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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Dickson V. Lee; L&L International
Holdings, Inc.,

Respondents.

Order Number S-07-002-08-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO ISSUE AN
ORDER TO CEASE AND DESIST,
IMPOSE FINES, AND RECOVER COSTS

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THE STATE OF WASHINGTON TO:

Dickson V. Lee
L&L International Holdings, Inc.

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Dickson V. Lee and L&L International Holdings, Inc. have violated the Securities Act of Washington and that the violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. L&L International Holdings, Inc. ("L&L"), a Nevada corporation founded in 1995, maintains its principal place of business at 130 Andover Park East, Suite 101, Seattle, Washington. L&L was formerly known as L&L Financial Holdings, Inc. L&L purportedly provides financial

1 services, including accounting, mergers and acquisitions, due diligence studies, and securities services
2 to clients in the United States, China, Hong Kong, Japan, and Thailand. L&L has been registered with
3 the U.S. Securities and Exchange Commission as a reporting company since 2001.

4 2. Dickson V. Lee (“Lee”) founded L&L in approximately 1995. Lee is the President of
5 L&L. In approximately 2002, Lee also founded Century Pacific Securities, Inc. (“CPS”), a broker-
6 dealer registered with the Washington Securities Division from January 4, 2002 to present. While the
7 Chairman of CPS, Lee was registered as a securities salesperson with the Washington Securities
8 Division from January 4, 2002 to December 14, 2005. Lee’s Central Registration Depository number
9 with FINRA is # 1612056.

10 Other Related Person

11 3. Stephen Patrick Johnston (“Johnston”) is believed to reside in San Diego, California.

12 Nature of the Conduct

13 4. Beginning in or about May 2003 and continuing through at least September 2004,
14 investments in L&L were offered and sold to approximately 70 investors. At least two of the investors
15 were Washington residents. Many investors nationwide found out about the offering via unsolicited
16 telephone calls. The investments made are believed to have totaled approximately \$2.3 million
17 dollars; at least \$26,252 of the funds came from Washington residents.

18 5. Respondents L&L and Lee purportedly sought to privatize state owned enterprises in
19 China. The objective was to acquire select businesses in China at reasonable prices and then employ
20 U.S. consultants with the management skills to quickly achieve profitability. In order to raise capital
21 for this purpose, Lee decided to engage in offerings of L&L common stock and warrants.

1 6. In approximately April 2003, Lee employed Johnston as an Investor Relations Executive
2 of L&L. Pursuant to an employment letter, signed by Lee and Johnston, Johnston would receive a
3 35% commission, based upon the total investments in L&L generated through his efforts. At an L&L
4 board meeting on or about June 1, 2003, it was further resolved that referral agents and brokers could
5 receive a commission and fees up to 35% of the gross cash receipt.

6 7. In approximately May 2003, Johnston began the offer and sale of L&L Class A common
7 stock for \$2.50 per share. These shares were sold pursuant to a Private Placement Memorandum dated
8 February 15, 2003 (“PPM #1”). According to PPM #1, certain retained referral agents and brokers
9 could receive a commission of up to 20% of the gross proceeds of the offering for their services.

10 8. Johnston helped raise funds for two subsequent offerings by L&L. In approximately
11 March 2004, Johnston began the offer and sale of L&L Class A common stock for \$3 per share. These
12 shares were sold pursuant to a Private Placement Memorandum dated February 9, 2004 (“PPM #2”).
13 Subsequently, in approximately July 2004, Johnston began the offer and sale of warrants at \$1.25 per
14 warrant. These shares were sold pursuant to a Private Placement Memorandum dated July 6, 2004
15 (“PPM #3”). According to PPM #2 and PPM #3, certain retained referral agents and brokers could
16 receive a commission of either “up to” or “about” 20% of the gross proceeds of the offering for their
17 services.

18 9. Beginning in at least June 2003, Johnston received checks signed by Lee, for 35%
19 commissions. From approximately June 2003 to January 2005, L&L paid Johnston at least
20 \$722,138.40 in commissions.

21 10. The PPMs contained projected operating results for 3 years. According to PPM #1, the
22 projected profits were \$0.05 million in 2003, \$5.6 million in 2004, and \$19.7 million in 2005.

1 According to PPM #2 and PPM #3, the projected profits were \$3.1 million in 2004, \$10.3 million in
2 2005, and \$15.76 million in 2006. The PPMs did not provide the basis for these projected profits.

