



ARIZONA CORPORATION COMMISSION

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Commission Orders Former Managers of Radical Bunny and Horizon Partners to Pay \$189.8 Million in Restitution for Defrauding Investors

Also Sanctions Others for Securities Fraud

PHOENIX, AZ— The Arizona Corporation Commission today entered an order that requires the prior managers of Radical Bunny, LLC and Horizon Partners, LLC to pay more than \$189.8 million in restitution for committing securities fraud in connection with two unregistered deed of trust investment programs. In other cases, the Commission fined a Tucson man and his affiliated company for securities fraud and halted an unregistered real estate program totaling over \$1.9 million.

Radical Bunny, LLC and Horizon Partners, LLC

The Commission ordered respondents Tom Hirsch, Harish Shah, Howard Walder and Berta “Bunny” Walder, the former managers of Radical Bunny LLC, and Horizon Partners, LLC, an affiliated entity, to pay \$189.8 million in restitution and a total of \$4.65 million in administrative penalties for defrauding investors.

The Commission found that, while not registered as securities salesmen or dealers, Horizon Partners LLC, Hirsch, Shah, and the Walders raised funds from approximately 900 investors across the U.S. and in four foreign countries.

Investors were told that their money would be used by Radical Bunny LLC to purchase fractionalized interests in promissory notes secured by real estate deeds of trust. The Commission found, however, that respondents Bunny pooled investor funds to make unsecured loans to Mortgages Ltd., a Phoenix-based originator of high-interest, short-term loans to real estate developers. Additionally, the Commission found that the respondents continued to raise investor funds despite being advised by lawyers that they had or were engaged in unregistered securities offerings in violation of Arizona securities laws.

“The securities statutes were flagrantly, and repeatedly, violated in this case, and the Commission's actions today demonstrated zero tolerance for this sort of behavior in Arizona,” said Chairman Bob Stump. “The message should be heard loudly and clearly: If you commit securities fraud, this Commission will hold you to account.”

Radical Bunny, LLC previously agreed, without admitting or denying the Commission findings, to the entry of a consent order, which order was signed by the Commission on April 28, 2010 as Decision No. 71682.

David Shorey and Westcap Energy, Inc.

The Commission ordered David Shorey of Tucson and Westcap Energy, Inc, to pay a \$10,000 administrative penalty and to make rescission payments available to investors who want their money returned. The Commission found that Shorey, chairman and chief executive officer of Westcap, and

Westcap were not registered to offer or sell securities in Arizona when they fraudulently raised at least \$388,495 from 24 investors. The Commission found that Shorey and Westcap failed to disclose in to investors commissions of up to 70%, paid to those salespeople who sold Westcap stock.

Parker Skylar and Associates, LLC

The Commission issued a default order against Parker Skylar & Associates, LLC, requiring the payment of \$1,942,000 in restitution and a \$50,000 administrative penalty for its securities violations. The Commission found that, while not registered as a securities dealer, Parker Skylar fraudulently offered and sold membership interests to at least 17 investors. The Commission found that, among the multiple, material omissions and misrepresentations made to investors, Parker Skylar failed to tell investors that a lender claimed to have encumbered all of Parker Skylar's property, failed to transfer all investor funds to the real estate development entity for which Parker Skylar was raising funds, and touted the acumen of Parker Skylar's manager when, in fact, several of the manager's creditors had sued him.

More caution for investors:

Even when selling a legitimate product, some promoters do not recognize the investment program they have created is a security. Determining whether an alternative investment program is a security is not always easy to determine and depends upon the unique facts and circumstances of the transaction and not on what a promoter calls the investment product. Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free in Arizona at 1-866-VERIFY-9. The Division's investor education website also has helpful information at www.azinvestor.gov.

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