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

TO: The League Company, Inc.
James E. Harris
Beverly M. Johnson
950 2nd Street #206
Santa Monica, California 90403

DESIST AND REFRAIN ORDER
(For violations of Sections 25110 and 25401 of the California Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, James E. Harris (“Harris”) was the President, Chief Executive Officer and control person of The League Company, Inc. At all relevant times, Beverly M. Johnson (“Johnson”) was Secretary, Chief Financial Officer and control person of The League Company, Inc.
2. At all relevant times, The League Company, Inc. headquarters have been located at: 1824 Fairburn Avenue, Suite 201, Los Angeles, California 90025; 9025 Wilshire Boulevard, Suite 100, Beverly Hills, California 90211; and are currently located at: 950 2nd Street #206, Santa Monica, California 90403.
3. Beginning in or around February 2005 and continuing thereafter, Harris, Johnson and The League Company, Inc. offered and sold securities in the form of shares of stock and did so by using untrue statements and/or misrepresentations or omissions of material facts.
4. Some of the misrepresentations made by Harris, Johnson and The League Company, Inc. include, but are not limited to, the following:
 - a. Skechers USA, Inc. was entering into a letter of intent with Harris and Johnson to purchase The League Company, Inc.;
 - b. Professional athletes would promote The League Company Inc.’s line of shoes and athletic apparel;
 - c. The League Company, Inc. operated a showroom in downtown Los Angeles;

1 d. The League Company, Inc. had accounts with Bloomingdale's, Footlocker and other
2 retailers of athletic shoes and apparel;

3 5. Some of the omissions made by Harris, Johnson and The League Company, Inc include, but
4 are not limited to, the following:

5 a. That The League Company, Inc. was formed as a California corporation on August 18,
6 2005 but had its' corporate status with the California Secretary of State suspended on
7 September 1, 2004. Therefore, The League Company, Inc. was not a viable California
8 corporation when it offered and sold securities to investors beginning in February 2005;

9 6. These securities were offered or sold in this state in issuer transactions. The Department of
10 Corporations has not issued a permit or other form of qualification authorizing any person to offer
11 and sell these securities in this state.

12 Based upon the foregoing findings, the California Corporations Commissioner is of the
13 opinion that the securities that were offered or sold in issuer transactions are securities subject to
14 qualification under the California Corporate Securities Law of 1968, and are being or have been
15 offered or sold without being qualified, in violation of Section 25110 of the Corporate Securities Law
16 of 1968.

17 Based on the foregoing findings, the California Corporations Commissioner is of the
18 opinion that the securities offered and sold by James E. Harris, Beverly M. Johnson and The League
19 Company, Inc. are securities in the form of shares of stock and were offered and sold by means of
20 oral or written communication that include untrue statements of material fact or omitted to state
21 material facts necessary in order to make the statements made, in light of the circumstances in which
22 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
23 1968.

24 Pursuant to Section 25532 of the Corporate Securities Law of 1968, James E. Harris, Beverly
25 M. Johnson and The League Company, Inc. are hereby ordered to desist and refrain from the further
26 offer or sale in the State of California of securities, including but not limited to shares of stock, unless
27 and until qualification has been made under the law or unless exempt.
28

1 Pursuant to Section 25532 of the Corporate Securities Law of 1968, James E. Harris, Beverly
2 M. Johnson and The League Company, Inc., are hereby ordered to desist and refrain from offering or
3 selling any security in the State of California by means of any written or oral communication which
4 includes an untrue statement of material fact or omits to state a material fact necessary in order to
5 make the statements, in light of the circumstances under which they were made, not misleading.
6

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

9 Dated: December 26, 2006
10 Los Angeles, California

11 PRESTON DuFAUCHARD
12 California Corporations Commissioner

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14 By _____
15 Alan S. Weinger
16 Lead Corporations Counsel
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