

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: CRESTONE SECURITIES L.L.C.)**

**FILE NO. 0400699**

**CONSENT ORDER OF DISMISSAL**

TO THE RESPONDENT: Crestone Securities L.L.C.  
(BD#: 103981)  
1050 Walnut Street, Suite 402  
Boulder, Colorado 80302

WHEREAS, Respondent on the 8th day March of 2005 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated February 18, 2005, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That on October 12, 2004 the Respondent filed a BD application for registration as a dealer in the State of Illinois
2. That on February 2, 2005, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying this application. Pursuant to the terms of the Order, the Respondent requested a hearing on February 11, 2005.
3. That the Respondent is a limited liability company which engages in the business of acting as a dealer in the offer and sale of securities to the general public.

Consent Order of Dismissal

- 2 -

4. That between May 19, 2004 and September 28, 2004 the Respondent effected 17 purchase transactions in an Illinois customer's account.
5. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
6. That the activity described in paragraph two (2) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.
7. That during all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
8. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
9. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
10. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
11. That Section 8. E(1)(g) of the Act provides that the registration of a dealer may be denied if it has violated any of the provisions of this Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to denial pursuant to Section 8.E(1)(g) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it shall pay the sum of One Thousand Four Hundred Forty dollars (\$1,440.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.

Consent Order of Dismissal


- 3 -

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Crestone Securities L.L.C. shall pay the sum of One Thousand Four Hundred Forty dollars (\$1,440.00) to the Office of the Secretary of State, Investors Education Fund as reimbursement to cover the cost of investigation of this matter. Said sum shall be payable by means of certified or cashiers check and made to the order of the Secretary of State, Investors Education Fund and shall be due within thirty (30) days from the entry of this Consent Order.
2. The notice of Hearing dated February 18, 2005 is dismissed.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 23<sup>rd</sup> day of March 2005.

  
JESSE WHITE  
Secretary of State  
State of Illinois