

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

UNITED STATES OF AMERICA : Criminal No. 14-
 :
 v. : 18 U.S.C. § 1343
 :
 LOUIS J. SPINA : **INFORMATION**

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

1. At all times relevant to this Information:

a. Defendant LOUIS J. SPINA was the sole owner of LJS Trading, LLC (“LJS”), a business that purported to offer investment services and maintained an office in Fair Haven, New Jersey.

b. Defendant LOUIS J. SPINA established the following accounts on behalf of LJS:

1. A bank account at JP Morgan Chase (the “JPMC Account”);
2. A trading account at EchoTrade (the “EchoTrade Account”); and
3. A trading account at T3 Trading Group, LLC (the “T3 Account”).

c. Defendant LOUIS J. SPINA conducted trading activities through LJS on behalf of investors (“LJS Investors”) using algorithmic computer software.

d. Defendant LOUIS J. SPINA conducted these trading activities at the LJS Fair Haven office as well as from his home in Miami, Florida.

e. Defendant LOUIS J. SPINA also maintained a personal bank account at JP Morgan Chase (the “Personal JPMC Account”).

The Scheme and Artifice to Defraud

2. From in or about August 2010 to in or about November 2013, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

LOUIS J. SPINA

did knowingly and intentionally devise a scheme and artifice to defraud LJS Investors and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice was in substance as set forth below.

3. It was a part of the scheme and artifice that defendant LOUIS J. SPINA solicited and induced LJS Investors to provide money to him for the purpose of investing in LJS trading activities. Upon receipt of funds from an investor, which were deposited into the JPMC Account, defendant LOUIS J. SPINA provided the investor with a note specifying a guaranteed monthly rate of return on the principal investment, which typically ranged from 9 to 14 percent. The investor agreed that defendant LOUIS J. SPINA would keep any additional investment profits above that rate of return.

4. It was further part of the scheme and artifice that, between August 2010 and November 2013, defendant LOUIS J. SPINA collected approximately \$20 million from LJS Investors, but only transferred approximately \$9.5 million of those investor funds to the EchoTrade Account or T3 Account for investment purposes, and used the remaining approximately \$10.5 million to pay LJS Investors' monthly interest payments, to return portions of some investors' principals, and to fund his own Personal JPMC Account, which he then used to pay for his own personal expenses, including car purchases/payments, luxury apartment rental payments, and an approximately \$400,000 donation to a private university.

5. It was further part of the scheme and artifice that defendant LOUIS J. SPINA falsely represented to LJS Investors that his trading activities were resulting in large gains, when in fact he lost all of the \$9.5 million in the EchoTrade Account and T3 Account. When certain LJS Investors expressed suspicion, defendant LOUIS J. SPINA falsely reassured them by sending them “screen shots” of the EchoTrade Account, which showed a misleading account balance based on the 100 to 1 margin that he obtained for trading rather than the actual account balance, as well as “screen shots” showing momentary gains even though he would ultimately sustain a loss that day.

6. It was further part of the scheme and artifice that, from in or about October 2013 to in or about November 2013, defendant LOUIS J. SPINA falsely represented to LJS Investors that a wealthy individual was planning to buy LJS and that, based on the deal, the LJS Investors would earn an even higher rate of return on their investment, between 14 and 30 percent. As a result of this fabricated story, defendant LOUIS J. SPINA obtained approximately \$1.7 million in new LJS Investor funds, including the wire transfer set forth below.

7. On or about October 7, 2013, in furtherance of the above-described scheme and artifice, in the District of New Jersey and elsewhere, defendant

LOUIS J. SPINA

knowingly caused to be transmitted by means of wire communications in interstate and foreign commerce certain writings, signs, signals, pictures and sounds, namely, the wire transmission of approximately \$500,000 from a Wells Fargo Private Bank account in New Jersey belonging to “Victim Investor 1” to the JPMC Account in Florida belonging to LJS Trading LLC.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

As a result of committing the wire offense charged in this Information, defendant Louis Spina shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the scheme to defraud of which the defendant is convicted, including but not limited to the following:

1. PROCEEDS OF CRIMINAL ACTIVITY

A sum of money equal to \$12,717,700.48 in United States currency, representing the amount of proceeds obtained as a result of the offense, including:

- a. The following bank/trading accounts that were funded with proceeds of the criminal activity:
 - i. \$554,316.15 seized from account number 834529786 held in the name and/or for the benefit of LJS Trading, LLC at JP Morgan Chase;
 - ii. \$53,480.33 seized account number 263572572 held in the name and/or for the benefit of Louis J. Spina at JP Morgan Chase;
 - iii. \$77,712.77 seized from trading account number T30332 held in the name of Louis Spina, trader identification number T3KDELSP, at T3 Live, LLC.
- b. \$132,798 in cash seized from Louis Spina on November 19, 2013 by agents of the Drug Enforcement Administration at Union Station in Washington, D.C.;
- c. The following three vehicles that were purchased using proceeds of the criminal activity:

- i. A 2013 Land Rover Range Rover, bearing Vehicle Identification Number SALSF2D45DA782076 and Florida License Plate X19EQ;
- ii. A 2011 Land Rover Range Rover, bearing Vehicle Identification Number SALME1D48BA345241 and New Jersey License Plate H76-DBE;
- iii. A 2012 Ford F150 Pickup Truck, bearing Vehicle Identification Number 1FTFW1R60CFC86696 and New Jersey License Plate E73-CLY.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.



PAUL J. FISHMAN
United States Attorney

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INFORMATION FOR

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