JUDGE WOODS

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

KIT MUN CHAN
LAU KEAN CHONG
POUI CHONG FAN
BINJI LU AND
YOUN CHIEN WONG,

Defendants.

19 Civ. ( )

DECLARATION OF JOSEPH DARRAGH IN SUPPORT OF *EX PARTE* EMERGENCY APPLICATION FOR AN ORDER TO SHOW CAUSE, FOR AN ASSET FREEZE, AND OTHER RELIEF

ECF CASE

1 9 CV 5718

I, Joseph Darragh, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a Management and Program Analyst for Plaintiff Securities and Exchange Commission ("SEC"). I have been employed by the SEC since September 2015 and previously worked as a contractor at the SEC from November 2013 through August 2015. I serve as the principal investigator on the Microcap Fraud Task Force, primarily working on microcap related investigations into whether there have been violations of the federal securities laws. The SEC created the Microcap Fraud Task Force in July 2013 to target abusive trading and fraudulent conduct in low-priced, thinly-traded securities, which are referred to as "microcap" securities.

2. I have worked or assisted on over 30 microcap investigations over the last five years. My duties include financial and trading analysis, document review, phone record analysis, and interviewing witnesses, among other things. Many of the investigations I have worked on have concerned market manipulations of issuers with a limited trading history.

3. Before joining the SEC, I worked for four years as a Revenue Officer for the Internal Revenue Service. I received a B.B.A. in Finance, with a minor in Economics, from Pace

University in 2009, and an M.S. in Accountancy from the University of Phoenix in 2010. I have been accredited as a Certified Fraud Examiner by the Association of Certified Fraud Examiners since July 2013.

4. I was assigned to assist in an investigation. Through this investigation, I obtained facts relating to Medico International, Inc. (ticker symbol "MDDT"), including certain trading activity in MDDT. (Exh. 1 (Appendix A to the Complaint, summary chart of MDDT Trades ("Matched Trading Chart")).)[1]

5. I make this Declaration in support of the *Ex Parte* Emergency Application for an Order to Show Cause, for an Asset Freeze, and Other Relief against Defendants Kit Mun Chan ("Chan"), Lau Kean Chong ("Chong"), Chong Poui Fan ("Fan"), Binji Lu ("Lu"), and Youn Chien Wong ("Wong") (collectively, the "Defendants").

6. I am familiar with the facts and circumstances herein. I make this Declaration based upon, among other things: (i) my expertise in investigating microcap fraud; (ii) my review and analysis of Electronic Bluesheet data and audit trail data; (iii) my review and analysis of brokerage records produced by broker-dealers holding accounts in the names of the Defendants; (iv) my review of transfer agent records; and (v) my review and analysis of the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR"), an online system for the receipt, acceptance, dissemination, and analysis of SEC-mandated filings.

7. The "Electronic Bluesheet system" ("EBS") consists of trading data obtained from broker-dealers and clearing firms. SEC staff uses the EBS to identify brokerage accounts that traded in a security during a specified period of time, and to gather information concerning

[1] References to "Exh." throughout this Declaration are to true and correct copies of each such document. Each document either was produced to the Commission staff by broker-dealers or transfer agents, are summary charts created by staff, or was obtained by the staff from publicly available sources.

those transactions, such as the name and address of the account, the trade date, the price and quantity of shares traded, and whether the transaction was a buy or a sell.

8. Audit trail data is obtained from FINRA and is used by SEC staff to identify trade details for the buy and sell side for all executed trades, including the time, price, and quantity, sell side broker, and buy side broker.

