

BrokerCheck Report

PINNACLE INVESTMENTS, LLC

CRD# 142910

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



PINNACLE INVESTMENTS, LLC

CRD# 142910

SEC# 8-67515

Main Office Location

5845 WIDEWATERS PKWY
STE 300
EAST SYRACUSE, NY 13057
Regulated by FINRA Woodbridge Office

Mailing Address

5845 WIDEWATERS PKWY
STE 300
EAST SYRACUSE, NY 13057

Business Telephone Number

315-251-1101

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in New York on 08/04/2006.
Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 51 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in New York on 08/04/2006.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

PINNACLE INVESTMENTS, LLC (SUCCESSOR)

Doing business as PINNACLE INVESTMENTS, LLC

CRD# 142910

SEC# 8-67515

Main Office Location

5845 WIDEWATERS PKWY
STE 300
EAST SYRACUSE, NY 13057

Regulated by FINRA Woodbridge Office

Mailing Address

5845 WIDEWATERS PKWY
STE 300
EAST SYRACUSE, NY 13057

Business Telephone Number

315-251-1101



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	PINNACLE HOLDING CO, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	MANAGING MEMBER
Position Start Date	11/2006
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	GEORGE, KENNETH RONALD 2643369
Is this a domestic or foreign entity or an individual?	Individual
Position	FINOP
Position Start Date	06/2007
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	JACOBSEN, BRYAN K 3055957
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	09/2025



Firm Profile

Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): KROUSE, ERIC DOUGLAS
4338577

Is this a domestic or foreign entity or an individual? Individual

Position COO / OPTIONS PRINCIPAL

Position Start Date 03/2011

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): QUILTY, BENJAMIN RYAN
5391743

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF EXECUTIVE OFFICER

Position Start Date 07/2019

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	FKAPI, INC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	PINNACLE HOLDING COMPANY, LLC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	04/2007
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KIDD, GREGG ANTHONY 1353130
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	FKAPI, INC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2006
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	RAITE, DANIEL FRANCIS 1244272
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Firm Profile



Indirect Owners (continued)

Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	FKAPI, INC
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2006
Percentage of Ownership	Other General Partners
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.



This firm was previously:	PINNACLE INVESTMENTS, INC.
Date of Succession:	11/15/2006
Predecessor CRD#:	40686
Predecessor SEC#:	8-49137
Description	BROKER-DEALER MOVING FROM CORPORATION TO NEWLY FORMED LLC. ALL ASSETS AND LIABILITIES ASSUMED BY THE SUCCESSOR.



Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 51 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	06/08/2007

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	06/08/2007



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	06/18/2007
Alaska	Approved	06/13/2014
Arizona	Approved	06/28/2007
Arkansas	Approved	12/14/2015
California	Approved	06/13/2007
Colorado	Approved	01/20/2009
Connecticut	Approved	06/14/2007
Delaware	Approved	06/21/2007
District of Columbia	Approved	05/22/2009
Florida	Approved	06/22/2007
Georgia	Approved	06/20/2007
Hawaii	Approved	04/23/2009
Idaho	Approved	11/29/2011
Illinois	Approved	06/11/2007
Indiana	Approved	07/14/2009
Iowa	Approved	03/25/2019
Kansas	Approved	05/27/2009
Kentucky	Approved	07/22/2013
Louisiana	Approved	08/10/2011
Maine	Approved	07/16/2015
Maryland	Approved	03/11/2008
Massachusetts	Approved	06/20/2007
Michigan	Approved	07/06/2007
Minnesota	Approved	08/01/2008
Mississippi	Approved	11/02/2009
Missouri	Approved	11/18/2008
Montana	Approved	07/11/2011
Nebraska	Approved	10/05/2011
Nevada	Approved	01/29/2008
New Hampshire	Approved	06/20/2007
New Jersey	Approved	06/15/2007
New Mexico	Approved	11/04/2024
New York	Approved	06/13/2007

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	07/09/2007
North Dakota	Approved	03/11/2022
Ohio	Approved	03/05/2008
Oklahoma	Approved	11/19/2019
Oregon	Approved	06/04/2009
Pennsylvania	Approved	06/18/2007
Rhode Island	Approved	05/29/2009
South Carolina	Approved	02/09/2007
South Dakota	Approved	03/26/2021
Tennessee	Approved	03/09/2010
Texas	Approved	06/27/2007
Utah	Approved	05/07/2015
Vermont	Approved	08/06/2008
Virginia	Approved	06/26/2007
Washington	Approved	06/13/2007
West Virginia	Approved	07/18/2019
Wisconsin	Approved	05/20/2008
Wyoming	Approved	05/13/2019



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	WELLS FARGO CLEARING SERVICES, LLC
CRD #:	19616
Business Address:	ONE NORTH JEFFERSON AVENUE ST. LOUIS, MO 63103
Effective Date:	11/11/2016
Description:	PINNACLE INVESTMENTS, LLC IS A FULLY DISCLOSED INTRODUCING BROKER DEALER UTILIZING CLEARING SERVICES OF WELLS FARGO CLEARING SERVICES, LLC.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: WELLS FARGO CLEARING SERVICES, LLC
CRD #: 19616
Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103
Effective Date: 11/11/2016
Description: PINNACLE INVESTMENTS, LLC IS A FULLY DISCLOSED INTRODUCING
BROKER DEALER UTILIZING CLEARING SERVICES OF WELLS FARGO
CLEARING SERVICES, LLC.

This firm does have accounts, funds, or securities maintained by a third party.

Name: WELLS FARGO CLEARING SERVICES, LLC
CRD #: 19616
Business Address: ONE NORTH JEFFERSON STREET
ST. LOUIS, MO 63103
Effective Date: 11/11/2016
Description: PINNACLE INVESTMENTS, LLC IS A FULLY DISCLOSED INTRODUCING
BROKER DEALER UTILIZING CLEARING SERVICES OF WELLS FARGO
CLEARING SERVICES, LLC.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: WELLS FARGO CLEARING SERVICES, LLC
CRD #: 19616
Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103
Effective Date: 11/11/2016
Description: PINNACLE INVESTMENTS, LLC IS A FULLY DISCLOSED INTRODUCING
BROKER DEALER UTILIZING CLEARING SERVICES OF WELLS FARGO
CLEARING SERVICES, LLC.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

PINNACLE ADVISORS LLC is under common control with the firm.

CRD #:	107275
Business Address:	5845 WIDEWATERS PARKWAY SUITE 300 EAST SYRACUSE, NY 13057
Effective Date:	06/01/1999
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	GREGG KIDD IS A SHAREHOLDER/MEMBER OF BOTH THE APPLICANT AND PINNACLE ADVISORS LLC

PINNACLE CAPITAL MANAGEMENT, LLC is under common control with the firm.

CRD #:	141661
Business Address:	5845 WIDEWATERS PARKWAY SUITE 300 EAST SYRACUSE, NY 13057
Effective Date:	07/08/2010
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Description: AFFILATE (PCM) IS UNDER CONTROL THROUGH PINNACLE HOLDING COMPANY.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A REASONABLY DESIGNED SUPERVISORY SYSTEM, INCLUDING WSPS, CONCERNING RECOMMENDATIONS OF INVERSE, OR LEVERAGED EXCHANGE TRADED FUNDS OR NOTES (NT-ETPS). THE FINDINGS STATED THAT THE FIRM'S WSPS AND TRAINING REGARDING THE RECOMMENDATION OF NT-ETPS DID NOT ADDRESS REG BI AS IT APPLIED TO THESE PRODUCTS. ADDITIONALLY, THE FIRM REQUIRED REGISTERED REPRESENTATIVES TO SIGN AND INITIAL EACH PAGE OF AN ATTESTATION STATING THAT HE OR SHE WAS KNOWLEDGEABLE ABOUT NT-ETPS AND WAS AWARE OF THE RISKS OF HOLDING THEM FOR MORE THAN A SINGLE TRADING SESSION BUT DID NOT FURTHER CONFIRM THAT THOSE REPRESENTATIVES UNDERSTOOD THE FEATURES AND RISKS UNIQUE TO NT-ETPS. THE FIRMS WSPS REQUIRED A SUPERVISING PRINCIPAL TO REVIEW EVERY RECOMMENDED NT-ETP TRANSACTION BUT DID NOT ADDRESS NT-ETP HOLDING PERIODS OR PROVIDE ANY GUIDANCE AS TO HOW THE INTENDED HOLDING PERIOD SHOULD BE CONSIDERED IN CONNECTION WITH NT-ETP RECOMMENDATIONS AND THE CUSTOMER'S BEST INTEREST. THE FIRM ALSO DID NOT ESTABLISH A SUPERVISORY SYSTEM TO FACILITATE SUCH AN ASSESSMENT. INDEED, THE FIRM'S SUPERVISORY REVIEW OF NT-ETP RECOMMENDATIONS WAS LIMITED TO VERIFYING THAT REGISTERED REPRESENTATIVES RECOMMENDING THE PURCHASE OF NT-ETPS HAD SIGNED THE ATTESTATION. THE FIRM FAILED TO IDENTIFY THAT A REGISTERED REPRESENTATIVE WAS RECOMMENDING THAT HIS CUSTOMERS BUY AND HOLD NT-ETPS FOR DURATIONS THAT WERE NOT IN THEIR BEST INTEREST, RESULTING IN \$53,847.99 IN REALIZED LOSSES. THE FIRM HAS REVISED ITS WSP FOR NT-ETPS AND BEGAN USING A MONTHLY EXCEPTION REPORT TO IDENTIFY THE HOLDING PERIOD OF ALL NT-ETPS HELD IN CUSTOMER ACCOUNTS. THE FINDINGS ALSO STATED THAT FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO MONITOR FOR DISCRETIONARY AND/OR UNAUTHORIZED TRADING IN CUSTOMER ACCOUNTS. THE FIRM DID NOT PERMIT ITS REGISTERED REPRESENTATIVES TO EXERCISE DISCRETION IN THEIR CUSTOMERS' COMMISSION-BASED ACCOUNTS. HOWEVER, THE FIRM RELIED EXCLUSIVELY ON NEXT-DAY, MANUAL REVIEWS OF THE TRADE BLOTTER, WHICH FAILED TO DETECT RED FLAGS OF DISCRETIONARY TRADING, SUCH AS INSTANCES WHERE MULTIPLE UNRELATED CUSTOMERS PURCHASED THE SAME SECURITY ON THE SAME DAY. THE FIRM LATER ATTEMPTED TO IMPLEMENT AN AUTOMATED SYSTEM TO MONITOR FOR POTENTIALLY UNAUTHORIZED TRADING AND DISCRETIONARY TRADING, BUT THAT SYSTEM WAS INEFFECTIVE DUE TO TECHNICAL ISSUES. AS A RESULT, THE FIRM FAILED TO DETECT AT LEAST ONE REGISTERED REPRESENTATIVE'S PATTERN OF SAME-DAY, SAME-SECURITY TRADES IN THE ACCOUNTS OF MULTIPLE UNRELATED



CUSTOMERS AND FAILED TO TAKE STEPS TO VERIFY THAT THE REGISTERED REPRESENTATIVE WAS CONTACTING EACH CUSTOMER BEFORE EVERY TRADE TO OBTAIN AUTHORIZATION AS WAS REQUIRED. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO CONDUCT TIMELY INSPECTIONS OF SIX BRANCH OFFICES AND ONE OSJ. THE FIRM FAILED TO CONDUCT ANNUAL INSPECTIONS OF AN OSJ AND WAS UNABLE TO PROVIDE ANY WRITTEN RECORDS DEMONSTRATING THAT, BETWEEN 2016 AND 2021, IT HAD INSPECTED THESE BRANCH LOCATIONS WITHIN THREE YEARS AS REQUIRED.

Initiated By: FINRA

Date Initiated: 05/01/2025

Docket/Case Number: [2022073421202](#)

Principal Product Type: Equity Listed (Common & Preferred Stock)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/01/2025

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$65,000.00
Disgorgement/Restitution

Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED, FINED \$65,000, ORDERED TO PAY \$53,847.99, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS, AND REQUIRED TO COMPLY WITH THE UNDERTAKING ENUMERATED IN THE ORDER. FINE PAID IN FULL ON MAY 20, 2025.

Reporting Source: Firm



Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THESE ARE THE ALLEGATIONS: FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A REASONABLY DESIGNED SUPERVISORY SYSTEM RELATED TO NT-ETPS, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA RULE 3260(B), FAILED TO CONDUCT TIMELY INSPECTIONS OF SIX BRANCH OFFICES AND ONE OSJ
Initiated By:	FINRA
Date Initiated:	05/01/2025
Docket/Case Number:	2022073421202
Principal Product Type:	Other
Other Product Type(s):	NT-ETPS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	\$65,000 FINE, RESTITUTION OF \$53,847.99 AND AN UNDERTAKING TO CERTIFY THAT THE FIRM HAS REMEDIATED THE ISSUES LOCATED IN THE AWC.
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/01/2025
Sanctions Ordered:	Censure Monetary/Fine \$65,000.00 Disgorgement/Restitution
Other Sanctions Ordered:	
Sanction Details:	RESTITUTION AMOUNT IS \$53,847.99 PLUS INTEREST
Firm Statement	CERTIFICATION SHOULD OCCUR WITHIN 60 DAYS

Disclosure 2 of 3

Reporting Source:	Firm
Current Status:	Final
Allegations:	FROM JANUARY 2015 TO OCTOBER 2022, PINNACLE, WHICH IS DUALY REGISTERED WITH THE COMMISSION AS AN INVESTMENT ADVISER AND A BROKER-DEALER, VIOLATED ANTIFRAUD, COMPLIANCE, AND REPORTING PROVISIONS OF THE ADVISERS ACT. PINNACLE MADE FALSE AND MISLEADING STATEMENTS IN ITS FORMS ADV PART 2A (THE "BROCHURE") 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 ("IAR A") WITH AN AFFILIATED FUND; FAILED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF THE ADVISERS ACT AND THE RULES THEREUNDER CONCERNING REVIEWS OF CLIENT ACCOUNTS AND CONFLICTS OF INTEREST; AND FAILED TO DELIVER TO CLIENTS INFORMATION ABOUT ADVISORY PERSONNEL AS REQUIRED IN FORM ADV PART 2B (THE "BROCHURE SUPPLEMENT"). AS A RESULT OF THIS CONDUCT, PINNACLE WILLFULLY VIOLATED SECTIONS 204(A), 206(2) AND 206(4) OF THE ADVISERS ACT AND RULES 204-3 AND 206(4)-7 THEREUNDER.

Initiated By: SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/01/2015

Docket/Case Number: 3-21405

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 05/05/2023

Sanctions Ordered: Monetary/Fine \$393,381.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered:

Sanction Details: RESPONDENT SHALL PAY DISGORGEMENT OF \$83,462, PREJUDGMENT INTEREST OF \$11,874 AND CIVIL PENALTIES OF \$393,381 TO THE SECURITIES AND EXCHANGE COMMISSION

Disclosure 3 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO



PRESERVE ALL BUSINESS-RELATED COMMUNICATIONS SENT OR RECEIVED BY A REGISTERED REPRESENTATIVE AND HIS ASSISTANT USING OUTSIDE EMAIL ACCOUNTS AND FAILED TO ESTABLISH, MAINTAIN AND ENFORCE AN ADEQUATE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO THE REVIEW AND RETENTION OF EMAIL.

Initiated By:	FINRA
Date Initiated:	09/22/2015
Docket/Case Number:	2014038901201
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/22/2015
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$12,500. FINE PAID IN FULL OCTOBER 9, 2015.
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Reporting Source:	Firm
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO PRESERVE ALL BUSINESS RELATED COMMUNICATIONS SENT OR RECEIVED BY A REGISTERED REP AND HIS ASSISTANT WHO WAS USING OUTSIDE EMAIL ACCOUNTS AND FAILED TO ESTABLISH, MAINTAIN AND



ENFORCE AN ADEQUATE SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO THE REVIEW AND RETENTION OF EMAIL.

Initiated By:	FINRA
Date Initiated:	09/22/2015
Docket/Case Number:	2014038901201
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	FINE OF \$12,500.00
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	09/22/2015
Sanctions Ordered:	Censure Monetary/Fine \$12,500.00
Other Sanctions Ordered:	
Sanction Details:	THE FIRM WAS CENSURED AND FINED \$12,500.00
Firm Statement	THE FIRM HAS REVISED THEIR WRITTEN SUPERVISORY PROCEDURES TO INCLUDE POLICIES AND PROCEDURES FOR BUSINESS RELATED EMAILS. THE FIRM RANDOMLY REVIEWS CELL PHONES FOR BUSINESS RELATED MESSAGES VIA TEXTING OR EMAIL. IN ADDITION, THE FIRM HIRED A NEW VENDOR FOR RETAINING EMAILS, AS WELL AS IMPROVED THE PROCESS IN WHICH EMAILS ARE REVIEWED.

End of Report



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