

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

SECURITIES AND EXCHANGE COMMISSION
100 F Street, N.E.
Washington, DC 20549,

Plaintiff,

vs.

JAISANKAR MARIMUTHU,
CHOCKALINGAM RAMANATHAN, and
THIRUGNANAM RAMANATHAN,

Defendants.

Civil No.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

For its complaint against Jaisankar Marimuthu (“Marimuthu”), Chockalingam Ramanathan (“C. Ramanathan”) and Thirugnanam Ramanathan (“T. Ramanathan”) (collectively, the “Defendants”), Plaintiff the United States Securities and Exchange Commission (the “Commission”) alleges as follows:

SUMMARY

1. This action alleges violations of the federal securities laws by Marimuthu, C. Ramanathan and T. Ramanathan, three individuals who repeatedly hijacked the online brokerage accounts of unwitting investors using stolen usernames and passwords. Prior to intruding into these accounts, the Defendants acquired positions in the securities of at least thirteen issuers and options on shares of another issuer. Then, without the account holders’ knowledge, and using the victims’ own accounts and funds, the Defendants

placed scores of unauthorized buy orders at above-market prices. After these unauthorized buy orders were placed, the Defendants sold the positions held in their own accounts at the artificially inflated prices. These transactions created the appearance of legitimate trading activity and pumped up the prices of the fourteen securities.

2. From July 2006 to November 2006, as a result of these unlawful intrusions into online brokerage accounts, the Defendants realized unlawful trading profits of at least \$121,500. Online broker-dealers whose customers' accounts were compromised suffered losses of at least \$875,000 as a result of the Defendants' fraudulent conduct.

3. By virtue of their conduct, the Defendants have engaged in and, unless enjoined, will continue to engage in violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

JURISDICTION AND VENUE

4. The Commission brings this action, and this Court has jurisdiction over this action, pursuant to authority conferred by Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(a) and 77v(a)] and Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 77u(e) and 78aa].

5. This Court has personal jurisdiction over the Defendants and venue is proper in the District of Nebraska pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because many of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this District.

6. The Defendants, directly and indirectly, have made use of the means and instrumentalities of interstate commerce, and the means and instruments of transportation and communication in interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

DEFENDANTS

7. Jaisankar Marimuthu, age 32, resides in Chennai, India. At all relevant times, Marimuthu had access to a computer and Internet connection and maintained Internet-accessible securities brokerage accounts at several U.S.-based broker-dealers.

8. Chockalingam Ramanathan, age 33, resides in Chennai, India. At all relevant times, C. Ramanathan had access to a computer and Internet connection and maintained Internet-accessible securities brokerage accounts at several U.S.-based broker-dealers.

9. Thirugnanam Ramanathan, age 34, is an Indian national who resides in Malaysia. At all relevant times, T. Ramanathan had access to a computer and Internet connection and maintained Internet-accessible securities brokerage accounts at several U.S.-based broker-dealers.

FACTS

The Defendants' Account Intrusion Scheme

10. Beginning in July 2006 and continuing to the present, the Defendants engaged in an elaborate scheme in which they manipulated, via account intrusions, the markets for shares of at least thirteen issuers and for options on shares of another issuer. The Defendants' *modus operandi* was similar for each intrusion. The Defendants first purchased thinly traded securities, at market prices, using their own online brokerage

accounts. Shortly thereafter, the Defendants, using stolen usernames and passwords, intruded into the online brokerage accounts of unsuspecting individuals. The Defendants then used these intruded accounts to place a series of unauthorized buy orders, typically at prices well above the then-current market prices for those thinly traded securities. Immediately or shortly thereafter, the Defendants capitalized on the artificially inflated share price of the targeted securities by selling shares in their own accounts. In one instance, Defendant Marimuthu realized a 92% return on his investment in less than one hour.

