



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 EXTRADITED FROM AUSTRALIA TO FACE CHARGES FOR INVESTMENT SCHEME**

CHARLOTTE, N.C. – Gustavo Guzman, 59, previously of Fullerton, Calif., made his initial appearance in federal court in Charlotte today following his extradition from Australia, to face wire fraud, securities fraud and transactional money laundering charges related to an alleged \$2 million investment fraud scheme, announced Dena J. King, U.S. Attorney for the Western District of North Carolina.

Michael C. Scherck, Acting 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 allegations contained in the indictment, 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 allegedly 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. As alleged in the indictment, 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, the indictment alleges that 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.

Guzman is currently in federal custody. The wire fraud charge carries a sentence of up to 20 years in prison and a \$250,000 fine. The securities fraud charge carries a statutory sentence of up to 20 years in prison and a \$5 million fine, and the transactional money laundering charge carries a penalty of up to 10 years in prison and a fine of up to \$250,000 or not more than twice the amount of the criminally derived property involved in the transaction.

The charges contained in the indictment are allegations. The defendant is innocent until proven guilty beyond reasonable doubt in a court of law.

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 is prosecuting the case.

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