I. DEFENDANTS

6. **Chan**, age 36, is a Malaysian citizen and resides in Malaysia. Chan claims to be an e-commerce executive for an electric company. (Exh. 2 (Chan's account opening documents at Broker 3).) Chan's email address is chankitmun@gmx.com. (*Id.*)

7. **Chong**, age 40, is a Singaporean citizen and resides in Singapore. Chong claims to be a director of a food and beverage business. (Exh. 3 (Chong's account opening documents at Broker 2).) Chong's email address is sebastianlaukc@gmail.com. (*Id.*)

8. **Fan**, age 34, is a Malaysian citizen and resides in Malaysia. Chong claims to be a salesperson for an air filter manufacturing company. (Exh. 4 (Fan's account opening documents at Broker 3).) Fan's email address is chongpouifan.felicia@gmx.com. (*Id.*)

9. **Lu**, age 45, is a Chinese citizen and resides in China. Lu claims to be a manager and executive of a chemical plant and mining company. (Exh. 5 (Lu's account opening documents at Broker 4).) Lu's email address is lu_binji@yeah.net. (*Id.*)

10. **Wong**, age 32, is a Malaysian citizen and resides in Malaysia. Wong claims to be a property manager for a real estate group. (Exh. 6 (Wong's account opening documents at Broker 5).) Wong's has two email addresses, including chriswongyc@zoho.com and wongyounchien@yandex.com. (*Id.*; Exh. 7 (Wong's account opening documents at Broker 1).)

II. TRADING INDICATIVE OF MANIPULATIVE ACTIVITY

9. "Penny" or "microcap" stocks are securities issued by small, publically traded companies (or "issuers") that typically trade at less than $5 per share, and often less than $1 per share. Penny stocks typically are traded on over-the-counter markets, like OTC Link.

10. Penny or microcap stocks are particularly susceptible to manipulative trading and other forms of fraud because, among other things, they are often thinly traded and their shares may be controlled by a single individual or group of individuals (often called a "control group").

11. Market manipulations of microcap companies with little to no trading history typically follow a similar pattern. An undisclosed control group first gains control of a public shell company with little to no historical trading, little to no assets, and nominal revenue. Gaining and maintaining control of the public shell allows the perpetrators of the market manipulation to control the supply of the shares to the public, and therefore control the price. The perpetrators often seek to acquire all of the outstanding shares in the shell, or close to all of the outstanding shares prior to trading. Perpetrators attempting to run a market manipulation generally prefer public shells with little to no trading history because it is easier to acquire control over such companies.

12. With issuers that have a very limited trading history, there is frequently a period of coordinated trading among a small group of accounts under common control, so that the issuer appears to have an active market with some liquidity. This is often referred to as "building the chart."

13. The primary objective of building the chart is to show volume, and is not necessarily to move the price. If the price is too high, or on a straight upward trajectory, public investors may be less likely to buy shares of the issuer. Coordinated trading through matched

orders allows the perpetrators of market manipulations to build a historical chart of trading activity to give the appearance of liquidity, while still maintaining close to 100% control of the public shares. Thus, both price increases and decreases occur in the process of building the chart.

14. Matched orders occur when a person, for the purpose of creating a false or misleading appearance of active trading in a security, enters an order to buy or sell that security with the knowledge that a substantially similar order has been or will be placed to trade the security, but on the other side of the trade. Matched orders are often placed in brokerage accounts held in the names of foreign shareholders, often acting as nominees and controlled by the same person, or a small group of people.

III. FACTS

A. My Investigation

15. I used EBS data and audit trail data to identify accounts at five broker-dealers (individually, "Broker 1," "Broker 2," "Broker 3," "Broker 4" and "Broker 5") that were frequently on the opposite side of trades executed in MDDT between February 27, 2019 and April 15, 2019, consistent with my experience with prior market manipulations.

16. These broker-dealers had accounts in the names of the Defendants as follows:

Broker-Dealer	Defendant	Account Number
Interactive Brokers, LLC Broker 1	Wong	********3308
Tradestation Securities, Inc. Broker 5		********5701
Glendale Securities Broker 2	Chong	********2286
TD Ameritrade, Inc Broker 3	Fan	********7036
	Chan	********9025
ChoiceTrade, LetsGoTrade, Inc. Broker 4	Lu	********BILU

17. I then obtained electronic trading data from the broker-dealers for all trading in the relevant accounts during the relevant time periods. The electronic trading data provided additional information concerning the transactions, including order and execution times, order price and order quantity. After identifying matched trades between the Defendants that were executed at the same time and price, I reviewed the order details for each trade to pinpoint orders placed at substantially the same time and price. This allowed me to also identify matched orders.

