

State of Missouri
Office of Secretary of State

Case No. AP-07-12

IN THE MATTER OF:

PINE CONE CAPITAL LLC
7837 Towhee Road
Parker, Colorado 80134

Respondent.

CONSENT ORDER

1. The Missouri Securities Division (the "Securities Division") alleges that Pine Cone Capital LLC ("Pine Cone") transacted business in the state of Missouri as an investment adviser without being registered, or exempt from registration, in violation of Section 409.4-403(a), RSMo. (Cum. Supp. 2006).
2. The Securities Division alleges that Pine Cone, while engaged in activities as an investment adviser, employed or associated with an unregistered investment adviser representative in violation of Section 409.4-403(d), RSMo. (Cum. Supp. 2006).
3. Pine Cone desires to settle the allegations and the matters raised by the Securities Division relating to unregistered activities as an investment adviser and the employment of an unregistered investment adviser representative.
4. Pine Cone and the Securities Division consent to the issuance of this Consent Order (the "Order").
5. Pine Cone stipulates and agrees to the issuance of this Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
6. Pine Cone waives its right to a hearing with respect to this matter.
7. Pine Cone stipulates and agrees that it waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, Pine Cone specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
8. Pine Cone stipulates and agrees that, should the facts contained herein prove to be false or incomplete, the Missouri Securities Division preserves the right to pursue any and all legal or administrative remedies at its disposal.

STIPULATIONS OF FACT

9. Pine Cone is an investment adviser with an address of 7837 Towhee Road, Parker, Colorado 80134.
10. From October 2006 to date, Pine Cone transacted business in the State of Missouri as an unregistered investment adviser.
11. From October 2006 to date, Pine Cone employed or associated with an individual required to be registered in the State of Missouri as an investment adviser representative.
12. On January 29, 2007, a request for registration as an investment adviser in the State of Missouri was filed by Pine Cone.
13. Pine Cone reported during the application process that it had provided investment advisory services to six clients during the period the firm was unregistered. For these services, Pine Cone collected investment advisory fees in the amount of \$2,047.81.

JURISDICTIONAL BASIS

14. Section 409.6-601(a), RSMo. (Cum. Supp. 2006), provides that the Securities Act of 2003 shall be administered by the commissioner of securities (the "Commissioner").
15. Section 409.6-604(a), RSMo. (Cum. Supp. 2006), provides that if the Commissioner determines that a person is engaging in an act, practice or course of business constituting a violation of the Securities Act, the Commissioner may issue an order directing the person to take action necessary or appropriate to comply with the Securities Act.
16. Section 409.6-604(h), RSMo. (Cum. Supp. 2006) provides that the Commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

CONCLUSIONS OF LAW

17. Pine Cone violated Section 409.4.403(a), RSMo. (Cum. Supp. 2006) when it transacted business in this state as an investment adviser without being registered, or exempt from registration under the Securities Act.
18. Pine Cone violated Section 409.4-403(d), RSMo. (Cum. Supp. 2006) when it employed or associated with an individual required to be registered under the Securities Act as an investment adviser representative and such individual was not registered.

ORDER

WHEREAS, the Commissioner, after consideration of the above and on the consent of Pine Cone and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo. (Cum. Supp. 2006).

NOW, THEREFORE, it is hereby Ordered that:

1. Pine Cone is prohibited from conducting business as an investment adviser in violation of Section 409.4-403(a), RSMo. (Cum. Supp. 2006) unless it is registered or exempt in the State of Missouri.
2. Pine Cone is prohibited from employing or associating with an investment adviser representative pursuant to Section 409.4-403(d), RSMo. (Cum. Supp. 2006) unless its investment adviser representative is registered or exempt in the State of Missouri.
3. Pine Cone shall deliver a cashier's check to the Securities Division in the amount of one thousand five hundred dollars (\$1,500) made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.
4. Pine Cone shall pay its own costs and attorneys fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 10TH DAY OF APRIL, 2007.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Nathan J. Soendker
Missouri Securities Division

Pine Cone Capital LLC