

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-14-1575-16-CO02
Whether there has been a violation of the)
Securities Act of Washington by:) **CONSENT ORDER AS TO**
)
Ameriprise Financial Services, Inc.;) **AMERIPRISE FINANCIAL SERVICES, INC.**
)
)
Respondent.)
)

INTRODUCTION

On February 23, 2016, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges, Order Number S-14-1575-15-SC-01, against Respondent Ameriprise Financial Services, Inc. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent Ameriprise Financial Services, Inc. do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondent Ameriprise Financial Services, Inc. neither admits, nor denies the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

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

CONSENT ORDER
AS TO AMERIPRISE FINANCIAL SERVICES, INC.

Background

2. Lori Cousineau Weaver (“Cousineau-Weaver”)(CRD #1731464) was a registered securities salesperson and investment adviser representative at Ameriprise between approximately 1989 and July 2015. In July 2015, Cousineau-Weaver resigned from Ameriprise.

Nature of the Conduct

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

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

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

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

12 *Overview*

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

17 7. Over this time period, Cousineau-Weaver repeatedly recommended non-traded REITs to
18 clients who did not meet Ameriprise's suitability policies, including minimum income and net worth
19 requirements in the firm's compliance manual. Cousineau-Weaver repeatedly used inflated and inaccurate
20 net worth and/or income figures on REIT applications. As a result, Cousineau-Weaver made inaccurate
21 concentration calculations (the percentage of an investor's net worth held in non-traded REITs), which
22 sometimes caused her to exceed the firm's concentration limits. Cousineau-Weaver also recommended
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1 non-traded REITs to clients who did not meet the firm's suitability requirements for risk tolerance and
2 investment time frame.

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

9 9. Ameriprise failed to reasonably supervise Cousineau-Weaver and her non-traded REIT
10 sales. Year after year, Cousineau-Weaver recommended non-traded REITs to clients who did not meet the
11 firm's minimum suitability requirements. Year after year, Cousineau-Weaver submitted REIT applications
12 with inaccurate client financial information. An Ameriprise supervisor repeatedly encouraged Cousineau-
13 Weaver to update client profiles (*post-recommendation*) to the extent they were inaccurate, which made it
14 appear that her prior recommendations had complied with the firm's suitability policies, when in fact, they
15 did not. Ameriprise was aware that Cousineau-Weaver continued to update client profile data on a post-
16 transaction basis and make errors on REIT applications, which continued over several years.

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

19 10. Prior to recommending a non-traded REIT to a client, Ameriprise required Cousineau-
20 Weaver to verify that her client's profile information was up-to-date, and ensure that her recommendation
21 was suitable and met Ameriprise's minimum suitability requirements. Between approximately 2008 and
22 April 2009, Ameriprise required clients under age 80 to have either: (1) a minimum annual gross income of
23 \$45,000 and a minimum net worth (excluding the client's primary residence, furnishings, and automobiles,
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1 hereinafter “adjusted net worth”) of at least \$45,000; or (2) a minimum adjusted net worth of \$150,000.
2 After April 2009, Ameriprise required clients under 80 to have either: (1) a minimum annual gross income
3 of \$70,000 and a minimum adjusted net worth of \$70,000; or (2) a minimum adjusted net worth of
4 \$250,000. Many of Cousineau-Weaver’s clients did not meet the minimum income requirement.
5 Cousineau-Weaver relied on the fact that these clients met the minimum adjusted net worth requirement,
6 which for most clients was \$250,000. Clients who were 80 or older were required to have a substantially
7 higher minimum adjusted net worth -- \$500,000. As detailed below, Cousineau-Weaver repeatedly
8 recommended non-traded REIT to clients who did not meet these minimum requirements.

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

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

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20 12. As a result of using inaccurate net worth figures, Cousineau-Weaver also used inaccurate
21 concentration figures on some of the REIT applications that she submitted. When filling out a REIT
22 application, Cousineau-Weaver had to calculate the client’s concentration in non-traded REITs, for the both
23 recommended transaction and all other REIT investments held by the client (hereinafter “cumulative
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1 concentration”). By using inflated spousal adjusted net worth figures, Cousineau-Weaver significantly
2 understated her client’s cumulative concentration in non-traded REITs.

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

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

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

15 *Unsuitable Risk Tolerances and Investment Time Frames*

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

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

12 *Unsuitable Sales of Non-Traded REITs to Seniors*

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

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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.

Identical Suitability Explanations

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

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15 21. In 2008 and 2009, Cousineau-Weaver used following suitability explanations on REIT
16 applications for several different clients:

- 17 • “Doesn’t need liquidity”
- 18 • “Does not need liquidity”

19 Cousineau-Weaver failed to include any other explanation or justification for why the recommended
20 product was suitable for the specific client. For example, in May 2008, Cousineau-Weaver sold a \$10,000
21 non-traded REIT to P.D., who was 79 years old at the time. The suitability explanation merely stated
22 “Doesn’t need liquidity.” In fact, P.D. later contacted Cousineau-Weaver’s office and complained about
23 the illiquidity of the investment. According to P.D., she did not understand that a REIT was an illiquid
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1 product, and she would not have purchased a REIT if this had been fully explained to her. In May 2008,
2 Cousineau-Weaver also sold a \$50,000 non-traded REIT to G.R., who was 84 years old at the time. The
3 suitability explanation on G.R.'s REIT application merely stated "Does not need liquidity." In August
4 2008, Cousineau-Weaver recommended a \$35,400 REIT to B.L., who was 79 years old at the time. The
5 suitability explanation on B.L.'s REIT application stated: "Doesn't need liquidity and wants steady
6 income."

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

- 9 • "Client doesn't need liquidity and likes the dividends from the REIT."
- 10 • "Client doesn't need liquidity and likes dividends from income."
- 11 • "Clients don't need liquidity and likes the income from the dividends."
- 12 • "Client likes dividends for income and doesn't need these funds to be liquid."
- 13 • "Client will not need the funds and likes the dividends for income."
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15 In many cases, Cousineau-Weaver did not explain or otherwise document why the recommended product
16 was suitable for the specific client. Cousineau-Weaver used identical and nearly-identical explanations for
17 clients with different financial profiles, ages (which ranged from 52 to 90), incomes (which ranged from \$0
18 to \$250,000), and net worth (which ranged from \$400,000 to more than \$3 million). Some clients have
19 informed the Securities Division that they did not provide this explanation to Cousineau-Weaver or her
20 staff. Moreover, some of Cousineau-Weaver's clients did in fact "need liquidity" and later complained to
21 her about the illiquid nature of the non-traded REITs that she recommended.

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

4 24. In October 2014, a delegate for Cousineau-Weaver’s field supervisor met with her and later
5 sent her an e-mail stating that there was “no real documentation” for some of Cousineau-Weaver’s non-
6 traded sales. The supervisor further indicated that Cousineau-Weaver had not adequately documented the
7 suitability rationale for some of her recommendations, as required by FINRA rules.

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

9 25. When recommending non-traded REITs, Cousineau-Weaver failed to adequately consider
10 the potential future liquidity needs of some of her senior citizen clients. Ameriprise’s compliance manual
11 noted that seniors on fixed incomes “may have a greater need for more liquidity” and “may be relying on
12 investment assets to cover anticipated and unanticipated health care costs.” Ameriprise advised its
13 representatives to inquire into whether senior investors had a sufficient cash reserve to meet unplanned
14 expenses.
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16 26. In spite of these admonitions, Cousineau-Weaver repeatedly sold non-traded REITs to
17 clients with a relatively small amount of liquid net worth (\$5,000 to \$25,000) and to clients whose liquid
18 net worth constituted a very small portion of their total net worth (2% to 4%). For example, in January
19 2011, Cousineau-Weaver recommended a \$15,000 non-traded REIT to M.G., who was 50 years old at the
20 time. Cousineau-Weaver did not fully disclose to M.G. that she would not be able to access her funds in
21 the REIT, and Cousineau-Weaver did not mention the downside of investing in a REIT. In the suitability
22 section of M.G.’s REIT application, Cousineau-Weaver merely stated: “Client doesn’t need liquidity and
23 likes the diversification.” M.G. told Cousineau-Weaver that she wanted to be able to access her funds, and
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1 did not have funds readily available in case of an emergency. According to her client profile, M.G.'s liquid
2 net worth was only \$15,000 at the time that Cousineau-Weaver recommended a non-traded REIT.
3 Cousineau-Weaver made other sales of non-traded REIT to clients with a low liquid net worth, as detailed
4 below.

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

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

11 28. Ameriprise failed to reasonably supervise Cousineau-Weaver and her voluminous non-
12 traded REITs sales. Ameriprise had supervisory procedures to review non-traded REIT transactions and
13 detect unsuitable recommendations. Ameriprise repeatedly detected that Cousineau-Weaver had updated
14 client profile data on a post-transaction basis and made numerous errors on REIT applications.
15 Ameriprise's supervisory system failed to prevent additional violations by Cousineau-Weaver, who
16 continued to make unsuitable recommendations for several years.

