I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Harold B. Gallison, Jr. ("Gallison"), Terrence J. Hughes ("Hughes") and David Rosenthal ("Rosenthal") (collectively, "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. **Respondents**

1. **Gallison**, age 46, was registered with the Commission as a principal of La Jolla Capital Financial Corp. (later known as Pacific Cortez Securities, Inc.) ("La Jolla Capital") and served as its president from August 1992 through April 1999. At all times relevant to this proceeding, La Jolla Capital was a broker-dealer registered with the Commission with its principal office in San Diego, California. Gallison participated in an offering of Golf Ventures, Inc. ("GVI") stock, which was a penny stock for a significant portion of the time period relating to Gallison’s conduct alleged in Section II.C.1 below.

2. **Hughes**, age 46, is a resident of San Diego, California. From approximately August 1992 through March 1994, Hughes was a registered representative, and for part of that period a branch manager, associated with Burnett Grey & Co., Inc. ("Burnnett Grey"), a registered broker-dealer that ceased operations around March 1994. Hughes was located in the San Diego, California office of Burnett Grey. Hughes participated in an offering
of GVI stock, however, during the time period at issue regarding Hughes’ conduct alleged in Section II.C.1 below, GVI was not a penny stock.

3. **Rosenthal**, age 47, is a resident of San Francisco, California. From approximately February 1993 through February 1997, Rosenthal was a registered representative associated with InterSecurities, Inc., a broker-dealer registered with the Commission. From approximately February 1997 through June 8, 2004, Rosenthal was a registered representative associated with various registered broker-dealers. Rosenthal participated in an offering of GVI stock, which was a penny stock for a significant portion of the time period relating Rosenthal’s conduct alleged in Section II.C.1 below.

**B. Other Relevant Entities**

1. **GVI** was a corporation organized under the laws of Utah with its principal place of business in Salt Lake City, Utah. At the time relevant to these proceedings, GVI’s securities were registered pursuant to Section 12(g) of the Exchange Act, 14 U.S.C. § 781(g), and its shares were publicly traded on the Over-the-Counter Bulletin Board. In July 1999, GVI filed for bankruptcy and subsequently ceased all operations.

**C. Entry of Injunctions**

1. On December 18, 1997, the Commission filed a complaint (“Complaint”) against Gallison, Hughes, Rosenthal and others (SEC v. George Badger, et al., 2:97 CV 0963K (D. Utah)) alleging, among other things, that Gallison, Hughes and Rosenthal engaged in a fraudulent scheme to manipulate the market for GVI securities. According to the Complaint, during 1994, Gallison arranged for La Jolla Capital to tout and sell GVI stock to its retail customers in exchange for a GVI representative making undisclosed bribe payments to La Jolla Capital; Hughes, from approximately October 1993 through February 1994, arranged for Burnett Grey to tout and sell GVI stock to its retail customers in exchange for undisclosed bribe payments made to Burnett Grey by a GVI representative; and Rosenthal, from approximately October 1995 through October 1996, accepted undisclosed bribes from a GVI representative in exchange for recommending and selling GVI securities to his customers.

2. On November 26, 2002, the United States District Court for the District of Utah entered final consent judgments against Gallison, Hughes and Rosenthal that, among other things, permanently enjoin each of the Respondents from violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Each of the Respondents consented to the entry of a final consent judgment without admitting or denying the allegations in the Complaint, except as to jurisdiction.

**III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:
A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Gallison, Hughes and Rosenthal an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Gallison, Hughes and Rosenthal pursuant to Section 15(b) of the Exchange Act.

**IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 200 of the Commission’s Rules of Practice, 17 C.F.R. § 201.200.

IT IS FURTHER ORDERED that the Respondents shall file Answers to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission’s Rules of Practice, 17 C.F.R. § 201.220.

If any Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, he may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission’s Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 221(f) and 201.310.

This Order shall be served forthwith upon the Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority,

Jonathan G. Katz
Secretary