

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023078057401**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Michael Patrick Raineri (Respondent)
Investment Company and Variable Contracts Products Representative
CRD No. 4817558

Pursuant to FINRA Rule 9216, Respondent Michael Patrick Raineri submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Raineri entered the securities industry in June 2004. After associating with three FINRA members, he registered with FINRA in November 2020 as an Investment Company and Variable Contracts Products Representative through an association with Securities America, Inc. (SAI). On March 2, 2023, SAI filed an amendment to a Uniform Application for Securities Industry Registration or Transfer (Form U4 Amendment) disclosing that the firm had received a complaint from a customer alleging that Raineri “transferred approximately \$135,000 from customer’s bank account to himself without customer’s consent.” Raineri remains registered with FINRA through SAI.¹

OVERVIEW

Between August 2018 and August 2022, while associated with two member firms, including SAI, Raineri accepted more than \$135,000 from a customer, an amount that far exceeded expenses Raineri had paid on the customer’s behalf. Raineri therefore converted customer funds in violation of FINRA Rules 2150(a) and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA’s review of the Form U4 Amendment filed by SAI.

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

FINRA Rule 2150(a) provides that no “person associated with a member shall make improper use of a customer’s securities or funds.” FINRA Rule 2010 requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business. Conversion is the intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possession of it. An associated person who converts customer funds violates FINRA Rules 2150(a) and 2010.

As early as August 2018, at the request of one of his customers, Raineri began paying some personal expenses for the customer. Over time, Raineri caused the customer to pay him at least \$135,000, ostensibly to reimburse Raineri for the payments he had made. The payments to Raineri, however, far exceeded the customer’s expenses Raineri had paid, and Raineri was not entitled to the extra funds. By virtue of the foregoing, Raineri converted customer funds, violating FINRA Rules 2150(a) and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a bar from associating with any FINRA member in all capacities.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA’s By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA’s Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and

- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudice of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing

in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

March 24, 2023

Date

Michael Patrick Raineri

Michael Patrick Raineri
Respondent

Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

April 18, 2023

Date

Daniella Roseman

Daniella Roseman
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