

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10249 / November 8, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 79271 / November 8, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17671

In the Matter of

Glenn Johnson and
William Sinish,

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933 AND SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Glenn Johnson (“Johnson”), and William Sinish (“Sinish”) (collectively, the “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act and Section 21C Of the Securities Exchange Act, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offer, the Commission finds¹ that:

Summary

1. From at least January 1, 2011, through April 17, 2013, Glenn Johnson ("Johnson"), the Chief Operating Officer ("COO") of Feather N Time Corp. (d/b/a Nature's Fuel) ("Nature's Fuel"), and William Sinish ("Sinish"), the Chief Executive Officer ("CEO") of Nature's Fuel, engaged in the unregistered offer and sale of the securities of Nature's Fuel and two of its subsidiaries, NF Green Fuels ("NF Green") and Nature's Fuel Three Rivers. During the relevant period, Nature's Fuel raised approximately \$2,275,000, and NF Green raised approximately \$531,000, through the sale of common stock to more than 70 investors.

2. Throughout this time period, Johnson and Sinish made material misrepresentations related to Nature's Fuel's prospects of obtaining funding from four different companies. On multiple occasions Johnson and Sinish told shareholders that Nature's Fuel had obtained, or was close to obtaining, financing to build additional plants, when in fact it did not have binding agreements for that funding, and/or they knew or were reckless in not knowing the funding entity was unlikely to be able to provide financing. Johnson and Sinish portrayed Nature's Fuel's funding prospects in a positive light, and failed to disclose material facts about Nature's Fuel's relationships with the entities allegedly providing funding as well as about the funding entities themselves. In addition, Johnson and Sinish made material misrepresentations regarding the existence and terms of purchase agreements for Nature's Fuel's products. Johnson and Sinish also failed to disclose to all shareholders related party transactions between Nature's Fuel and entities owned and controlled by them, including the payment of hundreds of thousands of dollars by Nature's Fuel to TechEdge, a staffing firm owned by Johnson and Sinish.

Respondents

3. Glenn Johnson, age 68, resides in Fort Wayne, Indiana. Since 2006, he has been the President, COO, and a member of the board of directors, of Nature's Fuel. During this time, Johnson has also been a principal of Company D, a managerial search firm.

4. William Sinish, age 67, resides in Fort Wayne, Indiana. Since 2006, he has been the CEO, and a member of the board of directors, of Nature's Fuel. During this time, Sinish has also been a principal of Company D, a managerial search firm.

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

Related Parties

5. Feather N Time Corp. (d/b/a Nature's Fuel) ("Nature's Fuel") is an Indiana corporation with its principal place of business in Fort Wayne, Indiana. Nature's Fuel was incorporated in 2006 to produce alternative fuel. Nature's Fuel managed several subsidiaries engaged in other alternative fuel projects, including Nature's Fuel Atwood LLC, incorporated in 2006, NF Green Fuel, incorporated in 2010, and Nature's Fuel Three Rivers, incorporated in 2010. Nature's Fuel and its securities have never been registered with the Commission. Nature's Fuel and its subsidiaries have no assets and were dissolved on or about December 31, 2015.

Background

6. Nature's Fuel was founded in 2005 in Fort Wayne, Indiana to recycle used calcium. In February, 2006, Johnson and Sinish purchased a substantial amount of Nature's Fuel's shares and began actively managing the company. Later that year, Nature's Fuel acquired and developed a new plant in Atwood, Indiana to produce and sell wood pellets. In early 2007, Johnson and Sinish assumed control over the company's operations.

7. In order to expand Nature's Fuel's operations, beginning in 2006, Johnson and Sinish began to raise capital through the sale of common stock in both Nature's Fuel and a subsidiary, Nature's Fuel Atwood. In 2008, Nature's Fuel used that money to convert the fuel process at the Atwood plant to pyrolysis, which produced high BTU usable fuel from solid waste. In 2009 and 2010, Nature's Fuel Atwood LLC was fined by the Indiana Department of Environmental Management ("IDEM") for emissions violations.

8. In 2011, pursuant to an agreed order with IDEM, Johnson and Sinish shut the Atwood plant and moved the company's operations to a new plant in Defiance, Ohio. The Defiance plant processed waste materials to produce methane and glycerin. However, Johnson and Sinish soon concluded that the Defiance plant was inadequate, and decided to seek funding to build several new plants in other locations, including Constantine, Michigan ("Three Rivers"), Huntington, Indiana, Corbin, Kentucky, and Gallatin, Kentucky. Johnson and Sinish also sought to develop and purchase additional equipment to add processes to further refine the fuel.

9. By January, 2011, Nature's Fuel and its subsidiaries had raised more than \$12 million from the sale of common stock. However, in order to implement their plans to build the additional plants and produce a higher grade of fuel, Johnson and Sinish needed to raise hundreds of millions of dollars more.

10. Between January, 2011, through at least April 17, 2013, Johnson and Sinish sold an additional \$2,275,000 in Nature's Fuel stock and \$531,000 in NF Green stock. Many of the individuals that purchased shares during that time period were existing shareholders who attended meetings or received e-mail updates from Johnson or Sinish on Nature's Fuel's funding efforts and operations, or were individuals referred by those existing shareholders. Johnson and Sinish offered

investors the opportunity to purchase the stock, among other things, in email updates that they prepared and sent to shareholders.

Misrepresentations Relating to Funding From Company A

11. On January 19, 2011, Nature's Fuel and Company A signed a Memorandum of Understanding ("MOU") for the development of seven former manufacturing sites and a landfill in Huntington, Indiana. The MOU was to terminate on January 31, 2011, but it included a clause that it would remain effective for 30 days after execution. The letter did not set forth the specific terms of the parties' relationship and required further agreement on a term sheet, operating agreement, and other formal documentation. Nature's Fuel did not execute a term sheet with Company A until March 4, 2011.

12. During the relevant period, Company A did not have the funding, or any realistic prospects of obtaining the funding, for the development of the former manufacturing sites. Johnson and Sinish did not perform due diligence on Company A, or its principal, who had declared bankruptcy in February 2010, which would have revealed that Company A was unlikely to be able to provide the necessary funding. Further, by at least early March 2011, Johnson and Sinish knew that Company A had caused a purchase agreement for the facility in Three Rivers to lapse by failing to make a payment or securing an extension and that Company A did not have funding commitments from other entities.

13. In addition, by March 25, 2011, Johnson and Sinish knew that Nature's Fuel did not have the necessary permits and approvals to begin site work on the Huntington project. In mid-April, 2011, Johnson also became aware of a potentially significant problem related to water treatment at the Huntington site, which ultimately required modifications to the design and additional approvals. In fact, Nature's Fuel did not obtain approval to begin "phase one" site work until June 22, 2011.

14. In January 2011, Johnson represented in emails to shareholders that Nature's Fuel had a "partnership" with Company A that "greatly improves the investment potential." In February 2011, Johnson and Sinish caused Nature's Fuel to issue press release representing that it had "secured financing" for the Huntington project, its investment would be over \$50 million, it would break ground as soon as weather permitted, and plant operations were anticipated to begin before the end of 2011.

15. On April 6, 2011, Johnson sent an email to shareholders that Company A was funding the Huntington project and had agreed to provide initial funding for the Three Rivers facility and a facility in Kentucky. Sinish also represented during an April 27, 2011 groundbreaking ceremony and press conference at the Huntington site that Nature's Fuel would be ready to start construction on as soon as the weather broke and expected to be done by the end of 2011.

16. On April 27, 2011, Johnson was quoted in a newspaper article as saying that the investment by Nature's Fuel in the Huntington project had doubled to \$110 million and that he wanted to break ground in the fall of 2011.

17. The emails and statements discussed in paragraphs 13 through 15 above misrepresented or omitted to state material facts regarding Nature's Fuel's relationship with Company A, Company A's ability to provide funding, and the funding and construction process for the Huntington facility.

18. Johnson and Sinish knew, or were reckless in not knowing, that the above representations were materially false and misleading based on, among other things, the facts contained in paragraphs 11 through 13 above.

19. Between January 2011 and January 2012, Johnson and Sinish raised \$900,000 through the sale of stock to approximately 30 investors, most whom were existing shareholders.

Misrepresentations Relating to Funding From "Trust" A and Company B

20. Beginning in at least May 2011, Nature's Fuel sought funding for several projects through Individual A, who owned several entities in Omaha, Nebraska, and allegedly worked with Trust A, which purportedly found funding for companies. Individual A had declared bankruptcy four times during the previous six years, and the Nebraska Department of Banking and Finance had issued a cease-and-desist order against Individual A and a related entity on February 24, 2011 for violating filing and disclosure provisions of the Nebraska Loan Broker Act.

