

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No. 18-
 :
 CHRISTOPHER D. EIKENBERRY : 18 U.S.C. § 371

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Relevant Individuals and Entities

1. At all times relevant to this Information:
 - a. Defendant CHRISTOPHER D. EIKENBERRY (“EIKENBERRY”) resided in or around Michigan and operated an online day trading firm, referred to herein as “Trading Firm A”.
 - b. Co-conspirator #1 (“CC#1”), a co-conspirator not charged as a defendant herein, resided in or around Michigan and was EIKENBERRY’s partner in Trading Firm A.
 - c. Nonko Trading (“Nonko”) was an online day trading firm owned and controlled by Naris Chamroonrat (“Chamroonrat”).
 - d. Chamroonrat, a co-conspirator not named as a defendant herein, was a citizen of the United States and Thailand who owned Nonko and handled its daily operations. Prior to establishing Nonko, Chamroonrat worked with EIKENBERRY and CC#1 at Trading Firm A.

e. Yaniv Avnon (“Avnon”), a co-conspirator not charged as a defendant herein, was a citizen of Israel and owned and controlled G Six Trading Y.R. Ltd. (“G6 Trading”), a company that provided online securities trading training programs. Avnon used G6 Trading to solicit day traders for Nonko.

f. Ran Armon (“Armon”), a co-conspirator not charged as a defendant herein, was a resident of Canada. Armon worked for Avnon in connection with G6 Trading and also solicited investors for Nonko.

g. Company A was a provider of electronic trading software that maintained computer servers in or around Carteret, New Jersey. From in or about 2012 through in or about September 2014, Nonko provided its customers access to Company A’s trading software.

h. Logix Software Company Limited (“Logix”) was a Thailand-based provider of electronic trading software that Chamroonrat and his co-conspirators launched in or around September 2014.

The Conspiracy

2. From at least as early as in or about December 2013 through in or about June 2015, in the District of New Jersey and elsewhere, defendant

CHRISTOPHER D. EIKENBERRY

knowingly and willfully conspired and agreed with others to commit an offense against the United States, to wit: securities fraud, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Object of the Conspiracy

3. It was the object of the conspiracy for EIKENBERRY and others, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, to use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons.

Overview of the Conspiracy

4. Between in or about December 2013 and in or about June 2015, EIKENBERRY, Chamroonrat, CC#1, Avnon, Armon, and others orchestrated a scheme to defraud hundreds of investors worldwide through their operation of Nonko Trading, a purported day trading firm. The co-conspirators solicited individual investors to open day trading accounts with Nonko and to wire thousands of dollars to Nonko for the purpose of funding those accounts. But rather than using those deposits to fund securities brokerage accounts, the co-conspirators simply stole the victims' money. To cover up the theft, the co-conspirators provided the victims with online trading simulator, or "demo," accounts, and falsely represented to the investors that those accounts were

real accounts to be used for trading securities. Through this scheme, the co-conspirators misappropriated at least \$1.4 million from over 260 investors residing in over 30 countries worldwide. The victims of the scheme included at least 180 investors from the United States, including individuals in New Jersey.

Manner and Means of the Conspiracy

A. Nonko's Solicitation of Traders and the "TRZ Program."

5. It was part of the conspiracy that Nonko operated as a purported proprietary trading firm for investors interested in day trading securities in the United States. EIKENBERRY and CC#1 helped Chamroonrat create Nonko as an offshore firm that could open accounts for traders that Trading Firm A could not accept due to certain regulatory requirements applicable to firms based in the United States. Chamroonrat, in turn, shared a percentage of Nonko's profits with EIKENBERRY and CC#1.

6. To attract day-traders, Nonko offered terms that were not available at other registered broker-dealers, including low minimum deposits and generous leverage (or margin) ratios of 20:1 (that is, purporting to give traders the ability to trade \$20 of total capital for each dollar deposited). Nonko also offered low commission rates. In addition to online marketing tactics that promoted those terms, Nonko relied on various third party "affiliates," or sub-contractors, to refer traders to open accounts with Nonko. Those affiliates received a percentage of the profits generated by the traders they referred. Although Nonko held itself out as a "proprietary trading firm," in substance, it operated as a broker, processing securities transactions for customer accounts.

7. It was further part of the conspiracy that Nonko provided its customers with access to live trading accounts set up on an electronic securities trading platform provided by Company A (the "Company A Platform"). The Company A Platform included a training feature that allowed users to test the platform in a simulated environment. This training account feature was not programmed to send the users' "orders" to any market centers for execution, but simply generated records of potential, or simulated, "executions" of the orders, based on then-current market prices for the securities in question. The Company A Platform assigned all training accounts the prefix "TRZ."

8. It was further part of the conspiracy that, in or about late 2013, Chamroonrat, EIKENBERRY, CC#1, and their co-conspirators began defrauding Nonko traders by assigning them to use the TRZ demo accounts while representing that they were using active accounts to place real securities trades. This allowed the co-conspirators to steal the money the traders had given Nonko without their knowledge or consent. The co-conspirators then transferred the customers' deposit funds to accounts controlled by Chamroonrat and he used the money for personal expenses and other unauthorized transactions, including transferring a portion of the illicit proceeds to EIKENBERRY and CC#1. The co-conspirators referred to the training account scheme as their "TRZ Program."

9. It was further part of the conspiracy that EIKENBERRY and CC#1 provided Chamroonrat with necessary guidance and advice about carrying out

the scheme. Additionally, EIKENBERRY handled banking issues, including instructing Chamroonrat on fund transfers and completing various bank account applications. Similarly, CC#1 provided back office and accounting support to facilitate the scheme, including managing the back office program that the co-conspirators used and keeping track of activity and balances in Nonko user accounts.

10. It was further part of the conspiracy that, to ensure the scheme would not be detected, the co-conspirators selected as victims only those customers who they believed would not be profitable day-traders and would be less likely to seek to withdraw funds from their accounts. The co-conspirators limited the TRZ Program to traders whom they believed were inexperienced and unsophisticated because they believed it was more likely that those customers would simply believe they lost their money trading in the open markets, rather than to the co-conspirators' scheme to defraud.

11. It was further part of the conspiracy that, by in or around February 2014, the co-conspirators began discussing a plan to create their own trading platform - one that would not use the "TRZ" label for training accounts - so that, as one co-conspirator described in an online chat communication, it would "look like the real deal." The co-conspirators eventually did develop their own trading platform called "Logix" and used it to continue the scheme between late 2014 and 2015.

B. The Co-Conspirators Continue the Scheme through Logix.

12. It was further part of the conspiracy that the co-conspirators began using their Logix trading platform after Company A discovered their scheme to defraud customers through the use of demo accounts disguised as active trading accounts.

13. It was further part of the conspiracy that, from in or about September 2014 through at least in or about June 2015, the co-conspirators continued to defraud Nonko's customers by misappropriating their account deposit funds and placing them on demo accounts without their knowledge and consent, using Logix as Nonko's purported trading platform. During this time period, the co-conspirators placed the vast majority of Nonko's customers on simulator accounts in furtherance of the scheme.

C. The Co-Conspirators' Diversion of Customer Funds and Scheme Profits.

14. It was further part of the conspiracy that, during the time period of the conspiracy, the co-conspirators misappropriated at least \$1.4 million of customer funds. The majority of those funds were transferred to foreign bank accounts controlled by Chamroonrat and used for personal expenses or other unauthorized transactions, including making distributions of a portion of the proceeds to EIKENBERRY and CC#1.

Overt Acts

15. In furtherance of the conspiracy and to effect the unlawful object thereof, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about December 27, 2013, Chamroonrat sent CC#1 an electronic communication attaching a document entitled "TRZ GUIDELINE," which provided guidance on carrying out the securities fraud scheme described herein.

b. On or about May 2, 2014, Avnon sent an email to an individual located in New Jersey containing wire instructions for submitting payment to purportedly fund a securities trading account with Nonko.

c. On or about May 13, 2014, Avnon and Armon caused a wire transfer in the amount of \$2,500 to be sent from a bank account in New Jersey to a bank account in Belize that Chamroonrat controlled.

d. On or about November 6, 2014, Chamroonrat sent EIKENBERRY an electronic communication that included the username and password to access an online accounting program that Nonko used to record its profits and losses.

All in violation of Title 18, United States Code, Section 371.



CRAIG CARPENITO
United States Attorney

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