



U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

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Securities and Exchange Commission v. Horizon Property Holdings, L.C. and Cydney Sanchez, United States District Court for the Central District of California, Civil Action No. CV 09-04340 SVW (JCx)

SEC CHARGES PROMOTER AND FIRM WITH OPERATING PONZI SCHEME TARGETING THE AFRICAN-AMERICAN AND HISPANIC COMMUNITIES

The Securities and Exchange Commission today filed a complaint in the United States District Court for the Central District of California against Horizon Property Holdings, L.C. ("Horizon") and its principal, Cydney Sanchez. The SEC alleges that Sanchez, 59, of Los Angeles and Beverly Hills-based Horizon operated a \$6 million real estate investment scheme that primarily targeted the African-American and Hispanic communities.

The SEC's complaint alleges that, in 2006 and 2007, Sanchez and Horizon recruited approximately 150 investors in California and several other states to participate in a purported foreclosure reinstatement program. According to the complaint, Sanchez claimed that investor funds were secured by a promissory note and an interest in real property and would be used to cure defaults on distressed properties. By promising returns of 40% in as little as 30 days, Sanchez raised approximately \$6 million.

The complaint alleges, however, that investor money was not secured and was not used to rescue homeowners from foreclosure. The complaint alleges that Sanchez and Horizon were instead operating a Ponzi scheme that used approximately \$3.7 million from new investors to pay principal and returns due to earlier investors. The complaint further alleges that Sanchez also misappropriated the remaining investor funds to finance unrelated and undisclosed real estate-related activities and pay her personal expenses (including over \$500,000 for, among other things, airline tickets, clothing, jewelry, handbags, electronic equipment, furniture, and cars).

The SEC's complaint alleges that Sanchez and Horizon violated the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933. The complaint also alleges that Sanchez and Horizon violated the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The SEC seeks permanent injunctions, disgorgement of ill-gotten gains, and civil penalties.

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