

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 28, 2004

LION, Inc.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation)

0-25159
(Commission file number)

91-2094375
(IRS employer identification
number)

4700-42nd Ave. SW, Suite 430 Seattle, WA
(Address of principal executive offices)

98116
(Zip code)

Registrant's telephone, including area code **(206) 577-1440**

N/A
(Former name or former address, if changed since last report)

LION, Inc.

Item 12. Results of Operations and Financial Condition

On April 28, 2004, LION, Inc. issued a press release announcing its preliminary financial results for the first quarter ended March 31, 2004. A copy of the press release is furnished as Exhibit 99.1 to this report. This Form 8-K and the attached exhibit are furnished to, but not filed with, the Securities and Exchange Commission.

Item 7. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued April 28, 2004, announcing earnings for the first quarter ended March 31, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LION, Inc.
(Registrant)

Date: April 28, 2004

By: _____
Randall D. Miles
Chief Executive Officer

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

CONTACTS: Dave Stedman
President
LION, Inc.
800-546-6463

LION ANNOUNCES FIRST QUARTER 2004 RESULTS *117% Revenue Growth Compared to First Quarter 2003*

Seattle, WA – April 28, 2004 – LION, Inc. (OTC Bulletin Board: LINN), a leading provider of advanced business solutions that streamline the mortgage fulfillment process, today announced financial and operating results for the first quarter ended March 31, 2004.

Revenue for first quarter 2004 increased 117% to \$3,877,393 from \$1,786,720 for first quarter 2003 and 47% from fourth quarter 2003 revenue of \$2,646,692. The Company reported net income of \$12,923 for first quarter 2004 compared to \$155,703 for first quarter 2003 and \$2,418,951 for fourth quarter 2003 which included an extraordinary net gain of 2,027,675. The mix of revenue for the first quarter was about equally divided between LION's historic business lines and the products and services attributable to the late 2003 acquisition of the assets of Ignition Mortgage Technology Solutions, Inc.

“Our strong first quarter financial results demonstrate the success we are having integrating the technology, products and services we acquired in the Ignition transaction,” stated Randall D. Miles, Chairman and CEO of LION, Inc. “We achieved impressive revenue growth and remained profitable even while absorbing nonrecurring expenses in the first quarter. Our results were in line with our expectations, and we remain on track to double revenue in 2004. With nonrecurring expenses behind us, we expect to realize the benefit of the efficiencies related to the Ignition transaction late in the second quarter and to see an escalation in earnings momentum through the balance of the year.”

First Quarter 2004 Highlights

- Sequential growth in revenue through the quarter on target with projections.
- 8,000 new Realtors were added to the realtor affiliate program bringing total realtors to over 40,000.
- New large lender customer that validates transaction based business model.
- Product releases and feature set upgrades launched for Mortgage 101, Retail Websites, Lockpoint Xtra®, Pipeline Tools and LION Pro product lines.
- Integration strategy progressing as planned.

LION FINANCIAL RESULTS 1st QTR 2004 – 2

“Notwithstanding an industry expectation of a decline in mortgage loan production in 2004, LION continues to expect to generate higher revenues and profits in the coming year even after giving effect to the cost of integration of our acquisition. We are very pleased with the way the two companies have come together, and we believe that the Ignition acquisition has enabled us to leap frog by years and millions of dollars what we otherwise would have needed to invest to position us for the revenue growth we are now experiencing,” added Mr. Miles.

For more details about the acquisition, product integration, and the Company’s future plans, view the Chairman’s Letter located at LION’s corporate website at <http://www.lioncorp.net/lioncorp>.

About LION, Inc.

LION, Inc. is a leading provider of advanced business solutions that streamline the mortgage loan fulfillment process in the over \$2 trillion mortgage industry. From *Leads to Loans to Capital Markets*, LION offers consistent, seamless business solutions to consumers, brokers, realtors, originators and lenders. LION provides an integrated technology platform offering online loan productivity, mortgage pipeline hedging and risk management, software development and data communications tools. LION has offices in Washington, California and Colorado. For more information, please visit www.lioninc.com.

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This press release contains forward-looking statements that involve risks and uncertainties concerning our expected performance (as described without limitation in the quotations from current management in this release). Actual results may differ materially from the results predicted and reported results should not be considered as an indication of our future performance. We believe that these potential risks and uncertainties include, without limitation: interest rate changes; housing and consumer trends effecting home purchases; the management of our potential growth; risks of new business areas and new Internet technology; joint-marketing and sales agreements; our ability to attract and retain high quality employees; changes in the overall economy and in technology; and the number and size of our Internet competitors. Statements in this release should be evaluated in light of these important factors. All information set forth in this release is as of April 28, 2004, and LION undertakes no duty to update this information. More information about these and other important factors that could affect our business and financial results is included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003, including (without limitation) under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", which is on file with the Securities and Exchange Commission. Additional information may also be set forth in those sections in our quarterly reports on Form 10-QSB previously filed with the Securities and Exchange Commission.

LION FINANCIAL RESULTS 1ST QTR 2004 – 3

LION, Inc.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	<u>Q1 2004</u>	<u>Q4 2003</u>	<u>Q1 2003</u>
Revenues	\$ 3,877,393	\$ 2,646,692	\$ 1,786,720
Expenses			
Direct costs	1,464,350	680,794	315,556
Selling and marketing	496,579	515,654	573,468
General and administrative	1,165,150	743,841	539,653
Research and development	600,250	147,939	87,401
Depreciation and amortization	134,372	132,274	111,002
	<u>3,860,701</u>	<u>2,220,502</u>	<u>1,627,080</u>
Operating income	16,692	426,190	159,640
Other expense - net	<u>(3,260)</u>	<u>(5,175)</u>	<u>(3,937)</u>
Net income before tax and extraordinary item	13,432	421,015	155,703
Income tax expense	<u>509</u>	<u>29,739</u>	<u>-</u>
Net income before extraordinary gain	12,293	391,276	155,703
Extraordinary gain – net of tax	<u>-</u>	<u>2,027,675</u>	<u>-</u>
NET INCOME	<u>\$ 12,923</u>	<u>\$ 2,418,951</u>	<u>\$ 155,703</u>
Net income per common share,			
Basic	<u>\$ -</u>	<u>\$.08</u>	<u>\$ -</u>
Diluted	<u>\$ -</u>	<u>\$.07</u>	<u>\$ -</u>

(MORE)

LION FINANCIAL RESULTS 1st QTR 2004 – 4

LION, Inc.
CONDENSED BALANCE SHEETS

ASSETS

	March 31, 2004 (Unaudited)	December 31, 2003
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,472,629	\$ 2,883,314
Accounts receivable - net	1,879,879	2,141,264
Other receivables	472,640	620,708
Prepaid expenses and other	265,339	361,975
	<hr/>	<hr/>
Total current assets	6,090,487	6,007,261
PROPERTY AND EQUIPMENT, net	1,026,962	1,025,153
OTHER ASSETS		
Goodwill – net	273,955	273,955
Other assets	82,908	82,908
	<hr/>	<hr/>
	<u>\$ 7,474,312</u>	<u>\$ 7,389,277</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 351,458	\$ 189,727
Accrued liabilities	1,383,596	1,647,931
Current maturities of long-term obligations	77,510	82,452
Deferred revenue	1,172,134	1,240,166
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Total current liabilities	2,984,698	3,160,276
LONG-TERM OBLIGATIONS, less current maturities	70,618	85,822
STOCKHOLDERS' EQUITY	<hr/>	<hr/>
	<u>\$ 7,474,312</u>	<u>\$ 7,389,277</u>