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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
6 **ENFORCEMENT SECTION**

7 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
8 **OF CONSUMER AND BUSINESS SERVICES**

9 **In the Matter of:**

S-05-0054

10 **CHRISTOPHER JOHN TENTO**
11 **and JAMES JOSEPH HONSE,**

Respondents.

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO
ENTRY OF ORDER AS TO
CHRISTOPHER JOHN TENTO**

12 **WHEREAS** the Director of the Department of Consumer and Business
13 Services ("the Director") has conducted an investigation of certain business activities
14 conducted by Christopher John Tendo (hereinafter "Respondent" or "Tento") and has
15 determined that he offered and sold securities in violation of the Oregon Securities
16 Laws; and

17 **WHEREAS** Tendo, without admitting or denying liability on the allegations set
18 forth herein, wishes to resolve and settle this matter with the Director;

19 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed
20 on this Order, Tendo hereby **CONSENTS** to entry of this Order to Cease and Desist
21 upon the Findings of Fact and Conclusions of Law of the Director as stated
22 hereinafter.

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

25 1. Christopher John Tendo, age 55, is, by information and belief, an
26 Oregon resident with an address of 14256 SW Tewkesbury Drive, Tigard, Oregon



1 97224.

2 2. James Joseph Honse (hereinafter "Honse"), age 57, is, by information
3 and belief, an Oregon resident with an address of 5385 SW 87th Avenue, Portland,
4 Oregon 97225.

5 3. On or before December 2002, Honse recruited Tendo to sell interests
6 in the Federal Reserve Note plan described in Paragraph 4 below. Tendo acted as
7 an agent for Honse. The funds collected by Tendo in the Federal Reserve Note plan
8 were paid in whole or in part to Honse.

9 4. On or about December 24, 2002, Robert A. Sellheim ("Sellheim") gave
10 \$20,000 to Tendo to obtain a sealed container purportedly holding a share of \$125
11 billion dollars in Federal Reserve Notes (hereinafter described as "FRN" or "FRN
12 plan"). Tendo and Sellheim memorialized this arrangement in a document entitled
13 "Confidential Irrevocable Consultant/Facilitator Fee Agreement" (hereinafter "the
14 Agreement"). The Agreement is a typewritten document bearing Tendo's full name in
15 printing or type with only a few blank spaces to be completed in cursive. These
16 blanks include spaces for inserting the amount of money paid for the container and
17 the name of the person providing the funds. The Agreement acknowledges Tendo's
18 receipt of \$20,000 from Sellheim as payment for "Container deposit and
19 transportation." The Agreement indicates the contents of the sealed contained as
20 "\$125B Container 05123310, PD 12-82, Sec. Code: 22110-11-F9, Ser. No.:
21 F1927892-A." The body of the Agreement provides that the container is "one of a
22 series of 12 such containers" and that the entire series "has recently been
23 authenticated in the United States by government authenticators for redemption."
24 Tendo represented to Sellheim that he would receive \$140,000 for his participation in
25 the FRN plan. Sellheim was not required to do anything more than provide the
26 money to Tendo to receive the \$140,000. Tendo was to take care of all of the details





1 of the arrangement. Tendo gave Honse the \$20,000 he collected from Sellheim.

2 5. Tendo failed to give Sellheim a prospectus regarding the FRN plan.

3 Tendo did not provide Sellheim with any documents representing the financial

4 stability of Honse or the FRN plan. Tendo did not provide Sellheim with any

5 disclosure about the risks inherent with FRN plan. Tendo did not inform Sellheim in

6 writing that he could lose all of his \$20,000 in the FRN plan.

7 6. On December 24, 2002, Tendo and Sellheim also signed a document

8 entitled "Promissory Note" (hereinafter "the Note"). The Note was created ostensibly

9 as security for the \$20,000 given to Tendo for the FRN plan described in Paragraph

10 4 above. The Note purported to give Sellheim a security interest in an apartment

11 building owned by Tendo located in Oregon City, Oregon.

12 7. Tendo and Sellheim were acquainted prior to their involvement in the

13 FRN plan. For the period February 2003 through October 2003, Tendo provided

14 Sellheim a place to live, rent-free. In addition to providing Sellheim a place to live,

15 Tendo repaid some principal to Sellheim. The value of the rent and these payments

16 to Sellheim totaled approximately \$13,110.

17 8. At no time relevant to this matter was the FRN plan registered with the

18 Director as a security for sale in Oregon. Tendo did not inform Sellheim of this fact.

19 9. At all relevant times herein, Tendo held no securities license in Oregon

20 or in any other state authorizing him to sell securities. Tendo did not provide Sellheim

21 with any disclosure that he was not licensed to sell securities in Oregon.

22 10. At all relevant times herein, Honse held no securities license in Oregon

23 or in any other state authorizing him to sell securities. Tendo did not tell Sellheim this

24 fact.

25 CONCLUSIONS OF LAW

26 The Director **CONCLUDES** that:



1 C. \$5,000 for violation of ORS 59.135 for a total civil penalty assessed of
2 \$15,000.

3 19. That the Director **SUSPENDS** the payment of the civil penalty
4 assessed against Tento so long as he is in full compliance with all of the terms of
5 this Order.

6 20. Tento agrees to pay to Robert A. Sellheim ("Sellheim") the sum of
7 \$3,500. Tento further agrees to pay this sum as restitution to Sellheim in monthly
8 payments of not less than \$150 per month until the total amount is repaid. Tento
9 agrees to make payments in the form of cashier's checks or money orders. Cash
10 payments will not be allowed. Payments should be sent to:

11 Robert A. Sellheim
12 2050 SW 141st Avenue
Portland OR 97222

13 Payments are to begin no later than January 6, 2006 and must be sent so that
14 Sellheim receives them no later than the 10th day of each month.

15 At the same time, copies of the checks or money orders paid to Sellheim shall
16 also be sent to the Division of Finance and Corporate Securities ("DFCS"). Those
17 copies shall be sent to the following address:

18 DFCS
19 Enforcement Section # S-05-0054
20 PO Box 14480
Salem OR 97309-0405

21 The copies of the checks or money orders sent to DFCS shall be marked with the
22 case number, S-05-0054, to ensure accurate record keeping.

23 21. Tento agrees and understands that if he makes any monthly payment
24 late, fails to make any monthly payment, or makes any monthly payment in an
25 amount less than the minimum amount specified in this Order, such action shall
26 constitute a violation of this Order and the suspended portion of the civil penalty

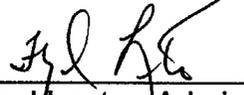
1 assessed in this Order will become immediately due and payable.

2 22. Tendo further agrees and understands that if the Director determines
3 that Tendo has violated any term of this Order, any provision of the Oregon
4 Securities Law or the administrative rules adopted thereunder, such action shall
5 constitute a violation of this Order and the suspended portion of the civil penalty
6 assessed in this Order will become immediately due and payable.

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

9 Dated this 22ND day of September, 2005, at Salem, Oregon.

10 CORY STREISINGER, Director
11 Department of Consumer and Business Services

12 
13 _____
14 Floyd Lanter, Administrator
Division of Finance and Corporate Securities

15 APPROVED AS TO FORM:

16
17 _____ Dated: _____
18 Attorney for Respondent

19 **CONSENT TO ENTRY OF ORDER**

20 I, Christopher John Tendo, state that I am a resident of the State of Oregon,
21 that I have read the foregoing Order and that I know and fully understand the
22 contents hereof; that I make no admission of liability with respect to the Findings of
23 Fact in the foregoing Order; that I execute this Consent as a settlement of the matter
24 referred to in the Order; that I have been advised of my right to a hearing, and that I
25 have been represented by counsel, or had the opportunity to consult with counsel in
26 this matter; that I voluntarily consent to the entry of this Order without any force or

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

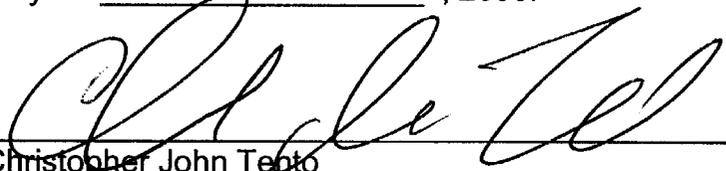


1 duress, expressly waiving any right to a hearing in this matter; that I understand that
2 the Director reserves the right to take further actions against me to enforce this
3 Order or to take appropriate action upon discovery of other violations of the Oregon
4 Securities Law by me; and that I will fully comply with the terms and conditions
5 stated herein.

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

10 I understand that this Consent Order is a public document.

11 Dated this 20th day of September, 2005.

12
13 
14 Christopher John Tento

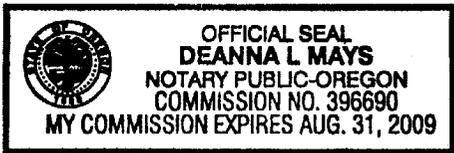
15 **SUBSCRIBED AND SWORN** to before me this 20th day of September,
16 2005.

17 
18 Notary Public

19 Notary Public for the State of: Oregon

20 My commission expires: Aug. 31 2009

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