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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

MALIBU DEVELOPMENT
CORPORATION; THE MERIDIAN ON
BAINBRIDGE ISLAND, LLC; CMHCEH,
LLC.; JOHN M. ERICKSON; BRUCE
MCCURDY; CHRISTOPHER M. HEINS;
MICHAEL B. REETZ,

Respondents.

Order Number S-06-065-08-CO03

CONSENT ORDER AS TO JOHN M.
ERICKSON

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INTRODUCTION

On June 8, 2007, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist and Notice of Intent to Impose Fines and Charge Costs, S-06-065-07-TO01, hereinafter referred to as "Summary Order," against Respondents Malibu Development Corporation; The Meridian on Bainbridge Island, LLC; CMHCEH, LLC.; John M. Erickson; Bruce McCurdy; Christopher M. Heins; and Michael B. Reetz. The Securities Division and Respondent John M. Erickson do hereby enter into this Consent Order in settlement of the above-captioned matter. The Securities Division made certain allegations and conclusions in the Summary Order, set forth under the headings "Tentative Findings of Fact" and "Conclusions of Law." Respondent John M. Erickson neither admits nor denies the Findings of Fact and Conclusions of Law, which are hereby incorporated by reference into this Consent Order.

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CONSENT ORDER AS TO JOHN M. ERICKSON

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2 **CONSENT ORDER**

3 Based upon the foregoing and finding it in the public interest:

4 IT IS AGREED AND ORDERED that Respondent John M. Erickson and his agents and
5 employees each shall cease and desist from violating RCW 21.20.140, the provision of the Securities Act
6 of Washington making it unlawful to sell unregistered securities.

7 IT IS FURTHER AGREED AND ORDERED that Respondent John M. Erickson and his agents
8 and employees each shall cease and desist from violating RCW 21.20.040, the section of the Securities
9 Act of Washington requiring registration of securities salespersons, broker-dealers, investment advisers,
10 and investment adviser representatives.

11 IT IS FURTHER AGREED AND ORDERED that Respondent John M. Erickson and his agents
12 and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the
13 Securities Act of Washington.

14 IT IS FURTHER AGREED AND ORDERED, pursuant to RCW 21.20.110(1), that Respondent
15 John M. Erickson shall not make application for nor be granted a broker-dealer, securities salesperson,
16 investment adviser and/or investment adviser representative license for a period of ten (10) years from
17 the date of entry of this Consent Order.

18 IT IS FURTHER AGREED AND ORDERED that Respondent John M. Erickson shall be liable for
19 and pay a fine of \$2,000. The Respondent shall pay \$200 on or before the date of entry of the Consent
20 Order. The Respondent shall then make payments of \$200 per month for nine consecutive months. Each
21 payment shall be due by the 15th day of the month. The first payment shall be due August 15, 2008.

1 The \$2,000 fine imposed in this order shall become immediately due and payable upon failure to make
2 any payment.

3 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

4 IT IS FURTHER AGREED that Respondent John M. Erickson enters into this Consent Order
5 freely and voluntarily and with full understanding of its terms and significance.

6 IT IS FURTHER AGREED that in consideration of the foregoing Respondent John M. Erickson
7 waives his right to a hearing in this matter and judicial review of this matter pursuant to RCW 21.20.440
8 and RCW 34.05.

9 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

10 SIGNED this 4th day of August, 2008.

11 Signed by:

12 _____
13 /s/ _____
14 JOHN M. ERICKSON, individually

15 SIGNED and ENTERED this 6th day of August, 2008.

16 _____
17 *Michael E. Stevenson*

18 MICHAEL E. STEVENSON
19 Securities Administrator
20 Approved by:

21 _____
22 *Suzanne Sarason*

23 SUZANNE SARASON
24 Chief of Compliance and Examinations

Presented by:

25 _____
Jill M. Valley

JILL M. VALLEY
Enforcement Attorney

CONSENT ORDER AS TO JOHN M. ERICKSON