



# Financial Crimes Enforcement Network

*A bureau of the U.S. Department of the Treasury*

FinCEN news releases are available on the Internet and by e-mail subscription at [www.fincen.gov](http://www.fincen.gov).  
For more information, please contact FinCEN's Office of Public Affairs at (703) 905-3770.

---

**FOR IMMEDIATE RELEASE**  
September 1, 2010

**CONTACT:** Bill Grassano  
703-905-3770

## **Civil Money Penalty Assessed Against Pinnacle Capital Markets, LLC**

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today announced the [assessment](#) of a civil money penalty of \$50,000 against Pinnacle Capital Markets, LLC, Raleigh, N.C., for violating the Bank Secrecy Act (BSA). Pinnacle, without admitting or denying the allegations, consented to payment of the civil money penalty. This civil money penalty shall be satisfied by two \$25,000 payments to the United States Department of the Treasury, which include the payment of a [concurrent assessment](#) of \$25,000 by the Securities and Exchange Commission (SEC) for violations of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-8 thereunder.

FinCEN determined that Pinnacle failed to establish and implement an adequate anti-money laundering program, establish an adequate due diligence program for foreign correspondent accounts, obtain and verify required customer identification program information for account holders, and establish and implement adequate procedures for monitoring suspicious transactions that led to the failure to file suspicious activity reports.

“Of particular relevance in this case was the firm’s failure to conduct adequate due diligence under its customer identification program when dealing with non-U.S. persons that were subaccount holders with direct access to U.S. securities markets. The evidence revealed that Pinnacle could not form a reasonable belief that it knew the identity of thousands of customers. This action serves to emphasize that all broker-dealers, regardless of size, must implement systems and controls to comply with the Bank Secrecy Act” said FinCEN Director James H. Freis, Jr. “Any firm operating without effective anti-money laundering and customer identification programs is vulnerable to misuse by clients and sanctions by government authorities.”

The FinCEN investigation that led to the settlement of this action was conducted in cooperation with the SEC and the Financial Industry Regulatory Authority (FINRA).

###

*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.