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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Horizon Commercial Real Estate Funding, Inc.;
Sunshine Inn, Inc.; and Timothy P. Moyer,

Respondents.

Order No.: S-10-038-12-SC01

STATEMENT OF CHARGES AND NOTICE OF INTENT
TO ENTER ORDER TO CEASE AND DESIST, TO
IMPOSE FINES AND TO CHARGE COSTS

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THE STATE OF WASHINGTON TO:

Horizon Commercial Real Estate Funding, Inc.
Sunshine Inn, Inc.
Timothy P. Moyer

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents, Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations and to charge costs, and under RCW 21.20.395 to impose a fine. The Securities Administrator finds as follow:

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TENTATIVE FINDINGS OF FACT

Respondents

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1. Horizon Commercial Real Estate Funding, Inc. ("Horizon Commercial") is a Washington corporation formed on December 3, 2007. Horizon Commercial is in the business of facilitating commercial lending transactions. Horizon Commercial's office is located in Spokane Valley, Washington. Horizon Commercial originates commercial loans, finding private or corporate lenders for commercial properties.

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2. Sunshine Inn, Inc. ("Sunshine Inn") is an Idaho corporation formed on February 26, 2008. Sunshine Inn was formed to operate the Sunshine Inn, a restaurant, lounge, and motel, located in Kellogg, Idaho. The Sunshine Inn closed in December 2009.

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3. Timothy P. Moyer ("Moyer") is a Washington resident. Moyer is the President of Horizon Commercial and Sunshine Inn.

Prior Securities Division Order

1 4. On February 4, 2003, the Securities Division entered into a Consent Order with Moyer and two
2 companies that he controlled, Private Lender Funding, Inc. and the Moyer Company. The Securities Division
3 alleged that Moyer, Private Lender Funding, Inc. and the Moyer Company, offered and sold unregistered
4 investments in commercial loans to investors. In settling the matter, Moyer neither admitted nor denied the
5 allegations, but agreed to cease and desist from offering unregistered securities, acting as an unregistered broker-
6 dealer or securities salesperson, and violating the anti-fraud provisions of the Securities Act of Washington.

Nature of the Offering

8 5. Between 2007 and 2009, Timothy P. Moyer, while operating out of Eastern Washington, offered
9 and sold investments totaling at least \$205,000 to at least three investors in Washington and Idaho. Moyer led
10 investors to believe that the investments were for Moyer's commercial lending business, Horizon Commercial, or
11 for the Sunshine Inn. Moyer offered short-term promissory notes and/or loan agreements that offered interest rates
12 ranging from eight to fifteen percent. To date, Moyer has made sporadic interest payments on the investments, but
13 none of the investors has had their principal paid back in full.

Investor A

15 6. In approximately 2006, Investor A, then a Washington resident, met Moyer as a tenant of an
16 apartment building that Moyer owned in Spokane, Washington. In 2007, Investor A received at least \$10,000 as
17 part of an insurance claim. Moyer agreed to provide interest on Investor A's \$10,000 if he could use the money
18 for his business, Horizon Commercial.

19 7. In approximately September or October 2007, Investor A invested \$10,000 with Horizon
20 Commercial. Moyer signed a promissory note for Investor A's funds. Under the terms of the note, Horizon
21 Commercial agreed to make monthly interest-only payments to Investor A.

22 8. In approximately January 2008, Moyer arranged for Investor A to become the manager of the
23 Sunshine Inn. Moyer offered Investor A the opportunity to exchange her \$10,000 note for a 49% ownership
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1 interest in the Sunshine Inn. Investor A accepted Moyer's offer, but Moyer did not formalize the agreement in
2 writing. The Sunshine Inn never issued stock to Investor A.

3 *Investor B*

4 9. Investor B is a resident of Idaho, who worked for Moyer at the Sunshine Inn. Investor B knew
5 from Investor A that Moyer wanted money to put into Horizon Commercial for cash flow needs.

