

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96392 / November 28, 2022

INVESTMENT ADVISERS ACT OF 1940
Release No. 6190 / November 28, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-21247

In the Matter of

JAMES K. COUTURE,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND
SECTION 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940, MAKING FINDINGS,
AND IMPOSING REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against James K. Couture (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. James K. Couture ("Couture") was the founder and owner of The Private Wealth Management Group, LLC, which provided investment advisory services and had two offices in Massachusetts. From February 2009 until his termination in June 2020, Couture was a registered representative and investment adviser representative with LPL Financial LLC ("LPL"), an investment adviser and broker-dealer registered with the Commission. Prior to working at LPL, Couture had been associated with registered investment advisers and/or broker-dealers at various times between at least 2001 and 2009. Couture is 44 years old and was a resident of Sutton, Massachusetts.

2. On September 8, 2022, Couture entered a plea agreement with the court whereby he pleaded guilty to criminal charges, including, among others, one count of investment adviser fraud, in violation of Title 15 United States Code, Sections 80b-6 and 80b-17 before the United States District Court for the District of Massachusetts, in *United States v. James Kenneth Couture*, Crim. No. 21-cr-10172-NMG (D. Mass.).

3. The indictment to which Couture pled guilty alleged, *inter alia*, that, from September 2009 through January 2020, Couture misappropriated approximately \$2.9 million from approximately six investors. As part of a scheme, Couture advised his clients to transfer their assets to a company called Legacy Financial Group, LLC ("Legacy") for investment purposes, without telling the clients that Legacy was a shell company that he controlled and that did not hold or offer bona fide investment products. Couture did not invest the money his clients transferred to Legacy, as he promised them he would. Instead, he used his clients' funds that they transferred to Legacy for other purposes, including to buy the client list of another investment adviser in or about October 2013. In order to deceive his clients about the fact that he had stolen their money, Couture created fake account statements that purported to reflect investments at Legacy in accounts and investment funds. In fact, those accounts and investments did not exist. As a further part of the scheme, when Couture's clients requested withdrawals or transfers from their purported Legacy accounts, Couture paid them with assets he stole from other clients and disguised the payments as disbursements from profit-sharing or employee benefit plans held at a third-party benefit company.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Couture's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Couture be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Couture be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary