

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

**THE LEAGUE COMPANY, INC.** its managers, officers, affiliates,  
subsidiaries, representatives, successors, and assigns, and;

**THE LEAGUE, INC.** its managers, officers, affiliates, subsidiaries,  
representatives, successors, and assigns, and;

**JAMES E. HARRIS**, an individual, and;

**BEVERLY M. JOHNSON**, an individual, and;

**BENJAMIN JONES, JR.**, an individual, and;

**TERRENCE DUCKETTE**, an individual,

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**File No. 1400270**

**TEMPORARY ORDER OF PROHIBITION**

**TO THE RESPONDENTS:**

The League Company, Inc.  
950 2<sup>nd</sup> Street Suite 206  
Santa Monica, CA 90403

James E. Harris  
10354 Wilshire Blvd Apt 10  
Los Angeles, Ca 90024

The League, Inc.  
1158 26<sup>th</sup> Street, Suite 532  
Santa Monica, CA 90403

Beverly M. Johnson  
251 S. Windsor Boulevard  
Los Angeles, CA 90004

CSC Services of Nevada, Inc.  
Care of:  
The League Company, Inc., and  
The League, Inc.  
2215-B Renaissance Drive  
Las Vegas, NV 89119

Benjamin Jones, Jr.  
1158 26<sup>th</sup> Street, Suite 532  
Santa Monica, CA 90403

Terrence Duckette  
4322 Wilshire Boulevard, Suite 200E  
Los Angeles, CA 90010

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WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the offer or sale of securities and/or the engagement in the business of investment adviser in or from the State of Illinois by The League Company, Inc., The League, Inc., James E. Harris, Beverly M. Johnson, Benjamin Jones, Jr., and Terrence Duckette are subject to a Temporary Order of Prohibition.

**COUNT I**

**Sale of Unregistered Securities**

1. The League Company, Inc. (the "League Co.") was a Nevada Corporation with the last known address of 950 2<sup>nd</sup> Street, Suite 206, Santa Monica, CA 90403. The League Co. registration as a Nevada Corporation was permanently revoked on or around April 2007. The League Company, Inc. was established as a corporation which engaged in the business of making athletic shoes.
2. The League, Inc. (the "League") was a Nevada Corporation with the last known address of 1158 26<sup>th</sup> Street, Suite 532, Santa Monica, CA 90403 and purportedly replaced Respondent The League Company, Inc. The League's registration status is currently listed as revoked by the Nevada Secretary of State.
3. During the relevant time period of April 2011 to April 2012, Respondent James E. Harris ("Harris") was listed as the President, Chief Executive Officer and control person of the League. Respondent Harris has the last known address of 10354 Wilshire Blvd Apt 10, Los Angeles, Ca 90024.
4. During the relevant time period of April 2011 to April 2012, Respondent Beverly M. Johnson ("Johnson") was listed as the Secretary, Treasurer, and Director of the League. After April 2012, Respondent Johnson was listed as the President, Treasurer, and Director of the League. Respondent Johnson has the last known address of 251 S. Windsor Boulevard, Los Angeles, CA 90004.
5. Respondent Benjamin Jones, Jr. ("Jones"), a Californian attorney, was listed as the Secretary of the League during the relevant period of April 2012 to April 2013. Respondent Jones has a last known address of 1158 26<sup>th</sup> Street, Suite 532, Santa Monica, CA 90403.
6. Respondent Terrence Duckette is a resident of California and has a last known address of 4322 Wilshire Boulevard, Suite 200E, Los Angeles, CA 90010.
7. On or around October, 2011, Respondent Duckette was employed as a salesperson at the League.

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8. Investor A, an Illinois resident, was a private individual with an interest in purchasing or trading securities in athletic shoe companies.
9. In or around October, 2011, on behalf of the League, Respondent Duckette offered to sell Investor A, along with three (3) other Illinois investors, stock in the League on the premise that the League manufactured athletic (basketball) shoes that were expected to be endorsed by NBA athletes.
10. On October 6, 2011, Investor A made a check payable to the League in the amount of \$37,500 representing the purchase of 75,000 shares of stock purportedly at \$0.50 a share. The check was deposited into the League's bank account.
11. On March 20, 2012, Investor A made a check payable to Benjamin Jones Jr. Client Trust Account in the amount of \$25,000 with a memo on the check stating "for League shares" representing the purchase of 50,000 shares of stock in the League. The check was deposited into Respondent Jones' attorney client trust account.
12. The offer or sale of investments in the League constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
13. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
14. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
15. Section 12.B of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to deliver to a purchaser any security required to be registered under Section 5, Section 6, or Section 7 hereof unless accompanied or preceded by a prospectus that meets the requirements of the pertinent subsection of Section 5, Section 6, and Section 7.
16. The securities offered by Respondents have not been registered with the State of Illinois nor has any exemption filing been received by the Secretary of State regarding shares of stock in the League.
17. Respondents Harris, Johnson, and Jones, as principals of the League, offered and sold securities through the League's representative, Respondent Duckette, to at least four known Illinois investors without registering the security with the State of Illinois.
18. By virtue of the foregoing, Respondents the League, Harris, Johnson, Jones, and Duckette each violated Sections 12.A and 12.B of the Illinois Securities Law of 1953.

**COUNT II**

**Failure to Disclose**

19. Paragraphs 1 through 18 are herein incorporated by reference.
20. That on December 26, 2006, the State of California Business, Transportation and Housing Agency, Department of Corporations issued a Desist and Refrain Order against The League Company, Inc. and its principals, Respondents Harris and Johnson, ordering them to desist and refrain from offering or selling any security in the State of California.
21. The Desist and Refrain Order was not disclosed to Investor A, nor any other of the three (3) Illinois investors by Respondents the League, Harris, Johnson, Jones, or Duckette before the Illinois investors purchased shares of stock in the League.
22. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et. seq.*, states that it shall be a violation of the provisions of the Act for any person to "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
23. By virtue of the foregoing, Respondents the League, Harris, Johnson, Jones, and Duckette each violated Section 12.G of the Illinois securities Law of 1953 when they failed to disclose to the Illinois investors the State of California Desist and Refrain Order.
24. Section 11.F(2) of the Act states *inter alia* the Secretary of State may temporarily prohibit, for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities, or the offer or sale of securities by any person, or the business of rendering investment advice without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
25. The entry of this Temporary Order prohibiting Respondents **The League Company, Inc., The League, Inc., James E. Harris, Beverly M. Johnson, Benjamin Jones, Jr., and Terrence Duckette** from offering or selling securities, or from engaging in any course of business related to investment adviser activities, in or from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

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NOW IT IS HEREBY ORDERED THAT:

Respondent **THE LEAGUE COMPANY, INC.**, and any employee or representative, is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Respondent **THE LEAGUE, INC.**, and any employee or representative, is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Respondent **JAMES E. HARRIS** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Respondent **BEVERLY M. JOHNSON** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Respondent **BENJAMIN JONES, JR.** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Respondent **TERRENCE DUCKETTE** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective March 12, 2015, subject to further order of the Secretary of State.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 12th day of March, 2015.



JESSE WHITE  
Secretary of State  
State of Illinois

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Attorneys for the Secretary of State:  
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Illinois Securities Department  
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**You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.**

**Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.**

**A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website:**

**<http://www.cyberdriveillinois.com/departments/securities/abtil.html>**