

1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING ) Order Number S-03-201-04-CO01  
5 Whether there has been a violation of the )  
6 Securities Act of Washington by: ) CONSENT ORDER  
7 Mana, LLC and Evelyn A. Nichols, )  
8 Respondents. )

9 THE STATE OF WASHINGTON TO: Mana, LLC and Evelyn A. Nichols

10 Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of  
11 the Department of Financial Institutions ("Securities Division") and the Respondents, Mana,  
12 LLC and Evelyn A. Nichols, do hereby enter into this CONSENT ORDER in settlement of the  
13 matters alleged herein. Respondents neither admit nor deny the Findings of Fact and  
14 Conclusions of Law stated below.

15 **TENTATIVE FINDINGS OF FACT**

16 **RESPONDENTS**

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- 18 1. Mana, LLC is a Washington limited liability company formed in 2002 with a business  
19 address of P.O. Box 20595, Seattle, WA 98102. Mana, LLC is a start-up company with no  
20 operations whose business is centered on the Mana Loan, a financing mortgage concept.
  - 21 2. Evelyn A. Nichols ("Nichols") is the President and CEO of Mana, LLC. She resides in  
22 Seattle, Washington.
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1 **NATURE OF THE OFFERING**

2 3. Between 2001 and 2003, the Respondents offered and sold investments relating to  
3 Mana, LLC to approximately twenty-five investors in Washington, Florida, and Arizona and  
4 raised over \$250,000.

5 4. During meetings with and in telephone calls to investors, Nichols offered and sold  
6 promissory notes to prospective investors. Under the terms of the promissory notes, Nichols  
7 promised to pay a rate of return of either seven or eight percent, payable in one year.  
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9 5. Nichols also sold LLC interests in Mana, LLC to investors. Nichols typically sold these  
10 interests in 1% increments, at \$10,000 per 1% interest. Nichols stated to at least one investor that  
11 the value of the LLC interests would grow 25% within a year. In October 2003, Nichols stated to  
12 an investor that she was still putting together the company and was using the money she received  
13 from investors as "personal income" to pay bills.

14 6. In the offer and sale of the promissory notes and LLC interests, the Respondents failed to  
15 disclose material information, including, but not limited to, the general and specific risks  
16 associated with the investment, their experience and track record in similar ventures, and the  
17 basis and assumptions for the returns that were promised and the projections that were made.  
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19 **REGISTRATION STATUS**

20 7. The offering of promissory notes and LLC interests described above is not currently,  
21 and has not previously been registered under the Securities Act, and no notification of  
22 exemption is on file with the Securities Administrator of the State of Washington.

23 8. Nichols is not currently registered as a securities salesperson or broker-dealer in the  
24 State of Washington and has not previously been so registered.

1 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

2 **CONCLUSIONS OF LAW**

3 9. The offer and/or sale of Mana, LLC promissory notes and LLC interests by Respondents,  
4 as set forth in the above in the Tentative Findings of Fact, constitutes the offer and/or sale of  
5 securities, as defined in RCW 21.20.005(10) and (12).

6 10. Mana, LLC and Nichols have each violated RCW 21.20.010 because, in connection  
7 with the offer or sale of promissory notes and LLC interests, they each made untrue statements  
8 of material fact or omitted to state material facts necessary in order to make the statements  
9 made, in the light of the circumstances under which they are made, not misleading.

10 11. Mana, LLC and Nichols have each violated RCW 21.20.140, the securities registration  
11 provision of the Securities Act, because they offered and/or sold securities for which there was no  
12 registration on file with the Securities Administrator, and it appears that they do not otherwise  
13 qualify for an exemption from registration.

14 12. Nichols has violated RCW 21.20.040, the salesperson registration provision of the  
15 Securities Act, because she offered and/or sold securities while not registered as a securities  
16 salesperson or broker/dealer in the State of Washington.  
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2 **CONSENT ORDER**

3 Based upon the foregoing:

4 IT IS AGREED AND ORDERED that the Respondents, Mana, LLC and Nichols, and  
5 their agents and employees each shall cease and desist from violating RCW 21.20.010, the  
6 anti-fraud section of the Securities Act of Washington.

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8 IT IS FURTHER AGREED AND ORDERED that the Respondents, Mana, LLC and  
9 Nichols, and their agents and employees each shall cease and desist from offering or selling  
10 securities in violations of RCW 21.20.140, the securities registration section of the Securities  
11 Act of Washington.

12 IT IS FURTHER AGREED AND ORDERED that Nichols, and her agents and  
13 employees each shall cease and desist from acting as an unregistered securities broker-dealers  
14 or salespersons in violation of RCW 21.20.040, the broker-dealer and securities salesperson  
15 registration section of the Securities Act of Washington.

16 IT IS FURTHER AGREED that Respondents, Mana, LLC and Nichols, shall be  
17 jointly and severally liable for and shall pay a fine in the amount of \$25,000 of which  
18 \$20,000 is suspended based on each Respondent's future compliance with the terms of this  
19 Order. Said payment is to be made prior to the entry of this Order.

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21 IT IS FURTHER AGREED that Respondents, Mana, LLC and Nichols, shall be  
22 jointly and severally liable for and shall pay investigative costs in the amount of \$5,000. Said  
23 payment is to be made prior to the entry of this Order.

1 IT IS FURTHER AGREED AND ORDERED that the Respondents, Mana, LLC and  
2 Nichols, shall, within thirty (30) days of the entry of this Order, provide or make reasonable  
3 efforts to provide each investor with a copy of this Order and a cover letter reviewed by the  
4 Securities Division. Respondents shall provide to the Securities Division with documentation  
5 that a copy of this Order was delivered to each investor or that reasonable efforts were made  
6 to provide copies to each investor within sixty (60) days of the entry of this Order.  
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8 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this  
9 Order.

10 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents,  
11 Respondents, Mana, LLC and Nichols, each waive their rights to a hearing in this matter and  
12 judicial review of this order.

13 SIGNED this 7 th day of April, 2005.

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15 Signed by:

16 Mana, LLC

17 By /s/ Evelyn Nichols  
18 Evelyn A. Nichols, CEO

19 Signed by:

20 /s/ Evelyn Nichols  
21 Evelyn A. Nichols, individually

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CONSENT ORDER

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SIGNED and ENTERED this 11th day of April, 2005



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Michael E. Stevenson  
Securities Administrator

Approved by:



Martin Cordell by MES  
Chief of Enforcement

Presented by:



Robert Kondrat  
Financial Legal Examiner