



THE UNITED STATES
DEPARTMENT of JUSTICE

United States Attorney Dena J. King

United States Attorney's Office
Western District of North Carolina

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**CALIFORNIA MAN PLEADS GUILTY TO SECURITIES FRAUD FOR
ORCHESTRATING INVESTMENT SCHEME**

CHARLOTTE, N.C. – Gustavo Guzman, 60, previously of Fullerton, Calif., pleaded guilty to securities fraud today for orchestrating a \$2 million investment fraud scheme, announced Dena J. King, U.S. Attorney for the Western District of North Carolina.

Robert M. DeWitt, Special Agent in Charge of the FBI in North Carolina, and North Carolina Secretary of State Elaine F. Marshall join U.S. Attorney King in making the announcement.

According to admissions Guzman made in connection with his guilty plea and filed court documents, from April 2010 to August 2015, Guzman, through various entities he controlled, including G2 Asset Management and East Egg Private Equity, defrauded approximately 10 investors of at least \$2 million, by falsely representing that he would use the investors' money to trade in options and other similar investments. Instead of investing the funds as promised, Guzman stole a substantial portion of the investors' money and used it to fund his personal lifestyle, including to make large credit card payments and cash withdrawals, and to pay for personal expenditures. Guzman suffered massive trading losses with the money that he did invest and used some of the victim's money to make Ponzi-style payments to other investors. Guzman admitted that in order to conceal the trading losses and the fraudulent scheme, and to prevent his victims from redeeming their investments and complaining to authorities, he lied to his victims about the status of their investments, and provided them with fake documents, including sham IRS forms and fraudulent account statements.

Guzman has been in federal custody since he was [extradited](#) from Australia to the United States in November 2022. At sentencing, he faces a sentence of up to 20 years in prison and a \$5 million fine. A sentencing date has not been set. The U.S. Securities and Exchange Commission conducted a parallel investigation that resulted in the entry of a default judgment against Guzman in Civil Action No. 3:17-cv-00276 (WDNC).

In making today's announcement, U.S. Attorney King commended the FBI in Charlotte and the Securities Division of the North Carolina Department of the Secretary of State for their investigation of the case. U.S. Attorney King also thanked the U.S. Marshals Service and the Justice Department's Office of International Affairs for their significant support with the defendant's extradition and with obtaining evidence from Australian authorities.

Assistant U.S. Attorney Daniel Ryan of the U.S. Attorney's Office in Charlotte is prosecuting the case.

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