

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. S-24-0007

JOSHUA E. STROUD  
(CRD #4448453) and REIGN  
WEALTH LOGIC, LLC (IARD  
#308301)

ORDERS TO CEASE AND DESIST,  
SUSPENDING STATE INVESTMENT  
ADVISER AND INVESETMENT  
ADVISER REPRESENTATIVE  
LICENSES, ASSESSING CIVIL  
PENALTIES, AND CONSENT TO  
ENTRY OF ORDER

Respondents.

The Director of the Department of Consumer and Business Services for the State of Oregon (“the Director”), acting in accordance with the Oregon Securities Law, Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules (“OAR”) chapter 441, has investigated the securities business activities of Joshua E. Stroud and Reign Wealth Logic, LLC (“Respondents”).

Respondents wish to resolve this matter with the Director.

Now therefore, as evidenced by the signatures subscribed herein, Respondents hereby CONSENT to the entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Reign Wealth Logic, LLC (“Reign Wealth”) is an Oregon corporation with a principal place of business at 1742 Delrose Avenue in Springfield, Oregon, 97477.

2. Joshua E. Stroud (“Stroud”) is the sole owner, member, and manager of Reign Wealth.

3. Reign Wealth is licensed with the Oregon Division of Financial Regulation (“the Division”) as a state investment adviser. The Investment Adviser Registration Depository number for Reign Wealth is #308301.

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
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1 4. Reign Wealth became licensed in Oregon as a state investment adviser on June  
2 5, 2020.

3 5. Stroud is licensed with the Division as an investment advisor representative to  
4 work for Reign Wealth. The Central Registration Depository (“CRD”) number for Stroud is  
5 #4448453.

6 *I. Promissory Notes*

7 6. In 2018, Stroud borrowed \$30,000 from one of his clients, in exchange for a  
8 promise by Stroud to repay the client principal and interest.

9 7. The client is a resident of Oregon.

10 8. The client is an individual and is not a broker-dealer, an affiliate of an  
11 investment adviser, or a financial institution engaged in the business of loaning funds.

12 9. Stroud fell behind on payments to the client. The terms of repayment were  
13 renegotiated at least twice, and were memorialized in agreements between Stroud and the  
14 client dated July 29, 2021, and on or about April 12, 2022.

15 10. On or about July 29, 2021, Stroud issued a promissory note agreement to the  
16 client, promising to pay the client \$48,156 between August 31, 2021 and December 31,  
17 2021.

18 11. On or about July 29, 2021, Stroud signed the promissory note agreement as the  
19 Maker of the agreement. The promissory note agreement lists the client as the Holder.

20 12. On or about April 12, 2022, Stroud signed a loan repayment agreement with the  
21 client. In this agreement, Stroud acknowledged he still owed the client \$17,944.95 as of  
22 April 12, 2022. Stroud promised to pay the client \$17,994.75 between April 30, 2022 and  
23 October 31, 2022. Stroud signed the loan repayment agreement dated April 12, 2022 as the  
24 Maker, and the client signed it as the Holder.

25 13. Stroud eventually paid off the note to the client, but not until after Stroud was  
26 late on payments and the client retained legal counsel.





1 II. Supervision  
2 14. As a state investment adviser, Reign Wealth has a duty to reasonably supervise  
3 the securities business activities of its investment adviser representative, Stroud.

4 15. Reign Wealth’s compliance policies and procedures are documented and  
5 memorialized in a manual (“the compliance manual”) dated March 2020.

6 16. The compliance manual states, on page 11, that Stroud is the chief compliance  
7 officer (“CCO”) of Reign Wealth. Reign Wealth designates Stroud as the person  
8 responsible for supervision and compliance for Reign Wealth. The compliance manual  
9 states, on page 11:

[Stroud] is in a position of sufficient seniority and authority to develop and  
enforce the firm’s policies and procedures. As CCO, he is empowered with  
the full responsibility and authority to develop and enforce [Reign Wealth’s]  
policies and procedures.

13 17. The compliance manual states, on pages 18-19: “[Reign Wealth] and its  
14 supervised persons have a fiduciary duty to all clients.”

15 18. The compliance manual states, on page 19:

[Reign Wealth] and its supervised persons will not engage in any dishonest  
or unethical conduct including, but not limited to: ...7. Borrowing money or  
securities from...a client.

### CONCLUSIONS OF LAW

The Director CONCLUDES that:

20 19. The Director has jurisdiction over the business activities of Stroud and Reign  
21 Wealth pursuant to ORS 59.235.

