

**FORM ADV****Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number:	3235-0049
Expires:	July 31, 2008
Estimated average burden hours per response . . .	9.402

Name of Investment Adviser:

EK Riley Investments, LLC

Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
1201 Third Avenue, Suite 5300		Seattle	WA	98101	(206)	832-1520

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.**

The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part 1 of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**Form ADV**  
**Part II – Page 2**

**Applicant:**  
EK Riley Investments, LLC

**SEC File Number:**  
801-67685

**Date:**  
7/16/07

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the application, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. Advisory Services and Fees (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)
- Applicant:
- |                                     |   |      |
|-------------------------------------|---|------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....  | 85 % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services .....  | 5 %  |
| <input checked="" type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above .....  | 5 %  |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....   | %    |
| <input checked="" type="checkbox"/> | (5) Issues special reports about securities not included in any service described above .....   | 5 %  |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | %    |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | %    |
| <input type="checkbox"/>            | (8) Provides a timing service .....   | %    |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above .....   | %    |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does Applicant call any of the services it checked above financial planning or some similar term? ..... Yes No  
X

- C. Applicant offers investment advisory services for: (check all that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees      |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other                  |

- D. For each checked box in A above, described on Schedule F:
- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
  - application's basic fee schedule, how fees are charged and whether its fees are negotiable
  - when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Type of Clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions     | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | I. Options contracts on:   |
| <input type="checkbox"/> (3) foreign issuers  | <input checked="" type="checkbox"/> (1) securities                         |
|   | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants   |  |
|   | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
|   | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> D. Commercial paper   | K. Interests in partnerships investing in:                                 |
|   | <input type="checkbox"/> (1) real estate                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> (2) oil and gas interests                         |
|   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| G. Investment company securities:   |  |
| <input checked="" type="checkbox"/> (1) variable life insurance                                   |  |
| <input checked="" type="checkbox"/> (2) variable annuities  |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares  |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 |   |
| (4) <input checked="" type="checkbox"/> Short sales  | (7) <input type="checkbox"/> Other (explain on Schedule F)  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Form ADV  
Part II - Page 4**

**Applicant:**  
EK Riley Investments, LLC

**SEC File Number:**  
801-67685

**Date:**  
7/16/07

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities. (check those that apply)**

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.  
(For each checked box describe the other activities, including the time spend on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations. (check those that apply)**

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input checked="" type="checkbox"/> (3) other investment adviser   | <input checked="" type="checkbox"/> (9) insurance company or agency                |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes No  
X

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Applicant:**  
EK Riley Investments, LLC

**SEC File Number:**  
801-67685

**Date:**  
4/5/07

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes  
☒

No  
☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F.

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Form ADV**  
**Part II - Page 6**

**Applicant:**  
EK Riley Investments, LLC

**SEC File Number:**  
801-67685

**Date:**  
7/16/07

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                                 | No                                  |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used?.....                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) commission rates paid?.....                          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

B. Does applicant or a related person suggest brokers to clients?..... Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                              |  |
|---|------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year or schedule G. if applicant:

- has custody of client funds or securities: or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	------------------------------	--

