

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING) Order No.: S-14-1575-15-SC01
5 Whether there has been a violation of the)
6 Securities Act of Washington by:) STATEMENT OF CHARGES AND
7) NOTICE OF INTENT TO
8 Lori Cousineau Weaver;) ENTER ORDER TO CEASE AND DESIST,
9 Ameriprise Financial Services, Inc.;) SUSPEND SECURITIES SALEPERSON
10) REGISTRATION, TO IMPOSE FINES,
11 Respondents.) AND TO CHARGE COSTS
12)

13 THE STATE OF WASHINGTON TO: Lori Cousineau Weaver (CRD #1731464)
14 Ameriprise Financial Services, Inc. (CRD #6363)

15 **STATEMENT OF CHARGES**

16 Please take notice that the Securities Administrator of the state of Washington has reason to believe
17 that Respondents Lori Cousineau Weaver and Ameriprise Financial Services, Inc. (“Respondents”) have
18 each violated the Securities Act of Washington. The Securities Administrator believes those violations
19 justify the entry of an order against the Respondents to cease and desist from such violations and to charge
20 costs pursuant to RCW 21.20.390 and RCW 21.20.110, to suspend Respondent Lori Cousineau Weaver’s
21 securities salesperson registration pursuant to RCW 21.20.110, and to impose fines against the
22 Respondents pursuant to RCW 21.20.110 and RCW 21.20.395. The Securities Administrator finds as
23 follows:

24 **TENTATIVE FINDINGS OF FACT**

25 **Respondents**

1. Lori Cousineau Weaver (CRD #1731464) (“Cousineau-Weaver”) has been registered as a
securities salesperson and investment adviser representative with the Securities Division since 1989.
Between approximately 1989 and July 2015, Cousineau-Weaver was a registered securities salesperson and

1 investment adviser representative at Ameriprise Financial Services, Inc. Cousineau-Weaver has an office
2 in Renton, Washington. Between approximately 2008 and 2013, Cousineau-Weaver also used an office in
3 Sequim, Washington. Since 2013, Cousineau-Weaver has used offices in Huntington Beach, California,
4 where she has a residence. Cousineau-Weaver has done business as Cousineau-Weaver & Associates and
5 Cousineau Weaver Wealth Management Group. In July 2015, Cousineau-Weaver resigned from
6 Ameriprise, and is currently registered as a securities salesperson and investment adviser representative at
7 UBS Financial Services Inc. (CRD #8174).

8 2. Ameriprise Financial Services, Inc. (CRD #6363) (“Ameriprise”) is a Delaware corporation
9 that is currently registered as a broker-dealer with the Securities Division, and is also registered as an
10 investment adviser with the Securities and Exchange Commission. Ameriprise has its main office in
11 Minneapolis, Minnesota.

12 **Nature of the Conduct**

13 *Background on Non-Traded REITs and Cousineau-Weaver’s Office*

14 3. A non-traded real estate investment (“REITs”) is an illiquid investment that pools funds
15 from individual investors to acquire real estate assets. Non-traded REITs are attractive to some investors
16 because they can provide income in the form of monthly or quarterly distributions. In spite of their appeal,
17 non-traded REITs are not suitable for all investors because they are not publicly traded and not easily
18 converted to cash. While some non-traded REITs offer investors the opportunity to redeem their shares
19 early, many redemption programs are subject to significant limitations. Investors can find it very difficult
20 to sell their shares quickly, and may have to sell their investment at a substantial discount. Non-traded
21 REIT can also have substantial fees and expenses, including selling commissions, marketing allowances,
22 acquisition expenses, and organization and operation expenses. The upfront cost of investing in REITs can
23 be as high as 15%-16% of the total amount that a client invests. Given these factors, non-traded REIT are
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1 only suitable for investors with long-term investment goals, and are not suitable for short-term investors,
2 conservative investors, or senior citizens with potential liquidity needs.

3 4. Ameriprise required its representatives to complete a mandatory training course before
4 incorporating REITs into their practice or recommending them to a client. Cousineau-Weaver completed
5 the required training in 2010. In order to manage her voluminous sales of non-traded REITs, however,
6 Cousineau-Weaver relied heavily on her staff, some of whom did not complete the training.

7 5. When purchasing a non-traded REIT, Cousineau-Weaver's clients signed a Direct
8 Investment Application ("REIT application"), which included the client's income and net worth. Between
9 approximately 2009 and 2013, many of the REIT applications for Cousineau-Weaver's clients were filled
10 out by her assistant, who was registered as a securities salesperson and investment adviser representative,
11 but had no clients of her own (hereinafter, "Registered Assistant"). In or around August 2013, Cousineau-
12 Weaver hired her former nanny, who was never registered as a securities salesperson or investment adviser
13 representative. Cousineau-Weaver had these staff members fill out REIT applications, respond to inquiries
14 from supervisors, contact clients, amend REIT applications, and change client profiles. Neither staff
15 member completed the firm's non-traded REIT training. After Cousineau-Weaver signed the Advisor
16 Certification section, her staff sent the REIT application to Ameriprise's main office in Minnesota, where it
17 was reviewed and processed.
18

19 *Overview*

20 6. Between 2008 and 2015, Cousineau-Weaver sold millions of dollars' worth of non-traded
21 real estate investment trust investments ("REITs"), which generated more than \$800,000 in commissions
22 and enabled her to receive a bonus of more than \$30,000 through Ameriprise's REIT Bonus Program.

23 7. Over this time period, Cousineau-Weaver repeatedly recommended non-traded REITs to
24 clients who did not meet Ameriprise's suitability policies, including minimum income and net worth

1 requirements in the firm's compliance manual. Cousineau-Weaver repeatedly used inflated and inaccurate
2 net worth and/or income figures on REIT applications. As a result, Cousineau-Weaver made inaccurate
3 concentration calculations (the percentage of an investor's net worth held in non-traded REITs), which
4 sometimes caused her to exceed the firm's concentration limits. Cousineau-Weaver also recommended
5 non-traded REITs to clients who did not meet the firm's suitability requirements for risk tolerance and
6 investment time frame.

7 8. Contrary to Ameriprise's recommendations, Cousineau-Weaver routinely sold non-traded
8 REITs to senior citizens who were age 70 and older. Cousineau-Weaver failed to ensure that her senior
9 citizen clients had a complete understanding of the products they were purchasing, and failed to ensure that
10 they understood the fees associated with non-traded REITs. Rather than conduct a customer-specific
11 suitability analysis, Cousineau-Weaver used identical explanations for dozens of clients with very different
12 financial profiles.

13 9. Ameriprise failed to reasonably supervise Cousineau-Weaver and her non-traded REIT
14 sales. Year after year, Cousineau-Weaver recommended non-traded REITs to clients who did not meet the
15 firm's minimum suitability requirements. Year after year, Cousineau-Weaver submitted REIT applications
16 with inaccurate client financial information. An Ameriprise supervisor repeatedly encouraged Cousineau-
17 Weaver to alter client profiles (*post-recommendation*), which made it appear that her prior
18 recommendations had complied with the firm's suitability policies, when in fact, they did not. Ameriprise
19 was aware that its supervisory system was failing to prevent Cousineau-Weaver from continuing to make
20 unsuitable recommendations and errors on REIT applications, which continued over several years.

21
22 *Failure to Comply with Ameriprise's Minimum Net Worth Requirements*

23 10. Prior to recommending a non-traded REIT to a client, Ameriprise required Cousineau-
24 Weaver to verify that her client's profile information was up-to-date, and ensure that her recommendation

1 was suitable and met Ameriprise's minimum suitability requirements. Between approximately 2008 and
2 April 2009, Ameriprise required clients under age 80 to have either: (1) a minimum annual gross income of
3 \$45,000 and a minimum net worth (excluding the client's primary residence, furnishings, and automobiles,
4 hereinafter "adjusted net worth") of at least \$45,000; or (2) a minimum adjusted net worth of \$150,000.
5 After April 2009, Ameriprise required clients under 80 to have either: (1) a minimum annual gross income
6 of \$70,000 and a minimum adjusted net worth of \$70,000; or (2) a minimum adjusted net worth of
7 \$250,000. Many of Cousineau-Weaver's clients did not meet the minimum income requirement.
8 Cousineau-Weaver relied on the fact that these clients met the minimum adjusted net worth requirement,
9 which for most clients was \$250,000. Clients who were 80 or older were required to have a substantially
10 higher minimum adjusted net worth -- \$500,000. As detailed below, Cousineau-Weaver repeatedly
11 recommended non-traded REIT to clients who did not meet these minimum requirements.

12 *Use of Inaccurate Net Worth, Income, and Concentration Figures on REIT Applications*

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14 11. Between 2011 and 2014, Cousineau-Weaver repeatedly used inaccurate and inflated net
15 worth and/or income figures on REIT applications. Ameriprise required representatives to use the client's
16 individual net worth and income when filling out a REIT application. Cousineau-Weaver repeatedly
17 submitted REIT applications that listed the client's combined *spousal* income and net worth, in spite of
18 receiving multiple e-mails from Ameriprise supervision staff regarding these errors. In some cases,
19 Cousineau-Weaver also did not follow Ameriprise's policies for determining the client's adjusted net
20 worth, which excluded the value of their primary residence, home furnishings, and automobiles. On some
21 REIT applications, Cousineau-Weaver used identical figures for the client's total net worth and adjusted
22 net worth, and failed to exclude the value of those assets.

23
24 12. As a result of using inaccurate net worth figures, Cousineau-Weaver also used inaccurate
25 concentration figures on some of the REIT applications that she submitted. When filling out a REIT

1 application, Cousineau-Weaver had to calculate the client's concentration in non-traded REITs, for the both
2 recommended transaction and all other REIT investments held by the client (hereinafter "cumulative
3 concentration"). By using inflated spousal adjusted net worth figures, Cousineau-Weaver significantly
4 understated her client's cumulative concentration in non-traded REITs.

5 *Cousineau-Weaver Failed to Comply with Concentration Recommendations and Limits*

6 13. Ameriprise recommended that a client's cumulative concentration in non-traded REITs be
7 limited to 10% of their adjusted net worth. Cousineau-Weaver repeatedly sold non-traded REITs to clients
8 above this recommended limit. Between 2008 and 2015, Cousineau-Weaver sold nearly \$4 million in non-
9 traded REITs to clients whose cumulative concentration exceeded 15% of their adjusted net worth, as part
10 of more than 70 transactions.

11 14. For clients under age 80, Ameriprise strictly limited a client's cumulative concentration to
12 20% of their adjusted net worth. Between 2011 and 2015, Cousineau-Weaver sold REITs to at least a
13 dozen clients until they reached, or nearly reached, the firm's cumulative concentration limit (20%). In
14 some instances, Cousineau-Weaver exceeded the firm's 20% concentration limit, as detailed below. For
15 clients 80 or older, the firm's cumulative concentration limit was substantially lower -- 10% of their
16 adjusted net worth. Cousineau-Weaver recommended a REIT to a client in excess of this limit.

17 *Unsuitable Risk Tolerances and Investment Time Frames*

18 15. Cousineau-Weaver repeatedly recommended non-traded REITs to clients who did not meet
19 Ameriprise's suitability policies for risk tolerance. When establishing a new brokerage account, clients had
20 to select one of five risk tolerances: Conservative, Conservative/Moderate, Moderate,
21 Moderate/Aggressive, or Aggressive. Between 2008 and 2011, Ameriprise's compliance policies stated
22 that in order to recommend a non-traded REIT to a client, their "risk tolerance must be" Moderate,
23 Moderate/Aggressive, or Aggressive. In March 2011, Ameriprise's compliance policies were amended to
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1 state that the client's risk tolerance "generally should be" Moderate, Moderate/Aggressive, or Aggressive.
2 Cousineau-Weaver repeatedly recommended non-traded REITs to clients who had Conservative or
3 Conservative/Moderate risk tolerances, as detailed below.

4 16. Cousineau-Weaver repeatedly recommended non-traded REITs to clients who did not meet
5 Ameriprise's suitability policies for investment time frame (also known as investment time horizon).
6 Between 2008 and 2011, Ameriprise's policies stated that in order to recommend a non-traded REIT, a
7 client must have a "Minimum investment time frame of seven years." In March 2011, Ameriprise's
8 compliance policies were amended to state that non-traded REITs were "only suited for clients with long
9 term investment goals, typically of seven or more years." Ameriprise's compliance policies recognized
10 that senior clients "generally have a shorter investment time horizon" due to the fact that they have less
11 time to recoup losses. As detailed below, Cousineau-Weaver repeatedly recommended non-traded REITs
12 to clients with an investment time frame of less than seven years.

13
14 *Unsuitable Sales of Non-Traded REITs to Seniors*

15 17. Cousineau-Weaver routinely sold non-traded REITs to clients who were age 70 or older,
16 contrary to the recommendations in Ameriprise's compliance manual, which stated: "Due to the long-term,
17 illiquid nature of the non-traded REITS and BDCs, Ameriprise recommends that all clients investing in
18 non-traded REITS be less than 70 years of age." Ameriprise's compliance manual further advised that
19 there should be "heightened sensitivity" when assessing whether non-traded REITs were suitable for
20 seniors, who can have greater liquidity needs and shorter time investment horizons than other investors.
21 Between 2008 and 2014, Cousineau-Weaver had approximately 90 sales of non-traded REITs to clients
22 who were 70 or older. Between 2008 and 2014, Cousineau-Weaver had approximately a dozen sales of
23 non-traded REITS to clients who were 80 or older. For example, in May 2011, Cousineau-Weaver
24 recommended a \$27,000 non-traded REIT to R.H. and P.H., who were 90 and 81 years old, respectively.

Inadequate Disclosure to Seniors

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2 18. Cousineau-Weaver failed to ensure that her senior citizen clients had a complete
3 understanding of the illiquid nature of non-traded REITs and their substantial fees. Ameriprise's
4 compliance manual provided clear instructions to its representatives: "You must ensure your client
5 understands all the fees associated to investing in REITs." Ameriprise had policies regarding additional
6 disclosure that needed to be made to senior investors, which included investors over age 65, retirees, and
7 investors planning to retire within five years. The policies stated: "Registered representatives must ensure
8 senior investors have a complete understanding of the products/services they are purchasing." Ameriprise
9 had best practices when working with senior investors, which included spending additional time explaining
10 the features, benefits, costs, and risks of the product, to ensure they had a "complete understanding" of the
11 investment they were purchasing. Ameriprise's REIT policies required Cousineau-Weaver to provide
12 clients with a "Balanced disclosure" of both the "risks and rewards" of non-traded REITs.

13
14 19. Cousineau-Weaver failed to adequately disclose the fees and illiquid nature of non-traded
15 REITs to some of her senior citizen clients. Several of Cousineau-Weaver's clients have informed the
16 Securities Division that they did not understand that non-traded REITs were illiquid, and some of her
17 clients have stated that they would not have purchased a non-traded REIT if Cousineau-Weaver had fully
18 disclosed the illiquid nature of the product. Cousineau-Weaver misleadingly stressed the benefits and
19 advantages of REITs, while failing to fully disclose and explain the risks, fees, and the potential downside
20 of non-traded REITs, including their illiquidity.

Failure to Deliver Prospectuses for Non-Traded REITS

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22 20. Some of Cousineau-Weaver's clients complained that they were asked to acknowledge on
23 REIT applications that they had received and read the prospectus "at least five business days ago."
24 Ameriprise's compliance manual required Cousineau-Weaver to deliver a prospectus to a client at least five

1 business days before the sale of a REIT. In February 2014, J.D. contacted Cousineau-Weaver and stated
2 that his wife had been asked to sign the prospectus acknowledgement, and “thought she should actually see
3 and read this prospectus before investing.” Another client contacted Cousineau-Weaver’s office and
4 complained about having to acknowledge receipt of “prospectuses that he did not have.”

5 *Identical Suitability Explanations*

6 21. Cousineau-Weaver failed to conduct a customer-specific suitability analysis, but instead
7 used identical suitability explanations for dozens of clients with different financial profiles. Ameriprise’s
8 compliance manual recognized that non-traded REITs were complex products that required a “customer-
9 specific” and “individualized” suitability analysis *prior* to recommending them to a client. Under FINRA
10 Rule 2310, Ameriprise and Cousineau-Weaver were required to keep documentation regarding the basis of
11 her suitability determinations for each of her non-traded REIT sales. Ameriprise’s REIT application
12 included a suitability section, which required a detailed explanation (including “particular facts and
13 circumstances”) regarding how the investment was suitable for that specific client. The suitability section
14 was required to be completed, if either: (1) the client’s cumulative concentration in REITs exceeded 10%
15 of their adjusted net worth; or (2) the client was age 70 or older. While the REIT application indicated that
16 the client was to fill out the suitability section, in many cases, it was filled out by Cousineau-Weaver’s
17 staff. In some cases, partially-completed REIT applications were sent to Cousineau-Weaver’s clients for
18 signature. In some cases, key sections of the REIT application (including the suitability section, and the
19 client’s net worth and income) were left blank, and later filled in by Cousineau-Weaver’s staff after the
20 client signed the application.
21

22 22. In 2008 and 2009, Cousineau-Weaver used following suitability explanations on REIT
23 applications for several different clients:
24

- 25 • “Doesn’t need liquidity”

- “Does not need liquidity”

Cousineau-Weaver failed to include any other explanation or justification for why the recommended product was suitable for the specific client. For example, in May 2008, Cousineau-Weaver sold a \$10,000 non-traded REIT to P.D., who was 79 years old at the time. The suitability explanation merely stated “Doesn’t need liquidity.” In fact, P.D. later contacted Cousineau-Weaver’s office and complained about the illiquidity of the investment. According to P.D., she did not understand that a REIT was an illiquid product, and she would not have purchased a REIT if this had been fully explained to her. In May 2008, Cousineau-Weaver also sold a \$50,000 non-traded REIT to G.R., who was 84 years old at the time. The suitability explanation on G.R.’s REIT application merely stated “Does not need liquidity.” In August 2008, Cousineau-Weaver recommended a \$35,400 REIT to B.L., who was 79 years old at the time. The suitability explanation on B.L.’s REIT application stated: “Doesn’t need liquidity and wants steady income.”

23. Similarly, between 2011 and 2014, Cousineau-Weaver used identical or nearly-identical suitability justifications on dozens of REIT applications:

- “Client doesn’t need liquidity and likes the dividends from the REIT.”
- “Client doesn’t need liquidity and likes dividends from income.”
- “Clients don’t need liquidity and likes the income from the dividends.”
- “Client likes dividends for income and doesn’t need these funds to be liquid.”
- “Client will not need the funds and likes the dividends for income.”

In many cases, Cousineau-Weaver did not explain or otherwise document why the recommended product was suitable for the specific client. Cousineau-Weaver used identical and nearly-identical explanations for clients with different financial profiles, ages (which ranged from 52 to 90), incomes (which ranged from \$0 to \$250,000), and net worth (which ranged from \$400,000 to more than \$3 million). Some clients have

1 informed the Securities Division that they did not provide this explanation to Cousineau-Weaver or her
2 staff. Moreover, some of Cousineau-Weaver's clients did in fact "need liquidity" and later complained to
3 her about the illiquid nature of the non-traded REITs that she recommended.

4 24. On February 24, 2014, a CSU supervisor directed Cousineau-Weaver to stop using term
5 "dividends" on REIT applications (which Cousineau-Weaver and her staff had been using for years), and to
6 instead use "distributions." Dividends are a portion of a company's earnings. In contrast, REITs pay
7 distributions to investors that sometimes exceed their operating cash flow. In such cases, the payments
8 received by investors are a return of principal, not dividends.

9 25. In October 2014, a delegate for Cousineau-Weaver's field supervisor met with her and later
10 sent her an e-mail stating that there was "no real documentation" for some of Cousineau-Weaver's non-
11 traded sales. The supervisor further indicated that Cousineau-Weaver had not adequately documented the
12 suitability rationale for some of her recommendations, as required by FINRA rules.

13
14 *Failure to Adequately Consider the Liquidity Needs of Senior Citizen Clients*

15 26. When recommending non-traded REITs, Cousineau-Weaver failed to adequately consider
16 the potential future liquidity needs of some of her senior citizen clients. Ameriprise's compliance manual
17 noted that seniors on fixed incomes "may have a greater need for more liquidity" and "may be relying on
18 investment assets to cover anticipated and unanticipated health care costs." Ameriprise advised its
19 representatives to inquire into whether senior investors had a sufficient cash reserve to meet unplanned
20 expenses.

