



1 Nevada corporation, registered in the state of Oregon; and (3) Universal Proton Energy  
2 Corporation, a Nevada corporation.

3 4. In early 2000, Mr. Johnson met two Oregon residents (hereafter, Oregon residents 1  
4 and 2) at an investment club.

5 5. On August 28, 2001, Mr. Johnson signed a Cease and Desist Order of the Director no.  
6 0-01-0006, issued by the Oregon Division of Finance and Corporate Securities (hereafter,  
7 2001 Order of the Director). This order specifically prohibited Mr. Johnson from offering or  
8 selling securities in Oregon and denied Mr. Johnson the use of any exemption allowed under  
9 ORS 59.025 or ORS 59.035.

10 6. In December of 2001, Mr. Johnson asked Oregon residents 1 and 2 to invest a total of  
11 \$200,000 in Universal Proton Energy Corporation, a Nevada corporation. Mr. Johnson told  
12 Oregon residents 1 and 2 that Universal Proton would use the money to develop a machine  
13 that purportedly produced energy.

14 7. On December 17, 2001, Oregon residents 1 and 2 wire transferred \$200,000 to Mr.  
15 Johnson's personal bank account located at the Bank of the West in Milwaukie, Oregon. In  
16 exchange, Mr. Johnson provided Oregon residents 1 and 2 with a promissory note purporting  
17 to pay six percent interest per month.

18 8. The Division of Finance and Corporate Securities has no record of securities  
19 registration for Mr. Johnson, JBS Management Group Inc., Johnson Moore Development Inc.,  
20 Universal Proton Energy Corporation, Life after Fifty, or Wealth and Success.

21 9. Mr. Johnson converted at least \$50,000 of Oregon residents 1 and 2's money to his  
22 own personal use, including paying at least \$10,000 toward the purchase of a Lexus  
23 automobile.

24 10. Mr. Johnson failed to disclose to Oregon residents 1 and 2 that: (1) Mr. Johnson was  
25 the subject of a 2001 Order of the Director prohibiting him from offering or selling securities  
26 in the state of Oregon; (2) Mr. Johnson was not licensed to sell securities in the state of



1 Oregon; (3) the promissory note sold by Mr. Johnson was not registered as a security and not  
2 exempt from registration in the state of Oregon; (4) Mr. Johnson would convert at least  
3 \$50,000 of Oregon resident 1 and 2's money to his own personal use.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. Mr. Johnson willfully violated the 2001 Order of the Director by continuing to offer  
7 and sell securities in the state of Oregon

8 2. The note offered and sold in Oregon by Mr. Johnson meets the definition of a  
9 "security" under ORS 59.015(19)(a).

10 3. The note sold by Mr. Johnson was not registered as a security under ORS Chapter 59  
11 and OAR Chapter 441.

12 4. Mr. Johnson offered and sold an unregistered security in Oregon, in violation of ORS  
13 59.055.

14 5. Mr. Johnson acted as a securities "salesperson" as defined by ORS 59.015(18)(a), by  
15 offering and selling securities in the state of Oregon.

16 6. Mr. Johnson acted as an unlicensed securities salesperson in Oregon, in violation of  
17 ORS 59.165.

18 7. In connection with the offer and sale of a security to investors, Mr. Johnson omitted to  
19 state material facts, in violation of ORS 59.135(2), by failing to disclose that: (1) Mr. Johnson  
20 was the subject of a 2001 Order of the Director prohibiting him from offering or selling  
21 securities in the state of Oregon; (2) Mr. Johnson was not licensed to sell securities in the state  
22 of Oregon; (3) the promissory note sold by Mr. Johnson was not registered as a security and  
23 not exempt from registration in the state of Oregon; (4) Mr. Johnson would convert at least  
24 \$50,000 of Oregon resident 1 and 2's money to his own personal use.

