UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

Securities and Exchange Commission v. John Mark Marino, Jason "Jai" Johnson, Abraham Borenstein, and Anthony Brown

SEC v. Marino · No. 2:23-cv-00403 CAS(AFMx) · Decided August 26, 2025

SUMMARY

This document is a federal district court final judgment entered on the Securities and Exchange Commission's application for default judgment against Defendant Jason "Jai" Johnson. The judgment permanently enjoins violations of federal securities laws and participation in unregistered securities offerings, and orders payment of $5,840 in disgorgement, $1,901.90 in prejudgment interest, and a $20,000 civil penalty. The court retains jurisdiction to enforce the judgment.

CASE DETAILS

COURT	United States District Court for the Central District of California
JURISDICTION	United States District Court for the Central District of California
DECIDED	August 26, 2025
DOCKET	2:23-cv-00403 CAS(AFMx)
DISPOSITION	other
PROCEDURAL POSTURE	The SEC applied for default judgment against Defendant Jason "Jai" Johnson in an enforcement action alleging violations of the federal securities laws.
STANDARD OF REVIEW	The court applied the requirements for default judgment under Federal Rule of Civil Procedure 55, Local Rule 55-1, and the Eitel factors.
PRECEDENTIAL VALUE	unpublished
PARTIES	Securities and Exchange Commission v. Jason "Jai" Johnson

TOPICS

default judgment · injunctions · remedies · commercial litigation · civil procedure

PRACTICE AREAS

securities enforcement · civil procedure · remedies

QUESTIONS PRESENTED

1. Whether the SEC was entitled to default judgment against Jason "Jai" Johnson under Federal Rule of Civil Procedure 55, Local Rule 55-1, and the Eitel factors.
2. What injunctive and monetary remedies were appropriate upon entry of default judgment for the alleged federal securities-law violations.

HOLDINGS

1. Default judgment was appropriate, and the SEC's application for default judgment was granted.
2. Johnson was permanently restrained and enjoined from directly or indirectly violating Section 10(b) of the Exchange Act and Rule 10b-5 in connection with the purchase or sale of securities.
3. Johnson was permanently restrained and enjoined from directly or indirectly violating Section 17(a) of the Securities Act in the offer or sale of securities.
4. Johnson was permanently restrained and enjoined from directly or indirectly participating in the issuance, purchase, offer, or sale of securities in an unregistered offering, except for purchases or sales for his own personal account.
5. Johnson was ordered to pay $5,840 in disgorgement, $1,901.90 in prejudgment interest, and a $20,000 civil penalty, for a total payment of $27,741.90 to the SEC within 30 days after entry of the final judgment.

KEY QUOTATIONS

> *"The SEC's Application for Default Judgment against Defendant is GRANTED."* (Section I)

> *"Defendant is liable for disgorgement of $5,840, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $1,901.90, and a civil penalty in the amount of $20,000"* (Section V)

FACTUAL BACKGROUND

The SEC sought relief against Jason "Jai" Johnson based on conduct alleged in the complaint involving violations of Sections 10(b) and 17(a) of the federal securities laws and participation in an unregistered securities offering. The court ordered Johnson to pay disgorgement of $5,840, prejudgment interest of $1,901.90, and a civil penalty of $20,000. The judgment also permanently enjoined Johnson from specified securities-law violations and from participating in unregistered securities offerings, subject to a personal-account securities-trading exception.

PROCEDURAL HISTORY

The SEC filed the action against John Mark Marino, Jason "Jai" Johnson, Abraham Borenstein, and Anthony Brown. The matter came before the district court on the SEC's application for default judgment against Johnson. After considering the complaint, application, supporting declaration, other evidence and argument, Federal Rule of Civil Procedure 55, Local Rule 55-1, and the Eitel factors, the court granted the application and entered final judgment as to Johnson.

DISPOSITION

other

CASES CITED

- Eitel v. McCool, 782 F.2d 1470