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

IN THE MATTER OF DETERMINING  
whether there has been a violation of the  
Securities Act of Washington by:

Michael Patrick Raineri,  
  
Respondent.

Order Number: S-23-3545-23-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO  
ENTER ORDER TO CEASE AND DESIST,  
TO DENY FUTURE REGISTRATIONS,  
TO IMPOSE A FINE, AND TO CHARGE  
COSTS

8 THE STATE OF WASHINGTON TO: Michael Patrick Raineri (CRD No. 4817558)

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**STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the state of Washington has reason to believe  
12 that Respondent Michael Raineri has violated the Securities Act of Washington. The Securities  
13 Administrator believes those violations justify the entry of an order against the Respondent to cease and  
14 desist from such violations, to deny future securities registrations, to impose a fine, and to charge costs,  
15 pursuant to RCW 21.20.110, RCW 21.20.390, and RCW 21.20.395. The Securities Administrator finds as  
16 follows:

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**TENTATIVE FINDINGS OF FACT**

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**Respondent**

19 1. Michael Patrick Raineri (CRD No. 4817558) (d/b/a Raineri Financial) (“Raineri”) is a  
20 resident of Seattle, Washington. Raineri was first licensed in the securities industry in 2004. Between  
21 2012 and April 2018, Raineri was a representative at Cetera Advisors LLC in Seattle, Washington.  
22 Between April 2018 and November 2020, Raineri was a representative at KMS Financial Services, Inc.  
23 (KMS), a dually registered broker-dealer and investment adviser in Seattle, Washington. In November

1 2020, KMS assigned its investment advisory assets to Securities America Advisors, Inc. and merged its  
2 broker-dealer into Securities America, Inc. Between November 2020 and April 2023, Raineri was  
3 employed as a securities salesperson at Securities America, Inc. (“SAI”) and as an investment adviser  
4 representative at Securities American Advisors, Inc. (“SAA”). On April 6, 2023, Raineri was terminated  
5 from SAI and SAA. Since his termination, Raineri has not been registered as a securities salesperson or  
6 investment adviser representative.

### 7 **Nature of the Conduct**

8 2. In 2013, a senior citizen client of Raineri (Client 1) received an inheritance of more than \$2  
9 million through a revocable trust. Client 1 is approximately 69 years old and resides in Seattle,  
10 Washington. Over the next decade, Raineri changed firms, but continued to serve as the financial adviser  
11 to Client 1’s revocable trust, which held securities and variable annuities through multiple accounts. Over  
12 the next few years, Raineri liquidated securities and variable annuities in various accounts and caused the  
13 proceeds to be deposited into a bank account at JPMorgan Chase Bank, N.A. (Chase) that was in the name  
14 of Client 1’s revocable trust (hereinafter “Client 1’s bank account”). A significant portion of these  
15 proceeds were subsequently transferred directly or indirectly to bank accounts used by Raineri.

16 3. Raineri caused Client 1 to sign and provide him with blank checks for Client 1’s bank  
17 account. Between 2016 and 2020, twelve checks totaling \$397,000 were paid out of Client 1’s bank  
18 account to another client of Raineri (Client 2). Raineri did not disclose these withdrawals to Client 1. The  
19 checks from Client 1 were deposited into a bank account in the name of Client 2. Client 2 provided Raineri  
20 with a power of attorney for this account, which enabled Raineri to make deposits and withdrawals out of  
21 the account. Between 2016 and 2020, more than \$360,000 was transferred from Client 2’s account to  
22 another bank account used by Raineri. Raineri did not disclose to Client 2 that he was using his bank  
23 account for these purposes.



1           2.     Under RCW 21.20.110(1)(g), the Securities Administrator may deny, suspend, revoke,  
2 restrict, condition, or limit any application or registration of any broker-dealer, salesperson, investment  
3 adviser representative, or investment adviser, upon a finding that the applicant or registrant engaged in  
4 dishonest or unethical practices in the securities business. As set forth above in the Tentative Findings of  
5 Fact, Michael Raineri, in his capacity as a securities salesperson, violated WAC 460-22B-090 by engaging  
6 in nondisclosure, incomplete disclosure or misstatement of material facts, or manipulative or deceptive  
7 practices. Michael Raineri also violated WAC 460-22B-090(19) by failing to comply with an applicable  
8 provision of the Conduct Rules of FINRA, namely FINRA Rules 2010 and 2150. Michael Raineri, in his  
9 capacity as an investment adviser representative, violated WAC 460-24A-220(20), by engaging in an act,  
10 practice, or course of business which is fraudulent, deceptive, manipulative or unethical. Such conduct is  
11 grounds for the denial of Michael Raineri's future securities salesperson or investment adviser  
12 representative registration applications under RCW 21.20.110(1)(g).

13           3.     Michael Raineri, in his capacity as an securities salesperson, in connection with the offer or  
14 sale of securities, violated RCW 21.20.010 because he employed a device, scheme, or artifice to defraud;  
15 made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the  
16 statements made, in the light of the circumstances under which they are made, not misleading; or engaged in  
17 an act, practice, or course of business which operates or would operate as a fraud or deceit upon another  
18 person.

19           4.     Michael Raineri, in his capacity as an investment adviser representative, violated RCW  
20 21.20.020(1) by employing a device, scheme or artifice to defraud or engaging in an act, practice, or course  
21 of business which operates or would operate as a fraud or deceit upon another person.

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

2                   Pursuant to RCW 21.20.390 and based upon the above based upon the above Tentative Findings of  
3 Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Michael  
4 Raineri shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.020.

5                   **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

6                   Pursuant to RCW 21.20.110(1)(e) and RCW 21.20.110(1)(g) and based upon the above Tentative  
7 Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that any future  
8 application for securities salesperson or investment adviser representative registration of Respondent  
9 Michael Raineri shall be denied.

10                   **NOTICE OF INTENT TO IMPOSE A FINE**

11                   Pursuant to RCW 21.20.110 and RCW 21.20.395 and based upon the above Tentative Findings of  
12 Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent Michael  
13 Raineri shall be liable for and shall pay a fine of \$20,000.

14                   **NOTICE OF INTENT TO CHARGE COSTS**

15                   Pursuant to RCW 21.20.110(7) and RCW 21.20.390 and based upon the above Tentative Findings  
16 of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondent Michael  
17 Raineri shall be liable for and shall pay the costs, fees, and other expenses incurred in the administrative  
18 investigation and hearing of this matter, in an amount not less than \$5,000.

19                   **AUTHORITY AND PROCEDURE**

20                   This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is  
21 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondent Michael Raineri may  
22 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
23 OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not make a hearing

1 request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of  
2 Fact and Conclusions of Law as final as to the Respondent, and as described above, enter a permanent  
3 order to cease and desist, to deny future registrations, and to impose the fine and costs sought.  
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5 SIGNED and ENTERED this 1st day of July, 2024.



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13 /s/

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15 William M. Beatty  
16 Securities Administrator

17 Approved by:

18 Presented by:

19 /s/

20 /s/

21 \_\_\_\_\_  
22 Brian J. Guerard  
23 Chief of Enforcement

24 \_\_\_\_\_  
25 Robert Kondrat  
Financial Legal Examiner