

**COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE SECRETARY OF THE COMMONWEALTH  
SECURITIES DIVISION  
ONE ASHBURTON PLACE, ROOM 1701  
BOSTON, MASSACHUSETTS 02108**

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IN THE MATTER OF: ) )  
 ) )  
UNITED PLANNERS' FINANCIAL ) )  
SERVICES OF AMERICA A LIMITED ) )  
PARTNER ) )  
 ) ) Docket No. R-2022-0047  
\_\_\_\_\_) )

**CONSENT ORDER**

This Consent Order (the “Order”) is entered into by the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts (the “Division”) and United Planners’ Financial Services of America A Limited Partner (“United Planners”) with respect to the above-captioned investigation by the Registration, Inspections, Compliance, and Examinations (“RICE”) Section of the Division into whether United Planners’ acts and practices constituted violations of the Massachusetts Uniform Securities Act, Mass. Gen. Laws c. 110A (the “Act”), and the corresponding regulations promulgated thereunder at 950 Mass. Code Regs. 10.00-14.413 (the “Regulations”). The RICE Section determined that United Planners failed to maintain a reasonable supervisory program necessary to ensure compliance with the Act – to wit, United Planners failed to reasonably investigate red flags concerning the business activities of its former registered representative Philip Riposo (“Riposo”).

From at least December 2015, Riposo obtained funds from Massachusetts residents while employed by and under United Planners' supervision. Branch examinations conducted by United Planners failed to reasonably review outside business activities ("OBA") of Riposo – including a doing business as ("d/b/a") for United Planners known as Riposo Asset Management ("RAM"). Although Riposo's fraudulent conduct pre-dated his registration with United Planners, this failure to reasonably vet Riposo's OBA enabled Riposo to continue his scheme of creating fake invoices for fictitious trades and services rendered.

For nearly 30 years, Riposo defrauded his clients by creating fake account statements and invoices. Riposo's conduct spanned his registration with multiple FINRA member firms. During Riposo's tenure at United Planners, Riposo used fake invoices to misappropriate over 1 million dollars from United Planners' customers. Riposo misappropriated approximately \$715,515.79 from Massachusetts residents. United Planners had an obligation to supervise Riposo, including his OBA, and ensure compliance with applicable laws.

On September 27, 2024, United Planners submitted an Offer of Settlement (the "Offer") to the Division. United Planners admits the Statement of Facts set forth in Section V and the Violations of Law set forth in Section VI below, and consents to the entry of this Consent Order (the "Order") by the Division, consistent with the language and terms of the Offer, settling investigation (R-2022-0047) thereby with prejudice. Pursuant to Mass. Gen. Laws c. 110A, § 412(b), this Order is necessary and appropriate in the public interest for the protection of investors and is consistent with the purposes fairly intended by the policies and provisions of the Act.

## **I. JURISDICTION**

1. The Division has jurisdiction over matters relating to securities pursuant to the Act, codified at Chapter 110A of the Massachusetts General Laws.
2. The Offer was made and this Order is entered in accordance with the Act and with Section 10.10 of the Regulations.
3. The acts and practices that are the subject of the Division's investigations occurred while United Planners was registered as a broker-dealer in Massachusetts.

## **II. RELEVANT TIME PERIOD**

4. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of November 5, 2015, to March 3, 2022 (the "Relevant Time Period").

## **III. RELEVANT PARTY**

5. United Planners' Financial Services of America A Limited Partner ("United Planners") is a limited partnership organized under the laws of Arizona. United Planners has a Financial Industry Regulatory Authority ("FINRA") Central Registration Depository ("CRD") number of 20804. United Planners has been registered in Massachusetts as a broker-dealer since 1988 and notice filed as a federal covered investment adviser since 2006.

## **IV. RELATED PERSON**

6. Philip A. Riposo ("Riposo") was a natural person with a last known address at 2485 Monroe Terrace The Villages, Florida 32162. Riposo has a FINRA CRD number of 400056. Riposo was registered in Massachusetts as a broker-dealer agent and investment adviser representative of United Planners from January 2016 to March 2022. According to an online obituary, Riposo died on June 18, 2023.

## V. FINDINGS OF FACTS

### A. **Riposo's Broker Dealer Agent and Investment Adviser Representative Registration with United Planners and History of Numerous Complaints Concerning Riposo's Business Practices.**

7. Since 1988, FINRA has registered Riposo.
8. Riposo's most recent registration with FINRA was as a General Securities Agent and a General Securities Principal of United Planners from December 7, 2015 until March 3, 2022.
9. Riposo was registered in Massachusetts as a broker-dealer agent and an investment adviser representative of United Planners from January 15, 2016 and January 20, 2016, respectively, to March 3, 2022.
10. From May 2008 to January 2019, Riposo lived in Massachusetts before he relocated, and conducted securities business from a home office in Arizona from January 2019 through March 2022.
11. From April 2022 until his death in June 2023, Riposo lived in Florida.
12. As of the date of this Order, Riposo has been subject to nineteen (19) disclosure incidents as reported on FINRA's CRD consisting of thirteen (13) customer complaints, two (2) terminations, one (1) internal review, two (2) financial disclosure incidents, and one (1) regulatory action.
13. Prior to and during Riposo's registration with United Planners, Riposo had a history of customer complaints and terminations for cause:
  - a. On June 1, 1982, Riposo received a customer complaint while employed at Merrill Lynch, Pierce, Fenner & Smith, Inc. from a client who alleged unauthorized trading in their account;

- b. On January 1, 1986, Riposo received a customer complaint while employed at E. F. Hutton & Company, Inc. from a client who alleged \$20,000 in damages for unauthorized trading and unsuitable investments in their account;
  - c. On November 4, 1999, Riposo was discharged from Securities America, Inc. after a branch audit found Riposo retained pre-signed withdrawal forms from a client;
  - d. On June 29, 2011, Riposo received a customer complaint while employed at Cadaret, Grant & Co., Inc. (“Cadaret”) from a client who alleged \$70,000 in damages for failing to properly instruct them on tax consequences as an IRA beneficiary of a deceased client. Cadaret closed the complaint with no further action.
  - e. On May 8, 2017, Riposo received a customer complaint from a client who alleged unsuitable investments in their account while Riposo was employed by Cadaret. Cadaret closed the complaint with no further action.
14. Since his termination from United Planners in March 2022, United Planners received customer complaints regarding Riposo:
- a. On March 1, 2022, United Planners received a customer complaint alleging unauthorized trading. Although the CRD reflects that this complaint was closed with no action, United Planners settled with the customer for \$319,928.00.

- b. On March 16, 2022, United Planners received a customer complaint, from a Massachusetts customer, alleging misappropriation of the customer's retirement accounts. Riposo settled the complaint for \$28,523.00.
- c. On April 8, 2022, United Planners received a customer complaint alleging misappropriation of client funds. United Planners settled the complaint for \$118,059.00.
- d. On August 14, 2023, United Planners received a customer complaint, from a Massachusetts customer, alleging breach of regulatory requirements, breach of fiduciary duty, negligence and gross negligence, and breach of contract. As of the date of this Order, the customer complaint is currently pending FINRA arbitration.
- e. On September 20, 2023, United Planners received a customer complaint, from a Massachusetts customer, alleging breach of regulatory requirements, breach of fiduciary duty, negligence and gross negligence, and breach of contract. As of the date of this Order, the customer complaint is currently pending FINRA arbitration.
- f. On October 5, 2023, United Planners received a customer complaint alleging the misappropriation of client funds. As of the date of this Order, the customer complaint is currently pending FINRA arbitration.
- g. On October 10, 2023, United Planners received a customer complaint alleging the misappropriation of client funds and United Planner's failure to detect and prevent Riposo's actions. As of the date of this Order, the customer complaint is currently pending FINRA arbitration.

