

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 SECURITIES SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND
5 BUSINESS SERVICES

6 In the Matter of:)

A-01-0027

7 Nendels Corporation, nka Skylink)
8 Communications Corporation, an)
9 Oregon Corporation; Gary Alfred)
10 Shill and Tarlton Snead Gosney,)

ORDER TO CEASE AND DESIST
ORDER ASSESSING CIVIL PENALTY
AND
CONSENT TO ENTRY OF ORDER
BY RESPONDENT
GARY ALFRED SHILL

11 Respondents.)
12 _____)

13 WHEREAS the Director of the Department of Consumer and Business
14 Services has conducted an investigation of certain business activities conducted by
15 Nendels Corporation, nka Skylink Communications Corporation and by Gary Alfred
16 Shill and Tarlton Snead Gosney and has determined that Nendels Corporation, nka
17 Skylink Communications Corporation, Gary Alfred Shill and Tarlton Snead Gosney
18 have sold unregistered securities and made misrepresentations in connection with
19 the sale of securities in Oregon in violation of the Oregon Securities Laws;

20 WHEREAS Gary Alfred Shill wishes to resolve and settle this matter with the
21 DIRECTOR;

22 NOW THEREFORE, as evidenced by the authorized signature(s) subscribed
23 on this Order, Gary Alfred Shill hereby **CONSENTS** to entry of this Order to Cease
24 and Desist upon the Director's Findings of Fact and Conclusions of Law as stated
25 hereinafter.

26 FINDINGS OF FACT

The Director **FINDS** that:

1. Skylink Communications Corporation ("Skylink") is an Oregon corporation that was administratively dissolved on May 18, 2001. Skylink's principal

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 place of business is 8600 SW St. Helens Drive, Wilsonville, Oregon 97070, and
2 documents on file with the Oregon Secretary of State list James Toma, an Oregon
3 resident, as the president of Skylink.

4 2. At all times material to this Order, Nendels Corporation ("Nendels") was
5 a Nevada Corporation with its principal place of business in Oregon. Nendels was in
6 the business of franchising hotels, as well as offering free-to-guest and pay-per-view
7 movie services to the hotel industry. Through a series of corporate mergers and
8 acquisitions, Nendels subsequently became a part of Skylink.

9 3. At all times material to this Order, Andover Securities, Inc. ("Andover"),
10 was a broker-dealer firm licensed in the State of Oregon (BD 2127) and with the
11 National Association of Securities Dealers ("NASD") (CRD No. 16903). Subsequent
12 to the events set forth in the Order and as a result of unrelated litigation, the NASD
13 revoked Andover's license to act as a broker-dealer. In December 1995, Andover
14 filed a withdrawal from business in Oregon and is no longer licensed to act as a
15 broker-dealer in Oregon.

16 4. Tarlton Snead Gosney ("Gosney") (CRD No. 226238) is a resident of
17 the State of Washington, whose address is 29828 NW 31st Ave, Ridgefield,
18 Washington 98642. At all times material to this Order, Gosney was a registered
19 representative of Andover.

20 5. On March 3, 1993, the Director issued an Order, in unrelated litigation,
21 requiring Gosney to cease and desist "from transacting business in the State of
22 Oregon in violation of ORS Chapter 59."

23 6. Gary Alfred Shill ("Shill") (CRD No. 1370867) is a resident of the State
24 of Oregon, whose address is 10851 Highway 140 E, Klamath Falls, Oregon 97603.
25 Shill is an Oregon licensed tax consultant and a registered representative of HD Vest
26



1 Investment Securities, Inc. At all times material to this Order, Shill was a registered
2 representative of Andover.

3 7. At all times material to this Order, Andover acted as an agent of
4 Nendels for the offering and sale of securities to raise additional operating capital for
5 Nendels.

6 8. From June 1994 to March 1995, Nendels, through Andover and
7 salespersons Gosney and Shill, sold 48 month convertible debentures to at least
8 eleven Oregon residents.

9 9. The Nendels 48 month convertible debentures have not been
10 registered for sale as securities under the Oregon Securities Laws.

11 10. In connection with the sale of Nendels 48 month convertible
12 debentures, Gosney made misrepresentations or omissions of material fact, including
13 statements that he had his own money invested in Nendels and that the debentures
14 were a "really good investment." In addition, Gosney failed to adequately apprise
15 purchasers of the risks involved with purchase of the debentures.

16 11. In connection with the sale of the Nendels 48 month convertible
17 debentures, Shill relied on the representations of his broker dealer and as a result,
18 failed to adequately apprise investors of the risks involved with purchase of the
19 debentures. Further, Shill misstated or overstated the safety of an investment in the
20 Nendels debentures and made errors in filling out investor information in the
21 purchase paperwork including errors regarding investor experience.

22 12. In connection with the sale of Nendels 48 month convertible debentures
23 Shill failed to have a reasonable basis for recommending the purchase to at least one
24 Oregon investor, particularly given information known to Shill about the financial
25 situation, investment experience and investment goals of that investor and instead,
26



1 Shill relied on his broker dealer to review and approve the investor's application for
2 the debentures.

3

4

CONCLUSIONS OF LAW

5 The Director **CONCLUDES** that:

6 1. The 48 month convertible debentures sold by Nendels (nka Skylink
7 Communications Corporation) constitute securities as defined in ORS 59.015.

8 2. The Nendels 48 month convertible debentures were not registered for sale
9 as securities in the State of Oregon.

10 3. Gosney sold unregistered securities in Oregon in violation of ORS 59.055.

11 4. Gosney made material misrepresentations and omissions in connection
12 with the sale of securities in Oregon in violation of ORS 59.135(2).

13 5. Gosney violated a prior Order of the Director in violation of ORS 59.995.

14 6. Shill sold unregistered securities in violation of ORS 59.055.

15 7. Shill made material misrepresentations and omissions in connection with
16 the sale of securities in Oregon in violation of ORS 59.135(2).

17 8. Shill sold unsuitable securities to at least one investor in violation of OAR
18 441-205-0140.

ORDER

19
20 The Director, pursuant to ORS 59.245, hereby **ORDERS** that Respondent
21 Gary Alfred Shill shall **CEASE and DESIST** from:

22 1. Selling unregistered securities in the State of Oregon in violation of
23 Oregon Securities Laws; and

24 2. Violating any provision of the Oregon Securities Laws, including ORS
25 Chapter 59 and OAR Chapter 441.

26 ///



1 The Director, pursuant to ORS 59.995, **HEREBY ORDERS** the following **CIVIL**
2 **PENALTIES:**

3 1. The Oregon securities license of Respondent Gary Alfred Shill shall be
4 suspended for a period of forty-five (45) days, which suspension shall end on the
5 date this Order is signed by the Director.

6 2. Respondent Gary Alfred Shill shall pay the following civil penalties:

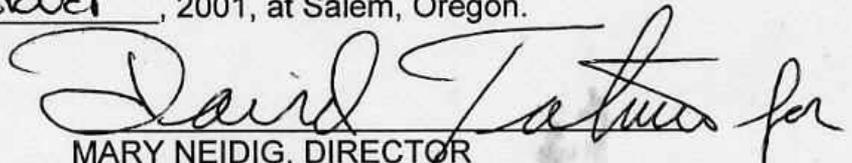
7 A. \$8,000 for eight (8) violations of ORS 59.055 (sale of unregistered
8 securities);

9 B. \$1,500 for violation of ORS 59.135 (engaging in
10 misrepresentations/omissions in connection with the sale of
11 securities);

12 C. \$1,500 for violation of OAR 441-205-0140 (sale of unsuitable
13 securities).

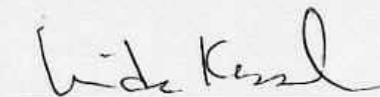
14 The entry of this Order in no way limits further remedies which may be
15 available to the Director under Oregon Law.

16 Dated this 10th day of October, 2001, at Salem, Oregon.

17 

18 MARY NEIDIG, DIRECTOR
19 DEPARTMENT OF CONSUMER AND
20 BUSINESS SERVICES

21 APPROVED AS TO FORM:

22 

23 (Attorney Name)
24 Attorney for Respondent

25 Dated: 10-8-01



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CONSENT TO ENTRY OF ORDER

I, Gary Alfred Shill, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I admit that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I further assure the Director that I will not engage in the activities of a broker-dealer, investment adviser, or mortgage broker, or act as a salesperson for any of these unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

I understand that this Consent Order is a public document.

Dated this 1st day of OCTOBER, 2001.

Gary Alfred Shill
Gary Alfred Shill

SUBSCRIBED AND SWORN to before me this 1st day of October,

2001.

Wendy S. Gordon
(Printed Name of Notary Public) WENDY S. GORDON
Notary Public
for the State of: Oregon
My commission expires: 2-21-04

