

**UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA**

Securities and Exchange Commission v. John Mark Marino

No. 2:23-cv-00403 CAS(AFMx) (C.D. Cal. Aug. 26, 2025) · No. 2:23-cv-00403 CAS(AFMx) · Decided August
26, 2025

SUMMARY

The United States District Court for the Central District of California entered a default final judgment against John Mark Marino in an enforcement action brought by the Securities and Exchange Commission. The judgment permanently enjoins Marino from violating specified federal securities laws, participating in certain unregistered securities offerings, and serving as an officer or director of certain issuers, and requires payment of \$323,547.52 in disgorgement, prejudgment interest, and civil penalties.

OPINION

1 O 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 CENTRAL DISTRICT OF
CALIFORNIA 10 Western Division 11 12 SECURITIES AND EXCHANGE Case No. 2:23-cv-
00403 CAS(AFMx) COMMISSION, 13 Plaintiff, FINAL JUDGMENT AS TO 14 DEFENDANT
JOHN MARK 15 vs. MARINO 16 JOHN MARK MARINO, JASON “JAI” JOHNSON,
ABRAHAM 17 BORENSTEIN, AND ANTHONY BROWN, 18 Defendants. 19 20 21 This
matter came before the Court on the Plaintiff Securities and Exchange 22 Commission’s (“SEC”)
Application for Default Judgment against Defendant John 23 Mark Marino (“Defendant”).

The Court finds that entry of default judgment is 24 appropriate, having considered the SEC’s
Complaint, Application for Default 25 Judgment, supporting declaration, and the other evidence
and argument presented to 26 the Court, and having considered the applicable legal requirements,
including Fed. R. 27 Civ. P. 55, Local Rule 55-1, and the factors listed in Eitel v. McCool, 782
F.2d 1470, 1 the merits of plaintiff’s substantive claim, (3) the sufficiency of the complaint, (4) the
2 sum of money at stake in the action, (5) the possibility of a dispute concerning 3 material facts,
(6) whether the default was due to excusable neglect, and (7) the 4 strong policy underlying the
Federal Rules of Civil Procedure favoring decisions on 5 the merits.

Accordingly, the Court enters judgments as follows: 6 I. 7 IT IS HEREBY ORDERED that the
SEC’s Application for Default Judgment 8 against Defendant is GRANTED. 9 II. 10 IT IS
HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is 11 permanently
restrained and enjoined from violating, directly or indirectly, Section 12 10(b) of the Securities
Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 13 78j(b)] and Rule 10b-5 promulgated

thereunder [17 C.F.R. § 240.10b-5], by using 14 any means or instrumentality of interstate commerce, or of the mails, or of any 15 facility of any national securities exchange, in connection with the purchase or sale of 16 any security: 17 (a) to employ any device, scheme, or artifice to defraud; 18 (b) to make any untrue statement of a material fact or to omit to state a material 19 fact necessary in order to make the statements made, in the light of the circumstances 20 under which they were made, not misleading; or 21 (c) to engage in any act, practice, or course of business which operates or 22 would operate as a fraud or deceit upon any person.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as 24 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also 25 binds the following who receive actual notice of this Final Judgment by personal 26 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 27 attorneys; and (b) other persons in active concert or participation with Defendant or 1 III.

2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is 3 permanently restrained and enjoined from violating Section 17(a) of the Securities 4 Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any 5 security by the use of any means or instruments of transportation or communication 6 in interstate commerce or by use of the mails, directly or indirectly: 7 (a) to employ any device, scheme, or artifice to defraud; 8 (b) to obtain money or property by means of any untrue statement of a material 9 fact or any omission of a material fact necessary in order to make the statements 10 made, in light of the circumstances under which they were made, not misleading; or 11 (c) to engage in any transaction, practice, or course of business which operates 12 or would operate as a fraud or deceit upon the purchaser.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as 14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also 15 binds the following who receive actual notice of this Final Judgment by personal 16 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 17 attorneys; and (b) other persons in active concert or participation with Defendant or 18 with anyone described in (a).

