U.S. Securities and Exchange Commission

PRESS RELEASE

SEC Charges Brothers Jonathan and Tanner Adam with $60 Million Ponzi Scheme

SEC obtains emergency relief to freeze defendants' assets

FOR IMMEDIATE RELEASE | 2024-107

Washington D.C., Aug. 26, 2024 —The Securities and Exchange Commission today announced that it obtained emergency asset freezes against Jonathan Adam, a resident

RESOURCES

- **SEC Complaint**

of Angleton, Texas, and his brother, Tanner Adam, a resident of Miami, Florida, and against their respective entities, GCZ Global LLC and Triten Financial Group LLC, to halt an alleged $60 million Ponzi scheme impacting more than 80 investors across the country.

The SEC's complaint alleges that, from January 2023 to June 2024, the Adam brothers solicited and lured victims with the promise of up to 13.5 percent monthly investment returns. According to the complaint, the duo falsely told investors that Jonathan Adam had created a "bot" that operated on a crypto asset trading platform to identify arbitrage trading opportunities, and that investor funds would be used in a lending pool that would, through smart contracts, fund "flash loans" to complete these arbitrage trades. The Adam brothers allegedly told investors that, short of a global market meltdown, investor funds were safe. The SEC alleges that, in reality, the lending pool as described to investors did not exist, and the defendants instead used millions of dollars of investor funds to pay supposed returns to existing investors and to support their lavish lifestyles. For example, the complaint alleges that Tanner Adam used investor funds to make the down and installment payments to build a $30 million condominium in Miami and Jonathan Adam used at least $480,000 of investor funds to purchase cars, trucks, and recreational vehicles. The SEC's complaint also alleges that Jonathan Adam misrepresented his background in order to gain the trust of investors and failed to tell investors that he had previously been convicted of three counts of securities fraud.

"As we allege, the Adam brothers promised their investors high returns on a crypto investment that did not exist, and then used investor funds to make Ponzi-like payments and to purchase designer goods, recreational vehicles, and million-dollar homes," said Justin C. Jeffries, Associate Director of Enforcement in the SEC's Atlanta Regional

Office. “The SEC will use all tools at its disposal to stop those who exploit the excitement around new technologies to defraud investors.”

The SEC's complaint, filed on August 26, 2024 in the United States District Court for the Northern District of Georgia, charges Jonathan Adam, Tanner Adam, GCZ Global, LLC, and Triten Financial Group LLC with violating the antifraud provisions of the federal securities laws. In addition to the emergency relief granted by the Court, which the defendants did not oppose, the SEC seeks permanent injunctions, disgorgement of ill-gotten gains with prejudgment interest, and civil penalties against the defendants.

The SEC’s investigation was conducted by Melissa J. Mitchell and Krysta M. Cannon of the Atlanta Regional Office and supervised by Matthew F. McNamara and Mr. Jeffries. The SEC’s litigation will be led by Kristin W. Murnahan and supervised by M. Graham Loomis.

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Last Reviewed or Updated: Aug. 26, 2024