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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 the State  
of Washington by:

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

Respondents.

Order Number S-10-038-12-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER  
TO CEASE AND DESIST, TO IMPOSE FINES,  
AND TO CHARGE COSTS

THE STATE OF WASHINGTON TO:

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

**INTRODUCTION**

On March 9, 2012, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Impose Fines, and Charges Costs, order number S-10-038-12-SC01, hereinafter referred to as "Statement of Charges," against Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and Timothy P. Moyer, hereinafter referred to as "Respondents." The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing," and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," were served on Respondents on March 16, 2012. The Notice of Opportunity for Hearing advised the Respondents that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. The Respondents each failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF LAW  
AND FINAL 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 The Securities Administrator therefore will adopt as final the following Findings of Fact and  
2 Conclusions of Law as set forth in the Statement of Charges and enter a Final Order against the Respondents  
3 to cease and desist from violations of the Securities Act, to impose fines, and to charge costs.

## 4 FINDINGS OF FACT

### 5 Respondents

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

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

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

### 15 Prior Securities Division Order

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

### 22 Nature of the Offering

23 5. Between 2007 and 2009, Timothy P. Moyer, while operating out of Eastern Washington, offered  
24 and sold investments totaling at least \$205,000 to at least three investors in Washington and Idaho. Moyer led

1 investors to believe that the investments were for Moyer's commercial lending business, Horizon Commercial, or  
2 for the Sunshine Inn. Moyer offered short-term promissory notes and/or loan agreements that offered interest rates  
3 ranging from eight to fifteen percent. To date, Moyer has made sporadic interest payments on the investments, but  
4 none of the investors has had their principal paid back in full.

5 *Investor A*

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

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

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

17 *Investor B*

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

20 10. In March 2008, Investor B invested \$70,000 with Horizon Commercial. Moyer deposited Investor  
21 B's funds into a bank account in the name of "Timothy Moyer dba Horizon Commercial Real Estate Funding," in  
22 Spokane, Washington. Approximately one month later, Moyer repaid \$10,000 to Investor B and signed a  
23 promissory note on behalf of Horizon Commercial for Investor B's remaining \$60,000 investment. Under the  
24 terms of the promissory note, Horizon Commercial agreed to pay Investor B monthly interest payments of \$400 for

1 three years. At the end of the three year term, Horizon Commercial would pay back the balance of the promissory  
2 note. In the promissory note, Moyer wrote that the funds would be used by Horizon Commercial for cash flow  
3 purposes.

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

7 *Investor C*

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

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

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

1 15. After making the monthly interest only payments on Investor C's note for a year, Moyer contacted  
2 Investor C and asked for additional funds, but Investor C declined. Moyer later contacted Investor C and told her  
3 that the Sunshine Inn had been awarded the first gambling license in the area in eleven years. Moyer told Investor  
4 C that he needed additional capital to purchase gambling machines. In February 2009, Investor C invested another  
5 \$25,000 in the Sunshine Inn and received a document titled "Loan Agreement/Term Sheet." Under the terms of the  
6 agreement, the Sunshine Inn agreed to pay monthly interest payments of \$250 to Investor C for one year, at which  
7 time the balance would become due. To fund the investment, Moyer suggested that Investor C take out a \$35,000  
8 home equity loan, which Investor C did with the assistance of Moyer. Moyer agreed to pay Investor C's closing  
9 costs and pledged to annually increase Investor C's principal investment by an amount sufficient to cover the  
10 interest payments on the home equity loan.

11 16. Approximately two months later, in April 2009, Moyer convinced Investor C to take out a second  
12 \$35,000 home equity loan and invest an additional \$25,000 with the Sunshine Inn. Moyer, on behalf of the  
13 Sunshine Inn, signed a "Loan Agreement/Term Sheet" for this investment. Under the terms of the agreement, the  
14 Sunshine Inn promised to make monthly interest payments of \$250. Moyer pledged to increase Investor C's  
15 principal investment by an amount sufficient to cover closing costs and future interest payments for Investor C's  
16 new home equity loan.

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

#### 20 Misrepresentations and Omissions

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

23 19. Respondents Timothy P. Moyer and Horizon Commercial Real Estate Funding failed to provide  
24 material information regarding investing with the Horizon Commercial, including but not limited to: financial

1 statements, the financial condition of the Horizon Commercial and its ability to repay debts, and the general risks of  
2 investing in a commercial lending business.

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

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

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

#### 10 Registration Status

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

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

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

17  
18 Based upon the above Findings of Fact, the following Conclusions of Law are made:

#### 19 **CONCLUSIONS OF LAW**

20 1. The offer or sale of the investments described above constitutes the offer or sale of a security, as defined  
21 in RCW 21.20.005(14) and (17).  
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1 2. Respondents Timothy P. Moyer, Horizon Commercial Real Estate Funding, and the Sunshine Inn, Inc.  
2 violated RCW 21.20.140, the securities registration section of the Securities Act of Washington, because no  
3 registration for such offer and/or sale was on file with the Washington Securities Administrator.

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

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

### 10 **FINAL ORDER**

11 Based upon the foregoing and finding it in the public interest:

12 It is hereby ORDERED that the Respondents, Horizon Commercial Real Estate Funding, Inc.;  
13 Sunshine Inn, Inc.; Timothy P. Moyer, their agents and employees shall each cease and desist from  
14 offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities registration  
15 section of the Securities Act.

16 It is further ORDERED that Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.;  
17 Timothy P. Moyer, their agents and employees shall each cease and desist from violation of RCW  
18 21.20.010, the anti-fraud section of the Securities Act.

19 It is further ORDERED that Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.;  
20 Timothy P. Moyer, their agents and employees shall each cease and desist from violation of RCW  
21 21.20.040, the broker-dealer and securities salesperson registration section of the Securities Act.

22 It is further ORDERED that Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and  
23 Timothy P. Moyer, shall be jointly and severally liable for and pay a fine of \$30,000.  
24

1 It is further ORDERED that Horizon Commercial Real Estate Funding, Inc.; Sunshine Inn, Inc.; and  
2 Timothy P. Moyer, shall be jointly and severally liable for and pay costs in the amount of \$2,500.

3 **AUTHORITY AND PROCEDURE**

4 This Final Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395 and  
5 is subject to the provisions of RCW 21.20.440 and Chapter 34.05 RCW. Respondents have the right to  
6 petition the superior court for judicial review of this agency action under the provisions of chapter 34.05  
7 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections  
8 following. Pursuant to 21.20.395, a certified copy of this order may be filed in Superior Court. If so filed,  
9 the clerk shall treat the order in the same manner as a Superior Court judgment as to the fine, and the fine  
10 may be recorded, enforced, or satisfied in like manner.

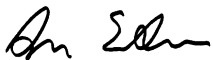
11 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

12 DATED and ENTERED this 16th day of April, 2012.

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William M. Beatty  
Securities Administrator

19 Approved by:

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Suzanne Sarason  
Chief of Enforcement

Presented by:

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Jack McClellan  
Financial Legal Examiner



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Reviewed by:



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Robert Kondrat  
Financial Legal Examiner Supervisor