

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

TO: **Dickson Lee**
L&L Financial Holdings, Inc.
720 3rd Ave., Suite 1611
Seattle, Washington 98104

Stephen P. Johnston, a.k.a. Steve Johnston
International Market Group, Inc.
6755 Mira Mesa Blvd., Apt. 126
San Diego, CA 92121

DESIST AND REFRAIN ORDER

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

The California Corporations Commissioner finds that:

1. At all relevant times herein, Dickson Lee (“Lee”) was the Chief Executive Officer of L&L Financial Holdings, Inc. (“L&L”), located at 720 3rd Avenue, Suite 1611, Seattle, Washington 98104. L&L is a Nevada Corporation, incorporated in 1995, and is a privately owned company that has been listed with the U.S. Securities and Exchange Commission since 2001.

2. At all relevant times herein, Stephen P. Johnston, a.k.a. Steve Johnston (“Johnston”) was the owner of International Market Group, Inc. (“IMG”), located at 6755 Mira Mesa Blvd., Apt. 126, San Diego, California, 92121. IMG is a Nevada corporation, incorporated since February 5, 2004.

3. Beginning in around May 2003 and continuing through at least October 2004, Johnston, IMG, Lee and L&L offered and sold securities in the form of common stock and warrants to at least 23 investors in excess of \$2.8 million through the use of unsolicited telephone calls.

4. In a Private Placement Memorandum (“PPM”) dated February 15, 2003, L&L was offering 400,000 shares of the company’s common stock at \$2.50 per share for a total offering of \$1,000,000. In this PPM, it states that underwriting discount and commissions would be \$200,000, and also states that certain retained referral agents and brokers could receive a commission of up to

1 20% of the gross proceeds. In a subsequent PPM dated February 9, 2004, L&L was offering 400,000
2 shares of the company's common stock at \$3.00 per share for a total offering of \$1,200,000. In this
3 PPM, it states that underwriting discount and commissions would be \$240,000, and also states that
4 certain retained referral agents and brokers could receive a commission of up to 20% of the gross
5 proceeds. In a PPM dated July 6, 2004, L&L was offering 800,000 warrants of L&L at \$1.25 per
6 warrant for a total offering of \$1,000,000. In this PPM, it states that underwriting discount and
7 commissions would be \$200,000, and also states that certain retained referral agents and brokers
8 could receive a commission of up to 20% of the gross proceeds.

9 5. According to L&L's PPMs, its mission is to restructure, acquire and manage a selected
10 group of China's State Owned Enterprises by acquiring selected businesses at reasonable prices and
11 employing United States' consultants to manage these businesses to achieve profitability. The PPMs
12 also state that L&L provides financial services to clients in Hong Kong, the United States, China,
13 Japan and Thailand, including accounting, mergers and acquisitions, due diligence and securities
14 services.

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

18 7. Lee and L&L hired Johnston to solicit potential investors through cold-calling.
19 Johnston offered and sold the securities of L&L, for compensation, in the State of California. L&L
20 paid Johnston 35% commissions, based on the total investment funds generated through his efforts.
21 L&L paid Johnston in excess of \$900,000 in commissions in 2003 and 2004. Johnston and IMG are
22 not licensed as a broker-dealer.

23 8. In connection with the offer and sale of these securities, Johnston, IMG, Lee and L&L
24 made, or caused to be made, misrepresentations of material fact or omitted to state material facts
25 necessary in order to make the statements made, in the light of the circumstances under which they
26 were made, not misleading. These misrepresentations and omissions included, but are not limited to
27 the following:

28 a. Investors were told that certain retained referral agents and brokers could

1 receive a commission of up to 20% of the gross proceeds; and

2 b. Investors were not told that Johnston was receiving 35% commissions.

3 Based on the foregoing findings, the California Corporations Commissioner
4 (“Commissioner”) is of the opinion that the securities in the form of common stock and warrants in
5 L&L offered and sold by Johnston, IMG, Lee and L&L are securities subject to qualification under
6 the California Corporate Securities Law of 1968 (“CSL”) and are being or have been offered or sold
7 without being qualified or exempt, in violation of Section 25110 of the CSL.

8 Pursuant to Section 25532 of the CSL, Stephen P. Johnston, a.k.a. Steve Johnston,
9 International Market Group, Inc., Dickson Lee and L&L Financial Holdings, Inc. are hereby ordered
10 to desist and refrain from the further offer or sale in the State of California of securities, including,
11 but not limited to common stock and warrants unless and until qualification has been made under said
12 law or unless exempt.

13 In addition, based upon the foregoing, the Commissioner is of the opinion that Johnston,
14 IMG, Lee and L&L have effected transactions in securities as broker-dealers without having first
15 applied for and secured from the Commissioner a certificate, authorizing these persons to act in that
16 capacity, in violation of section 25210 of the CSL.

17 Pursuant to Section 25532 of the CSL, Stephen P. Johnston, a.k.a. Steve Johnston,
18 International Market Group, Inc., Dickson Lee and L&L Financial Holdings, Inc. are hereby ordered
19 to desist and refrain from effecting any transaction in, or inducing or attempting to induce the
20 purchase or sale of, any security in this state, unless and until they have applied for and secured from
21 the Commissioner a certificate, then in effect, authorizing these persons to act in that capacity.

22 Further, the Commissioner is of the opinion that the securities offered and sold by Johnston,
23 IMG, Lee and L&L were offered and sold in this state by means of written or oral communications
24 that included untrue statements of material fact or omitted to state material facts necessary in order to
25 make the statements made, in the light of the circumstances under which they were made, not
26 misleading, in violation of section 25401 of the CSL.

27 Pursuant to Section 25532 of the CSL, Stephen P. Johnston, a.k.a. Steve Johnston,
28 International Market Group, Inc., Dickson Lee and L&L Financial Holdings, Inc. are hereby ordered

1 to desist and refrain from offering or selling or buying or offering to buy any security in the State of
2 California, including, but not limited to, common stock and warrants, by means of any written or oral
3 communication which includes an untrue statement of a material fact or omits to state a material fact
4 necessary in order to make the statements made, in the light of the circumstances under which they
5 were made, not misleading.

6 This Order is necessary, in the public interest, for the protection of investors and consistent
7 with the purposes, policies, and provisions of the CSL.

8 Dated: May 16, 2006
9 Los Angeles, California

10 WAYNE STRUMPFER
11 Acting California Corporations Commissioner

12 By _____
13 ALAN S. WEINGER
14 Acting Deputy Commissioner
15 Enforcement Division
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