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

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

Order Number: S-23-3545-24-CO01

CONSENT ORDER

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Michael Patrick Raineri,

Respondent.

INTRODUCTION

On July 1, 2024, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a 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, (“Statement of Charges”), Order Number S-23-3545-23-SC01 against Respondent Michael Patrick Raineri. Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent Michael Patrick Raineri do hereby enter into this Consent Order in settlement of the matters set forth in the Statement of Charges and as alleged below. Respondent Michael Patrick Raineri neither admits, nor denies the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondent

1. Michael Patrick Raineri (CRD No. 4817558) (d/b/a Raineri Financial) (“Raineri”) is a resident of Seattle, Washington. Raineri was first licensed in the securities industry in 2004. Between 2012 and April 2018, Raineri was a representative at Cetera Advisors LLC in Seattle, Washington. Between April 2018 and November 2020, Raineri was a representative at KMS Financial Services, Inc. (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 Findings of Fact,
5 Michael Raineri, in his capacity as a securities salesperson, violated WAC 460-22B-090 by engaging in
6 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 Based upon the foregoing and finding it in the public interest:

2 **CONSENT ORDER**

3 IT IS AGREED AND ORDERED that Respondent Michael Patrick Raineri, his agents, and
4 employees each shall cease and desist from violating RCW 21.20.010 and RCW 21.20.020.

5 IT IS FURTHER AGREED AND ORDERED that Respondent Michael Patrick Raineri shall not
6 make application for, nor be granted a broker-dealer, securities salesperson, investment adviser, and/or
7 investment adviser representative license from the date of entry of this Consent Order by the Securities
8 Administrator.

9 IT IS FURTHER AGREED AND ORDERED that Respondent Michael Patrick Raineri shall be liable
10 for and shall pay a fine of \$20,000 on or before the entry of this Consent Order.

11 IT IS FURTHER AGREED AND ORDERED that Respondent Michael Patrick Raineri shall be liable
12 for and shall pay investigative costs of \$5,000 on or before entry of this Consent Order.

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

14 IT IS FURTHER AGREED that Respondent Michael Patrick Raineri entered into this Consent Order
15 freely and voluntarily and with a full understanding of its terms and significance.

16 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Michael Patrick
17 Raineri waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and
18 Chapter 34.05 RCW.

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

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3 Signed this 16th day of August, 2024

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5 Signed by:

6 /s/

7 Michael Raineri

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SIGNED and ENTERED this 26th day of August, 2024.



/s/
William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/
Brian J. Guerard
Chief of Enforcement

/s/
Robert Kondrat
Financial Legal Examiner