

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

FINAL ORDER BY CONSENT
TO CEASE AND DESIST

ANDREW M. JOHNSON, and
OCOCH MOUNTAIN MANAGEMENT, CO.,

Respondents.

DFI Case No. 243987 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Statements of Fact

Respondents

1. Andrew M. Johnson is an adult male resident of Wisconsin with a last known address of 28433 Nuthatch Road, Kendall, Wisconsin 54638.
2. Ocooch Mountain Management, Co. ("Ocooch") is a domestic corporation incorporated in the State of Wisconsin on or about January 21, 2020. Ocooch has a last known business address of 26147 State Hwy 71, Wilton, Wisconsin 54670. Johnson was the registered agent and President of Ocooch at all times material. As of January 1, 2022, Ocooch's corporate filing status was delinquent.

Conduct

3. Ocooch had banking accounts at Royal Bank. Johnson was the sole signatory on all Ocooch bank accounts.

4. On or about February 9, 1998, Johnson filed for Chapter 7 bankruptcy in the US District Court of Utah. The bankruptcy was discharged on or about May 22, 1998.¹
5. On or about August 22, 2019, the Wisconsin Department of Revenue filed a tax lien against Johnson in Monroe County, Wisconsin in the amount of \$3,708.89 with a lien date of March 9, 2017. As of the date of this order, the March 9, 2017 tax lien is still unsatisfied.
6. On or about February 18, 2021, the Wisconsin Department of Revenue filed a tax lien against Johnson in Monroe County, Wisconsin in the amount of \$2,043.69 with a lien date of May 15, 2017. As of the date of this order, the May 15, 2017 tax lien is still unsatisfied.
7. On or about April 4, 2022, the Wisconsin Department of Revenue filed a tax lien against Johnson in Monroe County, Wisconsin in the amount of \$6,664 with a lien date of October 21, 2019. As of the date of this order, the October 21, 2019 tax lien is still unsatisfied.
8. In or about early 2020, Johnson and Ocooch sought investors to fund the development of agriculture-related operations, a restaurant, and a bed and breakfast establishment, each in or around Kendall, Wisconsin. These independent business operations were intended to capitalize on the business that a separate hemp related business could potentially bring to the region if successfully established.²
9. RG is an adult male resident of Wisconsin. RG resided across from a warehouse where Johnson worked.
10. In early 2020, Johnson spoke with RG about potential business opportunities that would be created by the hemp business Johnson said was purportedly coming to Kendall, Wisconsin. Johnson represented that the hemp company's executives and staff could stay at the bed and breakfast and dine at the restaurant if they could use investor funds to get the hospitality-related businesses running. Around the same time, Johnson asked RG to lend money to Ocooch to help with the restaurant and bed and breakfast ventures.
11. Between January 31, 2020 and February 20, 2020 RG gave Johnson and Ocooch \$10,000 to help cover business expenses associated with the restaurant and bed and breakfast.
12. Investor DC is an adult female resident of Wisconsin. She is an accredited investor. Investor DC is the sister-in-law of Investor RG.
13. In or about early 2020, Investor DC became aware of Johnson and Ocooch's efforts to invest in business opportunities in and around the Kendall, Wisconsin area from her

¹ On or about September 22, 1997, Johnson filed for Chapter 7 bankruptcy in the US District Court of Utah. The bankruptcy was terminated on or about January 21, 1998, before Johnson filed bankruptcy as referenced in ¶6.

² Johnson was initially involved in soliciting potential investors for the hemp related business before separating and soliciting investors for his own business ventures.

brother-in-law, Investor RG. Investor DC expressed to Johnson and Investor RG that she was interested in doing something to support the community in and around Kendall.

