

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING) Order Number S-09-134-11-SC01
5 Whether there has been a violation of the)
6 Securities Act of Washington by:) STATEMENT OF CHARGES AND
7 Tyler Gonty, and) NOTICE OF INTENT TO ENTER ORDER
8 T&H Northwest, LLC) TO CEASE AND DESIST, TO IMPOSE
Respondents) FINES, AND TO CHARGE COSTS
)

9 THE STATE OF WASHINGTON TO: Tyler Gonty
10 T&H Northwest, LLC

11
12 **STATEMENT OF CHARGES**

13 Please take notice that the Securities Administrator of the State of Washington has
14 reason to believe that Respondents, Tyler Gonty and T&H Northwest, LLC, have each violated
15 the Securities Act of Washington and that their violations justify the entry of an order of the
16 Securities Administrator under RCW 21.20.390 to cease and desist from such violations and to
17 charge costs, and under RCW 21.20.395 to impose fines. The Securities Administrator finds as
18 follows:

19 **TENTATIVE FINDINGS OF FACT**

20 Respondents

21
22 1. Tyler Gonty (“Gonty”), a Washington resident, is the Manager and Chief
23 Executive Officer of T&H Northwest, LLC.

24
25 STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND DESIST,
TO IMPOSE FINES, AND TO CHARGE COSTS

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 6. Another investor invested \$90,000 in T&H after being promised a return of 10%
2 per week and 5% ownership interest in a specific website. According to the promissory note
3 signed by Gonty, the investor could request the return of their investment funds just fourteen
4 days after their initial investment.

5 7. Most T&H investors invested in the production of a specific movie or website.
6 Investors were entitled to a percentage of the revenue from the movie or website depending on
7 how much they invested. According to the HellHouse website, in 2009, a \$1,000 investment
8 would purportedly return approximately \$100 per month (an annualized rate of return of 120%).
9 The website further stated that the production time for a movie was approximately 120 days
10 from planning to release. On multiple occasions, the movies described in the offerings were not
11 actually produced and the investor's participation interests were transferred to another movie
12 that was to be produced by Gonty.

13 8. In April 2009, a Securities Division investigator responded via email to a T&H
14 advertisement on the seattleweekly.backpage.com website seeking investors for an "Award
15 Winning Adult Media Company." The advertisement stated that T&H "is one of the fastest
16 growing in the business, with more that 3 years of established profit and growth..." The
17 investigator later received a response from Gonty directing him to an advertisement on the
18 HellHouse website that described the investment offering. According to offering documents on
19 the HellHouse website, T&H was attempting to raise \$500,000 from investors. The offering
20 documents stated that investors had the option of investing in specific projects (movies,
21 websites, and products) or in shares of T&H.
22
23
24
25

1 Respondents made untrue statements of material fact, and omitted to state material facts
2 necessary in order to make the statements made, in light of the circumstances in which they
3 were made, not misleading.

4 3. Tyler Gonty has violated RCW 21.20.040 by offering or selling said securities
5 while not registered as a securities salespersons or broker-dealers in the state of Washington.

6 4. The offer or sale of said securities is in violation of RCW 21.20.140 because no
7 registration for such offer or sale is on file with the Securities Administrator.
8

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

10 Pursuant to RCW 21.20.390(1), and based on the above Tentative Findings of Fact and
11 Conclusions of Law, the Securities Administrator intends to order that Tyler Gonty and T&H
12 Northwest, LLC shall each cease and desist from violations of RCW 21.20.010, and RCW
13 21.20.140 and that Tyler Gonty cease and desist from violations of RCW 21.20.040.

14 **NOTICE OF INTENT TO IMPOSE FINES**

15 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
16 Conclusions of Law, the Securities Administrator intends to order that Respondents, Tyler
17 Gonty, and T&H Northwest, LLC, shall each be liable for and pay a fine of \$20,000.
18

19 **NOTICE OF INTENT TO CHARGE COSTS**

20 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and
21 Conclusions of Law, the Securities Administrator intends to order that Respondents, Tyler
22 Gonty, and T&H Northwest, LLC, shall be liable for and pay the costs, fees, and other expenses
23 incurred in the investigation of this matter in an amount not less than \$2,500.
24
25

1 **AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW
3 and is subject to the provisions of Chapter 34.05 RCW. The Respondents, Tyler Gonty, and
4 T&H Northwest, LLC; may make a written request for a hearing as set forth in the NOTICE OF
5 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
6 order.

7
8 If the Respondents do not request a hearing, the Securities Administrator intends to
9 adopt the above Tentative Findings of Fact and Conclusions of Law as final, and enter a
10 permanent order to cease and desist, to impose fines, and to charge costs as to that respondent.

11 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

12 SIGNED and ENTERED this 30th day of November,
13 2011.

14 

15 _____
16 William M. Beatty
17 Securities Administrator

18 Approved by:

18 Presented by:

19 

19 

20 _____
21 Suzanne Sarason
22 Chief of Enforcement

20 _____
21 Tyler Letey
22 Financial Legal Examiner

23 Reviewed by:

24 

25 _____
26 Robert Kondrat
27 Financial Legal Examiner Supervisor

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