

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)	
)	
ROY EUGENE COMBS CRD # 8992844)	File Number: 06-00056
)	

NOTICE OF HEARING

**TO THE RESPONDENT: ROY EUGENE COMBS
177-F RIVERSIDE AVENUE
PMB 1042
NEWPORT BEACH,
CALIFORNIA 92663-4018**

**ROY EUGENE COMBS
D/B/A HORIZON CLUB
177-F RIVERSIDE AVENUE
PMB 1042
NEWPORT BEACH,
CALIFORNIA 92663-4018**

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5/1, *et seq.*) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 30th day of September, 2009 at 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, Esq., or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered Finding Respondent Roy Eugene Combs in violation of the Act and granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount of \$10,000.00 per violation pursuant to Section 11.F of the Act, for each and every violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. Respondent ROY EUGENE COMBS ("COMBS") is the founder and president of HORIZON CLUB ("HORIZON"). On information and belief COMBS is a resident of California.

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2. HORIZON is an unincorporated business entity with a last known address of 177-F Riverside Avenue, PMB 1042 in Newport Beach, California, where it has been operating since at least 1991.
3. HORIZON is under the exclusive control and direction of COMBS.
4. Beginning in 1991 COMBS solicited at least one resident of Illinois ("Investor") for investments into HORIZON and several affiliated companies.
5. COMBS told investor that HORIZON sought multi-stage capital and financing for several companies affiliated with COMBS and HORIZON, including, but not limited to, "Agricultural Industries," "Preferred Royal Partners," "Paragon Media," "Lyonsgate Investment Banking," and "Pacific Electric Research."
6. COMBS offered Investor "Special Membership" shares, in the form of HORIZON common stock and Class A stock.
7. COMBS also offered Investor the opportunity to purchase warrants that would be invested into the companies identified in paragraph 5, above.
8. COMBS promised investor high returns on his principal for the HORIZON stock and shares, as well as the warrants, up to 25% per annum.
9. COMBS led Investor to believe that investing through COMBS and HORIZON would not only secure Investor's life savings but also provide a high return allowing Investor to live comfortably in his retirement while also leaving an appreciable inheritance for his relatives.
10. From 1991 through 2005 COMBS obtained in excess of \$140,000.00 from Investor to invest into "Special Membership" shares of HORIZON and the purported warrants. This money constituted Investor's life savings.
11. COMBS did mail Investor statements memorializing Investor's purchases of the Special Membership shares and warrants, the principal invested and the return on the Investment that Investor was to receive.
12. COMBS lied. COMBS never invested Investor's money, nor did COMBS ever provide Investor any return of principal or interest on the purported investments.
13. COMBS used Investor's money to finance his lifestyle, paying for, among other things, dinners, vacations, stays at resorts and automobile repairs.
14. In fact, the companies identified in paragraph 5, above, do not exist. "Agricultural Industries," "Preferred Royal Partners," "Paragon Media," "Lyonsgate Investment

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- Banking,” and “Pacific Electric Research,” are names similar to legitimate companies, names of which COMBS made slight changes to so that his ruse would be difficult to uncover.
15. By 2000 COMBS had stolen most of Investor’s life savings, but that was not enough; evidencing a complete lack of moral fiber and an audacity only found with the most callous of scoundrels, COMBS utilized a collections agency to force Investor into paying an additional \$25,000.00 into COMBS fraudulent scheme.
 16. COMBS has a history of defrauding investors through his Horizon Club investment scheme and other corporate entities.
 17. From 1987 and through the mid-1990s Cease and Desist Orders were issued against COMBS and his various fraudulent schemes from the States of Iowa, Montana, Alaska, Missouri, California and Arizona. These schemes included not only the above-described investments, but also fraudulent investments into oil and gas leases and oil and gas exploration companies.
 18. On information and belief COMBS may have absconded from his last known address, but has a history of operating out of the Newport Beach and Los Angeles County regions of California.
 19. Respondent’s investments as described above, constitute a “Security” as defined in 815 ILCS 5/2.1 of the Illinois Securities Law of 1953 (the “Act” hereafter).
 20. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act. 815 ILCS 5/2.5 and 2.5a.
 21. Section 5 of the Act requires all securities offered or sold in Illinois to be registered with the Secretary of State.
 22. Section 12.A of the Act states that it shall be a violation of the provisions of the Act to offer or sell any security except in accordance with the provisions of this Act.
 23. Section 12.D of the Act states that it shall be a violation of the provisions of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or any regulation made by the Secretary of State.
 24. COMBS’ HORIZON stock and various warrants were not registered with the Secretary of State, and therefore, COMBS has violated Sections 12.A and 12.D of the Act.

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Securities Fraud

25. Section 12.F of the Act states that it shall be a violation of the provisions of this Act for any person to, "engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
26. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
27. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
28. COMBS activities, as described above, constitute violations off Sections 12.F, 12.G, and 12.I of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 13th day of July 2009.



JESSE WHITE
Secretary of State
State of Illinois

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