14. In or about early 2020, Johnson asked Investor DC for a loan of \$20,000 and then an additional \$6,000. Johnson represented to Investor DC that her funds would be used to prepare the restaurant and bed and breakfast properties to open for business. In exchange, Johnson would give Investor DC a promissory note with a three-year term and an annual interest rate of approximately twenty percent (20%). Johnson directed Investor DC to wire her money to Investor RG, since Johnson did not have a bank account established for Ocooch yet.
15. On or about February 4, 2020, Investor DC wired \$6,000 to Investor RG for investment in Ocooch. On or about February 7, 2020, Investor RG issued a check for \$6,000 to Ocooch on Investor DC's behalf for her investment.
16. On or about February 18, 2020, Investor DC wired an additional \$20,000 to Investor RG for investment in Ocooch. On or about February 20, 2020, Investor RG issued a check for \$20,000 to Ocooch on Investor DC's behalf for her investment.
17. On or about February 14, 2020, Johnson and Ocooch provided Investor DC with a promissory note issued by Ocooch for \$26,000 with a term of 3 years and twenty percent interest to be paid in monthly installments of \$966. The promissory note was signed by Johnson as the president of Ocooch and notarized.
18. In or about April 2020, Johnson and RG had a disagreement about how RG and Investor DC's funds were being used to manage the purported businesses they were to support.
19. Following the disagreement, RG ultimately purchased the bed and breakfast and restaurant properties and began running them as his own businesses.
20. Investor DC received her first interest payment of \$1,016 from Ocooch and Johnson via a check from Ocooch's bank account with the memo of "April 15th payment." The payment was 30 days late.
21. Investor DC received her second interest payment of \$1,016 from Ocooch and Johnson via a check from Ocooch's bank account with a memo of "May 15th payment." The payment was 7 days late and the check was returned for non-sufficient funds.
22. After her second interest payment was returned for insufficient funds, Investor DC requested an accounting of where her funds were and what exactly they were being used for from Johnson and Ocooch. Johnson and Ocooch did not provide the information.
23. Investor DC received a reissued check for the May 15th payment on June 10, 2020 for \$1,016 from Ocooch bank account with a blank memo line.

24. During the summer of 2020, Investor DC made several attempts to get the previously requested accounting information about her funds from Johnson and Ocooch, including sending a certified demand letter to Ocooch to return her money. Johnson and Ocooch did not respond.
25. Investor DC received a check for \$1,016 from Ocooch and Johnson via a check from Ocooch's bank account with a blank memo line on or about September 5, 2020. This was the last interest payment Investor DC would receive as of the date of this order.
26. At no time prior to Investor DC's investment did Johnson disclose his bankruptcies and tax liens described above in ¶¶ 6-10.
27. As of January 29, 2020, the balance of the Ocooch bank account at Royal Bank was \$200. From January 29, 2020, through March 31, 2020, three investment deposits were made into the account totaling \$36,000 from RG and Investor DC.³ By March 31, 2020, account 2432 had a negative balance of - \$796.86.
28. Of the \$36,000 deposited into the bank account, approximately \$12,814.12 was issued in payments to Johnson personally and his receptionist between January 29, 2020 and March 31, 2020.
29. Based on the representations of Johnson, Investor DC and RG believed their money would only be used for upkeep and repairs of the restaurant and bed and breakfast. At no time did Investor DC or RG believe that their funds would be used to pay the salaries of Johnson or his receptionist.

B. Conclusions of Law

Legal Authority and Jurisdiction

30. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
31. The promissory note offered and sold by Respondents to Investor DC is included in the definition of a security pursuant to Wis. Stat. § 551.102(28).
32. The promissory note offered and sold by Respondents to Investor DC is included in the definition of an investment contract security pursuant to Wis. Stat. § 551.102(28)(d)(1).
33. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

³ The only other deposit of monies into the account was for \$0.01, occurring on February 7, 2020.

Violation

34. As described above in ¶¶ 1-29, Respondents violated Wis. Stat. § 551.501(2) when they omitted material facts necessary to make the statement made, in light of the circumstances under which they were made, not misleading when they failed to disclose Johnson's bankruptcies and tax liens to Investor DC prior to her investment, and that her funds would be used to pay Johnson and his receptionist.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity any further offers or sales of securities unless and until such securities qualify as covered securities, or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).
- b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any RESPONDENT, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- c) IT IS FURTHER ORDERED that all exemptions from registration set forth in Wis. Stat. §§ 551.201 and 551.202 that may otherwise apply to a specific security, transaction or offer of or by RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(c) and (2).
- d) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.
- e) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any

RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by any RESPONDENT.

B. Service of Order

- f) IT IS FURTHER ORDERED that this Order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.
- g) PLEASE TAKE NOTICE that if service is by certified mail, the date of the service of this order is the date it is placed in the mail. If service is by personal service, the date of the service of this Order is the date personal service is completed.

