

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

UNITED STATES OF AMERICA	:	Crim. No. 23-
	:	
v.	:	15 U.S.C. §§ 78j(b) & 78ff
	:	17 C.F.R. §§ 240.10b-5 & 240.10b-2
SEAN WYGOVSKY	:	18 U.S.C. § 2
	:	

I N F O R M A T I O N

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

(Securities Fraud)

1. At all times relevant to this Information:
 - a. Defendant SEAN WYGOVSKY (“WYGOVSKY”) resided in or around Toronto, Canada and was employed as a portfolio manager, securities analyst, and trader at a Canada-based asset management firm (the “Asset Management Firm”).
 - b. Christopher Matthaei (“Matthaei”), a co-conspirator of WYGOVSKY who is charged separately, resided in or around Brielle, New Jersey, and was employed as a partner and senior salesperson at a broker-dealer with offices in Red Bank, New Jersey (the “Broker-Dealer”).
 - c. Special purpose acquisition companies, or “SPACs,” were companies without commercial operations that were formed solely to raise capital through an initial public offering (“IPO”) for the purpose of merging with or acquiring a preexisting company.

d. SPAC securities were often traded either on the NASDAQ Stock Market (“NASDAQ”), which maintained computer servers in or around Carteret, New Jersey, or the New York Stock Exchange (“NYSE”), which performed trade processing and data services from in or around Mahwah, New Jersey.

e. The term private investment in public entity (“PIPE”) referred to an asset management fund or large private investor purchasing stock directly from a public company below market price, without those equities being listed for sale on a stock exchange. In the context of SPACs, a PIPE was typically used to help finance the SPAC’s acquisition of, or merger with, a preexisting company.

f. SPACs often used placement agents to help find PIPE investors, and those placement agents typically gave potential PIPE investors material, nonpublic information (“MNPI”) about the individual SPACs by requiring the potential investors to enter into confidentiality agreements that included ceasing or restricting trading in the SPAC’s securities.

g. SPAC-1 was incorporated as a Delaware corporation on November 7, 2018 with its executive offices in Leawood, Kansas. Securities of SPAC-1 were traded on the NYSE.

The Insider Trading Scheme

2. From in or around May 2020 through in or around February 2021, in the District of New Jersey and elsewhere, defendant,

SEAN WYGOVSKY,

did unlawfully, willfully, and knowingly, directly and indirectly, by the use of the

means and instrumentalities of interstate commerce, and the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, use and employ manipulative and deceptive devices and contrivances, in violation 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 facts 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—that is, by improperly causing Matthaei and others to execute securities transactions in SPACs, including SPAC-1, by sharing MNPI with Matthaei regarding planned mergers between SPACs and target companies.

Goal of the Insider Trading Scheme

3. The goal of the scheme was for WYGOVSKY and Matthaei to enrich themselves through Matthaei's trading in SPAC securities based on MNPI about SPAC mergers and acquisitions that WYGOVSKY learned about through his work at the Asset Management Company and improperly disclosed to Matthaei.

Manner and Means of the Scheme

4. It was part of the scheme that:

a. WYGOVSKY was one of Matthaei's clients and they became close friends.

b. Based on his role at the Asset Management Company, WYGOVSKY repeatedly gained access to MNPI about potential SPAC mergers with target companies. Specifically, after the Asset Management Company was solicited to participate as a PIPE investor in such mergers, the Asset Management Company entered into a confidentiality agreement with the SPAC's placement agent and added the SPAC to the Asset Management Company's restricted list of securities that its employees were prohibited from buying or selling, either themselves or via any other person or third party. The Asset Management Company sent an email to all of its employees—including WYGOVSKY—that (i) provided notice of the addition of the SPAC to the restricted list, and (ii) instructed employees to cease trading in the securities of the SPAC and refrain from discussing or distributing this confidential information externally.

c. Nonetheless, beginning in or around early 2020, WYGOVSKY began sharing MNPI of restricted-list SPACs with Matthaei, expecting that Matthaei would trade and profit on this information. For example:

i. On or about May 27, 2020, the Asset Management Company entered into a confidentiality agreement with a placement agent that represented SPAC-1 and was seeking PIPE investment opportunities for a potential merger between SPAC-1 and a target company ("Target Company-1").

ii. On or about that same day, WYGOVSKY received an email from the Asset Management Company's Director of Compliance informing

him and all other employees that SPAC-1 had been added to the firm's restricted list and that trading in SPAC-1 was prohibited.

iii. On or about the next day, at approximately 4:08 p.m. Eastern Time, WYGOVSKY received an email from another Asset Management Company employee stating that they were “over the wall on a SPAC deal,” meaning that they had MNPI about that deal. The employee provided SPAC-1's name, stated that SPAC-1 was “contemplating a merger” with Target Company-1, and that there was “an opportunity to buy into the PIPE at \$10. We have a meeting set up for Monday at 1pm.”

iv. A few hours after receiving this email, WYGOVSKY tipped Matthaiei about the SPAC-1 deal using an encrypted messaging app so that the tip would be difficult to trace.

v. On or about May 29, 2020, the morning after receiving the tip from WYGOVSKY, Matthaiei—who had never previously owned securities in SPAC-1—entered orders to purchase SPAC-1 securities in his personal brokerage accounts, including an order to purchase approximately 5,000 shares of common stock of SPAC-1.

vi. Matthaiei continued to trade in SPAC-1 securities using his personal brokerage accounts through on or about June 18, 2020, the day before the public announcement of the merger between SPAC-1 and Target Company-1.

vii. On or about June 19, 2020, at approximately 6:00 a.m. Eastern Time, SPAC-1 and Target Company-1 publicly announced their planned

merger. Following this announcement, the prices of SPAC-1's securities increased from the prior day's closing price.

viii. In total, Matthaei's illicit trading in SPAC-1 securities generated profits of approximately \$1,489,026.

d. Through at least in or around February 2021, WYGOVSKY continued to provide Matthaei with confidential MNPI about potential SPAC mergers, which WYGOVSKY learned about through his work at the Asset Management Company. In turn, Matthaei continued to trade on that MNPI.

e. At various time during the scheme, WYGOVSKY and Matthaei traveled together and with their families on luxury trips, and Matthaei paid most of the expenses for those trips.

f. In total, Matthaei's illicit trading based on the MNPI that WYGOVSKY provided generated profits of approximately \$3,427,274.

g. In or around the summer of 2021, WYGOVSKY was arrested and charged with engaging in a separate securities fraud scheme. Soon after that arrest, Matthaei executed an appearance bond on WYGOVSKY's behalf pursuant to which Matthaei agreed to forfeit approximately \$500,000 if WYGOVSKY failed to meet the conditions of his bond.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461.

2. As a result of committing the offense charged in this Information, defendant,

SEAN WYGOVSKY,


shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said offense, and all property traceable thereto.

Substitute Assets Provision

3. 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 person;
- (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 subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.


PHILIP R. SELLINGER
United States Attorney

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