- h. On January 17, 2024, United Planners received a customer complaint alleging breach of regulatory requirements, breach of fiduciary duty and negligence. As of the date of this Order, the customer complaint is currently pending FINRA arbitration.
15. United Planners' written policies and procedures ("WPP") states:
- "United Planners is committed to affiliating with only those individuals who reflect the highest degree of honesty and integrity. A throughout investigation will be conducted regarding any Disclosure Questions answered "yes" on the Form U-4, prior to submission of the application to FINRA . . . Based upon the outcome of the investigation to any "yes" answers, the applicant may be denied registration or heightened supervision requirements may be implemented."
16. Additionally, United Planners' WPP states, "An applicant is not normally approved for affiliation if . . . The applicant has a history of multiple client complaints or pending client complaints."
17. Despite having a history of multiple client complaints, United Planners neither denied Riposo's application for affiliation with the firm nor implemented any heightened supervision requirements.
- B. Riposo Took Advantage of Massachusetts Customers While Under United Planners' Supervision and Oversight.**
18. During the Relevant Time Period, Riposo serviced approximately 24 Massachusetts brokerage customers of United Planners.
19. Almost all of Riposo's Massachusetts customers were over the age of 65, with the average age among them being 69 years old.
20. One of Riposo's elderly clients, now age 68, believed Riposo had invested client's savings in products that would help her save for retirement. However, client would

later uncover that Riposo had been misappropriating client's retirement savings from the onset of their relationship.

**C. Riposo's Conduct Went Undetected By United Planners.**

21. On November 5, 2015, Riposo submitted his OBA to United Planners' Chief Compliance Officer as part of his onboarding process. The OBA submitted was for Riposo's involvement in an entity known as Riposo Asset Management ("RAM"). This was a designation for Riposo's "Doing Business As" ("d/b/a").
22. On November 10, 2015, the Chief Compliance Officer accepted the OBA disclosure noting "Ok to proceed." However, United Planners' Chief Compliance Officer did not request additional information regarding Riposo's OBA.
23. From 2015 to 2019, Riposo conducted his securities business out of a Satellite Branch Office ("SBO") in his home in New Bedford, Massachusetts.
24. From 2019 to 2022, Riposo conducted his securities business out of a SBO in his home in Cave Creek, Arizona.
25. United Planners supervised Riposo remotely from United Planners' home office in Scottsdale, Arizona for the Relevant Time Period.
26. United Planners' written supervisory procedures ("WSPs") provided that any SBO supervised by the home office would be subject to an on-site inspection once every three years.
27. From January 2016 to February 2022, United Planners conducted two on-site inspections of Riposo's SBO: one in October 2016 (the "October 2016 Audit") and the other in December 2019 (the "December 2019 Audit").



28. During the October 2016 Audit, United Planners discovered Riposo's OBA was not entered into their Advisor Front Office system ("AFO").
29. In 2016, Riposo submitted two separate OBA questionnaires to United Planners regarding his involvement in RAM.
30. On both of the 2016 OBA questionnaires, Riposo stated RAM was a d/b/a name for marketing purposes only and for his insurance business.
31. Riposo represented that he did not receive any compensation for his involvement in this OBA.
32. Additionally, Riposo disclosed use of his United Planners' email to conduct the OBA.
33. Despite disclosing his OBA to United Planners on November 5, 2015, Riposo stated in one OBA questionnaire that he started his involvement with RAM on August 9, 2016, and in the other OBA questionnaire, Riposo stated that he started his involvement with RAM on October 20, 2016.
34. On August 17, 2016, Riposo's supervisor (hereinafter referred to as the "Supervisor") reviewed Riposo's disclosure form concerning his OBA submitted on August 17, 2016, and requested follow up information. In response to the October 2016 Audit, Riposo submitted a duplicate disclosure form concerning his OBA. On November 11, 2016, the Supervisor reviewed Riposo's second disclosure form concerning his OBA and did not request any additional information or conduct any additional follow up.
35. On August 18, 2016, and November 22, 2016, a Compliance Manager approved Riposo's OBA disclosures and determined the OBA was U4 reportable. The

Compliance Manager did not request any additional information regarding the date inconsistencies in the OBA questionnaires received.