21 27. In spite of these admonitions, Cousineau-Weaver repeatedly sold non-traded REITs to
22 clients with a relatively small amount of liquid net worth (\$5,000 to \$25,000) and to clients whose liquid
23 net worth constituted a very small portion of their total net worth (2% to 4%). For example, in January
24 2011, Cousineau-Weaver recommended a \$15,000 non-traded REIT to M.G., who was 50 years old at the
25

1 time. Cousineau-Weaver did not fully disclose to M.G. that she would not be able to access her funds in
2 the REIT, and Cousineau-Weaver did not mention the downside of investing in a REIT. In the suitability
3 section of M.G.'s REIT application, Cousineau-Weaver merely stated: "Client doesn't need liquidity and
4 likes the diversification." M.G. told Cousineau-Weaver that she wanted to be able to access her funds, and
5 did not have funds readily available in case of an emergency. According to her client profile, M.G.'s liquid
6 net worth was only \$15,000 at the time that Cousineau-Weaver recommended a non-traded REIT.
7 Cousineau-Weaver made other sales of non-traded REIT to clients with a low liquid net worth, as detailed
8 below.

9 28. In June 2013, Cousineau-Weaver received an e-mail from a client who was experiencing
10 liquidity issues after purchasing a non-traded REIT. The subject of the e-mail was "Need money." The
11 client complained that she and her spouse were "feeling really poor" and needed additional funds to
12 remodel their home and to pay a premium that was due. The client further stated to Cousineau-Weaver that
13 "we should have anticipated this" and should have invested in "something a lot more liquid than a REIT."

14
15 *Ameriprise's Deficient Supervision of Cousineau-Weaver's REIT Sales*

16 29. Ameriprise failed to reasonably supervise Cousineau-Weaver and her voluminous non-
17 traded REITs sales. Ameriprise had supervisory procedures to review non-traded REIT transactions and
18 detect unsuitable recommendations. Ameriprise repeatedly detected that Cousineau-Weaver had made
19 unsuitable recommendations and numerous errors on REIT applications. Ameriprise's supervisory system
20 failed to prevent additional violations by Cousineau-Weaver, who continued to make unsuitable
21 recommendations for several years.

22 30. Prior to around 2010, Cousineau-Weaver's non-traded REIT transactions by reviewed by
23 her "field" supervisors. Beginning in and around 2010, Cousineau-Weaver's non-traded REIT transactions
24 were reviewed by a registered principal in Ameriprise's Centralized Supervision Unit in Minnesota ("CSU

1 supervisor”), who was supposed to work “closely” with her field supervisor on supervisory issues. The
2 CSU supervisor reviewed non-traded REIT transactions for compliance with the firm’s minimum
3 suitability requirements, including risk tolerance, investment time frame, cumulative concentration, and
4 adjusted net worth.

5 31. Between 2011 and 2014, Ameriprise supervisors repeatedly found that Cousineau-Weaver
6 recommended non-traded REITs to clients who did not meet Ameriprise’s suitability requirements.
7 Ameriprise supervision staff also found that Cousineau-Weaver repeatedly made significant errors on non-
8 traded REIT applications, including her client’s net worth, income, and cumulative concentration figures.

9 32. When supervisors sent e-mails to Cousineau-Weaver regarding these errors and unsuitable
10 recommendations, she forwarded their messages to her staff, including her Registered Assistant.
11 Cousineau-Weaver then arranged for her staff to change the client’s suitability profile or amend the REIT
12 application, so it appeared that she had complied with the firm’s suitability requirements. Ameriprise
13 allowed Cousineau-Weaver and her staff to submit these changes and amendments weeks, and sometimes
14 months, after she made her unsuitable recommendations (and in some cases, after the transaction had
15 already been completed).
16

17 33. In several instances, the Central Supervision Unit found that Cousineau-Weaver that had
18 recommended non-traded REIT to clients who did not meet the firm’s minimum adjusted net worth
19 requirements. The Central Supervision Unit allowed Cousineau-Weaver and her staff to re-submit
20 amended REIT applications with handwritten changes to the client’s net worth or income figures, which
21 made it appear that client met the firm’s minimum requirements. The Central Supervision Unit repeatedly
22 found that Cousineau-Weaver had recommended non-traded REITs to clients with unsuitable investment
23 time frames or risk tolerances. A CSU supervisor repeatedly encouraged Cousineau-Weaver to change
24 client profiles, which made it appear that her prior recommendations were suitable. Cousineau-Weaver
25

1 continued to make unsuitable recommendations for years, which enabled her to earn hundreds of thousands
2 of dollars in commissions.

3 **Examples of Unsuitable Sales by Cousineau-Weaver and Ameriprise's Deficient Supervision**

4 *2011 Sales*

5 34. On or about May 6, 2011, Cousineau-Weaver recommended a \$24,900 non-traded REIT to
6 L.S., who was 75 years old at the time and had a risk tolerance of Conservative/Moderate. According to
7 J.S. (L.S.'s wife), Cousineau-Weaver did not discuss any downside to investing in REITs. The suitability
8 section of L.S.'s REIT application stated: "Client doesn't need liquidity and likes dividends from REIT"
9 and "Client likes dividends provided for income and doesn't need the funds to be liquid." The REIT
10 application inaccurately stated that L.S.'s net worth was \$630,000; that his adjusted net worth was
11 \$330,000; and his cumulative concentration was 19%. In fact, L.S.'s individual net worth was only
12 \$320,000, and his cumulative concentration exceeded the firm's 20% concentration limit.

13 35. On or about May 9, 2011, Cousineau-Weaver recommended a \$9,545 non-traded REIT
14 investment to D.D., who was 79 years old at the time. The suitability section of D.D.'s REIT application
15 stated: "Client doesn't need liquidity and likes the dividends from the REIT" and "Client likes dividends
16 for income and doesn't need these funds to be liquid." The REIT application stated that D.D.'s individual
17 net worth was \$420,000 and his cumulative concentration was 19.20%, just below the firm's concentration
18 limit (20%). In fact, D.D.'s net worth was only \$210,000 (below the firm's minimum \$250,000 net worth
19 requirement) and his cumulative concentration exceeded Ameriprise's 20% concentration limit.

20 36. On or about May 9, 2011, Cousineau-Weaver recommended a \$74,000 non-traded REIT
21 investment to D.Z., who was 75 years old at the time and had an investment time frame of only 4 to 7
22 years. On the REIT application, Cousineau-Weaver listed D.Z.'s annual gross income as \$78,000, when in
23 fact, it was \$60,000. That same day, Cousineau-Weaver also recommended a \$39,400 non-traded REIT to
24

1 D.Z.'s wife, M.Z., who was 71 years old at the time. On the REIT application, Cousineau-Weaver stated
2 that M.Z.'s annual gross income was \$78,000 when in fact, it was only \$18,000. The suitability
3 explanation on M.Z.'s and D.Z.'s REIT applications both stated: "Client doesn't need liquidity and likes
4 the dividends from the REIT" and "Client likes dividends for income and doesn't need these funds to be
5 liquid."

6 37. On or about May 12, 2011, Cousineau-Weaver recommended a \$46,260 non-traded REIT
7 investment to L.W., who was 75 years old at the time and had an investment time frame of 4 to 7 years.
8 The suitability explanation on L.W.'s REIT application stated: "Client doesn't need liquidity and likes
9 dividends from REIT" and "Client likes dividends for income and doesn't need these funds liquid." On the
10 REIT application, Cousineau-Weaver incorrectly listed L.W.'s net worth as \$630,000, when in fact, it was
11 only \$315,000. The REIT application listed L.W.'s income as \$60,000, when in fact, it was \$24,000.
12 Cousineau-Weaver also submitted an inaccurate cumulative concentration figure on the REIT application.

