



THE UNITED STATES  
DEPARTMENT of JUSTICE

United States Attorney Dena J. King  
United States Attorney's Office  
Western District of North Carolina

FOR IMMEDIATE RELEASE  
Monday, December 2, 2024  
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**CALIFORNIA MAN IS SENTENCED TO PRISON FOR \$2 MILLION INVESTMENT  
SCHEME**

*The Defendant Was Previously Extradited from Australia to Face Federal Charges*

CHARLOTTE, N.C. – Gustavo Guzman, 61, previously of Fullerton, California, was sentenced today to 70 months in prison followed by two years of supervised release and was ordered to pay more than \$1.9 million in restitution for orchestrating an investment fraud scheme that defrauded victims of nearly \$2 million, announced Dena J. King, U.S. Attorney for the Western District of North Carolina. In November 2022, Guzman was extradited to the United States from Australia to face federal charges in the Western District of North Carolina.

Robert M. DeWitt, Special Agent in Charge of the Federal Bureau of Investigation (FBI), Charlotte Division, and North Carolina Secretary of State Elaine F. Marshall join U.S. Attorney King in making the announcement.

According to filed court documents and court proceedings, from April 2010 to August 2015, Guzman, through various entities he controlled, including G2 Asset Management and East Egg Private Equity, executed a scheme to defraud 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.

Court records show that 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 investors. To conceal the trading losses and the fraudulent scheme, and to prevent his victims from redeeming their investments and complaining to authorities, Guzman lied to his victims about the status of their investments, and provided them with fake documents, including sham IRS forms and fraudulent account statements. When Guzman learned that the Government was preparing to charge him, he fled to Australia.

According to court documents, Guzman perpetrated the investment scheme by soliciting and victimizing people he knew, including close friends. One victim investor described Guzman as "a trusted family friend," and another as someone they had known for "over 15 years." As court

records reflect, several of Guzman's victims suffered substantial financial hardship and are under extreme emotional distress as a result of Guzman's deception and scheme.

In July 2023, Guzman pleaded guilty to securities fraud. In announcing today's sentence, U.S. District Judge Robert J. Conrad, Jr. highlighted, among other things, the nature and circumstances of Guzman's fraud, characterizing it as "reprehensible conduct that occurred over a long period of time."

Guzman is currently in federal custody. He will be transferred to the custody of the Federal Bureau of Prisons upon designation of a federal facility.

The investigation was conducted by the FBI in Charlotte and the Securities Division of the North Carolina Department of the Secretary of State.

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).

The Department of Justice also appreciates the significant assistance provided by the Department's Office of International Affairs, the Government of Australia, including the Attorney General's Department of Australia and the Australian Federal Police, in securing the extradition of Guzman and obtaining evidence from Australian authorities.

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

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