

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

JAMES MICHAEL LEDMAN and
J. MICHAEL PROPERTIES,

Docket No. 12 E 013
KSC No. 2008-5478

Respondents.

Pursuant to K.S.A. 17-12a604

**FINAL ORDER TO CEASE AND DESIST AND ORDER
IMPOSING RESTITUTION**

1. Joshua A. Ney, Kansas Securities Commissioner (the "Commissioner"), finds that a Notice of Intent to Impose Administrative Sanctions ("NOI") against James Michael Ledman and J. Michael Properties (the "Respondents"), was duly executed in Topeka, Kansas on December 1, 2011.
2. The NOI was served on Respondents pursuant to K.S.A. 17-12a611(b) on December 2, 2011 and a copy of the NOI and notice of service was sent via first class U.S. mail on December 2, 2011. Records indicate that the NOI and the notice of service was delivered at the last known address on December 24, 2011.
3. The Respondents have failed to file a request for hearing within thirty (30) days after service of the NOI pursuant to K.A.R. 81-11-5.

Findings of Fact

1. Respondent James Michael Ledman ("Ledman") is the owner of J. Michael Properties with a last known address of [REDACTED]

2. Respondent J. Michael Properties (“JMP”) is a real estate business with a last known address of 6709 W. 119th St. #418, Overland Park, Kansas 66209.
3. On or about March 13, 2006, [REDACTED] attended a real estate seminar taught by Respondent Ledman that he had heard about from a radio show put on by Respondent Ledman.
4. After the seminar, Respondent Ledman approached [REDACTED] about investing in real estate property located at 1701, 1705, 1709, 1713, 1717, 1721, 1725, and 1729 Lawrence Ave., Leavenworth, Kansas 66054.
5. Respondent Ledman told [REDACTED] that for a \$25,000 investment, he would receive \$750 per month from rental income and, after the units sold, his entire investment would be paid back plus an additional \$12,500.
6. [REDACTED] agreed to invest and on April 5, 2006, [REDACTED] gave Respondent Ledman a check for \$25,000.
7. [REDACTED] also attended one of Respondent Ledman’s real estate seminars that he had heard about through the radio show put on by Ledman.
8. After the seminar, Respondent Ledman also approached [REDACTED] about investing in the property at 1701, 1705, 1709, 1713, 1717, 1721, 1725, and 1729 Lawrence Ave., Leavenworth, Kansas.
9. Respondent Ledman told [REDACTED] that he would receive a portion of the rental income and a percentage of the profit from the ultimate sale of the property.
10. [REDACTED] and his business partner, [REDACTED], each contributed \$25,000 to their business, [REDACTED] and then [REDACTED] invested the \$50,000 with Respondent Ledman.

11. Respondent Ledman never disclosed to either [REDACTED] or [REDACTED] that he:
- a. Pled guilty to mail fraud in December 1993 and was sentenced to five months in prison at the Federal Prison Camp in Leavenworth (Reference U.S. District Court case number 2-93-CR-200081-01);
 - b. Had been issued a cease and desist order against him by the Office of the Kansas Securities Commissioner on May 21, 2001, (Reference case number KSC 2001-4362);
 - c. Was charged with K.S.A. 21-3701.7 theft over \$25,000 in Johnson County, Kansas (Reference number 06CR00360);
 - d. Filed for Chapter 7 bankruptcy in July 2001 (Reference U.S. Bankruptcy Court District of Kansas Bankruptcy Petition number 01-22086);
 - e. Had been sued civilly in December 1991 in Johnson County, Kansas, (Reference case number 92CV00388);
 - f. Had been sued civilly in August 2000 in Johnson County, Kansas (Reference case number 00LA06775);
 - g. Had a tax warrant issued against him in February 2002 for unpaid taxes in the amount of \$5,630.37 for the years of 1998 and 2000 in Johnson County, Kansas, (Reference case number 02TW00430);
 - h. Had been sued civilly in May 2003 in Johnson County, Kansas (Reference case number 03LA04885).
12. Had [REDACTED] known of the events listed in Paragraph 11, he would not have invested with Respondent Ledman.

