

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, BUREAU OF SECURITIES	:	
COMPLIANCE AND EXAMINATIONS	:	Docket No.: 230044(SEC-OSC)
	:	
v.	:	
	:	
GROUNDWORK WEALTH MANAGEMENT,	:	
LLC	:	
JAMES TAYLOR¹	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”), has conducted an investigation of the business practices of Groundwork Wealth Management, LLC (“GWM”) and its officers and employees. Based on the results of its investigation, the Bureau has concluded that GWM has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* (“1972 Act”). GWM, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the 1972 Act.

¹ This Consent Agreement Order is only applicable to Groundwork Wealth Management, LLC.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. Respondent Groundwork Wealth Management, LLC (“Respondent GWM”), CRD # 170331, was, at all material times herein, a Pennsylvania limited liability company with an address at 559 West Uwchlan Avenue, Suite 110, Exton, Pennsylvania 19341.

4. From on or about August 4, 2014 until the present, Respondent GWM was registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

5. From in or about September 2022 until April 2023, GWM did not maintain a reasonable system for applying and enforcing written procedures pertaining to the purchase, sale and exchange of inverse and leveraged exchange-traded funds (“ETFs”) on behalf of its clients who were residents of Pennsylvania.

VIOLATION

6. By engaging in the acts and conduct set forth in paragraphs 3 through 5 above, Respondent GWM failed to establish and maintain written procedures with respect to leveraged ETFs and a system for applying and enforcing those written procedures which are reasonably designed to achieve compliance with the 1972 Act and other securities laws and regulations, and failed to keep a copy of the written procedures with respect to leveraged ETFs at each location where it conducted business, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Respondent GWM or to censure Respondent GWM pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 305.011(a), (c), 10 Pa. Code § 305.011(a), (c), promulgated thereunder.

RELIEF

7. GWM shall pay the Department an administrative assessment in the amount of \$50,000.00. Payment shall be made by certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 N. Second Street, Suite 1300, Harrisburg, Pennsylvania 17101. The assessment shall be paid as follows:

- a. \$6,250.00 on or before April 30, 2024;
- b. \$6,250.00 on or before July 30, 2024;
- c. \$6,250.00 on or before October 30, 2024;
- d. \$6,250.00 on or before January 30, 2025;
- e. \$6,250.00 on or before April 30, 2025;
- f. \$6,250.00 on or before July 30, 2025; and
- g. \$6,250.00 on or before October 30, 2025.

8. This Order is not intended to indicate that GWM or any of its affiliates or current or former employees should be subject to any disqualification contained in the federal securities laws, the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or various states’ securities laws, including the provisions of the 1972 Act and regulations promulgated thereunder; and any disqualification from relying upon the registration exemptions or safe harbor provisions, and this Order is not intended to form the basis of any such disqualification.

9. GWM is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v).

10. Should GWM fail to pay the assessment as set forth in paragraph 7 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording GWM the option of either paying the assessment or being indefinitely subject to the sanctions.

11. Should GWM fail to comply with any and/or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to GWM's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

12. Consent. GWM hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. GWM, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions, and/or penalties set forth in this Order.

13. Entire Agreement. This Order contains the entire agreement between the Department and GWM. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and GWM.

14. Binding Nature. The Department, GWM, and all officers, owners, directors, employees, heirs and assigns of GWM intend to be and are legally bound by the terms of this Order.

15. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

16. Effectiveness. GWM hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order (“Effective Date”).

17. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against GWM in the future regarding all matters not resolved by this Order.

(b) GWM acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.

18. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

19. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

20. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

21. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations and Groundwork Wealth Management LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Eric Pistilli, Deputy Secretary for Securities

Date: 04/05/24



FOR GROUNDWORK WEALTH MANAGEMENT, LLC

Redacted

James Taylor, Owner

Date: _____
4/1/24