

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**JASON R. HYATT,
JAY JOHNSON, and
HYATT JOHNSON CAPITAL, LLC**

Defendants.

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: **CASE NO. 1:08-cv-2224**
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: **Honorable George W. Lindberg**
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: **Magistrate Judge Michael T. Mason**
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**AGREED PARTIAL FINAL JUDGMENT AND
ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF**

Plaintiff, U.S. Securities and Exchange Commission (“SEC”) filed a complaint in this matter, and Defendant Jason R. Hyatt (“Defendant Hyatt”) has, in his Consent hereto and incorporated herein, acknowledged receipt of the complaint and admitted the personal jurisdiction of the Court over him and over the subject matter thereof, and without trial, argument or adjudication of any facts or law herein, consented to the entry of this Partial Final Judgment and Order of Permanent Injunction and Other Relief (“Partial Final Judgment”). The SEC and Defendant Hyatt have waived the entry of findings of fact and conclusions of law, as provided by Rule 52 of the Federal Rules of Civil Procedure and Defendant Hyatt has waived any right to appeal from this Partial Final Judgment. The Court having jurisdiction over the parties and the subject matter hereof, and being fully advised in the premises, hereby states:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, employing any device, scheme or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §77q(a)(1)].

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, obtaining money or property 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, or engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser, in violation of Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§77q(a)(2) and 77q(a)(3)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or any facility of any national securities exchange:

- (a) employing any device, scheme or artifice to defraud; or
- (b) making any untrue statement of material fact or omitting 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; or
- (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, directly or indirectly, effecting transactions in securities for the accounts of others in exchange for transaction based compensation, by the use of any means or instrumentality of interstate

commerce, or of the mails, or any facility of any national securities exchange, while not registered with the Commission as broker-dealers, as required by Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], in violation of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, directly or indirectly, while acting as investment advisers, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, knowingly, willfully or recklessly:

(a) employing devices, schemes or artifices to defraud its clients or prospective clients; or

(b) engaging in transactions, practices and courses of business which have operated as a fraud or deceit upon its clients or prospective clients,

in violation of Sections 206(1) and 206(2) of the Advisers Act. [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt, his officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Partial Final Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, directly or

indirectly, while acting as an investment adviser to a pooled investment vehicle, by the use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly,

- (a) engaging in transactions, practices, and courses of business which operate as a fraud or deceit upon investors,
- (b) making untrue statements of a material fact or omitted to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor, or
- (c) otherwise engaging in acts, practices or courses of business that was fraudulent, deceptive, or manipulative with respect to any investor or prospective investor,

in violation of Sections 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 [17 C.F.R. § 275.206(4)-8] thereunder.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt disgorge all ill-gotten gains received as a result of the conduct alleged in the complaint, plus prejudgment interest on those amounts. The Court will set the specific amounts of disgorgement and will also determine whether to impose civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. §§ 80b-9(e)] on Defendant Hyatt, and in what amount, at a separate hearing upon due notice and motion by the SEC. At that hearing, the issues will be limited to determining: (a) the amounts of disgorgement to be ordered; and (b) whether civil penalties should be imposed on Defendant Hyatt, and the amounts of any such

penalties. At that hearing, Defendant Hyatt will be precluded from arguing that he did not violate, directly or indirectly, the federal securities laws in the manner set out in the complaint, but will not be precluded from presenting evidence as to what amounts of disgorgement, prejudgment interest and whether and what civil penalties are appropriate. Nothing herein affects Defendant Hyatt's (a) testimonial obligations; or (b) right to take legal or factual positions in litigations or other legal proceedings in which the SEC is not a party.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hyatt's Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant Hyatt shall comply with all of the undertakings and agreements set forth herein.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the SEC is expressly authorized to engage in continued discovery regarding any unresolved issue in this case with respect to the Defendant Hyatt including, but not limited to, discovery for the purposes of determining the amount of ill-gotten gains and civil penalties, if any.

X.

IT IS HEREBY FURTHER ORDERED that notice of this Order may be accomplished by delivery of a copy of the Order by first class mail, overnight delivery, facsimile, or personally by agents or employees of the Commission, upon the Defendant, and upon any bank, savings and loan institution, credit union, financial institution, transfer agent, broker-dealer, investment company, title company, commodity trading company, storage company, or any other person, partnership, corporation, or legal entity that may subject to any provision of this Order.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, enforcement of the Partial Final Judgment.

XIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is hereby directed to enter this Partial Final Judgment.

SO ORDERED:


George W. Lindberg
SENIOR U.S. DISTRICT COURT JUDGE

Dated: June 4, 2012