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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,

SETTLEMENT AGREEMENT

13 Complainant,

14 v.

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

16 Respondents.
17

18 The Commissioner of Financial Protection and Innovation (Commissioner), Respondent Caris
19 Investment Partners, Inc. (CIP), and Respondent Darren J. Caris (Caris) (collectively, the "Parties")
20 enter into this Settlement Agreement (Agreement) with respect to the following facts:

21 I.

22 **RECITALS**

23 A. The Department of Financial Protection and Innovation (Department) regulates California
24 investment advisers and broker-dealers under the Corporate Securities Law of 1968 (CSL)¹. Under
25 Financial Code section 326(a), the Commissioner is authorized to administer and enforce the
26 provisions of the CSL and the regulations promulgated thereunder².

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28 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 #].

1 B. At all relevant times herein, CIP (Central Registration Depository No. 305511)³ was a
2 California corporation, located at 189 Halcyon Road, Encinitas, California 92024.

3 C. At all relevant times, Caris (CRD No. 2400176), was the sole owner and operator of CIP.

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

5 E. The Commissioner alleges that beginning on or about September 15, 2019, the Respondents
6 received limited power of attorney authorization to execute trades on behalf of two UTMA accounts⁴,
7 bearing account numbers ending in 1282 and 1324 (collectively the “Caris Children’s Accounts”).

8 F. The Caris Children’s Accounts were initially established and funded by Caris, for the benefit of
9 his two children, [REDACTED] and [REDACTED] Caris, in approximately 2012.

10 G. The Commissioner further alleges that Respondents willfully violated section 25235(a), by
11 employing a fraudulent scheme to defraud a client or prospective client [specifically, the Caris
12 Children’s Accounts, of which Mr. Caris was custodian], by diverting investor funds for personal use.
13 The alleged diversion by Respondents of investor funds pertained solely to the Caris Children’s
14 Accounts, and to no other accounts for which Respondents provided investment adviser services.
15 Respondents deny this allegation.

16 H. On September 10, 2025, the Commissioner issued the following actions (collectively,
17 “Actions”): (1) Accusation in support of order to revoke Caris Investment Partners, Inc.’s investment
18 adviser license; (2) Accusation in support of order to bar Darren J. Caris from any position of
19 employment, management or control of any investment adviser, broker-dealer or commodity adviser;
20 (3) Statement in support of order levying administrative penalties; (4) Desist and Refrain Order; and
21 (5) Claim for ancillary relief.

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23 _____
24 ³ The Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) are databases
25 maintained by the Financial Industry Regulatory Authority (FINRA) since 2007. They are used to store and maintain
26 information on registered securities and broker firms, as well as individuals who dispense investing and financial advice.

27 ⁴ “UTMA” stands for the Uniform Transfers to Minors Act. It is a federal law that enables adults to transfer assets, such as
28 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 I. CIP and Caris timely requested a hearing to challenge the Actions, and, accordingly, a hearing
2 is to be scheduled and held at the Office of Administrative Hearings.

3 J. The Parties now intend to resolve this matter amicably without the necessity of a hearing or
4 other litigation.

5 K. CIP and Caris, by entering into this Agreement, neither admit nor deny the Commissioner's
6 findings in the Actions.

7 L. The Commissioner finds that entering into this Agreement is appropriate, in the public interest,
8 necessary for the protection of investors, and consistent with the purposes fairly intended by the
9 policies and procedures of the CSL.

10 M. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
11 herein, the Parties agree as follows:

12 **II.**

13 **TERMS AND CONDITIONS**

14 1. Purpose: This Agreement resolves the issues before the Commissioner, set forth above,
15 in a manner that avoids the expense of a hearing and other possible court proceedings, protects
16 consumers, is in the public interest, and is consistent with the purposes and provisions of the CSL.

17 2. Desist and Refrain Order: Pursuant to section 25532, CIP and Caris are hereby ordered
18 to desist and refrain from engaging in any fraudulent, deceptive, or manipulative act, scheme, practice,
19 or course of business, in violation of section 25235.

20 3. Administrative Penalty: CIP and Caris agree to pay to the Commissioner an
21 administrative penalty in the amount of ten thousand dollars (\$10,000.00) (Penalty), on or before
22 February 15, 2026. The Penalty shall be made payable in the form of a cashier's check or Automated
23 Clearing House deposit payable to the "Department of Financial Protection and Innovation" and
24 transmitted to the attention of "Accounting – Litigation" at the Department of Financial Protection and
25 Innovation, 651 Bannan Street, Suite 300, Sacramento, CA 95811. Notice of such payment shall be
26 forwarded to Ryan M. Cassidy, Counsel, Enforcement Division, by email at:
27 ryan.cassidy@dfpi.ca.gov. In the event the payment due date falls on a weekend or holiday, the
28 payment shall be due the next business day.

1 4. Disgorgement: CIP and Caris agree to pay to the Commissioner disgorgement in the
2 amount of one hundred sixty-seven thousand dollars (\$167,000.00) (Disgorgement) as follows: (1) one
3 payment of one hundred nineteen thousand dollars (\$119,000.00) to an UTMA account for [REDACTED]
4 Caris, on or before June 17, 2026; and (2) one payment of forty-eight thousand dollars (\$48,000.00) to
5 an UTMA account for [REDACTED] Caris, on or before October 15, 2026. Notice of such payment shall be
6 forwarded to Ryan M. Cassidy, Counsel, Enforcement Division, by email at:
7 ryan.cassidy@dfpi.ca.gov. In the event the payment due date falls on a weekend or holiday, the
8 payment shall be due the next business day.

9 5. Waiver of Hearing Rights: Respondents hereby withdraw their request for an
10 administrative hearing on the Actions. Respondents acknowledge their right to an administrative
11 hearing under the CSL and hereby waive the right to any hearings, and to any reconsideration, appeal,
12 or other right to review which may presently be afforded pursuant to the CSL, the California
13 Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or any other
14 provision of law. By waiving such rights, Respondents effectively consent to this Agreement and all
15 the terms becoming final.

16 6. Failure to Comply with Settlement Agreement: CIP and Caris agree that if they fail to
17 comply with any requirement of this Agreement, the Commissioner may, in addition to all other
18 available remedies he may invoke under the CSL, immediately bar Caris from any position of
19 employment, management, or control of any investment adviser, broker-dealer, or commodity adviser.
20 Caris hereby waives any notice and hearing rights to contest the immediate bar which may be afforded
21 under the CSL, the APA, the CCP, or any other provision of law in connection therewith.
22 Notwithstanding the foregoing, Respondents shall be afforded a thirty (30) day opportunity to cure any
23 claimed non-compliance with the Agreement.

24 7. Information Willfully Withheld or Misrepresented: This Agreement may be revoked,
25 and the Commissioner may pursue any and all remedies available under law against CIP and Caris, if
26 the Commissioner discovers that CIP and Caris knowingly or willfully withheld or misrepresented
27 material information used for and relied upon in this Agreement.

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1 8. Future Actions by Commissioner: If CIP or Caris fail to comply with any terms of the
2 Agreement, the Commissioner may institute proceedings for any and all violations otherwise resolved
3 under this Agreement. The Commissioner reserves the right to bring any future actions against CIP
4 and Caris, for any and all unknown violations of the CSL or any other law under the Commissioner’s
5 jurisdiction.

6 9. Assisting Other Agencies: Nothing in this Agreement limits the Commissioner’s ability
7 to assist any other government agency (whether city, county, state, or federal) with any administrative,
8 civil or criminal action brought by that agency against CIP and Caris or any other person based upon
9 any of the activities alleged in this matter or otherwise.

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

13 11. Binding: This Agreement is binding on all heirs, assigns, and/or successors in interest.

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

23 13. Waiver, Amendments, and Modifications: No waiver, amendment, or modification of
24 this Agreement will be valid or binding unless it is in writing and signed by each of the Parties. The
25 waiver of any provision of this Agreement will not be deemed a waiver of any other provision. No
26 waiver by either party of any breach of, or of compliance with, any condition or provision of this
27 Agreement by the other party will be considered a waiver of any other condition or provision or of the
28 same condition or provision at another time.

1 14. Full Integration: This Agreement is the final written expression and the complete and
2 exclusive statement of all the agreements, conditions, promises, representations, and covenant between
3 the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
4 agreements, negotiations, representations, understandings, and discussions between and among the
5 Parties, their respective representatives, and any other person or entity with respect to the subject
6 matter covered hereby.

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

11 16. Counterparts: This Agreement may be executed in one or more separate counterparts,
12 each of which when so executed, shall be deemed an original. Such counterparts shall together
13 constitute a single document.

14 17. Effect Upon Future Proceedings: If CIP or Caris applies for any license, certificate,
15 registration, permit, or qualification under the Commissioner’s current or future jurisdiction, or is the
16 subject of any future action by the Commissioner to enforce this Agreement, then the subject matter
17 hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

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

23 19. Notice: Any notice required under this Agreement shall be provided to each party at the
24 following addresses:

25 To Respondent:	Darren J. Caris, President
26	Caris Investment Partners, Inc.
27	189 Halcyon Road
28	Encinitas, CA 92024-2651
	darren@carisip.com

1 Dated: October 21, 2025
2 Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



3 By _____
4 MARY ANN SMITH
5 Deputy Commissioner
6 Enforcement Division

7 Dated: October 21, 2025

8 By _____
9 DARREN J. CARIS, as an individual and
10 authorized agent for Caris Investment Partners,
11 Inc.

12 APPROVED AS TO FORM AND CONTENT

HIGGS FLETCHER & MACK, LLP

13 Dated: October 21, 2025

14 By _____
15 MARCO F. GARAVAGLIA, ESQ.

16 Dated: October 21, 2025

17 By _____
18 JASON T. KANDAH, ESQ.
19 Attorneys for Respondents Caris Investment Partners,
20 Inc. and Darren J. Caris
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