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1.C. 5	<p><b><u>12B1 FEES</u></b></p> <p>EK Riley Investments, LLC (“EKRI” or the “firm”) receives compensation from mutual funds in the form of marketing/distribution fees, e.g. 12b-1 fees. These fees are paid to EKRI’s registered representatives, but are not paid to investment advisor representatives of EKRI’s. As such, there is a financial incentive for an EKRI investment advisory representative, who is also a registered representative, to recommend to clients that mutual funds be maintained in brokerage account rather than an advisory account.</p>	
Item 1.D.	<p><b><u>SERVICES</u></b></p> <p>EKRI provides services to advisory clients (each, a “client” and collectively, “clients”) through one of the methods described below. Each client executes a Client Agreement (each, an “Agreement” and collectively, the “Agreements”) describing the specific services to be provided to such client by EKRI. EKRI will not maintain possession or custody of the funds or securities of any client. Client funds will typically be deposited in either a brokerage firm or bank custodian account. With client consent, EKRI may cause fees to be paid out of individually managed accounts by the client’s custodian.</p> <p><b><i>Managed Accounts</i></b></p> <p>EKRI, through its investment advisor representatives (“IARs”), provides discretionary or non-discretionary investment advice and management to individually managed accounts, as the case may be, pursuant to the relevant Agreements with clients. EKRI makes ongoing buy and sell decisions in light of client’s investment objectives and financial status and will accommodate special requests on a case-by-case basis.</p> <p>Generally, an IAR conducts an initial interview with a client, uses a data-gathering form to determine each client’s financial situation and investment objectives, and gives each client the opportunity to describe any required limits or reasonable restrictions on the management of the account. Portfolios are managed in a manner tied to the client’s stated financial circumstances, objectives, and risk tolerance. Each portfolio will be individually-managed, either by an IAR. Each IAR has a unique portfolio management approach. All accounts of EKRI have the potential to be customized for the specific needs of the client. Clients may also leave standing instructions with EKRI to refrain from investing in particular securities or types of securities, or invest in limited amounts of such securities.</p> <p>EKRI will also implement investment plans through subadvisors, or third party money managers, who manage client accounts on a discretionary basis. Clients with accounts managed by a subadvisor will receive a separate disclosure document from the subadvisor describing the subadvisor’s fees, services, and other important information. See important disclosure under 1.C. (Fees for Services) and 9.A. (Participation or Interest in client Transactions) below with respect to the use of subadvisors. EKRI will monitor each sub-advised account for overall performance and, if applicable, will be in contact with the relevant subadvisor to keep abreast of the subadvisor’s portfolio and allocation strategies.</p> <p><b><i>Financial Planning</i></b></p> <p>EKRI provides financial planning to clients who select “Financial Planning” as part of the Agreement. Financial Planning will be conducted in a manner that is consistent with each client’s financial and tax status and risk/reward objectives. Financial Planning may be comprehensive or segmented, depending on the client’s needs and the services requested. A comprehensive financial plan may include an</p>	

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC		IRS Empl. Ident. No.:								
Item of Form (identify)	Answer									
Item 1.D. (continued)	<p>evaluation of present and anticipated assets and liabilities, including savings, investments, stock options, insurance, and anticipated retirement or other benefits. The plan also includes general recommendations or a suggested course of action to help meet a particular objective or goal which may include, but is not limited to, retirement planning, college planning, exercise of stock options, and concentrated stock position diversification. Segmented plans may deal with a single topic such as college planning or retirement income projections. Plans are presented in writing.</p> <p>Financial Planning services do not include implementation of the financial plan or ongoing supervision of the client's assets.</p> <p>The firm has an affiliated RR who in turn is affiliated with the National Institute of Certified College Planners ("NICCP"). RRs/IARs of EKRI may refer clients to affiliated RR for college planning services. College planning services offered by the affiliated RR are done away from EKRI, but the AR could recommend subsequent investments or investment strategies through is dual role as a RR of EKRI. Advisor has no direct affiliation with NICCP and receives no direct or in-direct compensation from college planning services they provide through our mutual affiliate or otherwise.</p> <p><b><i>Consultation Services</i></b></p> <p>The firm will provide consultation services as required by client needs. Examples include stock option planning, strategies for managing concentrated stock positions, and analyzing fixed income portfolios or creating strategies for laddered maturities. The exact consultation services Advisor provides is difficult to pinpoint as it is dictated by the client's specific needs. A written plan is not necessarily required for consultation services and an oral presentation could be provided.</p> <p>The scope of the firm's services is addressed in the respective client Agreement.</p> <p><b><u>FEES</u></b></p> <p><b><i>Managed Accounts</i></b></p> <p>Managed Accounts, whether discretionary or non-discretionary, are assessed an annual fee based on assets assigned to EKRI's management by clients. This annual fee will be billed quarterly in advance. The firm calculates asset value as of the last business day of the calendar quarter. Partial quarters will be pro-rated.</p> <p>All fees are negotiable at the discretion of EKRI, including the ability to waive all or a portion of a fee. This may result in one client paying more or less in fees than another client would pay for a similar program. Fees charged to a given client will be described in the Agreement.</p> <p>Below is the firm's current maximum fee schedule:</p> <table border="0"> <tr> <td>Value of Account</td> <td>Annual Fee</td> </tr> <tr> <td>First \$250,000</td> <td>3.00%</td> </tr> <tr> <td>Next \$750,000</td> <td>2.50%</td> </tr> <tr> <td>Next \$1 million</td> <td>Negotiated</td> </tr> </table>		Value of Account	Annual Fee	First \$250,000	3.00%	Next \$750,000	2.50%	Next \$1 million	Negotiated
Value of Account	Annual Fee									
First \$250,000	3.00%									
Next \$750,000	2.50%									
Next \$1 million	Negotiated									

**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC	IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<p><b><i>Financial Planning</i></b></p> <p>Fees for Financial Planning are based on the following hourly rates: a maximum of \$150 for Advisors and \$50 for administrative staff time. EKRI will quote a flat fee based on the estimated number of hours required to complete the plan. Comprehensive plans range from \$1,500 - \$4,000 based on complexity of the plan and expected time spent on the plan. A client could expect to pay at the low range if a less complex and limited service is needed. If client has need for several analytical reviews, a more complex plan is likely and therefore client could expect to pay at the high end of this range or even higher, depending on the specific scope of the plan as outlined in the Agreement.</p> <p>EKRI's Financial Planning services include but are not limited to Cash Flow/Financial Statement Analysis, Estate Analysis and Review, Education Funding, Asset Allocation/Portfolio Review, Insurance Review, Retirement Analysis, Business Planning, and Charitable Planning. Individual consultations are billed at the hourly rate. A deposit of \$250 is due upon acceptance of the Agreement. The balance is due and payable upon presentation of the plan or completion of the consultation. If the Agreement terminates prior to completion of the plan, Advisor will invoice client a pro-rated amount based on actual time spent at the hourly rate described in the Agreement. Financial planning services, including adjustments to the plan, terminate automatically one year from client's receipt of the written plan.</p> <p>Fees charged for financial plans do not include charges for implementation or execution of the plan. Clients are free to implement the plan with EKRI or other firms of their choosing. If clients choose to execute the plan through EKRI, standard commission charges, including mark-ups or mark-downs, will apply. Accordingly, EKRI has a conflict of interest when recommending itself for plan implementation. Commissions and related fees EKRI charges may be higher or lower than the commissions and fees charged by other firms.</p> <p><b><i>Consultation Services</i></b></p> <p>Consultation services are billed at an hourly rate. Fees are payable at time of invoice to client. The hourly rate for consultation services varies from \$50 to \$150, depending on the specifics of the consultation, such as level of knowledge and experience required, amount of research needed, and other relevant items.</p> <p><b><i>Other Fees</i></b></p> <p>All fees described above are advisory fees only and do not include transaction fees, fees charged by the custodian or carrying broker-dealer, commissions, mark-ups or mark-downs, underlying mutual fund or variable annuity sub-account expenses, mortality or expense charges or applicable subadvisory fees. To the extent subadvisors are used, clients are charged a separate fee by the subadvisor and will receive separate disclosure information from the subadvisor.</p> <p>Clients who receive advice from subadvisors and clients who hold mutual funds, variable annuities, or variable life products within an EKRI portfolio, effectively pay two entirely separate management fees on the same assets. Specifically, one fee is paid for services provided by EKRI and described above. The other fees are paid in the form of additional fees charged directly by the subadvisor, or in the form of mutual fund or variable management fees and expenses (which are deducted internally and reduce overall return).</p>	