17 29. Prior to around 2010, Cousineau-Weaver's non-traded REIT transactions by reviewed by
18 her "field" supervisors. Beginning in and around 2010, Cousineau-Weaver's non-traded REIT transactions
19 were reviewed by a registered principal in Ameriprise's Centralized Supervision Unit in Minnesota ("CSU
20 supervisor"), who was supposed to work "closely" with her field supervisor on supervisory issues. The
21 CSU supervisor reviewed non-traded REIT transactions for compliance with the firm's minimum
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1 suitability requirements, including risk tolerance, investment time frame, cumulative concentration, and
2 adjusted net worth.

3 30. Between 2011 and 2014, Ameriprise supervisors repeatedly found that Cousineau-Weaver
4 recommended non-traded REITs to clients whose client profile data at the time of the transaction did not
5 appear to meet Ameriprise's suitability requirements. Ameriprise supervision staff also found that
6 Cousineau-Weaver repeatedly made significant errors on non-traded REIT applications, including her
7 client's net worth, income, and cumulative concentration figures.

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

15 32. In several instances, the Central Supervision Unit found that Cousineau-Weaver that had
16 recommended non-traded REIT to clients who did not meet the firm's minimum adjusted net worth
17 requirements. The Central Supervision Unit allowed Cousineau-Weaver and her staff to re-submit
18 amended REIT applications with handwritten changes to the client's net worth or income figures, which
19 the firm required to be initialed by the client, making it appear that client met the firm's minimum
20 requirements. The Central Supervision Unit repeatedly found that Cousineau-Weaver had recommended
21 non-traded REITs to clients with potentially unsuitable investment time frames or risk tolerances, based on
22 the client profile at the time of the transaction. A CSU supervisor repeatedly encouraged Cousineau-
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Weaver to update client profiles on a post-transaction basis. Cousineau-Weaver continued to make unsuitable recommendations for years, which enabled her to earn hundreds of thousands of dollars in commissions.

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

2011 Sales

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

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

35. On or about May 9, 2011, Cousineau-Weaver recommended a \$74,000 non-traded REIT investment to D.Z., who was 75 years old at the time and had an investment time frame of only 4 to 7

1 years. On the REIT application, Cousineau-Weaver listed D.Z.'s annual gross income as \$78,000, when in
2 fact, it was \$60,000. That same day, Cousineau-Weaver also recommended a \$39,400 non-traded REIT to
3 D.Z.'s wife, M.Z., who was 71 years old at the time. On the REIT application, Cousineau-Weaver stated
4 that M.Z.'s annual gross income was \$78,000 when in fact, it was only \$18,000. The suitability
5 explanation on M.Z.'s and D.Z.'s REIT applications both stated: "Client doesn't need liquidity and likes
6 the dividends from the REIT" and "Client likes dividends for income and doesn't need these funds to be
7 liquid."

8 36. On or about May 12, 2011, Cousineau-Weaver recommended a \$46,260 non-traded REIT
9 investment to L.W., who was 75 years old at the time and had an investment time frame of 4 to 7 years.
10 The suitability explanation on L.W.'s REIT application stated: "Client doesn't need liquidity and likes
11 dividends from REIT" and "Client likes dividends for income and doesn't need these funds liquid." On the
12 REIT application, Cousineau-Weaver incorrectly listed L.W.'s net worth as \$630,000, when in fact, it was
13 only \$315,000. The REIT application listed L.W.'s income as \$60,000, when in fact, it was \$24,000.
14 Cousineau-Weaver also submitted an inaccurate cumulative concentration figure on the REIT application.
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16 37. On or about May 13, 2011, Cousineau-Weaver recommended a \$92,500 non-traded REIT
17 investment to M.H.-1, who was 71 years old at the time and had a risk tolerance of Conservative-Moderate.
18 The REIT application stated that M.H.-1's individual net worth was \$1,230,000, when in fact, it was only
19 \$562,297. The REIT application listed M.H.-1's annual gross income as \$90,000, while Ameriprise
20 records indicate that it was actually \$22,560. The suitability explanation on M.H.-1's REIT application
21 stated: "Client doesn't need liquidity and likes dividends from REIT" and "Client likes dividends for
22 income and doesn't need funds to be liquid." Cousineau-Weaver recommended another non-traded REIT
23 to M.H.-1 in 2015, as discussed below.
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1 38. On or about May 17, 2011, Cousineau-Weaver recommended a \$20,000 non-traded REIT to
2 D.T., who was 71 years old at the time. According to the REIT application, D.T.'s cumulative
3 concentration was 20%, which was twice the firm's recommended concentration level (10%). The
4 suitability explanation on D.T.'s REIT application stated: "Client doesn't need liquidity and likes the
5 dividends from the REIT" and "Client likes dividends for income and doesn't need these funds to be
6 liquid."

