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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JOHN MARK MARINO, JASON
“JAI” JOHNSON, ABRAHAM
BORENSTEIN, AND ANTHONY
BROWN,

Defendants.

Case No. 2:23-cv-00403 CAS(AFMx)

**FINAL JUDGMENT AS TO
DEFENDANT JASON “JAI”
JOHNSON**

This matter came before the Court on the Plaintiff Securities and Exchange Commission’s (“SEC”) Application for Default Judgment against Defendant Jason “Jai” Johnson (“Defendant”). The Court finds that entry of default judgment is appropriate, having considered the SEC’s Complaint, Application for Default Judgment, supporting declaration, and the other evidence and argument presented to the Court, and having considered the applicable legal requirements, including Fed. R. Civ. P. 55, Local Rule 55-1, and the factors listed in *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir. 1986), including (1) the possibility of prejudice to the plaintiff, (2)

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
28 with anyone described in (a).

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
28 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

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
28 and case identifying information to the Commission's counsel in this action. By

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
28 action (“Penalty Offset”). If the court in any Related Investor Action grants such a

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 shall 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

Christine A. Snyder

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20 UNITED STATES DISTRICT JUDGE
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