18. For Broker 1, Broker 3, Broker 4, and Broker 5 which permit their customers to access their accounts and place orders online, I obtained the Internet protocol ("IP") addresses used by Defendants to access their brokerage accounts. An IP address is a unique identifier—the address—of a computer or other device that connects to a network like the internet. I analyzed the IP access logs from each brokerage account of interest and noted any IP address that was shared among two or more accounts. In my experience, if two or more accounts accessed their brokerage accounts using the same IP addresses around the same time, it is likely that they accessed their accounts from the same computer or computer network.

19. The records I obtained also showed the use of Virtual Privacy Networks ("VPNs"), which are private computer networks that an outside user can remotely access by creating a connection between the VPN server and the user's device. A VPN redirects the user's traffic through a remote server run by the VPN provider. Once connected, the VPN allows the user to access the public internet using one of the VPN's IP addresses ("VPN IP Address"). The VPN encrypts the user's traffic and hides the user's IP address. When a VPN is used, only the VPN IP address is visible to the public internet. The user's IP address is hidden.

20. In my experience, there are a vast amount of companies operating VPNs around the world. Each VPN often has multiple servers located throughout the world, with each server having many IP addresses. The user can generally choose the location from which they want their traffic to originate, and often save favorite IP addresses and locations to their account to easily use them again in the future.

B. Trading in Medico International, Inc. ("MDDT")

21. According to its most recent Form 10-K for the period ending December 31, 2018 ("2018 10-K"), MDDT is a Nevada corporation purportedly having its principal executive offices in Las Vegas, NV. (Exh. 8 (Form 10-K, filed Apr. 10, 2019).) MDDT purports to hold the patent for at least one cancer diagnostic tool. (*Id.*)

22. MDDT was originally incorporated on September 18, 2015 with its principal place of business in Grandville, MI. (*Id.*) MDDT originally purported to be a holding company for Smile More Holding Pte. Ltd., a private Singapore corporation engaged in the dental industry. (*Id.*)

23. MDDT does not have a website and has not issued any press releases in calendar-year 2019. I have not identified any press releases ever issued by MDDT.

24. The 2018 10-K shows that MDDT has no employees, $0 in cash, $0 in total current assets, and over $490,000 of liabilities. (*Id.*) Despite this, between February 27, 2019 and April 15, 2019, MDDT's market capitalization (the value of the company calculated by multiplying the total number of shares by the share price) at the close of trading ranged from approximately $6 million to a high of $12 million.

25. MDDT securities are not registered with the SEC, and MDDT common stock is quoted on OTC Link, an electronic system operated by OTC Markets Group, located in New York City, that displays quotes from broker-dealers for many low-priced stocks. OTC Link has no listing requirements, and issuers quoted on OTC Link frequently tend to be small companies with volatile, thinly traded stocks.

26. In or around December 2015, MDDT filed an S-1/A to register the sale of up to 700,000 shares of common stock for $1 per share. (Exh. 9 (Form S-1/A, filed Dec. 22, 2015).) The S-1 went effective on December 22, 2015. (Exh. 10 (Notice of Effectiveness, filed Dec. 22, 2015).)

27. On or about February 3, 2016, MDDT issued 697,000 shares pursuant to the Form S-1 to 34 shareholders. (Exh. 11 (transfer agent records reflecting S-1 issuance).) Four of the shareholders acquired 520,000, or 75%, of the shares—including Chong, who acquired 140,000 shares (about 20% of the shares)—while the other 30 acquired the other 25% (only 5,000 to 10,000 shares each). (*Id.*)

28. On April 6, 2016, Chong contacted Broker 2, through its registered representative located in New York City, to open an account and deposit his 140,000 shares of MDDT. (Exh. 12 (email from Chong to Broker 2, Apr. 8, 2016).)

29. On May 20, 2016, Chong's deposit of 140,000 shares cleared Broker 2 and were available in his account. (Exh. 13 (email from Broker 2 to Chong, May 20, 2016).)

30. MDDT traded for the first time on September 19, 2016, when Chong sold 200 shares to Broker 2's market-making account.

Date	Type	Execution Time	Acct name	Execution Price	Execution Quantity
9/19/2016	Buy	9:42:08 AM	Glendale Securities Inc.	$1.95	200
9/19/2016	Sale	9:42:08 AM	Lau Kean Chong	$1.95	(200)

31. Between March 3, 2016, when MDDT first started being quoted on OTC Link, and February 26, 2019, there were only six executed trades in MDDT for a total of 402 shares, including Chong's trade for 200 shares on September 19, 2016. (Exh. 14 (summary of MDDT trading from Mar. 3, 2016 to Feb. 26, 2019).)

32. Prior to February 27, 2019, the last day MDDT traded was on August 16, 2017 when there was one trade for single share for $2. (*Id.*) Notwithstanding this single share trade, from March 31, 2017 through February 26, 2019, MDDT showed a closing price of $5/share, the price of the last 100 share trade which occurred on March 31, 2017. (*Id.*)

33. There was no trading in MDDT from September 2017 through February 26, 2019. (Exh. 15 (summary chart of monthly MDDT volume).)

34. On February 27, 2019, MDDT began to trade again. Within minutes of the first execution, Wong and Chong began to engage in a series of matched orders which resulted in 10 trades by which Wong purchased a total of 10,880 shares from Chong. Those trades were made based on buy and sell orders generally entered within 20 minutes of each other at the same price or within $.05 or $.10, and in repeated small buy orders resulting in multiple trades rather than a single large trade. (Exh. 1 (Matched Trading Chart); Exh. 16 (chart of MDDT price and volume,

and defendants' share of the volume ("Price and Volume Chart")).) Wong and Chong's matched trading for this day represented over 85% of the total market volume. (*Id.*)

35. Wong and Chong continued to enter matched orders on three additional days, resulting in 18 trades on February 28, 2019, 14 trades on March 4, 2019, and 29 trades on March 8, 2019, for a total of 71,900 shares additional shares that Wong purchased from Chong. (*Id.*) These trades were also based on buy and sell orders entered close in time, usually within minutes, typically at the same price, and in repeated small buy orders. (*Id.*) For example, on March 8, Chong put in an order to sell 10,000 shares at 10:46:44 AM; within minutes, Wong put in a series of five smaller orders totaling almost 10,000 shares to buy at exactly the same price. As a result of the manipulative matched orders, seven matched trade were executed.

Date	Type	Acct name	Execution time	Execution price	Execution qty	Order time	Order price	Order qty
3/8/2019	BUY	WONG	10:47:14 AM	$2.15	1,500	10:47:14 AM	$2.15	1,650
3/8/2019	SALE	CHONG	10:47:14 AM	$2.15	(1,500)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:47:20 AM	$2.15	150	10:47:14 AM	$2.15	1,650
3/8/2019	SALE	CHONG	10:47:20 AM	$2.15	(150)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:47:27 AM	$2.15	1,820	10:47:27 AM	$2.15	1,820
3/8/2019	SALE	CHONG	10:47:27 AM	$2.15	(1,820)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:47:37 AM	$2.15	1,000	10:47:37 AM	$2.15	2,060
3/8/2019	SALE	CHONG	10:47:37 AM	$2.15	(1,000)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:47:43 AM	$2.15	1,060	10:47:37 AM	$2.15	2,060
3/8/2019	SALE	CHONG	10:47:43 AM	$2.15	(1,060)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:47:47 AM	$2.15	1,850	10:47:47 AM	$2.15	1,850
3/8/2019	SALE	CHONG	10:47:47 AM	$2.15	(1,850)	10:46:44 AM	$2.15	(10,000)
3/8/2019	BUY	WONG	10:48:01 AM	$2.15	2,120	10:48:01 AM	$2.15	2,120
3/8/2019	SALE	CHONG	10:48:01 AM	$2.15	(2,120)	10:46:44 AM	$2.15	(10,000)

36. From February 27, 2019, through March 8, 2019, the matched orders between Wong and Chong accounted for over 90% of total market volume. (*Id.*)

37. From March 9, 2019 through March 27, 2019, MDDT traded on just two days, March 15 and March 18, for a total of 51,800 shares. (*Id.*) Matched orders between Fan and Chong accounted for 100% of the market volume on these days. (*Id.*) On March 15, Fan and Chong entered matched orders that resulted in five trades, and on March 18, they entered matched orders that resulted in 28 trades. (*Id.*) These trades were based on buy and sell orders even closer in time, within seconds or minutes, at the same price, and in repeated small buy orders. (*Id.*)

38. As another example, on March 15, Chong put in an order to sell 4,000 shares at 12:53:22 PM; in less than a minute, Fan put in a series of four smaller orders totaling almost 4,000 shares to buy at exactly the same price. As a result of the manipulative matched orders, four matched trade were executed.

Date	Type	Acct name	Execution time	Execution price	Execution qty	Order time	Order price	Order qty
3/15/2019	BUY	FAN	12:53:22 PM	$2.15	900	12:53:22 PM	$2.15	900
3/15/2019	SALE	CHONG	11:53:22 PM	$2.15	(900)	12:52:37 PM	$2.15	(4,000)
3/15/2019	BUY	FAN	12:53:23 PM	$2.15	1,000	12:53:22 PM	$2.15	1,000
3/15/2019	SALE	CHONG	12:53:23 PM	$2.15	(1,000)	12:52:37 PM	$2.15	(4,000)
3/15/2019	BUY	FAN	12:53:23 PM	$2.15	1,000	12:53:22 PM	$2.15	1,000
3/15/2019	SALE	CHONG	12:53:23 PM	$2.15	(1,000)	12:52:37 PM	$2.15	(4,000)
3/15/2019	BUY	FAN	12:53:23 PM	$2.15	1,000	12:53:22 PM	$2.15	1,000
3/15/2019	SALE	CHONG	12:53:23 PM	$2.15	(1,000)	12:52:37 PM	$2.15	(4,000)

39. On March 28, 2019, volume spiked to approximately 107,000 shares, and Wong began to sell MDDT shares through a series of matched orders with Fan. (*Id.*) Fan and Wong matched orders resulted in 13 trades on March 28, 2019, 12 trades on March 29, 2019, and 3

trades on April 1, 2019. (*Id.*) Fan purchased approximately 48,000 shares from Wong, accounting for approximately 20% of the market volume from March 28 through April 1. (*Id.*) These trades were again based on buy and sell orders close in time, typically within seconds or minutes, at the same or a similar price, and in repeated small buy orders. (*Id.*)

40. On April 3, 2019, Wong's sell orders matched buy orders entered by Lu. (*Id.*) The matched orders resulted in 12 trades in which Wong sold to Lu a total of 35,280 shares. (*Id.*) The matched orders between Wong and Lu represented approximately 32% of the total market volume. (*Id.*) The buy and sell orders were again entered within seconds or minutes of each other, at the same or a similar price, and in repeated small buy orders. (*Id.*)

41. From April 4 through April 12, MDDT traded on just two days for a total of 146,315 shares. (*Id.*) Wong bought 57,500 shares and accounted for about 40% of total market volume. (*Id.*) There were no matched trades. (*Id.*)

42. On April 15, 2019, volume spiked again to about 141,000 shares. (*Id.*) From 10:00 AM to 12:00 PM, Chan entered buy orders for MDDT, purchasing a total of 136,046 shares for over $500,000. (*Id.*) Approximately 124,000 of these shares were the result of matched orders entered in coordination with Wong, Lu, and Fan, which resulted in 41 trades. (*Id.*) The trades accounted for over 85% of total market volume. (*Id.*) These trades were also based on buy and sell orders close in time, usually within seconds or minutes of each other, at the same or a similar price, and in repeated small buy orders. (*Id.*)

43. For example, a small subset of the trading from this day (just ten of the 41 trades), shows that Chan's buy orders were nearly identical to Wong's and Lu's sale orders, with identical order quantities and nearly identical order prices, and made within seconds:

Date	Type	Acct name	Execution time	Execution price	Execution qty	Order time	Order price	Order qty
4/15/2019	BUY	CHAN	10:26:51 AM	$3.83	5,000	10:26:46 AM	$3.83	5,000
4/15/2019	SALE	WONG	10:26:51 AM	$3.83	(5,000)	10:26:36 AM	$3.83	(5,000)
4/15/2019	BUY	CHAN	10:27:16 AM	$3.83	4,000	10:27:15 AM	$3.83	4,000
4/15/2019	SALE	LU	10:27:16 AM	$3.83	(4,000)	10:27:09 AM	$3.83	(4,000)
4/15/2019	BUY	CHAN	10:28:45 AM	$3.83	4,000	10:28:14 AM	$3.83	4,000
4/15/2019	SALE	LU	10:28:45 AM	$3.83	(4,000)	10:28:04 AM	$3.83	(4,000)
4/15/2019	BUY	CHAN	10:29:47 AM	$3.83	3,000	10:29:47 AM	$3.83	3,000
4/15/2019	SALE	WONG	10:29:47 AM	$3.83	(3,000)	10:29:38 AM	$3.83	(3,000)
4/15/2019	BUY	CHAN	10:34:21 AM	$3.82	4,000	10:34:18 AM	$3.82	4,000
4/15/2019	SALE	LU	10:34:21 AM	$3.82	(4,000)	10:34:16 AM	$3.82	(4,000)
4/15/2019	BUY	CHAN	10:35:13 AM	$3.82	5,000	10:35:11 AM	$3.82	5,000
4/15/2019	SALE	WONG	10:35:13 AM	$3.82	(5,000)	10:35:07 AM	$3.82	(5,000)
4/15/2019	BUY	CHAN	10:39:48 AM	$3.82	3,500	10:39:48 AM	$3.82	3,500
4/15/2019	SALE	WONG	10:39:48 AM	$3.82	(3,500)	10:38:22 AM	$3.83	(3,500)
4/15/2019	BUY	CHAN	10:43:23 AM	$3.83	5,000	10:43:23 AM	$3.83	5,000
4/15/2019	SALE	LU	10:43:23 AM	$3.83	(5,000)	10:43:16 AM	$3.83	(5,000)
4/15/2019	BUY	CHAN	10:47:22 AM	$3.83	4,500	10:47:22 AM	$3.83	4,500
4/15/2019	SALE	LU	10:47:22 AM	$3.83	(4,500)	10:47:15 AM	$3.83	(4,500)
4/15/2019	BUY	CHAN	10:49:26 AM	$3.83	5,000	10:49:26 AM	$3.83	5,000
4/15/2019	SALE	LU	10:49:26 AM	$3.83	(5,000)	10:49:18 AM	$3.83	(5,000)

This pattern is reflected in the other trades that day.

44. Between February 27, 2019 and April 15, 2019, Defendants engaged in over 180 matched trades involving approximately 340,000 shares, which accounted for about 45% of total market volume. (*Id.*) Their collective trading (including both matched and non-matched trading) accounted for about 70% of total market volume during the same period, totaling over

$900,000 in trades. (*Id.*) The orders were made at substantially the same time (often within seconds), of substantially the same size and price, and in repeated small buy orders. (*Id.*)

45. As reflected in the chart attached as Exhibit 1, the orders were made at substantially the same time (often within seconds) and of substantially the same size and price, and in repeated small buy orders.

C. VPNs and IP Addresses Used for Trading MDDT

46. Defendants Chan, Wong, and Lu used overlapping IP addresses to access their brokerage accounts while trading MDDT, demonstrating that those accounts were likely accessed by the same user or users during the period of manipulation. (Exh. 17 (chart of IP addresses used in accessing Chan's, Wong's, and Lu's accounts).)

