

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93084 / September 21, 2021

INVESTMENT ADVISERS ACT OF 1940
Release No. 5868 / September 21, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20581

In the Matter of

MARK THOMAS JOHNSON,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Mark Thomas Johnson (“Respondent” or “Johnson”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraphs III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)

of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. At all times relevant to these proceedings, Johnson was the Chief Executive Manager and controlling member of The Owings Group, LLC (“Owings”). Johnson, CRD No. 2062529, held Series 7, 24, 62 and 63 licenses, but in 1995, the National Association of Securities Dealers (“NASD”), now known as the Financial Industry Regulatory Authority (“FINRA”), barred him from association with any NASD member in any capacity. During the time period relevant to these proceedings, Johnson gave investment advice to two investment funds that invested securities and sold Owings’ unregistered securities, but he was not registered with the Commission as a broker or investment adviser and he was not associated with a registered broker or investment adviser. Johnson, 49 years old, is a resident of Baltimore, Maryland.

2. On April 15, 2019, a judgment was entered by consent against Johnson, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. The Owings Group, LLC, et al., Civil Action Number 1:18-cv-02046-RDB, in the United States District Court for the District of Maryland.

3. The Commission’s complaint alleged that from 2013 until at least 2014, Johnson, a convicted felon and recidivist violator of the federal securities laws, orchestrated and engaged in a fraudulent scheme that defrauded approximately 50 investors of more than \$5 million. At the heart of the scheme was the Owings Initial Registration Program (the “IRP”), in which investors paid Owings \$60,000 to bring a company public using a quick and efficient “streamlined” factory-style approach to SEC registration. The IRP promised investors a 50% return in less than a year with principal protection. The complaint alleged that Johnson lured investors into purchasing worthless securities in the form of IRP joint venture partnership interests through material misrepresentations, misleading half-truths, and other deceptive conduct to create the false impression that Owings had been successfully using its “streamlined” approach for years. When Owings failed to bring any companies public in the first year, Johnson created two investment funds as a stalling tactic to placate investors who had growing concerns and to raise new money to “buy out” disgruntled early investors in a manner typical of Ponzi schemes. The complaint also alleged that Johnson sold unregistered securities and acted as an unregistered broker. For example, Johnson solicited investors, approved the terms offered to investors, hired a salesforce and paid them transaction-based compensation in the form of commissions, controlled the Owings accounts in which investor principal was deposited and made transfers to himself and for his personal benefit.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Johnson's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Johnson be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Johnson be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary