20, 23. She did not hear back from him, and sent the deficiency letter on October 6 and referred the matter to the Division of Enforcement. Tr. 21-22; Div. Exs. 2-4.

---

[2] The filing may be viewed on the Commission's EDGAR database: https://www.sec.gov/Archives/edgar/data/0001874816/000137647421000321/lsh_s1.htm. It is also in evidence as Division Exhibit 1.

[3] The CIK number is a unique identifier for each corporation in the Commission's EDGAR database. The user can retrieve filings of a corporation by using its CIK number.

[4] *See* https://wyobiz.wyo.gov/Business/FilingDetails.aspx?eFNum=059023232000155130024111107108175173079085247181

FDA's Kevin Bugin, in his role at the Office of New Drugs, is familiar with the application process known as Investigational New Drug Applications (IND). Tr. 26-28. For a new product, an IND application is filed, which permits a researcher or pharmaceutical company to conduct clinical research in the United States. Tr. 28. This is followed by additional phases of study, with back and forth between the proponent and the FDA, to assess safety and efficacy of the proposed new drug, which takes a number of years. Tr. 30-34. In the case of the now widely used pharmaceutical companies' Covid-19 vaccines, this period was greatly shortened because they were able to re-engineer an existing platform technology to achieve the desired antigen response. Tr. 33-34. The IND process is followed by a marketing application, for which the FDA review timelines range from six to twelve months. Tr. 35-36. Under a public health emergency, which has been declared for Covid-19, a product may be marketed under an Emergency Use Authorization (not an approval), the review of which the FDA will prioritize. Tr. 36. However, that is after the IND application process; there is no such thing as immediate approval for a new Covid-19 vaccine or therapeutic drug. Tr. 37. The foregoing information is also available to the public on the FDA's website, fda.gov, in documents in plain English. Div. Ex. 5.

To date, Life Science has not filed an Answer or otherwise defended this administrative proceeding. Nor has it responded to CorpFin's request that it withdraw or amend the Form S-1.[5]

III. CONCLUSIONS OF LAW

Life Science has failed to answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, it is in default, and the undersigned finds that the allegations in the OIP are true. *See* OIP at 3; 17 C.F.R. §§ 201.155(a), .220(f). Life Science's disinterest in continuing to pursue registration, initially shown when it failed to respond to CorpFin's communications, was underlined by its failure to answer or otherwise defend this administrative proceeding. Additionally, evidence taken at the hearing and the Commission's public official records fully support the allegations. Thus, it is concluded that Life Science included untrue statements of material facts and omitted to state material facts that were required to be included in its registration statement within the meaning of Securities Act Section 8(d). Therefore, a stop order will be issued.

A. Securities Act Requirements

Securities Act Section 7(a) and Schedule A (25), (26) require a registration statement to contain an audited balance sheet and income statement. Securities Act Sections 7(a) and 19(a) authorize the Commission to adopt regulations to carry out these requirements. In the instant case, Life Science was required to furnish this information on Form S-1 (17 C.F.R. § 239.11), authorized under the Securities Act. Non-financial information furnished must comply with

[5] https://www.sec.gov/cgi-bin/browse-edgar?company=Life+Science+Holdings%2C+Inc.&match=&filenum=&State=&Country=&SIC=&myowner=exclude&action=getcompany (last visited Feb. 4, 2022).

Regulation S-K (17 C.F.R. Part 229). Financial information must comply with Regulation S-X (17 C.F.R. Part 210).

B. Life Science's Material Omissions and Misrepresentations

Life Science's filing lacks an audited balance sheet and income statement, as required by Item 11 of Form S-1, as well as most other information required by Item 11. These omissions are omissions of material fact. The Commission has long recognized the materiality of an audited balance sheet in compliance with the registration requirements of the Securities Act. *See Queensboro Gold Mines, Ltd.*, Securities Act Release No. 1617, 1937 SEC LEXIS 893, at *2-4 (Nov. 17, 1937). The registration statement has additional shortfalls. The wildly improbable predictions that the company would have billions of dollars of earnings in the first year after going public and hundreds of billions in the second year are inherently incredible. Also, the claim that its first drug would likely be "an immediately FDA approved product to fight COV-19" had no basis in fact.

The record shows that Life Science included untrue statements of material facts or omitted to state material facts that were required to be included in its registration statement. A material fact within the meaning of Securities Act Section 8(d) is one to which "there is a substantial likelihood that a reasonable investor would attach importance in determining whether to purchase the security." 17 C.F.R. § 230.405. If an untrue material fact is included in a registration statement or a material fact is omitted, the registrant's good faith or lack of scienter does not influence whether a stop order should issue. *Kiwago Gold Mines Ltd.*, Securities Act Release No. 3278; 27 S.E.C. 934, 943; 1948 SEC LEXIS 7, at *21 (Mar. 29, 1948)[6]; *U.S. Molybdenum Corp.*, Securities Act Release No. 2743; 10 S.E.C. 796; 804, 1941 SEC LEXIS 237, at *18-19 (Dec. 19, 1941)[7] (citing *Herman Hanson Oil Syndicate*, Securities Act Release No. 1555; 2 S.E.C. 743, 746; 1937 SEC LEXIS 879, at *6 (Sept. 15, 1937)).

IV. SANCTION

The Division requests a stop order suspending the effectiveness of Life Science's registration statement. This sanction will serve the public interest and the protection of investors, pursuant to Section 8(d) of the Securities Act, and accords with Commission precedent.

[6] The date is reported as March 29 in S.E.C. Reports (Volume 27, published in 1953) and as March 31 in SEC LEXIS.

[7] The date is reported as December 19 in S.E.C. Reports (Volume 10, published in 1944) and as December 20 (a Saturday) in SEC LEXIS.

V. RECORD CERTIFICATION

Pursuant to Rule 351(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.351(b), it is certified that the record includes the items set forth in the record index issued by the Secretary of the Commission on December 17, 2021.

VI. STOP ORDER

IT IS ORDERED, pursuant to Section 8(d) of the Securities Act of 1933, 15 U.S.C. § 77h(d), that the EFFECTIVENESS of the REGISTRATION STATEMENT filed by LIFE SCIENCE HOLDINGS, INC., IS SUSPENDED.

This Initial Decision shall become effective in accordance with and subject to the provisions of Rule 360 of the Commission's Rules of Practice, 17 C.F.R. § 201.360. Pursuant to that Rule, a party may file a petition for review of this Initial Decision within twenty-one days after service of the Initial Decision. A party may also file a motion to correct a manifest error of fact within ten days of the Initial Decision, pursuant to Rule 111 of the Commission's Rules of Practice, 17 C.F.R. § 201.111. If a motion to correct a manifest error of fact is filed by a party, then a party shall have twenty-one days to file a petition for review from the date of the undersigned's order resolving such motion to correct a manifest error of fact. The Initial Decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or a motion to correct a manifest error of fact or the Commission determines on its own initiative to review the Initial Decision as to a party. If any of these events occur, the Initial Decision shall not become final as to that party.[8]

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge

[8] A respondent may also file a motion to set aside a default pursuant to 17 C.F.R. § 201.155(b). *See Alchemy Ventures, Inc.*, Exchange Act Release No. 70708, 2013 SEC LEXIS 3459, at *13 & n.28 (Oct. 17, 2013); *see also David Mura*, Exchange Act Release No. 72080, 2014 SEC LEXIS 1530 (May 2, 2014).