11. The fourteen securities discussed herein were the subject of manipulations via online intrusions emanating from computers located in Thailand and India. In every instance in which the intrusion originated in Thailand, one or more of the Defendants contemporaneously traded the same securities in their own accounts using computers and Internet service providers (“ISPs”) also located in Thailand. In every instance in which the intrusion originated in India, one or more of the Defendants contemporaneously traded the same securities in their own accounts using computers and ISPs also located in India. Furthermore, in several instances, the Defendants accessed their own online brokerage accounts and intruded into the victims’ accounts using the exact same computers.

12. Unwitting account holders were victimized in several ways. Securities held in the victims’ online brokerage accounts were oftentimes liquidated in order to finance the unauthorized trading. Many times, the victims whose accounts were hijacked to make unauthorized purchases lost money when the securities returned to their pre-manipulation prices. In some instances, the Defendants even opened new online

brokerage accounts using stolen personal information, and then funded these accounts using money taken from the unknowing account holders' own bank accounts. On one occasion, a defrauded account holder departed for a five-day Alaskan fishing trip with a cash and equity balance of \$180,000 in his online brokerage account. Upon returning home, his account—which had been victimized by one or more of the Defendants in the interim—had a balance of negative \$200,000.

13. Online broker-dealers whose customers' accounts were intruded and used by the Defendants to make unauthorized trades suffered losses in excess of \$875,000. In addition, the Defendants' manipulative trading caused damage to unknowing market participants who were attracted to the artificially inflated prices and volume of the following fourteen securities: Acorda Therapeutics, Inc., IGI, Inc., Earth Products & Technologies, Inc., Image Entertainment, Inc., Investors Capital Holdings, Ltd., Conversion Services International, Inc., Pressure BioSciences, Inc., Accelr8 Technology Corp., CTR Investments & Consulting, Inc., Sun Microsystems, Inc., Citizens Financial Corp., American Access Technologies, Inc., Pacel Corporation, and put options on Google, Inc.

Acorda Therapeutics, Inc.

14. Acorda Therapeutics, Inc. is a Hawthorne, New York-based commercial stage biopharmaceutical company quoted on the National Association of Securities Dealers' Over-the-Counter Bulletin Board quotation service ("Over-the-Counter Bulletin Board") under the ticker symbol ACOR. In the fifteen trading days leading up to the intrusions, the average daily trading volume for ACOR was 16,755 shares. Shares of ACOR closed at \$3.10 per share on Friday, August 25, 2006.

15. On August 28, 2006, between 11:18:24 AM EDT and 2:47:04 PM EDT, Marimuthu purchased a total of 27,650 shares of ACOR at prices ranging from \$2 to \$3.29 per share using his accounts at E*Trade Securities, Inc. (“E*Trade”) and TD Ameritrade, Inc. (“TD Ameritrade”). On that same day at 1:20:17 PM EDT, C. Ramanathan, using his E*Trade account, purchased 450 shares of ACOR at \$3.20 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

16. Then, beginning at 2:51:38 PM EDT—less than five minutes after Marimuthu’s last purchase of ACOR in his own account—and continuing for one hour, one or more of the Defendants intruded into online brokerage accounts at TD Ameritrade and Charles Schwab & Co., Inc. (“Charles Schwab”) and made unauthorized purchases of 81,600 shares of ACOR at prices ranging from \$2.84 to \$3.70 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

17. Following these intrusions, between 4:19:22 PM EDT on August 28, 2006 and 10:34:33 AM EDT on August 29, 2006, Marimuthu sold 27,650 shares of ACOR at prices ranging from \$2.81 to \$5 per share using his TD Ameritrade and E*Trade accounts. On August 30, 2006 at 12:38:11 PM EDT, C. Ramanathan, sold 450 shares at \$2.84 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

18. As a result of the intrusions, Marimuthu realized profits of \$21,762. C. Ramanathan was unable to profit in this instance as he was unsuccessful in his attempts to sell ACOR shares at \$5 per share on August 28, 2006.

