

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 DANIEL P. O'DONNELL  
Assistant Chief Counsel  
4 RYAN M. CASSIDY (State Bar No. 340274)  
Counsel  
5  
6 Department of Financial Protection and Innovation  
2101 Arena Boulevard  
7 Sacramento, CA 95834  
8 Telephone: (916) 764-8358  
Attorneys for Complainant

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

11 In the Matter of:  
12 THE COMMISSIONER OF FINANCIAL  
13 PROTECTION AND INNOVATION,  
14 Complainant,  
15 v.  
16 ANDREW L. PENN, and DARCI PENN,  
17 Respondents.

STATEMENT IN SUPPORT OF ORDER  
LEVYING ADMINISTRATIVE  
PENALTIES  
(Cal. Corp. Code § 25252)

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

21 I.

22 **STATEMENT OF FACTS**

23 1. At all relevant times herein, Andrew L. Penn, is and was a California resident, located  
24 at 26608 Sunflower Court, Calabasas, California 91302, conducting business by telephone at (818)  
25 427-5634 and by email at Andrewdarci@gmail.com.

26 2. At all relevant times, Darci Penn, is and was a California resident, located at 26608  
27 Sunflower Court, Calabasas, California 91302. At all relevant times, Darci Penn was married to  
28 Andrew L. Penn.



- 1 a. The investment was “Fully Guaranteed” with a “guaranteed return” of “40%
- 2 over a term of 19 months” or “guaranteed return of 22.8% - term ending the end of February 2023;
- 3 b. The investor would receive semi-annual payments;
- 4 c. The investment had “Zero Risk; and
- 5 d. The client had sole discretion “to determine how the proceeds are allocated,” at
- 6 the end of the contracted term.

7 11. In fact, none of these statements were true. At least five of the investors never received  
8 any payments. One investor did receive a portion of the original deposit after asking for a refund, but  
9 received no profits. At least six investors have made multiple requests for a refund from the Penn’s  
10 but have been unsuccessful.

11 12. Corporations Code section 25401 prohibits the offer or sale of securities in this state  
12 by means of written or oral communications that include untrue statements of material fact or omit  
13 materials facts necessary in order to make the statements made, in light of the circumstances under  
14 which they were made, not misleading. The misrepresentations Respondents made were material, and  
15 they omitted to disclose material facts necessary in order to make the statements made, in the light of  
16 the circumstances under which they were made, not misleading, namely, that they couldn’t make  
17 good on their promises.

18 **II.**

19 **ORDER LEVYING ADMINISTRATIVE PENALTIES**

20 13. The Commissioner re-alleges and incorporates by reference paragraphs 1-14 of this  
21 Statement in Support, also contained in the Commissioner’s Desist and Refrain Order, as though fully  
22 set forth herein.

23 14. Corporations Code section 25252 authorizes the Commissioner to issue an order  
24 levying administrative penalties against any person for willful violations of any provisions of the  
25 CSL and any rules promulgated thereunder.

26 15. Pursuant to Corporations Code section 25403, any person who controls or induces  
27 another person to violate a provision of the Corporate Securities Law of 1968, or any person who

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1 provides substantial assistance to another person in violation of the Corporate Securities Law of  
2 1968, shall be liable for the violations.

3 16. Based on the foregoing findings, the Commissioner finds that the Respondents offered  
4 and sold unqualified, nonexempt securities in an amount of at least \$622,275.00, and made untrue  
5 statements of material facts, to at least six investors, in violation of Corporations Code section 25110  
6 and 25401.

7 17. Pursuant to Corporations Code section 25252(a), the Commissioner hereby provides  
8 notice of intent to levy administrative penalties against Andrew L. Penn and Darci Penn, for the  
9 statutory amount of not more than one thousand dollars (\$1,000) for the first violation, not more than  
10 two thousand five hundred dollars (\$2,500.00) for each subsequent violation, or according to proof,  
11 for Andrew L. Penn and Darci Penn's willful violations of the CSL.

12 WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252(a),  
13 the Commissioner prays for an order levying administrative penalties, individually, jointly and  
14 severally, against Andrew L. Penn and Darci Penn, as follows:

15 a. That pursuant to Corporations Code section 25252(a), the Commissioner levy  
16 administrative penalties of \$1,000.00 for the first violation of Corporations Code section 25110 and  
17 \$2,500.00 for each subsequent violation of Corporations Code section 25110, as listed low, for a total  
18 amount of \$28,500.00 or according to proof:

- 19 i. First violation: \$1,000.00 for the first sale of a security; and
- 20 ii. Additional violations: \$2,500.00 for the remaining 11 sales of securities.

21 b. That pursuant to Corporations Code section 25252(a), the Commissioner levy  
22 administrative penalties of \$2,500.00 for each violation of Corporations Code section 25401, as listed  
23 low, for a total amount of \$120,000.00 or according to proof:

- 24 i. \$2,5000.00 for the misrepresentation in paragraph 12a, made in at least  
25 12 transactions;
- 26 ii. \$2,5000.00 for the misrepresentation in paragraph 12b, made in at least  
27 12 transactions;

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- iii. \$2,5000.00 for the misrepresentation in paragraph 12c, made in at least 12 transactions; and
- iv. \$2,5000.00 for the misrepresentation in paragraph 12d, made in at least 12 transactions.

The total amount of administrative penalties for violations of Corporations Code sections 25110 and 25401 is \$148,500.00, or according to proof.

DATED: June 11, 2024  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner  
Department of Financial Protection and Innovation

By \_\_\_\_\_  
RYAN M. CASSIDY  
Counsel  
Enforcement Division