47. The accounts of Chan and Wong were accessed in different weeks through a single IP address associated with a cellphone tower in Singapore—though both Defendants reside in Malaysia—as reflected in the following chart:

IP Address	Cell Tower Location	Date	Proposed Defendant	Broker-Dealer
49.245.0.170	Singapore	3/25/2019	Chan	Broker 3
		4/10/2019	Wong	Broker 5
		4/15/2019	Chan	Broker 3

(*Id.*)

48. Chan, Wong, and Lu all used Virtual Privacy Networks ("VPNs") to access their brokerage accounts to trade MDDT, and three unique VPN IP addresses accessed more than one of the accounts. (*Id.*) This indicates that the accounts were accessed by individual or individuals selecting the same VPN service provider, VPN location, and VPN IP Address. The following chart shows the common IP addresses, VPN service providers (individually, "VPN 1," "VPN 2," and "VPN 3"), and server locations used to access different account by date:

IP Address	VPN Service Provider	Server Location	Date	Proposed Defendant	Broker-Dealer
104.151.6.52	VPN 1	Los Angeles, CA	4/1/2019	Lu	Broker 4
			4/1/2019	Wong	Broker 1
192.69.254.130	VPN 2	Atlanta, GA	3/20/2019	Chan	Broker 3
			3/25/2019	Chan	Broker 3
			4/10/2019	Wong	Broker 5
			412/2019	Wong	Broker 5
			4/15/2019	Lu	Broker 4
213.181.205.78	VPN 3	Hungary	4/3/2019	Lu	Broker 4
			4/3/2019	Wong	Broker 1
			4/4/2019	Chan	Broker 3

(*Id.*)

49. Fan also used a VPN to access his account through a VPN server located in Japan. (Exh. 18 (chart of IP address used in accessing Fan's account).)

50. The use of VPNs allowed Defendants to hide their true location from their broker-dealers, because the VPNs reflected IP addresses that link to random locations throughout the world. The VPN usage by Chan, Lu, and Wong also demonstrates that their accounts were likely accessed by the same user or users located in a single location.

D. Profits and Remaining Funds and Shares from Trading MDDT

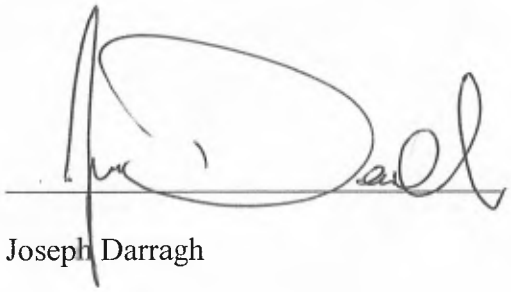
51. Chong, Lu, and Wong profited from the matched trading. Chong sold all 140,000 shares he deposited in 2016 for gross proceeds of approximately $300,000 and profits of approximately $160,000. (Exh. 19 (summary of Chong trading).) Lu sold approximately 70,000 shares for gross proceeds of approximately $267,000 and profits of approximately $145,000. (Exh. 20 (summary of Lu trading).) Wong sold approximately 145,280 shares for gross proceeds of approximately $372,000 and profits of approximately $68,000. (Exh. 21 (summary of Wong trading).)

52. All of the Defendants wired funds from their accounts, some within days of trading: Chong wired a total of $300,141, Lu wired a total of $252,000, Wong wired a total of

$416,271, Fan wired a total of $24,000, and Chan wired a total of $300,000. (Exhs. 22-27 (Defendants' wires from accounts). Lu has attempted to transfer the rest, and has retained counsel in an attempt to force Broker 4 to release the funds. Chan transferred $300,000 from his brokerage account on March 27, 2019, before trading, and Fan transferred $24,000 from his brokerage account on April 8, before trading, and April 17, 2019, after trading; both transferred to bank accounts in Hong Kong. (*Id.*) While Chong and Wong have no funds or assets remaining in their accounts, Fan's account still holds 177,874 shares of MDDT, Chan's account still holds 136,046 shares of MDDT, and Lu's account still holds approximately $144,000 of her profits. (Exh. 28 (summary of Fan trading), Exh. 29 (summary of Chan trading), and Exh. 20 (summary of Lu trading).)

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: June 19, 2019



Joseph Darragh