Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER**
IRON GATE CAPITAL MANAGEMENT, LLC **JOHN V. JOHNSON** **BLAINE L. BALLARD** **Respondents.**	**Docket No.** SD-09-0016 **Docket No.** SD-09-0017 **Docket No.** SD-09-0018

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Iron Gate Capital Management, LLC, John V. Johnson, and Blaine L. Ballard (Respondents) hereby stipulate and agree as follows:

1. Iron Gate Capital Management, LLC, John V. Johnson and Blaine L. Ballard were the subjects of an investigation conducted by the Division into allegations that they violated certain provisions of the Utah Uniform Securities Act, ("Act"), Utah Code Ann. § 61-1-1, et seq, as amended.

2. Respondents and the Division have agreed to settle this matter by way of this Stipulation and Consent Order ("Stipulation").

3. Respondents are represented by the law firm of Strong & Hanni, and are satisfied with the representation they have received.

4. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.

5. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

I. THE DIVISION'S FINDINGS OF FACT

From July 2008 to the present date, the Division has been conducting an investigation into this matter which revealed the following:

6. Iron Gate Capital Management, LLC (Iron Gate) is a real estate investment company. Iron Gate registered as a Utah limited liability company on July 20, 2007. Its current entity status is "active" and in good standing.

7. John V. Johnson and Blaine L. Ballard are managers of Iron Gate, and Johnson has 100% of the voting units of Iron Gate.

8. In early 2008, Respondents offered and sold membership interests in Iron Gate through a private placement offering. Interests in a limited liability company are securities under the Act.

9. Respondents relied upon an exemption to the registration requirements of the Securities Act of 1933, and prepared its private placement memorandum (PPM) pursuant to Regulation D, Rule 506 of the same Act.

10. In April and May 2008, Respondents sold interests in Iron Gate to six investors, and raised a total of $761,000.

11. After selling its securities to investors, the Respondents failed to file the requisite notice filing (Form D) with the Division.

12. Respondents solicited the investments for the purpose of making construction and other loans to J. Ballard Homes, Inc. (JBH).

13. Iron Gate's PPM states that JBH will be the principal customer and/or co-venturer of Iron Gate.

14. Johnson and Ballard are the managers and 50% owners of JBH.

15. Iron Gate's PPM failed to disclose that JBH and three members of Iron Gate's management team had a history of civil litigation.

16. Respondents have returned invested funds (plus interest) to two of its investors, and are currently preparing a rescission offering for the remaining four investors.

II. THE DIVISION'S CONCLUSIONS OF LAW

17. Based on the Division's investigative findings, the Division concludes that:

    a. The membership interests offered and sold by Iron Gate, Johnson, and Ballard are securities under § 61-1-13 of the Act.

    b. Iron Gate, Johnson, and Ballard violated § 61-1-1 of the Act by omitting material information in connection with the offer and sale of Iron Gate securities in or from Utah.

III. REMEDIAL ACTIONS/SANCTIONS

18. Iron Gate, Johnson, and Ballard admit the Division's findings and conclusions and consent to the sanctions below being imposed by the Division.

19. Iron Gate, Johnson, and Ballard represent that any information they have provided to the

Division as part of the Division's investigation of this matter is accurate.

20. Iron Gate, Johnson, and Ballard agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.

IV. FINAL RESOLUTION

21. Respondents acknowledge that this Order, upon approval by the Division Director shall be the final compromise and settlement of this matter. The Respondents further acknowledge that if the Division Director does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

22. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of their conduct referenced herein.

23. The Stipulation and Consent Order constitute the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect the Order in any way.

Utah Division of Securities

Date: 2/

By: _____
MICHAEL HINES
Director of Enforcement

Date: 2-23-2009

By: _____
John V. Johnson

Its: Manager

Iron Gate Capital Management, LLC

Approved:

JEFFREY BUCKNER
Assistant Attorney General

Respondent Johnson

Date: 2-23-2009

John V. Johnson

Respondent Ballard

Date: 2-23-09

Blaine L. Ballard

Approved:

SCOTT JENKINS
STRONG & HANNI
Counsel for Respondent

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.

2. Iron Gate Capital Management, LLC, John V. Johnson, and Blaine L. Ballard cease and desist from violating the Utah Uniform Securities Act.

DATED this 26th day of February, 2009.

KEITH WOODWELL
Director, Utah Division of Securities

Certificate of Mailing

I certify that on the 26TH day of FEBRUARY, 2009, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to the Respondents' counsel at:

Scott Jenkins
Strong & Hanni
3 Triad Center #500
Salt Lake City, UT 84180

Certified Mail # 7004 1160 0003 0195 8768

PAM RADZINSKI
Executive Secretary