

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: AMERIPRISE FINANCIAL SERVICES, INC.	) ) ) ) ) ) ) )	) File No. 0700247
----------------------------------------------------------	--------------------------	--------------------

**TO THE RESPONDENT:** Ameriprise Financial Services, Inc.  
5221 Ameriprise Financial Center  
Minneapolis, MN 55474

Ameriprise Financial Services, Inc.  
c/o Mayer Brown LLP.  
Counsel for Ameriprise Financial Services, Inc.  
71 S. Wacker Drive  
Chicago, IL 60606

**CONSENT ORDER**

WHEREAS, Ameriprise Financial Services, Inc. ("Ameriprise") and the Illinois Securities Department (the "Department") desire to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of law or fact, and without admitting or denying any allegations referred to in the Findings of Fact or Conclusions of Law, Ameriprise has, concurrent with this filing, executed a Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, on the 25<sup>th</sup> day of January, 2008, concurrent with this filing, a Notice of Hearing has been issued against Ameriprise.

WHEREAS, this matter involves the activities of Oscar Donald Overbey, Jr. ("Overbey"), a former investment advisor representative of Ameriprise that, through fraud and deceit, took money from several Ameriprise customers and others, the total amount exceeding three million, five hundred thousand dollars (\$3,500,000.00).

WHEREAS, Ameriprise, upon discovering Overbey's misconduct, suspended Overbey, and contacted the Illinois Securities Department (the "Department") to self-disclose his activities.

WHEREAS, at the time of the self-disclosure or soon thereafter, Ameriprise identified five customers that appeared to have been defrauded by Overbey.

2 -  
C0700247  
Consent Order

WHEREAS, Ameriprise, on its own volition, offered settlements to compensate each of those customers for some or all of the money Overbey apparently misappropriated from them; those payments totaling eight hundred eighty-four thousand, three hundred fifty-seven dollars and fifty-three cents (\$884,357.53).

WHEREAS, Ameriprise has cooperated with the Department's investigation into this matter.

WHEREAS, during the course of the Department's and Ameriprise's investigations additional customers, and others, were identified by the Department and by Ameriprise as having been defrauded by Overbey.

WHEREAS, in addition to the sums already paid to other customers, Ameriprise has offered, or will offer, settlement compensation to twelve additional customers, those offers totaling one million, three hundred seventy-four thousand, three hundred eighty-four dollars and eighty-five cents (\$1,374,384.85).

WHEREAS, Ameriprise, within ten (10) days of discovery, shall notify the Illinois Securities Department ("Department") of any additional Ameriprise customers, former or current, identified as having given Overbey money for any non-Ameriprise authorized transaction; it shall commence an expedited investigation into the matter; and, within thirty-days (30), provide the Department a written summary of the investigation and a proposed resolution.

WHEREAS, Ameriprise has agreed to certain undertakings, both remedial and prospective.

WHEREAS, Ameriprise has admitted to the jurisdiction of the Secretary of State in this matter and Ameriprise has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, Ameriprise desires to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of fact, and without admitting or denying any allegations referred to in the Findings of Fact, Ameriprise acknowledges that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. Ameriprise Financial Services, Inc. ("Ameriprise") is a broker-dealer firm registered with the state of Illinois Securities Department (the "Department") as an entity engaged in the business of offering, selling or otherwise engaging in the dealing or trading of securities. Ameriprise is also an investment advisor firm managing assets in excess of twenty-five million dollars (\$25,000,000.00) and is registered with the Securities and Exchange Commission as an Investment Advisor. The investment advisor representatives of Ameriprise, previously known as Financial Advisors, and

currently referred to as Personal Advisors, were and are registered with the Department as investment advisor representatives.

2. Oscar Donald Overbey, Jr. ("Overbey") was an investment advisor representative for Ameriprise from October of 1990 to, and including, July 28, 2006.
3. Overbey was the franchise owner of the Ameriprise branch office located at 500 Skokie Blvd., in Skokie, Illinois.
4. On or about July 11, 2006, Ameriprise received a customer complaint against Overbey in which the customer stated that he had wired transferred one hundred thousand dollars (\$100,000.00) out of his personal checking account into the personal checking account of Overbey.
5. Ameriprise, after investigating the complaint, suspended Overbey and, ultimately, terminated him on July 28, 2006.
6. On July 27, 2006, Ameriprise contacted the Department to report Overbey's misconduct.
7. During the ensuing investigations by both the Department and by Ameriprise additional Ameriprise customers were identified as having given Overbey money for non-Ameriprise business.
8. The investigations revealed that Overbey had, over several years, solicited money for non-Ameriprise business from Ameriprise customers, and others.
9. Overbey told the customers and other victims various stories, such as that they were investing in small businesses involving coffee or fast food, that they were purchasing some form of annuity, or that they were making short term loans to such businesses or individuals trying to close distressed real estate transactions.
10. In fact, those stories were false and Overbey converted the money for his personal use, including gambling.
11. Overbey lied on his outside business activity disclosures to Ameriprise, and to his supervisor, regarding customer investments therein. Overbey also insisted that the customers he was defrauding only contact him on his personal cellular phone and that they would meet away from the branch office. In at least one occasion, Overbey intercepted a complaint letter regarding one of his fraudulent investments that was mailed to the branch office.
12. Neither Ameriprise, nor Overbey's supervisors, engaged in oversight that uncovered Overbey's misconduct.

13. Ameriprise was responsible for the reasonable supervision of Overbey and his advisory activities.

WHEREAS, the Illinois Securities Law of 1953 (the "Act"), 815 ILCS 5/8.E(1)(e)(iv) states that the registration of an investment advisor may be suspended if it "has failed to maintain and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of its salespersons that are reasonably designed to achieve compliance with applicable securities laws and regulations."

WHEREAS, Ameriprise desires to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of law, and without admitting or denying any allegations referred to in the Conclusions of Law, Ameriprise acknowledges that the following allegations shall be adopted as the Secretary of State's Conclusions of Law:

1. Ameriprise is subject to Section 8.E(1)(e)(iv) of the Act .

WHEREAS, this Consent Order resolves and settles the Securities Department's administrative action with respect to the facts and allegations set forth in the Notice of Hearing in this case, upon entry of this Consent Order the Department shall enter an Order dismissing the Notice of Hearing in this matter.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Ameriprise Financial Services, Inc. shall cause the sum of seventy-five thousand dollars (\$75,000.00) to be paid to the Office of the Secretary of State, Audit and Enforcement Fund, within ten days of entry of this Order, for costs of the investigation of this matter.
2. Ameriprise Financial Services, Inc., not later than thirty days of the entry of this Order, shall make settlement offers totaling one million, three hundred seventy-four thousand, three hundred eighty-four dollars and eighty five cents (\$1,374,384.85) to the Ameriprise customers or former customers listed in the Stipulation. If any customer listed in the Stipulation refuses to accept a settlement offer of the designated amount, the offer will be deemed rejected and both Ameriprise and the customer may litigate, arbitrate, or otherwise resolve their dispute as allowed by law without regard to this Order.
3. This Order does not limit any Overbey victim not listed in the Stipulation from pursuing applicable private remedies, and does not limit Ameriprise from denying any claim by such a victim and asserting any defense available under the law.

- 5 -  
C0700247  
Consent Order

4. This Consent Order resolves and settles the Securities Department's administrative action with respect to the facts and allegations set forth in the Notice of Hearing in this case.

ENTERED: This 25<sup>th</sup> day of January, 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Jason Chronopoulos  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Blvd., Suite 1220  
Chicago, Illinois 60602

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.