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REGISTRATION & DISCLOSURE

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070088199

To: Department of Enforcement
FINRA

Re: Eric Erickson
General Securities Representative
CRD No. 726668

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Eric Erickson (Erickson), submit this Letter of Acceptance, Waiver and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

Background

Erickson entered the securities industry in March 1981, when he associated with a member of FINRA (f/k/a NASD). From July 11, 1988 through August 13, 2004, Erickson was associated with FINRA member H&R Block Financial Advisors, Inc. (H&R Block) as a sales representative. From August 16, 2004 through November 15, 2005, Erickson was associated with FINRA member Harbour Investments, Inc. (Harbour) as a sales representative. At all times relevant, Erickson was registered with FINRA as a general securities representative, which registration remains in full force and effect, although Erickson is currently associated with another FINRA member.

Relevant Disciplinary History

Erickson has not been the subject of prior formal disciplinary action by FINRA or its predecessors.

Overview

Erickson recommended a variable annuity to elderly customer L.A. in December 2004. The variable annuity was not suitable for L.A., given her age, investment experience, and financial needs. Erickson's conduct violated NASD Conduct Rules 2310 and 2110.

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Facts and Violative Conduct

In December 2004, L.A. was 71 years of age. She was a retired schoolteacher. She had been diagnosed with cancer in 2001. Her investment needs were a monthly income stream and preservation of capital. L.A. had significant monthly and other periodic expenses for which she had to have funds available. She also needed to have funds available to her in case of emergencies. As of December 2004, L.A. had \$230,000 to invest.

Erickson recommended The Hartford Director Plus variable annuity to L.A. in December 2004. L.A. purchased The Hartford Director Plus variable annuity on January 14, 2005. L.A. invested \$200,000 in the variable annuity.

Consistent with the terms of the variable annuity prospectus, L.A. could not withdraw more than 10% of the principal value of the variable annuity in any given year. This restriction was in place for a period of eight years. Thus, L.A. could not access more than 10% of the value of the variable annuity, in a given year, until she was 79 years of age.

Further, Erickson recommended that L.A. purchase a rider for The Hartford Director Plus variable annuity. This rider guaranteed L.A. a full return of her principal after 14.2 years. However, to obtain that benefit L.A. could not exceed 7% of the original \$200,000 investment in liquidations in any given year.

Erickson's recommendation that L.A. purchase The Hartford Director Plus variable annuity and its rider was unsuitable, in light of L.A.'s age, financial situation and needs. L.A. had an immediate need for liquidity in order to meet monthly and other expenses. She also needed penalty-free access to her funds in the event of an emergency, especially considering her preexisting health condition. The Hartford Direct Plus variable annuity and rider penalized L.A. for accessing her funds through surrender charges of as much as 10% and surrender periods lasting up to eight years.

Erickson's conduct violated NASD Conduct Rules 2310 and 2110.

B. I also consent to the imposition of the following sanctions:

1. a 15-business day suspension from association with any FINRA member in any capacity;
2. a \$5,000 fine; and
3. Within 20 business days of the approval of this AWC, Erickson will offer to reimburse L.A. for any surrender charges she incurs for liquidating The Hartford Direct Plus variable annuity (the Offer). The Offer will be made in writing and sent to L.A.'s last known address. If L.A. accepts the Offer and liquidates The

Hartford Direct Plus variable annuity within 60 calendar days after the Offer is made, Erickson shall reimburse L.A. for any and all surrender charges she incurs for liquidating The Hartford Direct Plus variable annuity. Erickson shall provide to FINRA staff satisfactory proof of the Offer within 10 calendar days from the time that the Offer is made to L.A. If L.A. accepts the Offer, Erickson shall provide proof of payment to the FINRA staff of his reimbursement to L.A. of the surrender charges she incurs for liquidating The Hartford Direct Plus variable annuity. Such proof of payment shall be made within 10 calendar days from the time that reimbursement is made to L.A.

The imposition of the requirement of the Offer does not preclude L.A. from pursuing her own action to obtain restitution or other remedies.

If for any reason Erickson cannot locate L.A. after reasonable and documented efforts within the time period for making the Offer or reimbursing L.A. for any and all surrender charges she incurs for liquidating The Hartford Direct Plus variable annuity, Erickson shall forward any undistributed amounts due under the Offer to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III. OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.
- E. I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any

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FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

1-7-08
Date


ERIC ERICKSON

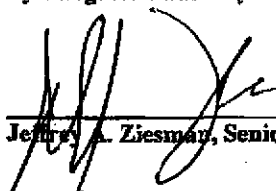
Reviewed by:


Counsel for Eric Erickson

Accepted by FINRA:

1-8-2009
Date

Signed on behalf of the Director of ODA,
by delegated authority


Jeffrey A. Ziesman, Senior Regional Counsel