Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801)530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	**AFFIDAVIT OF SERVICE AND NON RESPONSE**
HORIZON INVESTMENT HOLDINGS, LTD,	**Docket No. SD 08-0074**
JOHN FRANCIS RILEY, JR.,	**Docket No. SD 08-0075**
LOU GETMAN,	**Docket No. SD 08-0076**
KERRY REX SMITH,	**Docket No. SD 08-0077**
Respondents.	

I, Pam Radzinski, first being duly sworn, depose and state as follows:

1. I am the Executive Secretary for the Department of Commerce Division of Securities (the Division).

2. As executive secretary for the Division, I am responsible for supervising the mailing of the Division's Orders to Show Cause and for receiving any responses filed by respondents.

3. On July 28, 2008, the Division served, by both certified mail and regular mail, an Order to Show Cause (OSC) also dated July 28, 2008, on Horizon Investment Holdings, LTD,

John Francis Riley, Jr., Lou Getman, and Kerry Rex Smith, along with a Notice of Agency Action (Notice or NOAA), advising them that a default order would be entered if they failed to appear at a hearing set for Tuesday September 9, 2008, or file a written response to the OSC within thirty (30) days of the mailing date of the Notice. The Notice designated the adjudicative proceeding as formal.

4. The OSC and NOAA served on Horizon Investment Holdings and John Francis Riley Jr. by certified mail were delivered on August 4, 2008.

5. The OSC and NOAA served on Kerry Rex Smith by certified mail were returned as undeliverable on August 6, 2008.

6. The OSC and NOAA served on Getman by certified mail were attempted on August 7, 2008 and August 16, 2008, but were returned on September 3, 2008 as unclaimed.

7. None of the OSCs or Notices served by regular mail were returned.

8. A hearing was convened on Tuesday September 9, 2008. None of the Respondents appeared and none filed a Response.

9. As of the date of this Affidavit, none of the respondents have filed the required response.

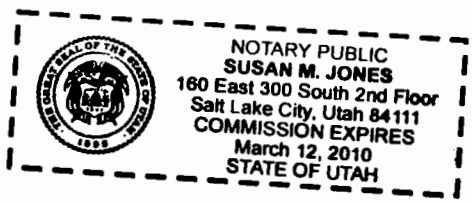
DATED this 28TH day of ~~September~~ OCTOBER 2008.

PAM RADZINSKI
Executive Secretary

SALT LAKE COUNTY)
) ss
STATE OF UTAH)

Signed and subscribed to before me this 28th day of ~~September~~ October 2008.

Susan M Jones



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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	**NOTICE OF ENTRY OF DEFAULT AND ORDER**
HORIZON INVESTMENT HOLDINGS, LTD,	**Docket No. SD 08-0074**
JOHN FRANCIS RILEY, JR.,	**Docket No. SD 08-0075**
LOU GETMAN,	**Docket No. SD 08-0076**
KERRY REX SMITH,	**Docket No. SD 08-0077**
Respondents.	

I. BACKGROUND

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause (OSC) and Notice of Agency Action (Notice or NOAA) dated July 28, 2008, against Horizon Investment Holdings, LTD, John Francis Riley, Jr., Lou Getman, and Kerry Rex Smith, advising them to file an answer within 30 days or appear at a hearing set for Tuesday September 9, 2008 or default would be entered against them. A hearing was convened that day, but no responses were filed by any respondent. Default was entered against them.

II. FINDINGS OF FACT

1. Horizon Investment Holdings, LTD (Horizon) is a putative business entity whose real identity is unknown. It is not a registered business entity in Utah.

2. John Francis Riley Jr. (Riley) resides in Riverside County, California.

3. Lou Getman (Getman) resides in Orange County, California.

4. Kerry Rex Smith (Smith) resides in Utah County, Utah.

GENERAL ALLEGATIONS

Investor DI

5. In November or December 2005, Smith contacted Dick Jenkins (Jenkins), a Utah cousin of Smith's, via telephone, and told Jenkins about an investment opportunity in California that would provide a great return for whoever can come up with funds.

6. Smith told Jenkins to contact an individual by the name of Getman to find out more about the investment opportunity.

7. In late 2005, Jenkins contacted Getman in California, via telephone from Utah, and Getman told Jenkins the following:

   a. Someone by the name of John Riley needed $50,000 to put toward a project; and

   b. Getman knew Riley to be an upstanding person who would not take advantage of anyone.

8. Getman gave Riley's telephone number to Jenkins and suggested Jenkins give him a call.

9. When Jenkins called Riley, Riley told Jenkins the following:

a. "They" found a cash box in the London airport which contained a large sum of money;

b. "They" needed $50,000 to pay customs to release the cash box; and

c. Whoever provides the money for customs will double his or her money within a few months.

10. In December 2005, in Washington County, Utah, Jenkins told one of his tax clients (DI) about an investment opportunity that provided a return of 100% in a short amount of time.

11. Jenkins told DI that, if he invested $35,000 in December 2005, DI would receive $70,000 by March 2006.

12. Jenkins told DI someone needed money in his or her bank account to "bring in more funds."

13. Jenkins told DI that, by providing this someone with money to deposit into his or her account, DI would double his money.

14. Jenkins did not tell DI about Smith, Getman, or Riley, or the cash box at the London airport while describing the investment opportunity.

15. On December 9, 2005, DI sent $35,000 from his Sunfirst Bank account in Utah, via wire transfer, to a bank account controlled by Jenkins, at America First Credit Union.

