

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Ameritel Payphone Distributors, Inc., Roy B.
Goodman, Scott Thenen, their employees and
agents,

Respondents.

SDO - 18 - 99

CONSENT ORDER

Case No. 98-11-0340

THE STATE OF WASHINGTON TO:

Ameritel Payphone Distributors, Inc.
Roy B. Goodman
Scott Thenen
11098 Biscayne Blvd., Suite 201
Miami, FL 33161

INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and Respondents do hereby agree to this Consent Order in settlement of the matters alleged herein. Respondents neither admit nor deny the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

Ameritel Payphone Distributors, Inc. is a Florida corporation that maintains its principal business address at 11098 Biscayne Boulevard, Suite 201, Miami, Florida. Ameritel Payphone Distributors, Inc. is the seller of an investment opportunity which offers prospective purchasers various "packages" consisting of coin-operated pay telephones, wall mounts, signs, and other associated equipment to enable purchasers to establish businesses operating pay telephone locations to be used by the general public (hereinafter referred to as the "pay telephone opportunity"). Roy B. Goodman is the President of Ameritel Payphone Distributors, Inc. Scott Thenen is a Regional Director for Ameritel Payphone Distributors, Inc.

II.

Respondents placed or caused to be placed the following advertisement with a telephone number in the business opportunities section of the The Olympian newspaper in at least late October, 1998:

PAYPHONES \$150K/YEAR
Lowest Prices. Local Sites Available.

A Tacoma, Washington resident responded to the advertisement by calling the telephone number accompanying this advertisement and was referred to a sales agent who identified himself as Scott Thenen (“Thenen”). Among other representations, Thenen stated that with seven phones annual income to a purchaser could be \$20,000 to \$25,000 yearly. Thenen also represented that Ameritel Payphone Distributors, Inc. was aware of a locating company from southern California that would guarantee a monthly income of \$200 per phone. The Washington resident subsequently obtained from Ameritel Payphone Distributors, Inc. offering and promotional materials concerning the pay telephone opportunity. The materials offered prospective purchasers a choice of three “Bell Style Smart Phone Packages” (the “Silver Plan,” the “Gold Plan,” and the “Platinum Plan”) which included various numbers of telephones ranging in price from \$10,050 to \$33,500. The materials also included a list of locating companies that Ameritel Payphone Distributors, Inc. endorsed. A “Product Purchase Agreement” form stated that Ameritel Payphone Distributors, Inc., “in an effort to assist Purchaser, may recommend one or more firms engaged in the business of assisting others in finding suitable locations for the display and installation of equipment.” The offering and promotional materials provided to the Washington resident did not disclose that purchasers had a statutory right to rescind the purchase within seven days of signing a contract.

III.

Ameritel Payphone Distributors, Inc. was issued a registration permit by the Securities Division for the time period of April 24, 1996 to April 24, 1997, but registration was not subsequently renewed or

reestablished. Ameritel Payphone Distributors, Inc. was not registered with the Washington Securities Division to offer or sell business opportunities in the state of Washington for the time period material to this action.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

The offer and/or sale of the pay telephone opportunity as described in Tentative Findings of Fact I and II constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

II.

The offer and/or sale of the pay telephone opportunity as described in Tentative Findings of Fact I and II was made in violation of RCW 19.110.110 because Respondents and their employees and/or agents failed to disclose that purchasers had a statutory right to cancel a purchase within seven days of signing a contract.

III.

The offer and/or sale of the pay telephone opportunity as described in Tentative Findings of Fact I through III was made in violation of RCW 19.110.050(1) because no business opportunity registration permit was issued to Respondents for the offer and/or sale of the business opportunity in this state for the time period material to this action.

ORDER AND CONSENT

Based on the premises of the foregoing,

IT IS THEREFORE AGREED AND ORDERED That Ameritel Payphone Distributors, Inc., Roy B. Goodman, Scott Thenen, their employees and agents, shall each refrain from the offer or sale of business opportunities in the state of Washington in violation of RCW 19.110.110, the provision of the Business Opportunity Fraud Act which requires disclosure of a cancellation period of a business opportunity contract.

IT IS THEREFORE AGREED AND ORDERED That Ameritel Payphone Distributors, Inc., Roy B. Goodman, Scott Thenen, their employees and agents, shall each refrain from the offer or sale of business opportunities in the state of Washington in violation of RCW 19.110.050(1), the registration requirement provision of the Business Opportunity Fraud Act.

IT IS THEREFORE AGREED AND ORDERED That Ameritel Payphone Distributors, Inc. shall disclose the existence and contents of this Order in any business opportunity registration disclosure document approved for use in the state of Washington, such requirement commencing from the date of entry of this Order.

IT IS THEREFORE AGREED AND ORDERED That Ameritel Payphone Distributors, Inc. shall inform all of its employees and agents who offer business opportunities in the state of Washington of the existence and contents of this Order for a period of three years from the date of entry of this Order.

IT IS THEREFORE AGREED That Ameritel Payphone Distributors, Inc. shall reimburse the Securities Division \$300 for its costs of the investigation of this matter, payable prior to the Division's entry of this Order.

IT IS THEREFORE AGREED That Respondents each waive their rights to hearings in this matter.

IT IS THEREFORE ORDERED That upon the entry of this Order by the Securities Division, Summary Order to Cease and Desist SDO-100A-98, entered December 11, 1998, is vacated.

Signed this ____ day of _____, 1999 by:

Roy B. Goodman, as President of Ameritel Payphone Distributors, Inc., and individually:

(Signature)

Scott Thenen, as Regional Director for Ameritel Payphone Distributors, Inc., and individually:

Note: Scott Thenan was not a signatory to this document

(Signature)

This Order entered by the Securities Division this ____ day of _____, 1999.

Deborah R. Bortner
Securities Administrator

Presented by: _____
Brad Ferber
Securities Examiner

Michael E. Stevenson
Chief of Compliance