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC	IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<p>On a negotiated basis, EKRI may agree to reduce its fees in light of fees charged by a subadvisor.</p> <p>Clients of EKRI may have their accounts held through its clearing entity ("Clearing Firm") as EKRI is dually registered as a Broker-Dealer.</p> <p>For execution of Fixed Income trades, EKRI will generate trading profits by charging a mark-up/mark-down from where EKRI bought or sold the security. EKRI will not charge an additional mark-up/mark-down (i.e. sales credit) to the Broker of Record on any "covered asset", an asset included in Advisor's overall management process and on which a quarterly fee is charged. All applicable ticket, execution, and handling charges currently in place according to EKRI's fee schedule are included in the overall management fee charged the account. EKRI may receive a portion of these fees, including a percentage of handling charges, as well as rebates from Clearing Firm on fees charged for margin accounts, rebates on credit interest, and rebates connected to balances held in money market funds. EKRI receives a direct benefit from having clients utilize its brokerage services and EKRI therefore has a conflict of interest when recommending itself for brokerage services. Clients should be aware that such fees may be lower or higher than similar fees charged by unaffiliated entities.</p> <p><b><i>Payment of Fees</i></b></p> <p>Fees are paid quarterly in advance, and calculated using the asset value of the account(s) on the last calendar day of immediately preceding quarter, and are deducted from the Client Account by the custodian/clearing firm.</p> <p>Advisory fees are paid directly to EKRI by the clearing firm/custodian holding the account assets. EKRI requests the fees be deducted directly from the account and the check is remitted to EKRI. Where subadvisors/third party managers are utilized, the clearing firm/custodian also deducts their fees directly from the account and remits the check to the respective subadvisor/third party manager. The following four conditions apply:</p> <p>1) The client must provide written authorization permitting the fees to be paid directly from the client's account held by an independent custodian. 2) EKRI, or the custodian on behalf of EKRI, discloses to the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated; 3) The custodian will provide EKRI with a record of the fees deducted in each client's account, providing only the amount of the fee to be paid by the custodian, and 4) the custodian will agree to send the client a statement, at least quarterly, indicating all amounts disbursed from the account, including the amount of advisory fees paid directly to EKRI, third party managers and WSLCC and its agents. EKRI does not and will not have custody of clients' funds or securities.</p> <p><b><i>Termination of Agreement</i></b></p> <p>Each client may terminate his/her Agreement without penalty within five business days of signing the Agreement and receive a full refund.</p> <p>Each client may terminate his/her account Agreement at any time upon written notice. Subsequent to the first five days after signing the Agreement, services will be provided until either the client or EKRI terminates the Agreement with ten (10) business days' written notice. If termination occurs prior to the end of a calendar quarter, all unearned fees will be refunded on a pro-rata basis.</p>	