3 11. Beginning on or about June 2003, at least two Washington residents received unsolicited
4 telephone calls regarding the sale of L&L common stock and/or warrants. The residents received PPM
5 #1 and/or PPM #3 in the mail. From approximately June 2003 to July 2004, the residents purchased
6 L&L common stock in the first and/or second offerings. In August 2004, one of the residents
7 additionally purchased warrants.

8 12. Both residents were sent an updated Private Placement Memorandum dated February 28,
9 2005 (“updated PPM”). The updated PPM states that it is a continuation of the February 9, 2004
10 common stock offering, and discloses that up to 35% of the gross proceeds of the offering could be
11 used to raise the funds.

12 13. To compensate investors for paying a higher commission to raise the funds than
13 disclosed, Respondent Lee purportedly offered a rescission of the investment to the Washington
14 residents via letters dated March 30, 2005 and April 1, 2005. However, neither resident received such
15 a letter offering a rescission of the investment. Respondents did not file a rescission offering with the
16 Securities Division and the Division did not pass upon such an offering.

17 Registration Status

18 14. L&L was not registered to sell its common stock and warrants in the State of Washington
19 during the relevant period.

20 Misrepresentations and Omissions

1 Steve Johnston, and International Market Group, Inc. The allegations included misrepresentations
2 and/or omissions in the sale of securities. The alleged misrepresentations and/or omissions were that
3 investors were told certain retained referral agents and brokers could receive a commission of up to
4 20% of the gross proceeds and investors were not told that Johnston was receiving 35% commissions.

5 21. On January 12, 2007, Respondent Lee entered into a Letter of Acceptance, Waiver and
6 Consent with FINRA. FINRA alleged that while engaging in the offer and sale of L&L common stock
7 and warrants, Lee violated NASD Conduct Rules 3040, 2420 and 2110. Lee was fined \$65,000 and
8 suspended from associating with any FINRA member firm in any capacity for one year.

9 22. On April 26, 2007, the State of Connecticut, Department of Banking, entered into a
10 consent order with L&L Financial Holdings, Inc. The allegations included the use of an unregistered
11 agent and the offer and/or sale of unregistered securities.

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13 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

14 **CONCLUSIONS OF LAW**

15 23. The offer and/or sale of L&L common stock and warrants, as described above,
16 constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

17 24. The offer and/or sale of said securities violated RCW 21.20.140 because L&L was not
18 registered in the State of Washington during the relevant period.

19 25. The offer and/or sale of the L&L common stock and warrants was made in violation of
20 RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents L&L and Lee
21 made misstatements of material fact and/or omitted to state material facts necessary in order to make
22 the statements made, in light of the circumstances under which they were made, not misleading.

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2 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

3 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and
4 Conclusions of Law, the Securities Administrator intends to order that the Respondents Dickson V. Lee
5 and L&L International Holdings, Inc., and their agents and employees, shall cease and desist from
6 violations of RCW 21.20.140 and RCW 21.20.010.

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8 **NOTICE OF INTENT TO IMPOSE FINES**

9 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
10 of Law, the Securities Administrator intends to order that the Respondents Dickson V. Lee and L&L
11 International Holdings, Inc. shall each be liable for and pay a fine of \$10,000.

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13 **NOTICE OF INTENT TO CHARGE COSTS**

14 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and
15 Conclusions of Law, the Securities Administrator intends to order that the Respondents Dickson V. Lee
16 and L&L International Holdings, Inc. shall be liable for and pay the Securities Division the costs, fees and
17 other expenses incurred in the conduct of the investigation of this matter in an amount not less than \$5,000.

18 **AUTHORITY AND PROCEDURE**

19 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW
20 21.20.395, and is subject to the provisions of RCW 34.05. The Respondents may make a written request
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1 for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
2 HEARING accompanying this Statement of Charges.

3 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
4 Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist order as to
5 the Respondent, and impose the fines and costs sought.

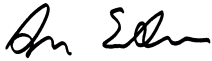
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7 DATED AND ENTERED this 22nd day of April, 2009.

8 By:

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10 MICHAEL E. STEVENSON
11 Securities Administrator

12 Approved by:

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14 Suzanne Sarason
15 Chief of Enforcement

Presented by:

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17 Bridgett Fisher
18 Enforcement Attorney