22 20. Reign Wealth is a state investment adviser in Oregon, as defined in ORS  
23 59.015(20)(a).

24 21. Stroud is an investment adviser representative, as defined by ORS 59.015(8)(a)  
25 for a state investment adviser, Reign Wealth.

26 22. OAR 441-205-0145 provides, in relevant part:



1 (1) A person who is a State Investment Adviser or an Investment Adviser  
2 Representative for a State Investment Adviser is a fiduciary and has a duty to act  
3 primarily for the benefit of the Adviser’s clients. The provisions of this rule apply to  
4 state investment advisers and their investment adviser representatives. While the  
5 extent and nature of this duty varies according to the nature of the relationship  
6 between an investment adviser and its clients and the circumstances of each case, a  
7 state investment adviser or its investment adviser representatives shall not engage in  
8 unethical business practices, including the following:

9 ... (f) Borrowing money or securities from a client unless the client is a broker-  
10 dealer, an affiliate of the investment adviser, or a financial institution engaged in the  
11 business of loaning funds.

12 ... (2) The conduct set forth above is not inclusive. Engaging in other  
13 conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall  
14 be deemed a dishonest, fraudulent or unethical business practice.

15 23. Accordingly, pursuant to OAR 441-205-0145(1), Stroud and Reign Wealth are  
16 fiduciaries, with the duty to act primarily for the benefit of their clients.

17 24. Stroud, as an investment adviser representative, and Reign Wealth, as a state  
18 investment adviser, and both of them, as fiduciaries, are prohibited from engaging in  
19 unethical business practices, including but not limited to borrowing money or securities  
20 from a client.

21 25. Stroud is the sole owner, manager, control person, compliance officer, and  
22 investment adviser representative of Reign Wealth.

23 26. By borrowing money from a client, Stroud engaged in unethical business  
24 practices, in violation of OAR 441-205-0145(1)(f).

25 27. Reign Wealth and Stroud have a duty to reasonably supervise Stroud’s activities  
26 and failed to do so, in violation of ORS 59.205(13).

27 28. Because the Director has reason to believe that Respondents have engaged, are  
28 engaging, or are about to engage in violations of the Oregon Securities Law, the Director  
29 may issue an order to Respondents to cease and desist from the violations of the Oregon  
30 Securities Law under ORS 59.245(4).

31 29. The Director has grounds to suspend Stroud’s investment adviser representative  
32 license under ORS 59.205(2), because Stroud has engaged in an unethical business practice

1 by borrowing money from a client.

2 30. Because Stroud borrowed money from a client of Reign Wealth, Reign Wealth  
3 and Stroud failed to reasonably supervise an investment adviser representative, Stroud.

4 31. The Director has grounds to suspend the state investment adviser license of  
5 Reign Wealth, pursuant to ORS 59.205(13), because Reign Wealth failed to reasonably  
6 supervise an investment adviser representative.

7 32. According to ORS 59.995, any person who violates or who procures, aids or  
8 abets in the violation of the Oregon Securities Law may be subject to a civil penalty in an  
9 amount not to exceed \$20,000 per violation, and every violation is a separate offense.

10 ORDERS

11 The Director issues the following ORDERS:

12 33. As authorized by ORS 59.245(4), the Director hereby ORDERS Stroud to  
13 CEASE AND DESIST from violating OAR 441-205-0145(1)(f).

14 34. As authorized by ORS 59.245(4), the Director hereby ORDERS Reign Wealth  
15 and Stroud to CEASE AND DESIST from violating ORS 59.205(13).

16 35. As authorized by ORS 59.205(13), the Director hereby SUSPENDS the state  
17 investment adviser license of Reign Wealth for 30 days, beginning August 1, 2024.

18 36. As authorized by ORS 59.205(2), the Director hereby SUSPENDS the  
19 investment adviser representative license of Stroud for 30 days, beginning August 1, 2024.

20 37. As authorized by ORS 59.995(1), the Director hereby ASSESSES a CIVIL  
21 PENALTY of \$20,000 against Stroud for violating OAR 441-205-0145(1)(f).

22 38. As authorized by ORS 59.995(1), the Director hereby ASSESSES a CIVIL  
23 PENALTY of \$12,000 against Reign Wealth and Stroud, jointly and severally, for violating  
24 ORS 59.205(13).

25 39. The Director SUSPENDS \$10,000 of the civil penalty assessed against Stroud  
26 in paragraph 37 above, and \$6,000 of the civil penalty assessed against Reign Wealth and





1 Stroud in Paragraph 38 above, for a period of three years, provided Respondents do not  
2 violate any term of this Order, or any provision of the Oregon Securities Law within the  
3 three-year time period.