C. Notifications

- h) PLEASE TAKE NOTICE that this Final Order consented to by RESPONDENTS prohibit RESPONDENTS from transacting business in the State of Wisconsin per the terms of the consent orders issued pursuant to Wis. Stat. § 551.604(2), is effective upon the date issued, and shall have the same effect on the RESPONDENTS as a permanent injunction entered by a circuit court pursuant to Wis. Stat. § 551.603(2)(a).
- i) PLEASE TAKE FURTHER NOTICE violations of this Final Order may be enforced by any investor, or by the Division and/or its representatives pursuant to Wis. Stat. § 551.604(7) whether acting in its own right or on behalf of the investor, by petitioning any court of competent jurisdiction to enforce the terms of the order in a venue selected by the investor or the Division and/or its representatives, which may include any of the following:
 - a. Dane County;
 - b. The county in which one or more of the Respondents reside; or
 - c. The county in which one or more of the underlying violations occurred or where the investor resided at the time the violations occurred.
- j) PLEASE TAKE NOTICE that the Orders of the Administrator are effective as of the issuance of this Order, pursuant to Wis. Stat. § 551.604(2).
- k) PLEASE TAKE FURTHER NOTICE failure to provide a copy of this Final Order to prospective investors may be a material misrepresentation in violation of Ch. 551 and this Order.
- l) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, and effective on this 16th day of August, 2022.

Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
North Tower, 4th Floor
Madison, Wisconsin 53705



BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

WAIVER AND CONSENT
TO ORDER

ANDREW M. JOHNSON, and
OCOOCH MANAGEMENT CO.,

Respondents.

DFI Case No. S-243987 (EX)

The undersigned Respondents, ANDREW M. JOHNSON and OCOOCH MOUNTAIN MANAGEMENT CO., (collectively "Respondents"), having decided not to contest the issuance of the attached Order, hereby waive their right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order.

Respondents hereby acknowledge that, in exchange for Respondents voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603, and to resolve this matter by issuance of the attached Order.

The undersigned Respondents understand and agree that the attached Order shall prohibit any Respondent from transacting any securities business in the State of Wisconsin, effective on the date the Order is issued. The undersigned Respondents understand the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

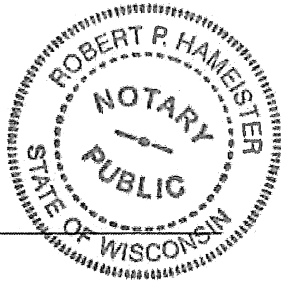
ANDREW M. JOHNSON, personally and
on behalf of OCOOCH MOUNTAIN
MANAGEMENT CO.

State of Wisconsin)
County of Sauk)
Subscribed before me this
15th of August, 2022.

Robert P. Hameister

Notary Public

My commission is permanent/expires _____





State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Cheryll Olson-Collins, Secretary

**AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611**

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Andrew M. Johnson at his last known address of 28433 Nuthatch Road, Kendall, Wisconsin 54638:
 - i. A copy of the Final Order by Consent to Cease and Desist, Waiver and Consent to Order; DFI Case No. S-243987 (EX); and
 - ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi

KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

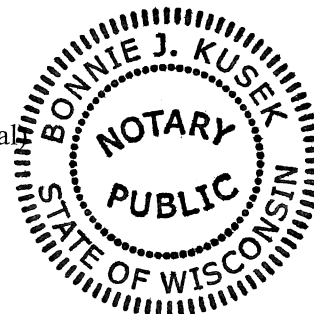
This 17 day of August, 2022.

Bonnie J. Kusek

Notary Public, State of Wisconsin

My commission expires 2/12/2024.

(Notary Seal)



Division of Securities

Mail: PO Box 1768 Madison, WI 53701-1768

Courier: 4822 Madison Yards Way, Madison, WI 53705

Voice: (608) 261-9555 Fax: (608) 264-7979 Web: www.wdfi.org



State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Cheryll Olson-Collins, Secretary

**AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611**

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Attorney Kirsten Spira on behalf of Andrew M. Johnson at her last known business address of Boardman Clark LLP, 1 S. Pinckney Street, Suite 410, Madison, Wisconsin 53703:
 - i. A copy of the Final Order by Consent to Cease and Desist, Waiver and Consent to Order; DFI Case No. S-243987 (EX); and
 - ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi

KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

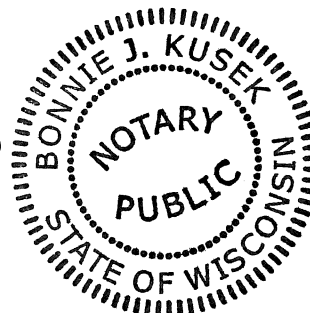
This 17 day of August, 2022.

Bonnie J. Kusek

Notary Public, State of Wisconsin

My commission expires 2/12/2024.

(Notary Seal)



Division of Securities

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Courier: 4822 Madison Yards Way, Madison, WI 53705
Voice: (608) 261-9555 Fax: (608) 264-7979 Web: www.wdfi.org