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

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
: :
v. : Mag. No. 23-9114
: :
CHRISTOPHER MATTHAEI : **CRIMINAL COMPLAINT**
: :

I, Jared Burgan, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

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

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

by phone

Jared Burgan, Special Agent
Federal Bureau of Investigation

Special Agent Jared Burgan attested to this Complaint by telephone pursuant to F.R.C.P. 4. 1(b)(2)(A) on this 29th day of March, 2023 at

s/Cathy L. Waldor 3/29/23
HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

COUNT ONE

(Conspiracy to Commit Securities Fraud)

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

CHRISTOPHER MATTHAEI

did knowingly and willfully combine, conspire, confederate and agree with others to commit an offense against the United States, namely 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.

In violation of Title 18, United States Code, Section 371.

COUNT TWO
(Securities Fraud)

On or about May 29, 2020, in the District of New Jersey, and elsewhere,
defendant

CHRISTOPHER MATTHAEI

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 obtaining misappropriated material, nonpublic information regarding SPAC-1's planned merger with Target Company 1 and then executing and causing to be executed transactions in approximately 5000 SPAC-1 securities.

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

ATTACHMENT B

I, Jared Burgan, am a Special Agent with the Federal Bureau of Investigation. I have participated in this investigation, discussed this matter with other law enforcement officers, and have reviewed documents and other materials. I have knowledge of the following facts. Because this Criminal Complaint is being submitted only for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part and all dates and figures are approximate.

BACKGROUND

1. At all times relevant to this Complaint, unless otherwise indicated:

The Co-Conspirators

- a. Defendant CHRISTOPHER MATTHAEI (“MATTHAEI”) 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”). MATTHAEI led and managed the Broker-Dealer’s Events-Driven Group, which MATTHAEI created in or around 2010 and which evaluated, among other things, corporate mergers and acquisitions. In that role, MATTHAEI’s responsibilities included managing client relationships, business development, and sales trading.

- b. CC-1, a co-conspirator not charged in this Complaint, 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”). CC-1 was a client and close personal friend of MATTHAEI.

Relevant Terms and Entities

- 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. At the time of a SPAC IPO, SPAC shares were typically structured as “units” comprised of common stock and a fraction of a warrant (warrants give investors the right, but not the obligation, to buy or sell shares of a company’s stock at a set price during a set period of time). Soon after a SPAC’s IPO, the components comprising a SPAC “unit” became separable, so that an investor

could trade units, stock, or warrants in the SPAC, which were each listed as separate securities on U.S. securities exchanges.

e. 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.

f. 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.

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 NYSE.

h. SPAC-2 was incorporated as a Delaware corporation on September 19, 2019 and was headquartered in New York City. Securities of SPAC-2 were traded on NASDAQ.

i. SPAC-3 was incorporated as a Delaware corporation on September 27, 2019 and headquartered Las Vegas, Nevada. Securities of SPAC-3 were traded on NYSE.

j. SPAC-4 was incorporated as a Cayman Islands exempted company on January, 24, 2020 and headquartered in New York City. Securities of SPAC-4 were traded on NASDAQ.

k. SPAC-5 was incorporated as a Delaware corporation on August 26, 2020 and headquartered in New York City. Securities of SPAC-5 traded on NYSE.

l. SPAC-6 was incorporated as a Delaware corporation on June 16, 2020 and headquartered in Las Vegas, Nevada. Securities of SPAC-6 were traded on NASDAQ.

m. SPAC-7 was incorporated as a Delaware corporation on March, 6, 2020 and headquartered in New York City. Securities of SPAC-7 were traded on NYSE.

OVERVIEW OF THE INSIDER TRADING SCHEME

2. From in or around May 2020 through in or around February 2021, MATTHAEI and CC-1 orchestrated a scheme to engage in and profit from insider

trading in SPACs based on material, nonpublic information (“MNPI”) that CC-1 received in his capacity as a trader at the Asset Management Firm. That MNPI derived from SPACs seeking PIPE financing from the Asset Management Firm, thus revealing their non-public intentions or plans to acquire or merge with a specific company. Those SPACs were placed on the Asset Management Firm’s restricted list, meaning that the firm’s employees were prohibited from buying or selling the SPACs’ securities, either personally or via another person or third party. Despite knowing about these trading restrictions, CC-1 shared the MNPI with MATTHAEI, with the expectation that MATTHAEI would trade in these SPACs based on that MNPI. After receiving the MNPI, MATTHAEI purchased the SPACs’ securities using his personal brokerage accounts, and he profited from those trades after the securities increased in price following the public announcement of, or Bloomberg news reports discussing, their respective acquisition or mergers.