21. The funding obtained through Trust A was allegedly going to come from a humanitarian trust that would generate its money from "international trade platforms." Allegedly the money was earmarked for green projects and a major accounting firm would be involved in due diligence. The funding was purportedly contingent on approval by the World Bank, Department of Homeland Security, and IRS. In fact, this purported international trade program did not exist.

22. Individual A informed Nature's Fuel that someone named "Lori Q" was the program coordinator for the humanitarian trust project, that "master documents" were going to be provided by "QM," and that the program was waiting to "fill slots" for trades. Lori Q had previously declared bankruptcy, and there was a fraud lawsuit pending against Lori Q and QM.

23. Nature's Fuel made a submission to Trust A for funding for its Huntington and Three Rivers projects on August 31, 2011, and, in October 2011, requested and received purported "Conditional Letters of Intent" from Trust A for hundreds of millions of dollars. However, Individual A informed Johnson that the letters of intent were not a commitment to lend.

24. In February 2012, Individual A informed Johnson that Lori Q was no longer managing the project, that Trust A was now allegedly working directly with humanitarian trust, that the majority of the funds were in the U.S. in escrow, and that due diligence was being

completed on several projects. Individual A requested that updated financial information and “Master Fee” agreements be returned to her by March 21, 2012. However, Nature’s Fuel never entered into a funding agreement and did not receive any money from Trust A.

25. In late April 2012, while still waiting for funding for funding from Trust A, Johnson and Sinish decided to also pursue funding from Company B, a purported bank based in New Zealand, with an office in Oklahoma that was referred to them by Individual A. The purported funding arrangement required an initial payment of more than \$200,000 to Company B, which Johnson and Sinish personally provided on behalf of Nature’s Fuel in or about May 2012 in exchange for additional shares of Nature’s Fuel stock.

26. The Company B funding arrangement was a scam. In fact, by this time, at least two complaints had been filed in federal court alleging that Company B had defrauded two other companies out of more than \$1.5 million in fees.

27. On July 30, 2012, after Johnson and Sinish had made several requests for, but had not received any, funding, Individual A sent Johnson an e-mail containing information suggesting that Company B and its principal were engaged in fraud, including a link to one of the federal lawsuits. Shortly thereafter, Johnson and Sinish reported Company B to the FBI. Johnson and Sinish did not disclose this information to shareholders. Nature’s Fuel did not receive any funding from Company B, which also did not return the \$200,000 to Johnson and Sinish.

28. During the relevant period, neither Trust A nor Company B had the funding or any realistic prospects of obtaining the funding for the projects. Johnson and Sinish did not perform due diligence on the humanitarian trust funding process, Trust A, Company B, Individual A, QM, or Lori Q, which would have revealed that Trust A and Company B were unlikely to be able to provide the necessary funding.

29. Beginning in at least February 2012 through May 2012, Johnson and Sinish made several statements to existing and potential shareholders that misrepresented or omitted to state material facts regarding the ability of Trust A and Company B to provide funding and the funding processes. These misleading representations included statements in February 2012 and March 2012 emails to shareholders that the Trust A funding process was moving ahead and statements in a May 2012 email to shareholders that Nature’s Fuel should receive funds from Company B at the end of the month, and if that went well, a larger draw after July 15, 2012.

30. Johnson and Sinish knew or were reckless in not knowing that the above representations were materially false and misleading based on, among other things, the facts contained in paragraphs 20 through 28 above.

31. Between February 22, 2012 and June 4, 2012, Johnson and Sinish raised \$760,500 through the sale of stock to approximately 10 investors, most whom were existing shareholders.

Misrepresentations Relating to Funding From Company C

32. Beginning in late April 2012, Nature's Fuel sought funding from Individual B and Company C, a purported venture capital firm operated by Individual B. Individual B and Company C did not have the funding or any realistic prospects of obtaining the funding for the development of the former manufacturing sites.

33. At the time they began dealing with Company C, Johnson and Sinish knew that Company C was an inexperienced start-up company with a single office in Youngstown, Ohio that did not possess the capital to fund Nature's Fuel's projects. They were also aware of media reports stating that Individual B had legal and substance abuse problems. Due diligence would have revealed that, in addition to being arrested multiple times, Individual B had been sued at least five times between 2008 and 2012, often for unpaid debts.

34. During the summer of 2012, Johnson took an active role in assisting Individual B with Company C, helping Individual B to develop an internet marketing plan, website, draft promotional materials, and review and suggest funding plans. As a result, Johnson and Sinish learned, among other things, that Individual B was not working with experienced advisors, was having difficulty finding funding, had repeatedly changed Company C's business plans, and did not have any ability or viable plan, to provide funding to Nature's Fuel.

35. Although Individual B did not sign any funding commitment until August 2012, in June 2012, Johnson emailed shareholders that Nature's Fuel had received loan commitments for the Three Rivers, Gallatin and Huntington projects totaling more than \$700 million from Individual B and Company C, which was described as a "US Private Equity Group" and that "[f]unding on all three projects is to occur not later than the end of August this year."

36. On August 17, 2012, Johnson e-mailed shareholders and told them that Nature's Fuel had executed loan documents with Company C for more than \$950 million in funding for the three projects, that Nature's Fuel would make distributions to shareholders as soon as Individual B's "large checks have cleared our bank," and that Company C would try to have all three projects funded by September 30, 2012.

37. Several weeks later, in press releases, press conferences, and newspaper articles, Johnson and Sinish, announced Nature's Fuel's funding arrangement with Company C and Individual B and represented, among other things, that Individual B "is probably going to make the money available to us over the next few weeks," and that, "in a perfect world" the Three Rivers plant, which was expected to create over 700 jobs, would be running in six months.

38. On September 13, 2012, after a newspaper article raised questions about the background of Individual B and ability of Company C to provide funding, Johnson sent shareholders an e-mail that represented that Nature's Fuel did a "very thorough background check" on Individual B and Company C and that Individual B was "successful" in the financial sector and that Company C's business included an insurance company, affiliation with a broker-dealer,

registered financial adviser, and venture capital company, which would fund Nature's Fuel with "institutional investments." Johnson further represented that Individual B used his own money to operate Company C, that to date, Nature's Fuel had not paid any money to Company C to secure funding, and that Individual B "has an extremely good rapport with people that will fund his registered lending vehicles."

39. The above statements misrepresented or omitted to state material facts regarding Nature's Fuel's relationship with Company C, Company C's ability to provide funding, and the funding and construction processes for the three projects.

40. Johnson and Sinish knew or were reckless in not knowing that their representations about Company C and Individual B were materially false and misleading based on, among other things, the facts contained in paragraphs 33 and 34, above.

41. Further, at the time Johnson sent the September 13, 2012 e-mail to shareholders, Nature's Fuel was discussing making a loan to Company C of \$25,000. Nature's Fuel wired \$25,000 to Company C on September 14, 2012 and loaned Company C an additional \$7,000 in October 2012. Johnson and Sinish did not inform investors about these loans.

42. On October 4, 2012, Nature's Fuel received a new proposed loan structure from Company C, which according to Company C, was, "deemed necessary...to acquire complete funding for all of our clients; it simply made us look more attractive as an investment, allowing us to garner additional capital needed to provide the necessary funding." Company C never executed new contract documents with Nature's Fuel.

43. On November 16, 2012, Company C sent Nature's Fuel an e-mail saying that the funding timeframe had been delayed and amounts available had been reduced and, "[t]he most recent and best estimate of the earliest funding will probably be by the middle of next year, although with some recent avenues we are about to attempt can make things happen sooner – only the best of results will make a big difference."

44. Johnson and Sinish did not disclose the above information to shareholders or correct any of the earlier statements about Individual B, Company C, or their funding of the projects. Rather, at the company's annual shareholder meeting on December 13, 2012, Johnson and Sinish told shareholders they had obtained a \$500,000 check from Company C. In fact, Nature's Fuel had only been e-mailed a copy of a check, which was never funded. Company C emailed the check after Sinish pressured Individual B to provide evidence of funding to show the shareholders.

45. The day after the annual shareholder meeting, Sinish e-mailed Individual B to thank him for the check, and said, "[o]ur shareholders meeting went very well, a big part was due to your check. Now the hard part having the money to cash the check...I hope you can spend every minute on securing money into your account. I don't mean to be a pest but NF needs money into our account next week or my creditability [sic] will be destroyed."

46. On December 21, 2012, Johnson circulated an e-mail to shareholders summarizing the meeting. In the e-mail, Johnson told shareholders that, “[t]he result is that Individual B has done what he said he would do and has started sending us checks.” The e-mail also said, “Bill shared the amount of checks received by Company C thus far. We anticipate getting a check almost every week after the holidays since it is to their advantage to have funds actively gathering interest as soon as possible.”

