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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Gary W. Adkisson, President
The Continuum Clubs, Inc.
Proaction Concepts, LLC
Proaction Sports Medicine Concepts, LP
1700 Soscol Avenue, Suite 20
Napa, California 94559-1347
and
137 Canyon Drive
Napa, California 94559

DESIST AND REFRAIN ORDER

(For violations of sections 25110, 25120 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Gary W. Adkisson is the owner and president of The Continuum Clubs, Inc., a California corporation first incorporated on June 17, 1999, with registered addresses of 1700 Soscol Avenue, Suite 20, Napa, California 94559 and 137 Canyon Drive, Napa, California 94559. Its corporate status is currently suspended with the California Secretary of State. Proaction Concepts, LLC is a California limited liability corporation first incorporated on August 13, 2004 and whose corporate status is currently canceled. Its last registered address was 1700 Soscol Avenue, Suite 20, Napa, California 94559. Gary W. Adkisson was one of two owners and officers of Proaction Concepts, LLC along with John D. Stewart. Proaction Sports Medicine Concepts, LP is a California limited partnership, first registered on April 5, 2005 and whose registered address for its agent for service of process is 1700 Soscol Avenue, Suite 20, Napa, California 94559. Proaction Concepts, LLC was the general manager of Proaction Sports Medicine Concepts, LP. Gary W. Adkisson (hereafter "Adkisson") and John D. Stewart (hereafter "Stewart") controlled all operations and activities of Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP during the relevant time period. Adkisson was the sole owner and control person of The Continuum Clubs, Inc.

1 2. Stewart was the sole owner and registered representative of Cornerstone Equity Partners,
2 LLC, an investment adviser licensed by the State of California that acted as the investment manager
3 and general partner of a limited partnership, Cornerstone Income Fund I, LP (collectively referred to
4 hereafter as “Cornerstone”). Stewart marketed the Cornerstone “hedge fund” to his investment
5 adviser clients who were primarily elderly retired persons or charitable trusts who had indicated to
6 him a strong preference for preservation of their capital and low risk investments (hereafter
7 “Investors”). Adkisson, Stewart, Cornerstone, The Continuum Clubs, Inc., Proaction Concepts, LLC
8 and Proaction Sports Medicine Concepts, LP all were located in the same office space located at 1700
9 Soscol Avenue, Suite 20, Napa, California 94559 during the relevant time period. Stewart and
10 Cornerstone are the subjects of previous Administrative Orders issued by the California Department of
11 Corporations, which included the revocation of Cornerstone’s investment adviser certificate and a
12 permanent bar of Stewart from working in the securities industry in California. Copies of the
13 Administrative Orders issued in that matter can be viewed on line at www.corp.ca.gov/ENF/list/c/cs.asp.

14 3. From September 5, 2004 through August 23, 2005 Adkisson, The Continuum Clubs, Inc.,
15 Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP sold \$2,763,000 in limited
16 partnership interests in Proaction Sports Medicine Concepts, LP to the Investors in the Cornerstone
17 “hedge fund.” The Investors were not told that their money had been used to purchase the limited
18 partnership interest in Proaction Sports Medicine Concepts, LP until after the sale had occurred.

19 4. Offering materials prepared for potential investors by Adkisson and Stewart, claimed
20 Proaction Sports Medicine Concepts, LP was formed to operate “state-of-the-art” Proaction Arena –
21 Sporting and Wellness Centers in Fort Wayne and Lawrence, Indiana, and planned to expand by
22 opening other Sporting and Wellness Centers throughout the United States. The offering materials
23 showed pictures of such a facility in Fort Wayne, Indiana. However, contrary to claims made in
24 offering materials Adkisson, Stewart, Cornerstone, The Continuum Clubs, Inc., Proaction Concepts,
25 LLC and Proaction Sports Medicine Concepts, LP never owned any interest in the Sporting and
26 Wellness Centers in Fort Wayne, Indiana depicted in the offering materials and never owned or
27 operated any sports facilities or other similar business at any time during the relevant time period.
28 The Sporting and Wellness Centers depicted in the photographs in offering materials were owned

1 by an unrelated company.