16. Per Riley's instructions, Jenkins then sent $32,500 of DI's $35,000, via wire transfer, to Horizon's bank account in California. According to Jenkins, the remaining $2,500 was

used to pay some accounting fees that DI owed to Jenkins.

17. Several weeks after DI invested, Smith contacted Jenkins and said Smith had been to London and transported the cash box from the airport to a bank via armored car. Smith told Jenkins when "they" got to the bank and opened the box it was filled with black paper. Smith said the banker took one piece of the black paper, dipped it in a chemical, which revealed that it was a U.S. dollar bill. Smith also told Jenkins that the banker told Smith the money just needed to be cleaned off.

18. Jenkins heard nothing more from Smith, and DI never received his money.

19. In March 2006, Jenkins telephoned Getman to inquire about DI's money, and Getman told Jenkins, "things were not going along like they were supposed to."

20. In June 2007, Jenkins spoke to Riley, who told Jenkins that Riley had "another deal going" and should be able to pay DI very soon.

21. To date, DI is still owed $35,000 in principal alone.

III. CONCLUSIONS OF LAW

22. The service of the OSC and the Notice initiating these proceedings is valid upon all Respondents.

23. Despite notice, Respondents Horizon Investment Holdings, LTD, John Francis Riley, Jr., Lou Getman, and Kerry Rex Smith failed to file a response or otherwise appear.

24. Because they failed to file a written response to the OSC of July 28, 2008 within 30 days and because they failed to appear at the initial hearing on September 9, they are in

default.

25. The investment opportunity offered and sold by Respondents is an investment contract, and a security under § 61-1-13 of the Act.

26. In connection with the offer and sale of a security, the Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

    a. An investment of $35,000 would produce $70,000 in three months, when in fact, the Respondents had no reasonable basis on which to make this representation.

27. In connection with the offer and sale of a security, the Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

    a. In March 2004, in Utah's Fourth District Court, in Utah County, Smith was charged with two counts of securities fraud (2nd degree felonies), one count of selling unregistered securities, and one count of sale by an unlicensed agent (3rd degree felonies). Smith pleaded guilty to one count of securities fraud in 2007, and the other charges were dismissed;

    b. Some of the information typically provided in an offering circular or prospectus regarding Horizon Investment Holdings, LTD, such as:

        i. Horizon's business and operating history;

        ii. The identities of Horizon's principals and their experience in this type of business;

iii. Horizon's financial statements;

iv. The track record for Horizon investors;

v. Risk factors;

vi. The number of other investors;

vii. The liquidity of the investment;

viii. A discussion of suitability factors;

ix. The involvement of Horizon or its principals in certain legal proceedings, such as bankruptcies or violations of state or federal securities laws;

x. Conflicts of interest Horizon, its principals, or its agents may have with respect to the investment;

xi. Whether the investment was a registered security or exempt from registration; and

xii. Whether the person(s) selling the investment were licensed.

28. Based upon the foregoing, Horizon Investment Holdings, LTD, John Francis Riley Jr., Lou Getman, and Kerry Rex Smith violated § 61-1-1 of the Act.

IV. ORDER

Based on the above, the Director hereby:

1. Declares Horizon Investment Holdings, LTD, John Francis Riley Jr., Lou Getman, and Kerry Rex Smith in default for failing to file a written response to the OSC of July 28, 2008 and for failing to appear at the September 9, 2008 initial hearing.

2. Enters, as its own findings, the Finding of Fact described in Section II above.

3. Enters, as its own conclusions, the Conclusions of Law described in Section III above.

4. Finds that Respondents violated the Utah Uniform Securities Act by misrepresenting material facts in connection with the offer and sale of a security in or from Utah in violation of § 61-1-1(2).

5. Finds that Respondents violated the Utah Uniform Securities Act by failing to disclose material information which was necessary to make the statements made not misleading, in connection with the offer and sale of a security in or from Utah in violation of § 61-1-1(2).

6. Orders Respondents to permanently CEASE and DESIST from any violations of the Act.

7. Orders Horizon Investment Holdings, LTD to pay a fine of fifty thousand dollars ($50,000) to the Division within 30 days of the entry of this Order.

8. Orders John Francis Riley Jr. to pay a fine of fifty thousand dollars ($50,000) to the Division within 30 days of the entry of this Order.

9. Orders Lou Getman and Kerry Rex Smith to pay a fine of five thousand dollars ($5,000) each to the Division within 30 days of the entry of this Order.

DATED this 29th day of ~~September~~ October 2008.

KEITH WOODWELL
Director, Division of Securities

Pursuant to § 63-46b-11(3), Respondent may seek to set aside the Default Order entered in this proceeding by filing such a request with the Division consistent with the procedures outlined in the Utah Rules of Civil Procedure.

CERTIFICATE OF MAILING

I hereby certify that on the 18th day of November 2008, I mailed, by certified mail, a true and correct copy of the forgoing **Affidavit of Service and Non-Response and Notice of Entry of Default and Order** to:

John Francis Riley
Horizon Investment Holdings Ltd
26355 Palm Tree Lane
Murietta CA 92536

CERTIFIED MAIL: 7004 1160 0003 0196 1997

Lou Getman
33796 Bridgehampton
Dana Point CA 92629

CERTIFIED MAIL: 7004 1160 0003 0196 2000

Kerry Rex Smith
838 West 880 North
Orem UT 84057

CERTIFIED MAIL: 7004 1160 0003 0196 2017

Pam Radzinski
Executive Secretary