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

10 In the Matter of:

CRD NO.: 305511 and 2400176

11 THE COMMISSIONER OF FINANCIAL
12 PROTECTION AND INNOVATION,

1. ACCUSATION IN SUPPORT ORDER TO
REVOKE CARIS INVESTMENT PARTNERS,
INC.'S INVESTMENT ADVISER CERTIFICATE;

13 Complainant,

14 v.

2. ACCUSATION IN SUPPORT OF ORDER TO BAR
DARREN J. CARIS FROM ANY POSITION OF
EMPLOYMENT, MANAGEMENT OR CONTROL
OF ANY INVESTMENT ADVISER, BROKER-
DEALER OR COMMODITY ADVISER;

15 CARIS INVESTMENT PARTNERS,
INC., and DARREN J. CARIS

16 Respondents.

3. STATEMENT IN SUPPORT OF ORDER
LEVYING ADMINISTRATIVE PENALTIES;

4. DESIST AND REFRAIN ORDER; AND

5. CLAIM FOR ANCILLARY RELIEF

(Cal. Corp. Code §§ 25232, 25232.1, 25252, and 25532)

23 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and
24 believes, and based upon such information, alleges and charges as follows:

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ACCUSATION IN SUPPORT OF ORDER TO REVOKE CARIS INVESTMENT PARTNER'S
INVESTMENT ADVISER CERTIFICATE; ACCUSATION IN SUPPORT OF ORDER TO BAR
DARREN J. CARIS; STATEMENT IN SUPPORT OF ORDER LEVYING ADMINISTRATIVE
PENALTIES; DESIST AND REFRAIN ORDER; and CLAIM FOR ANCILLARY RELIEF

I.

INTRODUCTION

1. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968 (CSL)¹, and the accompanying regulations thereunder², which includes the licensure, examination, and regulation of investment advisers and broker-dealers. Under Financial Code section 326(a), the Commissioner is authorized to administer and enforce the provisions of the CSL and the regulations promulgated thereunder.

2. Caris Investment Partners, Inc. (CIP) is and was, at all relevant times, an investment adviser licensed by the Commissioner since July 17, 2019 (Central Registration Depository No. 305511)³ pursuant to the CSL. CIP is and was a California corporation located at 189 Halcyon Road, Encinitas, California 92024.

3. At all relevant times, Darren J. Caris (Caris) (CRD No. 2400176), is and was the sole owner, sole officer, and sole employee of CIP.

4. CIP and Caris are collectively referred to herein as Respondents.

II.

STATEMENT OF FACTS

5. Beginning on or about September 15, 2019, the Respondents received limited power of attorney authorization to execute trades on behalf of two UTMA accounts⁴, bearing account numbers ending in 1282 and 1324.

6. On or about July 15, 2020, the Respondents engaged in a fraudulent scheme to defraud a client or prospective client, in violation of section 25235(a), by diverting investor funds for personal

¹ See Cal. Corp. Code §§ 25000-25707. Unless stated otherwise, all section references are to the Corporations Code.

² See Cal. Code Regs. tit. 10, §§ 260.000-260.617. All further references will employ the format of 10 C.C.R. [section #].

³ The Central Registration Depository (CRD) is a database maintained by the Financial Industry Regulatory Authority (FINRA) since 2007 for all firms and individuals involved in the U.S. securities industry. It is used to store and maintain information on registered securities and broker firms, as well as individuals who dispense investing and financial advice.

⁴ UTMA stands for the Uniform Transfers to Minors Act. It is a federal law that enables adults to transfer assets, such as cash, securities, and property, to a minor without the need for a formal trust. An adult, known as the custodian, manages the account until the minor reaches the age of majority. A minor child legally owns all the assets in a UTMA (Uniform Transfers to Minors Act) account, not the custodian who manages it. While an adult custodian is appointed to manage and control the funds for the child's benefit, the account is held under the child's Social Security number, and the gift is irrevocable, meaning the donor cannot reclaim the assets.

1 use. Between July 15, 2020, and November 21, 2022, the Respondents diverted a total of \$181,733.74
2 from at least two UTMA accounts, bearing account numbers ending in 1282 and 1324. These funds
3 were misappropriated for personal use, including payments toward Caris' personal credit card
4 obligations and the issuance of personal checks which were subsequently deposited into Caris'
5 personal bank account.

6 **III.**

7 **ACCUSATION TO REVOKE CARIS INVESTMENT PARTNERS INC.'S INVESTMENT**

8 **ADVISER CERTIFICATE**

9 7. Section 25232 provides in pertinent part:

10 The commissioner may, after appropriate notice and opportunity for
11 hearing, by order ... revoke the certificate of, an investment adviser, if the
12 commissioner finds that the ... revocation is in the public interest and that
13 the investment adviser, whether prior or subsequent to becoming such, or
14 any partner, officer or director thereof or any person performing similar
15 functions or any person directly or indirectly controlling the investment
16 adviser, whether prior or subsequent to becoming such, or any employee of
17 the investment adviser while so employed has done any of the following:

18 ...
19 (e) Has *willfully violated* . . . *Title 4* (commencing with Section 25000)...
20 [Emphasis added.]

21 ...
22 (h) *Has violated any provision of this division or the rules thereunder....*
23 [Emphasis added.]

24 8. In accordance with section 25232, the Commissioner may revoke an investment
25 adviser, based on willful or non-willful violations of sections of the CSL or rules adopted thereunder.

26 9. In this case, the Respondents willfully violated section 25235(a), by employing a
27 fraudulent scheme to defraud a client or prospective client, by diverting investor funds for personal
28 use, totaling \$181,733.74.

IV.

ACCUSATION TO BAR DARREN J. CARIS FROM ANY POSITION OF EMPLOYMENT,
MANAGEMENT, OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER,
OR COMMODITY ADVISER

10. Section 25232.1 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing...bar...from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, any officer, director, partner, employee of, or person performing similar functions for, an investment adviser, or any other person, if he or she finds that the...bar is in the public interest and that the person has committed any act or omission enumerated in subdivision...(e)...of Section 25232....

11. Section 25232, in relevant part, provides:

(e) Has willfully violated any provision of...Title 4 (commencing with Section 25000)...

12. In accordance with section 25232.1, the Commissioner may bar any officer or employee of an investment adviser, based on willful violations of sections of the CSL or rules adopted thereunder.

13. In this case, the Respondents willfully violated section 25235(a), by employing a fraudulent scheme to defraud a client or prospective client, by diverting investor funds for personal use, totaling \$181,733.74.

V.

STATEMENT IN SUPPORT OF ORDER LEVYING ADMINISTRATIVE PENALTIES

14. NOTICE IS HEREBY GIVEN, pursuant to Corporations Code section 25233, of the intention of the Commissioner to issue an order levying administrative penalties against CIP and Caris, for the statutory amount of not more five thousand dollars (\$5,000.00) for the first violation, not more than ten thousand dollars (\$10,000.00) for the second violation, and not more than fifteen thousand dollars (\$15,000.00) for each subsequent violation, or according to proof, for the Respondents' willful violations of the CSL.

15. The Commissioner re-alleges and incorporates, by reference, paragraphs 1 to 7, as though fully set forth herein.

16. Section 25252(b) authorizes the Commissioner to issue an order levying administrative penalties against any person for willful violations of any provision of CSL and any rules promulgated thereunder.

22. Section 25532 authorizes the Commissioner to seek ancillary relief including, but not limited to, a claim for restitution or disgorgement or damages on behalf of the persons injured by violations of any provision of the Corporations Code and any rules promulgated thereunder.

23. Based on the foregoing findings, the Commissioner finds that the Respondents diverting investor funds for personal use, totaling \$181,733.74, in violation of section 25235(a).

WHEREFORE, the Commissioner hereby makes a claim for disgorgement, individually, jointly and severally against CIP and Caris, as follows:

a. Full Disgorgement, consisting of the total investor funds diverter to personal use by the Respondents, in the amount of \$181,733.74, or according to proof.

VIII.

CONCLUSION

24. Based upon the foregoing, the Commissioner finds that grounds exist, and that it is in the public interest, to issue the following orders: (1) revoking Caris Investment Partners, Inc.’s investment adviser certificate pursuant to section 25232; (2) barring Darren J. Caris from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser pursuant to section 25232.1; (3) levying administrative penalties against Caris Investment Partners, Inc. and Darren Caris, totaling \$15,000.00, pursuant to section 25252; (4) desist and refrain order against Caris Investment Partners, Inc. and Darren Caris, pursuant to section 25532; and (5) claim for ancillary relief against Caris Investment Partners, Inc. and Darren Caris, in the form of disgorgement, totaling \$181,733.74, pursuant to section 25532. The Commissioner hereby notifies Caris Investment Partners, Inc. and Darren Caris of his intention to make such orders final.

25. These Orders are necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

DATED: September 10, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division