

1 KENDALL at Baird's home at 2212 Demaray Dr., Grants Pass, OR 97527. During that
2 meeting, Respondent KENDALL offered to Baird the opportunity to invest in
3 Respondent CONTINENTAL. In making the offer, KENDALL told Baird that there was
4 a 100% guarantee that Baird would receive the return of the principal of the
5 investment, and that Baird would receive 15% per annum interest on the
6 principal. As a result of Respondent KENDALL's offer, Baird invested \$30,000 in
7 Respondent CONTINENTAL.

8 4. The investment which Respondent KENDALL offered and sold to Baird as
9 set forth above was not at any time registered with the Securities Section for
10 sale in Oregon as a security.

11 5. In connection with Baird's investment of \$30,000 in Respondent
12 CONTINENTAL, Respondent KENDALL failed to tell Baird: (1) how the principal
13 would be guaranteed, (2) about the risk of loss of Baird's principal, (3)
14 information about Respondent CONTINENTAL, (4) that the money was going to be
15 placed in a general business account, and, (5) how the money was actually going
16 to be spent.

17 6. In connection with Baird's investment of \$30,000 in Respondent
18 CONTINENTAL, Respondent KENDALL made the following misstatements or
19 misrepresentations to Baird: (1) that the \$30,000 was being placed in an escrow
20 account, when in truth and in fact said account did not exist, and the money was
21 not placed into such an account; (2) that the money was going to be used to fund
22 student loans, when in truth and in fact it was not used to fund student loans;
23 and, (3) that CONTINENTAL or KENDALL had the ability to repay Baird's investment
24 pursuant to the guarantee.

25 7. On or before May 31, 1989, Respondent KENDALL contacted William and
26 Donna Street of 46005 S.E. Wildcat Mtn. Dr., Sandy, OR 97055. During his

1 contacts with the Streets, KENDALL offered them an investment in Respondent
2 CONTINENTAL. KENDALL told the Streets that their investment would yield 15%
3 interest per annum, through reinvestment in securities. On May 31, 1989, the
4 Streets invested \$5,000 with Respondent CONTINENTAL.

5 8. In connection with the Streets' investment of \$5,000 in Respondent
6 CONTINENTAL, Respondent KENDALL failed to tell the Streets: (1) how the money
7 would be reinvested, (2) about the risk of loss of the Streets' principal, and,
8 (3) information about Respondent CONTINENTAL.

9 9. In connection with the Streets' investment of \$5,000 in Respondent
10 CONTINENTAL, Respondent KENDALL made the following misstatements or
11 misrepresentations to the Streets:

12 (1) that the money was being placed in a special thrift fund account, when in
13 truth and in fact it was not; (2) that the thrift fund account was an escrow
14 type saving account, when in truth and in fact the account did not exist; and,
15 (3) that the money would be available to them upon demand.

16 CONCLUSIONS OF LAW

17 The Director **CONCLUDES** that:

18 1. The investments sold by KENDALL to Linda Baird and to William and
19 Donna Street, as set forth in the Findings of Fact above, are securities under
20 the definition in ORS 59.015(17)(a).

21 2. Respondents KENDALL and CONTINENTAL, by making the statements and
22 omissions to Linda Baird as set forth in Findings of Fact # 5 and 6 above, and
23 to William and Donna Street as set forth in Findings of Fact #8 and 9 above,
24 violated ORS 59.135(2).

25 ORDER

26 The Director, pursuant to ORS 59.245 hereby **ORDERS** that Respondents shall

**KENDALL ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ASSESSING CIVIL
PENALTIES, CONSENT OF KENDALL TO ENTRY OF ORDER 5587-ENF**

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OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
Corporate Securities Section
21 Labor and Industries Building
Salem, OR 97310
(503) 378-4387

- 1 **CEASE AND DESIST** from:
- 2 1. Transacting business in the State of Oregon in violation of ORS 59.135.
- 3 2. Violating any of the provisions of ORS Chapter 59.

4 The Director, pursuant to ORS 59.045, hereby **DENIES THE USE OF ANY EXEMPTIONS** to
5 Respondents which would otherwise be available under ORS Chapter 59, except that
6 Respondent KENDALL may buy and sell securities under the exemption contained in
7 ORS 59.025(4) or (5) for his own account.

8 The Director, pursuant to ORS 59.995, hereby imposes **CIVIL PENALTIES** against
9 Respondents as follows:

10 Respondent KENDALL is hereby ordered to pay a civil penalty of \$1000 for
11 violations of ORS 59.135.

12 The entry of this Order in no way limits further remedies which may be
13 available to the Director under Oregon law.

14 Dated this 22nd day of DECEMBER, 1993, at Salem, Oregon.

15 
16 KERRY BARNETT, DIRECTOR
17 DEPARTMENT OF CONSUMER
18 AND BUSINESS SERVICES

19 **CONSENT TO ENTRY OF ORDER**

20 I, Steven G. Kendall, Respondent herein, state that I have read the
21 foregoing Consent Order; that I know and fully understand the contents hereof;
22 that I am entering into this Order without admitting or denying any of the
23 factual allegations therein; that I was represented by counsel in this matter;
24 that I have been advised of my right to a hearing and that I consent to the
25 Entry if this Order without further hearing on this matter; that I consent to
26 entry of this Order voluntarily without any force or duress; that I understand

1 that the Director reserves the right to take further actions against me to
2 enforce this Order or upon discovery of other violations of Oregon law; and that
3 I will fully comply with the terms and conditions stated herein.

4 I further assure the Director that I will not engage in the activities
5 of a broker-dealer, salesperson or issuer's representative, or transact any
6 securities business in the State of Oregon unless such activities or
7 transactions are in full compliance with Oregon law.

8 Dated this 08 day of December, 1993.

9
10 
11 Steven G. Kendall

12 SUBSCRIBED AND SWORN to before me this 8th day of December, 1993.



14 
15 Notary Public for Oregon
16 My Commission expires: 7/12/94

17 Approved as to form and content
18 _____
19 Attorney for Respondent

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