7 39. In and around May 2011, Cousineau-Weaver recommended a non-traded REIT to W.F.,
8 who was 80 years old at the time. Years earlier, in 2008, W.F. purchased a non-traded REIT through a
9 joint account, and his cumulative concentration at that time was 18.9%. By 2011, W.F. had turned 80 and
10 was subject to the firm's lower cumulative concentration limit (10%). Ameriprise records indicate that one
11 of Cousineau-Weaver's staff contacted W.F. and noted: "We can't do over 10% in his name but we can
12 move the cash" to an account in the name of his wife and invest "that way." A few weeks later, funds were
13 transferred from the joint account to an account in the name of W.F.'s wife, who was less than 80 years old
14 and subject to a higher concentration limit (20%). The transferred funds were used to purchase a non-
15 traded REIT.
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17 40. In June 2011, Cousineau-Weaver recommended a \$45,000 non-traded REIT to M.H.-2, who
18 was 67 years old at the time. The REIT application listed identical figures (\$600,000) for M.H.-2's net
19 worth and adjusted net worth. According to her client profile, M.H.-2's liquid net worth was only \$15,000
20 at the time of the recommendation. Nevertheless, Cousineau-Weaver recommended that M.H.-2 purchase
21 a \$45,000 non-traded REIT. M.H.-2 does not recall Cousineau-Weaver mentioning any downside about
22 the REIT product or that the REIT had risks. Cousineau-Weaver did not tell M.H.-2 about any fees
23 associated with purchasing the REIT. A few months later, on or about December 8, 2011, Cousineau-
24

1 Weaver recommended a \$50,000 non-traded REIT to T.P., a 60-year-old client whose investment time
2 frame was only 4 to 7 years. The suitability explanation on T.P.'s REIT application stated: "Client does
3 not need liquidity and likes the dividends provided by REIT."
4

5 *2011 Bonus*

6 41. Between 2010 and 2011, Cousineau-Weaver's REIT commissions soared from
7 approximately \$30,000 to more than \$195,000. Cousineau-Weaver's voluminous sales made her eligible
8 for Ameriprise's REIT Bonus Program, which provided additional financial incentives to representatives to
9 sell non-traded REITs. In order to be eligible for the Bonus Program, Cousineau-Weaver had to sell
10 hundreds of thousands of dollars' worth of REITs and generate at least \$100,000 in time-of-sale gross
11 dealer concession (hereinafter "Total REIT GDC"). Between 2010 and 2011, Cousineau-Weaver's Total
12 REIT GDC more than tripled from approximately \$55,000 to over \$170,000, making her eligible for a
13 bonus. Cousineau-Weaver received a \$31,989.75 bonus for her 2011 sales. In December 2012, Ameriprise
14 announced that it was discontinuing the Bonus Program.
15

16 *2012 DFI Examination and Deficiency Letter to Ameriprise*

17 42. In July 2012, the Securities Division conducted an examination of Cousineau-Weaver's
18 office in Sequim, Washington. In August 2012, DFI examination staff sent a deficiency letter to
19 Cousineau-Weaver and Ameriprise, and provided multiple examples of potentially unsuitable non-traded
20 REIT sales by Cousineau-Weaver. In September 2012, Ameriprise responded to each of the examples
21 cited in DFI's deficiency letter and repeatedly stated: "The Firm believes each REIT transaction was
22 suitable for the client." Following DFI's examination and deficiency letter, Cousineau-Weaver continued
23 to make unsuitable recommendations of non-traded REITs to her clients.
24

25 **CONSENT ORDER**

AS TO AMERIPRISE FINANCIAL SERVICES, INC.