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<p>Where the firm agreed to provide services related to a specific project for a flat fee and the Agreement is terminated prior to completion of the project, clients will be invoiced based on time and effort expended by EKRI before termination and will be based on the hourly rate agreed to in the Agreement.</p> <p>Clients should understand that investment company securities involve management fees and other charges separate from any fees charged by EKRI. This means that clients holding these investments in a managed account will effectively pay two separate management fees on the same assets, in addition to any internal expenses charged by the product issuer.</p>	
Item 4	Where subadvisors manage the assets, EKRI relies on reports produced by those subadvisors and reviews performance against applicable benchmarks. EKRI does not usually conduct independent research on the specific securities selected by a subadvisor.	
Item 5	Those involved in determining or giving investment advice to clients should have a specialized business, financial, analytical, or technical skill, or a successful track record of managing portfolios. In addition, each associated person of EKRI must meet all examination or experience requirements of the states in which the person provides advisory services. IARs without prior experience will receive on-the-job training with EKRI prior to providing investment advice or serving as a primary client contact.	
Item 6	<p><b>Name:</b> Edward K. Riley  <b>Year of birth:</b> 1966  <b>Education:</b> Bachelor of Business Administration, Finance, University of Oklahoma, 1989  <b>Background:</b> Chairman and CEO, EK Riley Investments, LLC (1/07 – present)  President and CEO, EK Riley Investments, LLC (10/02 – 1/07)  Institutional Broker, Ragen MacKenzie Investment Services (6/01 – 9/02)</p> <p><b>Name:</b> Brian Bertsch  <b>Year of birth:</b> 1975  <b>Education:</b> Bachelor of Arts, Political Science with Psychology emphasis, University of Washington, 1997  <b>Background:</b> President, EK Riley Investments, LLC (1/07 – Present)  Chief Compliance Officer, EK Riley Investments, LLC (6/07 – Present)  COO and Executive Vice President, EK Riley Investments, LLC (10/02 – 1/07)  Institutional Broker, Ragen MacKenzie Investment Services (6/01 – 9/02)</p> <p><b>Name:</b> Aaron Louch  <b>Year of birth:</b> 1970  <b>Education:</b> Bachelor of Arts, Business Administration, University of Washington, 1995  <b>Background:</b> Chief Financial Officer, EK Riley Investments, LLC (10/02 – Present)  Branch Operations Manager, Ragen MacKenzie Investment Services (8/01 – 9/02)  Vice President, Operations Manager, Ragen MacKenzie, Inc. (7/95 – 3/01)</p> <p><b>Name:</b> Sabine Birlenbach  <b>Year of Birth:</b> 1959  <b>Education:</b> Bachelor of Arts, Business Administration, University of Puget Sound, 1995  MBA, Finance, University of Puget Sound, 1985  Senior Vice President, Operations Manager, EK Riley Investments, LLC (6/06 – Present)  Sr.V.P., Operations Mgr., Ragen MacKenzie Investment Services, Inc. (4/91-3/06)</p>	

**Schedule F of  
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**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: EK Riley Investments, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 6 (continued)	<p><b>Name:</b> Jim McCollister  <b>Year of Birth:</b> 1949  <b>Education:</b> Bachelor of Arts, History, Stanford University, 1972  <b>Background:</b> Senior Vice President, Co-Head Business Development  EK Riley Investments, LLC (10/02 – Present)  Senior Vice President, Head of Correspondent Services, Ragen MacKenzie, Inc. (5/91-9/01)</p> <p><b>Name:</b> Gail Baker  <b>Year of Birth:</b> 1954  <b>Education:</b> Associate Degree, Olympic College  <b>Background:</b> Senior Vice President, Co-Head Business Development  EK Riley Investments, LLC (10/02 – Present)  Vice President, Correspondent Services, Ragen MacKenzie, Inc. (5/96-4/01)</p>	
Item 7.	<p>EKRI's primary business is that of a registered broker-dealer. EKRI's Officers, Principals and employees spend up to 90% of their day performing Operations, Compliance, Accounting, and Sales functions in their role as associated persons of a registered broker-dealer. See Item 8.A. below for further discussion of EKRI's role as broker-dealer.</p> <p>To the extent EKRI recommends investments that EKRI then executes, EKRI may receive direct compensation in addition to any advisory fees charged by EKRI. This represents a conflict of interest in that EKRI has a financial incentive to recommend itself for brokerage services or for implementation of financial plans.</p>	
Items 8.A.	<p>EKRI is a registered broker-dealer, Member NASD/SIPC. EKRI receives commissions and mark-ups/mark-downs for buying and selling securities. For clients who choose to use EKRI's advisory services, EKRI will provide brokerage services in addition to advisory services. In executing certain transactions for clients, EKRI believes that it provides best execution for clients with respect to those transactions. In executing transactions for clients, EKRI will receive reasonable but customary brokerage commissions for transactions.</p>	
Item 8.C.	<p>EKRI is a licensed insurance agency ("Agency"). To the extent Agency processes transactions for clients, EKRI and its affiliated salespeople will receive compensation. This compensation is in addition to any advisory fees charged by EKRI. For reasons noted above, EKRI has a conflict of interest in recommending itself for execution of these transactions.</p> <p>EKRI has an affiliated investment advisor, E.K. Riley Advisors, LLC. E.K. Riley Advisors is in the process of transferring out its advisory accounts and will no longer be operating as an investment advisor once the asset count is to zero.</p>	
Items 9.A, 9.B, 9.E.	<p><b><i>Principal Transactions and Order Aggregation</i></b></p> <p>EKRI routinely engages in principal transactions with brokerage clients. Broker-Dealer will not, as a matter of policy, execute <u>equity</u> principal transactions with clients. However, for best execution purposes, <u>fixed income</u> transactions may well be executed on a principal basis. Principal transactions and proprietary trading form a significant portion of EKRI's business. In effecting principal transactions for Client accounts, EKRI will make required disclosure and obtain relevant Client consent prior to each such principal transaction. Additionally, EKRI will execute principal transactions for</p>	