2 5. The Investors were initially sold a limited partnership equity interest in Proaction Sports
3 Medicine Concepts, LP in which the terms of the investment contract required it to make monthly
4 interest payments to the Investors. While some interest payments were initially made, no other funds
5 were ever invested in the limited partnership and it generated no income. All interest payments to
6 Investors were made using the funds from the Investors original investment. Stewart initially
7 reported such interest payments to Investors as “profits” on their investment. On April 1, 2005
8 Adkisson, The Continuum Clubs, Inc., Proaction Concepts, LLC and Proaction Sports Medicine
9 Concepts, LP converted the equity interest held by Investors into “debt notes” owed by Proaction
10 Sports Medicine Concepts, LP to the Investors in the amount of \$2,263,000. None of the Investors
11 were informed of this until after it occurred. Another debt note in the amount of \$500,000 was issued
12 on August 23, 2005 to complete the conversion of the Investors entire investment from limited
13 partnership equity interests into unsecured debt notes. It was not disclosed to the investors at the time
14 of the conversion into debt notes that Proaction Sports Medicine Concepts, LP had continually lost
15 money, never owned or operated a health club in Indiana or elsewhere, and that the interest payments
16 previously made to Investors and reported as profits had been made entirely with the funds the
17 Investors had originally invested. Adkisson without notice to the Investors subsequently transferred
18 all remaining Investor money in Proaction Sports Medicine Concepts, LP into The Continuum Clubs,
19 Inc. bank accounts, which only Adkisson controlled. Adkisson then used the Investors money to
20 fund his luxury lifestyle including expensive cars, houses and golf country club memberships. No
21 health club or wellness center was ever owned or operated by Adkisson, The Continuum Clubs, Inc.,
22 Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP and no funds invested in any
23 of those companies were ever returned to the Investors.

24 6. The investments offered and sold by Adkisson, The Continuum Clubs, Inc., Proaction
25 Concepts, LLC, Proaction Sports Medicine Concepts, LP and their agents, including interests in the
26 limited partnership and the debt notes into which those interests were subsequently converted,
27 constitute securities. The Department of Corporations has not issued a permit or other form of
28 qualification authorizing any person to offer and sell these securities in this state.

1 7. Adkisson, The Continuum Clubs, Inc., Proaction Concepts, LLC, Proaction Sports
2 Medicine Concepts, LP and their agents, offered and sold securities by means of written and oral
3 communications which included untrue statements of material fact and which omitted to state
4 material facts necessary in order to make the statements made, in the light of the circumstances under
5 which they were made, not misleading. The material misstatements and omissions made included the
6 failure to inform the Investors of the use of their funds and assets to purchase the securities until after
7 the sale was completed, and false statements made in offering materials that Proaction Sports
8 Medicine Concepts, LP owned or operated wellness and fitness centers in Fort Wayne, Indiana. They
9 also failed to disclose to the Investors prior to the conversion of the limited partnership interests into
10 debt notes that Proaction Sports Medicine Concepts, LP had been losing money continually since its
11 inception, had no other investors or source of income and that all the interest payments that had
12 reportedly been made to the Investors had been made with the funds the Investors had originally
13 invested.

14 Based upon the foregoing findings, the California Corporations Commissioner is of the
15 opinion that Adkisson, The Continuum Clubs, Inc., Proaction Concepts, LLC and Proaction Sports
16 Medicine Concepts, LP offered and sold securities in the form of limited partnership interests in
17 Proaction Sports Medicine Concepts, LP. Those securities have not been qualified under the
18 California Corporate Securities Law of 1968, in violation of section 25110 of the Corporations Code.
19 Pursuant to section 25532 of the Corporate Securities Law of 1968, Adkisson, The Continuum Clubs,
20 Inc., Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP are hereby ordered to
21 desist and refrain from the further offer or sale of securities in the State of California, including but
22 not limited to interests in limited partnerships, unless and until qualification of those interests in
23 limited partnerships have been made under the law or unless exempt.

24 The California Corporations Commissioner is further of the opinion that Adkisson, The
25 Continuum Clubs, Inc., Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP
26 offered and sold securities by converting the limited partnership interests in Proaction Sports
27 Medicine Concepts, LP into debt notes. Those securities have not been qualified under the California
28 Corporate Securities Law of 1968, in violation of section 25120 of the Corporations Code. Pursuant

1 to section 25532 of the Corporate Securities Law of 1968, Adkisson, The Continuum Clubs, Inc.,
2 Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP are hereby ordered to desist
3 and refrain from the further offer or sale of securities in the State of California, including but not
4 limited to the conversion of interests in limited partnerships into debt notes, unless and until
5 qualification of those debt notes has been made under the law or unless exempt.

6 The California Corporations Commissioner is further of the opinion that Adkisson, The
7 Continuum Clubs, Inc., Proaction Concepts, LLC and Proaction Sports Medicine Concepts, LP
8 offered and sold securities in this state by means of written and oral communications including untrue
9 statements of material fact and omission of material facts necessary to make the statements not
10 misleading, in violation of section 25401 of the Corporations Code. Pursuant to section 25532 of the
11 Corporate Securities Law of 1968, Adkisson, The Continuum Clubs, Inc., Proaction Concepts, LLC
12 and Proaction Sports Medicine Concepts, LP are hereby ordered to desist and refrain from offering or
13 selling or buying or offering to buy any security in the State of California, including but not limited to
14 limited partnership interests and debt notes, by means of any written or oral communication which
15 includes an untrue statement of a material fact or omits to state a material fact necessary in order to
16 make the statements made, in the light of the circumstances under which they were made, not
17 misleading.

18 This Order is necessary, in the public interest, for the protection of investors and consistent
19 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

20 Dated: October 8, 2010
21 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

22 By _____
23 ALAN S. WEINGER
24 Deputy Commissioner
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