

1 MARY ANN SMITH
2 Deputy Commissioner
3 SEAN ROONEY
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6 Senior Counsel
7 DEPARTMENT OF BUSINESS OVERSIGHT
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12 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
13 OF THE STATE OF CALIFORNIA

<p>14 In the Matter of:</p> <p>15 THE COMMISSIONER OF BUSINESS OVERSIGHT,</p> <p>16 Complainant,</p> <p>17 v.</p> <p>18 DARYL RICHARD LEMON, and PLATINUM BAY ADVISORS, INC., a California corporation,</p> <p>19 Respondents.</p>	<p>) CRD Nos.: 2473133 and 168641</p> <p>) ORDER (1) DENYING THE INVESTMENT ADVISER CERTIFICATE OF PLATINUM BAY ADVISORS, INC PURSUANT TO CORPORATIONS CODE SECTION 25232.;</p> <p>) (2) BARRING DARYL RICHARD LEMON FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER OR COMMODITY ADVISER PURSUANT TO CORPORATIONS CODE SECTION 25232.1</p>
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22 TO: Daryl Richard Lemon
23 Platinum Bay Advisors, Inc.
24 3373 Halderman Street
25 Los Angeles, CA 90066

26 1. On January 7, 2016, the Commissioner brought an action to deny Platinum Bay
27 Advisor, Inc.’s (“Platinum Bay Advisors”) application for investment advisor certificate and barring
28 Daryl Richard Lemon (“Lemon”) by issuing a Notice of Intention to Issue Orders: (1) Denying the
Investment Adviser Certificate Of Platinum Bay Advisors, Inc.; (2) Barring Daryl Richard Lemon

1 From Any Position Of Employment, Management Or Control Of Any Investment Advisor, Broker-
2 Dealer Or Commodity Advisor; Statement Of Issues In Support Of Notice of Intention to Issue
3 Orders: (1) Denying the Investment Adviser Certificate Of Platinum Bay Advisors, Inc.; (2) Barring
4 Daryl Richard Lemon From Any Position Of Employment, Management Or Control Of Any
5 Investment Advisor, Broker-Dealer Or Commodity Advisor; Notice of Defense; and, Statement to
6 Respondents.

7 2. On November 18, 2013, Platinum Bay Advisors filed a Form ADV with the
8 Department of Business Oversight (“Department”) in application for an investment advisor
9 certificate. The application listed Lemon as the President and sole owner of Platinum Bay Advisors.
10 The initial review of the application revealed that Lemon was under investigation by the Financial
11 Industry Regulatory Authority (“FINRA”) for potential violations of FINRA Rules regarding
12 transactions conducted while working as a general securities representative of Sagepoint Financial,
13 Inc. (“Sagepoint”). Sagepoint is a FINRA registered broker-dealer and SEC registered investment
14 advisor firm.

15 3. FINRA’s investigation of Lemon concluded with the execution of a Letter of
16 Acceptance, Waiver and Consent (“AWC”), signed and executed by Lemon on November 25, 2014,
17 and accepted by FINRA on December 23, 2014, in FINRA Case No. 2013036632201. The AWC
18 stipulated that, based on the allegations as set forth in the AWC that Lemon violated NASD Conduct
19 Rule 3040 and FINRA Rule 2010, Lemon would be permanently barred from associating in any
20 capacity with any FINRA member firm effective December 23, 2014.¹

21 4. On January 14, 2016, Daryl Richard Lemon, on behalf of himself and Platinum Bay
22 Advisors, was personally served with the following documents: Notice of Intention to Issue Orders:
23 (1) Denying the Investment Adviser Certificate Of Platinum Bay Advisors, Inc.; (2) Barring Daryl
24 Richard Lemon From Any Position Of Employment, Management Or Control Of Any Investment
25 Advisor, Broker-Dealer Or Commodity Advisor; Statement Of Issues In Support Of Notice of
26 Intention to Issue Orders: (1) Denying the Investment Adviser Certificate Of Platinum Bay Advisors,
27 Inc.; (2) Barring Daryl Richard Lemon From Any Position Of Employment, Management Or Control

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¹ The AWC is set forth in full at: <http://disciplinaryactions.finra.org/Search/ViewDocument/38324>.

1 Of Any Investment Advisor, Broker-Dealer Or Commodity Advisor; Notice of Defense; Statement to
2 Respondents; and, Government Code sections 11507.5, 11507.6, and 11507.7.

3 5. Respondent Lemon did not file a Notice of Defense or otherwise request a hearing on
4 this matter within 30 days after the personal service of the documents as required by California
5 Corporations Code section 25233.

6 Based upon the foregoing, the Commissioner finds it is in the public interest
7 to deny the investment adviser certificate of Platinum Bay Advisors, Inc., pursuant to Corporations
8 Code section 25232, subdivisions (d)(2), and to bar Daryl Richard Lemon from any position of
9 employment, management, or control of any investment adviser, broker-dealer, or commodity adviser
10 pursuant to Corporations Code section 25232.1, for having been subject to the bar order by FINRA,
11 as specified in Corporations Code section 25232, subdivision (d)(2).

12 NOW THEREFORE, GOOD CAUSE SHOWING, IT IS ORDERED that the investment
13 adviser application submitted on behalf of Platinum Bay Advisors, Inc. by Daryl Richard Lemon is
14 denied pursuant to Corporations Code section 25232, subdivisions (d)(2), and that Respondent Daryl
15 Richard Lemon is barred from any position of employment, management, or control of any
16 investment adviser, broker-dealer, or commodity adviser pursuant to Corporations Code section
17 25232.1 for having been subject to a bar order by FINRA, as specified in Corporations Code section
18 25232, subdivision (d)(2).

19 This order is effective immediately.

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21 Dated: February 24, 2016
22 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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