

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63710 / January 12, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3137 / January 12, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14188

In the Matter of

JAY D. JOHNSON,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jay D. 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 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 and Section 203(f) of the Investment Advisers Act of 1940, 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. Johnson, along with his partner Jason R. Hyatt ("Hyatt"), was a managing member and principal of Hyatt Johnson Capital, LLC ("HJ Capital"), which, from 2003 through 2008, acted as an unregistered investment adviser in connection with at least ten Limited Liability Corporations ("LLCs") controlled and managed by HJ Capital ("HJ Capital LLCs"). During that time period, HJ Capital also acted as an unregistered broker-dealer in connection with the HJ Capital LLCs' purchases of securities offered by BCI Aircraft Leasing, Inc. Johnson, 50 years old, is a resident of Darien, Illinois.

2. On December 9, 2010, a partial final judgment was entered by consent against Johnson, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled SEC v. Hyatt et al., Civil Action Number 1:08-cv-2224, in the United States District Court for the Northern District of Illinois.

3. The Commission's complaint alleged that, in connection with the sale of these LLC interests, at least \$3.6 million in investor funds was misappropriated by Hyatt for, among other things, the operation of a Latin-themed restaurant in Chicago and Hyatt's personal expenses including numerous mortgage payments and substantial home improvements for two homes, as well as art and antiques and luxury automobiles. The complaint also alleged that Hyatt received and diverted nearly \$1.8 million in undisclosed commissions in connection with the HJ Capital LLCs' purchases of securities offered by BCI Aircraft Leasing, Inc.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Johnson be, and hereby is barred, from association with any broker, dealer, or investment adviser.

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.

Elizabeth M. Murphy
Secretary

SERVICE LIST

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order") on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Robin Andrews, Esq.
Chicago Regional Office
United States Securities and Exchange Commission
175 W. Jackson Boulevard, Suite 900
Chicago, IL 60604

Mr. Jay D. Johnson
6933 Exner Rd
Darien, IL 60561-3693

Mark Rotert, Esq.
10 S. LaSalle St., Suite 2800
Chicago, IL 60603
(Counsel for Respondent)