

Approved:   
JAMES MCMAHON/SHIVA LOGARAJAH  
Assistant United States Attorneys

Before: HONORABLE PAUL E. DAVISON  
United States Magistrate Judge  
Southern District of New York

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: 20 Mag. 10484  
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UNITED STATES OF AMERICA : SEALED COMPLAINT  
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:   
- v. - : Violations of  
: 18 U.S.C. §§ 1343, 1348  
:   
GREGG BRIE, :   
: COUNTY OF OFFENSE:  
Defendant. : Westchester  
:   
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SOUTHERN DISTRICT OF NEW YORK, ss.:

CARMEN A. CACIOPPO, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

**COUNT ONE**  
(Securities Fraud)

From in or about October 2016 to the present, in the Southern District of New York and elsewhere, GREGG BRIE, the defendant, knowingly and intentionally executed a scheme and artifice to (a) defraud persons in connection with securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, and (b) obtain, by means of false and fraudulent pretenses, representations, and promises, money and property in connection with the purchase and sale of securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit, BRIE solicited money purportedly to invest in

Alaska Air Group, Inc. on behalf of another and used the money for his personal benefit.

(Title 18, United States Code, Sections 1348 and 2.)

**COUNT TWO**

(Wire Fraud)

From in or about October 2016 to the present, in the Southern District of New York and elsewhere, GREGG BRIE, the defendant, knowingly and willfully, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, to wit, BRIE solicited money from others, purportedly to invest in Alaska Air Group, Inc. on behalf of another and for loans for the production and distribution of a "proprietary, composite unimold commode for use within indigent venues of the African nation of Uganda," and caused interstate wire communications when he used that money for his personal benefit.

(Title 18, United States Code, Sections 1343 and 2)

The bases for my knowledge and the foregoing charges are, in part, as follows:

1. I am a Special Agent with the FBI and I have been personally involved in the investigation of this matter. I have been a Special Agent with the FBI for about four and one half years. I am currently assigned to a white-collar crime squad in the FBI's New York Field Office. Before that, I was employed as an accountant for about seven years. I have received training regarding securities fraud and have been involved in several investigations relating to violations of the federal securities laws and related offenses.

2. This affidavit is based upon my review of documents and my interviews of witnesses. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation.

Where the contents of documents and statements of others are reported herein, they are reported in substance and in part. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

### THE SCHEME TO DEFRAUD VICTIM-1

3. Based on my discussions with a victim ("Victim-1"), my review of conversations Victim-1 recorded with GREGG BRIE, the defendant, my review of open sources, and my discussions with others in law enforcement, I have learned the following:

#### *VICTIM-1 ENTRUSTS GREGG BRIE WITH MONEY FOR AN INVESTMENT IN ALASKA AIRLINES*

a. Victim-1 is a resident of the same apartment complex in White Plains in which BRIE lives. Victim-1 suffered a spinal cord injury in a car accident in or about 2000 that left him without the use of his legs. Victim 1 lived with his mother until her death in 2018 and has continued to live in the apartment he had shared with her thereafter. Victim 1 was the sole beneficiary of his mother's estate. His only other source of material income is monthly Social Security disability payments.

b. In or about 2016, Victim 1 overheard BRIE speaking with another person about investing and began to talk with BRIE about investments. BRIE told Victim 1 he used to work on Wall Street and later gave investment advice on a professional basis. BRIE said he had a company called Topper Management that he ran out of his apartment. Eventually BRIE offered Victim 1 an investment opportunity in a bakery in Queens. Victim-1 gave BRIE approximately \$40,000 as a loan for the bakery.

c. When Victim-1 asked BRIE for other investment ideas, BRIE told him to invest in Alaska Airlines<sup>1</sup> because its