3. In total, this insider trading scheme resulted in MATTHAEI making more than \$3 million in illegal trading profits.

THE SCHEME TO DEFRAUD

4. As employees of financial services firms, MATTHAEI and CC-1 knew that they were prohibited from trading on the basis of MNPI. CC-1 received training concerning U.S. insider trading laws and attested that he would not, among other things, disclose confidential information that he obtained in connection with his employment, including information belonging to or received from third parties to which the Asset Management Company owed “a duty of confidence.” Similarly, MATTHAEI attested annually, including on or about December 16, 2019 and December 23, 2020, that he understood the Broker-Dealer’s insider trading policy, which stated that “no personnel . . . may trade either personally or on behalf of others or participate directly or indirectly in the trading of any security of any issuer about which the individual possesses [MNPI] at or prior to the time such information is publicly disclosed and available in the marketplace.” The Broker-Dealer’s policies further provided that that employees were “prohibited from effecting transactions based on knowledge of [MNPI],” and that mergers and acquisitions were considered “material” information.

5. In or around early 2020, MATTHAEI’s workload in the Broker-Dealer’s Event-Driven Group decreased as mergers and acquisitions deals became less frequent due to COVID-19. As a result, MATTHAEI and others in the Event-Driven Group began to spend more time on personal trading, and they increasingly focused on SPACs.

6. During the same period, based on his role at the Asset Management Company, CC-1 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 the SPAC was added to the Asset Management Company's restricted list. The Asset Management Company then sent an email to all of its employees—including CC-1— notifying them of the addition of the SPAC to the restricted list and instructing them to cease trading in the securities of the SPAC. This email further stated that the Asset Management Company's "restricted list is confidential and shall not be discussed and/or distributed externally."

7. Nonetheless, beginning in or around early 2020, CC-1 began sharing MNPI of restricted-list SPACs with MATTHAEI, expecting that MATTHAEI would trade and profit on this information.

Insider Trading Scheme Begins: SPAC-1

8. On or about May 27, 2020, the Asset Management Company agreed to negotiate and to keep confidential information concerning a PIPE offering for a merger between SPAC-1 and a corporation that produced electric powertrains for trucks ("Target Company 1"). On or about that same day, CC-1 received an email from the Asset Management Company's Director of Compliance informing all employees that SPAC-1 had been added to its restricted list, and that trading in SPAC-1 was prohibited.

9. On or about May 28, 2020, at approximately 4:08 p.m.,¹ CC-1 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 it 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."

10. A few hours after receiving this email, CC-1 tipped MATTHAEI about the SPAC-1 deal using an encrypted messaging app (the "App") so that the tip would be difficult to trace.

11. MATTHAEI had never previously owned securities in SPAC-1. However, on or about May 29, 2020—the morning after receiving the tip from CC-1—MATTHAEI entered orders to purchase SPAC-1 common stock and warrants in his personal brokerage accounts, including an order to purchase approximately 5000 shares of common stock of SPAC-1.

12. Three days later, on or about June 1, CC-1 attended a virtual presentation with Target Company 1 that included MNPI that was relevant to its planned merger with SPAC-1. Contemporaneous with receiving that MNPI, CC-1

¹ Unless otherwise indicated, references to specific hours are in Eastern time.

called MATTHAEI's cell phone at approximately 1:21 p.m. and shared the MNPI with MATTHAEI.

13. Minutes later, at approximately 1:28 p.m., MATTHAEI entered a buy order for approximately 5000 shares of common stock of SPAC-1 in one of his personal brokerage accounts. At approximately 1:58 p.m., CC-1 took a photo of CC-1's computer screen showing portions of the slide deck from Target Company 1's virtual presentation and sent it to MATTHAEI via the App. MATTHAEI continued to trade in SPAC-1 common stock and warrants 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.

14. On or about June 19, 2020, at approximately 6:00 a.m., SPAC-1 and Target Company 1 publicly announced their planned merger. Following this announcement, the prices of SPAC-1's common stock and warrants closed up 37.4% and 181.3%, respectively, from the prior day's closing price.

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

Insider Trading Continues: St. Barth

16. On or about June 27, 2020—still in the early days of the COVID-19 pandemic—MATTHAEI, CC-1, and their respective families flew on a privately chartered jet, which MATTHAEI paid for, to St. Martin and later travelled to the island of St. Barthélemy, known as St. Barth. MATTHAEI stayed at, and worked from, the same private villa in a resort in St. Barth as CC-1 from on or about June 27, 2020 to July 16, 2020. During their stay, MATTHAEI paid most of the expenses for CC-1 and his family, and MATTHAEI also paid for CC-1 and his family to fly on a private jet from St. Barth to Nantucket, Massachusetts on or about August 1, 2020, where MATTHAEI and his family later joined them for another vacation.