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1 **ORDER**

2 **NOW THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

3 1. The Director, pursuant to ORS 59.245 hereby **ORDERS** Respondent Edward Michael  
4 Johnson to **CEASE and DESIST** from:

5 A. Willfully or repeatedly violating or failing to comply with an Order of the  
6 Director;

7 B. Offering or selling unregistered securities in Oregon, in violation of ORS  
8 59.055;

9 C. Transacting business in Oregon as a securities salesperson without a license,  
10 in violation of ORS 59.165;

11 D. Making any untrue statement of material fact or omitting to state a material  
12 fact necessary in order to make the statements made, in the light of the  
13 circumstances under which they are made, not misleading, in connection  
14 with the purchase or sale of a security or the conduct of a securities business,  
15 pursuant to ORS 59.135(2);

16 E. Violating any provision of the Oregon Securities Law, including ORS  
17 Chapter 59 and OAR Chapter 441;

18 2. Respondent Edward Michael Johnson is permanently **BARRED** from applying for or  
19 renewing any investment adviser, broker-dealer or securities salesperson license in the State  
20 of Oregon;

21 3. Respondent Edward Michael Johnson is permanently **BARRED** from applying to  
22 register or renew any securities registration in the State of Oregon;

23 4. Pursuant to ORS 59.045(2), Respondent Edward Michael Johnson is permanently  
24 **DENIED** the use of securities registration and transaction exemptions that would otherwise  
25 be available to him under ORS 59.025 and ORS 59.035, respectively;

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387





1 5. Respondent Edward Michael Johnson is permanently **BARRED** from applying for,  
2 holding, or renewing any license or registration required by the Director in Oregon, including  
3 but not limited to insurance, consumer finance, manufactured home dealer or mortgage  
4 lending. He is further **BARRED** from acting as a mortgage loan originator or mortgage loan  
5 processor in Oregon.

6 6. Respondent Edward Michael Johnson is ordered to pay the sum of **ONE HUNDRED**  
7 **AND TWENTY THOUSAND DOLLARS** (\$120,000) as a civil penalty for violations of  
8 ORS 59.055, ORS 59.135, and ORS 59.165, described herein. Collection of said amount  
9 **SHALL BE SUSPENDED** so long as Edward Michael Johnson complies with all terms of  
10 any order and/or judgment issued by the Clackamas County Circuit Court in case no. 07-  
11 01788 including but not limited to the payment of \$200,000 in restitution. If Edward Michael  
12 Johnson is found to be in violation of probation in Clackamas County case no. 07-01788 or  
13 fails to comply with the terms of this order said civil penalty shall become immediately due  
14 and owing in its entirety.

15 The entry of this Order in no way limits further remedies which may be available to  
16 the Director under the Oregon Law.

17 Dated this 11<sup>th</sup> day of April, 2008, at Salem, Oregon.

18  
19 CORY STREISINGER, Director  
Department of Consumer and Business Services

20  
21 

22 David Tatman, Administrator  
23 Division of Finance and Corporate Securities

24 APPROVED AS TO FORM:

25 \_\_\_\_\_  
James Bernstein  
26 Attorney for Respondent

Dated: \_\_\_\_\_

1 **CONSENT TO ENTRY OF ORDER**

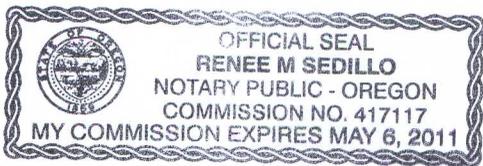
2 I, Edward Michael Johnson, state that I am a resident of the State of Oregon, that I  
3 have read the foregoing Order and that I know and fully understand the contents hereof; that  
4 the factual allegations stated herein are true and correct; that I have been advised of my right  
5 to a hearing, and that I have been represented by counsel in this matter; that I voluntarily  
6 consent to the entry of this Order without any force or duress, expressly waiving any right to a  
7 hearing in this matter; that I understand that the Director reserves the right to take further  
8 actions against me to enforce this Order or to take appropriate action upon discovery of other  
9 violations of the Oregon Securities Law by me; and that I will fully comply with the terms  
10 and conditions stated herein.

11 I understand that this Consent Order is a public document.

12 Dated this 4 day of April, 2008.

13  
14 Edward Michael Johnson  
15 Edward Michael Johnson

16 SUBSCRIBED AND SWORN to before me this 4 day of April, 2008.



20 Renee M. Sedillo  
21 (Printed Name of Notary Public)  
22 Notary Public  
23 for the State of: Oregon  
24 My commission expires: 5/6/2011

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