



THE UNITED STATES
DEPARTMENT *of* JUSTICE

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United States Attorney's Office
Western District of North Carolina

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**TWO CHARLOTTE-AREA BUSINESSMEN SENTENCED TO PRISON FOR
FRAUDULENT INVESTMENT SCHEME**

CHARLOTTE, N.C. – Two Charlotte-area business partners were sentenced to prison late yesterday for executing a fraudulent investment scheme, announced Dena J. King, U.S. Attorney for the Western District of North Carolina. Marlin Hershey, 54, of Cornelius, N.C., was sentenced to 21 months in prison followed by two years of supervised release. Dana Bradley, 53, also of Cornelius, was sentenced to 10 months plus one day in prison followed by two years of supervised release. In addition, the court imposed significant restitution and financial penalties on the defendants, including more than \$333,000 in restitution to victims and combined forfeiture and fines of more than \$600,000.

North Carolina Secretary of State Elaine F. Marshall and Robert M. DeWitt, Special Agent in Charge of the Federal Bureau of Investigation (FBI), Charlotte Division, join U.S. Attorney King in making today's announcement.

According to filed documents and court proceedings, from approximately 2009 to 2021, Hershey and Bradley conspired to defraud numerous victims who invested in two unregistered securities offerings promoted by the defendants, Performance Retire on Rentals, LLC (Performance Retire), and Distressed Lending Fund (DLF). To execute the scheme, the defendants provided victims with investment materials that contained false and misleading statements and did not disclose material information. For example, the defendants did not disclose to investors negative information about the defendants' backgrounds and the financial troubles of the entities for which they were soliciting investments. The defendants also did not inform investors that the defendants received undisclosed "management" fees, and commission-like payments that were typically 10% of the victims' investments. To further conceal the scheme, the defendants sent to investors periodic performance reports that disclosed false information about the status and health of their investments and made Ponzi-style payments to existing investors using new investors' money. Eventually, both Performance Retire and DLF failed, causing financial losses to investors.

On June 1, 2023, the defendants pleaded guilty to wire fraud conspiracy. They will be ordered to report to the federal Bureau of Prisons upon designation of a federal facility.

In making today's announcement U.S. Attorney King thanked the Securities Division of the North Carolina Secretary of State and the FBI for their joint investigation of the case.

Assistant U.S. Attorneys Daniel Ryan and Taylor Stout of the U.S. Attorney's Office in Charlotte prosecuted the case.