47. During January, 2013, Nature’s Fuel had trouble getting in touch with Individual B and still had not received any money. On January 4, 2013, Sinish e-mailed Individual B and told him, “I realize you don [sic] have any money for NF and it may be a while before any is available.” On January 15, 2013, Sinish e-mailed Individual B and complained that he had not been able to get in touch with him for a week, and that Nature’s Fuel had lost its \$100,000 deposit on the building for the Three Rivers project.

48. Despite the above, on February 4, 2013, Sinish circulated an email to Nature’s Fuel shareholders which represented that “Individual B continues to move forward although not as quick as we had hoped” and did not disclose that Nature’s Fuel had lost its deposit on the Michigan property. Shortly thereafter, on March 16, 2013, in a newspaper article disclosing that Nature’s Fuel was looking for a new site in Michigan, Johnson was quoted as saying that “financing for the new plant remains in place.”

49. On April 7, 2013, Johnson e-mailed Individual B and informed him that Nature’s Fuel was terminating their relationship. However, Johnson and Sinish did not inform investors that Nature’s Fuel had terminated its relationship with Individual B and Company C until October 2013.

50. Between June 29, 2012 and April 17, 2013, Johnson and Sinish raised \$1,322,500 through the sale of stock to 30 investors, most of whom were existing shareholders.

Misrepresentations Relating to Funding From Trust B and Individual A

51. In January 2013, Nature’s Fuel again applied for funding through Individual A from another purported humanitarian trust, Trust B. Individual A disclosed the identity of Trust B, as well as some of the individuals allegedly involved with it. Trust B did not have the funding or any realistic prospects of obtaining the funding for the development of the former manufacturing sites.

52. The individuals identified by Individual A did not have experience in finance or providing funding. Further, some of those individuals and Trust B harbored unfounded beliefs about the existence of secret legislation and government conspiracies that were related to the purported funding mechanism.

53. Individual A did not explain the process pursuant to which Trust B would obtain the funding. However, the information provided by Individual A suggested that Trust B's funding was contingent upon the occurrence of a global currency revaluation, the theory for which was the subject of multiple fraud alerts from state agencies and the Better Business Bureau.

54. Johnson and Sinish did not perform due diligence on Trust B, the individuals associated with it, or the funding process, which would have revealed that Trust B was unlikely to be able to provide the necessary funding. In addition, based on their prior dealings with Individual A and the information discussed in paragraphs 50 through 52 above, they knew or were reckless in not knowing that Trust B was unlikely to be able to provide the necessary funding.

55. Throughout the summer of 2013, shareholders e-mailed and called Nature's Fuel seeking updates on funding. Johnson and Sinish provided those shareholders with general assurances that Nature's Fuel still expected to obtain funding.

56. On October 2, 2013, Johnson sent an e-mail to shareholders that identified three funding options, the first two of which were through Individual A and Trust B. Although Johnson said there were "NO guarantees," he said "based on what we know, we believe [Option 1] will fund this year." Johnson further represented that Option 2 "could conclude during October...with project funding draws to follow over the next year." The update did not discuss the process by which the funding would purportedly be provided, nor did it disclose Individual A's involvement with Options 1 and 2 or the earlier failed funding efforts.

57. At Nature's Fuel's annual shareholder meeting on February 17, 2014, Johnson and Sinish represented that they had personally invested in three speculative "private financial transactions" with the intent that the proceeds would be used to purchase stock from shareholders and that they expected that the earliest transaction would be completed at the end of February. Johnson e-mailed another update to shareholders on March 6, 2014, that reiterated this plan. Johnson and Sinish failed to disclose that the transactions they had entered into were through Individual A and were contingent on the revaluation and sale of Iraqi Dinar and Vietnamese Dong.

58. The above statements misrepresented or omitted to state material facts regarding the ability of Individual A and Trust B to provide funding.

59. Johnson and Sinish knew or were reckless in not knowing that the above representations were materially false and misleading based on, among other things, the facts contained in paragraphs 52 through 54 above.

Other Misrepresentations

60. Johnson and Sinish also misrepresented or omitted to state material facts regarding the existence and terms of purchase agreements and letters of intent for Nature's Fuel's products. Between 2011 and 2013, in connection with the sale of stock in NF Green Fuels and NF Three Rivers, Johnson and Sinish caused Nature's Fuel to represent on multiple occasions, in PPMs and communications with shareholders, that future sales of Nature's Fuel's products were covered by 20-year purchase agreements with several different entities and that it had a letter of intent from another potential customer. However, they failed to disclose that one agreement had never been formally executed, and the other agreements could be canceled for any reason after either one or two years. They also failed to disclose that the purported letter of intent only stated that the purchaser was "willing" to purchase from Nature's Fuel, but did not contain any plan or obligation to do so.