Post-Examination Sales

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

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

21
22 45. On or about October 8, 2012, Cousineau-Weaver recommended a \$61,700 non-traded REIT
23 to R.D., who was 77 years old at the time. The suitability explanation on R.D.'s REIT application stated:
24 "Client doesn't need funds liquid and likes dividends from REIT for income" and "Likes dividends and

1 isn't concerned with the liquidity." The REIT application incorrectly listed R.D.'s adjusted net worth as \$1
2 million. On October 23, 2012, a CSU supervisor notified Cousineau-Weaver that the net worth and income
3 figures used on R.D.'s REIT application did not match his client profile, and appeared to be his combined
4 spousal net worth, rather than his individual net worth. Cousineau-Weaver's Registered Assistant later
5 confirmed that inaccurate figures were used on R.D.'s REIT application.

6 *2012 Compliance Review*

7 46. On December 3, 2012, an Ameriprise compliance examiner conducted an on-site review of
8 Cousineau-Weaver's office in Renton, Washington. The compliance examiner reviewed Cousineau-
9 Weaver's non-traded REIT sale to R.D. (discussed in the previous paragraph), including her suitability
10 rationale. The compliance examiner informed Cousineau-Weaver that she needed to improve the
11 documentation of her suitability determinations, and provided Cousineau-Weaver with sample language,
12 templates, and worksheets. The compliance examiner also reviewed FINRA's suitability rule with
13 Cousineau-Weaver. After the Ameriprise compliance review, Cousineau-Weaver continued to make
14 unsuitable non-traded REIT recommendations to her clients, including R.D., who was sold another
15 unsuitable non-traded REIT in January 2014, as discussed below.
16

17 *Additional Unsuitable Sales*

18 47. On or about December 18, 2012, Cousineau-Weaver recommended a \$40,000 non-traded
19 REIT to R.C., a 63-year-old client with an annual gross income of \$26,000. According to the REIT
20 application, R.C.'s adjusted net worth was \$245,000. After Cousineau-Weaver was notified that R.C. did
21 not meet the firm's suitability requirements, she arranged for her staff to submit an amended REIT
22 application, which changed R.C.'s adjusted net worth to \$265,000, just above the required minimum.
23
24

1 48. On or about December 31, 2012, Cousineau-Weaver recommended a \$25,000 non-traded
2 REIT to G.P., a 50-year-old client with an annual gross income of \$52,000. On the REIT application,
3 Cousineau-Weaver listed identical figures for G.P.'s total net worth and her adjusted net worth (\$250,000).
4 These figures indicate that Cousineau-Weaver did not exclude the value of any automobiles or home
5 furnishings, which would have decreased G.P.'s adjusted net worth below the firm's required minimum
6 (\$250,000). Ameriprise records indicate that at the time of Cousineau-Weaver's recommendation, G.P.'s
7 liquid net worth was only \$5,000.

8 49. In February 2013, K.B. established a new brokerage account with Cousineau-Weaver, who
9 recommended a \$40,000 non-traded REIT to her. K.B. indicated on her new account form that her risk
10 tolerance was Conservative. On March 5, 2013, a CSU supervisor instructed Cousineau-Weaver to review
11 the account with K.B. and "if appropriate, update the Risk Tolerance to reflect Moderate." The next day,
12 on or about March 6, 2013, Cousineau-Weaver's Registered Assistant changed K.B.'s risk tolerance to
13 Moderate. K.B. informed the Securities Division that she did not speak to anyone about changing her risk
14 tolerance. A few months later, in July 2013, Cousineau-Weaver sent an e-mail to K.B. that confirmed that
15 K.B. had "wanted to remain fairly conservative." Cousineau-Weaver's e-mail further stated: "Everything
16 that we invested with you was to be more on the conservative side."
17

18 50. In March 2013, Cousineau-Weaver met with R.K.-1 and his wife R.K.-2. Ameriprise
19 records indicate that Cousineau-Weaver noted that R.K.-1 and R.K.-2 were "both very conservative" and
20 their new account form listed their risk tolerance as Conservative. In May 2013, after reviewing a REIT
21 application that was submitted for R.K.-1 and R.K.-2, a CSU supervisor notified Cousineau-Weaver that
22 the "purchase may not be valid" and that the risk tolerance needed to be "Moderate or higher." The CSU
23 supervisor advised Cousineau-Weaver to contact the clients and update their client profile "as needed." In
24

1 June 2013, Cousineau-Weaver's Registered Assistant notified the Central Supervision Unit that she
2 "updated the account suitability" and Ameriprise records indicate that the risk tolerance for the clients was
3 changed from Conservative to Moderate.

