

CONSENT ORDER OF PROHIBITION

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COUNT I

FAILURE TO REGISTER SECURITIES

- (1) Respondent Jay Johnson ("Johnson") is a natural person with the last known address in Downers Grove, Illinois.
- (2) Hyatt Johnson Capital, LLC ("Hyatt Johnson") is a privately-held Illinois company with its principal place of business in 525 Buckingham Place, Downers Grove, Illinois 60516; the managing members are Jason R Hyatt and Jay Johnson.
- (3) Respondent directly sold and offered to investor's membership shares in the form of investment contracts and private placement offerings, in at least ten (10) Limited Liability Corporations (LLCs). The LLCs were controlled and managed by Hyatt Johnson Capital, LLC.
- (4) The activities described above constitute the offer and sale of a investment contract and private placement offerings, and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq*] (the "Act").
- (5) Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois
- (6) Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois
- (7) Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
- (8) Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
- (9) By virtue of the foregoing, Respondent violated Sections 12 A and 12 D of the Act

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COUNT II

**Unregistered Dealer/Salesperson/
Investment Advisor/ Investment Advisor Representative**

- (1-3) That paragraphs one (1) through three (3) of Count I are re-alleged and incorporated herein
- (4) Through the conduct described in paragraphs 1-3, the respondent acted as a dealer and/or salesperson and/or investment advisor and/or investment advisor representative.
- (5) That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.
- (6) That at all relevant times, the respondent was not registered as an investment advisor and/ or investment advisor representative under the Act.
- (7) That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
- (8) That by acting as an investment advisor and/or investment advisor representative in the State of Illinois, without being registered as such, respondent violated section 12 C of the Act

WHEREAS, by means of the Stipulation Respondent has acknowledged that the following shall be adopted as the Secretary of State's Conclusion of Law:

- (1) The Respondent violated Sections 12 A and 12 D of the Act
- (2) The Respondent violated section 12.C of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be PROHIBITED from offering and selling of securities except in compliance with the Illinois Securities Law of 1953 815 ILCS 5/1 et seq (The "Act")

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of Seven Hundred and Fifty Dollars (\$750 00) Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings

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NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT.

- 1 The Respondent shall be PROHIBITED from offering and selling securities except in compliance with the Illinois Securities Law of 1953
- 2 The Respondent is levied costs of investigation in this matter in the amount Seven Hundred and Fifty Dollars (\$750.00); payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on January 4, 2010 has submitted Seven Hundred and Fifty Dollars (\$750.00) in payment thereof
 - a The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein
 - b The formal hearing scheduled on this matter is hereby dismissed without further proceedings

ENTERED This ^{4th} day of January, 2010



JESSE WHITE
Secretary of State
State of Illinois

NOTICE Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin Code Ch I, Section 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

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