



1           3.       In connection with the offer and sale of these securities, Lee, Legacy International,  
2 Inc. and Legacy International, Ltd. made, or caused to be made, misrepresentations of material fact or  
3 omitted to state material facts necessary in order to make the statements made, in the light of the  
4 circumstances under which they were made, not misleading. These misrepresentations and omissions  
5 included, but are not limited to the following:

6                   a.       Investors were told that Legacy International, Ltd. would earn 25% growth  
7 annually;

8                   b.       Investors were told that Lee was an experienced and successful trader;

9                   c.       Investors were not told that they were investing in a ponzi scheme and that any  
10 returns received on their investment money came from other investor money and not from any  
11 investment returns;

12                   d.       Investors were not told that Lee was losing investor money when trading;

13                   e.       Investors were not told that Lee was using investor money for his own personal  
14 use;

15                   f.       Investors were not told that Legacy International, Inc. was suspended by the  
16 California Secretary of State on October 23, 2002 and suspended by the Franchise Tax Board on  
17 October 1, 2003;

18                   g.       Investors were not told that Lee had fabricated other investors' investment  
19 account statements showing huge returns; and

20                   h.       Some investors were told that their money in Legacy International, Ltd. would  
21 be invested in Brown & Company Securities Corporation, n.k.a. Brownco.

22           Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
23 that the securities in the form of shares in Legacy International, Ltd., sold by Lee and Legacy  
24 International, Inc. are securities subject to qualification under the California Corporate Securities  
25 Law of 1968 and are being or have been offered or sold without being qualified, in violation of  
26 Section 25110 of the Corporate Securities Law of 1968.

27           Pursuant to Section 25532 of the Corporate Securities Law of 1968, John Chiyuan Lee,  
28 Legacy International, Inc. and Legacy International, Ltd. are hereby ordered to desist and refrain

1 from the further offer or sale in the State of California of securities, including, but not limited to  
2 shares in Legacy International, Ltd., unless and until qualification has been made under said law or  
3 unless exempt. The sale of such securities is subject to qualification under said law and such  
4 securities are being or have been offered for sale without first being so qualified.

5 Further, the California Corporations Commissioner is of the opinion that the securities offered  
6 and sold by Lee, Legacy International, Inc. and Legacy International, Ltd. were offered and sold in  
7 this state by means of written or oral communications that included untrue statements of material fact  
8 or omitted to state material facts necessary in order to make the statements made, in the light of the  
9 circumstances under which they were made, not misleading, in violation of section 25401 of the  
10 Corporate Securities Law of 1968.

11 Pursuant to Section 25532 of the Corporate Securities Law of 1968, John Chiyuan Lee,  
12 Legacy International, Inc. and Legacy International, Ltd. are hereby ordered to desist and refrain  
13 from offering or selling or buying or offering to buy any security in the State of California, including,  
14 but not limited to shares in Legacy International, Ltd., by means of any written or oral  
15 communication which includes an untrue statement of a material fact or omits to state a material fact  
16 necessary in order to make the statements made, in the light of the circumstances under which they  
17 were made, not misleading.

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

20 Dated: March 14, 2006  
21 Los Angeles, California

22 WAYNE STRUMPFER  
23 Acting California Corporations Commissioner

24 By \_\_\_\_\_  
25 ALAN S. WEINGER  
26 Acting Deputy Commissioner  
27 Enforcement Division  
28