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STATE OF CALIFORNIA BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY DEPARTMENT OF BUSINSES OVERSIGHT

TO: Darryl Lance Johnson dba Court St. Financial Funding 420 North McKinley Street #360 Corona, California 92879

> 28126 Patti Lane Romoland, California 92585

19459 Jennings Street Riverside, California 92508

DESIST AND REFRAN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The Commissioner of Business Oversight (Commissioner) finds that:

- 1. At all relevant times, Darryl Lance Johnson (Johnson) was an individual doing business as Court St. Financial Funding located at various addresses: 420 North McKinley Street #360, Corona, California 92879; 28126 Patti Lane, Romoland, California 92585; and 19459 Jennings Street, Riverside, California 92508.
- 2. On or about March 4, 2014, Johnson offered or sold securities in the form of an investment contract in California to two California residents.
- 3. The purported purpose of this investment contract was to raise money from investors to support Johnson's research, investigation, and purchase of uncollected judgments. Investors were promised a guaranteed return of 30 percent after one year to be derived from Johnson's efforts to profitably collect on uncollected judgments.
- 4. This investment contract was offered or sold in this state in an issuer transaction. The Department of Business Oversight has not issued a permit or other form of qualification authorizing any person to offer or sell this investment contract in this state.
- 5. Johnson offered and sold securities to members of the public with whom he had no substantive pre-existing personal or business relationship.
- 6. In connection with the offer and sale of this security, Johnson employed a device, scheme, or artifice to defraud by promising unrealistic returns on the investment and accepting investor capital with no intent to use the provided capital for its intended purpose.

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- 7. In connection with the offer and sale of this security, Johnson made material misrepresentations and omissions to investors, including, but not limited to: That the investment had a guaranteed return of 30 percent;
 - b. That Johnson would provide updates on the status of the investment every two weeks;
 - c. That Johnson would use the investment for the purpose stated in the investment contract:
 - d. That profits from the investment contract would begin to be distributed not later than November 4, 2014;
- 8. In connection with the offer and sale of this security, Johnson engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person by promising unrealistic returns on the investment and by accepting investor capital with no intent to use the provided capital for its intended purpose.

Based upon the foregoing findings, the Commissioner is of the opinion that the investment contracts offered and sold by Darryl Lance Johnson, doing business as Court St. Financial Funding, are securities subject to qualification under the Corporate Securities Law of 1968 and are being or have been offered or sold without first being qualified in violation of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of 1968, Darry Lance Johnson is hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to investment contracts in support of collecting uncollected judgments, unless and until qualification has been made under the law or unless exempt.

Additionally, based on the foregoing findings, the Commissioner is of the opinion that, in violation of Corporations Code section 25401 (2014)¹, Darryl Lance Johnson, doing business as Court St. Financial Funding, in connection with the offer, sale, or purchase of a security, directly or indirectly: (a) employed a device, scheme, or artifice to defraud; (b) made untrue statements of

¹ Corporations Code section 25401 was amended, effective January 1, 2014, and the amended language governs the findings related to that section in this matter. A substantive amendment to revert the language of 25401 back to what it was on and before December 31, 2013, took effect on January 1, 2016, and is effective today.

material fact or omitted to state material facts necessary to make the statements made, in light of the
circumstances under which they were made, not misleading; and (c) engaged in an act, practice, or
course of business that operated or would have operated as a fraud or deceit upon another person.
Pursuant to section 25532 of the Corporate Securities Law of 1968, Darryl Lance Johnson is hereby
ordered to desist and refrain from, in connection with the offer, sale, or purchase of a security,
directly or indirectly: (a) employing a device, scheme, or artifice to defraud; (b) making an untrue
statement of material fact or omit to state a material fact necessary to make the statements made, in
light of the circumstances under which they were made, not misleading; or (c) engaging in an act,
practice, or course of business that operates or would operate as a fraud or deceit upon another
person. Further pursuant to section 25532, Darryl Lance Johnson is hereby ordered to desist and
refrain from offering or selling or buying or offering to buy any security in the State of California,
including but not limited to investment contracts, by means of any written or oral communication
which includes an untrue statement of a material fact or omits to state a material fact necessary in
order to make the statement made, in light of the circumstances under which they were made, not
misleading.

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

Dated: _February 21, 2020 MANUEL P. ALVAREZ Commissioner of Business Oversight

By: _____

MARY ANN SMITH Deputy Commissioner Enforcement Division