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<sup>1</sup> I know from my review of filings with the Securities & Exchange Commission ("SEC") that Alaska Airlines is owned by its holding company, the Alaska Air Group, Inc. Thus, an investor must buy Alaska Air Group shares in order to invest in Alaska Airlines. Alaska Air Group, Inc.'s filings with the SEC show that it is an issuer with a class of securities registered under Section

share price was going to \$100 a share. Victim-1 estimated he gave BRIE approximately \$450,000 to invest in Alaska Air Group. BRIE told Victim 1 he would invest Victim 1's funds initially through a brokerage account BRIE claimed he had with a broker-dealer (the "Broker-Dealer").

d. BRIE told Victim-1 that he had opened two brokerage accounts in Victim 1's name at the Broker-Dealer and that Victim-1 could recoup his money once Alaska Air Group shares rose to \$85.50 per share. Eventually, BRIE told Victim 1 that his Alaska Air Group shares were worth more than \$8 million. BRIE provided Victim 1 with two account numbers, which he claimed were for accounts at the Broker-Dealer in Victim 1's name.

e. BRIE also provided two names of representatives that worked at the Broker-Dealer ("Representative-1" and "Representative-2") that were handling his accounts.<sup>2</sup> BRIE suggested to Victim-1 that Representative-1 at the Broker-Dealer, unbeknownst to Representative-2, may have done something "sketchy" to obtain the Alaska Air Group shares at a lower price.

*VICTIM-1'S CONCERN ABOUT BRIE'S NONPAYMENT AND BRIE'S RECORDED THREATS WHEN VICTIM-1 ATTEMPTS TO FIND HIS MONEY*

f. In or about January 2020, Victim 1 began to ask BRIE for his money. BRIE responded at different times by saying that Representative-1 at the Broker-Dealer was working on liquidating the Alaska Air Group shares and by promising to give Victim 1 money.

g. Victim-1 became increasingly concerned about the money he had given to BRIE. He began recording conversations with BRIE in or about the spring of 2020. I have listened to those recordings. Over the course of those recorded conversations, BRIE repeatedly asked about Victim-1's financial

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12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of that Act.

<sup>2</sup> Based on my review of the Broker-Dealer's website, I know that Representative-1 and Representative-2 are listed on their website as financial advisors for the Broker-Dealer.

affairs and the status of the probate of the estate of Victim-1's deceased mother. Moreover, he offered various excuses for not repaying Victim-1, including that Victim-1's accounts at the Broker-Dealer had been frozen, while continuing to promise Victim-1 that he would be repaid.

h. Victim-1 expressed interest to BRIE in contacting Representative-1 and Representative-2 at the Broker-Dealer. BRIE eventually responded by threatening Victim-1. On or about June 27, 2020, in a conversation Victim-1 recorded, BRIE told Victim-1 that he would "murder [Victim-1]" if Victim-1 attempted to contact Representative-1 or Representative-2. BRIE repeated this threat at least two more times, noting that he meant his threats to be taken "literally, not metaphorically."

*BRIE'S CONTINUED NONPAYMENT AND THE NONEXISTENT ACCOUNTS AT THE BROKER-DEALER*

i. To date, Victim-1 has received relatively little money back from BRIE.<sup>3</sup> While BRIE has given Victim-1 some checks and purported to repay Victim-1, many, if not most, of the checks BRIE gave to Victim-1 were returned as being drawn on insufficient funds.

4. Counsel for the custodian for the Broker-Dealer has told the Government that it has no accounts corresponding to the Account Numbers.

**THE SCHEME TO DEFRAUD VICTIM-2**

5. I have spoken with a victim ("Victim 2"), who has told me the following:

a. Victim-2 lives in the same apartment complex in White Plains as GREGG BRIE, the defendant. Victim-2 said he began a friendship with BRIE when he noticed that he and BRIE drove the same type of car.

b. Victim-2 loaned money to Brie through Topper Management. The loan agreements were memorialized in written

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<sup>3</sup> On top of the money Victim-1 provided for investing in the Queens bakery and Alaska Airlines, Victim-1 estimates that he has loaned BRIE \$650,000 for personal expenses.

"Investiture Agreements" containing what appears to be BRIE's signature on behalf of Topper that BRIE gave to Victim-2. Victim 2 has given me copies of three "Investiture Agreements."

c. BRIE has not paid any of the money back. He gave some checks to Victim 2, but the checks were returned as drawn on insufficient funds.

6. I have reviewed the three "Investiture Agreements" GREGG BRIE, the defendant, gave to Victim 2. They are dated, respectively, May 13, 2019, August 26, 2019 and November 19, 2019.

a. The May 13 agreement acknowledged that Victim 2 had loaned Topper \$50,000 "for the purpose of producing and distributing a proprietary, composite unimold commode for use within indigent venues of the African nation of Uganda." The agreement provided that Topper would pay Victim 2 the \$50,000 principal and an additional \$10,000 by November 13, 2019.

b. The August 26 agreement acknowledged that Victim 2 had loaned Topper \$55,000 for the same purpose. It provided that Topper would pay Victim 2 the \$55,000 principal and an additional \$25,000 by February 26, 2020.

c. The November 19 agreement acknowledged that Victim 2 had loaned Topper \$20,000 for the same purpose. It provided that Topper would pay Victim 2 the \$20,000 principal and an additional \$10,000 by December 19, 2019.

**FINANCIAL ANALYSIS CONFIRMS THAT BRIE WAS DEFRAUDING VICTIM-1  
AND VICTIM-2**

7. The FBI has obtained records from bank accounts in the name of GREGG BRIE, the defendant, and Topper Management of which I was aware for the period from on or about January 1, 2016 to the present. The FBI consolidated all transactions conducted in those bank accounts into a single spreadsheet. This analysis revealed that BRIE made deposits into his accounts from the following sources in the following amounts from on or about January 1, 2016 to the present:

<u>Source</u>	<u>Total Amount of Deposits</u>
Victim-1	\$483,333.33 <sup>4</sup>
Victim-2	\$157,000.00
Individual-1	\$234,065.00
Individual-2	\$20,000.00
Cash Deposits	\$114,547.47
Other	\$244,862.89
	<b>\$1,253,808.69</b>

The analysis revealed that BRIE made the following disbursements from his accounts from on or about January 1, 2016 to the present:

<u>Recipient</u>	<u>Amount</u>
American Express	\$272,937.83
Cash Withdrawals	\$218,351.92
Discover	\$101,243.22
ATM Withdrawals	\$77,732.26
Mercedes Benz	\$73,605.05
Citicard	\$68,329.76
Warren Realty	\$51,890.00
Comenity Bank	\$44,883.04
Aimee Design	\$40,000.00
Checks Payable to Cash	\$38,755.00
Wal-Mart	\$32,689.33
U.S. Bank	\$31,136.15

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<sup>4</sup> This amount includes deposits which came from an account in Victim-1's mother's name over which Victim-1 has said he had signature authority. Victim-1 signed all the checks drawn on his mother's account that BRIE eventually deposited into his own accounts.

Individual-3	\$30,000.00
Venmo	\$19,182.11
GREGG BRIE	\$18,766.00
Individual-4	\$18,730.00
Chase	\$18,700.00
Barclays	\$18,174.39
Individual-5 (apparent relative of BRIE)	\$11,240.00
Western Union	\$8,980.82
Individual-6	\$4,800.00
U.S. Postal Service	\$4,459.90
Capital One	\$3,899.00
	<b>\$1,208,485.78</b>

As demonstrated in the above, there were no payments going to a brokerage firm, let alone the Broker-Dealer, or any funds otherwise being invested in Alaska Air Group. Moreover, no payments appeared to go to any person or entity that appeared to be involved in "producing and distributing a proprietary, composite unimold commode for use" in Uganda or anywhere else.

8. I know from my training and experience that transactions conducted at some of the banks housing the accounts held by GREGG BRIE, the defendant, or Topper Management referenced above generate interstate wire communications.

WHEREFORE, deponent prays that GREGG BRIE, the defendant, be arrested, and imprisoned or bailed as the case may be.

/s/ Carmen A. Cacioppo (credentials inspected #26456)  
CARMEN A. CACIOPPO  
Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
30 day of September, 2020 (via FaceTime)



HONORABLE PAUL E. DAVISON  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK