

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

**IN THE MATTER OF: FARMARAZ "MARIO" AZODINIA;
EUGENE C. BEYER;
AND PINNACLE INVESTMENT GROUP LLC**

)
)
) **File No. C1000215**
)
)

ORDER OF PROHIBITION

TO RESPONDENTS: FARMARAZ "MARIO" AZODINIA
 6351 W. Montrose, Apt 256
 Chicago, Illinois 60634

PINNACLE INVESTMENT GROUP LLC
Attn: Farmaraz "Mario" Azodinia
6351 W. Montrose, Apt 256
Chicago, Illinois 60634

WHEREAS, the above-captioned matter came to be heard on May 1, 2012, pursuant to the Notice of Hearing dated January 19, 2012, filed by Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, attorney Felicia Simmons-Stovall appeared on behalf of the Illinois Securities Department ("Department") and introduced documentary evidence and witness testimony in support of the allegations contained in the Notice of Hearing;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined;

WHEREAS, a separate consent order was entered on July 19, 2012 between the Department and Respondent Eugene Beyer;

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WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondents Farmaraz "Mario" Azodinia and Pinnacle Investment Group LLC on or about January 25, 2012.
2. Respondents Farmaraz "Mario" Azodinia (hereinafter "Azodinia") and Pinnacle Investment Group LLC (hereinafter "Pinnacle") failed to answer, appear, or submit a responsive pleading.
3. The Respondents Azodinia and Pinnacle did not appear at the Hearing.
4. Pinnacle Investment Group LLC ("Respondent Pinnacle" or collectively with Respondents Farmaraz "Mario" Azodinia and Eugene C. Beyer, "Respondents") was an Illinois corporation. Its last known address is 1055 W. Bryn Mawr, Suite F-290, Chicago, Illinois 60660.
5. Farmaraz "Mario" Azodinia ("Respondent Azodinia" or collectively with Respondent Pinnacle, "Respondents") was the sole "manager" of Respondent Pinnacle. His last known address is 6351 W. Montrose, Apt 256, Chicago, Illinois 60634.
6. Eugene C. Beyer ("Respondent Beyer") was a salesperson for Respondent Pinnacle. His last known address is 1594 N. St. Andrew Drive, Vernon Hills, Illinois 60061.
7. Between October 2007 and January 2008, Respondent Azodinia issued on behalf of Respondent Pinnacle Investment Group, LLC, promissory notes that promised investors 10-20 percent rates of return due within one year of the investment ("Notes" or "Note").
8. Investor DP and Investor SP (or collectively "Complainants") are residents of the State of Illinois.
9. In or around October 2007, Respondent Beyer approached Investor DP and Investor SP regarding investing with Respondent Azodinia. Complainants had known Respondent Beyer for a number of years prior to their investment.
10. According to Complainants they would give the check or checks they intended to invest directly to Respondent Beyer who in turn would provide them a receipt of their investments within a couple of days.
11. On or about October 19, 2007, on behalf of Respondent Pinnacle, Respondent Azodinia sold a \$20,000.00 20% promissory note to Investor DP, with

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principal and interest due within one year. In exchange, DP gave to Respondent Beyer a check in the amount of \$20,000.00, which was deposited into Respondent's account at New City Bank.

12. On or about February 8, 2008, on behalf of Respondent Pinnacle, Respondent Azodinia sold a \$50,000.00 20% promissory note to Investor SP, with principal and interest due in one year. In exchange, SP gave to Respondent Beyer a check in the amount of \$50,000.00, which was deposited into Respondent Pinnacle's account at U.S. Bank.
13. On or about March 11, 2008, on behalf of Respondent Pinnacle, Respondent Azodinia sold a \$25,000.00 10% promissory note to Investor DP, with principal and interest due in 90 days. In exchange, DP gave to Respondent Beyer three checks totaling \$17,500.00 and \$7,500.00 cash, which were deposited into Respondent Pinnacle's account at U.S. Bank.
14. On or about March 25, 2008, on behalf of Respondent Pinnacle, Respondent Azodinia sold a \$50,000.00 20% promissory note to Investor SP, with principal and interest due in ten months. In exchange, SP gave to Respondent Beyer a check in the amount of \$50,000.00, which was deposited into Respondent Pinnacle's account at U.S. Bank.
15. On or about April 23, 2008, on behalf of Respondent Pinnacle, Respondent Azodinia sold a \$50,000.00 20% promissory note to Investor DP, with principal and interest due in one year. In exchange, DP gave to Respondent Beyer a check in the amount of \$50,000.00, which was deposited into Respondent Pinnacle's account at U. S. Bank.
16. From on or about January 2008 through October 2008, Respondent Azodinia transferred and/or withdrew approximately \$125,300.00 from Respondent Pinnacle's bank account.
17. From on or about January 2008 through October 2008, Respondent Azodinia paid approximately \$163,694 to several American Express credit card accounts using funds from Respondent Pinnacle's bank account.
18. From on or about January 2008 through October 2008, Respondents Azodinia and Pinnacle paid approximately \$51,300.00 as "commission" to Respondent Beyer using funds from Respondent Pinnacle's bank account.
19. According to Investors, Respondents told them that the investor funds would be used for earnest money to purchase property.
20. To date, despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the promissory notes.

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21. To date, despite demands, Investors have not received monies back from their investments pursuant to the terms of the promissory notes.

WHEREAS, the Secretary of State finds the proposed Conclusions of Law of the Hearing Officer to be correct in part and incorrect in part and are hereby adopted as modified, based on the law and the record in this matter, and adopts them as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondents.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
4. Because of Respondent Azodinia and Pinnacle's failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 130.1104:
 - a. The allegations contained in the Amended Notice of Hearing are deemed admitted;
 - b. Respondents waived his right to a hearing; and
 - c. Respondents are subject to an Order of Default.
5. Because the Respondent Azodinia and Pinnacle failed to appear at the time and place set for hearing, in accordance with Section 130.1109 of the Rules, they:
 - a. waived their right to present evidence, argue, object or cross examine witnesses; or
 - b. otherwise participate at the Hearing.
6. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
7. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of

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this Act for any person to “offer or sell any security except in accordance with provisions of this Act.”

8. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transaction exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
9. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.”
10. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
11. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.
12. Section 12.C of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the “Act”) states that it shall be a violation of the provisions of this Act for any person to “act as a dealer, salesperson, investment adviser, or investment representative, unless registered as such, where such registration is required, under the provisions of this Act.”
13. Section 8 of the Act provides, inter alia, that except as otherwise provided, every dealer, limited Canadian dealer, salesperson investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.
14. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.”
15. Based on the proposed findings of fact, Respondents’ conduct violated Section 12.F of the Act. In particular: Respondents did not invest Complainants’ funds for the benefit of Complainants and instead, Respondents converted Complainants’ money for Respondents’ own

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personal use and benefit. In particular, Respondents transferred approximately \$125,300.00 to Respondent Azodinia's personal accounts; Respondents transferred approximately \$51,300 to Respondent Beyer's account; and Respondent Azodinia issued checks totaling \$163,694 from the Respondent Lakeland account to American Express.

16. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
17. Based on the proposed findings of fact, Respondents' conduct violated Sections 12.G of the Act. In particular: Respondents represented that the Complainants' funds would be used as earnest money to purchase property. Instead, Respondents converted Complainants' money for their own personal use and benefit.
18. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
19. Based on the proposed findings of fact, Respondents' conduct violated Section 12.I of the Act. In particular: Respondents solicited and sold promissory notes to Complainants purporting that the Complainants' funds would be used as earnest money to purchase property. Instead, Respondents converted Complainants' money for Respondents' own personal use and benefit.

WHEREAS, the Hearing Officer recommended that:

1. An Order of default be entered against Respondent Farmaraz "Mario" Azodinia and the allegations in the Notice of Hearing be deemed admitted.
2. An Order of default be entered against Respondent Pinnacle Investment Group, LLC and the allegations in the Notice of Hearing be deemed admitted.

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3. An Order be entered prohibiting Respondent Farmaraz "Mario" Azodinia from offering, advising the sale of, and selling securities in the State of Illinois.
4. An Order be entered prohibiting Respondent Pinnacle Investment Group, LLC from offering, advising the sale of, and selling securities in the State of Illinois
5. Respondent Pinnacle Investment Group, LLC be fined \$10,000.
6. Respondent Farmaraz "Mario" Azodinia be fined \$10,000

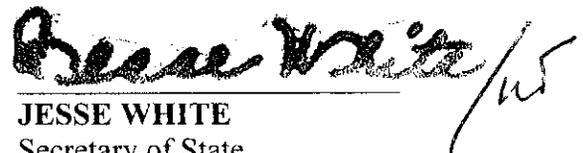
WHEREAS, the Hearing Officer found the Respondents in default and recommended that the Secretary of State PROHIBIT Respondents Farmaraz "Mario" Azodinia and Pinnacle Investment Group, LLC from offering or selling securities in the state of Illinois; and the Department accepts the recommendation of the Hearing Officer.

WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer and has determined based upon the Findings of Fact and Conclusions of Law that an Order shall be entered permanently PROHIBITING Respondents Farmaraz "Mario" Azodinia and Pinnacle Investment Group, LLC from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Farmaraz "Mario" Azodinia is **PROHIBITED** from offering, and/or selling securities in the State of Illinois;
2. Pinnacle Investment Group, LLC is **PROHIBITED** from offering, and/or selling securities in the State of Illinois;
3. Pinnacle Investment Group, LLC is **FINED** in the amount of \$10,000.00.
4. Farmaraz "Mario" Azodinia is **FINED** in the amount of \$10,000.00.

ENTERED: This 26th day of July 2012.



JESSE WHITE
Secretary of State
State of Illinois

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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Felicia H. Simmons-Stovall
Enforcement Attorney
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3378

James L. Kopecky, Esq.
Hearing Officer
203 N. LaSalle Street, Suite 1620
Chicago, Illinois 60601
(312) 380-6552