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**Continuation Sheet for Form ADV Part II**

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Items 9.A, 9.B, 9.E (continued)	<p>Clients only when EKRI believes Clients will receive at least as favorable a net price as would be the case were the transaction executed through another dealer. EKRI believes that its fixed income executions and related compensation are competitive and consistent with best execution obligations. EKRI reviews executions on a regular basis to ensure this holds true.</p> <p>Executing fixed income trades on a principal basis will usually result in a mark-up or mark-down that is not explicitly disclosed on the trade confirmation, although EKRI's capacity as principal will be disclosed.</p> <p><b><i>Agency Cross Transactions</i></b></p> <p>As noted above (see 1.A. above), EKRI may, from time to time, select one or more subadvisors to manage certain client accounts on a discretionary basis. Each subadvisor will then enter into a separate investment advisory relationship with each such client whereby the subadvisor will have full discretionary authority with respect to client assets allocated to the subadvisor to manage. From time to time, a subadvisor may effect transactions for client accounts through EKRI as broker-dealer, including transactions whereby EKRI is acting as a principal. EKRI usually does not have prior knowledge of what securities will be affected by subadvisors for client accounts because the subadvisors are not required to consult with, or seek the consent of, EKRI prior to effecting transactions for client accounts. Since a subadvisor selected by EKRI to serve as an investment adviser to a client account may direct certain trades to EKRI as broker-dealer for execution, this may create a conflict of interest between EKRI and the client in that it may create an incentive for EKRI to only select subadvisors that may direct trade orders to EKRI as broker-dealer for execution.</p> <p><b><i>Execution of Securities Transactions for Compensation</i></b></p> <p>As discussed above, EKRI is engaged in the business of executing transactions for compensation. To the extent EKRI as Investment Advisor recommends itself as EKRI broker-dealer for brokerage services, EKRI has a conflict of interest for reasons noted in 8.C.(1) &amp; (9) and 9.A. above.</p> <p><b><i>Financial Interest of EKRI or Affiliates</i></b></p> <p>At times, EKRI, Advisory Associates, and/or its other employees or representatives (collectively, "associates") may take small positions in the same securities owned by clients. EKRI will seek to avoid conflicts of interest with clients and believes that its interests are aligned with clients when EKRI and its associates make investments consistent with recommendations made to clients. EKRI does not recommend securities to clients where its principals are majority shareholders or officers of a publicly-traded company.</p> <p>Where EKRI does make a specific recommendation, EKRI and its associates will generally be "last in" and "last out" of a security position on any trading day where trading occurs in proximity to client trades. EKRI and its associates will seek to not violate fiduciary responsibilities to clients. EKRI prohibits trading shortly ahead of known client orders. Personnel of both EKRI and Broker-Dealer regularly review trading of associates to ensure that clients are not disadvantaged.</p> <p>Routine inventory activities of EKRI's broker-dealer's traders are segregated from recommendations made by EKRI or EKRI's broker-dealer's representatives and are supervised by firm personnel. It is possible that EKRI traders may, at any given time, hold positions contrary to recommendations of EKRI. EKRI associates will not knowingly trade contrary to a client's interest or based on prior</p>	

