

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:

**Jason R. Hyatt, Jay Johnson, and
Hyatt Johnson Capital, LLC,
its partners, members, officers, directors,
agents, employees, affiliates, successors
and assigns.**

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) **File Number: 0600601**
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NOTICE OF HEARING

TO RESPONDENT: Jay Johnson
525 Buckingham Place
Downers Grove, Illinois 60516

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 5th day of November, 2009 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Jay Johnson (the "Respondent ") from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

COUNT I.
FRAUD IN THE SALE OF 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.

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3. Respondent directly sold and offered to investor's membership shares in at least ten (10) Limited Liability Corporations (LLCs). The LLCs were controlled and managed by Hyatt Johnson Capital, LLC.
4. Respondent represented to Investors that the proceeds of the LLCs investment were to be used to purchase securities managed by BCI Aircraft Leasing, Inc.
5. Contrary to the representation the Respondent made to Investors, Respondent misappropriated several million dollars of the Illinois Investor's money and dissipated the money for their personal use.
6. The activities described above constitute the offer and sale of a security 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").
7. Section 12.F of The Act states that it shall be a violation of the provisions of this 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." 815 ILCS 5/12.F.
8. Section 12.G of the Act states that it shall be a violation of the provisions of this 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 light of the circumstances under which they were made, not misleading." 815 ILCS 5/12.G.
9. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly. 815 ILCS 5/12.I.
10. Respondent refused or omitted, to inform Investors that respondent was not registered with the Secretary of State. By virtue of this conduct, Respondent violated Sections 12.F, 12.G, and 12.I of the Act.

COUNT II.

FAILURE TO REGISTER SECURITIES

- 1-6. That paragraphs one (1) through six (6) of Count I are re-alleged and incorporated herein as paragraphs one (1) through nine (9) of this Count II.
7. The activities described above constitute the offer and sale of a note 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").

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8. 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.
9. 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.
10. 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.”
11. 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.”
12. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

COUNT III

Unregistered Dealer/Salesperson/ Investment Advisor/ Investment Advisor Representative

- 1-6. That paragraphs one (1) through eight (8) of Count I are re-alleged and incorporated herein as paragraphs one (1) through nine (9) of this Count III.
7. Through the conduct described in paragraphs 3-7, the respondent acted as a dealer and/or salesperson and/or investment advisor and/or investment advisor representative.
8. That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.
9. That at all relevant times, the respondent was not registered as an investment advisor and/ or investment advisor representative under the Act.
10. 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.
11. 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.
12. The aforementioned findings are based upon credible evidence.
13. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice

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and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

14. That by virtue of the foregoing, Respondent is subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A link of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 21st day of September, 2009.



JESSE WHITE
Secretary of State
State of Illinois

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