STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

3 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
4 Securities Act of Washington by:

Order No. S-19-2652-22-CO01

CONSENT ORDER

5 Pinnacle Opportunity Team, LLC, Ryan A. Purdie,

1

2

6

7

8

17

18

19

20

21

22

23

Respondents

INTRODUCTION

9 On September 16, 2021, the Securities Administrator of the Securities Division of the Department of Financial Institutions (Securities Division) issued a Statement of Charges and Notice of Intent to Enter Order 10 to Cease and Desist, Impose Fines, and Charge Costs (Statement of Charges), S-19-2652-21-SC01, against 11 Pinnacle Opportunity Team, LLC and Ryan A. Purdie. Pursuant to the Securities Act of Washington, RCW 12 21.20, the Securities Division and Pinnacle Opportunity Team, LLC and Ryan A. Purdie hereby enter into 13 14 this Consent Order in settlement of the matters alleged in the Statement of Charges. Pinnacle Opportunity 15 Team, LLC and Ryan A. Purdie neither admit nor deny the Findings of Fact and Conclusions of Law as set forth below. 16

FINDINGS OF FACT

Respondents

1. Pinnacle Opportunity Team, LLC ("Pinnacle") is a Washington entity formed on June 10, 2016 with its principal place of business in Kennewick, Washington. Pinnacle held itself out to investors as a company that was going to operate as a Washington-based marijuana processor. However, in 2016, it was impossible for a company that accepts out-of-state funds to ever be licensed as a marijuana processor in Washington state.

CONSENT ORDER

2. Ryan A. Purdie ("Purdie") currently resides in Riverside, California and Kennewick, Washington. According to an email that Purdie sent to the Washington State Liquor and Cannabis Board, Purdie resided in Richland, Washington during 2016. Purdie is the managing member of Pinnacle. Purdie is also a registered investment adviser representative, CRD #5281890. Purdie was registered as an investment adviser representative in California from October 2009 until October 2016. In May 2021, Purdie again became registered in California as an investment adviser representative.

Nature of the Conduct

3. During 2016, Purdie offered and sold a total of at least \$70,000 worth of Pinnacle LLC membership interests to at least four New York investors. Three out of four of the investors were repaid during 2018 or 2019. One of the investors, who had invested \$20,000 in Pinnacle, filed a complaint with the Securities Division. That investor was repaid \$20,000 in 2022.

4. When offering and selling the Pinnacle LLC membership interests, Purdie solicited family members and their friends to invest. Purdie generally contacted the investors by phone. Purdie told the investors that he was raising funds to build two marijuana processing facilities that would be located in Washington. When offering and selling the investments, Purdie told investors they should only invest what they were willing to lose, but Purdie did not disclose any specific risks of the investments and he did not provide the investors with a private placement memorandum or other written offering materials. The investors were passive LLC members who did not participate in the operation of Pinnacle's business. The investors were relying upon Purdie to generate a return on their investments.

Misrepresentations or Omissions

5. Purdie falsely represented to each of the investors that they would make a lot of money on their Pinnacle investments and that the investments would be repaid within a few months. Purdie told one investor that they could earn \$120,000 on a \$10,000 investment within six months and they could earn more

CONSENT ORDER

1

2

3

4

than \$200,000 annually on a \$20,000 investment. Purdie told another investor that they would be repaid within less than six months and thereafter they would double their investment every month. Purdie told another investor that they would earn at least three times the amount they invested and they would be repaid within three to four months. Purdie told a fourth investor that they would earn "millions of dollars" from their \$20,000 investment and their initial investment would be paid within one financial quarter. Purdie had no reasonable basis for the projected profits and there was no reasonable basis for promising a quick return on the investments.

6. When offering and selling the Pinnacle LLC membership interests, Purdie failed to disclose
 to the investors that he was under investigation by the Internal Revenue Service for promoting abusive tax
 shelters. Allegedly, Purdie had clients donate fabricated intellectual property in order to claim inappropriate
 tax deductions.

7. When offering and selling the Pinnacle investments, Purdie failed to disclose to the investors that during 2016, the Washington State Liquor and Cannabis Board did not allow any investments in Washington marijuana processors from out-of-state investors. Purdie also failed to disclose that Pinnacle was never licensed as a marijuana processor, which would have been required in order for Pinnacle to do business as a marijuana processor in the state of Washington.

8. Purdie also failed to disclose other significant risks of the Pinnacle investments. Purdie failed to provide the investors with any financial information about the company, including any listing of assets and liabilities, projected income and expenses, and a construction budget for the processor building project.
Purdie failed to disclose the amount of capital that would be required to complete the construction project and to operate the business and he failed to disclose the risk of having inadequate capitalization.

Securities Registration Status

CONSENT ORDER

9. Pinnacle is not currently registered to sell its securities in the state of Washington and has not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of the LLC interests described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. Pinnacle Opportunity Team, LLC and Ryan A. Purdie violated RCW 21.20.140, the securities registration section of the Securities Act of Washington, by offering and selling securities for which no registration is on file with the Securities Administrator.

3. Pinnacle Opportunity Team, LLC and Ryan A. Purdie violated RCW 21.20.010, the anti-fraud 10 section of the Securities Act of Washington, by making untrue statements of material fact or omitting to state material facts necessary to make the statements made, in light of the circumstances in which they were 12 made, not misleading. 13

Based upon the foregoing and finding it in the public interest:

CONSENT ORDER

IT IS AGREED AND ORDERED that Respondents Pinnacle Opportunity Team, LLC and Ryan A. Purdie, and their agents and employees, shall each cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS AGREED AND ORDERED that Respondents Pinnacle Opportunity Team, LLC and Ryan A. Purdie, and their agents and employees, shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

CONSENT ORDER

1

2

3

4

5

6

7

8

9

11

14

15

16

17

18

19

20

21

22

23

1	IT IS AGREED AND ORDERED that Respondent Ryan A. Purdie shall be liable for and pay costs		
2	in the amount of \$2,500.		
3	IT IS AGREED that Respondents Pinnacle Opportunity Team, LLC and Ryan A. Purdie entered into		
4	this Consent Order freely and voluntarily and with a full understanding of its terms and significance.		
5	IT IS AGREED that the Securities Division has jurisdiction to enter this order.		
6	IT IS AGREED that in consideration of the foregoing, Respondents Pinnacle Opportunity Team, LLC		
7	and Ryan A. Purdie each waive their right to a hearing and to judicial review of this matter pursuant to		
8	Chapter 34.05 RCW.		
9			
10	WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.		
11			
12	Signed this27th day of July, 2022		
13			
14	Signed by:		
15	Pinnacle Opportunity Team, LLC		
16	_/s/		
17	Ryan A. Purdie Managing Member		
18	Signed by:		
19	Signed by.		
20	/s/ Ryan A. Purdie, Individually		
21	Kyan A. Fuldle, mulvidually		
22	Approved as to form by:		
23			
	CONSENT ORDER DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760		

1	/s/ Paul Barrera, Attorney for Ryan A. Purdie		
2			
3	SIGNED and ENTERED this 6th day of September, 2022		
4			
5			
6		/s/ William M. Beatty Securities Administrator	
7			
8	Approved by:	Presented by:	
9	/s/	/s/	
10	Brian J. Guerard Chief of Enforcement	Janet So Financial Legal Examiner	
11	Reviewed by:		
12			
13	/s/ Huong Lam		
14	Financial Legal Examiner Supervisor		
15			
16			
17			
18			
19			
20			
21			
22			
23			
	CONSENT ORDER	DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760	