UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6457 / October 11, 2023

INVESTMENT COMPANY ACT OF 1940
Release No. 35031 / October 11, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21782

In the Matter of COLLABORATIVE FINANCIAL CONSULTING LLC, and JASON TODD REYNOLDS, Respondents.	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(e), 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 Sections 203(e), 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 Collaborative Financial Consulting LLC ("Collaborative") and Jason Todd Reynolds ("Reynolds") (collectively, "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e), 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 Respondents' Offer, the Commission finds[1] that:

1. Collaborative Financial Consulting LLC, is a Delaware limited liability company with its principal place of business in Beverly Hills, California. Collaborative is not registered with the Commission in any capacity. Collaborative is simultaneously consenting to an order issued by the California Department of Financial Protection & Innovation ("DFPI").

2. Jason Todd Reynolds [CRD No. 2732394], age 47, of Bridgeport, West Virginia, is the sole member of Collaborative from January 7, 2016, to the present. From at least October 2003 through June 26, 2019, Reynolds was a registered representative and investment adviser representative associated with broker-dealers and investment advisers registered with the Commission. During that period, Reynolds held Series 7, 63, and 66 licenses. Reynolds is simultaneously consenting to an order issued by the DFPI.

3. In June 2019, Reynolds resigned his positions as a registered representative and investment adviser representative at, respectively, a broker-dealer and an investment adviser that were, at the time, registered with the Commission. At such time, Reynolds' registrations were terminated. Reynolds has not been registered as an investment adviser or broker-dealer with the Commission or any state, nor has he been associated with a registered broker-dealer or registered with one or more states as an investment adviser representative, since June 26, 2019.

4. Beginning in approximately July 2019, Reynolds used Collaborative to conduct business as an unregistered investment adviser and financial planner and to provide other services, including personal budgeting, college savings planning, sales and brokerage of life, long term care and health insurance, and tax preparation.

5. Reynolds and Collaborative held themselves out publicly as investment advisers and marketed the services Reynolds provided through Collaborative via a website, publications, and podcast.

6. For a fee, Reynolds met personally with Collaborative clients and advised them to purchase or sell individual stocks traded on national exchanges. Collaborative's advisory fee was based upon a percentage of the amount of client assets they advised, and in some cases instead on a negotiated amount.

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[1] The findings herein are made pursuant to Respondents' Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

7. After receiving Reynolds's investment advice, Collaborative clients often placed securities buy or sell orders through their third-party brokerage accounts. On some occasions, Reynolds received the clients' log-in credentials or authorized access to place trade orders on the clients' behalf in the clients' third-party brokerage accounts with their pre-approval.

8. Collaborative's clients included individual retail investors whom Reynolds had serviced prior to July 2019 in his capacity as a registered representative and an investment adviser representative. In addition, Reynolds began to provide investment advice to additional clients whom he had not advised previously.

9. Between 2019 and 2021, Collaborative and Reynolds received fees of at least $150,000 from at least eleven clients in several states for providing investment advice.

10. Reynolds drafted documents entitled "Financial Planning Client Service Agreement," "Client Services Agreement," and "Financial Planning Relationship Services Agreement" on Collaborative letterhead for use with new and existing clients of Collaborative (the "Client Agreements"). The Client Agreements defined the nature of the relationship between Collaborative and the client, including the services to be provided and the fees to be paid for providing investment advice.

11. From 2019 to 2021, Reynolds provided Client Agreements to prospective and existing clients that characterized his investment advisory services as follows: "such services shall be performed by Jason T. Reynolds, an Investment Adviser Representative ('Investment Advisory Representative') holding Series 7, 66, 63 licenses in CA, NV, ID, PA, NY, WV, GA, TN." At the time Reynolds drafted this representation, he knew or should have known that he was not registered as an investment adviser or broker-dealer with the Commission or any state, associated with a registered broker-dealer, or registered with one or more states as an investment adviser representative.

12. Collaborative's Client Agreements gave misleading impressions about Reynolds' qualifications and that Reynolds held active securities industry registrations related to the investment advice he was providing to clients through Collaborative.

13. As a result of the conduct described above, Respondents willfully[2] violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or indirectly, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client. A violation of Section 206(2) of the Advisers Act may

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[2] "Willfully," for purposes of imposing relief under Sections 203(e) and (f) of the Advisers Act and Section 9(b) of the Investment Company Act, "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

rest on a finding of simple negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc*., 375 U.S. 180, 195 (1963)). Proof of scienter is not required to establish a violation of Section 206(2) of the Advisers Act. *Id.*

IV.

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

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

A. Respondents Collaborative and Reynolds cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondent Reynolds 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;

with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Respondent Collaborative is censured.

D. Any reapplication for association by Respondent Reynolds will be subject to the applicable laws and regulations governing the reentry process, and 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 Respondent Reynolds in any action brought by the Commission; (b) any disgorgement amounts ordered against Respondent Reynolds 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.

E. Respondents Collaborative and Reynolds shall, within 30 days of the entry of this Order, pay jointly and severally a civil money penalty in the amount of $20,000.00 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), but payment of such amount shall be deemed satisfied upon issuance by the DFPI of its parallel order against Respondents. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

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 Collaborative and Reynolds as Respondents 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 Melissa Hodgman, 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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 Respondents 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 Reynolds, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Reynolds 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 Reynolds 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