UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103901 / September 8, 2025

INVESTMENT ADVISERS ACT OF 1940
Release No. 6917 / September 8, 2025

INVESTMENT COMPANY ACT OF 1940
Release No. 35742 / September 8, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22531

In the Matter of

JAMES D. WARRING,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against James D. Warring ("Respondent" or "Warring").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist

Proceedings, Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Summary

These proceedings arise out of violations of the Advisers Act by Warring, majority owner of the corporate parent of SEC-registered investment adviser EagleStone Wealth Advisors, Inc. ("EagleStone"). Over a period of years, Warring, acting knowingly and/or recklessly, breached his fiduciary duty to one of his investment advisory clients (the "Client").

Warring and the Client entered into a romantic relationship. After the relationship commenced, Warring arranged for the Client to make and forgive a loan to his family members; charged the Client and certain of her trusts unauthorized and undisclosed fees; and advised the Client to enter into agreements purportedly authorizing, waiving, and forgiving problematic transactions and fees. As a result of this conduct, Warring willfully violated Sections 206(1) and 206(2) of the Advisers Act.

Respondent

1. Warring, age 64, is a resident of Clearwater Beach, Florida. He is the Founder, Chief Executive Officer ("CEO"), and majority owner of EagleStone Tax & Wealth Advisors, Inc., the parent corporation of EagleStone. He has been licensed as a certified public accountant by the State of Maryland since 1984. He is also a certified financial planner and a personal financial specialist, and he holds FINRA Series 6, 7, 63, and 79 licenses, as well as insurance licenses in Maryland, the District of Columbia, Virginia, Pennsylvania, and New Jersey. Warring is Founder, CEO, and an investment adviser representative (CRD# 3198200) of EagleStone, and he is a registered representative through Emerson Equity LLC, a broker-dealer and investment adviser dually registered with the Commission. During the time of the misconduct set forth herein, Warring was associated with Triad Advisors LLC, which at the time was a broker-dealer and investment adviser dually registered with the Commission, until November 2020, and then associated with DAI Securities, LLC, a registered broker-dealer until April 2023.

Other Relevant Entity and Individual

2. EagleStone (CRD# 141014) is incorporated in Maryland with its principal place of business in Rockville, Maryland. It has been registered with the Commission as an investment adviser since July 13, 2007. In its Form ADV dated March 23, 2025, EagleStone reported that it has approximately $197 million in regulatory assets under management.

3. The Client's investments and monies were managed for several years by a family office.

FACTS

4. In or about 1994, Warring met the Client. In approximately 2002, Warring became financial advisor to the Client and her then-spouse, managing certain of the couple's assets. The bulk of the Client's assets continued to be managed by a family office.

5. Warring founded EagleStone in 2007. Shortly thereafter, the Client engaged EagleStone as her investment adviser for a limited amount of her assets, with the remainder continuing to be managed by the family office. At about this time, Warring's relationship with the Client became more personal and, ultimately, romantic.

6. In July 2010, the Client moved assets from the family office to EagleStone. Warring was the Client's primary contact at EagleStone.

7. During the course of the investment advisory relationship, Warring recommended or advised that the Client use her assets to make certain loans as investments. For example, in December 2016, Warring arranged for the Client to loan $350,000 to a limited liability company. The members of the limited liability company were Warring's mother and son, facts which were not disclosed to the Client. The limited liability company used the loaned funds to purchase real estate in Massachusetts, where Warring's son was attending college. In 2019, Warring arranged for the client to "forgive" the loan. In doing so, Warring failed to fully and fairly disclose to the Client all material facts related to the transaction, including the details of this investment and his conflicts of interest.

8. During certain portions of the investment advisory relationship, EagleStone and Warring charged the Client unauthorized and undisclosed fees. From at least October 2018 until December 2020, the Client entered into investment management agreements that appointed EagleStone as the discretionary investment manager of certain assets designated to be held in the firm's managed account program. The agreements provided for EagleStone to charge an advisory fee, calculated as a percentage of the managed assets' value. However, Warring had EagleStone also charge the Client an undisclosed "consulting" fee for certain assets that were, in fact, managed by the Client's family office, rather than EagleStone. Warring had EagleStone create for the Client invoices that reflected a single line item of "Management Fee" charged and therefore did not break out or detail the inclusion of the consulting fees. Moreover, the invoices did not otherwise disclose that EagleStone was charging a consulting fee in connection with assets being managed by the family office. The invoices, therefore, misrepresented the total value of assets being managed by EagleStone and thus the advisory fee purportedly owed based on that misrepresented value.

9. Similarly, from at least October 2018 until June 2022, Warring charged unauthorized and undisclosed advisory fees to one of the Client's trusts that held both portfolio assets and real property. Real property was not included in the EagleStone investment

management agreement as an asset being managed by EagleStone. More specifically, Warring had EagleStone create invoices for the Client that included an estimated value of that real property in the stated value of trust portfolio assets under EagleStone's management. The invoices listed a single line item of "Management Fee" charged that did not break out or detail the inclusion of the real property in the assets upon which the advisory fee was calculated. The invoices, therefore, misrepresented the total value of trust assets being managed by EagleStone and thus the advisory fee purportedly owed based on that misrepresented value.

10. By June 2022, the Client decided to return management of all of her assets to the family office. The family office set up a video conference meeting with Warring and the Client's family to discuss the transition. During the meeting, Warring presented a spreadsheet that purported to reflect all of the Client's assets under EagleStone's management as of April 29, 2022. In the spreadsheet, Warring included a number of assets that EagleStone did not manage, thereby again distorting the total assets managed for the Client by EagleStone.

11. On July 15, 2022, Warring met with the Client, presented her with an indemnification and release agreement, and advised the Client to sign it. The agreement provided that the Client would release any and all claims she, her children, or any representative might have against Warring, EagleStone, EagleStone's compliance officer, or a trust company Warring set up to serve as trustee for two of the Client's trusts.

12. In August 2022, all the Client's assets were finally moved to the family office's management. After those assets were transitioned, the Client learned additional details of certain gifts and transactions that the Client purportedly had given Warring's family and additional fees she had been charged throughout the course of the EagleStone relationship. Warring and certain affiliated entities have reimbursed the Client for certain loans, gifts, investments, and unauthorized and undisclosed fees, including those at issue here.

Violations

13. As a result of the conduct described above, Respondent willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit investment advisers from, directly or indirectly, employing any device, scheme, or artifice to defraud, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Warring's Offer.

Accordingly, pursuant to Section 15(b) of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Warring cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act.

B. Respondent Warring be, and hereby is:

barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

C. Any application for reentry by the Respondent will be made to the appropriate self-regulatory organization, or if there is none, to the Commission by contacting the Division of Enforcement's Office of Chief Counsel at ENF-Reentry@sec.gov, and will be subject to the applicable laws and regulations governing the reentry process. Reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay a civil money penalty in the amount of $450,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) $50,000 within 10 days of entry of this Order; (2) $100,000 within 90 days of entry of this Order; (3) $100,000 within 180 days of entry of this Order; (4) $100,000 within 270 days of entry of this Order; and (5) $100,000 within 360 days of entry of this Order. Payments shall be applied first to post-order interest, which accrues on civil money penalties pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately, at the discretion of the staff of the Commission, without further application to the Commission.

E. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon

request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying James D. Warring as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Michael Brennan, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty, or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary