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

TO: JOHN MICHAEL SHEEHAN aka JOHN MICHAEL, Owner/Principal
ALESIA H. SHEEHAN
3MOM, INC.
JMICHAEL INVESTMENTS, LLC
JMICHAEL TRUST
STEALTH EDUCATIONAL SERVICES
STEALTH REI CLUB, LLC
3420 West Moark Street
Springfield, Missouri 65810

DESIST AND REFRAIN ORDER

(For violations of section 25110, 25210 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, JOHN MICHAEL SHEEHAN aka JOHN MICHAEL, was the Owner, officer, director, principal and control person of 3MOM, INC., JMICHAEL INVESTMENTS, LLC, JMICHAEL TRUST, STEALTH EDUCATIONAL SERVICES, STEALTH REI CLUB, LLC, all Missouri companies or corporations.

At all relevant times, ALESIA H. SHEEHAN, was an owner or control person of 3MOM, INC., JMICHAEL INVESTMENTS, LLC, JMICHAEL TRUST, STEALTH EDUCATIONAL SERVICES, STEALTH REI CLUB, LLC, all Missouri companies or corporations. JMichael Investments, LLC, JMichael Trust, Stealth Educational Services and Stealth REI Club, LLC, are all advertised as “divisions” of 3mom, Inc.

2. Beginning in or about January 2006, John Michael Sheehan aka John Michael offered or sold securities in the form of investments in purported distressed property “secured by real estate” through

1 the use of mortgage deeds and an “equity agreement.” The properties invested in were located in
2 various states, including Missouri, Kansas, Ohio, Indiana and Illinois. John Michael Sheehan dba
3 John Michael promised the investor “You will never loose your investment amount.” In conjunction
4 with the investment, the investor completely relied upon John Michael Sheehan dba John Michael, to
5 locate the properties, manage the sales/purchase transaction, perform the necessary inspections, and
6 “handle all the details from repairs/rehab to the sale of the property” utilizing one of his related
7 companies, JMichael Investments. The investment was completely passive from the perspective of
8 the investor.

9
10 3. Through the internet and various “investment clubs,” John Michael Sheehan dba John
11 Michael offered or sold investments to at least six residents of California, totaling more than
12 \$237,000.

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14 4. The purported purpose of the offering was to raise funds to purchase, renovate, maintain and,
15 ultimately, sell at an appreciated value various real properties.

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

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21 6. In connection with these offers and sales, John Michael Sheehan aka John Michael omitted to
22 disclose to investors that:

23 a. Multiple investors were invested in any one real estate property, contrary to
24 representations that only one investor was involved in any particular transaction;

25 b. The real estate properties were being purchased in the name of “Alesia Sheehan” and
26 not JMichael Investments, LLC, or 3mom, Inc., or any other corporate entity.

27 c. With very few exceptions, the actual value of the real estate purchased by investment
28 funds was, as reflected in public documents, significantly less than the money invested and the

1 investment was not, therefore, secured by the real estate as represented.

2 d. That no “mortgage deed” was generated naming the investor as an owner.

3 Based upon the foregoing findings, the California Corporations Commissioner is of the
4 opinion that the securities that were offered or sold, i.e. investment contracts in the form of “loan”
5 agreements to purchase, rehabilitate and re-sell real property at a profit, of Michael J. Sheehan,
6 JMichael Investments, LLC, JMichael Trust, Stealth Educational Services and Stealth REI Club,
7 LLC, are a security subject to qualification under the California Corporate Securities Law of 1968
8 and have been offered or sold without being qualified in violation of Corporations Code section
9 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Michael J. Sheehan,
10 Alesia H. Sheehan, JMichael Investments, LLC, JMichael Trust, Stealth Educational Services and
11 Stealth REI Club, LLC, are hereby ordered to desist and refrain from the further offer or sale in the
12 State of California of securities in the form investment contracts, marketed as “loan” agreements to
13 purchase, rehabilitate, and re-sell real property at a profit, unless and until qualification has been
14 made under the law, or unless exempt.

15
16 In addition, based upon the foregoing, the California Corporations Commissioner is of the
17 opinion that Michael J. Sheehan, Alesia H. Sheehan, JMichael Investments, LLC, JMichael Trust,
18 Stealth Educational Services and Stealth REI Club, LLC, have effected transactions in securities as
19 broker-dealers without having first applied for and secured from the Commissioner a certificate,
20 authorizing these person(s) to act in that capacity, in violation of section 25210 of the Corporate
21 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Michael
22 J. Sheehan, Alesia H. Sheehan, JMichael Investments, LLC, JMichael Trust, Stealth Educational
23 Services and Stealth REI Club, LLC, are hereby ordered to desist and refrain from effecting any
24 transaction in, or inducing or attempting to induce the purchase or sale of, any security in this state,
25 unless and until they have applied for and secured from the Commissioner a certificate, then in effect,
26 authorizing these persons to act in that capacity, or unless exempt.

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28 Further, the California Corporations Commissioner is of the opinion that the securities of

1 Michael J. Sheehan, Alesia H. Sheehan, JMichael Investments, LLC, JMichael Trust, Stealth
2 Educational Services and Stealth REI Club, LLC, were offered or sold in this state by means of
3 written or oral communications which included an untrue statement of a material fact or omitted to
4 state a material fact necessary in order to make the statements made, in the light of the circumstances
5 under which they were made, not misleading, in violation of section 25401 of the Corporate
6 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, Michael
7 J. Sheehan, Alesia H. Sheehan, JMichael Investments, LLC, JMichael Trust, Stealth Educational
8 Services and Stealth REI Club, LLC, are hereby ordered to desist and refrain from offering or selling
9 or buying or offering to buy any security in the State of California, including but not limited to
10 investment contracts in the form, of "loan" agreements to purchase, rehabilitate, and re-sell real
11 property at a profit, by means of any written or oral communication which includes an untrue
12 statement of a material fact or omits to state a material fact necessary in order to make the statements
13 made, in the light of the circumstances under which they were made, not misleading.

14
15 This Order is necessary, in the public interest, for the protection of investors and consistent
16 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

17 Dated: June 26, 2007

18 Sacramento, California

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20 PRESTON DuFAUCHARD
21 California Corporations Commissioner

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23 By _____
24 SHARON A. LUERAS
25 Lead Corporations Counsel
26 Enforcement Division
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