State of Missouri
Office of Secretary of State

Case No. AP-08-09

IN THE MATTER OF:

LOUIS E. ROBINSON; and
LER INVESTMENT PROPERTIES, L.L.C.,

Respondents.

Serve both at:

6918 South Benton Avenue
Kansas City, Missouri 64132

CONSENT ORDER

The Enforcement Section of the Securities Division of the Office of Secretary of State alleges that Respondents offered to sell unregistered securities, omitted to disclose material information and that Louis Robinson transacted business as an unregistered agent and that LER Investments Properties, L.L.C. employed an unregistered agent in violation of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2007).

Respondents and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondents alleged activities.

CONSENT TO JURISDICTION

1. Respondents and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these Respondents and these matters pursuant to the Missouri Securities Act, Chapter 409, et seq.

2. Respondents and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2007), which provides

"The Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

WAIVER AND EXCEPTION

3. Respondents waive their rights to a hearing with respect to this matter.

4. Respondents waive any rights that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever releases and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.

5. Respondents and the Securities Division stipulate and agree that, should the facts contained herein prove to be false or incomplete, the Missouri Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

6. Respondents and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.

7. Respondents neither admit nor deny the Commissioner's Findings of Fact and Conclusions of Law as set forth below, but consent to the entry of this Order solely for the purposes of this proceeding and any other proceeding that may be brought to enforce the terms of this Consent Order.

8. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis.

COMMISSIONER’S FINDINGS OF FACT
AND CONCLUSIONS OF LAW AND ORDER

A. FINDINGS OF FACT

9. LER Investment Properties, L.L.C. ("LER") purports to be a limited liability company with a mailing address of P.O. Box
Louis E. Robinson ("Robinson") is the owner and agent for LER and has an address of 6918 South Benton Avenue, Kansas City, Missouri 64132.

On October 5, 2006, Robinson spoke with a Missouri resident ("MR") by telephone about an investment in a real estate program. During the October 5, 2006 telephone call, Robinson told MR, among other things, that:

a. “I am a self-employed loan officer and loan originator and have been for the last seven years. I also own my own company. I started out as an investor in real estate doing small deals and have established many relationships with other investors. I educate investors about the best way to invest their funds in the real estate market. I also provide investors with direction about where to invest, and how to turn a property in six months or less;”

b. “Real estate is a better investment than putting money in mutual funds or bonds. I have NEVER lost money on a real estate investment;”

c. “I am looking for a long term relationship with someone. We will sign a joint venture agreement spelling out my responsibilities and your responsibilities. Your responsibility is to provide the funds, and I will be responsible for the rehab, the market analysis, finding the clients, and for doing the loan;”

d. “We can handle it one or two ways, if you’re looking for long term monthly income, I can also do that, or we can split the profits 50/50 at the sale. It’s your decision. If you are looking for your money to gain anywhere between 12-13% interest, it’s your decision;”

e. “I’m only looking for one cash investor because I have three that I’m already working with. We start out with a minimum of five hundred thousand dollars and as the relationship moves forward, we go up to several million;” and

f. All MR had to do was to hold the deed on the property and to provide the cash to both purchase the property and make any necessary repairs.

On October 11, 2006, Robinson sent information to MR, via facsimile, indicating, among other things, that:

a. Robinson would locate, buy, and sell single family homes that are in distressed condition. Robinson would be responsible for doing the market analysis on the property, the rehabilitation work, and would be responsible for getting potential buyers qualified for loans to purchase the investment property;

b. Robinson would bring the deals to MR, and that if MR agreed then MR would wire funds directly to the title company to be placed in an escrow account to be drawn on for necessary repairs and for the purchase price of the property. When the property was sold, the proceeds would be in MR’s name and the joint venture agreement would state that all profits from the sale would be split evenly between MR and Robinson; and

c. if MR would invest a minimum of three million dollars ($3,000,000.00), then MR would earn ten (10) to twelve (12) percent return on the investment.

On October 17, 2006, Robinson provided MR with a list of other investors to contact for references. The correspondence indicated that the references were of other investors that Robinson had worked with on past investments. One of these references provided on this list was Sebomia Norris.

On October 19, 2006, Robinson contacted MR and told MR, among other things, the following:

a. if MR could loan Robinson at least one million dollars ($1,000,000.00), then Robinson would sign a promissory note; and

b. this promissory note would provide an interest rate and a specific length of time to repay the loan.

On October 20, 2006, Robinson sent MR, via facsimile, a copy of a sample adjustable rate note, deed of trust, and mortgage documents with the actual terms and conditions of the contracts redacted.

On October 26, 2006, Robinson sent, via facsimile, to MR a copy of a sample joint venture agreement that Robinson claimed he had used in the past.

On November 16, 2006, the Division sent an inquiry to Robinson, via certified mail, at the address listed on his business card and requested, among other things, any claim of exemption relied upon in offering securities in the State of Missouri.

The Division’s November 16, 2006 correspondence was returned by the U.S. Postal service on December 29, 2006, as “unclaimed.”