19. The intrusion scheme had a significant impact on the market for ACOR. On August 28, 2006, ACOR opened at \$3.19 per share and increased to an intraday high of \$3.70 per share on volume of 316,980 shares, approximately nineteen times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

IGI, Inc.

20. IGI, Inc. is a Buena, New Jersey-based producer and marketer of poultry vaccines. The company's shares are traded on the American Stock Exchange under the symbol IG. In the fifteen trading days leading up to the intrusions, the average daily trading volume for IG was 6,006 shares. Shares of IG closed at \$.90 per share on September 1, 2006.

21. On September 5, 2006, between 10:01:52 AM EDT and 11:03:55 AM EDT, Marimuthu purchased 12,900 shares of IG at prices ranging from \$.86 to \$.90 per share using his TD Ameritrade account. That same afternoon at 2:22:28 PM EDT, C. Ramanathan purchased 110 shares of IG at \$1.04 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

22. Then, beginning at 10:08:34 AM EDT—less than ten minutes after Marimuthu began purchasing shares of IG using his account—and continuing through 11:27:11 AM EDT, one or more of the Defendants intruded into the online brokerage account of a TD Ameritrade customer and made unauthorized purchases of 171,200

shares of IG at prices ranging from \$.87 to \$1.41 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

23. Just over one hour after the intrusions began, between 11:08:55 EDT and 11:25:28 AM EDT, Marimuthu sold all 12,900 shares of IG held in his TD Ameritrade account at prices ranging from \$1.30 to \$1.35 per share. C. Ramanathan was unsuccessful in his attempts to sell his shares of IG on that day. On September 29, 2006, C. Ramanathan eventually sold the 110 shares remaining in his E*Trade account without realizing a profit. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

24. As a result of this conduct, Marimuthu realized profits of \$5,169.

25. The intrusion scheme had a significant impact on the market for IG. On September 5, 2006, IG opened at \$.82 per share and increased to an intraday high of \$1.45 per share on volume of 387,400 shares, approximately sixty times greater than the average trading volume over the fifteen trading days leading up to the intrusion.

Earth Products & Technologies, Inc.

26. Earth Products & Technologies, Inc., now operating under the name China Shen Zhou Mining & Resources, Inc., is the parent company of a copper, zinc and gold mining operation. Until November 2006, the company's shares were quoted on the Over-the-Counter Bulletin Board under the symbol EPTI. In the fifteen trading days leading up to the intrusions, the average daily trading volume for EPTI was 5,171 shares. Shares of EPTI closed at \$3.75 per share on September 18, 2006.

27. On September 19, 2006 at 1:07:46 PM EDT, Marimuthu purchased 850 shares of EPTI at \$4 per share using his ChoiceTrade account. At 1:21 PM EDT, Marimuthu purchased 850 more shares of EPTI at \$4 per share using his account at optionsXpress, Inc. ("optionsXpress"). Then, between 1:21:12 PM EDT and 1:32:15 PM EDT, Marimuthu purchased another 1,400 shares of EPTI at prices ranging from \$3 to \$4 per share using his account at Firstrate Securities Inc. ("Firstrate"). One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India, the city in which two of the Defendants reside.

28. Then, between 12:00:23 PM EDT and 2:40:41 PM EDT on September 19, 2006, one or more of the Defendants intruded into the online brokerage account of a Merrill Lynch & Co., Inc. ("Merrill Lynch") customer and made unauthorized purchases of 30,100 shares of EPTI at prices ranging from \$3 to \$7.50 per share. To fund the unauthorized transactions, one or more of the Defendants liquidated approximately \$95,000 in stock held in the victim's account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

29. At 1:28:50 PM EDT on September 19, 2006, approximately an hour and a half after the intrusions started, Marimuthu sold 850 shares of EPTI at \$7 per share using his ChoiceTrade account. At 1:54 PM EDT on the same day, Marimuthu sold an additional 850 shares of EPTI at \$7 per share using his optionsXpress account. Contemporaneously, at 1:54:40 PM EDT, Marimuthu sold 1,400 shares of EPTI at \$7 per share using his Firstrate account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

30. As a result of his conduct, Marimuthu realized profits of \$10,400 in EPTI, representing a 92% return on his investment in less than one hour.