19 IV. 20 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that pursuant to 21 Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant is 22 permanently restrained and enjoined from directly or indirectly, including but not 23 limited to, through any entity owned or controlled by him, participating in the 24 issuance, purchase, offer, or sale of any security in an unregistered offering, provided, 25 however, that such injunction shall not prevent him from purchasing or selling 26 securities for his own personal account.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as 1 binds the following who receive actual notice of this Final Judgment by personal 2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and 3 attorneys; and (b) other persons in active concert or participation with Defendant or 4 with anyone described in (a). 5 V. 6 IT IS HEREBY

ORDERED, ADJUDGED, AND DECREED that, pursuant to 7 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of 8 the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited from acting as an 9 officer or director of any issuer that has a class of securities registered pursuant to 10 Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports 11 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

12 VI. 13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that 14 Defendant is liable for disgorgement of \$65,700, representing net profits gained as a 15 result of the conduct alleged in the Complaint, together with prejudgment interest 16 thereon in the amount of \$21,396.52, and a civil penalty in the amount of \$236,451 17 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 18 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

Defendant shall satisfy this 19 obligation by paying \$323,547.52 to the Securities and Exchange Commission within 20 30 days after entry of this Final Judgment. 21 Defendant may transmit payment electronically to the Commission, which will 22 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also 23 be made directly from a bank account via Pay.gov through the SEC website at 24 <http://www.sec.gov/about/offices/ofm.htm>.

Defendant may also pay by certified 25 check, bank cashier's check, or United States postal money order payable to the 26 Securities and Exchange Commission, which shall be delivered or mailed to 27 Enterprise Services Center 1 6500 South MacArthur Boulevard 2 Oklahoma City, OK 73169 3 and shall be accompanied by a letter identifying the case title, civil action number, 4 and name of this Court; John Mark Marino as a defendant in this action; and 5 specifying that payment is made pursuant to this Final Judgment.

6 Defendant shall simultaneously transmit photocopies of evidence of payment 7 and case identifying information to the Commission's counsel in this action. By 8 making this payment, Defendant relinquishes all legal and equitable right, title, and 9 interest in such funds and no part of the funds shall be returned to Defendant. 10 The Commission may enforce the Court's judgment for disgorgement and 11 prejudgment interest by using all collection procedures authorized by law, including, 12 but not limited to, moving for civil contempt at any time after 30 days following entry 13 of this Final Judgment.

14 The Commission may enforce the Court's judgment for penalties by the use of 15 all collection procedures authorized by law, including the Federal Debt Collection 16 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the 17 violation of any Court orders issued in this action. Defendant shall pay post judgment 18 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant 19 to 28 U.S.C. § 1961.

The Commission shall hold the funds, together with any interest 20 and income earned thereon (collectively, the “Fund”), pending further order of the 21 Court. 22 The Commission may propose a plan to distribute the Fund subject to the 23 Court’s approval. Such a plan may provide that the Fund shall be distributed pursuant 24 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

The 25 Court shall retain jurisdiction over the administration of any distribution of the Fund 26 and the Fund may only be disbursed pursuant to an Order of the Court. 27 Regardless of whether any such Fair Fund distribution is made, amounts 1 || penalties paid to the government for all purposes, including all tax purposes.

To 2 || preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or 3 ||reduction of any award of compensatory damages in any Related Investor Action 4 based on Defendant’s payment of disgorgement in this action, argue that he is entitled 5 || to, nor shall he further benefit by, offset or reduction of such compensatory damages 6 || award by the amount of any part of Defendant’s payment of a civil penalty in this 7 action (“Penalty Offset”).

If the court in any Related Investor Action grants such a 8 || Penalty Offset, Defendant shall, within 30 days after entry of a final order granting 9 Penalty Offset, notify the Commission’s counsel in this action and pay the amount 10 || of the Penalty Offset to the United States Treasury or to a Fair Fund, as the 11 ||Commission directs. Such a payment shall not be deemed an additional civil penalty 12 shall not be deemed to change the amount of the civil penalty imposed in this 13 || Judgment.

For purposes of this paragraph, a “Related Investor Action” means a 14 || private damages action brought against Defendant by or on behalf of one or more 15 ||investors based on substantially the same facts as alleged in the Complaint in this 16 || action. 17 VII. 18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court 19 retain jurisdiction of this matter for the purposes of enforcing the terms of this 20 || Final Judgment.

21 VII. 22 There being no just reason for delay, pursuant to Rule 54(b) of the Federal 23 || Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith 24 || and without further notice. 25 || Dated: August 26, 2025 hana 2 bright UNITED STATES DISTRICT JUDGE 28