

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: RICHUM CORPORATION)
(a/k/a THE RICHUM GROUP))
and DOUGLAS ERICKSON, their)
partners, officers and directors,)
agents, employees, affiliates,)
successors and assigns.)

NO. 0500241

ORDER OF PROHIBITION

TO RESPONDENTS: RICHUM CORPORATION
6829 Big Creek Drive
House Springs, Missouri 63051

And

RICHUM CORPORATION
106 West Vine
Martinsville, Illinois 62442

And

RICHUM CORPORATION
3343 South Michigan Avenue
Chicago, Illinois 60616

And

DOUGLAS ERICKSON
106 West Vine
Martinsville, Illinois 62442

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on October 22, 2007 which prohibited Richum Corporation and Douglas Erickson ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

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WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Douglas Erickson (hereinafter "Erickson") has a last known address of 106 West Vine, Martinsville, Illinois 62442.
2. Richum Corporation (a/k/a The Richum Group)(hereinafter "Richum" and collectively with Erickson "Respondents") has last known addresses of 6829 Big Creek Drive, House Springs, Missouri 63051 and 106 West Vine, Martinsville, Illinois 62442 and 3343 South Michigan Avenue, Chicago, Illinois 60616
3. At all times relevant to this Order of Prohibition, Erickson was a Director and Executive Vice President of Richum with authority to enter agreements and act on behalf of Richum.
4. On December 8, 2003 Respondents entered an investment contract entitled "Assignment of Escrow Funds" with an Investor in which the Investor placed \$300,000 into an account with Respondents.
5. The "Assignment of Escrow Funds" provided that the Investor was to be repaid the \$300,000 plus an additional \$300,000 as a "premium" if the Respondents were able to close a pending loan agreement with a third party.
6. If Respondents were unable to close the pending loan transaction the Investor was to receive the return of the \$300,000.
7. The loan did not close, but Respondents failed to refund the \$300,000.
8. Respondents failed to disclose to Investor any risks involved in the Assignment of Escrow Funds contract that could prevent repayment of the \$300,000.

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9. To date, Investor has not received any payment from Respondents that is owed to him as a result of the Assignment of Escrow Funds transaction he entered into with Respondents on December 8, 2003.
10. Respondents' activities described above involve the offer and sale of an investment contract or note as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5](the "Act").

FRAUD AND DECEIT/MISREPRESENTATIONS AND OMISSIONS

11. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
12. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
13. Respondents violated Sections 12.G and 12.F of the Act.

FAILURE TO FILE DOCUMENTS REQUIRED TO BE FILED

14. On June 13, 2007, Erickson was served with a Subpoena Ad Testificandum issued by the Secretary of State, Illinois Securities Department (hereinafter the "Department").
15. The Subpoena Ad Testificandum served on Erickson required him to appear for a sworn statement on June 28, 2007, and to produce to the Department documents and papers, which the Department deemed relevant and material to its investigation.
16. Pursuant to Erickson's request the sworn statement was continued from June 28, 2007 to July 26, 2007.
17. Erickson failed to appear for testimony on July 26, 2007 and to date, Erickson has not provided any documentation to the Department.

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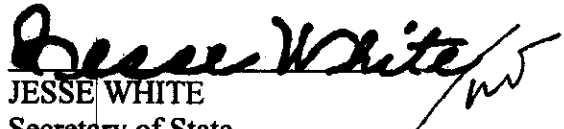
18. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Richum Corporation and Douglas Erickson and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are Permanently Prohibited from rendering investment advice and from offering or selling securities in or from the State of Illinois.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 13th day of May 2008


JESSE WHITE
Secretary of State
State of Illinois

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