31. The intrusion scheme had a significant impact on the market for EPTI. On September 19, 2006, EPTI opened at \$5.50 per share and increased to an intraday high of \$9 per share on volume of 56,500 shares, approximately eleven times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Image Entertainment, Inc.

32. Image Entertainment, Inc. is a Chatsworth, California-based distributor of DVDs. The company's shares are quoted on NASDAQ under the symbol DISK. In the fifteen trading days leading up to the intrusions, the average daily trading volume for DISK was 16,989 shares. Shares of DISK closed at \$3.59 per share on September 19, 2006.

33. On September 21, 2006, between 9:07:24 AM EDT and 9:44:54 AM EDT, Marimuthu purchased 1,900 shares of DISK at prices ranging from \$3.36 to \$3.49 per share using his ChoiceTrade account. Between 9:23 AM EDT and 9:44 AM EDT on the same day, Marimuthu purchased 1,900 shares of DISK at prices ranging from \$3.36 to \$3.49 per share using his optionsXpress account. Between 9:40:44 AM EDT and 10:07:55 AM EDT the same day, Marimuthu also purchased 10,530 shares of DISK at prices ranging from \$3 to \$4 per share using his account at Firsttrade. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

34. Then, between 9:09:34 AM EDT and 9:42:59 AM EDT, while Marimuthu was in the process of purchasing shares of DISK in his own accounts, one or more of the Defendants intruded into the account of a TD Ameritrade customer and made unauthorized purchases of 6,370 shares of DISK at prices ranging from \$3.93 to \$4.25 per share. Between 9:28:29 AM EDT and 10:58:58 AM EDT, one or more of the Defendants intruded into a second TD Ameritrade account and made unauthorized purchases of 169,000 shares of DISK at prices ranging from \$3.43 to \$4.25 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

35. Shortly after the intrusions commenced, Marimuthu began to liquidate his own positions in DISK. Between 9:47:59 AM EDT and 10:58:59 AM EDT on September 21, 2006, Marimuthu sold all 14,330 shares of DISK he acquired that morning in his own accounts at prices ranging from \$3.50 to \$4 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

36. As a result of this conduct, Marimuthu realized profits of \$7,279.

37. The intrusion scheme had a significant impact on the market for DISK. On September 21, 2006, DISK opened at \$3.71 per share and increased to an intraday high of \$4.12 per share on volume of 776,548 shares, approximately forty-five times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Investors Capital Holdings, Ltd.

38. Investors Capital Holdings, Ltd. is a Lynnfield, Massachusetts-based provider of brokerage and asset management services. The company's securities are traded on the American Stock Exchange under the symbol ICH. In the fifteen trading days leading up to the intrusions, the average daily trading volume for ICH was 9,280 shares. Shares of ICH closed at \$5.25 per share on September 19, 2006.

39. On September 20, 2006, at approximately 3:45 PM EDT, Marimuthu purchased 2,950 shares of ICH at \$6 per share using his accounts at ChoiceTrade and optionsXpress. On September 21, 2006, between 11:09 AM EDT and 11:14 AM EDT, Marimuthu purchased an additional 1,150 shares of ICH at prices ranging from \$5.40 to \$5.80 per share in the same accounts. Between 3:46:42 PM EDT on September 20, 2006 and 11:16:55 AM EDT on September 21, 2006, Marimuthu purchased an additional 8,400 shares of ICH at prices ranging from \$5.49 to \$6 per share using his Firstrate account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

40. Then, beginning at 11:18 AM EDT—less than five minutes after Marimuthu's last purchase of ICH using his own accounts—and continuing through 11:22 AM EDT, one or more of the Defendants intruded into the account of a TD Ameritrade customer and made unauthorized purchases of 7,900 shares of ICH at prices ranging from \$5.90 to \$6.55 per share. The intruded TD Ameritrade account was the same account that had been used earlier to make unauthorized purchases of DISK shares. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