13 38. On or about May 13, 2011, Cousineau-Weaver recommended a \$92,500 non-traded REIT
14 investment to M.H.-1, who was 71 years old at the time and had a risk tolerance of Conservative-Moderate.
15 The REIT application stated that M.H.-1's individual net worth was \$1,230,000, when in fact, it was only
16 \$562,297. The REIT application listed M.H.-1's annual gross income as \$90,000, while Ameriprise
17 records indicate that it was actually \$22,560. The suitability explanation on M.H.-1's REIT application
18 stated: "Client doesn't need liquidity and likes dividends from REIT" and "Client likes dividends for
19 income and doesn't need funds to be liquid." Cousineau-Weaver recommended another non-traded REIT
20 to M.H.-1 in 2015, as discussed below.

21 39. On or about May 17, 2011, Cousineau-Weaver recommended a \$20,000 non-traded REIT to
22 D.T., who was 71 years old at the time. According to the REIT application, D.T.'s cumulative
23 concentration was 20%, which was twice the firm's recommended concentration level (10%). The
24

1 suitability explanation on D.T.'s REIT application stated: "Client doesn't need liquidity and likes the
2 dividends from the REIT" and "Client likes dividends for income and doesn't need these funds to be
3 liquid."

4 40. In and around May 2011, Cousineau-Weaver recommended a non-traded REIT to W.F.,
5 who was 80 years old at the time. Years earlier, in 2008, W.F. purchased a non-traded REIT through a
6 joint account, and his cumulative concentration at that time was 18.9%. By 2011, W.F. had turned 80 and
7 was subject to the firm's lower cumulative concentration limit (10%). Ameriprise records indicate that one
8 of Cousineau-Weaver's staff contacted W.F. and noted: "We can't do over 10% in his name but we can
9 move the cash" to an account in the name of his wife and invest "that way." A few weeks later, funds were
10 transferred from the joint account to an account in the name of W.F.'s wife, who was less than 80 years old
11 and subject to a higher concentration limit (20%). The transferred funds were used to purchase a non-
12 traded REIT.

13 41. In June 2011, Cousineau-Weaver recommended a \$45,000 non-traded REIT to M.H.-2, who
14 was 67 years old at the time. The REIT application listed identical figures (\$600,000) for M.H.-2's net
15 worth and adjusted net worth. According to her client profile, M.H.-2's liquid net worth was only \$15,000
16 at the time of the recommendation. Nevertheless, Cousineau-Weaver recommended that M.H.-2 purchase
17 a \$45,000 non-traded REIT. M.H.-2 does not recall Cousineau-Weaver mentioning any downside about
18 the REIT product or that the REIT had risks. Cousineau-Weaver did not tell M.H.-2 about any fees
19 associated with purchasing the REIT. A few months later, on or about December 8, 2011, Cousineau-
20 Weaver recommended a \$50,000 non-traded REIT to T.P., a 60-year-old client whose investment time
21 frame was only 4 to 7 years. The suitability explanation on T.P.'s REIT application stated: "Client does
22 not need liquidity and likes the dividends provided by REIT."
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2011 Bonus

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2 42. Between 2010 and 2011, Cousineau-Weaver's REIT commissions soared from
3 approximately \$30,000 to more than \$195,000. Cousineau-Weaver's voluminous sales made her eligible
4 for Ameriprise's REIT Bonus Program, which provided additional financial incentives to representatives to
5 sell non-traded REITs. In order to be eligible for the Bonus Program, Cousineau-Weaver had to sell
6 hundreds of thousands of dollars' worth of REITs and generate at least \$100,000 in time-of-sale gross
7 dealer concession (hereinafter "Total REIT GDC"). Between 2010 and 2011, Cousineau-Weaver's Total
8 REIT GDC more than tripled from approximately \$55,000 to over \$170,000, making her eligible for a
9 bonus. Cousineau-Weaver received a \$31,989.75 bonus for her 2011 sales. In December 2012, Ameriprise
10 announced that it was discontinuing the Bonus Program.

2012 DFI Examination and Deficiency Letter to Ameriprise

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12 43. In July 2012, the Securities Division conducted an examination of Cousineau-Weaver's
13 office in Sequim, Washington. In August 2012, DFI examination staff sent a deficiency letter to
14 Cousineau-Weaver and Ameriprise, and provided multiple examples of potentially unsuitable non-traded
15 REIT sales by Cousineau-Weaver. In September 2012, Ameriprise responded to each of the examples
16 cited in DFI's deficiency letter and repeatedly stated: "The Firm believes each REIT transaction was
17 suitable for the client." Following DFI's examination and deficiency letter, Cousineau-Weaver continued
18 to make unsuitable recommendations of non-traded REITs to her clients.
19

Post-Examination Sales

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21 44. On or about September 26, 2012, Cousineau-Weaver recommended a \$20,000 non-traded
22 REIT to J.L., a 62-year old client with no annual gross income. Cousineau-Weaver submitted a REIT
23 application, which listed J.L.'s net worth as \$215,000 and her adjusted net worth as \$138,000 -- more than
24 \$100,000 below the firm's required minimum (\$250,000). The suitability explanation on J.L.'s REIT
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1 application merely stated: "Client will not need the funds and likes the dividends for income." When
2 Cousineau-Weaver's Registered Assistant notified her that "the home office" found that J.L. did not meet
3 the firm's minimum suitability requirements, Cousineau-Weaver replied in an email which stated: "They
4 are married and their net worth is closer to \$800,000. Any of these that you fill out that you think are [too]
5 low let me know." Cousineau-Weaver's Registered Assistant informed her that Ameriprise required that
6 individual net worth figures be used on REIT applications (not spousal net worth). Cousineau-Weaver
7 later had her Registered Assistant re-submit an amended REIT application to the Central Supervision Unit,
8 which changed J.L.'s adjusted net worth to \$325,000.

9 45. On or about September 26, 2012, Cousineau-Weaver recommended a \$61,750 non-traded
10 REIT to J.C., who was 77 years old at the time. The suitability explanation on J.C.'s REIT application
11 stated: "Client does not need the liquidity and likes the dividends for income" and "The client doesn't need
12 the liquidity and wants the dividends for income." J.C. did not provide Cousineau-Weaver with that
13 explanation. Cousineau-Weaver had J.C. sign blank paperwork, including applications, prior to them being
14 filled out.

