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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:

CRD NO.: 152325

13 THE COMMISSIONER OF BUSINESS  
14 OVERSIGHT,

15 CONSENT ORDER

16 Complainant,

17 v.

18 COLLAR CAPITAL MANAGEMENT, LLC,  
19 an entity,

20 Respondent.

21 This Consent Order is entered into between the Commissioner of Business Oversight  
22 (Commissioner) of the Department of Business Oversight and Collar Capital Management, LLC  
23 (Collar), and is made with respect to the following facts:

24 **I.**

25 **RECITALS**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons  
27 engaged in the business of investment advising under the Corporate Securities Law of 1968 (Corp.  
28

1 Code, § 25000 et seq.).

2 B. Collar holds a valid and unrevoked investment adviser certificate issued by the  
3 Commissioner on March 3, 2011, pursuant to Corporations Code section 25230. Collar is an  
4 investment adviser business located at 100 West Lawrence Street, Suite 418, Appleton, Wisconsin  
5 54911. Collar is a Wisconsin limited liability company.

6 C. Corporations Code section 25241 requires every investment adviser licensed by the  
7 Commissioner to maintain books and records, file reports with the Commissioner, and submit to  
8 examination by the Commissioner, as the Commissioner deems necessary or appropriate in the  
9 public interest or for the protection of investors.

10 D. On or about March 14, 2018, the Commissioner notified Collar that Collar must  
11 designate an email address to receive an online examination form. In response to the  
12 Commissioner's notification, Collar designated an email to receive the online examination form.

13 E. On or about October 2, 2018, the Commissioner sent the online examination to Collar  
14 to the email designated by Collar. The Commissioner informed Collar that the online examination  
15 must be completed and submitted by November 16, 2018.

16 F. The Commissioner sent four notices, October 15, 2018, October 29, 2018, November  
17 5, 2018, and November 12, 2018, reminding Collar of the November 16, 2018 deadline to complete  
18 and submit the online examination.

19 G. Despite the Commissioner's efforts, Collar failed to timely complete and submit the  
20 online examination by the November 16, 2018 deadline.

21 I. The Commissioner finds that entering into this Consent Order is necessary, in the  
22 public interest, for the protection of investors and consistent with the purposes, policies, and  
23 provisions of the Corporate Securities Law of 1968.

24 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
25 forth herein, the parties agree as follows:

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**II.**

**TERMS AND CONDITIONS**

1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy and expediency and without the uncertainty and expense of a hearing or other litigation.

2. Waiver of Hearing Rights. Collar acknowledges its right under the Corporate Securities Law of 1968 to an administrative hearing on this Consent Order and hereby waives such right to a hearing and to any reconsideration, appeal, injunction or other review that may be afforded under the Corporations Code; Administrative Procedure Act, including Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law. By waiving such rights, Collar effectively consents to the finality of this Consent Order.

3. Administrative Penalty. Collar shall pay an administrative penalty of \$2,000.00 no later than 30 days after the effective date of this Consent Order as defined in paragraph 17. The penalty must be made payable in the form of a cashier's check or Automated Clearing House deposit to the Department of Business Oversight and transmitted to the attention of Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must be concurrently sent to Samuel J. Park, Counsel, Department of Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013.

4. Failure to Pay Administrative Penalty. If Collar fails to comply with paragraph 3, the Commissioner may summarily suspend it from engaging in business under its investment adviser certificate until it provides evidence of compliance to the Commissioner's satisfaction. Further, if Collar fails to comply with paragraph 3, Collar shall pay to the Commissioner an administrative penalty of \$5,000.00. Collar hereby waives any notice or hearing rights afforded under the Administrative Procedure Act, including Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law to contest the summary suspension and administrative penalty of \$5,000.00 contemplated by this paragraph.

5. Full and Final Resolution. Except as stated in paragraph 4, this Consent Order is intended to constitute a full and final resolution of the matter described in it. The Commissioner will not bring any further action or proceeding concerning the matter unless she discovers violations by

1 Collar that do not form the basis for this Consent Order, including violations knowingly concealed  
2 from the Commissioner.

3 6. Commissioner’s Duties. Nothing in this Consent Order limits the Commissioner’s  
4 ability to assist any other government agency with any action brought by that agency against Collar,  
5 including an action based on any of the acts, omissions, or events described in this Consent Order.

6 7. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
7 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with  
8 respect to the advisability of executing this Consent Order.

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

19 9. Full Integration. This Consent Order is the final written expression and the complete  
20 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
21 between the parties with respect to the subject matter hereof, and supersedes all prior or  
22 contemporaneous agreements, negotiations, representations, understandings, and discussions  
23 between and among the parties, their respective representatives, and any other person or entity, with  
24 respect to the subject matter covered hereby. The parties have included this clause to preclude the  
25 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent  
26 Order.

27 10. No Presumption Against Drafter. In that the parties have had the opportunity to draft,  
28 review, and edit the language of this Consent Order, no presumption for or against any party arising

1 out of drafting all or any part of this Consent Order will be applied in any action relating to,  
2 connected to, or involving this Consent Order. Accordingly, the parties waive the benefit of Civil  
3 Code section 1654 and any successor or amended statutes, providing that in cases of uncertainty,  
4 language of a contract should be interpreted most strongly against the party who caused the  
5 uncertainty to exist.

6 11. Voluntary Agreement. Collar hereby enters in this Consent Order voluntarily and  
7 without coercion and acknowledges that no promises, threats, or assurances have been made by the  
8 Commissioner or any officer, or agent thereof, about this Consent Order.

9 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
10 this Consent Order will be valid or binding unless it is in writing and signed by all parties affected  
11 by it. Waiver of a provision of this Consent Order Agreement will not be deemed a waiver of any  
12 other provision.

13 13. Counterparts. The parties agree that this Consent Order may be executed in one or  
14 more separate counterparts, each of which when so executed, shall be deemed an original. A fax or  
15 electronic mail signature shall be deemed the same as an original signature. Such counterparts shall  
16 together constitute and be one and the same instrument.

17 14. Public Record. Collar acknowledges that the Consent Order is public record.

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

21 16. Governing Law. This Consent Order shall be construed and enforced in accordance  
22 with and governed by California law.

23 17. Effective Date. This Consent Order will become effective on the date it is  
24 signed by all parties and delivered by the Commissioner to Collar by electronic mail at  
25 patrick@collarcapital.com.

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18. Settlement Authority. Each party represents that the person signing this Consent Order on its behalf has the authority and capacity to do so.

Dated: 4/10/19

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Enforcement Division  
Department of Business Oversight

Dated: 4/8/19

COLLAR CAPITAL MANAGEMENT, LLC

By \_\_\_\_\_  
PATRICK COLLAR  
Manager