BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

TENNESSEE SECURITIES DIVISION,	)	
	)	
Petitioner,	)	
	)	
v.	)	**MATTER No.: 23-00324**
	)	
TRENDZ ADVISORS, INC.	)	
and DONALD TAYLOR,	)	
	)	
Respondents.	)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance ("Division") and Trendz Advisors, Inc. ("Trendz") and Donald Taylor ("Mr. Taylor") together, ("Respondents"), agree to the entry and execution of this Consent Order in accordance with Tennessee Code Annotated ("Tenn. Code Ann.") § 48-1-116 of the Tennessee Securities Act of 1980 ("Act"), as amended, and Tenn. Code Ann. § 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner").

PARTIES

1. Trendz is an investment adviser firm with its principal place of business located in Knoxville, Tennessee, and is assigned Central Registration Depository ("CRD") number 139528 with the Financial Industry Regulatory Authority ("FINRA").

2. Mr. Taylor is the owner and chief compliance officer of Trendz and is assigned CRD number 725947 with FINRA.

3. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

GENERAL STIPULATIONS

4. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of the Commissioner.

5. It is expressly understood that this Consent Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

6. This Consent Order is executed by the Commissioner, the Division, and the Respondents to avoid further administrative action with respect to this cause. Should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to, and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

7. The Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order, nor for facts and/or omissions that do not arise from the facts or transactions herein.

8. The Respondents fully understand that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or omissions addressed specifically in this Consent Order, violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this

Consent Order, or acts or omissions addressed specifically herein that result from the execution of this Consent Order.

9. The Respondents waive all further procedural steps and waive all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition of discipline contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

10. This Consent Order is submitted on the condition that, if accepted, the Commissioner will not bring any future actions against the Respondents alleging violations based on the same factual findings described herein.

FINDINGS OF FACT

11. On or about February 16, 2021, the Division opened a routine cyclical post-registration examination of Trendz. This was Trendz's third routine cyclical post-registration examination.

12. As part of the examination, Trendz provided the Division with copies of client agreements. At the outset of the examination, Trendz was unable to provide client agreements for seven (7) clients on its roster. This finding was resolved during the course of the examination.

13. At least five (5) client agreements reviewed by the Division were not signed or dated by Mr. Taylor in his role as principal of Trendz. This finding was resolved during the course of the examination.

14. At the time of the examination, Trendz maintained discretion over approximately two hundred forty-seven (247) accounts for approximately one hundred seventy-eight (178) clients. However, Trendz did not maintain sufficient suitability records for approximately one

hundred fifty-four (154) of those accounts, comprising approximately one hundred twenty-three (123) clients.

15. Trendz did not keep a record evidencing that it delivered or offered to deliver its brochure to approximately twenty-five (25) clients in 2019, approximately one hundred thirty-three (133) clients in 2020, and approximately eighty-five (85) clients in 2021. Trendz implemented new processes to prevent this situation from occurring in the future.

16. As part of the examination, the Division found that Trendz maintained unique identifying information in the form of usernames and passwords for approximately thirteen (13) clients in order to access the clients' respective 401k accounts for purposes of rebalancing. Trendz is working with its various custodians to establish an appropriate method for accessing these 401k accounts.

17. During the examination, the Division also found that Trendz was not complying with its own cybersecurity protocols by failing to change its computer and device passwords every six (6) months as provided for within its own written policies and procedures.

CONCLUSIONS OF LAW

18. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

19. Tenn. Code Ann. § 48-1-116 provides that the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of the Act upon a finding that such order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

20. Tenn. Code Ann. § 48-1-112 provides, in part, that the Commissioner may deny, suspend, or revoke registrations issued pursuant to the Act upon a finding that the order is in the public interest and necessary for the protection of investors, and that the registrant violated the Act or Rules. Tenn. Code Ann. § 48-1-112 further provides that the commissioner may impose a civil penalty, in addition to or in lieu of denying, suspending, or revoking the registrant's registration.

21. Tenn. Comp. R. & Regs. 0780-04-03-.02(3)(a)(8) provides, in part, that investment adviser registrants must maintain and keep current copies of all agreements the investment adviser enters into with respect to any account.