13. Had [REDACTED] known of the events listed in Paragraph 11, he would not have invested with Respondent Ledman.
14. [REDACTED] lost his entire investment of \$25,000.
15. [REDACTED] lost its entire investment of \$50,000.
16. Respondent Ledman is not registered as a broker-dealer or agent with the Office of the Kansas Securities Commissioner.
17. [REDACTED] investment of \$25,000 was not registered as a security with the Office of the Kansas Securities Commissioner.
18. [REDACTED] investment of \$50,000 was not registered as a security with the Office of the Kansas Securities Commissioner.

Conclusions of Law

19. Paragraphs 1-18 are incorporated by reference as though set forth fully therein.
20. The Commissioner has jurisdiction over Respondent and this matter.
21. The transactions involving the investment of funds in J. Michael Properties involve the sale of securities as defined by K.S.A. 17-12a102(28).
22. Respondent Ledman used general solicitation, as defined in K.A.R. 81-1-1(n) in soliciting investors [REDACTED].
23. Respondent Ledman unlawfully transacted business as an agent while not registered with the Office of the Kansas Securities Commissioner, in violation of K.S.A. 17-12a402.
24. Respondent Ledman unlawfully sold securities not registered with the Office of the Kansas Securities Commissioner, in violation of K.S.A. 17-12a301.
25. Respondent Ledman omitted material facts in connection with the sale of securities, in violation of K.S.A. 17-12a501(2).

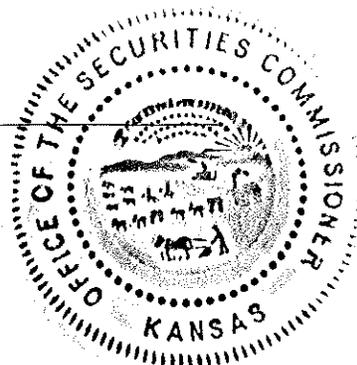
ORDER

NOW, THEREFORE, it is hereby Ordered that:

- A. Pursuant to K.S.A. 17-12a604(b), the Respondents, James Michael Ledman and J. Michael Properties, shall pay restitution in the amount of seventy-five thousand dollars (\$75,000). Said payments shall be made within thirty (30) days of the date of this order, in the form of cashier's checks or money orders made payable to the Office of the Kansas Securities Commissioner. Upon receipt, the Office of the Kansas Securities Commissioner shall distribute the funds to the Kansas investors [REDACTED] \$25,000, [REDACTED] - \$25,000, and [REDACTED] - \$25,000).
- B. Pursuant to K.S.A. 17-12a604(a), the Respondents, James Michael Ledman and J. Michael Properties, are to immediately cease and desist from (1) transacting business in the State of Kansas as a broker-dealer or agent unless the persons engaged in such business are registered under the Kansas Uniform Securities Act or are exempt from registration; (2) employing or associating with any agent transacting business in the State of Kansas unless the agent is registered under the Kansas Uniform Securities Act; (3) offering or selling any security in the State of Kansas unless the security is registered under the Kansas Uniform Securities Act or exempt from registration; and (4) engaging in other acts or practices which constitute violation of the Kansas Uniform Securities Act.

ENTERED BY THE COMMISSIONER at Topeka, Kansas, this 10th day of ~~March~~^{April}, 2014.

[REDACTED]
Joshua A. Ney
Kansas Securities Commissioner

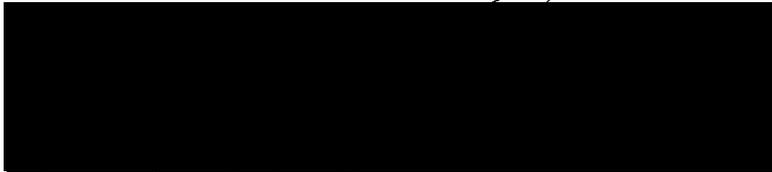


Certificate of Service

On this 10th day of ~~March~~ April, 2014, I was provided a copy of the aforementioned process on behalf of the Office of the Securities Commissioner. I promptly sent notice of the process to the address below, being the address set forth in the recipient's consent to service of process or last known address. The process was sent via mail, receipt requested to:

James Michael Ledman
6709 W. 119th St. #418
Overland Park, Kansas 66209

J. Michael Properties
6709 W. 119th St. #418
Overland Park, Kansas 66209



Ryan A. Kriegshauser
Special Counsel to the Commissioner