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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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UNITED STATES OF AMERICA : Mag. No. 13-4548 (LHG)  
 :  
 v. : Hon. Lois H. Goodman  
 :  
 LOUIS J. SPINA : **CRIMINAL COMPLAINT**

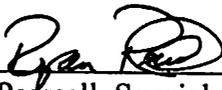
I, Ryan Pearsall, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From in or about October 2010 to in or about November 2013, in Monmouth County, in the District of New Jersey, and elsewhere, defendant LOUIS J. SPINA did:

SEE ATTACHMENT A

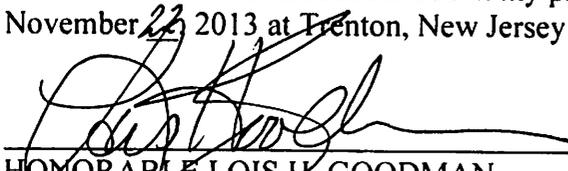
I further state that I am a Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

  
\_\_\_\_\_  
Ryan Pearsall, Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,  
November 22, 2013 at Trenton, New Jersey

  
\_\_\_\_\_  
HONORABLE LOIS H. GOODMAN  
UNITED STATES MAGISTRATE JUDGE

## **ATTACHMENT A**

Between in or about October 2010 to in or about November 2013, in the District of New Jersey and elsewhere, defendant

**LOUIS J. SPINA**

knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud investors of LJS Trading, LLC of money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did knowingly and intentionally transmit and cause to be transmitted in interstate commerce by means of wire, radio, and television communication writings, signs, signals, pictures, and sounds, namely, a wire transfer on or about October 7, 2013, of approximately \$500,000 from a Wells Fargo Private Bank account in New Jersey belonging to "Victim Investor 1" to a JP Morgan Chase account in Florida belonging to LJS Trading LLC.

In violation of Title 18, United States Code, Section 1343 and Title 18, United States Code, Section 2.

## ATTACHMENT B

I, Ryan Pearsall, have been a Special Agent with the Federal Bureau of Investigation (“FBI”) for approximately four years, and I have been personally involved in the investigation of this matter. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained from other sources, including: (a) statements made or reported by various witnesses with knowledge of relevant facts; (b) documents obtained from various sources; and (c) discussions with other law enforcement officials. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

At all times relevant to this Complaint:

1. LOUIS J. SPINA (“SPINA”) resided in Monmouth County, New Jersey, and/or Miami, Florida. SPINA was the sole owner of LJS Trading, LLC (“LJS”), a business that purported to offer investment services. LJS maintained an office in Fair Haven, New Jersey. Through LJS, SPINA conducted trading activities on behalf of LJS investors using algorithmic computer software. SPINA conducted these trading activities at the LJS Fair Haven office as well as from his home in Miami, Florida.
2. Beginning in or about August 2010, SPINA, through LJS, collected funds from individual investors. SPINA represented to the investors that the funds they provided to LJS would be invested. Upon receipt of funds from an investor, SPINA provided the investor with a note specifying a monthly rate of return on the principal investment. That monthly rate of return typically ranged between 9 and 14 percent. The investor agreed that SPINA would keep any additional investment profits above that rate of return.
3. In total, between August 2010 and November 2013, SPINA collected approximately \$18 million from approximately 28 investors.
4. SPINA commingled all of the investor funds together in one LJS bank account at JP Morgan Chase (the “LJS Account”). Analysis of the LJS Account bank records shows that between August 2010 and September 2013, SPINA transferred approximately \$8 million of the investor funds from the LJS Account to an LJS trading account at EchoTrade (the “EchoTrade Account”). SPINA then invested the funds in the EchoTrade Account in various stocks and equities. SPINA used the approximately \$10 million in investor funds remaining in the LJS Account to pay the investors’ monthly interest payments, to return portions of some investors’ principals, and 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. In or about October 2010, SPINA’s trading activities began resulting in losses. SPINA falsely represented to the investors that his trading activities were resulting in large gains. SPINA used new investors’ principal payments to pay other investors’ monthly interest

payments. When certain investors expressed suspicion, 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. From in or about October 2013 to in or about November 2013, SPINA falsely represented to LJS investors that a wealthy individual was planning to buy LJS and that, based on the deal, the investors would earn an even higher rate of return on their investment (between 14 and 30 percent). As a result of this fabricated story, LJS obtained approximately \$1.7 million in new investor funds, including a wire transfer on or about October 7, 2013, from Victim Investor 1’s Wells Fargo Private Bank account in New Jersey to the LJS Account in Florida.