**Schedule F of  
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**Continuation Sheet for Form ADV Part II**

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EK Riley Investments, LLC	801-67685	8/31/07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Items 9.A, 9.B, 9.E (continued)	<p>knowledge of pending client transactions.</p> <p>One circumstance in which EKRI or its associates would likely trade ahead of a client, or trade in a manner inconsistent with recommendations to clients, is when a client holds a concentrated position in a security that EKRI would otherwise recommend. In this case, EKRI may advise such client to sell the security to achieve greater diversification. Similarly, if due to the size of the client's position, it is necessary to liquidate or purchase over a longer period of time, smaller trades for EKRI associates may be executed in advance of the client's transactions. In this situation, EKRI will confirm that any trades for its associates will have no material adverse impact on the client's own executions.</p> <p>To the extent where EKRI as broker-dealer holds inventory positions in any securities and sells them to clients (see 9.A. above), EKRI has a financial incentive to trade those securities with clients at prices better than where EKRI as broker-dealer originally purchased or sold them. EKRI's capacity as principal will be disclosed on trade confirmations.</p>	
Item 10	EKRI typically imposes a minimum size of \$100,000 in assets under management. Exceptions may be granted at EKRI's sole and absolute discretion.	
Items 11.A.& 11.B.	Accounts are reviewed on an ongoing basis by the relevant IAR's making trading decisions on the account. The investment advisor representative reviews regularly to ensure that account activity matches that of the objectives outlined in the agreement signed by the client. Brian Bertsch, the firm's President, performs additional reviews when deemed necessary. A daily review of all trades of the firm is completed by the firm's designated principal, who is responsible for looking at objectives, risk tolerance and overall trading patterns. More frequent review may be triggered by a change in the individual circumstances of a client, a change in market or economic conditions, or a change in the relationship between the client and the investment advisor representative.	
Items 12 & 13	<p>EKRI maintains discretion over client accounts in accordance with the terms of the Client Agreement. In no circumstances will EKRI have authority to take custody of client funds or securities, except to the extent that EKRI's ability to deduct fees directly from client accounts is deemed "technical" custody.</p> <p>EKRI will determine the amounts of securities to be bought or sold in light of the client's individual circumstances. Clients may leave standing instructions with the firm to refrain from investing in particular securities or types of securities, or invest in limited amounts of such securities. Where a subadvisor is used, EKRI will have discretionary authority to hire and fire the subadvisor if authorized in the Agreement. Each subadvisor used will have individual policies related to exercise of discretionary authority and whether or how limitations may be placed on that authority. Clients will receive separate disclosure statements from any subadvisor used.</p> <p><b>Aggregation of Orders</b></p> <p>EKRI may aggregate trades for clients, and may include transactions for EKRI or EKRI personnel under certain circumstances, provided that the transactions are consistent with EKRI's best execution obligations and with the terms of the Agreement with any client for whom trades are being aggregated.</p> <p>If trades are aggregated, they will be done in the name of EKRI, but the executing broker will be informed that the trades are for the accounts of EKRI clients and not for EKRI itself (except where EKRI is included in the aggregation). No advisory account within the block trade will be favored over any other advisory account, and each account will therefore participate in the aggregated order at the</p>	