41. Between 3:58 PM EDT on September 20, 2006 and 12:58 PM EDT on September 26, 2006, Marimuthu sold 12,180 shares of ICH at prices ranging from \$5 to \$6.89 per share using his accounts at Firstrate, ChoiceTrade and optionsXpress. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

42. As a result of this conduct, Marimuthu realized profits of approximately \$6,945.

43. This intrusion scheme had a significant impact on the market for ICH. On September 21, 2006, ICH opened at \$6 per share and increased to an intraday high of \$7.50 per share on volume of 161,400 shares, approximately seventeen times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Google December \$240 Put Options

44. Google, Inc. is a Mountain View, California-based Internet company specializing in search services. On October 13, 2006, shares of Google closed at \$427.50 per share. Options contracts for the right to sell shares of Google at \$240 per share, scheduled to expire on December 16, 2006, were traded on multiple options exchanges under the symbol GOUXH. Each put contract represented the right to sell 100 shares of Google stock. These options would expire worthless unless the price of Google shares declined approximately 44%, dropping below \$240 per share, prior to expiration.

45. Prior to the intrusions described below, there was virtually no market for these Google put options. In fact, when the markets closed on October 13, 2006, only 342 such contracts existed. Over the next month, however, more than 30,000 such

contracts were traded as the Defendants manipulated the market for Google put options on at least three separate occasions.

The First Google Put Option Intrusion

46. Between 10:28 AM EDT and 12:12 PM EDT on October 16, 2006, Marimuthu purchased a total of 866 Google put option contracts at \$.05 per share using his accounts at TradeKing and optionsXpress.

47. Between 10:15 AM EDT and 12:13 PM EDT on October 16, 2006, one or more of the Defendants intruded into accounts at Charles Schwab and TD Ameritrade and made unauthorized purchases of 1,249 Google put option contracts at \$.15 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

48. Between 11:14 AM EDT on October 16, 2006 and 2:56 PM EDT on October 17, 2006, Marimuthu sold a total of 866 Google put option contracts at prices ranging from \$.15 to \$.20 per share using his accounts at TradeKing and optionsXpress.

The Second Google Put Option Intrusion

49. The Defendants then began to establish new positions in these same Google put options. On October 18, 2006 and October 31, 2006, Marimuthu purchased a total of 2,942 Google put option contracts at \$.05 per share using his accounts at TradeKing and optionsXpress. On October 19, 2006, C. Ramanathan purchased a total of 312 Google put option contracts at \$.05 per share using his account at optionsXpress. Between October 20, 2006 and October 24, 2006, T. Ramanathan purchased a total of 265 Google put option contracts at \$.05 per share using his account at E*Trade. One or

more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

50. Between 10:07:28 AM EST and 2:16:20 PM EST on October 31, 2006, one or more of the Defendants intruded into two online accounts at Fidelity Brokerage Services, LLC (“Fidelity”) and used it to place unauthorized orders to purchase 5,507 Google put option contracts at \$.10 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

51. Then, beginning at 10:08 AM EST—just one minute after the intrusions began—and continuing through 1:52 PM EST, Marimuthu sold 1,195 Google put option contracts at \$.10 per share using his accounts at TradeKing and optionsXpress. Between 1:48:37 PM EST and 1:49:21 PM EST, T. Ramanathan sold 265 Google put option contracts at \$.10 per share using his account at E*Trade. Between 1:51 PM EST and 1:52 PM EST on that same day, C. Ramanathan sold 312 Google put option contracts at \$.10 per share using his account at optionsXpress. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

