

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103791 / August 27, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-21405

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In the Matter of	:	ORDER APPROVING MODIFIED
	:	PLAN OF DISTRIBUTION
Pinnacle Investments, LLC,	:	
	:	
Respondent.	:	
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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 (“Advisers Act”), Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist order (the “Order”)¹ 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”).

The Fair Fund includes the \$488,717.00 collected from the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund 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.

¹ Exchange Act Rel. No. 97448 (May 5, 2023).

On June 30, 2025, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Sondra Panahi, United States Securities and Exchange Commission, 801 Brickell Ave, Suite 1950, Miami, FL 33131. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ 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.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.⁵

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules,⁶ that the Proposed Plan is approved, and the approved Modified Plan of Distribution shall be posted simultaneously with this order on the Commission’s website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁷

Vanessa A. Countryman
Secretary

² Exchange Act Rel. No. 103346 (June 30, 2025).

³ 17 C.F.R. § 201.1103.

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

⁵ The Proposed Plan has been modified to name Simpluris, Inc. (“Simpluris”) as the fund administrator. *See* Order Appointing Fund Administrator, Setting Administrator’s Bond Amount, and Authorizing the Approval and Payment of the Fees and Expenses of Administration, Exchange Act Rel. No. 103441 (July 11, 2025).

⁶ 17 C.F.R. § 201.1104.

⁷ 17 C.F.R. § 200.30-4(a)(21)(iv).