

MARY ANN SMITH
Deputy Commissioner
Attorney for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	CRD NOS.: 315693, 814314
)	
THE COMMISSIONER OF FINANCIAL)	
PROTECTION AND INNOVATION,)	CONSENT ORDER
)	
Complainant,)	
v.)	
)	
LEE CAPITAL MANAGEMENT #1 LLC,)	
RONALD JAMES LEE,)	
)	
Respondents.)	

The Commissioner of Financial Protection and Innovation (“Commissioner”) and Lee Capital Management #1 LLC and Ronald James Lee, (collectively, the “Respondents”), enter into this Consent Order with respect to the following facts:

I.

RECITALS

A. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968 (CSL) (Cal. Corp. Code §§ 25000-25707) and the regulations promulgated thereunder at Title 10 of the California Code of Regulations, which includes the licensure, examination, and regulation of investment advisers and broker-dealers.

B. Lee Capital Management #1 LLC (“LCM”) is a California limited liability company with its principal place of business at 835 Hopkins Way #310, Redondo Beach, California 90277.

C. Ronald James Lee (“Lee”) is the 100-percent owner and investment adviser representative of LCM, CRD No. 814314.

D. During the period of January 25, 2020, to January 26, 2022, Respondents provided

1 advisory services to at least one client, Bellflower Unified School District (“Bellflower”), and received
2 \$10,937.50 from Bellflower for investment advisory services. Neither Respondents were registered
3 with the Department of Financial Protection and Innovation (“Department”), nor any other state or
4 federal securities regulators.

5 E. On January 27, 2022, the Commissioner issued an investment adviser certificate to LCM,
6 pursuant to Corporations Code section 25230, Central Registration Depository (“CRD”) number 315693.

7 F. Respondents admit to the jurisdiction of the Department and it is the intention of the
8 Parties to resolve this matter without the necessity of a hearing and/or other litigation.

9 G. The Commissioner finds this action is appropriate, in the public interest, is necessary
10 for the protection of investors, and is consistent with the purposes fairly intended by the policies and
11 procedures of the CSL.

12 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
13 forth herein, the Parties agree as follows:

14 II.

15 TERMS

16 1. Purpose: This Consent Order resolves the issues before the Commissioner described
17 above in a manner that avoids the expense of a hearing and other possible court proceedings, protects
18 consumers, is in the public interest, and is consistent with the purposes and provisions of the CSL.

19 2. Desist and Refrain Order: Pursuant to Corporations Code section 25532, LCM
20 Management #1 LLC and Ronald James Lee are hereby ordered to desist and refrain from providing
21 advisory services without being licensed or exempt under the CSL. Lee Capital Management #1 LLC
22 and Ronald James Lee agree to this final Desist and Refrain Order for violations of Corporations
23 Code section 25230.

24 3. Filings: Respondents understand and agree that the Commissioner will file a Form U6 on
25 Investment Adviser Registration Depository (“IARD”) that will describe the terms of this Consent
26 Order and identify it as a regulatory action.

27 4. Waiver of Hearing Rights: Respondents acknowledge the Commissioner is ready, willing,
28 and able to proceed with the filing of an administrative enforcement action on the charges contained

1 in this Consent Order. Respondents hereby waive the right to any hearings, and to any
2 reconsideration, appeal, or other right to review which may be afforded pursuant to the CSL, the
3 California Administrative Procedure Act (Cal. Gov. Code §§ 11370-11501), the California Code of
4 Civil Procedure (Cal. Code Civ. Proc. §§ 1-9566), or any other provision of law in connection with
5 this matter. Respondents further expressly waive any requirement for the filing of any enforcement
6 action or pleading pursuant to Government Code section 11415.60, subdivision (b). By waiving such
7 rights, Respondents effectively consent to this Consent Order and the Desist and Refrain Order
8 becoming final.

