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SECURITIES DEPARTMENT
HELENA, MONTANA

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HELENA, MONTANA

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|------------------------------|---|-----------------------------|
| IN THE MATTER OF: |) | Case No.: I 02-12-04-125 |
| E.K. RILEY INVESTMENTS, LLC, |) | CONSENT AGREEMENT AND ORDER |
| Respondent. |) | |

The Montana Securities Commissioner (Commissioner), pursuant to the authority of the Securities Act of Montana, §30-10-101, et seq., Mont. Code Ann. (2003), hereby alleges the following:

FINDINGS OF FACT

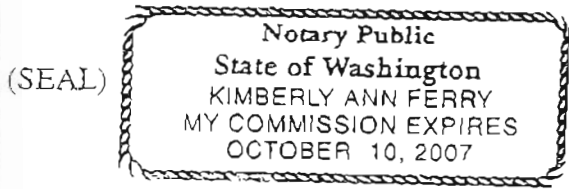
1. E.K. Riley Investments, LLC, is a broker-dealer firm located at 1201 Third Avenue, Suite 5300, Seattle, WA 98101. The firm has never been registered in Montana.
2. On or about January 27, 2004, the firm applied to the department to register as a broker-dealer firm. In response to a routine inquiry from the state, the firm disclosed that from August 12, 2003 through September 11, 2003, it had transacted business on five occasions with a client then residing in Bigfork, Montana.
3. As a result of the 5 trades, the firm earned commissions in the amount of \$3,527.50.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter by virtue of Respondent's offer and sale of securities in Montana. §30-10-107, MCA.
2. Respondent transacted securities business in Montana. §30-10-103(22) and (24), MCA.
3. Offer or offer to sell includes "each attempt or offer to dispose of or solicitation of an offer to buy a security or interest in a security for value." §30-10-103(15). MCA.

1 Its: Edward R. Riley

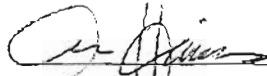
2 Subscribed and Sworn to before me this 18th day of August, 2004



4 Kimberly Ann Ferry
Notary Public for the State of Washington
Residing at King
My commission expires Oct 10, 2007

6 Dated this _____ day of August, 2004.

7 JOHN MORRISON, STATE AUDITOR

8 

9 By: Don Harris

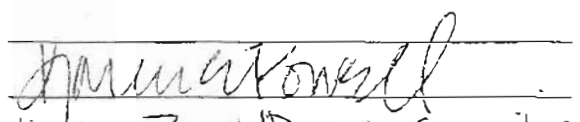
10 Title: Staff Attorney

13 **ORDER**

14 On the basis of the Findings of Fact, Conclusions of Law and Respondent's consent to
15 the entry of this order, for the purpose of settling this matter prior to a hearing; and without
16 admitting or denying any of the Findings of Fact or Conclusions of Law, the Commissioner
17 orders Respondent to pay a fine of \$2,000 and the costs of examination in this matter in the
18 amount of \$200. The Commissioner further orders Respondent to comply with the Securities
19 Act of Montana and the rules promulgated thereunder.

20 Dated this 20th day of August, 2004.

21 JOHN MORRISON, STATE AUDITOR

22 By: 

23 Title: Karen Powell / Deputy Securities
24 Commissioner