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STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of

Case No. 13-0008

Ronald Dale Tenison,

Respondent.

FINAL ORDER TO CEASE AND DESIST,
FINAL ORDER DENYING THE USE OF
EXEMPTIONS TO THE SECURITIES
REGISTRATION REQUIREMENTS, AND
FINAL ORDER ASSESSING CIVIL
PENALTIES ENTERED BY DEFAULT

On February 14, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter, “the Director”), acting by the authority of the Oregon Securities Laws, ORS Chapter 59, issued Administrative Order No. 13-0008, ORDER TO CEASE AND DESIST, ORDER DENYING THE USE OF EXEMPTIONS TO THE SECURITIES REGISTRATION REQUIREMENTS, PROPOSED ORDER ASSESSING CIVIL PENALTIES, AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the “Proposed Order”) against Ronald Dale Tenison (“Tenison”).

On February 20, 2013, a Department of Consumer and Business Services’ Division of Finance and Corporate Securities’ investigator personally served a certified true copy of the Proposed Order on Tenison at 7255 N. Applegate Rd., Grants Pass, Oregon 97527.

Tenison has not made a written demand for an administrative hearing in this matter and time to do so has now expired.

NOW THEREFORE, after consideration of the file in this matter maintained by the Division of Finance and Corporate Securities, including any materials that Tenison

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 may have submitted, the Director hereby issues the following Finding of Facts,
2 Conclusion of Laws, and Final Orders.

3 I.

4 FINDINGS OF FACT

5 The Director FINDS that:

6 A. Parties:

7 1. Ronald Dale Tenison’s (hereinafter “Tenison”) last known address is 7255 N.
8 Applegate Rd., Grants Pass, Oregon 97527. At all time relevant to this matter, Tenison
9 was a resident of Oregon and conducted all business relevant to the matter herein while in
10 Oregon. Tenison held a limited securities license between March 1993 to January 2011
11 which permitted him to engage in the sale of certain securities such as mutual funds and
12 variable annuities (CRD# 2323481).

13 B. Previous Actions Against Tenison:

14 2. On November 30, 2010, the Oregon Department of Consumer and Business
15 Services’ (DCBS) Insurance Division issued a Final Order revoking Tenison’s Oregon
16 resident individual insurance producer license. The decision to revoke Tenison’s
17 insurance license was based on Tenison’s failure to respond to an inquiry of the Director
18 and Tenison’s use of fraudulent, coercive, or dishonest practice in the conduct of
19 business in Oregon, as highlighted by a decision of the Circuit Court of the State of
20 Oregon for the County of Jackson which found that Tenison in conducting business with
21 Oregon consumers “committed fraud against and to the detriment of Petitioners under
22 Section 10(b)(5) of the Securities Exchange Act of 1934” and “common law fraud.”

23 3. On January 18, 2011, the Financial Industry Regulatory Authority (“FINRA”)
24 barred Tenison from associating with any FINRA member in any capacity for failing to
25 respond to FINRA’s request for information.

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1 that they may not receive a return on their investment or the return of their investment
2 principle; and (5) that he was not licensed to sell the securities offered, and was only
3 licensed in Oregon to sell a limited set of securities including mutual funds and variable
4 annuities.

5 *MVD and JVD*

6 12. MVD and JVD were, at all times material herein, residents of Oregon. MVD and
7 JVD are husband and wife.

8 13. In or about 2002, MVD and JVD began employing Tenison as their financial
9 advisor.

10 14. In or about early 2008, Tenison approached MVD and JVD about their interest in
11 participating in private investment opportunities. Tenison claimed that the investment
12 opportunities included a wind energy project, a golf course project in Roseburg, Oregon,
13 a timber mill business in Mexico, and a gem mine in Arizona.

14 15. From April 2008 to November 2009, MVD and JVD invested \$1,776,000 with
15 Tenison. In exchange for their investments, MVD and JVD report that they were
16 promised large returns on their investments, including 5% of the income of the ventures.

17 16. The only documentation received by MVD and JVD was a promissory note on or
18 about May 28, 2008 after providing Tenison with a \$450,000 investment. According to
19 the terms of the Promissory Note, MVD and JVD were to receive a return of their
20 \$450,000 investment plus an 8% annual interest rate on May 28, 2010.

21 17. MVD and JVD did not receive the promised returns on their investments or the
22 return of their principle investment amounts and ultimately filed an action with FINRA
23 against Raymond James Financial Services, Inc., Tenison's employer at the time MVD
24 and JVD invested.

25 18. Tenison failed to disclose to MVD and JVD: (1) how their investments would be
26 used to further each of his projects; (2) known, foreseeable risks, including, but not



1 limited to, the risk that one or more of the projects may fail and the risk that they may not
2 receive a return on one or more of their investments or the return of their investment
3 principle; and (3) that he was not licensed to sell the securities offered, and was only
4 licensed in Oregon to sell a limited set of securities including mutual funds and variable
5 annuities.

6 19. The investments solicited and obtained by Tenison were not registered with the
7 State of Oregon.

8 II.

9 CONCLUSIONS OF LAW

10 The Director CONCLUDES that:

11 20. The investments offered and sold by Tenison, as described herein are investment
12 contracts, and as such are considered a “security” under ORS 59.015(19)(a).

13 21. Tenison sold unregistered securities in Oregon in violation of ORS 59.055.

14 22. Tenison sold securities in Oregon without being properly licensed in violation of
15 ORS 59.165.

16 23. Tenison omitted to state material facts in connection with the sale of securities in
17 violation of ORS 59.135(2) by failing to disclose to SF and LF: (1) the background and
18 experience of Kellems and its management; (2) how their investment would be used to
19 further Kellems’ business; (3) the current financial health of Kellems; (4) known,
20 foreseeable risks, including, but not limited to, the risk that Kellems may cease operating
21 and the risk that they may not receive a return on their investment or the return of their
22 investment principle; and (5) that he was not licensed to sell the securities offered, and
23 was only licensed in Oregon to sell a limited set of securities including mutual funds and
24 variable annuities.

25 24. Tenison omitted to state material facts in connection with the sale of securities in
26 violation of ORS 59.135(2) by failing to disclose to MVD and JVD: (1) how their



1 investments would be used to further each of his projects; (2) known, foreseeable risks,
2 including, but not limited to, the risk that one or more of the projects may fail and the
3 risk that they may not receive a return on one or more of their investments or the return
4 of their investment principle; and (3) that he was not licensed to sell the securities
5 offered, and was only licensed in Oregon to sell a limited set of securities including
6 mutual funds and variable annuities.

7 III.

8 FINAL ORDERS

9 The Director ISSUES the following FINAL ORDERS:

10 Final Order to Cease and Desist

11 25. Pursuant to the authority of ORS 59.245, the Director hereby ORDERS Tenison to
12 CEASE AND DESIST from:

- 13 a. Selling securities without being properly licensed in violation of ORS 59.165;
14 b. Selling unregistered securities in the State of Oregon in violation ORS 59.055;
15 c. Violating any provision of the Oregon Securities Law, ORS chapter 59.

16 Final Order Denying the Use of Exemptions to the Securities Registration Requirements

17 26. The Director, pursuant to the authority under ORS 59.045, hereby
18 PERMANENTLY DENIES Respondent Tenison's ability to rely on the exemptions to
19 the securities registration requirements allowed by ORS 59.025 and ORS 59.035.

20 Final Order Assessing Civil Penalties

21 27. The Director, pursuant to ORS 59.995, may assess a CIVIL PENALTY in an
22 amount of not more than \$20,000 for each violation of the Oregon Securities Law.

23 28. Pursuant to ORS 59.995, the Director hereby assesses Tenison a CIVIL PENALTY
24 in the amount of \$120,000 for the following violations:

- 25 a. A CIVIL PENALTY of \$40,000 for two violations of ORS 59.055 for selling
26 unregistered securities.



1 b. A CIVIL PENALTY of \$40,000 for two violations of ORS 59.165(1) for selling
2 securities without being properly licensed.

3 c. A CIVIL PENALTY of \$40,000 for two violations of ORS 59.135(2) for the
4 omissions of material facts in connection with the sale of securities.

5 29. Entry of this Order in no way limits or prevents further remedies, sanctions, or
6 actions which may be available to the Director under Oregon law to enforce this Order,
7 for violations of this Order, for conduct or actions of the Respondent that are not covered
8 by this Order, or against any party not covered by this Order.

9 IT IS SO ORDERED.

10 Dated this 18th day of March, 2013, at Salem, Oregon, NUNC PRO
11 TUNC February 20, 2013.

12 PATRICK M. ALLEN, Director
13 Department of Consumer and Business Services

14 /s/ David Tatman
15 David C. Tatman, Administrator
16 Division of Finance and Corporate Securities

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