



U.S. Department of Justice

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April 1, 2010

**OWNER OF CHESTER COUNTY INVESTMENT FIRM CHARGED WITH
RUNNING MULTI-MILLION DOLLAR PONZI SCHEME**

PHILADELPHIA - Donald Anthony Young was charged today by indictment¹ with one count of mail fraud and one count of money laundering, announced United States Attorney Michael L. Levy. The charges relate to Young's execution of a Ponzi scheme in which his investors lost more than \$25 million. Young operated an investment advisory business in Kennett Square, Pennsylvania, which was known by various names including Acorn Capital Management II LP, Acorn Capital Management LLC, and Acorn II LP. According to the indictment, Young solicited individuals to invest with him, claiming that he would invest their funds in the stock of large stable companies. Ultimately, Young obtained more than \$95 million from his investors. Instead of investing all of these funds as promised, Young allegedly diverted more than \$25 million of investor funds for his own use, purchasing, among other things, luxury homes for himself in Palm Beach, Florida, Coatesville, Pennsylvania, and Northeast Harbor, Maine.

"Ponzi schemes are usually a vehicle for an unscrupulous person to live high off of someone else's wealth," said Levy. "According to the indictment, this defendant helped himself to others' fortunes, living a life of luxury, with little or no regard for the damage to our financial markets, our economy, and the reputation of the investment advisors who follow the rules."

"The FBI views these types of financial investment Ponzi fraud schemes as significant criminal problems, because of the devastating effect they have not only on the individual victims who are preyed upon but also the effect they have on financial markets and on the overall economy," said Janice K. Fedarcyk, Special Agent-in-Charge of the Philadelphia Division of the FBI.

Because Young was allegedly stealing millions of dollars from his investors and using that money to pay his own personal and business expenses, he was unable to pay investors when they requested redemptions and he was forced to liquidate other investors' funds to pay these redemptions. The indictment further alleges that when the United States Securities and Exchange Commission opened an investigation into Young's business, Young attempted to

¹An Indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

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obstruct the investigation by providing false and misleading information to the SEC and by refusing to provide the SEC documents, to which it was legally entitled.

According to the indictment, Young laundered the proceeds of his fraud by, among other things, stealing approximately \$1.9 million of an investors' funds and using these funds to purchase his luxury home in Palm Beach, Florida.

“Ponzi schemes such as this exploit the trust and aspirations of investors by defrauding them of their hard-earned money,” said U. S. Postal Inspection Service Acting Inspector-in-Charge Tommy D. Coke. “We will continue to work with our partners at the FBI, the SEC and the U. S. Attorney's Office to combat this type of financial fraud. Postal Inspectors will work to protect postal customers from falling victim to these types of schemes by aggressively pursuing those individuals who utilize the U. S. Mails to defraud the public.”

INFORMATION REGARDING THE DEFENDANT

NAME	ADDRESS	AGE
Donald Anthony Young	Palm Beach, Florida	38

If convicted, the defendant faces a maximum possible sentence of 30 years incarceration, five years supervised release, a \$500,000 fine, a \$200 special assessment, and approximately \$27 million restitution.

The case was investigated by the United States Securities and Exchange Commission, the Federal Bureau of Investigation, and the United States Postal Inspection Service, and is being prosecuted by Assistant United States Attorney Paul L. Gray.

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