

[Georgia Attorney Gets Two Years in Prison Due Fraud Worth of \\$40M](#)

Tuesday, December 6, 2022.

(November 30, 2022) A disbarred Georgia attorney was sentenced on Wednesday to two years in prison for his involvement in a \$40 million Ponzi scheme. Investors were preyed on and lost money with promissory notes that had no backing, like life insurance policies and car loans.

Just before he was sentenced for his crime, Marc Celello told the judge that he fully accepts responsibility for what he has done.

"I'm embarrassed, I'm ashamed, and most of all I'm sorry," Celello told the judge. "I'm not a bad person. I never meant to hurt anybody. I never intended to cause anyone any financial harm."

Judge Boulee told Celello that he didn't want to send him to prison, but he had to take into account the seriousness of the crime. Celello's new business and his support of family members couldn't save him.

"You defrauded investors of \$15 million," Judge Boulee told Celello. "I don't believe that a probationary sentence is appropriate here. I find that this is a just and appropriate sentence."

The judge left the issue of restitution open at Celello's request. Investors have already recouped \$5 million from the receivership process, which is currently underway.

Former Enforcement Attorney Celello pled guilty to one count of conspiracy to commit wire fraud in November 2019. His sentencing was initially scheduled for earlier this year, but it was delayed until 2020 due to the coronavirus pandemic.

His company, Credit Nation Capital LLC, purchased life insurance policies or subprime auto loans, and offered investors the opportunity to buy promissory notes that were supposedly secured by those assets. As evidenced by its failure in 2011, Credit Nation Capital LLC was fraught with risk.

In October 2019, Celello was indicted for allegedly misleading investors who purchased Credit Nation promissory notes. Between 2013 and late 2015, he told his investors that the notes were fully secured and paid 9% interest annually.

Prosecutors allege that Credit Nation was operating at a significant financial loss with its liabilities dwarfing its assets by more than \$20 million. Celello, the company's founder, allegedly knew this and created and approved sham marketing materials to investors, knowing that the company's funds were being diverted for undisclosed purposes including rent and payroll.



A lawsuit against David Torchia's Credit Nation family of companies was filed by the U.S. Securities and Exchange Commission in 2015, leading to him signing a consent judgment in 2017. That receivership case remains pending following several appeals.

The SEC also sued Ceello in 2017, resulting in another consent judgment in late 2019 requiring him to hand over any ill-gotten gains.

Prosecutors charged the founder of Credit Nation with lying to investors about the SEC's allegations and falsely asserting that a forensic audit had shown favorable results for the company. The SEC, meanwhile, said Credit Nation was using new investor money rather than its own to pay promised investment returns, and that it had hidden its failures from investors, including that it was running at an annual loss.

Torchia was also indicted in 2019 and pled not guilty. A jury trial was held in October before Judge Boulee, in which the jurors acquitted Torchia on all seven fraud and conspiracy charges. Ceello cooperated with the government in Torchia's criminal case. As a reward for his cooperation, prosecutors sought a reduced sentence for Ceello of three years in prison.

The government and Ceello's defense team acknowledged that he was responsible for about \$10 million in losses from the Credit Nation scheme.

In his sentencing memo, Ceello claimed that his relevant conduct only went back to 2015 and that he'd severed ties with Torchia and affiliated companies the following year. He voluntarily surrendered his license to practice law in Georgia after pleading guilty.

The fact that his childhood dream to be a lawyer had been extinguished was devastating, Ceello said in the memorandum. After Credit Nation's demise, he unsuccessfully applied for more than 240 jobs before starting a marketing company for automotive dealerships, Deal Streak Marketing, with a friend.

In addition to supporting his 84-year-old mother, Ceello also acts as a surrogate father for his partner's 14-year-old nephew and helps support Angela Tagliapietra, who is a litigation paralegal at Nelson Mullins Riley & Scarborough LLP. The couple met when she started work as a paralegal at Ceello's law firm in 2006.

Tagliapietra wrote about Ceello's time at Credit Nation in her letter to the court. She said that Ceello tried to save the company from being under Torchia's control, but he often faced resistance or defiance from Torchia. Among the staff at Credit Nation, Ceello was known as someone who "puts out fires" and guided the company on a path that would make it sustainable.

Ceello was also the receiver's contact for Credit Nation, a company he monitored for almost two years. During that time, Ceello was cooperative and helpful in assisting the receiver with liquidating assets to maximize funds available for investors.

Other supporters included the leaders of charitable nonprofit Second Helpings Atlanta, through which Ceello has helped reduce hunger and food waste by volunteering for over 350 hours since December 2020.

The federal government is represented by Leanne M. Marek and Thomas J. Krepp of the U.S. Attorney's Office for the Northern District of Georgia.

Ceello is represented by Nicholas A. Lotito of Lotito & Kirschenbaum.

The case: USA v. Ceello, case number 1:19-cr-00417, in the U.S. District Court for the Northern District of Georgia