Joel Castellanos

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 26490 / February 24, 2026

Securities and Exchange Commission v. Joel Castellanos, Case No. 0:26-cv-60495-AHS (S.D. Fla filed Feb. 23, 2026)

SEC Files Settled Action as to Additional Individual in Alleged $196 Million South Florida Ponzi Scheme

On February 23, 2026, the Securities and Exchange Commission filed a settled action as to Joel Castellanos for his role in an alleged $196 million fraudulent securities offering orchestrated by MJ Capital Funding, LLC, its affiliated company, MJ Taxes and More, Inc., and their principal officer, Johanna M. Garcia.

According to the SEC's complaint, filed in U.S. District Court for the Southern District of Florida, Castellanos personally and through his sales team of about 42 sales agents, solicited and raised at least $25.2 million in MJ Capital's unregistered securities from at least 1,222 investors. The complaint alleges Castellanos earned commissions on his sales, even though he was not registered as a broker or dealer or associated with a registered broker-dealer.

The SEC charges Castellanos with violating the registration provisions of Sections 5(a) and 5(c) of the Securities Act and Section 15(a)(1) of the Securities Exchange Act of 1934. Without admitting or denying the allegations in the complaint, Castellanos consented to the entry of a final judgment, subject to court approval, that would enjoin him from violating the charged provisions of the federal securities laws, order him to pay

disgorgement of $46,861.94 with prejudgment interest of $13,084.42, with those amounts deemed satisfied by the amounts collected by the court appointed receiver in *SEC v. MJ Capital Funding, LLC, et al.*, No. 0:21-cv-61644-AHS (S.D. Fla.), and order him to pay a civil penalty of $150,000.

The SEC previously charged (https://www.sec.gov/enforcement-litigation/litigation-releases/lr-25168) MJ Capital, MJ Taxes, and Garcia on August 9, 2021, for allegedly perpetrating an unregistered fraudulent securities offering and Ponzi scheme. An amended complaint was filed by the SEC on March 21, 2022. MJ Capital and MJ Taxes are currently under a court-appointed receivership. On May 2, 2025, the court entered a final consent judgment as to Garcia that permanently enjoined her from violating Section 5 of the Securities Act of 1933, imposed an officer and director bar, and ordered her liable for disgorgement with prejudgment interest, which were deemed satisfied by the forfeiture order entered against her in a parallel criminal case *United States v. Johanna Michely Garcia*, No. 1:23-cr-20350-JEM (S.D. Fla.).

The SEC's investigation was conducted by Raynette R. Nicoleau and Crystal Ivory of the SEC's Miami Regional Office and was supervised by Sean O'Neill, Fernando Torres, and Stephanie N. Moot. The SEC's litigation is being led by Christine Nestor under the supervision of Teresa Verges.

RESOURCES

- **SEC Complaint**