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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</p> <p>16 OVERSIGHT,</p> <p>17 Complainant,</p> <p>18 v.</p> <p>19 DARYL RICHARD LEMON, and PLATINUM</p> <p>20 BAY ADVISORS, INC., a California</p> <p>21 corporation,</p> <p>22 Respondents.</p>	<p>) CRD Nos.: 2473133 and 168641</p> <p>) STATEMENT OF ISSUES IN SUPPORT OF</p> <p>) NOTICE OF INTENTION TO ISSUE</p> <p>) ORDERS:</p> <p>1. DENYING THE INVESTMENT</p> <p>ADVISER CERTIFICATE OF</p> <p>PLATINUM BAY ADVISORS, INC.;</p> <p>2. BARRING DARYL RICHARD LEMON</p> <p>FROM ANY POSITION OF</p> <p>EMPLOYMENT, MANAGEMENT OR</p> <p>CONTROL OF ANY INVESTMENT</p> <p>ADVISER, BROKER-DEALER OR</p> <p>COMMODITY ADVISER</p>
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Jan Lynn Owen, the Commissioner of Business Oversight ("Commissioner"), brings this action in the public interest and alleges and charges as follows:

I. JURISDICTION AND VENUE

1. This action is brought to deny the investment adviser application of Platinum Bay Advisors, Inc. ("Platinum Bay Advisors") pursuant to Corporations Code section 25232, subdivision (d)(2), and to bar Daryl Richard Lemon (President and sole owner of Platinum Bay Advisors) from any position of employment, management, or control of any investment adviser, broker-dealer, or commodity adviser pursuant to Corporations Code sections 25232.1 and 25232(d)(2).

2. Corporations Code section 25600 authorizes the Commissioner to administer and enforce the provisions of the Corporate Securities Law of 1968 (Corp. Code, § 25000 *et seq.*, hereinafter "CSL") and the regulations promulgated thereunder (Cal. Code Regs., tit. 10, § 260.000 *et seq.*).

II. STATEMENT OF FACTS

3. Daryl Richard Lemon ("Lemon") is an individual with the address of 3373 Halderman Street, Los Angeles, California 90066.

4. Platinum Bay Advisors is a California corporation with the address of 3373 Halderman Street, Los Angeles, California 90066.

5. On November 18, 2013, Platinum Bay Advisors filed an ADV with the Department of Business Oversight ("Department") in application for an investment advisor certificate. The application listed Lemon as the President and sole owner of Platinum Bay Advisors. The initial review of the application revealed that Lemon was under investigation by the Financial Industry Regulatory Authority ("FINRA")¹ for potential violations of FINRA Rules regarding transactions conducted while working as a general securities representative of Sagepoint Financial, Inc.

¹ The Financial Industry Regulatory Authority ("FINRA") is a self-regulatory organization that succeeded the National Association of Securities Dealers, Inc. (NASD), overseeing brokerage firms and registered securities representatives.

1 (“Sagepoint”). Sagepoint is a FINRA registered broker-dealer and SEC registered investment advisor
2 firm.

3 6. FINRA’s investigation of Lemon concluded with the execution of a Letter of
4 Acceptance, Waiver and Consent (“AWC”), signed and executed by Lemon on November 25, 2014,
5 and accepted by FINRA on December 23, 2014, in FINRA Case No. 2013036632201. The AWC
6 stipulated that, based on the allegations as set forth in the AWC that Lemon violated NASD Conduct
7 Rule 3040 and FINRA Rule 2010, Lemon would be permanently barred from associating in any
8 capacity with any FINRA member firm effective December 23, 2014.²

9 **III. THE INVESTMENT ADVISOR APPLICATION OF PLATINUM BAY ADVISORS**
10 **SHOULD BE DENIED BASED ON THE FINRA BAR AGAINST RESPONDENT**
11 **DARYL RICHARD LEMON PURSUANT TO CORPORATIONS CODE SECTION**
12 **25232, SUDIVISION (d)(2)**

13 7. Paragraphs 1 through 6 are hereby realleged and incorporated herein by reference as
14 if set forth in their entirety.

15 8. As set forth above, on or about November 25, 2014, Lemon, the sole owner and
16 President of Platinum Bay Advisors, executed a Letter of Acceptance, Waiver and Consent with
17 FINRA on December 23, 2014, stipulating that Lemon is permanently barred from associating in any
18 capacity with any FINRA member firm effective December 23, 2014. Cause, therefore, exists to
19 deny the Platinum Bay investment adviser application pursuant to Corporations Code section 25232,
20 subdivision (d)(2).

21 **IV. RESPONDENT DARYL RICHARD LEMON SHOULD BE BARRED FROM ANY**
22 **POSITION OF EMPLOYMENT, MANAGEMENT, OR CONTROL OF ANY**
23 **INVESTMENT ADVISOR, BROKER-DEALER, OR COMMODITY ADVISOR**
24 **PURSUANT TO CORPORATIONS CODE SECTION 25232.1.**

25 9. Paragraphs 1 through 8 are hereby realleged and incorporated herein by reference as
26 if set forth in their entirety.

27 10. As set forth above, on or about November 25, 2014, Lemon executed a Letter of
28 Acceptance, Waiver and Consent with FINRA stipulating that D. Lemon is permanently barred from

² The AWC is set forth in full at: <http://disciplinaryactions.finra.org/Search/ViewDocument/38324>.

1 associating in any capacity with any FINRA member firm effective December 23, 2014. Thus,
2 Lemon is subject to the provisions of Corporations Code section 25232, subdivision (d)(2). Cause,
3 therefore, exists under the CSL to bar Respondent Lemon from any position of employment,
4 management, or control of any investment adviser, broker-dealer, or commodity adviser pursuant to
5 Corporations Code section 25232.1.

6 **V. RELIEF REQUESTED**

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

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

19
20 Dated: January 7, 2016

JAN LYNN OWEN
Commissioner of Business Oversight

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22
23 By _____
24 Robert Lux
25 Senior Counsel
26 Enforcement Division
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