

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)
) **ORDER TO CEASE AND DESIST**
Allen Charles Johnson and Joy Enterprise Inc.)
)
) **File No.11031**
)
_____ **Respondents.**)

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2009), on or about October 30, 2009, received information regarding alleged activities of Allen Charles Johnson and Joy Enterprise Inc. (collectively, the "Respondents") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondents pursuant to S.C. Code Ann. § 35-1-602; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

1. Respondent Johnson was, until 2009, a resident of 4641 Lightkeepers Way, Little River, South Carolina.
2. On or about April 2009, Respondent Johnson moved to 1602 Glenwood Avenue, Greensboro, North Carolina.
3. Respondent Joy Enterprise Inc. is a DBA of a corporation that was last registered with the South Carolina Secretary of State in 1995.

4. At least 6 South Carolina investors bought unsecured promissory notes from Respondents during the period 2000-2007.
5. At least 5 investors living outside of South Carolina bought unsecured promissory notes from respondents during the period 2000-2007.
6. Respondents are not registered with the Division to sell securities in South Carolina.
7. The promissory notes sold by Respondents are not registered with the Division.
8. In sworn testimony before the United States Bankruptcy Court in the Eastern District of North Carolina, Respondent Johnson admitted to converting the money given to him by investors to personal use.
9. In sworn testimony before the United States Bankruptcy Court in the Eastern District of North Carolina, Respondent Johnson admitted to paying prior investors back with money provided by current investors.

WHEREAS, the Respondents are offering “securities” within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, Respondents acted as investment advisors in offering and selling securities in South Carolina; and

WHEREAS, Respondents are not investment advisors in South Carolina or exempt from registration within the meaning of the Act; and

WHEREAS, Respondents as described above, acted as agents by effecting and/or attempting to effect sales of securities in or from this State; and

WHEREAS, Respondents were not registered in South Carolina or exempt from registration as agents within the meaning of the Act; and

WHEREAS, the Respondents, in connection with the solicitation of participants described above, made untrue statements of material facts and/or omitted to state material facts

necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

WHEREAS, based on the foregoing, the Division has determined that the Respondents have engaged, are engaging, and/or are about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501; and

WHEREAS, after due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondents and every successor, affiliate, control person, agent, servant, and employee of Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondents:

- a. Immediately cease and desist from transacting business in this State in violation of the Act, and in particular, S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501 thereof; and
- b. Specifically, cease and desist (i) soliciting new accounts in or from South Carolina, (ii) offering any other securities in or from South Carolina, and (iii) collecting fees in or from South Carolina; and
- c. Pay a civil penalty in the amount of 5,000 dollars per Respondent if this Order becomes effective by operation of law, and 1,000 dollars for the cost of the investigation or, if any Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed 10,000 dollars for each

violation of the Act by that Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order a written Answer specifically requesting that a hearing be held to consider rescinding the Order.

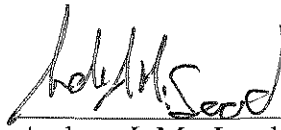
In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation of the Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty (30) day period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL

PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 OR ANY OTHER APPLICABLE CODE SECTION.

SO ORDERED, This 2nd day of August, 2012.



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