6 10. In March 2008, Investor B invested \$70,000 with Horizon Commercial. Moyer deposited Investor
7 B's funds into a bank account in the name of "Timothy Moyer dba Horizon Commercial Real Estate Funding," in
8 Spokane, Washington. Approximately one month later, Moyer repaid \$10,000 to Investor B and signed a
9 promissory note on behalf of Horizon Commercial for Investor B's remaining \$60,000 investment. Under the
10 terms of the promissory note, Horizon Commercial agreed to pay Investor B monthly interest payments of \$400
11 for three years. At the end of the three year term, Horizon Commercial would pay back the balance of the
12 promissory note. In the promissory note, Moyer wrote that the funds would be used by Horizon Commercial for
13 cash flow purposes.

14 11. Horizon Commercial did not pay off Investor B's promissory note at the end of the three year term.
15 The note required that upon default, the note bear interest at a rate of eight percent per annum until paid. Horizon
16 Commercial has made sporadic \$400 payments to Investor B since the note matured in April 2011.

17 *Investor C*

18 12. Investor C is a resident of Spokane Valley, Washington, with little prior investment experience.
19 Investor C met Moyer through their children, who attend the same school.

20 13. After the death of Investor C's spouse, Investor C took the proceeds of a life insurance policy and
21 invested the funds with an investment adviser. Moyer later suggested to Investor C that she check on the value of
22 those investments. When Investor C told Moyer that her investments had gone down in value, Moyer suggested
23 that she should instead invest those funds in his business. Moyer told Investor C that he would use her funds to
24 support his restaurant, the Sunshine Inn. Moyer knew that Investor C's only income at that time came from
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1 survivor benefits. Moyer told Investor C that the investment could provide her with additional monthly income
2 and help recoup her previous investment losses.

3 14. In February 2008, Investor C wired \$85,500 to an account in the name of "Timothy Moyer dba
4 Horizon Commercial Real Estate Funding." Moyer signed and provided to Investor C, on behalf of the Sunshine
5 Inn, a promissory note for \$85,000, as well as a document titled "Loan Agreement/Term Sheet." Under the terms
6 of the agreement, the Sunshine Inn agreed to make monthly interest payments to Investor C for five years, at an
7 annual interest rate of nine percent. During each year of the five year term, the Sunshine Inn agreed to increase
8 Investor C's principal amount by three percent. At maturity of the note, the Sunshine Inn would pay back the
9 principal in full.

10 15. After making the monthly interest only payments on Investor C's note for a year, Moyer contacted
11 Investor C and asked for additional funds, but Investor C declined. Moyer later contacted Investor C and told her
12 that the Sunshine Inn had been awarded the first gambling license in the area in eleven years. Moyer told Investor
13 C that he needed additional capital to purchase gambling machines. In February 2009, Investor C invested another
14 \$25,000 in the Sunshine Inn and received a document titled "Loan Agreement/Term Sheet." Under the terms of
15 the agreement, the Sunshine Inn agreed to pay monthly interest payments of \$250 to Investor C for one year, at
16 which time the balance would become due. To fund the investment, Moyer suggested that Investor C take out a
17 \$35,000 home equity loan, which Investor C did with the assistance of Moyer. Moyer agreed to pay Investor C's
18 closing costs and pledged to annually increase Investor C's principal investment by an amount sufficient to cover
19 the interest payments on the home equity loan.

20 16. Approximately two months later, in April 2009, Moyer convinced Investor C to take out a second
21 \$35,000 home equity loan and invest an additional \$25,000 with the Sunshine Inn. Moyer, on behalf of the
22 Sunshine Inn, signed a "Loan Agreement/Term Sheet" for this investment. Under the terms of the agreement, the
23 Sunshine Inn promised to make monthly interest payments of \$250. Moyer pledged to increase Investor C's
24 principal investment by an amount sufficient to cover closing costs and future interest payments for Investor C's
25 new home equity loan.