22. Tenn. Comp. R. & Regs 0780-04-03-.02(6)(c)4. provides, in part, that failing to maintain sufficient suitability documentation is a violation of the Act pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(G).

23. Tenn. Comp. R. & Regs. 0780-04-03-.02(6)(c)20 provides that failing to establish, maintain, and enforce written policies and procedures is a violation of the Act pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(G).

24. Tenn. Comp. R. & Regs. 0780-04-03-.10 provides, in part, that an investment adviser registrant must deliver or offer to deliver its brochure to clients annually.

25. The Findings of Fact detailed above show that Respondents failed to maintain complete copies of client agreements in violation of Tenn. Comp. R. & Regs. 0780-04-03-.02(3)(a)8. Respondents' violations constitute grounds for the assessment of civil penalties pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(B).

26. The Findings of Fact detailed above show that Respondents failed to maintain sufficient suitability documentation in violation of Tenn. Comp. R. & Regs. 0780-04-03-

.02(6)(c)4. Respondents' violations constitute grounds for the assessment of civil penalties pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(G).

27. The Findings of Fact detailed above show that Respondents failed to maintain and enforce written policies and procedures in violation of Tenn. Comp. R. & Regs. 0780-04-03-.02(6)(c)20. Respondents' violations constitute grounds for the assessment of civil penalties pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(G).

28. The Findings of Fact detailed above show that Respondents failed to record the delivery or offer to deliver of Trendz's brochure in violation of Tenn. Comp. R. & Regs. 0780-04-03-.10(1) and (3)(a). Respondents' violations constitute grounds for the assessment of civil penalties pursuant to Tenn. Code Ann. § 48-1-112(a)(2)(B).

29. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of investors.

ORDER

NOW, THEREFORE, based on the foregoing, including the Respondents' waiver of the right to a hearing and appeal under the Act and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondents' admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondents agree to the entry and execution of this Consent Order to settle this matter as evidenced by the Respondents' signature.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 48-1-116(a), that the Respondents shall:

1. **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and

2. **PAY A CIVIL PENALTY** to the State of Tennessee of eight thousand dollars ($8,000) within thirty (30) days from the date of execution by the Commissioner. The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and

Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be mailed to the attention of:

State of Tennessee
Department of Commerce and Insurance
Attn: Jacob R. Strait
500 James Robertson Parkway
Davy Crockett Tower
Nashville, Tennessee 37243

3. **GRACE PERIOD** – Payment shall be timely made if postmarked within five (5) business days of the date payment is due.

4. **ACCELERATION** – Respondents hereby agree that failure to remit any payment more than sixty (60) calendar days following the due date of said payment as indicated in the above scheduled payments shall constitute default. Upon default, the entire outstanding civil penalty shall be due and payable immediately.

5. **DELINQUENCY** – Respondents hereby agree that failure to make any payment according to this Consent Order shall result in the immediate revocation of Respondents' registrations with the Division.

7. **MODIFICATION** – The Division and Respondents hereby agree that modifications to this Consent Order regarding any term may only be made in writing and signed by an authorized representative of each party.

8. The Respondents' failure to comply with the terms of this Consent Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary actions, which may include the assessment of additional civil penalties.

9. This Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondents for violations of the Act with respect to the transactions involved in above-

referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

10. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only. By the signatures affixed below, or in two (2) or more counterparts, the Respondents affirmatively state the following: the Respondents freely agree to the entry and execution of the Consent Order; the Respondents waive the right to a hearing on, or a review of, the matters, the Findings of Fact, and the Conclusions of Law underlying this Consent Order or the enforcement of this Consent Order; and the Respondents encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

11. By signing this Consent Order, the Commissioner, the Division, and the Respondents affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Consent Order, are binding upon them.

12. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or other electronic copies shall be deemed to constitute duplicate originals.

ENTERED AND EXECUTED September 09, 2026.

Carter Lawrence (Sep 9, 2026 08:45:12 CDT)

Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXEUCTION:

Elizabeth Bowling (Sep 3, 2026 17:21:33 CDT)

Donald Taylor
Individually and on behalf of.
Trendz Advisors, Inc.

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance

Jacob R. Strait, BPR #032389
Associate Counsel
Department of Commerce and Insurance