36. On October 7, 2019, Riposo submitted updated responses to United Planners' OBA questionnaire for his involvement in RAM.
37. Additionally, Riposo's responses in both questionnaires regarding the start date of the activity were inconsistent with his disclosure of the OBA during the onboarding process on November 5, 2015.
38. United Planners did not conduct any follow up regarding these date discrepancies.
39. On December 20, 2019, United Planners conducted an audit of Riposo's SBO (the "December 2019 Audit").
40. Despite Riposo's OBA questionnaires containing inconsistencies concerning his start date of the OBA, United Planners failed to conduct any follow up on these date inconsistencies during the December 2019 Audit.

**D. United Planners Did Not Detect That Riposo Was Using An Unapproved E-Mail Address.**

41. The 2022 Report on FINRA's Examination and Risk Monitoring Program ("The Report") provides firms with information that may assist their compliance programs.<sup>1</sup>
42. In The Report, FINRA outlined effective practices for monitoring a registered representative's OBA:

"Conducting due diligence to learn about all OBAs and Private Securities Transactions at the time of a registered representative's initial disclosure to the firm and periodically thereafter, including interviewing the registered representative and thoroughly reviewing: . . . email and other

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<sup>1</sup> [Outside Business Activities and Private Securities Transactions | FINRA.org](https://www.finra.org/investors/protect-yourself/understanding-outside-business-activities)

communications.”

43. As early as January 23, 2020, United Planners was in receipt of emails indicating that Riposo was using an unapproved email address to discuss potential investments with marketing wholesalers.
  44. From January 23, 2020 to January 27, 2022, Riposo received at least twenty-three emails addressed to both his United Planners email address and an unapproved email address. (The “Unapproved Email Address”).
  45. Of those twenty-three emails, at least eight of them directly referenced RAM as the recipient of the email. All of these emails were marketing emails sent to Riposo.
  46. On December 2, 2021, Riposo responded to one of these emails using the Unapproved Email Address. This email contained a signature block that included the RAM logo and the Unapproved Email Address as a means to contact Riposo.
- E. Riposo Misappropriated More Than \$700,000 Dollars From Massachusetts Investors Undetected and While United Planners’ Supervision.**
47. Riposo’s illicit conduct first came to light as a result of customer complaints. On March 1, 2022, United Planners received a complaint from a Riposo customer named R.J. who alleged unauthorized trades in his account. This was the first customer who notified United Planners that Riposo was engaged in unlawful conduct.
  48. After speaking with R.J., United Planners learned that Riposo was communicating with him using the Unapproved Email Address and Riposo was sending checks directly to R.J. out of a checking account for RAM.

49. On March 1, 2022, R.J. provided United Planners with copies of fictitious account statements that Riposo gave to R.J. As a result, United Planners' representatives conducted an audit of Riposo's SBO on March 3, 2023.
50. During the audit, Riposo admitted that he had used RAM's checking account as a "slush" fund to help prop up his own finances. Additionally, Riposo stated he created the fictitious statements himself as a way to make clients believe they still had investments.
51. United Planners terminated Riposo's affiliation at the conclusion of the audit on March 3, 2022, after his admission of his conduct and that he had hidden it from United Planners.
52. On March 16, 2022, United Planners received a complaint from customers D.M. and J.M. alleging they were victims of Riposo's fraudulent scheme. Riposo settled the complaint himself, paying them \$28,523.00.
53. On April 8, 2022, United Planners received a complaint from customers T.S. and N.S. alleging they were victims of Riposo's fraudulent scheme. On July 14, 2022, United Planners settled with T.S. and N.S. for \$118,059.00.
54. On April 18, 2022, the Financial Industry Regulatory Authority ("FINRA") entered an order permanently barring Riposo from working in the securities industry.
55. On October 18, 2022, United Planners reached a settlement for \$319,928.00 with R.J., whose March 1, 2022 complaint led to the discovery of Riposo's fraudulent activities.
56. On July 24, 2024, United Planners effected restitution payments to United Planners clients defrauded by Riposo during the relevant time period. As of this date, United