4 51. On March 3, 2013, Cousineau-Weaver recommended a \$22,800 non-traded REIT to S.S., a
5 50-year-old client. Cousineau-Weaver was later notified by a CSU supervisor that the net worth figures
6 used on S.S.'s REIT application did not match her client profile. Cousineau-Weaver's Registered Assistant
7 later informed the Central Supervision Unit: "Our new employee filled this out and used the wrong
8 numbers." The REIT application included inaccurate figures for S.S.'s net worth and annual gross income.

9 *2013 DFI Investigation and Additional Unsuitable Sales*

10 52. In May 2013, DFI's enforcement staff requested records from Ameriprise regarding non-
11 traded REIT sales by Cousineau-Weaver, including a description of her oral representations to clients. In
12 response, Ameriprise provided the Securities Division with an e-mail dated June 3, 2013 that appeared to
13 have been sent by Cousineau-Weaver, which included a detailed explanation of her purported disclosure to
14 clients when recommending a non-traded REIT. In fact, Cousineau-Weaver arranged for her Registered
15 Assistant to draft the e-mail, and modify it so that it appeared to have been sent by Cousineau-Weaver.
16

17 53. On or about December 4, 2013, Cousineau-Weaver recommended a \$40,000 non-traded
18 REIT investment to W.L., who was 73 years old at the time and had a risk tolerance of
19 Conservative/Moderate. On December 26, 2013, a CSU supervisor notified Cousineau-Weaver that the
20 purchase was "not valid" and provided Cousineau-Weaver with excerpts from the firm's compliance
21 manual, including the firm's minimum suitability requirements for risk tolerance. The CSU supervisor
22 directed Cousineau-Weaver to contact the client to discuss and "update" the client's profile "as needed."
23 The next day, Cousineau-Weaver's Registered Assistant changed W.L.'s risk tolerance to Moderate.
24

25 **CONSENT ORDER**

AS TO AMERIPRISE FINANCIAL SERVICES, INC.

1 Cousineau-Weaver later e-mailed her Registered Assistant and asked if it was “Taken care of?” and the
2 Registered Assistant replied “Yes.”

3 54. On or about December 12, 2013, Cousineau-Weaver recommended a \$40,000 non-traded
4 REIT to M.M., a 63-year-old client with an annual gross income of \$40,000. According to the REIT
5 application, M.M.’s adjusted net worth was only \$220,000, which fell below the firm’s required minimum
6 (\$250,000). The REIT application was signed by Cousineau-Weaver’s Registered Assistant on behalf of
7 Cousineau-Weaver. The Registered Assistant was subsequently notified that in order to sign REIT
8 applications, she needed to first complete the firm’s required non-traded REIT training. The Registered
9 Assistant later enrolled in, but did not complete, the required training. After a CSU supervisor notified
10 Cousineau-Weaver that M.M. did not meet the firm’s minimum requirements, Cousineau-Weaver’s
11 Registered Assistant informed the CSU supervisor that M.M. had additional funds in savings that were not
12 included in their client profile. The Registered Assistant arranged for an amended REIT application to be
13 signed by M.M. The Registered Assistant directed another staff member contact M.M. and tell him that it
14 was “just for compliance” and that the purchase had “already gone through.”

15
16 *2014-2015 Unsuitable Sales*

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

21 56. On or about January 12, 2014, Cousineau-Weaver recommended a \$60,000 non-traded
22 REIT to H.N., an 84-year old client, and his wife, L.N., who had a risk tolerance of
23 Conservative/Moderate. The suitability explanation on the REIT application stated in part: “Client is not
24

1 concerned about liquidity and likes dividends for income.” According to L.N., Cousineau-Weaver did not
2 discuss any risks involved with purchasing a REIT and did not discuss their liquidity needs and did not tell
3 them about any downside about the REIT. Two months later, in March 2014, a CSU supervisor contacted
4 Cousineau-Weaver regarding the sale, and directed her to “review account risk level.” In April 2014,
5 months after the unsuitable recommendation, Cousineau-Weaver’s Registered Assistant informed the CSU
6 supervisor that the risk tolerance for the clients had been “updated.”