9 5. Failure to Comply with Consent Order: Respondents agree that if they fail to meet any
10 requirement of this Consent Order or the Desist and Refrain Order, the Commissioner may summarily
11 suspend or revoke Respondents' CSL licenses or certificates and/or deny pending license or
12 certificate applications of Respondents and/or their respective affiliates, successors, and assigns, by
13 whatever names they might be known, in addition to all other available remedies she may invoke
14 under the CSL. The Respondents waive any notice and hearing rights to contest such summary
15 suspensions, revocations or denials which may be afforded under the CSL, the California
16 Administrative Procedure Act (Cal. Gov. Code §§ 11370-11501), the Cal. Code of Civil Procedure
17 (Cal. Code Civ. Proc. §§ 1-9566), or any provision of law in connection with this matter.

18 6. Information Willfully Withheld or Misrepresented: This Consent Order may be revoked,
19 and the Commissioner may pursue any and all remedies available under law against Respondents if
20 the Commissioner discovers that Respondents knowingly or willfully withheld or misrepresented
21 information used for and relied upon in this Consent Order.

22 7. Future Actions by the Commissioner: If Respondents fail to comply with any terms of the
23 Consent Order or violate the Desist and Refrain Order, the Commissioner may institute proceedings
24 for any and all violations otherwise resolved under this Consent Order. The Respondents further
25 agree that the facts in this Consent Order are admitted of the purpose of proving a violation of this
26 Consent Order and Desist and Refrain Order. The Commissioner reserves the right to bring any future
27 actions against Respondents, or any of its partners, owners, officers, shareholders, directors, affiliates,
28 employees, or successors for any and all unknown violations of the CSL.

8. Assisting Other Agencies: Nothing in this Consent Order limits the Commissioner's ability to assist any other government agency (whether city, county, state, or federal) with any administrative, civil, or criminal action brought by that agency against Respondents or any other person based upon any of the activities alleged in this matter or otherwise.

9. Headings: The headings to the paragraphs of this Consent Order are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

10. Binding: This Consent Order is binding on all heirs, assigns, and/or successors in interest.

11. Reliance: Each of the Parties represents, warrants, and agrees that in executing this Consent Order, it has relied solely on the statements set forth herein and the advice of its own counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent Order, it has placed no reliance on any statement, representation, or promise of any other Party, or any other person or entity not expressly set forth herein, or upon the failure of any Party or any other person or entity to make any statement, representation, or disclosure of anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any Party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

12. Waiver, Amendments, and Modification: No waiver, amendment, or modification of this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other provision. No waiver by either Party of any breach of, or of compliance with, any condition or provision of this Consent Order by the other Party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

13. Full Integration: This Consent Order is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenant between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity, with respect to

the subject matter covered hereby.

14. Governing Law: This Consent Order will be governed by and construed in accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

15. Counterparts: This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

16. Effect Upon Future Proceedings: If Respondents apply for any license, permit or qualification under the Commissioner's current or future jurisdiction, or are the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

17. Voluntary Agreement: Respondents enter into this Consent Order voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and without any duress or undue influence of any kind from any source.

18. Independent Legal Advice: Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from its attorneys with respect to the advisability of executing this Consent Order.

19. No Presumption Against Drafting Party: Each Party acknowledges that it has had the opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the Parties intend that no presumption for or against the drafting Party will apply in construing any part of this Consent Order. The Parties waive the benefit of Civil Code section 1654 as amended or corresponding provisions of any successor statute, which provide that in cases of uncertainty, language of a contract should be interpreted most strongly against the Party that caused the uncertainty to exist.

20. Notice: Any notice required under this Consent Order shall be provided to each Party at

the following addresses:

To Respondents: Lee Capital Management #1 LLC:
Ronald James Lee
835 Hopkins Way #310
Redondo Beach, CA 90277
ronlee@rjlpartners.com

To the Commissioner: Kit Chao, Financial Institutions Manager
Broker-Dealer/Investment Adviser Division
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
IAAMEND@dfpi.ca.gov

21. Signatures: A fax or electronic mail signature shall be deemed the same as an original signature.

22. Public Record: Respondents hereby acknowledges that this Consent Order will be a matter of public record.

23. Effective Date: This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner's representative by email to Respondents at ronlee@rjlpartners.com.

24. Authority to Sign: Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: _____, 2023

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
BALBIRO KAZLA
Deputy Commissioner
Broker-Dealer Investment Adviser

Dated: _____, 2023

By _____
RONALD JAMES LEE
Owner, President, CCO, CIO
Lee Capital Management #1, LLC