

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63790 / January 28, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14210

In the Matter of

Johnny E. Johnson,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING

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 Johnny E. Johnson (“Johnson” or “Respondent Johnson”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least January 2006 to the present, Johnson was a chief operating officer of Sun Investment Savings and Loan (“SISL”) and Sun Group investment clubs. During this time, Johnson solicited investors on behalf of SISL, Sun Group, Sun Commerce and Investment, and other affiliates in various locations in California and through the SISL website. In connection with the events set forth below, Johnson acted as an unregistered broker or dealer. Johnson’s last known residence was in Los Gatos, California.

B. ENTRY OF THE INJUNCTION

2. On January 12, 2011, a final judgment was entered against Respondent Johnson, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933; Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder; in the civil action entitled Securities and Exchange Commission v. Sun Empire, LLC, et al., Civil Action Number SACV09-399 DOC (RNBx), in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that from at least January 2006 through the present, Johnson participated in unregistered offers and sales of securities in SISL and Sun Group. Johnson solicited investors from California and through the SISL website, through a multi-level marketing scheme operated from an Anaheim, California hotel. The complaint further alleged that Johnson offered investors several types of investments that purportedly generated high-yield returns. Johnson made false and misleading statements in the unregistered offer and sale of SISL and Sun Group securities, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent Johnson and opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent Johnson pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent Johnson shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent Johnson fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be

determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent Johnson personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Elizabeth M. Murphy
Secretary