15
16 46. On or about October 8, 2012, Cousineau-Weaver recommended a \$61,700 non-traded REIT
17 to R.D., who was 77 years old at the time. The suitability explanation on R.D.'s REIT application stated:
18 "Client doesn't need funds liquid and likes dividends from REIT for income" and "Likes dividends and
19 isn't concerned with the liquidity." The REIT application incorrectly listed R.D.'s adjusted net worth as \$1
20 million. On October 23, 2012, a CSU supervisor notified Cousineau-Weaver that the net worth and income
21 figures used on R.D.'s REIT application did not match his client profile, and appeared to be his combined
22 spousal net worth, rather than his individual net worth. Cousineau-Weaver's Registered Assistant later
23 confirmed that inaccurate figures were used on R.D.'s REIT application.
24

2012 Compliance Review

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2 47. On December 3, 2012, an Ameriprise compliance examiner conducted an on-site review of
3 Cousineau-Weaver's office in Renton, Washington. The compliance examiner reviewed Cousineau-
4 Weaver's non-traded REIT sale to R.D. (discussed in the previous paragraph), including her suitability
5 rationale. The compliance examiner informed Cousineau-Weaver that she needed to improve the
6 documentation of her suitability determinations, and provided Cousineau-Weaver with sample language,
7 templates, and worksheets. The compliance examiner also reviewed FINRA's suitability rule with
8 Cousineau-Weaver. After the Ameriprise compliance review, Cousineau-Weaver continued to make
9 unsuitable non-traded REIT recommendations to her clients, including R.D., who was sold another
10 unsuitable non-traded REIT in January 2014, as discussed below.

Additional Unsuitable Sales

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12 48. On or about December 18, 2012, Cousineau-Weaver recommended a \$40,000 non-traded
13 REIT to R.C., a 63-year-old client with an annual gross income of \$26,000. According to the REIT
14 application, R.C.'s adjusted net worth was \$245,000. After Cousineau-Weaver was notified that R.C. did
15 not meet the firm's suitability requirements, she arranged for her staff to submit an amended REIT
16 application, which changed R.C.'s adjusted net worth to \$265,000, just above the required minimum.
17

18 49. On or about December 31, 2012, Cousineau-Weaver recommended a \$25,000 non-traded
19 REIT to G.P., a 50-year-old client with an annual gross income of \$52,000. On the REIT application,
20 Cousineau-Weaver listed identical figures for G.P.'s total net worth and her adjusted net worth (\$250,000).
21 These figures indicate that Cousineau-Weaver did not exclude the value of any automobiles or home
22 furnishings, which would have decreased G.P.'s adjusted net worth below the firm's required minimum
23 (\$250,000). Ameriprise records indicate that at the time of Cousineau-Weaver's recommendation, G.P.'s
24 liquid net worth was only \$5,000.

1 50. In February 2013, K.B. established a new brokerage account with Cousineau-Weaver, who
2 recommended a \$40,000 non-traded REIT to her. K.B. indicated on her new account form that her risk
3 tolerance was Conservative. On March 5, 2013, a CSU supervisor instructed Cousineau-Weaver to review
4 the account with K.B. and “if appropriate, update the Risk Tolerance to reflect Moderate.” The next day,
5 on or about March 6, 2013, Cousineau-Weaver’s Registered Assistant changed K.B.’s risk tolerance to
6 Moderate. K.B. informed the Securities Division that she did not speak to anyone about changing her risk
7 tolerance. A few months later, in July 2013, Cousineau-Weaver sent an e-mail to K.B. that confirmed that
8 K.B. had “wanted to remain fairly conservative.” Cousineau-Weaver’s e-mail further stated: “Everything
9 that we invested with you was to be more on the conservative side.”

10 51. In March 2013, Cousineau-Weaver met with R.K.-1 and his wife R.K.-2. Ameriprise
11 records indicate that Cousineau-Weaver noted that R.K.-1 and R.K.-2 were “both very conservative” and
12 their new account form listed their risk tolerance as Conservative. In May 2013, after reviewing a REIT
13 application that was submitted for R.K.-1 and R.K.-2, a CSU supervisor notified Cousineau-Weaver that
14 the “purchase may not be valid” and that the risk tolerance needed to be “Moderate or higher.” The CSU
15 supervisor advised Cousineau-Weaver to contact the clients and update their client profile “as needed.” In
16 June 2013, Cousineau-Weaver’s Registered Assistant notified the Central Supervision Unit that she
17 “updated the account suitability” and Ameriprise records indicate that the risk tolerance for the clients was
18 changed from Conservative to Moderate.

19 52. On March 3, 2013, Cousineau-Weaver recommended a \$22,800 non-traded REIT to S.S., a
20 50-year-old client. Cousineau-Weaver was later notified by a CSU supervisor that the net worth figures
21 used on S.S.’s REIT application did not match her client profile. Cousineau-Weaver’s Registered Assistant
22 later informed the Central Supervision Unit: “Our new employee filled this out and used the wrong
23 numbers.” The REIT application included inaccurate figures for S.S.’s net worth and annual gross income.

2013 DFI Investigation and Additional Unsuitable Sales

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2 53. In May 2013, DFI's enforcement staff requested records from Ameriprise regarding non-
3 traded REIT sales by Cousineau-Weaver, including a description of her oral representations to clients. In
4 response, Ameriprise provided the Securities Division with an e-mail dated June 3, 2013 that appeared to
5 have been sent by Cousineau-Weaver, which included a detailed explanation of her purported disclosure to
6 clients when recommending a non-traded REIT. In fact, Cousineau-Weaver arranged for her Registered
7 Assistant to draft the e-mail, and modify it so that it appeared to have been sent by Cousineau-Weaver.

8 54. On or about December 4, 2013, Cousineau-Weaver recommended a \$40,000 non-traded
9 REIT investment to W.L., who was 73 years old at the time and had a risk tolerance of
10 Conservative/Moderate. On December 26, 2013, a CSU supervisor notified Cousineau-Weaver that the
11 purchase was "not valid" and provided Cousineau-Weaver with excerpts from the firm's compliance
12 manual, including the firm's minimum suitability requirements for risk tolerance. The CSU supervisor
13 directed Cousineau-Weaver to contact the client to discuss and "update" the client's profile "as needed."
14 The next day, Cousineau-Weaver's Registered Assistant changed W.L.'s risk tolerance to Moderate.
15 Cousineau-Weaver later e-mailed her Registered Assistant and asked if it was "Taken care of?" and the
16 Registered Assistant replied "Yes."

17
18 55. On or about December 12, 2013, Cousineau-Weaver recommended a \$40,000 non-traded
19 REIT to M.M., a 63-year-old client with an annual gross income of \$40,000. According to the REIT
20 application, M.M.'s adjusted net worth was only \$220,000, which fell below the firm's required minimum
21 (\$250,000). The REIT application was signed by Cousineau-Weaver's Registered Assistant on behalf of
22 Cousineau-Weaver. The Registered Assistant was subsequently notified that in order to sign REIT
23 applications, she needed to first complete the firm's required non-traded REIT training. The Registered
24 Assistant later enrolled in, but did not complete, the required training. After a CSU supervisor notified

1 Cousineau-Weaver that M.M. did not meet the firm's minimum requirements, Cousineau-Weaver's
2 Registered Assistant informed the CSU supervisor that M.M. had additional funds in savings that were not
3 included in their client profile. The Registered Assistant arranged for an amended REIT application to be
4 signed by M.M. The Registered Assistant directed another staff member contact M.M. and tell him that it
5 was "just for compliance" and that the purchase had "already gone through."

6 *2014-2015 Unsuitable Sales*

7 56. In 2014, Cousineau-Weaver sold more than \$5 million worth of non-traded REITs, and her
8 commissions increased from approximately \$48,000 to over \$290,000. A CSU supervisor detected that
9 that Cousineau-Weaver was continuing to make unsuitable recommendations and submit REIT
10 applications with inaccurate figures, as detailed below.

