





1 Team Funding, were closing their operations. The investors were shocked to learn that their investment  
2 was gone.

### 3 **Pinnacle Investment Offering**

#### 4 *In-Person Solicitation*

5 6. During 2017, Waln offered a Pinnacle promissory note investment to an investor by email. In  
6 a March 10, 2017 email, Waln misleadingly stated that “[W]e have created an opportunity to provide an  
7 outstanding alternative to short-term, fixed-rate investments like CD’s and T Bills.” Waln misleadingly  
8 compared low-risk investments with the high-risk Pinnacle investment, while falsely claiming that Pinnacle  
9 was offering a safe investment. The email also touted a “closed-end fund” of \$14 million. Waln  
10 misleadingly compared the Pinnacle investment to a mutual fund and used a total offering amount that far  
11 exceeded the amount of money that was actually raised for the Pinnacle investment.

#### 12 *Public Solicitation*

13 7. Pinnacle, Waln, and King offered Pinnacle investments through the Internet. During at least  
14 February 2017, the Pinnacle website included an online investment offering brochure. The brochure stated  
15 that investor funds would be used exclusively to provide short-term construction loans. The investor funds  
16 would be pooled to make loans to Echelon Luxury Homes LLC. The investments would be secured by a  
17 Deed of Trust against the real property being developed and the construction loans would not exceed a 60%  
18 loan-to-value ratio. The brochure stated that Pinnacle was offering a “special incentive” by promising a  
19 “fixed-rate return of 8%” to clients who invested the next \$4 million out of the \$14 million that Pinnacle  
20 was trying to raise. Later investors would receive a return of only 6%. The investment would have an  
21 initial term of 18 months and could be extended by mutual agreement for an additional 12 months multiple  
22 times. The brochure misleadingly emphasized the “safety” of the investment and stated that there was “little  
23 or no” investor time commitment required. The investors had no control over the use of their invested funds

1 and did not participate in the operation of Pinnacle or Waln Team Funding. The investors were relying on  
2 the Respondents to generate a return on the investments.

3 *Sale of a Pinnacle Investment*

4 8. In May 2017, following email investment solicitations by Waln, Pinnacle sold a \$25,000  
5 investment. The investor received a promissory note that was issued by Pinnacle and signed by Tamara  
6 Waln (now King), on behalf of HTI Wealth LLC, the manager of Pinnacle. The note had an 18-month term  
7 and called for 8% annual interest. The investor also received a Deposit Agreement. The Deposit Agreement  
8 had a format that was similar to a bank account statement. The Deposit Statement included contact  
9 information for the investor and stated the rate of return, the term of the investment, and the maturity date  
10 of the investment.

11 **Waln Team Funding Investment Offering**

12 *In-Person Solicitation*

13 9. During May 2018, Waln offered Waln Team Funding investments to investors who attended  
14 a “free” dinner meeting at a downtown restaurant in Bellevue, Washington. Waln conducted the meeting  
15 or meetings and gave a presentation about Waln Team Funding’s promissory note investments. Waln  
16 misleadingly represented that Waln Team Funding was offering a safe investment that would pay 8%  
17 interest for an initial term of 18 months. Waln failed to disclose that the Walns’ real estate sales company,  
18 The Waln Team, Inc., was delinquent in paying its office rent and had received a notice to pay rent or vacate  
19 the premises. Waln and King were each guarantors for the office lease.

20 *Public Solicitation*

21 10. Waln Team Funding, Waln, and King solicited additional investments through an Internet  
22 offering on the company’s website. In June 2019, the website stated that Waln Team Funding’s  
23 “construction lending fund” was “currently capped” at \$7 million. The Respondents failed to disclose that

1 Waln Team Funding was the successor to Pinnacle and that collectively the two companies had only raised  
2 approximately \$125,000 from three outside investors over the past two years. The Respondents also failed  
3 to disclose that the Walns' real estate sales company, The Waln Team, LLC, was delinquent in paying its  
4 office rent and had received a notice to pay rent or vacate the premises. Waln and King were each guarantors  
5 for the office lease.

6 *Sale of Waln Team Funding Investments*

7 11. In May 2018, following the in-person solicitation by Waln, Waln Team Funding sold two of  
8 its investments. The investors each invested approximately \$50,000. The Waln Team Funding investors  
9 received the same type of promissory note as the Pinnacle investor, except the issuer of the promissory note  
10 was Waln Team Funding. Both of the promissory notes were signed by King. The Waln Team Funding  
11 investors also received the same type of Deposit Statement as the Pinnacle investor, except the issuer of the  
12 Deposit Statement was Waln Team Funding.

13 **Omissions of Material Fact**

14 12. When offering and selling the Pinnacle and the Waln Team Funding promissory note  
15 investments, the Respondents each failed to disclose material information about the investments. They  
16 failed to disclose that there was no required minimum offering amount and no escrow of investor funds, so  
17 the funds could be expended immediately without completing a particular project. They failed to provide  
18 title reports and valuations for the real property that was supposed to secure the investment. They failed to  
19 provide financial statements and operating history information for the note issuers, Pinnacle and Waln Team  
20 Funding. They failed to provide financial statements and operating history information for Echelon Luxury  
21 Homes LLC, the identified borrower. They failed to disclose that investors would be dependent upon a few  
22 key individuals. The Respondents also failed to disclose that Waln had suffered significant financial losses  
23

1 during the 2008 real estate market downturn and that he was subject to a civil judgment totaling  
2 approximately \$250,000 and an IRS tax lien of more than \$230,000.

3 **Registration Status**

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

6 14. Waln Team Funding is not currently registered to sell its securities in the state of Washington  
7 and has not previously been so registered.

8 15. Waln and King are not currently registered as securities salespersons or broker-dealers in the  
9 state of Washington and have not previously been so registered.

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

11 **CONCLUSIONS OF LAW**

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

13 1. The offer and/or sale of the promissory note investments described above constitute the offer  
14 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

15 2. Pinnacle, Waln Team Funding, Waln, and King each violated RCW 21.20.140 by offering  
16 and/or selling securities for which no registration is on file with the Securities Administrator.

17 3. Waln and King each violated RCW 21.20.040 by offering and/or selling said securities while  
18 not being registered as a securities salesperson or broker-dealer in the state of Washington.

19 4. Pinnacle, Waln Team Funding, Waln, and King each violated RCW 21.20.010 by making  
20 untrue statements of material fact or omitting to state material facts necessary to make the statements made,  
21 in light of the circumstances in which they were made, not misleading.

22 **CONSENT ORDER**

23

1 IT IS AGREED AND ORDERED that Respondent Paul DeLette Waln Jr., his agents, and employees  
2 each shall cease and desist from violating RCW 21.20.140, the securities registration section of the Securities  
3 Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that Respondent Paul DeLette Waln Jr., his agents, and  
5 employees each shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-  
6 dealer registration section of the Securities Act of Washington.

7 IT IS FURTHER AGREED AND ORDERED that Respondent Paul DeLette Waln Jr., his agents and  
8 employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities  
9 Act of Washington.

10 IT IS FURTHER AGREED AND ORDERED that Respondent Paul DeLette Waln Jr. shall be liable  
11 for and shall pay investigative costs of \$5,000. \$2,000 shall be paid prior to the entry of this Consent Order.  
12 The remaining \$3,000 shall be paid in three monthly installments of \$1,000 each. The \$1,000 payments shall  
13 be due by the fifteenth day of each successive month, starting on October 15, 2020.

14 IT IS FURTHER AGREED that if Paul DeLette Waln fails to make any monthly payment, the  
15 remaining investigative costs shall become immediately due and payable, and the Securities Division may  
16 seek enforcement of the Consent Order pursuant to RCW 21.20.395

17 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

18 IT IS FURTHER AGREED that Respondent Paul DeLette Waln Jr., entered into this Consent Order  
19 freely and voluntarily and with a full understanding of its terms and significance.

20 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, Paul DeLette Waln  
21 Jr., waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter  
22 34.05 RCW.

23 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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Signed this 9th day of September, 2020

Signed by:

/s/ \_\_\_\_\_  
Paul DeLette Waln Jr.

Approved as to form by:

/s/ \_\_\_\_\_  
Roger Mellem  
Attorney for Paul DeLette Waln Jr.  
WSBA #14917

SIGNED and ENTERED this 24th day of September, 2020



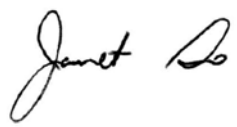
William M. Beatty  
Securities Administrator

Approved by:



Suzanne E. Sarason  
Chief of Enforcement

Presented by:



Janet So  
Financial Legal Examiner

Reviewed by:



CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760



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Brian J. Guerard  
Financial Legal Examiner Supervisor

**CONSENT ORDER**

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760



1 3. Paul DeLette Waln Jr. (“Waln”) resided in Bellevue, Washington during at least 2017 and  
2 2018. Waln was a principal of Pinnacle and Waln Team Funding. According to his LinkedIn profile,  
3 Waln is an “industry expert with more than 25 years of successful experience in real estate.” Waln is also  
4 named as a Respondent in another Washington Securities Division Statement of Charges, Case No. S-20-  
5 2881 for Halcyon Apartments CC4R, LLC. On October 10, 2018, Waln filed for Chapter 7 bankruptcy,  
6 which was discharged on January 9, 2019.

7 4. Tamara Christine King (“King”), formerly Tamara Waln, resided in Bellevue, Washington  
8 from at least 2016 through 2019. King was a principal of Pinnacle and Waln Team Funding. For more  
9 than 15 years, King has been a real estate agent. On December 27, 2019, King filed for Chapter 7  
10 bankruptcy, which was discharged on March 25, 2020.

## 11 **Nature of the Conduct**

### 12 **Overview**

13 5. From at least September 2016 through June 2019, Pinnacle, Waln Team Funding, Waln, and  
14 King offered and sold promissory note investments that were issued by Pinnacle and Waln Team  
15 Funding. The investments totaled more than \$425,000 and were sold to at least four Washington  
16 investors, including a \$300,000 investment in September 2016 from an affiliated Washington limited  
17 liability company (Halcyon Apartments CC4R, LLC) that was operated by Waln and King. In November  
18 2019, King sent the investors a letter notifying them that their money was gone and that the companies,  
19 Pinnacle and Waln Team Funding, were closing their operations. The investors were shocked to learn  
20 that their investment was gone.  
21

## 22 **Pinnacle Investment Offering**

### 23 *In-Person Solicitation*

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25



1 8. In May 2017, following email investment solicitations by Waln, Pinnacle sold a \$25,000  
2 investment. The investor received a promissory note that was issued by Pinnacle and signed by Tamara  
3 Waln (now King), on behalf of HTI Wealth LLC, the manager of Pinnacle. The note had an 18-month  
4 term and called for 8% annual interest. The investor also received a Deposit Agreement. The Deposit  
5 Agreement had a format that was similar to a bank account statement. The Deposit Statement included  
6 contact information for the investor and stated the rate of return, the term of the investment, and the  
7 maturity date of the investment.

### 8 **Waln Team Funding Investment Offering**

#### 9 *In-Person Solicitation*

10 9. During May 2018, Waln offered Waln Team Funding investments to investors who attended  
11 a “free” dinner meeting at a downtown restaurant in Bellevue, Washington. Waln conducted the meeting  
12 or meetings and gave a presentation about Waln Team Funding’s promissory note investments. Waln  
13 misleadingly represented that Waln Team Funding was offering a safe investment that would pay 8%  
14 interest for an initial term of 18 months. Waln failed to disclose that the Walns’ real estate sales  
15 company, The Waln Team, Inc., was delinquent in paying its office rent and had received a notice to pay  
16 rent or vacate the premises. Waln and King were each guarantors for the office lease.

#### 18 *Public Solicitation*

19 10. Waln Team Funding, Waln, and King solicited additional investments through an Internet  
20 offering on the company’s website. In June 2019, the website stated that Waln Team Funding’s  
21 “construction lending fund” was “currently capped” at \$7 million. The Respondents failed to disclose that  
22 Waln Team Funding was the successor to Pinnacle and that collectively the two companies had only  
23 raised approximately \$125,000 from three outside investors over the past two years. The Respondents  
24 also failed to disclose that the Walns’ real estate sales company, The Waln Team, LLC, was delinquent in  
25

1 paying its office rent and had received a notice to pay rent or vacate the premises. Waln and King were  
2 each guarantors for the office lease.

### 3 *Sale of Waln Team Funding Investments*

4 11. In May 2018, following the in-person solicitation by Waln, Waln Team Funding sold two of  
5 its investments. The investors each invested approximately \$50,000. The Waln Team Funding investors  
6 received the same type of promissory note as the Pinnacle investor, except the issuer of the promissory  
7 note was Waln Team Funding. Both of the promissory notes were signed by King. The Waln Team  
8 Funding investors also received the same type of Deposit Statement as the Pinnacle investor, except the  
9 issuer of the Deposit Statement was Waln Team Funding.

### 10 **Omissions of Material Fact**

11 12. When offering and selling the Pinnacle and the Waln Team Funding promissory note  
12 investments, the Respondents each failed to disclose material information about the investments. They  
13 failed to disclose that there was no required minimum offering amount and no escrow of investor funds,  
14 so the funds could be expended immediately without completing a particular project. They failed to  
15 provide title reports and valuations for the real property that was supposed to secure the investment. They  
16 failed to provide financial statements and operating history information for the note issuers, Pinnacle and  
17 Waln Team Funding. They failed to provide financial statements and operating history information for  
18 Echelon Luxury Homes LLC, the identified borrower. They failed to disclose that investors would be  
19 dependent upon a few key individuals. The Respondents also failed to disclose that Waln had suffered  
20 significant financial losses during the 2008 real estate market downturn and that he was subject to a civil  
21 judgment totaling approximately \$250,000 and an IRS tax lien of more than \$230,000.  
22

### 23 **Registration Status**

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

3 14. Waln Team Funding is not currently registered to sell its securities in the state of  
4 Washington and has not previously been so registered.

5 15. Waln and King are not currently registered as securities salespersons or broker-dealers in the  
6 state of Washington and have not previously been so registered.

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

8 **CONCLUSIONS OF LAW**

9 1. The offer and/or sale of the promissory note investments described above constitute the offer  
10 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

11 2. Pinnacle, Waln Team Funding, Waln, and King each violated RCW 21.20.140 by offering  
12 and/or selling securities for which no registration is on file with the Securities Administrator.

13 3. Waln and King each violated RCW 21.20.040 by offering and/or selling said securities  
14 while not being registered as a securities salesperson or broker-dealer in the state of Washington.

15 4. Pinnacle, Waln Team Funding, Waln, and King each violated RCW 21.20.010 by making  
16 untrue statements of material fact or omitting to state material facts necessary to make the statements  
17 made, in light of the circumstances in which they were made, not misleading.

18 **CONSENT ORDER**

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

20 IT IS AGREED AND ORDERED that Respondents, Pinnacle Lending LLC, Waln Team Funding LLC, and  
21 Tamara Christine King, and their agents and employees each shall cease and desist from violating RCW 21.20.010,  
22 the anti-fraud section of the Securities Act of Washington.

23 IT IS FURTHER AGREED AND ORDERED that Respondent, Tamara Christine King, and her agents and  
24 employees each shall cease and desist from violating RCW 21.20.040, the securities salesperson registration section  
25 of the Securities Act of Washington.

1 IT IS FURTHER AGREED AND ORDERED that Respondents, Pinnacle Lending LLC, Waln Team Funding  
2 LLC, and Tamara Christine King, and their agents and employees each shall cease and desist from violating RCW  
3 21.20.140, the securities registration section of the Securities Act of Washington.

4 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

5 IT IS FURTHER AGREED that Respondents, Pinnacle Lending LLC, Waln Team Funding LLC, and Tamara  
6 Christine King, entered into this Consent Order freely and voluntarily and with a full understanding of its terms and  
7 significance.

