

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77517 / April 5, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17192

In the Matter of

TERRY W. JOHNSON,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Terry W. Johnson (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and over the subject matter of these proceedings and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Respondent, age 57, is a resident of Heath, Texas. Respondent is the co-founder of Innovative Group, PMA ("Innovative Group"), Premier Group, PMA ("Premier Group") and Prosperity Group, PMA ("Prosperity Group"). In addition, Respondent is a principal trustee and managing member of Premier Group and is the principal trustee and managing member of Prosperity Group.

2. On February 16, 2016, a judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Janus Spectrum LLC, et al., Civil Action Number 2:15-cv-00609-SMM, in the United States District Court for the District of Arizona.

3. The Commission's complaint alleged that Respondent engaged in securities fraud, acted as an unregistered broker or dealer, and offered and sold unregistered securities, in connection with a \$12.5 million securities offering fraud orchestrated by Janus Spectrum LLC ("Janus Spectrum") and its current and former principals, David Alcorn and Kent Maerki. The complaint alleges that Janus Spectrum held itself out as a company that prepares applications for Federal Communication Commission ("FCC") cellular spectrum licenses on behalf of third party clients, which included various individuals and fundraising entities, including Respondent, (collectively, the "Defendants"). The complaint alleged that Alcorn and Maerki organized and controlled the offerings so that the various fundraising entities, including those owned and managed by Respondent, offered and sold securities in a purported effort to raise funds to apply for FCC licenses. The complaint alleged that in connection with these offerings, the Defendants, including Respondent, misled investors by falsely representing that their investments would yield substantial returns through the sale and lease of the FCC licenses to major wireless carriers, when the Defendants, including Respondent, knew, or were reckless or negligent in not knowing, that the FCC licenses, if obtained, were in a narrow spectrum which could not be sold or leased to any major wireless carriers, thereby greatly diminishing their projected value. The complaint also alleges that the Defendants, including Respondent, concealed the actual costs associated with obtaining the FCC licenses, and misappropriated investor funds to their own, undisclosed uses.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Johnson's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Johnson be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Johnson be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary