

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Pinnacle Partners Financial Corporation
(CRD No. 145523),

and

Brian K. Alfaro (CRD No. 4049120),

Respondents.

DISCIPLINARY PROCEEDING
No. 2010021324501

**TEMPORARY CEASE AND DESIST CONSENT ORDER
PENDING DISPOSITION OF TEMPORARY CEASE AND DESIST HEARING**

Based upon the parties' agreement, the Hearing Officer issues this temporary cease and desist consent order pursuant to Procedural Rule 9840. It is understood and agreed by all the undersigned that the parties agreement to the this order shall not be construed or interpreted in any manner, as to any of the parties hereto, as an admission of liability, violative conduct, or impropriety. It is further understood and agreed that this agreement by the parties shall not be construed or interpreted as an indication that any given party is likely to prevail on the merits.

Accordingly, this 10th day of December, 2010 at 10 a.m. F.S.T., it is hereby

ORDERED that Respondents Brian Alfaro and Pinnacle Partners Financial Corporation:

- A. **CEASE AND DESIST** from violating Section 10(b) of the Securities Exchange Act of 1934, SEC Rule 10b-5 promulgated there under, and FINRA Rule 2020;

- B. **CEASE AND DESIST** from offering or selling any oil and gas private placement offerings ("Private Placement Offerings");
- C. **CEASE AND DESIST** from violating FINRA Rules 2150 and 2101;
- D. **CEASE AND DESIST** from dissipating assets of investors, including but not limited to (a) payment of commissions or any other form of compensation in connection with the sales of the Private Placement Offerings, and (b) transfers of funds from the accounts of Private Placement Offerings;
- E. **CEASE AND DESIST** from collecting payments from investors relating to Private Placement Offerings, including, but not limited to, the French Town and Montague Legacy offerings¹; and
- F. **CEASE AND DESIST** from converting for personal use or misappropriating funds derived from sales of Private Placement Offerings.

Additionally, pursuant to the parties' agreement, the Hearing Officer **ORDERS** Respondents to provide an accounting to the Hearing Officer and to the Department.

The required accounting shall be produced within fifteen calendar days of this Order. The accounting, which is to be made to effectuate the relief ordered herein, shall be in the form of a sworn declaration executed by Respondent's President, Brian Alfaro, under penalty of perjury, that includes the following information with respect to the South Bayou Crook Chene, Pangaea, Normanna Deep, Normanna North, Victoria Secret, East Wharton, French Town, and Montague Legacy Private Placement Offerings:

¹ Pinnacle and Alfaro may continue to receive completion payments from investors in the East Wharton offering; however (1) the funds will be placed immediately in the East Wharton offering's joint operating account, (2) the funds will only be used to pay completion costs invoiced by the operator, and (3) every Thursday, Pinnacle will provide the Department with an accounting of all funds received and disbursed in connection with the East Wharton offering so long as this Order is in effect. Neither the Hearing Officer nor the Department of Enforcement takes any position on the merits of the East Wharton offering.

1. The total amount raised from investors, broken down by each offering;
2. Documents and information sufficient to show where funds raised from investors were deposited or placed once received by the Firm from investors and all subsequent transfers of those funds by the Firm;
3. A complete list of investors, including the date(s) of each investment, the offering in which the investment was made, and the amount(s) invested;
4. A complete list of prospective customers who were solicited but did not invest;
5. For all customers who received a refund of their investment(s) in the Private Placement Offerings, the name, address, and telephone number of the customer, the amount refunded, the date of the original investment(s), the date of payment of the refund, the account from which the refund was paid, the source of the funds returned to the customer, and the reasons why the funds were returned;
6. For all customers who received a transfer of their investment(s) in the Private Placement Offerings, the name, address, and telephone number of the customer, the date of the original investment(s), the date of the transfer, the amount transferred, and the project transferred to and from;
7. A complete list of all disbursements to any person or entity by Pinnacle, Alfaro, or any related entities of funds raised from investors, including the date, amount, recipient and purpose of the disbursement, as well as all documents related to those disbursements (such as transmittal letters, cancelled checks, and wire transfers);
8. The current location (including account name, number, institution, and current balances) of all funds raised from investors that have not been disbursed; and
9. A copy of all documents used to prepare the accounting.

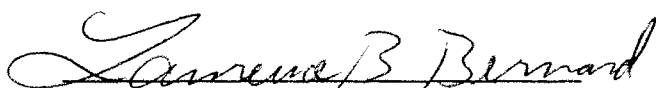
Respondents are **ORDERED** to inform the Hearing Officer and the Department of any change to any account balance reflected in the accounting that may be made prior to the completion of the temporary cease and desist hearing. Such reports are to be made within twenty-four hours of any change in any balance.

Pursuant to the parties' agreement, the Hearing Officer further **ORDERS** Respondents to provide to the Department the following with respect to any communications with current or potential investors:

1. Copies of any paper or electronic correspondence every Thursday;
2. Outgoing mail logs that include the sender, recipient, address, and contents of any mailing every Thursday;
3. Phone logs that include call detail evidencing the caller, outgoing number, time of call, and duration of call every Thursday; and
4. Tape recordings of conversations pursuant to the requirements of NASD Rule 3010(b)(2)(C)-(G) as requested.

This Order shall have the same force and effect as any order issued pursuant to Rule 9840 except as to its remaining in effect until the disposition of the underlying disciplinary proceeding. Respondents have waived the right to challenge or contest the validity of this Order, or to appeal from this Order, in any forum.

It is further **ORDERED** that this Order shall remain in full force and effect until a final order is issued in the temporary cease and desist hearing.

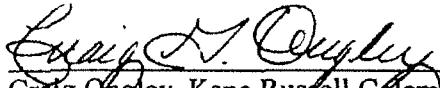

Hearing Officer Lawrence B. Bernard

Dec 10, 2010
10 A.M. EST.

AGREED TO AND APPROVED:



Patrick K. Craine, Senior Regional Counsel
Andrew Favret, Regional Chief Counsel
Mark P. Dauer, Deputy Chief Litigation Counsel
Department of Enforcement


Craig Ogley, Kane Russell Coleman and Logan
Chris Bebel, Law Office of Christopher Bebel
Counsel for Brian K. Alfaro and
Pinnacle Partners Financial Corporation

Brian Alfaro
Brian K. Alfaro

Brian Alfaro
Pinnacle Partners Financial Corporation

By: BRIAN ALFARO

Its: _____

Copies to: Christopher J. Bebel (*via e-mail and first-class mail*)
Craig Ongley, Esq. (*via e-mail and first-class mail*)
Patrick K. Craine, Esq. (*via e-mail and first-class mail*)
Andrew Favret, Esq. (*via e-mail*)
Mark P. Dauer, Esq. (*via e-mail*)
David R. Sonnenberg, Esq. (*via e-mail*)