The Third Google Put Option Intrusion

52. At 2:13 PM EST on October 31, 2006, just minutes after the second intrusion scheme was completed, C. Ramanathan established a new position in Google put options by purchasing 400 contracts at \$.05 per share using his account at optionsXpress. Between 11:28:50 AM EST and 11:31:31 AM EST on November 6, 2006, T. Ramanathan purchased 190 Google put option contracts at \$.05 per share using

his account at E*Trade. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

53. Then, between 10:50:02 AM EST and 3:45:36 PM EST on November 6, 2006, one or more of the Defendants intruded into the online brokerage account of a TD Ameritrade customer and made unauthorized purchases of 18,760 Google put options at prices ranging from \$.05 to \$.10 per contract. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

54. After the commencement of the intrusions, at 11:20 AM EST, C. Ramanathan sold 400 Google put option contracts at \$.10 per share using his account at optionsXpress. At 11:34:14 AM EST, T. Ramanathan sold 190 Google put option contracts at \$.10 per share using his account at E*Trade. Between 11:14 AM EST and 11:20 AM EST on that day, Marimuthu sold a total of 798 Google put option contracts at prices ranging from \$.05 to \$.10 per share using his account at optionsXpress. These were options contracts that Marimuthu had acquired in connection with the first two intrusions, but had been unable to liquidate. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

55. As a result of the intrusion scheme, Marimuthu realized profits of approximately \$26,890. C. Ramanathan realized profits of \$3,560, and T. Ramanathan realized profits of \$1,800.

Conversion Services International, Inc.

56. Conversion Services International, Inc. is an East Hanover, New Jersey-based provider of strategic consulting and data management. The company's shares are traded on the American Stock Exchange under the symbol CVN. In the fifteen trading days leading up to the intrusions, the average daily trading volume for CVN was 21,906 shares. Shares of CVN closed at \$.52 per share on September 28, 2006.

57. On September 29, 2006, without the individual's knowledge, one or more of the Defendants opened an online brokerage account at TD Ameritrade using stolen personal information. This account was funded with a \$150,000 payment electronically transferred by one or more of the Defendants, without permission, from the victim's Wells Fargo bank account. The account was opened using Internet protocol addresses assigned to ISPs located in Chennai, India.

58. On September 29, 2006, between 1:00:07 PM EDT and 1:15:40 PM EDT, Marimuthu purchased 6,627 shares of CVN at prices ranging from \$.63 to \$.69 per share using his accounts at ChoiceTrade, E*Trade and optionsXpress. At 1:17:34 PM EDT the same day, C. Ramanathan purchased 5,300 shares of CVN at \$.73 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in India.

59. Then, between 1:19:16 PM EDT and 1:27:13 PM EDT, just minutes after the Defendants' last purchase of CVN, one or more of the Defendants used the bogus account to make unauthorized purchases of 113,900 shares of CVN at prices ranging from \$.73 to \$1.15 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in India.

60. Shortly after the intrusions commenced, at 1:26:09 PM EDT on September 29, 2006, Marimuthu began liquidating his position in CVN. By 1:30 PM EDT that day, Marimuthu had sold 16,627 shares of CVN at \$1.10 per share using his accounts at ChoiceTrade, E*Trade and optionsXpress. At 1:27:04 PM EDT the same day, C. Ramanathan sold 5,300 shares of CVN at \$1.10 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in India.

61. Marimuthu and C. Ramanathan realized profits of \$6,847 and \$1,961, respectively, on their CVN sales.

62. The intrusion scheme had a significant impact on the market for CVN. On September 29, 2006, CVN opened at \$.52 per share and increased to an intraday high of \$1.15 per share on volume of 369,100 shares, approximately seventeen times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Pressure BioSciences, Inc.

63. Pressure BioSciences, Inc. is a West Bridgewater, Massachusetts firm specializing in the development of pressure cycling technology. The company's shares are quoted on the Over-the-Counter Bulletin Board under the symbol PBIO. In the fifteen trading days leading up to the intrusions, the average daily trading volume for PBIO was 23,087 shares. Shares of PBIO closed at \$3.28 per share on October 3, 2006.

64. On October 4, 2006, without the individual's knowledge, one or more of the Defendants opened an online brokerage account at TD Ameritrade using stolen personal information. The account was opened using Internet protocol addresses assigned to ISPs located in Chennai, India.

65. At 3:58:55 PM EDT on October 4, 2006, Marimuthu purchased 7,325 shares of PBIO at \$3.36 per share using his account at Firstrate. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

66. Then, between 1:11:26 PM EDT and 5:38:34 PM EDT on that day, one or more of the Defendants made unauthorized purchases of 105,050 shares of PBIO at prices ranging from \$3.71 to \$10 per share using the newly created account at TD Ameritrade. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

67. Also, on October 4, 2006, without the individual's knowledge, one or more of the Defendants opened a second online brokerage account at TD Ameritrade using stolen personal information. The account was funded with a \$150,000 payment electronically transferred by one or more of the Defendants, without consent, from the victim's Wells Fargo bank account. The account was opened using Internet protocol addresses assigned to ISPs located in Chennai, India.

68. Then, on October 5, 2006 at 9:22:57 AM EDT, this second account was used to make an unauthorized purchase of 7,727 shares of PBIO at \$5 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

69. Then, between 12:19:28 PM EDT and 12:19:30 PM EDT on October 5, 2006, Marimuthu sold all 7,325 shares of PBIO at prices ranging from \$4.25 to \$4.40 per share using his Firstrade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

70. As a result of this conduct, Marimuthu realized profits of \$6,824.

71. The intrusion scheme had a significant impact on the market for PBIO. On October 5, 2006, PBIO opened at \$5.50 per share and increased to an intraday high of \$5.80 per share on volume of 551,634 shares, approximately twenty-four times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Accelr8 Technology Corp.

72. Accelr8 Technology Corp. is a Denver, Colorado-based developer of medical and drug-related diagnostic technology. The company's shares are traded on the American Stock Exchange under the symbol AXK. In the fifteen trading days leading up to the intrusions, the average daily trading volume for AXK was 5,480 shares. Shares of AXK closed at \$2.55 per share on September 24, 2006.

73. On September 25, 2006, between 8:46 AM EDT and 10:25:43 AM EDT, Marimuthu purchased a total of 7,550 shares of AXK at prices ranging from \$1 to \$2.82 per share using his accounts at ChoiceTrade and optionsXpress. Between 12:54:33 PM EDT on September 22, 2006 and 9:59:31 AM EDT on September 25, 2006, Marimuthu acquired 1,750 shares of AXK at prices ranging from \$2.22 to \$2.70 per share using his account at Firstrade. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

74. Then, on September 25, 2006, between 9:28:14 AM EDT and 1:03:56 PM EDT, one or more of the Defendants intruded into the online brokerage account of a TD Ameritrade customer and made unauthorized purchases of 100,500 shares of AXK at prices ranging from \$2.60 to \$4 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

75. Shortly after the intrusions commenced, between 9:39:29 AM EDT and 10:27:01 AM EDT on September 25, 2006, Marimuthu sold 7,550 shares of AXK at prices ranging from \$3 to \$3.25 per share using his accounts at ChoiceTrade and optionsXpress. At 10:07 AM EDT that same morning, Marimuthu sold 2,500 shares of AXK at \$3.25 per share using his optionsXpress account. On the morning of the intrusions, Marimuthu also sold 250 shares of AXK at \$3 per share using his Firstrate account. He was unable to sell the remaining shares of AXK held in that Firstrate account until the next morning when he sold 1,500 shares at \$2.22 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Chennai, India.

76. As a result of this conduct, Marimuthu realized profits of \$11,254.

77. The intrusion scheme had a significant impact on the market for AXK. On September 25, 2006, shares of AXK opened at \$2.60 per share and increased to an intraday high of \$3.60 per share on volume of 193,300 shares, approximately thirty-five times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

CTR Investments & Consulting, Inc.