On January 5, 2007, the Division sent another inquiry to Robinson, via regular mail, to his business and his home addresses and requested, among other things, any claim of exemption relied upon in offering securities in the State of Missouri.
20. On January 17, 2007, the Division received a written response from Robinson. The response did not answer all the questions requested by the Division, but stated, among other things, that:
   a. “Nothing has ever been bought or sold under LER Investment LLC;” and
   b. “The Division's January 6, 2007 letter about the unlawful sale of securities in the form of adjustable rate notes is totally and absolutely false.”
21. On February 15, 2007, the Division sent an inquiry to Robinson, via regular mail and certified mail, to his home address and requested, among other things, any claim of exemption relied upon in offering securities in the State of Missouri. In addition, the letter requested information about promotional material used and the names and addresses of other investors in the joint venture.
22. On March 12, 2007, the Division received a written response from Robinson. In this response Robinson stated, among other things, that:
   a. “The only entities or affiliates with me and my company are my wife, Sebomia Norris;”
   b. “There are no investors that purchased notes from me NEVER;”
   c. “No one has been solicited to purchase notes from me NEVER;”
   d. “There are NO names or numbers of any investors that have purchased notes from me;”
   e. “No one has made any offer of sales or securities in the State of Missouri;”
   f. “There are no contracts or documents used or notes, promissory notes, loans, or other investment partners involved with the sales of securities;”
   g. “There are no names or addresses of any people that I know of that I have solicited for securities in the State of Missouri;”
   h. “LER Investment Properties LLC has not made a single penny; therefore there are no reports or financial records of any kind.” (Emphasis in original.)
23. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for Robinson or LER in the State of Missouri.
24. Respondents were not registered to offer and sell securities in or from the State of Missouri.
25. Respondent LER has not registered any issuer agents to offer or sell securities in the State of Missouri.
26. The securities offered by the Respondents were not federal covered securities.
27. MR was not told, among other things, the following information regarding the investment:
   a. that on July 20, 2004, a civil judgment was entered against Robinson in Dot’s Office Products Inc. vs. Louis Robinson Case Number 04CV203706-01, Jackson County Circuit Court. This judgment was entered against Robinson in the amount of three thousand six hundred and eighty-eight dollars and thirty-three cents, ($3,688.33), plus prejudgment interest in the amount of eighty dollars with interest at 9% per annum from July 20, 2005 forward, court costs, and twenty five dollars ($25.00) in fees;
   b. that Robinson and LER were not registered to offer to sell securities in or from the State of Missouri;
   c. that the securities were not registered in the State of Missouri;
   d. facts or information regarding the financial condition of LER;
   e. facts or information regarding the background, history and experience of Robinson;
   f. facts or information regarding the risks of the investment;
   g. that one of the listed references was the spouse of Robinson;
   h. that LER had “not made a single penny.”
**II. CONCLUSIONS OF LAW**
28. These acts constitute violations of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2007).
29. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the
Securities Division, finds and concludes that the Commissioner has jurisdiction over these Respondents and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended this act. See Section 409.6-605(b), RSMo. (Cum. Supp. 2007).

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondents are ordered to cease and desist selling unregistered securities, transacting business as unregistered agents and failing to disclose material facts in connection with the offer or sale of securities in violation of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2007);

2. Respondents shall file with the Enforcement Division of the Missouri Secretary of State a written statement under oath subject to the penalties of making a false oath or affidavit, certifying that neither Respondent has ever raised funds from an investor, except for funds borrowed from Flatiron Financial for commercial or business purposes and funds from Respondent Robinson's wife;

3. Respondents shall pay to the Missouri Investor Education and Protection Fund the amount of ten thousand dollars ($10,000.00); nine thousand five hundred dollars ($9,500.00) of this payment will be suspended provided that Respondents comply with the terms of this order. The remaining five hundred dollars ($500.00) shall be sent to the Securities Division at 600 West Main Street, Jefferson City, Missouri 65101. This amount will be paid in ten (10) equal monthly installments of fifty dollars ($50.00) each. The first installment will be due within thirty (30) days of the execution of this Consent Order. The second installment will be due on July 20, 2008, and all other installments will be due on or before the 20th of each month with the last installment due on March 20, 2009. This money shall be sent to the Division and made payable to the Missouri Secretary of State's Investor Education and Protection Fund. If Respondents fail to make any payment described in this Paragraph, the full amount remaining together with all suspended amounts shall be immediately due and payable after five (5) days notice to cure, and if any amount remains unpaid after such five-day cure period, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409-6-604, RSMo. (Cum. Supp. 2006);

4. The suspended payment in the paragraph immediately above shall, for two years from the execution of this document, become immediately payable, under operation of law, upon Respondents' failure to comply with the terms of this order, and such immediately due payments shall be in addition to all other penalties then available under the law; and

5. Respondents shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 2nd DAY OF JULY, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Mary S. Hosmer
Assistant Commissioner of Securities
Missouri Securities Division

Louis E. Robinson, individually and
on behalf of LER Investment Properties, L.L.C.

Approved as to Form

David Nachman
Attorney for Respondents

[1] Certified Court Records show that the interest was written as eighty dollars and forty cents but that it was subsequently entered as "($80.00)" instead of ($80.40).