11 57. On or about January 12, 2014, Cousineau-Weaver recommended a \$60,000 non-traded
12 REIT to H.N., an 84-year old client, and his wife, L.N., who had a risk tolerance of
13 Conservative/Moderate. The suitability explanation on the REIT application stated in part: "Client is not
14 concerned about liquidity and likes dividends for income." According to L.N., Cousineau-Weaver did not
15 discuss any risks involved with purchasing a REIT and did not discuss their liquidity needs and did not tell
16 them about any downside about the REIT. Two months later, in March 2014, a CSU supervisor contacted
17 Cousineau-Weaver regarding the sale, and directed her to "review account risk level." In April 2014,
18 months after the unsuitable recommendation, Cousineau-Weaver's Registered Assistant informed the CSU
19 supervisor that the risk tolerance for the clients had been "updated."

20 58. On or about January 20, 2014, Cousineau-Weaver recommended another non-traded REIT
21 investment to R.D., who by that time was 79 years old. According to the REIT application, R.D.'s
22 cumulative concentration was 19.71%, just below the firm's concentration limit (20%). The suitability
23 explanation on R.D.'s REIT application stated in part: "Client is not concerned with liquidity and likes the
24

1 dividends for income.” In March 2014, a CSU supervisor contacted Cousineau-Weaver to confirm the
2 accuracy of the net worth figure used on the REIT application. In April 2014, Cousineau-Weaver’s
3 Registered Assistant informed the CSU supervisor that the REIT application used spousal, rather than
4 individual net worth (the same error that occurred in R.D.’s October 2012 REIT application, discussed
5 above). In June 2014, Cousineau-Weaver’s Registered Assistant sent the CSU supervisor an amended
6 REIT application for the transaction, which showed that R.D.’s actual adjusted net worth was \$596,000,
7 not \$898,000. Using the corrected figures, R.D.’s cumulative concentration was actually more than 29%,
8 which exceeded the firm’s 20% concentration limit.

9 59. On or about January 20, 2014, Cousineau-Weaver recommended a \$26,000 non-traded
10 REIT to P.O., a 61-year-old client with an annual gross income of \$50,000. In March 2014, a CSU
11 supervisor contacted Cousineau-Weaver and notified her that the REIT application appeared to use spousal,
12 rather than individual net worth. Months later, in August 2014, Cousineau-Weaver’s Registered Assistant
13 submitted an “updated” REIT application for the transaction, with corrected figures.

14 60. On or about January 25, 2014, Cousineau-Weaver recommended a \$23,000 non-traded
15 REIT to T.P., who was 81 years old at the time. The suitability explanation on T.P.’s REIT application
16 stated: “Client is not concerned about liquidity and likes the dividends for income.” According to the REIT
17 application, T.P.’s net worth was \$470,000 and his adjusted net worth was \$270,000, well below the firm’s
18 minimum requirements for a client who was 80 or older (\$500,000). Ameriprise notified Cousineau-
19 Weaver that the sale did not meet the firm’s minimum requirements, and the transaction was not processed.

20 61. On or about January 28, 2014, Cousineau-Weaver recommended a non-traded REIT to J.F.,
21 who was 67 years old at the time and had an annual gross income of \$10,000. According to the REIT
22 application, J.F. had a net worth of \$750,000 and an adjusted net worth of \$650,000. In February 2014, a
23 CSU supervisor contacted Cousineau-Weaver and asked for details about the “client’s INDIVIDUAL
24

1 outside assets.” Cousineau-Weaver forwarded the e-mail to her Registered Assistant, who informed the
2 CSU supervisor that J.F. had a second home worth \$100,000. According to Ameriprise’s supervision
3 manual, second homes cannot be included in a client’s net worth. In May 2014, months after the
4 unsuitable recommendation, Cousineau-Weaver’s Registered Assistant submitted a “corrected” REIT
5 application for J.F., which showed that her net worth was actually \$250,000 (not \$750,000) and her
6 adjusted net worth was only \$100,000, well below the firm’s required minimum (\$250,000).

7 62. On or about February 10, 2014, Cousineau-Weaver recommended a \$150,000 non-traded
8 REIT investment to L.C., who was 69 years old at the time, and had a risk tolerance of
9 Conservative/Moderate. According to L.C.’s REIT application, his cumulative concentration amount was
10 19.64%, just below the firm’s 20% concentration limit. The suitability explanation on L.C.’s REIT
11 application stated: “Client is not concerned about liquidity and has over \$250,000 in readily liquid funds.”
12 According to L.C., Cousineau-Weaver never discussed that explanation with him. Cousineau-Weaver had
13 L.C. sign blank forms on multiple occasions and did not go over the forms with him. The CSU supervisor
14 later informed Cousineau-Weaver that L.C.’s risk tolerance was “below what is generally recommended”
15 for a non-traded REIT purchase. The CSU supervisor instructed Cousineau-Weaver to contact L.C. to
16 ensure that he “understood the possible risks involved with this product.” The CSU supervisor further
17 indicated that after the speaking with L.C., Cousineau-Weaver should “update” his client profile.

18 63. On or about February 10, 2014, Cousineau-Weaver recommended a \$40,000 non-traded
19 REIT to E.L., who was 83 years old at the time. The REIT application listed E.L.’s adjusted net worth as
20 \$420,000 and the suitability section stated: “Client is not concerned about the liquidity and likes the
21 dividends for income.” Cousineau-Weaver was later notified that E.L. did not meet the firm’s minimum
22 requirements for a client who was age 80 or older. An amended REIT application was subsequently
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1 prepared for E.L., which changed his adjusted net worth to \$510,000 (just above the firm's required
2 minimum).

3 64. On or about February 17, 2014, Cousineau-Weaver recommended a \$39,000 non-traded
4 REIT investment to J.J., a 77 year-old client with an investment time frame of only 1 to 3 years. In the
5 suitability section of the REIT application, Cousineau-Weaver stated that J.J. was "not concerned about
6 liquidity." Ameriprise records indicate, however, that in 2011, J.J. informed Cousineau-Weaver that she
7 wanted to "keep her money a little more liquid in case she needs long term care." In March 2014, a CSU
8 supervisor contacted Cousineau-Weaver about the suitability of the transaction and directed her to "review
9 the account time horizon." In April 2014, Cousineau-Weaver's Registered Assistant informed the CSU
10 supervisor that she "updated" the client's "Account suitability." Ameriprise records indicate that J.J.'s
11 investment time frame was changed to 8 to 10 years.

