

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017055910301**

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

RE: Corey Lee Mireau, Respondent
General Securities Representative
CRD No. 3046777

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Corey Lee Mireau (“Mireau” or “Respondent”) submit 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 me alleging violations based on the same factual findings described herein.

**I.
ACCEPTANCE AND CONSENT**

A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Mireau entered the securities industry in April 1998 when he became associated with a FINRA-regulated broker-dealer. In July 2006, Mireau became associated with Ameriprise Financial Services, Inc. (“Ameriprise” or the “Firm”), a FINRA-regulated broker-dealer, as a General Securities Representative (“GSR”) and Investment Company and Variable Contracts Products Representative (“IR”).

In a Uniform Termination Notice for Securities Industry Registration (“Form U5”) dated October 12, 2017, Ameriprise reported Mireau’s resignation while suspended and under review “for company policy violations related to borrowing from clients and disclosure of outside business activities.” In Amended Form U5s dated December 6, 2017 and April 3, 2018, the Firm reported a customer complaint relating to the alleged loans and unsuitable recommendations.

Although Mireau is not currently associated with a FINRA-regulated broker-dealer, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

RELEVANT DISCIPLINARY HISTORY

Mireau has no prior disciplinary history.

OVERVIEW

In September 2013 and May 2017, Mireau borrowed \$150,000 and \$500, respectively, from two of his Firm customers without notifying, or obtaining prior written approval from, Ameriprise, in violation of FINRA Rules 3240 and 2010.

In September 2013, Mireau used the \$150,000 that he borrowed from his Firm customer to personally invest \$140,000 in a private securities transaction. Mireau participated in this private security transaction without notifying, and receiving prior written approval from, Ameriprise, in violation of NASD Rule 3040 and FINRA Rule 2010.

In 2014 and 2015, Mireau provided consulting services to another Firm customer. By engaging in these outside business activities without providing prior written notice to Ameriprise, Mireau violated FINRA Rules 3270 and 2010.

Mireau also falsely attested on annual compliance questionnaires completed in 2015, 2016 and 2017 that he had disclosed all of his outside business activities to the Firm and had not engaged in any unapproved private securities transactions. By making false statements to his member firm employer, Mireau violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

A. Mireau's Undisclosed Loans from Two Firm Customers

FINRA Rule 3240(a) prohibits registered representatives from borrowing from or lending money to his or her customer unless (1) their member firm employer has written procedures that allow the borrowing and lending of money between registered representatives and customers, and (2) the borrowing or lending arrangements meets at least one of the five circumstances specified in the rule. Even if these requirements are satisfied, Rule 3240(b) requires the registered representative to seek and obtain written approval from their member firm employer, unless the firm's procedures provide otherwise. FINRA Rule 3240 also requires registered representatives to obtain prior written approval of any modifications to existing borrowing arrangements.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 3240 is also a violation of FINRA Rule 2010.

From September 2013 to May 2017 (the "Relevant Period"), Ameriprise's written supervisory procedures ("WSPs") prohibited its registered representatives from entering into borrowing or lending arrangements with Firm customers, except in the limited exceptions enumerated in FINRA Rule 3240.

In September 2013, Mireau borrowed \$150,000 from his Firm customer KR so that he could invest in VDI, a wholesale company in the e-cigarette business. The loan was documented by a written agreement pursuant to which Mireau agreed to repay the principal within one year with 10% interest, and share 10% of his initial VDI profits with KR. The loan agreement also permitted Mireau to extend the date on which the principal was due

by one additional year. Although Mireau invoked the extension of time by which to repay KR, to date, he has not repaid any portion of the principal or interest due and owing on the \$150,000 loan.

Mireau did not seek prior approval for, or disclose his receipt of, the loan to the Firm. Mireau also did not notify the Firm of the modification to the loan terms when he extended the date of repayment.

In addition, in May 2017, Mireau borrowed \$500 from his Firm customer RS. Mireau did not seek prior approval for, or disclose his receipt of, the loan to the Firm. Mireau repaid the loan from RS in full.

By accepting loans from his Firm customers without first notifying and obtaining written approval from Ameriprise, Mireau violated FINRA Rules 3240 and 2010.

B. Mireau's Undisclosed Private Securities Transaction

NASD Rule 3040 prohibits registered representatives from participating in any private securities transaction without first providing "written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction." A violation of NASD Rule 3040 is also a violation of FINRA Rule 2010.

During the Relevant Period, Ameriprise's WSPs prohibited registered representatives from participating in private securities transactions for their personal benefit unless they disclosed the proposed private securities transaction to the Firm and obtained its approval prior to engaging in such transaction.

In September 2013, using the proceeds of the \$150,000 loan from KR, Mireau invested \$140,000 in shares of VDI. However, Mireau did not provide written notice to, or obtain permission from, Ameriprise in connection with his investment in VDI, which was a security.

By participating in a private securities transaction without providing prior written notice to Ameriprise, Mireau violated NASD Rule 3040 and FINRA Rule 2010.

C. Mireau's Undisclosed Outside Business Activities

FINRA Rule 3270 provides, in relevant part: "No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member." A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010.

During the Relevant Period, Ameriprise's WSPs required that registered representatives request and receive approval from the Firm prior to engaging in any outside business activity.

In 2014 and 2015, Mireau performed outside consulting work for his Firm customer RS and a company owned by RS. In 2015, Mireau received \$1,250 in compensation for his work. However, Mireau never disclosed his outside activities for RS to the Firm.

By engaging in an outside business activity without providing prior written notice to Ameriprise, Mireau violated FINRA Rules 3270 and 2010.

D. Mireau's False Statements to the Firm

Providing false or misleading information to a FINRA-registered firm violates FINRA Rule 2010.

During the Relevant Period, in its annual compliance questionnaires, the Firm required its registered representatives to disclose, in writing, whether they had engaged in any private securities transactions or outside business activities. In February 2015, February 2016, and February 2017, Mireau completed annual compliance questionnaires attesting that (i) he had not engaged in any private securities transactions for which he had received pre-clearance for from the Firm, and (ii) he had disclosed all current outside business activities to the Firm. These statements were false.

By virtue of the foregoing, Mireau violated FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

1. A two-year suspension from association with any FINRA-regulated broker-dealer in any capacity;
2. A fine in the amount of \$15,000; and
3. An order to pay restitution to customer KR in the total amount of \$154,458.85, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from September 17, 2014 to the date of payment.

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Mireau cannot locate customer KR after reasonable and documented efforts

within such period, or such additional period agreed to by the staff, Mireau shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time thereafter, the monetary sanctions imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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 herein shall be effective on a date set by FINRA staff.

II. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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 acceptance or rejection of this AWC.

I further specifically and voluntarily waive 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.

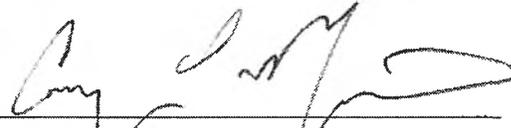
**III.
OTHER MATTERS**

I understand 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 me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 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 the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I 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. I 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 my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrative corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

4/11/2019
Date (mm/dd/yyyy)


Corey Lee Mireau, Respondent

Reviewed by:


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Accepted by FINRA:

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

4/12/2019
Date


Joseph E. Strauss
Senior Counsel
FINRA Department of Enforcement
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