

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
PROPERTY LEASE & MANAGEMENT, LLC,
WISDOM DEVELOPMENT GROUP, LLC, and
VU H. "VINH" LE,

PETITION FOR ORDER

Respondents.

File No. S-06168(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (hereinafter "the Division"), has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Property Lease & Management, LLC ("PLM") is a Minnesota limited liability company with a last known business address of 2286 Tilsen Court E, St. Paul, Minnesota 55119;
2. Wisdom Development Group, LLC ("Wisdom") is a Minnesota limited liability company with a last known business address of 2624 Fremont Avenue, Maplewood, Minnesota 55119
3. Vu H. "Vinh" Le ("Le") is an adult male with a date of birth of November 10, 1976, who at all times material hereto has been an owner, officer and/or controlling person of PLM and Wisdom with a last known home and business address at that of Wisdom;
4. During the period of 2005 and 2006, at least three persons in Wisconsin (hereinafter "the Investors") invested in real estate transactions of PLM and Wisdom;
5. Pursuant to the PLM and Wisdom agreements (hereinafter "the Agreements"), signed by Le on behalf of PLM and Wisdom:
 - a. the Investors agreed to acquire real property and obtain financing for the acquisition of the property, the Investors and PLM or Wisdom agreed to have PLM or Wisdom manage and control the property in return for valid consideration, upon completion of financing, the Investors agreed to convey the property to PLM or Wisdom by contract for deed, PLM or Wisdom would then accept responsibility for the management and control of the property, PLM or Wisdom would be responsible for all costs incurred in the management and control of the property, PLM or Wisdom would make all payments on time required under the note and mortgage until the property was sold, during the term of the contract for deed, PLM or Wisdom would pay the Investors a sum of money each month, and PLM or Wisdom would pay the Investors a sum of money as part of the sale of the property;
6. Upon information and belief, the Investors can play a passive role in the company with no duties and responsibilities;
7. Upon information and belief, the Investors will not be involved in the day-to-day management of PLM or Wisdom, since there are too many of the Investors for them to each have

any meaningful input, and they do not have the expertise or experience necessary to perform its duties;

8. Since the Investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the Agreements offered and sold by the Respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;

9. The PLM and Wisdom investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;

10. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;

11. In connection with the offer and sales of the securities described in Paragraph 4 above, PLM and Le paid a person to transact business in Wisconsin as an "agent" for Le, as that term is defined by sec. 551.02(2), Wis. Stats.;

12. At no time has the person been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

13. PLM and Le have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;

14. According to statements made by the Investors, PLM, Wisdom and Le did not make the mortgage payments on the property as promised in the Agreements, referred to in Paragraph 5 above, which resulted in the Investors having to make payments on the mortgages;

15. According to the Agreements as referred to in Paragraphs 5 and 14 above, signed by Le, PLM or Wisdom would make all payments on time required under the note and mortgage until the property was sold;

16. In connection with the offer and sale of the securities described in Paragraph 4 above, PLM, Wisdom and Le misrepresented to the Investors that PLM or Wisdom would make the payment required under the note and mortgage that the Investors had in the real estate transactions, as referred to in Paragraphs 5, 14, and 15 above;

17. PLM, Wisdom and Le have violated sec. 551.41(2), Wis. Stats., by making an untrue statement of a material fact in connection with the offer and sale of securities to persons in Wisconsin;

18. According to one person who invested in a property through Le in 2004, that was to be constructed by another business entity of Le's named Wisdom Development, Wisdom Development and Le did not make payments to building contractors on the property as promised by Le, which resulted in liens being placed on the person's property by the contractors, and the property eventually being sold at a loss to that person;

19. According to the same person referred to in Paragraph 18 above, that person also loaned Le \$20,000 for the business of Wisdom Development, and received a written agreement, as evidence of the loan, and received from Le promises to pay a certain amount per month until the loan was repaid;

20. According to the person who received the written agreement, Le paid the first three payments and thereafter paid no more, despite requests of the person to repay the loan, and the loan has been in default since 2004;

21. In connection with the offer and sale of the securities described in Paragraph 4 above, PLM, Wisdom and Le omitted to disclose the failure of Wisdom Development and Le to pay the contractors for construction referred to in Paragraph 18 above and that the property was eventually sold at a loss to that investor, and of the failure of Le to repay the loan of the person referred to in Paragraphs 19 and 20 above;

22. PLM, Wisdom and Le have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to a person in Wisconsin;

23. According to records of the State of Wisconsin Consolidated Court Automation Programs (hereinafter CCAP"), Le was convicted on September 20, 1995, in Dane County Wisconsin, Case No. 1995CF984, of felony charges relating to forgery-uttering, in violation sec. 943.38(2), Wis. Stats., and on October 5, 1995, Le was sent to prison for eight years and put on probation for 10 years, with restitution ordered;

24. According to records of CCAP, Le was convicted on December 4, 1995, in Waupaca County, Wisconsin and on November 14, 1996, in Outagamie County, Wisconsin, Le was convicted of felony charges of sec. 943.38(2), Wis. Stats., and was given either probation and/or prison time with restitution ordered;

25. Upon information and belief, Le obtained discharge of his debts through a Chapter 7 bankruptcy on June 10, 2002 in Saint Paul, Minnesota, Case Number 0230900;

26. In connection with the offer and sale of the securities described in Paragraph 4 above, PLM, Wisdom and Le omitted to disclose the criminal convictions and bankruptcy of Le, referred to in Paragraphs 23 through 25 above;

27. PLM, Wisdom and Le have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to a person in Wisconsin;

28. Staff of the Division wrote to Le, and spoke to Le by telephone, and requested information of the securities-related transactions PLM and Wisdom with persons in Wisconsin, but to date have received only partial documentation of the offers and sales, despite Le's representations to the staff of the Division that Le would provide the documentation by specific dates.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 1-23-07
Mark E. Dorman Date
Examiner

David A. Cohen 1/25/07
David A. Cohen Date
Supervising Attorney