61. Johnson and Sinish also misrepresented or omitted to state material facts regarding Nature's Fuel's transactions with TechEdge, a management search firm owned by Johnson and Sinish, in financial statements provided to shareholders. Between 2007 and 2012, TechEdge billed Nature's Fuel a total of approximately \$7,734,371, for salaries, employee benefits, "start-up" fees, office space, and equipment pursuant to contracts between the two companies. By 2010, the vast majority of TechEdge's revenue came from Nature's Fuel. Although Nature's Fuels' financial statements disclosed that Nature's Fuel "outsourced labor costs...to a company owned by related stockholders" of Nature's Fuel, there is no evidence the financial statements were provided to all existing and prospective shareholders, and the financial statements failed to identify that the company was TechEdge, and that the company was owned by Johnson and Sinish.. They also failed to disclose that the disinterested members of the Board did not approve the contracts with Company D, as required by the Board's bylaws.

62. Johnson and Sinish knew or were reckless in not knowing that the above representations were materially false and misleading.

Violations

63. As a result of the conduct described above, Johnson and Sinish violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

64. As a result of the conduct described above, Johnson and Sinish violated Section 17(a)(1) of the Securities Act, which prohibits any person, in the offer or sale of any security, from employing any device, scheme, or artifice to defraud; Section 17(a)(2) of the Securities Act, which prohibits any person, in the offer or sale of any security, from obtaining money or property by means of any untrue statement of 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; and Section 17(a)(3) of the Securities Act, which prohibits any person, in the offer or

sale of any security, from engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

65. As a result of the conduct described above, Johnson and Sinish violated Sections 5(a) and 5(c) of the Securities Act, which is make it unlawful, for any person, directly or indirectly, to sell or offer a security through the use of any means or instrument of transportation or communication in interstate commerce or the mails unless a registration statement is in effect as to the security.

Disgorgement and Civil Penalties

Respondent Johnson has submitted a sworn Statement of Financial Condition dated April 30, 2015, a Declaration dated March 26, 2016, and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest and a civil penalty.

Respondent Sinish has submitted a sworn Statement of Financial Condition dated April 30, 2015, a Declaration dated March 25, 2016, and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest and a civil penalty.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act and Section 21C of the Securities Exchange Act it is hereby ORDERED that:

A. Respondents Johnson and Sinish, cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 5(a), 5(c), and 17(a) of the Securities Act.

B. Respondents Johnson and Sinish be, and hereby are prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]

C. Respondent Johnson shall pay disgorgement of \$237,867.85 and prejudgment interest of \$28,844.81, but payment of such amount, except for \$1200 and post-judgment interest, is waived and the Commission is not imposing a penalty against Respondent Johnson, based upon Respondent's sworn representations in his Statement of Financial Condition dated April 30, 2015, his sworn declaration dated March 26, 2016, and other documents submitted to the Commission. Johnson shall make payments of \$50 per month, commencing on the 1st of each month after entry of this order, continuing for a period of 24 months, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section

21F(g)(3). If any payment is not made by the date payment is required by this Order, the entire outstanding balance of \$1200 minus payments made, plus interest accrued pursuant to SEC Rule of Practice 600, shall be due and payable immediately, without further application.

Respondent Sinish shall pay disgorgement of \$302,077.05 and prejudgment interest of \$36,631.09, but payment of such amount, except for \$600 and post-judgment interest, is waived, and the Commission is not imposing a penalty against Respondent Sinish, based upon Respondent's sworn representations in his Statement of Financial Condition dated April 30, 2015, his sworn declaration dated March 25, 2016, and other documents submitted to the Commission. Sinish shall make payments of \$25 per month, commencing on the 1st of each month after entry of this order, continuing for a period of 24 months, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If any payment is not made by the date payment is required by this Order, the entire outstanding balance of \$600 minus payments made, plus any additional interest accrued pursuant to SEC Rule of Practice 600, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Johnson or Sinish as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Kathryn Pyszka, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, Chicago Regional Office, 175 W. Jackson, Suite 900, Chicago, Illinois 60604.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent

provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest should not be ordered; (3) contest the amount of disgorgement and interest to be ordered; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary