DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
SECURITIES SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCE
STATE OF OREGON

In the Matter of:	)	0-93-0017
STEVEN G. KENDALL; CONTINENTAL ACCEPTANCE CORPORATION,	)	ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ASSESSING CIVIL PENALTIES, AND CONSENT OF CONTINENTAL ACCEPTANCE CORPORATION TO ENTRY OF ORDER
Respondents.	)	

WHEREAS the Director of the Department of Consumer and Business Services has conducted an investigation of STEVEN G. KENDALL (hereinafter "KENDALL") and CONTINENTAL ACCEPTANCE CORPORATION (hereinafter "CONTINENTAL"), and has determined that KENDALL and CONTINENTAL transacted securities business in the State of Oregon in violation of ORS Chapter 59, The Oregon Securities Law; and

WHEREAS KENDALL wishes to resolve and settle this matter, and agrees to conduct all future business in compliance with the statutory requirements of ORS Chapter 59, The Oregon Securities Law;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, KENDALL hereby consents to the entry of this Order:

FINDINGS OF FACT

The Director **FINDS** that:

1. At all times material herein, Respondent KENDALL was an Oregon resident, whose address was 548 North 4th Street, Apt. A, Athena, Oregon.

2. At all times material herein, Respondent CONTINENTAL ACCEPTANCE CORPORATION was an Oregon corporation, whose president and registered agent was Respondent KENDALL and whose address was P.O. Box 716, Athena, Oregon.

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

440-2087 (Rev. 9/93)

3. During October 1989, Oregon resident Linda Baird met with Respondent KENDALL at Baird's home at 2212 Demaray Dr., Grants Pass, OR 97527. During that meeting, Respondent KENDALL offered to Baird the opportunity to invest in Respondent CONTINENTAL. In making the offer, KENDALL told Baird that there was a 100% guarantee that Baird would receive the return of the principal of the investment, and that Baird would receive 15% per annum interest on the principal. As a result of Respondent KENDALL's offer, Baird invested $30,000 in Respondent CONTINENTAL.

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

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

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

7. On or before May 31, 1989, Respondent KENDALL contacted William and

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

Donna Street of 46005 S.E. Wildcat Mtn. Dr., Sandy, OR 97055. During his contacts with the Streets, KENDALL offered them an investment in Respondent CONTINENTAL. KENDALL told the Streets that their investment would yield 15% interest per annum, through reinvestment in securities. On May 31, 1989, the Streets invested $5,000 with Respondent CONTINENTAL.

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

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

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

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

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

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

//

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

ORDER

The Director, pursuant to ORS 59.245 hereby **ORDERS** that Respondents shall **CEASE AND DESIST** from:

1. Transacting business in the State of Oregon in violation of ORS 59.135.

2. Violating any of the provisions of ORS Chapter 59.

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

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

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

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

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



KERRY BARNETT, DIRECTOR
DEPARTMENT OF CONSUMER
AND BUSINESS SERVICES

CONSENT TO ENTRY OF ORDER

I, Steven G. Kendall, state that I am president of Continental Acceptance Corporation and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand that contents hereof; that I am entering into this Order without admitting or denying any of the fractual

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

allegations therein; that Continental Acceptance Corporation has been advised of its right to a hearing, and has been represented by counsel in this matter; that Continental Acceptance Corporation consents to the entry of this Order without further hearing voluntarily and without any force or duress, expressly waiving any right to a hearing in this matter; that Continental Acceptance Corporation understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law; and that Continental Acceptance Corporation will fully comply with the terms and conditions stated herein.

Continental Acceptance Corporation further assures the Director that Continental Acceptance Corporation will not transact business as a broker-dealer 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 08 day of December, 1993.

By Steven G Kendall
(Printed Name)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 08 day of December, 1993, Steven G Kendall (name of affiant), who was first duly sworn on oath, and states that he was and is the President of Continental Acceptance Corporation, and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Continental Acceptance Corporation, and bind Continental Acceptance Corporation to the terms hereof.

OFFICIAL SEAL
SHARON K. FLEMING
NOTARY PUBLIC - OREGON
COMMISSION NO.000385
MY COMMISSION EXPIRES JULY 12, 1994

Notary Public in and for the State of: Oregon

Sharon K. Fleming
Print name of Notary Public

My commission expires: 7/12/94

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