7 57. On or about January 20, 2014, Cousineau-Weaver recommended another non-traded REIT
8 investment to R.D., who by that time was 79 years old. According to the REIT application, R.D.’s
9 cumulative concentration was 19.71%, just below the firm’s concentration limit (20%). The suitability
10 explanation on R.D.’s REIT application stated in part: “Client is not concerned with liquidity and likes the
11 dividends for income.” In March 2014, a CSU supervisor contacted Cousineau-Weaver to confirm the
12 accuracy of the net worth figure used on the REIT application. In April 2014, Cousineau-Weaver’s
13 Registered Assistant informed the CSU supervisor that the REIT application used spousal, rather than
14 individual net worth (the same error that occurred in R.D.’s October 2012 REIT application, discussed
15 above). In June 2014, Cousineau-Weaver’s Registered Assistant sent the CSU supervisor an amended
16 REIT application for the transaction, which showed that R.D.’s actual adjusted net worth was \$596,000,
17 not \$898,000. Using the corrected figures, R.D.’s cumulative concentration was actually more than 29%,
18 which exceeded the firm’s 20% concentration limit.
19

20 58. On or about January 20, 2014, Cousineau-Weaver recommended a \$26,000 non-traded
21 REIT to P.O., a 61-year-old client with an annual gross income of \$50,000. In March 2014, a CSU
22 supervisor contacted Cousineau-Weaver and notified her that the REIT application appeared to use spousal,
23
24

1 rather than individual net worth. Months later, in August 2014, Cousineau-Weaver's Registered Assistant
2 submitted an "updated" REIT application for the transaction, with corrected figures.

3 59. On or about January 25, 2014, Cousineau-Weaver recommended a \$23,000 non-traded
4 REIT to T.P., who was 81 years old at the time. The suitability explanation on T.P.'s REIT application
5 stated: "Client is not concerned about liquidity and likes the dividends for income." According to the REIT
6 application, T.P.'s net worth was \$470,000 and his adjusted net worth was \$270,000, well below the firm's
7 minimum requirements for a client who was 80 or older (\$500,000). Ameriprise notified Cousineau-
8 Weaver that the sale did not meet the firm's minimum requirements, and the transaction was not processed.

9 60. On or about January 28, 2014, Cousineau-Weaver recommended a non-traded REIT to J.F.,
10 who was 67 years old at the time and had an annual gross income of \$10,000. According to the REIT
11 application, J.F. had a net worth of \$750,000 and an adjusted net worth of \$650,000. In February 2014, a
12 CSU supervisor contacted Cousineau-Weaver and asked for details about the "client's INDIVIDUAL
13 outside assets." Cousineau-Weaver forwarded the e-mail to her Registered Assistant, who informed the
14 CSU supervisor that J.F. had a second home worth \$100,000. According to Ameriprise's supervision
15 manual, second homes cannot be included in a client's net worth. In May 2014, months after the
16 unsuitable recommendation, Cousineau-Weaver's Registered Assistant submitted a "corrected" REIT
17 application for J.F., which showed that her net worth was actually \$250,000 (not \$750,000) and her
18 adjusted net worth was only \$100,000, well below the firm's required minimum (\$250,000).
19

20 61. On or about February 10, 2014, Cousineau-Weaver recommended a \$150,000 non-traded
21 REIT investment to L.C., who was 69 years old at the time, and had a risk tolerance of
22 Conservative/Moderate. According to L.C.'s REIT application, his cumulative concentration amount was
23 19.64%, just below the firm's 20% concentration limit. The suitability explanation on L.C.'s REIT
24

1 application stated: "Client is not concerned about liquidity and has over \$250,000 in readily liquid funds."
2 According to L.C., Cousineau-Weaver never discussed that explanation with him. Cousineau-Weaver had
3 L.C. sign blank forms on multiple occasions and did not go over the forms with him. The CSU supervisor
4 later informed Cousineau-Weaver that L.C.'s risk tolerance was "below what is generally recommended"
5 for a non-traded RETI purchase. The CSU supervisor instructed Cousineau-Weaver to contact L.C. to
6 ensure that he "understood the possible risks involved with this product." The CSU supervisor further
7 indicated that after the speaking with L.C., Cousineau-Weaver should "update" his client profile.

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

15 63. On or about February 17, 2014, Cousineau-Weaver recommended a \$39,000 non-traded
16 REIT investment to J.J., a 77 year-old client with an investment time frame of only 1 to 3 years. In the
17 suitability section of the REIT application, Cousineau-Weaver stated that J.J. was "not concerned about
18 liquidity." Ameriprise records indicate, however, that in 2011, J.J. informed Cousineau-Weaver that she
19 wanted to "keep her money a little more liquid in case she needs long term care." In March 2014, a CSU
20 supervisor contacted Cousineau-Weaver about the suitability of the transaction and directed her to "review
21 the account time horizon." In April 2014, Cousineau-Weaver's Registered Assistant informed the CSU
22
23
24

1 supervisor that she “updated” the client’s “Account suitability.” Ameriprise records indicate that J.J.’s
2 investment time frame was changed to 8 to 10 years.

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

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

1 66. In or about February 2015, Cousineau-Weaver recommended another non-traded REIT to
2 M.H.-1 (discussed above). In February 2015, a CSU Supervisor contacted Cousineau-Weaver and told her
3 that M.H.-1's risk tolerance (Conservative/Moderate) was below the level "generally recommended" for a
4 REIT. The CSU supervisor instructed Cousineau-Weaver to contact M.H. and ensure that she "understood
5 the possible risks with this investment." The CSU supervisor further indicated that after the speaking with
6 M.H.-1, Cousineau-Weaver should "update" her client profile.

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

8 **CONCLUSIONS OF LAW**

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

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

18 4. Respondent Ameriprise Financial Services, Inc., through Lori Cousineau-Weaver, violated
19 RCW 21.20.702 by recommending the purchase, sale, or exchange of a security without reasonable
20 grounds for believing that the recommendation was suitable for the customer, based upon facts disclosed
21 by the customer as to their other security holdings, financial situation and needs. Such conduct is grounds
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23
24

1 for the imposition of a fine against Respondent Ameriprise Financial Services, Inc., pursuant to RCW
2 21.20.110(1)(g).

3 5. Respondent Ameriprise Financial Services, Inc. failed to comply with FINRA Rule 2310
4 (“Direct Participation Programs”), because, as set forth above, Respondent, through Lori Cousineau-
5 Weaver, recommended the purchase, sale, or exchange of an interest in a direct participation program: (i)
6 without reasonable grounds to believe, on the basis of information obtained from the participant concerning
7 his investment objectives, other investments, financial situation and needs, and other known information,
8 that the participant has a fair market net worth sufficient to sustain the risks inherent in the program,
9 including the loss of investment and lack of liquidity, and that the program was otherwise suitable for the
10 participant; and (ii) without maintaining documents disclosing the basis upon which the determination of
11 suitability was reached as to each participant. Such conduct is a dishonest or unethical business practice as
12 defined by WAC 460-21B-060(24), and is grounds for the imposition of a fine against Respondent
13 Ameriprise Financial Services, Inc. pursuant to RCW 21.20.110(1)(g).

14 6. Respondent Ameriprise Financial Services, Inc. has failed to reasonably supervise a
15 securities salesperson, Lori Cousineau Weaver, who committed multiple violations of RCW 21.20 and
16 WAC 460-22B-090, as described above. Such conduct is grounds to impose a fine pursuant to RCW
17 21.20.110(1)(j).
18

19
20 Based upon the foregoing and finding it in the public interest:

21 **CONSENT ORDER**

22 IT IS AGREED AND ORDERED that Respondent Ameriprise Financial Services, Inc., its agents,
23 and employees each shall cease and desist from violating RCW 21.20.702, the suitability section of the
24 Securities Act of Washington.

25 **CONSENT ORDER**

AS TO AMERIPRISE FINANCIAL SERVICES, INC.

1 IT IS FURTHER AGREED AND ORDERED that Respondent Ameriprise Financial Services, Inc.
2 shall be liable for and shall pay a fine of \$40,000 prior to the entry of this Consent Order.

3 IT IS FURTHER AGREED AND ORDERED that Respondent Ameriprise Financial Services, Inc.,
4 shall be liable for and shall pay investigative costs of \$15,000 on or before entry of this Consent Order.

5 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

6 IT IS FURTHER AGREED that Respondent Ameriprise Financial Services, Inc., entered into this
7 Consent Order freely and voluntarily and with a full understanding of its terms and significance.

8 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Ameriprise Financial
9 Services, Inc. waives its right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440
10 and Chapter 34.05 RCW.

11 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

12
13
14 Signed this 12th day of May 2016.

15 Signed by:
16 Ameriprise Financial Services, Inc.
17
18 /s/ Christopher R. Long

19 Christopher R. Long
20 Vice President & Chief Counsel – Regulatory Affairs

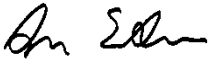
1 SIGNED and ENTERED this 18th day of May 2016.

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3 

4
5 _____
6 William M. Beatty
7 Securities Administrator

8 Approved by:

9 Presented by:

10 

11 

12 _____
13 Suzanne Sarason
14 Chief of Enforcement

15 _____
16 Robert Kondrat
17 Financial Legal Examiner Supervisor

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25 **CONSENT ORDER**

AS TO AMERIPRISE FINANCIAL SERVICES, INC.