17. In July 2020, while together in St. Barth, CC-1 received MNPI about separate mergers involving SPAC-2 and SPAC-3, respectively. Like with SPAC-1, CC-1 conveyed that MNPI to MATTHAEI, who traded on it. The below chart shows (a) the date CC-1 first received the MNPI through emails from the Asset Management Company's Director of Compliance about SPAC-2 and SPAC-3 being added to the Asset Management Company's confidential restricted list; (b) when MATTHAEI first began and then continued trading in each SPAC after receiving the MNPI from CC-1 (his trades included units, common stock, and warrants); and (c) the date information about the mergers involving each SPAC became public:

SPAC	Approx. Date/ Time CC-1 Received Restricted List Email	Approx. Date/Time of MATTHAEI's Trades Based on MNPI	Public Disclosure of MNPI
SPAC-2	7/9/20 at 10:44 a.m.	7/9/20 at 11:24 a.m. – 7/29/20	7/29/20
SPAC-3	7/15/20 at 9:36 a.m.	7/15/20 at 10:17 a.m. – 7/23/20	7/23/20 (after market closed)

18. The following chart reflects MATTHAEI's illicit profits when the MNPI became public for each SPAC:

SPAC	Approx. Increase in Prices of Securities Following Public Disclosure of MNPI ²	MATTHAEI's Approx. Profits from Trading Based on MNPI
SPAC-2	5.5% (common stock) 0.17% (units) 0.05% (warrants)	\$68,712
SPAC-3	4.1% (common stock) 3.1% (units) no change in warrant price	\$22,479

19. In total, MATTHAEI's illicit trading in SPAC-2 and SPAC-3 securities generated total profits of approximately \$91,191.

Insider Trading into 2021

20. In or around early 2021, CC-1 began working more actively on SPAC PIPEs for the Asset Management Company and regularly received confidential information and attended roadshows relating to SPAC mergers.

21. CC-1 continued to tip MATTHAEI about potential mergers between SPACs and their respective target companies that CC-1 learned about through his work at the Asset Management Company, including merger negotiations by SPAC-4, SPAC-5, SPAC-6, and SPAC-7, respectively. Similar to SPAC-1, SPAC-2, and SPAC-3, CC-1 learned this MNPI from the confidential emails he received about SPACs added to the Asset Management Company's restricted list, and he also received roadshow presentation slide decks, proposed merger terms, and other merger-specific MNPI.

² These figures here and below are based on the approximate increase in price on either (a) the trading day when the announcement was made, or (b) where the merger news was published after market hours, the next trading day.

22. Consistent with the pattern discussed above, after MATTHAEI received MNPI from CC-1 about these SPACs, MATTHAEI traded in each SPAC using his personal brokerage accounts (his trades included warrants and/or common stocks). The below chart shows: (a) the date CC-1 first received the MNPI about the respective SPAC being added to the Asset Management Company's confidential restricted list; (b) when MATTHAEI first began and then continued trading in each SPAC after receiving the MNPI from CC-1; and (c) the date public information was released about the mergers involving each SPAC, respectively:

SPAC	Approx. Date/ Time CC-1 Received Restricted List Email	Approx. Date/Time of MATTHAEI's Trades Based on MNPI	Public Disclosure of MNPI
SPAC-4	1/25/21 at 9:43 a.m.	1/25/21 at 11:32 a.m. – 1/29/21	1/29/21 (after market closed)
SPAC-5	1/25/21 at 3:24 p.m.	1/27/21 at 11:25 a.m. – 1/28/21	1/28/21 (after market closed)
SPAC-6	1/29/21 at 9:55 a.m.	2/2/21 at 3:59 p.m. – 2/10/21	2/10/21 (after market closed)
SPAC-7	2/1/21 at 3:29 p.m.	2/3/21 at 12:55 p.m. – 2/12/21	2/12/21 (after market closed)

23. The following chart reflects MATTHAEI's illicit profits when the MNPI became public for each SPAC:

SPAC	Approx. Increase in Prices of Securities Following Public Disclosure of MNPI	MATTHAEI's Approx. Profits from Trading Based on MNPI
SPAC-4	6% (common stock) 31.3% (warrants)	\$104,247
SPAC-5	0.9% (common stock)	\$13,462
SPAC-6	21.7% (common stock) 60.9% (warrants)	\$644,108
SPAC-7	24.2% (common stock) 58.8% (warrants)	\$1,085,240

24. In total, MATTHAEI's illicit trading in securities of SPAC-4, SPAC-5, SPAC-6, and SPAC-7 generated total profits of approximately \$3,427,274.

CC-1's Arrest for Separate Securities Fraud

25. In or around the summer of 2021, CC-1 was arrested and charged federally in a different district with engaging in a separate securities fraud scheme. Soon after that arrest, MATTAHAEI executed an appearance bond on CC-1's behalf pursuant to which MATTAHAEI agreed to forfeit approximately \$500,000 if CC-1 failed to meet the conditions of his bond.