

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

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

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

Respondents

Order No. S-19-2652-21-SC01

STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND
DESIST, TO IMPOSE A FINE, AND TO CHARGE
COSTS

8 **THE STATE OF WASHINGTON TO:**

Pinnacle Opportunity Team, LLC
Ryan A. Purdie

10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the state of Washington has reason to believe
12 that Respondents Pinnacle Opportunity Team, LLC and Ryan A. Purdie have each violated the Securities
13 Act of Washington. The Securities Administrator believes these violations justify the entry of an order
14 against Respondents Pinnacle Opportunity Team, LLC and Ryan A. Purdie to cease and desist from such
15 violations, to impose a fine, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395. The
16 Securities Administrator finds as follows:

17 **TENTATIVE FINDINGS OF FACT**

18 **Respondents**

19 1. Pinnacle Opportunity Team, LLC (“Pinnacle”) is a Washington entity formed on June 10,
20 2016 with its principal place of business in Kennewick, Washington. Pinnacle held itself out to investors
21 as a company that was going to operate as a Washington-based marijuana processor. However, in 2016, it
22 was impossible for a company that accepts out-of-state funds to ever be licensed as a marijuana processor
23 in Washington state.

1 than \$200,000 annually on a \$20,000 investment. Purdie told another investor that they would be repaid
2 within less than six months and thereafter they would double their investment every month. Purdie told
3 another investor that they would earn at least three times the amount they invested and they would be repaid
4 within three to four months. Purdie told a fourth investor that they would earn “millions of dollars” from
5 their \$10,000 investment and their initial investment would be paid within one financial quarter. Purdie
6 had no reasonable basis for the projected profits and there was no reasonable basis for promising a quick
7 return on the investments.

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

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

17 8. Purdie also failed to disclose other significant risks of the Pinnacle investments. Purdie failed
18 to provide the investors with any financial information about the company, including any listing of assets
19 and liabilities, projected income and expenses, and a construction budget for the processor building project.
20 Purdie failed to disclose the amount of capital that would be required to complete the construction project
21 and to operate the business and he failed to disclose the risk of having inadequate capitalization. Purdie
22 failed to disclose that even if the Pinnacle processing facility was ever completed, the company had never
23 produced any product or established any market for marijuana edibles.

1 **Securities Registration Status**

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

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

5 **CONCLUSIONS OF LAW**

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

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

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

15 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

16 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
17 Law, the Securities Administrator intends to order Pinnacle Opportunity Team, LLC and Ryan A. Purdie,
18 and their agents and employees, to each permanently cease and desist from violating RCW 21.20.140 and
19 RCW 21.20.010.

20 **NOTICE OF INTENT TO IMPOSE A FINE**

21 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
22 the Securities Administrator intends to order that Ryan A. Purdie shall be liable for and shall pay a fine of
23 \$20,000.

1 **NOTICE OF INTENT TO CHARGE COSTS**

2 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
3 the Securities Administrator intends to order that Ryan A. Purdie shall be liable for and shall pay the costs,
4 fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount
5 not less than \$5,000.

6 **AUTHORITY AND PROCEDURE**

7 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
8 to the provisions of Chapter 34.05 RCW. Pinnacle Opportunity Team, LLC and Ryan A. Purdie may each
9 make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying
10 this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator
11 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a
12 permanent order to cease and desist as to that respondent, to impose any fines sought against that
13 respondent, and to charge any costs sought against that respondent.

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15 SIGNED and ENTERED this 16th day of September, 2021

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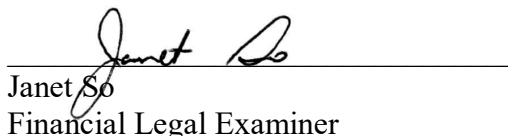
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18 William M. Beatty
19 Securities Administrator

20 Approved by:

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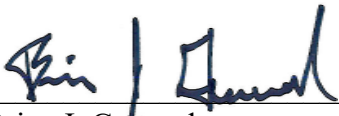
22
23 Suzanne E. Sarason
Chief of Enforcement

Presented by:

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25 Janet So
Financial Legal Examiner

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Reviewed by:



Brian J. Guerard
Financial Legal Examiner Supervisor