

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

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 17-
	:	
NARIS CHAMROONRAT	:	18 U.S.C. § 371

**INFORMATION**

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

**Relevant Individuals and Entities**

1. At all times relevant to this Information:
  - a. Defendant NARIS CHAMROONRAT was a citizen of the United States and Thailand. CHAMROONRAT owned and controlled Nonko Trading ("Nonko"), an online day-trading firm.
  - b. Co-conspirator #1 ("CC#1") was responsible for, among other things, soliciting investors for Nonko. CC#1 also operated an online securities trading training program.
  - c. Co-conspirator #2 ("CC#2") was responsible for soliciting investors for Nonko. CC#2 worked for CC#1 in connection with the securities trading training program.
  - d. Co-conspirator #3 ("CC#3") was responsible for soliciting investors for Nonko. In addition, CC#3 performed marketing work for Nonko, including web design, online advertising and social media.

e. 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.

f. Logix Software Company Limited ("Logix") was a Thailand-based provider of electronic trading software that CHAMROONRAT, CC#1 and CC#2 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

#### **NARIS CHAMROONRAT**

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 a part and object of the conspiracy that CHAMROONRAT 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, would and did 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, CHAMROONRAT and his co-conspirators orchestrated a scheme to defraud hundreds of investors worldwide through his operation of Nonko Trading, a purported day trading firm. CHAMROONRAT and his 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, CHAMROONRAT and his co-conspirators simply stole the victims' money. To cover up the theft, CHAMROONRAT 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, CHAMROONRAT and his 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. 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.

6. 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."

7. It was further part of the conspiracy that, in or about late 2013, CHAMROONRAT and his 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 CHAMROONRAT and his co-conspirators to steal the money the traders had given Nonko without their knowledge or consent. CHAMROONRAT and his 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 his co-conspirators. CHAMROONRAT and his co-conspirators referred to the training account scheme as their "TRZ Program."

8. It was further part of the conspiracy that, to ensure the scheme would not be detected, CHAMROONRAT and his 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. Instead, CHAMROONRAT and his 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 conspirators' scheme to defraud.

9. It was further part of the conspiracy that, by in or around February 2014, CHAMROONRAT and CC#1 began discussing a plan to create their own trading platform - one that would not use the "TRZ" label for training accounts - so that, as CC#1 described in an online chat communication, it would "look like the real deal." CHAMROONRAT and his 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 Conspirators Continue the Scheme through Logix.**

10. It was further part of the conspiracy that the 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. Specifically, in or about late August 2014, one of the victims of the scheme made a technical inquiry to Company A's support staff, and, in the course of that discussion, Company A discovered that the trader believed that his demo account was a real one. On August 29, 2014, Company A sent out an email to all Nonko customers alerting them that accounts starting with "TR" were training accounts. Company A then discontinued its relationship with Nonko. Shortly thereafter, CHAMROONRAT and his co-conspirators began telling customers that Nonko was moving to Logix, Nonko's "proprietary trading system," because of its technological superiority.

11. It was further part of the conspiracy that, from in or about September 2014 through at least in or about June 2015, CHAMROONRAT and his 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 conspirators placed the vast majority of Nonko's customers on simulator accounts in furtherance of the scheme.

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

12. It was further part of the conspiracy that, during the time period of the conspiracy, CHAMROONRAT and his 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 his co-conspirators.

**Overt Acts**

13. 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 January 16, 2014, CHAMROONRAT sent a co-conspirator 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, one of CHAMROONRAT's co-conspirators sent an email to an individual located in New Jersey containing

wire instructions for submitting payment to purportedly fund a securities trading account.

c. On or about May 13, 2014, a bank account in Belize controlled by CHAMROONRAT received a wire transfer in the amount of \$2,500 from a bank account located in New Jersey.

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

  
WILLIAM E. FITZPATRICK  
Acting United States Attorney



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**WILLIAM E. FITZPATRICK**

*ACTING UNITED STATES ATTORNEY, NEWARK, NEW JERSEY*

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