12 65. On or about February 17, 2014, Cousineau-Weaver recommended a \$30,000 non-traded
13 REIT to R.J., who was 56 years old at the time and had an annual gross income of \$20,000. The REIT
14 application erroneously listed R.J.'s adjusted net worth as \$700,000 and his cumulative concentration as
15 approximately 5%. In March 2014, a CSU supervisor contacted Cousineau-Weaver and asked her to
16 confirm whether the net worth figure listed on the REIT application was accurate. In May 2014,
17 Cousineau-Weaver's Registered Assistant sent the CSU supervisor an "updated" REIT application, which
18 showed that R.J.'s adjusted net worth was \$350,000 (not \$700,000) and his cumulative concentration was
19 over 18% (not approximately 5%). Weeks later, in July 2014, Cousineau-Weaver's Registered Assistant
20 submitted a section of the amended REIT application that initialed by R.J.
21

22 66. On or about December 11, 2014, Cousineau-Weaver recommended a \$40,000 non-traded
23 REIT to A.P., a 75-year-old client with an investment time frame of only 4 to 7 years. A CSU supervisor
24 later advised Cousineau-Weaver that the firm required an investment time frame of more than 7 years. The
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1 CSU supervisor directed Cousineau-Weaver to contact A.P. and “update” his client profile “as needed.”
2 Cousineau-Weaver also recommended a non-traded REIT to A.P.’s wife, B.P., who was 74 years old.
3 According B.P.’s REIT application, her adjusted net worth was \$380,000 and her cumulative concentration
4 was 19.73%, just below the firm’s 20% concentration limit. In January 2015, a CSU supervisor contacted
5 Cousineau-Weaver and asked her to provide additional information regarding the client’s individual
6 “outside assets.” The CSU supervisor later notified Cousineau-Weaver that she overstated B.P.’s net worth
7 on the REIT application and exceeded the firm’s 20% cumulative concentration limit.

8 67. In or about February 2015, Cousineau-Weaver recommended another non-traded REIT to
9 M.H.-1 (discussed above). In February 2015, a CSU Supervisor contacted Cousineau-Weaver and told her
10 that M.H.-1’s risk tolerance (Conservative/Moderate) was below the level “generally recommended” for a
11 REIT. The CSU supervisor instructed Cousineau-Weaver to contact M.H. and ensure that she “understood
12 the possible risks with this investment.” The CSU supervisor further indicated that after the speaking with
13 M.H.-1, Cousineau-Weaver should “update” her client profile.

14 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

15 **CONCLUSIONS OF LAW**

16 1. The offer and/or sale of the non-traded REITs described above constitute the offer and/or
17 sale of a security as defined in RCW 21.20.005(14) and (17).

18 2. Respondent Lori Cousineau Weaver engaged in dishonest or unethical business practices as
19 defined by WAC 460-22B-090(7), by recommending to a customer, the purchase, sale, or exchange of a
20 security without reasonable grounds to believe that such recommendation was suitable for the customer,
21 based upon a reasonable inquiry concerning the customer’s investment objectives, financial situation and
22 needs, and other relevant information. Such conduct is grounds for suspension of Lori Cousineau
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Weaver's securities salesperson registration and for the imposition of a fine pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g).

3. Respondent Ameriprise Financial Services, Inc. engaged in dishonest or unethical business practices as defined by WAC-460-21B-060(3), by recommending to a customer, the purchase, sales, or exchange of a security without reasonable grounds for believing that such recommendation was suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and other relevant information. Such conduct is grounds for the imposition of fines pursuant to RCW 21.20.110(1)(g).

4. Respondents Lori Cousineau Weaver and Ameriprise Financial Services, Inc. have each violated RCW 21.20.702 because, as set forth above, they recommended the purchase, sale, or exchange of a security without reasonable grounds for believing that the recommendation was suitable for the customer, based upon facts disclosed by the customer as to their other security holdings, financial situation and needs. Such conduct is grounds for suspension of Lori Cousineau Weaver's securities salesperson registration pursuant to RCW 21.20.110(1)(b), and for the imposition of fines against Respondents Lori Cousineau Weaver and Ameriprise Financial Services, Inc., pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g).

5. Respondents Lori Cousineau Weaver and Ameriprise Financial Services, Inc., have each failed to comply with FINRA Rule 2310 ("Direct Participation Programs"), because, as set forth above, they recommended the purchase, sale, or exchange of an interest in a direct participation program: (i) without reasonable grounds to believe, on the basis of information obtained from the participant concerning his investment objectives, other investments, financial situation and needs, and other known information, that the participant has a fair market net worth sufficient to sustain the risks inherent in the program, including the loss of investment and lack of liquidity, and that the program was otherwise suitable for the

1 participant; and (ii) because they each failed to maintain documents disclosing the basis upon which the
2 determination of suitability was reached as to each participant. Such conduct is a dishonest or unethical
3 business practice as defined by WAC 460-22B-090(19) and WAC 460-21B-060(24), and is grounds for the
4 suspension of Lori Cousineau Weaver's securities salesperson registration pursuant to RCW
5 21.20.110(1)(b) and RCW 21.20.110(1)(g), and for the imposition of fines against Respondents Lori
6 Cousineau-Weaver and Ameriprise Financial Services, Inc. pursuant to RCW 21.20.110(1)(b) and RCW
7 21.20.110(1)(g).

8 6. Respondent Ameriprise Financial Services, Inc. failed to reasonably supervise a securities
9 salesperson, Lori Cousineau Weaver, who committed multiple violations of the RCW 21.20 and WAC
10 460-22B-090, as described above. Such conduct is grounds to impose a fine pursuant to RCW
11 21.20.110(1)(j).

12 7. Respondent Lori Cousineau Weaver has violated RCW 21.20.010, by, in connection with
13 the offer, sale, or purchase of securities, omitting to state a material fact necessary in order to make the
14 statements made, in light of the circumstances in which they were made, not misleading. Such conduct is
15 grounds for suspension of Lori Cousineau Weaver's securities salesperson registration pursuant to RCW
16 21.20.110(1)(b), and to impose a fine against Respondent Lori Cousineau Weaver pursuant to RCW
17 21.20.110(1)(b) and RCW 21.20.110(1)(g).

18 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

19
20 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
21 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondents Lori Cousineau Weaver
22 and Ameriprise Financial Services, Inc., their agents and employees each shall cease and desist from
23 violations of RCW 21.20.702, and that Respondent Lori Cousineau Weaver, her agents and employees
24 each shall cease and desist from violations of RCW 21.20.010.

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NOTICE OF INTENT TO SUSPEND REGISTRATION

Pursuant to RCW 21.20.110 and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the securities salesperson registration of Respondent Lori Cousineau Weaver be suspended for a period of one year.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.110 and RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that:

- a. Respondent Lori Cousineau Weaver shall be liable for and shall pay a fine of \$100,000; and
- b. Respondent Ameriprise Financial Services, Inc. shall be liable for and shall pay a fine of \$100,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390 and RCW 21.20.110, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Lori Cousineau-Weaver and Ameriprise Financial Services, Inc. shall each be liable for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than \$15,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 21.20.110 and RCW 21.20.390 and is subject to the provisions of RCW 21.20.120 and RCW 34.05. The Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final, and to enter a permanent order to cease and desist as to that

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Respondent, to impose any fines sought against that respondent, suspend registration, and to charge any costs sought against that Respondent.

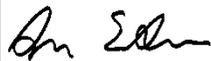
Signed and Entered this 23rd day of February 2016.



William M. Beatty
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason
Chief of Enforcement



Robert Kondrat
Financial Legal Examiner Supervisor