

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101035 / September 16, 2024

INVESTMENT COMPANY ACT OF 1940
Release No. 35323 / September 16, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22113

In the Matter of

Ralph M. Trigg,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 15(b) AND 21C
OF THE SECURITIES EXCHANGE ACT OF
1934, AND SECTION 9(b) OF THE
INVESTMENT COMPANY ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Ralph M. Trigg (“Trigg” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. From at least November 2016 through May 2018, Trigg acted as an unregistered broker for Black Hawk Funding, Inc. ("Black Hawk") and one of its affiliated entities. Trigg solicited investors through his network of contacts, advised them on the merits of investing in various Black Hawk funds, discussed with investors the amount of their investments, and facilitated the purchase of the securities involved by ensuring that certain investors executed participation agreements to purchase the securities. Similarly, Trigg also solicited investors to purchase securities on behalf of a separate entity affiliated with Black Hawk and facilitated those transactions. For his fundraising and broker services, Black Hawk and the affiliated entity paid Trigg transaction-based commissions that totaled at least \$211,000.

Respondent

2. Ralph M. Trigg, age 53, is a resident of La Quinta, California. He was the president, owner, and sole employee of Trigg Financial Inc., where he provided financial services relating to insurance products, including life insurance and fixed annuity products. He previously held Series 6 and 63 licenses. Respondent is not registered with the Commission in any capacity.

Other Relevant Entity

3. Black Hawk Funding, Inc. was incorporated in Nevada and, from at least November 2016 through May 2018, was dually headquartered in Coeur d'Alene, Idaho and La Quinta, California. Black Hawk managed various private funds and other assets. From 2016 to 2019, Black Hawk raised approximately \$37.7 million from over 200 investors in three separate private fund offerings for the disclosed purpose of investing in the cannabis industry. The three private funds were named Verde Ventures, Inc., Verde Holdings, Inc., and Verde Partners, Inc.

Background

4. From at least November 2016 through approximately January 2018, Black Hawk offered and sold securities in Verde Ventures, Inc. ("Verde Ventures"), a pooled investment vehicle created by Black Hawk for the disclosed purpose of providing loans and venture capital for "Marijuana emerging markets."

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. From approximately December 2017 to November 2018, Black Hawk offered and sold securities in Verde Holdings, Inc. (“Verde Holdings”), a pooled investment vehicle created by Black Hawk for the disclosed purpose of investing in the cannabis industry.

6. From at least November 2016 to May 2018, Trigg acted as an unregistered broker by soliciting investors for and selling investments in the securities of Verde Ventures and Verde Holdings. Trigg actively and regularly solicited investors through in-person meetings as well as by phone and email communications. Additionally, within that same period, Trigg also acted as an unregistered broker by soliciting investors to purchase the securities of a separate Black Hawk-affiliated cannabis-industry entity (“Affiliated Entity”).

7. In exchange for his services, Trigg received transaction-based compensation for each purchase of securities by the investors he solicited.

8. Trigg provided offering and marketing materials to potential investors in person or by email. He also provided to potential investors tours of a cannabis campus located in Coachella, California (the “Coachella Campus”), where Black Hawk invested a significant portion of the money raised from Verde Ventures’ and Verde Holdings’ investors.

9. As part of his tours of the Coachella Campus, Trigg answered investor questions and provided presentations regarding the benefits of investing in Verde Ventures and Verde Holdings.

10. Trigg also facilitated the purchase of Verde Ventures’ and Verde Holdings’ securities by ensuring that certain investors executed participation agreements to purchase the securities. Trigg contacted Black Hawk to confirm that participation agreements were sent to the interested investors or personally emailed those agreements to investors. He also communicated by email or phone with investors to ensure that they executed the participation agreements and transferred the funds needed to purchase their investments.

11. Separately, Trigg also worked to locate and solicit buyers of the Affiliated Entity’s securities. He recommended the purchase of the securities to those investors and facilitated those purchases by ensuring the investors executed the purchase agreements and transferred the funds for their purchases.

12. For transactions where Trigg was successful in soliciting and effecting the purchase of securities in Verde Ventures, Verde Holdings, and the Affiliated Entity, Trigg received transaction-based compensation totaling at least \$211,000.

13. In May 2018, Trigg joined Black Hawk as the firm’s Senior Vice President of Investor Relations and his compensation changed from being based on commissions to a salary. After that time, he stopped receiving transaction-based compensation for his successful sales of the securities of Black Hawk-related funds and ceased sales of securities in the Affiliated Entity.

Violations

14. As a result of the conduct described above, Trigg willfully² violated Section 15(a) of the Exchange Act, which prohibits any broker or dealer from making use of the mails or any means or instrumentality of interstate commerce, to effect any transaction in, or induce or attempt to induce the purchase or sale of, any security unless the broker or dealer is registered in accordance with Section 15(b) of the Exchange Act or is a natural person who is associated with a registered broker or dealer.

Disgorgement and Civil Penalties

15. The disgorgement and prejudgment interest ordered in Section IV is consistent with equitable principles and does not exceed Respondent's net profits from his violations and will be distributed to harmed investors, if feasible. The Commission will hold funds paid pursuant to Section IV in an account at the United States Treasury pending distribution. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

- A. Respondent cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.
- B. Respondent be, and hereby is:
 1. barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;
 2. prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter

² "Willfully," for purposes of imposing relief under Section 15(b) of the Exchange Act, "means no more than that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965).

for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and

3. barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock

with the right to apply for reentry after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay disgorgement of \$211,000, prejudgment interest of \$66,424, and a civil penalty of \$75,000, for a total of \$352,424, to the Securities and Exchange Commission. If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600, and if timely payment of the civil penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending distribution.

Payment shall be made in eight installments, with the first seven installments each consisting of \$45,000. The first payment shall be made within 14 days of the date of this Order, with the remaining payments made on or before: December 31, 2024; March 31, 2025; June 30, 2025; September 30, 2025; December 31, 2025; March 31, 2026; and June 30, 2026.

Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 for disgorgement and pursuant to 31 U.S.C. § 3717 for Trigg's penalty. Prior to making the eighth and final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Ralph M. Trigg as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Jason H. Lee, Associate Director, Division of Enforcement, Securities and Exchange Commission, 44 Montgomery Street, Suite 700, San Francisco, CA 94104.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest, and penalties referenced in paragraph IV.D. above. The Fair Fund may be added or combined with any other fund arising out of the same violations or facts that are the subject of this Order. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary