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STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

TO: Leonard Adolph Delk  
LAD Management Company, Inc.  
LAD Management, Inc.  
1199 4th Street  
Los Osos, California 93402

DESIST AND REFRAIN ORDER  
(For violation of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Leonard Adolph Delk owned and operated LAD Management, Inc., and LAD Management Company, Inc. a business entity located at 1199 4th Street, Los Osos, California 93402.
2. LAD Management, Inc. is a Nevada company incorporated in 1996, listing Leonard A. Delk as President, Secretary and Treasurer, doing business at 1199 4th Street, Los Osos, California 93402.
3. LAD Management Company, Inc. is an unknown business entity at doing business at 1199 4th Street, Los Osos, California 93402.
4. Beginning in or about February 1999, Delk, LAD Management, Inc. and LAD Management Company, Inc. offered or sold investments in the State of California in the form of “Private Issue Capital Notes” in LAD Management, Inc. The alleged purpose of the “Private Issue Capital Notes” offering was to raise money to be used as collateral for trading in the Capital Funds Account. Delk was to pay investors 18% -23% annual return on their investment paid in monthly interest payments.

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2 5. Delk, LAD Management, Inc. and LAD Management Company, Inc. misrepresented that:

3 a) Investors' money would be "completely safe,"

4 b) Investors' money would be held in individual, non-commingled accounts in a bank in  
5 Chicago,

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7 c) Investor money would only be used as collateral so that Delk could trade larger sums of  
8 money on various stock markets such as the Russell S&P.

9 d) Investors would receive 18%-23% annually paid in monthly interest payments.

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12 6. Due to the representations made by Delk, LAD Management, Inc. and LAD Management  
13 Company, Inc. at least 18 Californians invested approximately \$2,128,000.00. Investors have not  
14 received a monthly interest payment since July 2007.

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16 7. These securities were offered or sold in issuer transactions. The Department of Corporations  
17 has not issued a permit or other form of qualification authorizing any person to offer or sell these  
18 securities in this state.

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20 8. Based upon the foregoing findings, the California Corporations Commissioner is of the  
21 opinion that the "Private Issue Capital Notes" in LAD Management, Inc. are securities subject to  
22 qualification under the California Corporate Securities Law of 1968 and have been offered or sold  
23 without being qualified in violation of Corporations Code section 25110. Pursuant to section 25532  
24 of the Corporate Securities Law of 1968, Leonard Adolph Delk, LAD Management, Inc. and LAD  
25 Management Company, Inc. are hereby ordered to desist and refrain from the further offer or sale of  
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1 securities in the State of California, including but not limited to “Private Issue Capital Notes,” unless  
2 and until qualification has been made under the law or unless exempt.  
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4 9. Further, the California Corporations Commissioner is of the opinion that the securities were  
5 offered or sold in this State by means of written or oral communications which included an untrue  
6 statement of a material fact or omitted to state a material fact necessary in order to make the  
7 statements made, in the light of the circumstances under which they were made, not misleading, in  
8 violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the  
9 Corporate Securities Law of 1968, Leonard Adolph Delk, LAD Management, Inc. and LAD  
10 Management Company, Inc. are hereby ordered to desist and refrain from offering or selling or  
11 buying or offering to buy any security in the State of California, including but not limited to “Private  
12 Issue Capital Notes,” by means of any written or oral communication which includes an untrue  
13 statement of a material fact or omits to state a material fact necessary in order to make the statements  
14 made, in the light of circumstances under which they were made, not misleading.  
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16 The California Corporations Commissioner finds that this Order is necessary or appropriate in  
17 the public interest or for the protection of investors and consistent with the purposes fairly intended  
18 by the policy and provisions of this law.

19 Dated: January 30, 2008  
20 Sacramento, California

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22 PRESTON DUFAUCHARD  
23 California Corporations Commissioner

24  
25 By \_\_\_\_\_  
26 ALAN S. WEINGER  
27 Lead Corporations Counsel  
28 Enforcement Division