1 17. By late 2009, Moyer's payments to Investor C became sporadic. To facilitate repayment, Investor
2 C agreed to reduce the interest rate on the investments to seven percent. Moyer continues to make late or sporadic
3 payments.

4 Misrepresentations and Omissions

5 18. Respondents failed to disclose to investors that Moyer was subject to a 2003 Consent Order with
6 the Securities Division, as described above.

7 19. Respondents Timothy P. Moyer and Horizon Commercial Real Estate Funding failed to provide
8 material information regarding investing with the Horizon Commercial, including but not limited to: financial
9 statements, the financial condition of the Horizon Commercial and its ability to repay debts, and the general risks
10 of investing in a commercial lending business.

11 20. Respondents Timothy P. Moyer and Sunshine Inn, Inc. failed to provide material information
12 regarding investing in the Sunshine Inn, including but not limited to: financial statements, the financial condition
13 of the Sunshine Inn and its ability to repay debts, and the general risks of investing in a restaurant/lounge/motel.

14 21. Respondents failed to disclose to investors that investor funds for the Sunshine Inn would be
15 commingled with funds of Horizon Commercial.

16 22. Respondents failed to disclose to investors that Moyer had previously filed for Chapter 7
17 bankruptcy in 1987, 1990, and 2003.

18 Registration Status

19 23. Horizon Commercial Real Estate Funding is not currently registered to sell its securities in the state
20 of Washington and has not previously been so registered.

21 24. Sunshine Inn, Inc. is not currently registered to sell its securities in the state of Washington and has
22 not previously been so registered.

23 25. Timothy P. Moyer is not currently registered as a securities broker-dealer or a securities
24 salesperson in the state of Washington and has not previously been so registered.

1 Based upon the above Findings of Fact, the following Conclusions of Law are made:

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3 **CONCLUSIONS OF LAW**

4 1. The offer or sale of the investments described above constitutes the offer or sale of a security, as defined
5 in RCW 21.20.005(14) and (17).

6 2. Respondents Timothy P. Moyer, Horizon Commercial Real Estate Funding, and the Sunshine Inn, Inc.
7 violated RCW 21.20.140, the securities registration section of the Securities Act of Washington, because no
8 registration for such offer and/or sale was on file with the Washington Securities Administrator.

9 3. Respondent Timothy P. Moyer violated RCW 21.20.040 by offering or selling said securities while not
10 registered as a securities salesperson or broker-dealer in the state of Washington.

11 4. The offer or sale of said securities violated RCW 21.20.010 because, as set forth in the Tentative
12 Findings of Fact, Respondents made untrue statements of a material fact or omitted to state material facts
13 necessary in order to make the statements made, in the light of the circumstances under which they were made, not
14 misleading.

15 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

16 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions of
17 Law, the Securities Administrator intends to order that Respondents, Horizon Commercial Real Estate Funding,
18 Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, each shall cease and desist from any violation of RCW 21.20.010,
19 RCW 21.20.040, and RCW 21.20.140.

20 **NOTICE OF INTENT TO IMPOSE A FINE**

21 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of
22 Law, the Securities Administrator intends to order that Respondents, Horizon Commercial Real Estate Funding,
23 Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, shall be jointly and severally liable for and shall pay a fine of
24 \$30,000.
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NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390(5), and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents, Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, shall be liable for and shall pay the Securities Division the costs, fees, and other expenses incurred in the conduct of the administrative investigation and hearing of this matter of not less than \$2,500.

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AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought against that Respondent, and to charge any costs sought against that Respondent.

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Signed and Entered this 9th day of March 2012.

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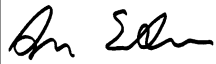


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William M. Beatty
Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Jack McClellan
Financial Legal Examiner

Reviewed by:



Robert Kondrat
Financial Legal Examiner Supervisor