

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 103346 / June 30, 2025**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21405**

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<b>In the Matter of</b>	:	
	:	<b>NOTICE OF PROPOSED PLAN OF</b>
	:	<b>DISTRIBUTION AND OPPORTUNITY</b>
<b>Pinnacle Investments, LLC,</b>	:	<b>FOR COMMENT</b>
	:	
<b>Respondent.</b>	:	
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Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's (the "Commission") Rules on Fair Fund and Disgorgement Plans (the "Commission's Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Proposed Plan") for the distribution of monies paid in the above-captioned matter.

On May 5, 2023, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order")<sup>1</sup> against Pinnacle Investments, LLC ("Pinnacle" or the "Respondent"). In the Order, the Commission found that Pinnacle, a registered investment adviser and broker-dealer, made false and misleading statements in Commission filings regarding reviews of advisory client accounts; failed to adequately disclose its conflicts of interests in connection with the outside business activities and related compensation arrangements of an Investment Adviser Representative with an affiliated fund; failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act concerning reviews of client accounts and conflicts of interest; and failed to deliver required information concerning advisory personnel to its clients.

The Commission ordered the Respondent to pay \$83,462.00 in disgorgement, \$11,874.00 in prejudgment interest, and a \$393,381.00 civil money penalty, for a total of \$488,717.00, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with the disgorgement and prejudgment interest collected, can be distributed to harmed investors (the "Fair Fund").

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<sup>1</sup> Exchange Act Rel. No. 97448 (May 5, 2023).

The Respondent has paid in full. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

## **OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <https://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Ave, Suite 1950, Miami, FL 33131. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<https://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-21405" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

## **THE PROPOSED PLAN**

The Net Available Fair Fund<sup>2</sup> is comprised of the \$488,717.00 in disgorgement, prejudgment interest, and the civil money penalty collected from the Respondent, pursuant to the Order, plus any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to compensate investors for management advisory fees paid to the Respondent during the Relevant Period, when the Respondent failed to conduct adequate periodic reviews for certain client advisory accounts to determine whether they were being managed in accordance with their investment mandates as described in the Order.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>3</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> All capitalized terms used herein but not defined have the same meanings ascribed to them in the Proposed Plan.

<sup>3</sup> 17 C.F.R. § 200.30-4(a)(21)(iii).