4 40. Respondents must pay the remaining CIVIL PENALTIES totaling \$16,000  
5 assessed herein to the Department of Consumer and Business Services on a payment  
6 schedule as follows:

- 7 A. \$4,000 down payment on the civil penalties when this Order is returned  
8 to the Division, no later than July 3, 2024;
- 9 B. \$4,000 civil penalty payment due no later than August 12, 2024;
- 10 C. \$4,000 civil penalty payment due no later than September 10, 2024; and
- 11 D. \$4,000 civil penalty payment due no later than October 10, 2024.

12 41. The Director reserves the right to immediately take enforcement action, pursuant  
13 to the procedures set forth in ORS 183.745, to impose the suspended CIVIL PENALTIES  
14 if any Respondent violates any term of this Order, including but not limited to the civil  
15 penalty payment schedule set forth in paragraph 40 above. Any Respondent's failure to  
16 satisfy any term(s) of this Order will render all suspended and non-suspended penalties  
17 immediately due and owing.

18 42. Respondents stipulate and agree that the amounts assessed herein are not  
19 dischargeable under 11 U.S.C. § 523(a)(7).

20 43. If Respondents comply with all terms of this Order, and do not violate any  
21 provision of the Oregon Securities Law during the three year period from the effective date  
22 of this Order, the Director will WAIVE the suspended portion of the civil penalties  
23 (\$10,000 against Stroud, and \$6,000 against Reign Wealth and Stroud, jointly and  
24 severally).

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26 ///

1 44. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that  
2 provision, the entry of this Order does not limit other remedies that are available to  
3 the Director under Oregon law to enforce this Order or to take action for violations  
4 of this Order or of the Oregon Securities Law.

5  
6 SO ORDERED this 18<sup>th</sup> day of July, 2024.

7 ANDREW R. STOLFI, Director  
8 Department of Consumer and Business Services

9 /s/ Dorothy Bean

10 Dorothy Bean, Chief of Enforcement  
11 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER BY REIGN WEALTH LOGIC, LLC

Reign Wealth Logic, LLC (“Reign Wealth”) states that Joshua E. Stroud, the managing member with appropriate authority, has read this Consent Order, fully understands its contents, and the factual allegations stated herein are true and correct. Reign Wealth consents to the entry of this Consent Order, and will take any necessary steps to ensure that Reign Wealth and any and all agents, authorized representatives, and entities owned or controlled by Reign Wealth, their successors and assigns, fully comply with the terms of the Order.

Reign Wealth further states that it has been advised of its right to be represented by counsel in this matter, has been advised of its right to a hearing, and voluntarily and without any force or duress expressly waives any right to a hearing in this matter. Reign Wealth understands that the Director reserves the right to take further actions against Reign Wealth to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by Reign Wealth.

Reign Wealth understands that this Consent Order is a public document.

Joshua E. Stroud is the owner and manager of Reign Wealth and is authorized to execute this Consent to Entry of Order on behalf of Reign Wealth.

Reign Wealth Logic, LLC

By: /s/ Joshua E. Stroud

Joshua E. Stroud  
Manager

State of Oregon

County of Lane

Subscribed and affirmed before me by Joshua E. Stroud this 2<sup>nd</sup> day of

July 2024

by

/s/ Michelle Diane Bechtol

Notary Public

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1 CONSENT TO ENTRY OF ORDER BY JOSHUA E. STROUD

2 I, Joshua E. Stroud, state that I have read the foregoing Order and that I know and fully  
3 understand the contents hereof; that the factual allegations stated herein are true and correct;  
4 that I have been advised of my right to a hearing and have been advised of my right to be  
5 represented by counsel in this matter; that I voluntarily consent to the entry of this Order  
6 without any force or duress, expressly waiving any right to a hearing in this matter, as well as  
any rights to administrative or judicial review of this Order; that I understand that the Director  
reserves the right to take further actions against me to enforce this Order or to take appropriate  
action upon discovery of other violations of the Oregon Securities Law by me; and that I will  
fully comply with the terms and conditions stated herein.

7 I understand that this Order is a public document.

8  
9 /s/ Joshua E. Stroud  
Joshua E. Stroud

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11 State of Oregon

12 County of Lane

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15 Subscribed and affirmed before me by Joshua E. Stroud this 2nd day of July,

16 2024

17 by

18  
19 /s/ Michelle Diane Bechtol

20 Notary Public

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