Planners has paid \$1,059,823.82 in restitution to clients defrauded by Riposo, with \$647,257.80 in restitution payments going to Massachusetts residents.

57. The Division's investigation confirmed that Riposo misappropriated over 1 million dollars from his United Planners clients while associated with United Planners and revealed that Riposo misappropriated an additional \$68,257.99 from Massachusetts residents.

## **VI. VIOLATIONS OF LAW**

### **A. Violations of Mass. Gen. Laws c. 110A, § 204(a)(2)(G)**

58. Section 204 of the Act provides, in relevant part:

(a) the secretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds [ . . . ] (2) the applicant or registrant [ . . . ]:

(G) has engaged in any unethical or dishonest conduct or practices in the securities, commodities, or insurance business.

Mass. Gen. Laws. c. 110A, § 204(a)(2)(G).

59. The conduct of United Planners, as described in Section V, constitutes violations of Mass. Gen. Laws. c. 110A, § 204(a)(2)(G).

### **B. Violations of Mass. Gen. Laws c. 110A, § 204(a)(2)(J)**

60. Section 204 of the Act provides, in relevant part:

(a) the secretary may by order impose an administration fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds [ . . . ] (2) the applicant or registrant [ . . . ]:

(J) has failed reasonably to supervise agents, investment advisers representatives or other employees to assure compliance with this chapter.

Mass. Gen. Laws. c. 110A, § 204(a)(2)(J)

61. The conduct of United Planners, as described in Section V, constitutes violations of Mass. Gen. Laws. c. 110A, § 204(a)(2)(J).

## **VII. ORDER**

### **IT IS HEREBY ORDERED THAT:**

A. United Planners shall permanently cease and desist from further violations of the Act and Regulations in the Commonwealth;

B. United Planners is censured by the Division with respect to the conduct described in this Order;

C. Within five (5) business days of this signed Order, United Planners shall pay an administrative fine in the amount of \$100,000 (USD) to the Commonwealth of Massachusetts. Payment shall be:

- a. Made by United States postal money order, certified check, bank cashier's check, bank money order, or wire transfer;
- b. Made payable to the Commonwealth of Massachusetts;
- c. Either hand-delivered or mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division instructions; and
- d. Submitted under cover letter or other documentation that identifies United Planners making the payment and the docket number of the proceedings. Additionally, United Planners shall provide the Division with notice at least twenty-four (24) hours prior to the payment.

D. United Planners shall pay \$68,257.99 in restitution to those Massachusetts clients identified by Exhibit 1 (the "Massachusetts Clients"), subject to the following terms:

- a. United Planners shall memorialize its restitution in a letter (“Restitution Letter”) dated and sent to each of the Massachusetts Clients within thirty (30) days of this signed Order. The Restitution Letter shall include a copy of this Order;
- b. The Restitution Letter shall be provided to the Division at least ten (10) days prior to the sending of the Restitution Letter to all Massachusetts Clients;
- c. The terms, content and manner of the service of the Restitution Letter shall not be unacceptable to the Division;
- d. Within forty-five (45) days of this signed Order, United Planners shall make payment of principal by certified check to each Massachusetts Client. Such certified check shall be available to be cashed by the Massachusetts Client within forty five (45) days of the certified check’s issuance; and
- e. Within ninety (90) days of this signed Order, United Planners shall submit to the Division a report detailing the distribution of funds to all Massachusetts Clients, including dates and amounts for all distributions.

