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United States Attorney's Office
Western District of North Carolina

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**FOUNDERS OF FAKE “HEDGE FUND” PLEAD GUILTY TO FEDERAL CHARGES
FOR ORCHESTRATING A \$4 MILLION PONZI SCHEME**

CHARLOTTE, N.C. – The founders of a fake “hedge fund” appeared in court today and pleaded guilty to federal charges for orchestrating a \$4 million Ponzi scheme, announced Dena J. King, U.S. Attorney for the Western District of North Carolina. Austin Delano Page, 26, of Grover, N.C., pleaded guilty to wire fraud, and Brandon Alexander Teague, 26, of Belmont, N.C., pleaded guilty to securities fraud. U.S. Magistrate Judge David C. Keesler accepted the defendants’ guilty pleas.

North Carolina Secretary of State Elaine F. Marshall, Robert R. Wells, Special Agent in Charge of the Federal Bureau of Investigation (FBI), Charlotte Division, and Tommy D. Coke, Inspector in Charge of the Atlanta Division of the U.S. Postal Inspection Service (USPIS), which oversees Charlotte, join U.S. Attorney King in making today’s announcement.

According to filed plea documents and the plea hearings, from October 2020 to December 2021, Page and Teague engaged in an investment scheme that defrauded hundreds of investors, some of whom were at or near retirement age, of more than \$4 million. Court documents show that the defendants falsely represented to victims that Page and Teague were running a hedge fund in Kings Mountain, N.C., D&T Investment Group (D&T), that invested in various securities, including stock of well-known companies like Apple. Contrary to representations made to victim investors, D&T was not a hedge fund and it did not hold any securities licenses or registrations. Also, Page and Teague were not licensed to sell securities and did not have a background associated with the sale of securities. In fact, prior to orchestrating the investment scheme the defendants sold campers.

According to court documents and admissions made in court, Page and Teague required investors to sign, among other documents, an investment contract with D&T. These documents contained false information, including that D&T would guarantee 100% of the investors’ initial investment, and that investors would receive 70% of the trading profits. In reality, the investors’ money was not guaranteed, and the purported “profits” investors received were Ponzi-style payments, whereby the defendants used new investors’ money to make payments to existing investors. To cover up the fraud, Page and Teague sent victim investors monthly statements that reflected fictitious trading gains. When certain investors and D&T employees began to question the legitimacy of D&T’s operations, Page created fictitious screenshots of various financial accounts that reflected inflated D&T account balances. For example, Page created a fake screenshot of a D&T brokerage account that reflected a balance of over \$16,000,000, when in reality the account had a balance of less than \$7.00.

Contrary to representations made to victims, their money was not generally invested in securities. In addition to making Ponzi payments to investors, a significant portion of the funds was used to pay excessive salaries and other compensation to D&T employees, including to members of Page's family. For example, Page paid several D&T employees annual salaries of over \$100,000 and also paid certain employees several thousand dollars each for getting the D&T company logo tattooed on their bodies. The defendants also squandered victims' money on personal expenses such as clothing, jewelry, travel, luxury car rentals, and to make cash withdrawals.

On December 2, 2021, as the fraudulent scheme was collapsing, the defendants traveled to Italy. On the same day, Page informed D&T employees, who did not know that D&T was a fraud, that they would be closing the company. The pair was arrested on New Year's Eve at JFK Airport in New York upon their voluntary return to the United States.

The defendants were released on bond with home detention and location monitoring following the plea hearings. Page pleaded guilty to one count of wire fraud, which carries a maximum prison term of 20 years and a \$250,000 fine. Teague pleaded guilty to one count of securities fraud, which carries a maximum prison term of five years and a \$250,000 fine. A sentencing date for the defendants has not been set.

In making today's announcement U.S. Attorney King thanked the Securities Division of the North Carolina Secretary of State, the FBI and USPIA for their investigation of the case.

Assistant U.S. Attorney Daniel Ryan of the U.S. Attorney's Office in Charlotte, is in charge of the prosecution.

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