

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

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

11 In the Matter of:

12 THE COMMISSIONER OF FINANCIAL
13 PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 COLLABORATIVE FINANCIAL
17 CONSULTING, LLC, a limited liability
company, and JASON REYNOLDS, an
18 individual,

19 Respondents.

CRD No.: 2732394

CONSENT ORDER

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21 The Commissioner of Financial Protection and Innovation (Commissioner) and respondent
22 Collaborative Financial Consulting, LLC (Collaborative) and respondent Jason Reynolds (Reynolds)
23 (collectively, the Respondents) enter into this Consent Order (Order) with respect to the following
24 facts:

25 **I.**

26 **RECITALS**

27 A. The Commissioner is authorized to administer and enforce the provisions of the Corporate
28 Securities Law of 1968 (Corp. Code, § 25000-25707) (CSL) and the regulations promulgated

1 thereunder at title 10 of the California Code of Regulations, which include the licensure, examination,
2 and regulation of investment advisers and broker-dealers.

3 B. At all relevant times, Collaborative Financial Consulting, LLC (Collaborative) was a
4 Delaware limited liability company, doing business at 433 N. Camden Drive, Suite 970, Beverly
5 Hills, California 90210.

6 C. At all relevant times, Jason Reynolds (Reynolds) (CRD NO. 2732394), was the sole owner
7 and operator of Collaborative.

8 D. At all relevant times, Collaborative never held a broker-dealer certificate nor an investment
9 adviser certificate, pursuant to Corporations Code sections 25210 and 25230.

10 E. From March 1996 through June 26, 2019, Reynolds was an investment adviser representative
11 of various, licensed investment adviser firms, but was terminated on June 26, 2019, and since then
12 has not been employed by any registered broker-dealer or investment adviser nor has Reynolds or
13 Collaborative ever applied to the Commissioner to conduct business as a broker-dealer or investment
14 adviser in California.

15 F. The Commissioner finds that Collaborative and Reynolds engaged in the business of effecting
16 transactions in securities, in the account of others, in California, during the period of March 2021
17 through September 2022, in violation of Corporations Code section 25210; engaged in the business of
18 providing investment advisory services, in California, during the period of March 2021 through
19 September 2022, in violation of Corporations Code section 25230; and made material
20 misrepresentations or omissions in connection with the offer or sale of securities in California, in
21 violation of Corporations Code section 25401.

22 G. Collaborative and Reynolds, by entering into this Consent Order, neither admit nor deny the
23 findings contained in this Order or that they have violated any California law or regulation.

24 H. The Commissioner finds this action is appropriate, in the public interest, is necessary for the
25 protection of investors, and is consistent with the purposes fairly intended by the policies and
26 procedures of the CSL.

27 I. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
28 forth herein, the Parties agree as follows:

1 II.

2 **TERMS AND CONDITIONS**

3 1. Purpose. This Consent Order resolves the issues before the Commissioner, set forth
4 above, in a manner that avoids the expense of a hearing and other possible court proceedings, protects
5 consumers, is in the public interest, and is consistent with the purposes and provisions of the CSL.

6 2. Suspension Order. Pursuant to Corporations Code section 25232.1, the Commissioner
7 hereby orders that Reynolds (CRD NO. 2732394) be suspended from any position of employment,
8 management, or control of any investment adviser, broker-dealer, or commodity adviser, any officer,
9 director, partner, employee of, or person performing similar functions for, an investment adviser, or
10 any other person for a period of 36 months, commencing on the Effective Date of this Consent Order.

11 3. Administrative Penalty. Respondents agrees to pay to the Commissioner an
12 administrative penalty in the amount of \$20,000.00 (Penalty) as follows: twenty-five (25) equal
13 payments of eight hundred dollars (\$800.00) shall be made on a monthly basis, on or before the first
14 day of the month, commencing on October 1, 2023 and the final payment due on October 1, 2025.
15 The Penalty shall be made payable in the form of a cashier's check or Automated Clearing House
16 deposit transmitted to the attention of Accounting – Litigation, at the Department of Financial
17 Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of the
18 payment shall be concurrently sent to Ryan Cassidy, Counsel, Enforcement Division, by email at:
19 ryan.cassidy@dfpi.ca.gov. In the event the payment due date falls on a weekend or holiday, the
20 payment shall be due the next business day.

21 4. Desist and Refrain Order for Violations of Section 25210. Pursuant to Corporations
22 Code section 25532, Collaborative and Reynolds are hereby ordered to desist and refrain from any
23 unlicensed broker-dealer activities in violation of Corporations Code section 25210.

24 5. Desist and Refrain Order for Violations of Section 25230. Pursuant to Corporations
25 Code section 25532, Collaborative and Reynolds are hereby ordered to desist and refrain from any
26 unlicensed investment adviser activities in violation of Corporations Code section 25230.