E. Any restitution requirement or obligations ordered pursuant to Section VII. Paragraph D shall be deemed satisfied pursuant to United Planners’ payment of restitution made in connection with an Order issued by the Arizona Corporation Commission, Securities Division regarding the coordinated regulatory investigation.<sup>2</sup>

F. Within ninety (90) days of this signed Order, United Planners shall retain the services of an independent third-party consultant (the “Consultant”) not unacceptable to the Division. United Planners shall cooperate fully with the Consultant and pay exclusively

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<sup>2</sup> Section VII, Paragraph J shall not apply to any restitution payments made by United Planners to the Arizona Corporation Commission, Securities Division.

all compensation and expenses. United Planners shall require the Consultant to conduct a comprehensive review of United Planners policies and written supervisory procedures as guided and informed by the violations in this Order to ensure compliance with state and federal securities laws. The comprehensive review shall include a review of the following:

- a. United Planners' policies and procedures regarding broker-dealer agents' and investment adviser representatives' outside business activities and broker-dealer agents' and investment adviser representatives' communications to achieve compliance with the Act and Regulations, state and federal securities laws, and industry standards or best practices;
- b. United Planners' compliance training related to broker-dealer agents' and investment adviser representatives' outside business activities and broker-dealer agents' and investment adviser representatives' communications as described in Section VII Paragraph F.a. including, without limitation, making recommendations for appropriate additional trainings.

G. Within one hundred eighty (180) days of this signed Order:

- a. United Planners shall submit a report to the Division containing the findings of the comprehensive review (the "Report"). The Report shall include, without limitation, a description of the review performed, the conclusions reached, and the recommendations for changes in or improvements to United Planners policies, compliance training, and written supervisory procedures, as well as the process for implementing recommended changes and improvements;



- b. The Report's recommendations shall not be unacceptable to the Division, provided that the Division will not unreasonably withhold its consent of the recommendations; and
- c. If the recommendations are not unacceptable to the Division, United Planners shall promptly adopt all recommendations in the Report.

H. Within sixty (60) days following the Report, United Planners shall provide compliance training to all supervisors regarding monitoring of outside business activities and broker-dealer agent and investment adviser representative communications, subject to the following terms:

- a. Within thirty (30) days following the required compliance training, United Planners shall provide the Division a report (the "Training Report") of the compliance training provided. The Training Report shall include a summary of the compliance training provided, a copy of all materials used for the training, and the total number of United Planners supervisors that received the training.

I. United Planners shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any amounts that United Planners shall pay pursuant to this Order;

J. United Planners shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that United Planners shall pay pursuant to this Order;

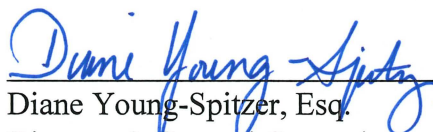
K. If United Planners is the subject of a voluntary or involuntary bankruptcy petition under Title 11 of the United States Code within three hundred sixty-five (365) days after entry of this Order, United Planners shall provide written notice to the RICE Section within five (5) days after the date of the petition;

L. Any fine , penalty, and/or money that United Planners will pay in accordance with this Order is intended by United Planners and the RICE Section to be a contemporaneous exchange for new value given to United Planners pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B);

M. If United Planners fails to comply with any of the terms set forth in this Order, the RICE Section may institute an action to have this agreement declared null and void. Upon issuance of an appropriate order and after a fair hearing, the RICE Section may re-institute an action against United Planners; and

N. For good cause shown, the Division may extend any of the procedural dates set forth above. United Planners shall make any requests for extensions of the dates set forth above in writing to the Division.

**WILLIAM FRANCIS GALVIN**  
**SECRETARY OF THE COMMONWEALTH**



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Diane Young-Spitzer, Esq.  
Director & General Counsel

Securities Division  
Office of the Secretary of the Commonwealth  
John W. McCormack Building, 17th Floor  
One Ashburton Place  
Boston, MA 02108

Dated: October 1, 2024