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Items 12 & 13 (continued)	<p>average share price and receive the same commission or ticket charge (a pro-rata share of the total commission or ticket charge assessed on the block). Aggregation should, on average, slightly reduce the costs of execution, and EKRI will not aggregate client orders if, in a particular instance, the firm believes that aggregation would increase the client's execution cost. EKRI will notify the custodian/executing broker of the amount of each trade to be allocated to individual accounts.</p> <p>EKRI does not exercise discretion as to the broker-dealer to be used as client must sign a new account form to open an account with the designated broker-dealer. In practice, however, EKRI opens all accounts through its affiliated broker-dealer except under very limited circumstances, such as a client having an existing relationship and account with an outside custodian. While EKRI allows Clients to suggest use of other brokerage firms to custody their accounts, EKRI strongly suggests its affiliated Broker-Dealer and may choose not to manage the account if it is required to go to an outside custodian.</p> <p>Subadvisors determine specific brokers, which may include EKRI as broker-dealer, for the execution of individual securities within subadvisory accounts.</p> <p><b><i>Discretion with Respect to Commission Rates</i></b></p> <p>EKRI will typically have the ability to negotiate commission rates on behalf of client, as authorized in the Agreement. To the extent that EKRI uses its affiliated Broker-Dealer for brokerage services, the commissions charged will be carefully evaluated.</p> <p><b><i>Brokerage Recommendations</i></b></p> <p>EKRI will typically recommend brokers, which may include its affiliated Broker-Dealer, to effect securities trades for client accounts. EKRI will also typically recommend Broker-Dealer to perform, through Clearing Firm, related functions such as clearance, settlement, and custody. This recommendation is based in large part on the fact that Broker-Dealer is affiliated with EKRI and that the affiliation provides a number of benefits to EKRI. Chief among these is access to systems and personnel with which EKRI is familiar and the cost savings achieved by EKRI by leveraging existing resources at the affiliate.</p> <p>EKRI has evaluated Broker-Dealer's commissions and believes them to be reasonable and competitive with those charged by other full-service brokers. In addition, as a result of the affiliation, EKRI has negotiated low, ticket-charge-based fees for EKRI clients holding brokerage accounts with EKRI. EKRI believes this to be a significant advantage to clients.</p> <p>EKRI shares in third-party research purchased by its affiliated Broker-Dealer. Such information may be used to service all of the firm's advisory accounts, without regard to whether a particular client actually holds an account with the brokerage firm.</p> <p>Clients may pay commissions higher than those obtainable from other broker-dealers in return for these products and services.</p> <p>Clients may pay transaction fees to EKRI as broker-dealer for the purchase of "no-load" mutual funds.</p> <p>In the case of accounts using another investment adviser for subadvisory services, EKRI will not dictate which brokerage firm the investment adviser should use for execution for EKRI's clients. Subadvisors will select the brokerage firm, which may include Broker-Dealer, based on their own</p>	

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Items 12 & 13 (continued)	<p>criteria. Clients will receive a separate disclosure document from each subadvisor describing the firm's brokerage relationships and philosophy.</p> <p><b><i>Referral Fees and Additional Compensation</i></b></p> <p>EKRI does not receive referral fees or any direct monetary compensation from any other person or entity. The firm does, however, benefit from the value of services offered by firms with which it does business, including its affiliated Broker-Dealer.</p> <p>EKRI Advisory Representatives are compensated based on the assets under management directed to EKRI. They receive a portion of the total management fee charged and therefore have a financial incentive to recommend the firm's advisory services.</p> <p>EKRI employees are compensated through a salary and bonus program that is affected by the firm's profitability. Accordingly, while employees—other than Advisory Representatives—do not receive direct compensation as a result of a client's decision to invest through the firm, overall pay may vary as a function of the firm's assets under management and the performance of accounts under management.</p> <p>To the extent that subadvisors are used, the subadvisor does not receive a portion of the fee paid to EKRI, but rather assesses a separate fee to the client. Clients referred by EKRI to a subadvisor will receive the subadvisor's Form ADV Part II (or equivalent) and will execute required client agreements.</p> <p><b><u>Brokerage Direction</u></b></p> <p>In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct EKRI to execute some or all securities transactions for its account with or through one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. EKRI will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account. The client must recognize that it may not obtain rates as low as it might otherwise obtain if EKRI had discretion to select broker/dealers other than those chosen by the client. Any client providing instructions to EKRI regarding direction of brokerage transactions must notify EKRI in writing if the client desires EKRI to cease executing transactions with or through any such broker/dealer.</p>	
<b>Proxy Voting</b>	<p><b>Proxy Voting</b></p> <p>EKRI does not vote proxies on behalf of clients.</p>	