27 6. Desist and Refrain Order for Violations of Section 25401. Pursuant to Corporations
28 Code section 25532, Collaborative and Reynolds are ordered to desist and refrain from offering or

1 selling or buying or offering to buy any security in the state of California by means of any written or
2 oral communication which includes an untrue statement of material fact or omits to state a material
3 fact necessary in order to make the statements made, in light of the circumstances under which they
4 were made, not misleading, in violation of Corporations Code section 25401.

5 7. Waiver of Hearing Rights. Collaborative and Reynolds acknowledge that the
6 Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement
7 action on the charges contained in this Consent Order. Collaborative and Reynolds hereby waive the
8 right to any hearings, and to any reconsideration, appeal, or other right to review which may be
9 afforded pursuant to the CSL, the California Administrative Procedure Act, the California Code of
10 Civil Procedure, or any other provision of law. Collaborative and Reynolds further expressly waive
11 any requirement for the filing of an action pursuant to Government Code section 11415.60 (b). By
12 waiving such rights, Collaborative and Reynolds effectively consent to this Consent Order and all the
13 terms becoming final.

14 8. Failure to Comply with Consent Order. Collaborative and Reynolds agree that if they fail
15 to meet any requirement of this Consent Order, the Commissioner may, in addition to all other available
16 remedies he may invoke under the CSL, immediately bar Reynolds. Collaborative and Reynolds hereby
17 waive any notice and hearing rights to contest the immediate revocation which may be afforded under the
18 CSL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other
19 provision of law in connection therewith.

20 9. Information Willfully Withheld or Misrepresented. This Consent Order may be
21 revoked, and the Commissioner may pursue any and all remedies available under law against
22 Collaborative and Reynolds if the Commissioner discovers that Collaborative and Reynolds
23 knowingly or willfully withheld or misrepresented information used for and relied upon in this
24 Consent Order.

25 10. Future Actions by Commissioner. If Collaborative or Reynolds fail to comply with any
26 terms of the Consent Order, the Commissioner may institute proceedings for any and all violations
27 otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any future

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1 actions against Collaborative and Reynolds, for any and all unknown violations of the CSL or any
2 other law under the Commissioner's jurisdiction.

3 11. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
4 ability to assist any other government agency (whether city, county, state, or federal) with any
5 administrative, civil or criminal action brought by that agency against Collaborative and Reynolds or
6 any other person based upon any of the activities alleged in this matter or otherwise.

7 12. Headings. The headings to the paragraphs of this Consent Order are inserted for
8 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
9 the provisions hereof.

10 13. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
11 interest.

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

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

27 16. Full Integration. This Consent Order is the final written expression and the complete
28 and exclusive statement of all the agreements, conditions, promises, representations, and covenant

1 between the Parties with respect to the subject matter hereof, and supersedes all prior or
2 contemporaneous agreements, negotiations, representations, understandings, and discussions between
3 and among the Parties, their respective representatives, and any other person or entity with respect to
4 the subject matter covered hereby.

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

9 18. Counterparts. This Consent Order may be executed in one or more separate
10 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
11 together constitute a single document.

12 19. Effect Upon Future Proceedings. If Collaborative and Reynolds apply for any license,
13 certificate, registration, permit, or qualification under the Commissioner’s current or future
14 jurisdiction, or is the subject of any future action by the Commissioner to enforce this Consent Order,
15 then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement
16 proceeding(s).

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

22 21. Notice. Any notice required under this Consent Order shall be provided to each party
23 at the following addresses:

24 To Respondent: Paul H. Tzur
25 Blank Rome LLP
26 444 West Lake Street, Suite 1650
27 Chicago, Illinois 60606
28 and
Jason Reynolds
635 Pennsylvania Avenue
Bridgeport, West Virginia 26330

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To the Commissioner:

Ryan M. Cassidy, Counsel
Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
Ryan.Cassidy@dfpi.ca.gov

22. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

23. Public Record. Collaborative and Reynolds hereby acknowledge that this Consent Order is and will be a matter of public record.

24. Effective Date. This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner’s agent via e-mail to Collaborative and Reynolds’s agent, Paul H. Tzur, counsel for Collaborative and Reynolds, at paul.tzur@blankrome.com.

25. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: September 6, 2023
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner
Department of Financial Protection and Innovation



By

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: September 6, 2023

By

JASON REYNOLDS, as an Individual and for
Collaborative Financial Consulting LLC

APPROVED AS TO FORM AND CONTENT

Dated: September 6, 2023

By

Paul H. Tzur
Blank Rome LLP
Counsel for JASON REYNOLDS and
COLLABORATIVE FINANCIAL CONSULTING LLC