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

TO: Wall Street Capital Management, Inc.
Wall Street Capital Group, Inc.
Wall Street Capital Fund, LLC
Wall Street Capital, LLC
Wall Street Capital
Wall Street One, LLC
David B. Lister
202 N Curry Street, #100, Carson City, Nevada 89703
and
23679 Calabasas Road, Calabasas, California 91302

**DESIST AND REFRAIN ORDER
(For violations of sections 25210, 25230 and 25401 of the California Corporations Code)**

The California Corporations Commissioner finds that:

1. David B. Lister (“Lister”) served as a principal, manager, officer, or employee of the following entities: Wall Street Capital Management, Inc., Wall Street Capital Group, Inc., Wall Street Capital Fund, LLC, Wall Street Capital, LLC, Wall Street Capital, and Wall Street One, LLC.

2. Lister, licensed with the California Department of Real Estate, appears as the President of Wall Street Capital Mortgage, Inc., with offices in Tarzana, California and at 23679 Calabasas Road, Calabasas, California. Lister’s used the latter address for his Wall Street entities. Lister also did business under the following names: Wall Street Commercial, Wall Street Realty, DBL Enterprises, DBL Consulting, Image International and DBL International Inc. Lister and various entities he formed have been named as defendants or had judgments entered against them in ten civil cases.

3. Wall Street Capital Fund, LLC (“WSC Fund”) is a Nevada limited liability company and Lister serves as its managing member. Lister’s Private Placement Memorandum (“PPM”) for WSC Fund offers “Class A” limited liability units or membership interests in exchange for \$5,000 per unit. Investors were required to purchase a minimum of four units for \$20,000. The PPM indicates WSC Fund’s business model is “essentially a venture capital fund” formed to pool investors’ monies “to invest in a portfolio of early stage companies” and “anticipates realizing returns from mergers, sales and IPO’s of selected portfolio company securities.”

1 4. Lister's PPM states the WSC Fund will be managed by Wall Street Capital Management,
2 Inc., a Nevada corporation. The PPM also states Wall Street Capital Group, Inc. ("WSCG"), a
3 Nevada corporation, was designated as the "Managing Member" of the WSC Fund.

4 5. WSC Fund stated it would employ investment strategies and purchase classes of securities
5 often utilized by venture capital firms, including preferred stock with conversion and registration
6 rights, unrestricted common stock, debt instruments and options, among other securities.

7 6. Wall Street Capital Management, Inc., and/or WSCG as the managing member(s) were
8 responsible for selecting portfolio candidates that meet WSC Fund's investment objectives. Thus,
9 Wall Street Capital Management, Inc., and/or WSCG were to carry out WSC Fund's strategies by
10 acting as the broker for the purchase and sale of securities for WSC Fund's investment portfolio.

11 7. Lister obtained investors' monies for WSC Fund by general solicitation, including cold call
12 telemarketing by salespersons who acted as agents for Lister and in concert or participation with him.
13 On February 22, 2007, the Commissioner issued a Desist and Refrain Order to Lister, among others
14 for the offer and sale of the WSC Fund securities, which were unqualified under California law.

15 8. Individuals who invested in WSC Fund received Class A limited liability units or
16 membership interests. As the managing member WSCG received all the "Class B" membership units
17 or membership interests in the WSC Fund. Class B units or membership interests were designated to
18 receive preferential distribution of proceeds from WSC Fund. Thus, WSCG who paid no monies for
19 its units received preference over investors who paid at least \$20,000 for Class A units. Additionally,
20 WSCG received a management fee of \$20,000 per month and other perquisites.

21 9. Assisting Lister with investments involving his Wall Street Entities was what Lister refers
22 to as the "Wall Street Capital Group Management and Advisory Board." In documents given to
23 investors the "management team" consists of Michael S. Manahan, who is described as the President
24 of Magnum Financial, LLC. However, Lister failed to disclose that Manahan and Magnum Financial,
25 LLC doing business as Stratos Research LLC, along with other others, were charged in 2002, by the
26 Securities and Exchange Commission with fraud in a "pump and dump" scheme to manipulate stock
27 prices. On February 21, 2002, Manahan was permanently enjoined from future violations of the
28 antifraud provisions of federal securities law and ordered to pay \$50,000 in civil penalties.

1 10. Investors' funds were to be used to purchase securities for a portfolio in accordance with
2 WSC Fund's investment strategies. Wall Street Capital Management, Inc., and WSCG activities
3 involving effecting transactions in securities for WSC fund's portfolio constitutes broker-dealer
4 activities. The activities of WSC Fund, Wall Street Capital Management, Inc., and WSCG constitute
5 providing investment advice or acting as a broker-dealer. Providing investment advice and effecting
6 transactions in securities without an exemption requires a license under California Law. WSC Fund,
7 Wall Street Capital Management, Inc., and WSCG were not licensed to act as an investment adviser or
8 broker-dealer.

9 11. WSC Fund, Wall Street Capital Management, Inc., and WSCG actively engaged in
10 providing investment advice about the value of securities or as to the advisability of investing in,
11 purchasing or selling securities, and also managing securities portfolios. WSC Fund, Wall Street
12 Capital Management, Inc., and/or WSCG received compensation for these investment related services.

13 12. The limited liability units or interests WSC Fund offered and sold are securities. The
14 investments made by Wall Street Capital Management, Inc., and WSCG and its activities in buying or
15 selling for the investment account of WSC Fund involve securities.

16 13. The Commissioner has determined that the above described entities or persons made,
17 or caused to be made, misrepresentations and omissions of material facts in connection with the
18 offer or sale of a security or the offer to buy a security including, but not limited to, the following:
19 (1) Manahan and Lister or his entities were defendants in numerous civil cases, and (2) WSC
20 Fund, Wall Street Capital Management, Inc. and WSCG conducted unlicensed broker dealer and
21 investment adviser activities receiving a large percentage of investors' funds as compensation for
22 their unlicensed activities.

23 Based upon the foregoing, the California Corporations Commissioner is of the opinion that
24 Wall Street Capital Management, Inc., Wall Street Capital Group, Inc. Wall Street Capital Fund,
25 LLC, Wall Street Capital LLC, Wall Street Capital, Wall Street One, LLC and David B. Lister
26 working in concert or participation with others effected transactions in securities as a broker-dealer or
27 investment adviser without having first applied for and secured from the Commissioner a certificate,
28 then in effect, authorizing them to act in that capacity, in violation of sections 25210 and 25230 of the

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Corporate Securities Law of 1968.

Further, the Commissioner is of the opinion that Wall Street Capital Management, Inc., Wall Street Capital Group, Inc. Wall Street Capital Fund, LLC, Wall Street Capital, LLC, Wall Street Capital, Wall Street One, LLC and David B. Lister working in concert or participation with others offered or sold securities in this State by means of written or oral communications which included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Corporations Code section 25401.

Pursuant to section 25532 of the Corporations Code, Wall Street Capital Management, Inc., Wall Street Capital Group, Inc., Wall Street Capital Fund, LLC, Wall Street Capital, LLC, Wall Street Capital, Wall Street One, LLC and David B. Lister and others working in concert or participation with them are hereby ordered to:

- 1. Desist and refrain from conducting business as a broker-dealer in the State of California, unless and until certification has been made under said law or unless exempt;
- 2. Desist and refrain from conducting business as an investment adviser in the State of California, unless and until certification has been made under said law or unless exempt; and
- 3. Desist and refrain from offering or selling or buying or offering to buy any security in the State of California by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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

Dated: March 14, 2007
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel

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Enforcement Division