8 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents, Pinnacle Lending LLC,  
9 Waln Team Funding LLC, and Tamara Christine King, each waive their right to a hearing and to judicial review of  
10 this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

11 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

12 Signed this \_\_\_2nd\_\_\_ day of \_\_\_\_\_June\_\_\_\_\_ 2020\_\_\_

13  
14 Signed by:

15 Pinnacle Lending LLC

16 /s/ \_\_\_\_\_  
17 Tamara Christine King  
18 Manager

19 Signed by:

20 Waln Team Funding LLC

21 /s/ \_\_\_\_\_  
22 Tamara Christine King  
23 Manager



1 Signed by:

2  
3 /s/ \_\_\_\_\_  
Tamara Christine King, Individually

4 Approved as to form by:


5  
6 /s/ \_\_\_\_\_  
Justin D. Park, WSBA #28340  
7 Attorney for Tamara Christine King

8  
9 SIGNED and ENTERED this 9th day of June 2020

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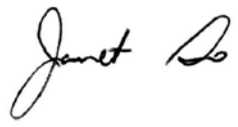
12  
13 William M. Beatty  
Securities Administrator

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15 Approved by:

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19 Suzanne E. Sarason  
Chief of Enforcement

Presented by:

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22  
23 Janet So  
Financial Legal Examiner

24  
25 Reviewed by:



Brian J. Guerard  
Financial Legal Examiner Supervisor

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 Halcyon Apartments CC4R, LLC,  
6 Paul DeLette Waln Jr.,

Respondents

Order No. S-20-2881-20-SC01

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

7  
8 **THE STATE OF WASHINGTON TO:**

Halcyon Apartments CC4R, LLC  
Paul DeLette Waln Jr.

9  
10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the state of Washington has reason to believe  
12 that Respondents, Halcyon Apartments CC4R, LLC and Paul DeLette Waln Jr., violated the Securities Act  
13 of Washington. The Securities Administrator believes these violations justify the entry of an order against  
14 Respondents Halcyon Apartments CC4R, LLC and Paul DeLette Waln Jr. 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. Halcyon Apartments CC4R, LLC (“Halcyon”) is a Washington entity formed on September  
20 29, 2009 that had its principal place of business in Bellevue, Washington. Halcyon was formed to purchase,  
21 refurbish, and rent or re-sell aging apartments and other multi-family properties in premium locations in the  
22 Seattle, Washington area.





1           2.     Halcyon and Waln each violated RCW 21.20.140 by offering and/or selling securities for  
2 which no registration is on file with the Securities Administrator.

3           3.     Waln violated RCW 21.20.040 by offering and/or selling said securities while not being  
4 registered as a securities salesperson or broker-dealer in the state of Washington.

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

6           Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
7 Administrator intends to order, pursuant to RCW 21.20.390(1), that Halcyon Apartments CC4R, LLC and  
8 Paul DeLette Waln Jr., and their agents and employees, shall each cease and desist from any violation of  
9 RCW 21.20.140 and that Paul DeLette Waln Jr., and his agents and employees, shall each cease and desist  
10 from any violation of RCW 21.20.040.

11                           **NOTICE OF INTENT TO IMPOSE FINES**

12           Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,  
13 the Securities Administrator intends to order that Respondent Paul DeLette Waln Jr. shall be liable for and  
14 shall pay a fine of \$25,000.

15                           **NOTICE OF INTENT TO CHARGE COSTS**

16           Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,  
17 the Securities Administrator intends to order that Paul DeLette Waln Jr. shall be liable for and for and shall  
18 pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this  
19 matter, in an amount not less than \$10,000.

20                           **AUTHORITY AND PROCEDURE**

21           This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
22 to the provisions of Chapter 34.05 RCW. Halcyon Apartments CC4R, LLC and Paul DeLette Waln Jr. may  
23 each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing

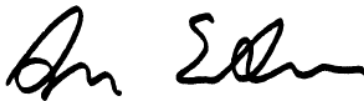
1 Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and  
2 to enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that  
3 respondent, and to charge any costs sought against that respondent.

4 SIGNED and ENTERED this 6th day of May, 2020

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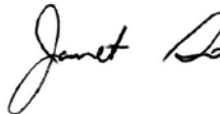
8 \_\_\_\_\_  
9 William M. Beatty  
10 Securities Administrator

10 Approved by:

11 

12 \_\_\_\_\_  
13 Suzanne E. Sarason  
14 Chief of Enforcement

10 Presented by:

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12 \_\_\_\_\_  
13 Janet So  
14 Financial Legal Examiner

14 Reviewed by:

15 

16 \_\_\_\_\_  
17 Brian J. Guerard  
18 Financial Legal Examiner Supervisor