



Order of Prohibition

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3. That Eric William Johnson ("Respondent") was registered with the State of Illinois as a Salesperson from July 5, 1999 through September 24, 2014 and as an Investment Advisor Representative from October 30, 2002 through September 24, 2014.
4. That the FINRA is a self-regulatory organization as specified in Section 8.E (1)(j) of the Act.
5. That on October 7, 2014, FINRA accepted the Respondent's Letter of Acceptance, Waiver and Consent which imposed a bar upon the Respondent in all capacities from association with any FINRA member.
6. That FINRA found:

*"Respondent violated NASD Rules 2330(a) and 2110 and FINRA Rules 2150(a) and 2010, by misappropriating more than \$1,000,000 from at least six Firm customers' brokerage accounts. Respondent violated NASD Rule 2110 and FINRA Rule 2010, by falsifying, or causing to be falsified, the signatures of two Firm employees and notarized seals on Firm documents."*

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

Based on the evidence presented and an application of the law to those facts, the Hearing Officer concludes:

1. The Department properly served the Notice of Hearing on Respondent Johnson.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, make a special appearance or other responsive pleading in accordance with Section 1104:
  - (a) the allegations contained in the Notice of Hearing are deemed admitted;
  - (b) Respondent waived his right to a hearing;

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- (c) Respondent is subject to an Order of Default.
5. Because Respondent Johnson failed to appear at the time and place set for hearing, in accordance with Section 1109, he:
- (a) waived his right to present evidence, argue, object or cross-examine witnesses; or
- (b) otherwise participate at the hearing.
7. That Section 8.E (1)(j) of the Act provides, inter alia, that the registration of a salesperson, investment advisor or investment advisor representative may be revoked if the Secretary of State finds that such salesperson, investment advisor or investment advisor representative has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
8. That Section 8.E.(1)(g) provides, inter alia, that subject to the provisions of subsection F of Section 8 of this Act, the registration of a salesperson, investment advisor or investment advisor representative may be revoked if the Secretary of State finds the salesperson, investment advisor or investment advisor has violated any of the provisions of this Act.
9. That Section 8.E.(3) provides that the Secretary of State may institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
10. That based on the foregoing Respondent's registrations as a salesperson and as an investment advisor representative are subject to revocation.

The Hearing Officer recommends that:

1. An Order of Default be entered against Respondent Johnson and that the facts alleged in the Notice of Hearing be deemed admitted;
2. An Order be entered revoking Respondent Johnson's registration as a Salesperson in the State of Illinois retroactive to September 24, 2014;
3. An Order be entered revoking Respondent Johnson's registration as an Investment Adviser or Investment Advisor Representative in the State of Illinois retroactive to September 24, 2014;

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4. An Order be entered against Respondent Johnson in the form of a permanent order of prohibition prohibiting Respondent Johnson from acting as an Investment Advisor or Investment Advisor Representative in the State of Illinois; and
5. An Order be entered against Respondent Johnson in the form of a permanent order of prohibition prohibiting Respondent Johnson from selling or offering for sale securities in the State of Illinois.

WHEREAS, Secretary of State adopts in its entirety the Recommendation made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That an Order of Default is entered against Respondent Johnson and that the facts alleged in the Notice of Hearing are deemed admitted;
2. That Respondent Johnson's registration as a Salesperson in the State of Illinois is revoked retroactive to September 24, 2014;
3. That Respondent Johnson's registration as an Investment Adviser and Investment Advisor Representative in the State of Illinois is revoked retroactive to September 24, 2014;
4. That Respondent Johnson is hereby prohibited from acting as an Investment Advisor or Investment Advisor Representative in the State of Illinois; and
5. That Respondent Johnson is hereby prohibited from the offering or selling securities in the State of Illinois.

ENTERED

This 23<sup>rd</sup> day of February 2016



JESSE WHITE  
Secretary of State  
State of Illinois

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Date of Mailing: 23<sup>rd</sup> day of February 2014

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123. Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

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