STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION & HOUSING

DEPARTMENT OF CORPORATIONS

TO: Melvin Russell Shields, aka Rusty Shields
Chastan Shields
Pinnacle Property Solutions
Convergent Management Group, LLC

2401 HWY 70 SW
Hickory, NC 28602
or
226 Becky Court
Merritt Island, FL 32592
or
1438 Bloomingdale Ave.
Valrico, FL 33596

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner ("Commissioner") finds that:

1. Melvin Russell Shields, aka Rusty Shields (or "R. Shields") is a natural person, currently believed to be a resident of North Carolina or Florida. As of May 12, 2010, he is currently listed as the principal of Pinnacle Property Solutions, LLC on its website http://www.pps-reo.com. R. Shields' last known principal place of business is 2401 Hwy 70 SW, Hickory, NC 28602. As of May 12, 2010, in a video on his own website, www.RustyShields.com, R. Shields admits that he started, founded and runs all of the companies listed on his website, including Pinnacle Property Solutions, LLC and Convergent Management Group, LLC.

5. Chastan Shields ("C. Shields") is a natural person, currently believed to be a resident of North Carolina or Florida. As of March 15, 2010, C. Shields is the Manager of Convergent Management Group, LLC. C. Shields last known business address is 2401 Hwy 70 SW, Hickory, NC 28602.

State of California - Department of Corporations

6. Pinnacle Property Solutions, LLC, ("Pinnacle") is a Florida limited liability company with a Florida office at 226 Becky Court, Merritt Island, Florida, 32592. As of May 12, 2010, according to its website: "Pinnacle Property Solutions provides a unique opportunity for acquiring real estate and earning an attractive profit on your purchase . . . We are equipped to maximize your opportunity to achieve the optimal profitability on your purchase." Pinnacle's last known principal places of business are 2401 Hwy 70 SW, Hickory, NC 28602 and 1438 Bloomingdale Ave, Valrico, FL 33596.

7. Convergent Management Group, LLC, ("Convergent") is a Nevada limited liability company. As of May 12, 2010, according to www.rustyshields.com: "Convergent Management Group provides the executive level leadership required to guide and manage the family of companies created, owned and operated by Mr. Shields. The mission and purpose for each of these companies is very unique. The extensive knowledge and experience as well as the dynamic of diversified skills and abilities enable Convergent Management Group to provide the direction and oversight required to properly implement, execute and administer the vision, strategies and plans of each of these respective missions." According to recent business filings, Convergent's last known business address is 2401 Hwy 70 SW, Hickory, NC 28602.

8. S3 Partners, LLC (hereinafter "S3" or S3 Partners) was a Nevada Limited Liability Company until it was dissolved on October 16, 2008. R. Shields was a principal and partner in S3. In April, 2009, the Commissioner issued a Desist and Refrain Order to, *inter alia*, S3 and R. Shields ordering them to stop offering and selling unqualified, non-exempt securities in California. R. Shields was served with a copy of that Desist and Refrain Order and failed to request a hearing on the matter. The order became final as to R. Shields as of July 6, 2009. The order noted that several different addresses were associated with S3 Partners, including: 2401 HWY 70 SW, Hickory, NC 28602; and 1438 Bloomingdale Ave., Valrico, FL 33594, both addresses that are associated with the subjects of this order.

14. Pinnacle was formed in March, 2008. Convergent was formed in May, 2008. Since that time, R. Shields, C. Shields, Pinnacle, and Convergent have solicited, offered and sold securities, in the form of investment contracts, wherein an investor would purportedly purchase a bank owned (or

State of California - Department of Corporations

"REO") residential property and benefit from a system to sell or rent the home for a profit. The investment contracts offered and sold by the subjects of this order include both promises to deliver properties and promises that their "system" will work for the investor to create profit from their investment.

15. Through direct solicitation including, seminars in the State of California, "webinars," internet solicitation, word of mouth, referrals and other forms of general solicitation, R. Shields, C. Shields, Pinnacle, and Convergent, offered and sold securities in the form of investment contracts in REO or bank owned real estate along with a system to turn a profit for the investors.

14. The investment contracts offered and sold in the State of California by R. Shields, C. Shields, Pinnacle and Convergent are securities.

15. The offers and sales are not qualified or exempt from qualification. The California Department of Corporations has not issued any permit, license or other form of authorization, approval or qualification to any person that would allow the offer and sale of the above-described securities in the State of California.

17. In connection with these offers and sales of securities, S Shields, C. Shields, Pinnacle and Convergent made the following misrepresentations and material omissions:

a. Failed to inform investors in the State of California that R. Shields is the subject of a Desist and Refrain Order prohibiting him from offering and selling unqualified, non-exempt securities in the State of California;

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the above-described investment contracts offered and sold in the State of California constitute securities, which are subject to qualification under the Corporate Securities Law of 1968, and that these securities have been and are being offered and sold without being qualified or exempt in violation of California Corporations Code section 25110.

The California Corporations Commissioner is of the further opinion that the securities in the form of the above-described investment contracts have been offered and sold in the State of

State of California - Department of Corporations

California by means of written and oral communications that contain untrue statements or omissions of material facts in violation of section 25401 of California Corporations Code section 25401.

Pursuant to Corporations Code section 25532, Melvin Russell Shields, aka Rusty Shields, Chastan Shields, Pinnacle Property Solutions, and Convergent Management Group, LLC, and other affiliated entities under the direction and control of any of them, are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including investment contracts in bank owned (or REO) properties and a system to turn a profit for investors, unless and until qualification has been made under the California Corporate Securities Law, or exempt.

Pursuant to Corporations Code section 25532, Melvin Russell Shields, aka Rusty Shields, Chastan Shields, Pinnacle Property Solutions, and Convergent Management Group, LLC, and other affiliated entities under the direction and control of any of them, are hereby further ordered to desist and refrain from the further offer or sale in the State of California of securities, including investment contracts in bank owned (or REO) properties and a system to turn a profit for investors, by means of any written or oral communication which includes untrue statements or omissions of material facts.

This order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

DATED: May 17, 2010

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner
Enforcement Division

State of California - Department of Corporations