

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

OPINION

Securities and Exchange Commission v. John Mark Marino

PER CURIAM.

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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 JASON “JAI”

15 vs. JOHNSON

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 Jason 23 “Jai”
Johnson (“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 FURTHER ORDERED, ADJUDGED, AND DECREED that

7 Defendant is liable for disgorgement of \$5,840, representing net profits gained as a 8 result of
the conduct alleged in the Complaint, together with prejudgment interest 9 thereon in the amount
of \$1,901.90, and a civil penalty in the amount of \$20,000 10 pursuant to Section 20(d) of the
Securities Act [15 U.S.C. § 77t(d)] and Section 11 21(d)(3) of the Exchange Act [15 U.S.C. §
78u(d)(3)]. Defendant shall satisfy this 12 obligation by paying \$27,741.90 to the Securities and
Exchange Commission within 13 30 days after entry of this Final Judgment. 14 Defendant may
transmit payment electronically to the Commission, which will 15 provide detailed ACH
transfer/Fedwire instructions upon request. Payment may also 16 be made directly from a bank
account via Pay.gov through the SEC website at 17 <http://www.sec.gov/about/offices/ofm.htm>.
Defendant may also pay by certified 18 check, bank cashier's check, or United States postal
money order payable to the 19 Securities and Exchange Commission, which shall be delivered or
mailed to 20 Enterprise Services Center 21 Accounts Receivable Branch 22 6500 South
MacArthur Boulevard 23 Oklahoma City, OK 73169 24 and shall be accompanied by a letter
identifying the case title, civil action number, 25 and name of this Court; John Mark Marino as a
defendant in this action; and 26 specifying that payment is made pursuant to this Final Judgment.
27 Defendant shall simultaneously transmit photocopies of evidence of payment 1 making this
payment, Defendant relinquishes all legal and equitable right, title, and 2 interest in such funds
and no part of the funds shall be returned to Defendant. 3 The Commission may enforce the
Court's judgment for disgorgement and 4 prejudgment interest by using all collection procedures
authorized by law, including, 5 but not limited to, moving for civil contempt at any time after 30
days following entry 6 of this Final Judgment. 7 The Commission may enforce the Court's
judgment for penalties by the use of 8 all collection procedures authorized by law, including the
Federal Debt Collection 9 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil
contempt for the 10 violation of any Court orders issued in this action. Defendant shall pay post
judgment 11 interest on any amounts due after 30 days of the entry of this Final Judgment
pursuant 12 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest
13 and income earned thereon (collectively, the "Fund"), pending further order of the 14 Court. 15
The Commission may propose a plan to distribute the Fund subject to the 16 Court's approval.
Such a plan may provide that the Fund shall be distributed pursuant 17 to the Fair Fund provisions
of Section 308(a) of the Sarbanes-Oxley Act of 2002. The 18 Court shall retain jurisdiction over
the administration of any distribution of the Fund 19 and the Fund may only be disbursed pursuant
to an Order of the Court. 20 Regardless of whether any such Fair Fund distribution is made,
amounts 21 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as 22
penalties paid to the government for all purposes, including all tax purposes. To 23 preserve the
deterrent effect of the civil penalty, Defendant shall not, after offset or 24 reduction of any award
of compensatory damages in any Related Investor Action 25 based on Defendant's payment of
disgorgement in this action, argue that he is entitled 26 to, nor shall he further benefit by, offset or

reduction of such compensatory damages 27 award by the amount of any part of Defendant's payment of a civil penalty in this 1 || Penalty Offset, Defendant shall, within 30 days after entry of a final order granting 2 ||the Penalty Offset, notify the Commission's counsel in this action and pay the amount 3 || of the Penalty Offset to the United States Treasury or to a Fair Fund, as the 4 || Commission directs. Such a payment shall not be deemed an additional civil penalty 5 || and shall not be deemed to change the amount of the civil penalty imposed in this 6 || Judgment. For purposes of this paragraph, a "Related Investor Action" means a 7 || private damages action brought against Defendant by or on behalf of one or more 8 investors based on substantially the same facts as alleged in the Complaint in this 9 || action. 10 VI. 11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court 12 retain jurisdiction of this matter for the purposes of enforcing the terms of this 13 || Final Judgment. 14 VII. 15 There being no just reason for delay, pursuant to Rule 54(b) of the Federal 16 || Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith 17 || and without further notice. 18 || Dated: August 26, 2025 Auiiia ff Argh

UNITED STATES DISTRICT JUDGE

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