

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

4 In the Matter of:)

A-01-0027

5 Nendels Corporation, nka Skylink)
6 Communications Corporation, an)
7 Oregon Corporation; Gary Alfred)
Shill and Tarlton Snead Gosney)

8 Respondents.)
9 _____

FINAL ORDER
TO CEASE AND DESIST
DENIAL OF EXEMPTIONS
AND
ASSESSMENT OF CIVIL PENALTIES
ENTERED BY DEFAULT
AS TO NENDELS CORP.

10 On June 1, 2001, the Director of the Department of Consumer and Business
11 Services for the State of Oregon, acting by the authority of the Oregon Securities
12 Law, Chapter 59 of the Oregon Revised Statutes (hereinafter ORS Chapter 59),
13 issued Administrative Order No. A-01-0027 to Cease and Desist, with Denial of
14 Exemptions, Assessment of Civil Penalties and Notice of Right to Hearing.

15 All respondents were duly served with a certified copy of Administrative Order
16 No. A-01-0027 and Notice of Right to Hearing. Service was effected by mailing the
17 Order and Notice by certified mail and by regular mail, with proper postage affixed to
18 each, to the last known address for each of the named respondents and to the
19 registered agent for the corporation, and signed green cards were returned for each
20 respondent.

21 Respondents Gary Alfred Shill and Tarlton Snead Gosney filed timely requests
22 for a hearing in this matter. Respondent Nendels Corporation, nka Skylink
23 Communications Corporation, failed to request a hearing or file any response in this
24 matter.

25 NOW THEREFORE, after consideration of the Investigative Report and
26 accompanying exhibits submitted in this matter by Lisa M. Udland, the Director



1 hereby issues the following Findings of Fact, Conclusions of Law, and Final Order
2 with respect to Nendels Corporation, nka Skylink Communications Corporation:
3

4 FINDINGS OF FACT

5 The Director **FINDS** that:

6 1. Skylink Communications Corporation ("Skylink") is an Oregon
7 corporation that was administratively dissolved on May 18, 2001. Skylink's principal
8 place of business is 8600 SW St. Helens Drive, Wilsonville, Oregon 97070, and
9 documents on file with the Oregon Secretary of State list James Toma, an Oregon
10 resident, as the president of Skylink.

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

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

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





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

4 6. Gary Alfred Shill ("Shill") (CRD No. 1370867) is a resident of the State
5 of Oregon, whose address is 10851 Highway 140 E, Klamath Falls, Oregon 97603.
6 Shill is an Oregon licensed tax consultant and a registered representative of HD Vest
7 Investment Securities, Inc. At all times material to this Order, Shill was a registered
8 representative of Andover.

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

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

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

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

22 11. In connection with the sale of the Nendels 48 month convertible
23 debentures, Shill failed to adequately apprise investors of the risks involved with
24 purchase of the debentures. Further, Shill made the following misrepresentations or
25 omissions of material fact:

26 A. That he had his own money invested in Nendels.

1 B. Misstatements or overstatements regarding the safety of an
2 investment in the debentures.

3 C. Misstatements or overstatements of investor's experience and/or net
4 worth when filling out their purchase paperwork.

5 12. In connection with the sale of Nendels 48 month convertible
6 debentures, Shill failed to have a reasonable basis for recommending the purchase
7 to at least one Oregon investor, particularly given information known to Shill about
8 the financial situation, investment experience and investment goals of that investor.
9

10 CONCLUSIONS OF LAW

11 The Director **CONCLUDES** that:

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

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

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

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

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

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

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

23 8. Shill sold unsuitable securities to at least one investor in violation of OAR
24 441-205-0140.

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ORDER

The Director, pursuant to ORS 59.245, hereby **ORDERS** that Respondent Skylink Communications Corporation (fka Nendels Corporation), and any successor business or corporation, shall **CEASE and DESIST** from:

1. Selling unregistered securities in the State of Oregon in violation of Oregon Securities Laws; and
2. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59 and OAR Chapter 441.

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

1. Respondent Skylink Communications Corporation and any successor business or corporation shall be denied the use of any securities licensing or registration exemptions contained in the Oregon Securities Laws, including ORS Chapter 59 and OAR Chapter 441; and
2. Respondent Skylink Communications Corporation shall pay the amount of \$60,000 for twelve (12) violations of ORS 59.055 (sale of unregistered securities).

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

Dated this 4th day of September, 2001 at Salem, Oregon, NUNC
PRO TUNC June 1, 2001.


MARY NEIDIG, DIRECTOR
DEPARTMENT OF CONSUMER & BUSINESS SERVICES