78. CTR Investments & Consulting, Inc. is a Pasadena, Maryland-based provider of information technology services and products. The company's shares are quoted on the Over-the-Counter Bulletin Board under the symbol CIVX. In the fifteen trading days leading up to the intrusions, the average daily trading volume for CIVX was 1,212,483 shares. Shares of CIVX closed at \$.00488 per share on August 29, 2006.

79. On August 16, 2006, Marimuthu purchased 1,000,000 shares of CIVX at \$.006 per share using his E*Trade account. Also on that day, C. Ramanathan purchased 1,500,000 shares of CIVX at \$.007 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

80. Then, on September 1, 2006, between 9:52:15 AM EDT and 11:00:46 AM EDT, one or more of the Defendants intruded into a customer's account at TD Ameritrade and made unauthorized purchases of 3,106,300 shares of CIVX at prices ranging from \$.008 to \$.011 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

81. Just minutes after the last unauthorized order was placed using the intruded TD Ameritrade account, Marimuthu sold 1,000,000 shares of CIVX at \$.01 per share using his E*Trade account. Between 11:16:12 AM EDT on September 1, 2006 and 9:09:19 AM EDT on September 6, 2006, C. Ramanathan sold a total of 1,500,000 shares of CIVX at prices ranging from \$.0075 to \$.01 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

82. Marimuthu and C. Ramanathan realized profits of \$4,000 and \$4,475, respectively, from their trading in CIVX.

83. The intrusion scheme had a significant impact on the market for CIVX. On September 1, 2006, CIVX opened at \$.006 per share and increased to an intraday high of \$.013 per share on volume of 27,587,814 shares, approximately twenty-three times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

Sun Microsystems, Inc.

84. Sun Microsystems, Inc. is a Santa Clara, California-based developer of computer software and hardware. The company's shares are quoted on NASDAQ under the symbol SUNW.

85. On August 31, 2006, in after-hours trading, Marimuthu purchased 22,632 shares of SUNW at prices ranging from \$4.99 to \$5.01 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

86. The next morning, between 8:42:55 AM EDT and 8:59:45 AM EDT, the same TD Ameritrade account that had been intruded by one or more of the Defendants days earlier to make unauthorized purchases of CIVX was used to make unauthorized purchases of 23,401 shares of SUNW at prices ranging from \$5.03 to \$5.04 per share. Later that morning, between 9:23:07 AM EDT and 9:30:07AM EDT, one or more of the Defendants used the intruded account to purchase 860 additional shares of SUNW at prices ranging from \$4.99 to 5.02 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

87. Contemporaneous with the intrusions, between 8:17:42 AM EDT and 9:32:35 AM EDT on September 1, 2006, Marimuthu sold 22,632 shares of SUNW at prices ranging from \$5.04 to \$5.05 per share using his E*Trade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

88. As a result of this conduct, Marimuthu realized profits of \$1,073.

Citizens Financial Corp.

89. Citizens Financial Corp. is a Louisville, Kentucky-based insurance provider. The company's securities are traded on NASDAQ under the symbol CNFL. In the fifteen trading days leading up to the intrusions, the average daily trading volume for CNFL was 1,517 shares. Shares of CNFL closed at \$5.75 per share on October 13, 2006.

90. On October 16, 2006 at 3:09 PM EDT, T. Ramanathan purchased 397 shares of CNFL at \$5 per share using his E*Trade account. That same day, between 3:30:12 PM EDT and 3:59:13 PM EDT, Marimuthu purchased 5,162 shares of CNFL at prices ranging from \$5.00 to \$5.40 per share using his Firstrate account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

91. Then, between 3:22 PM EDT and 5:37 PM EDT on October 16, 2006, one or more of the Defendants intruded into the online brokerage accounts of a Charles Schwab customer and made unauthorized purchases of 53,600 shares of CNFL at prices ranging from \$5.60 and \$6.84 per share. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

92. Less than twenty minutes after the intrusions began, at 3:43 PM EDT on October 16, 2006, T. Ramanathan sold 397 shares of CNFL at \$6 per share using his E*Trade account. Between 3:54:39 PM EDT on October 18, 2006 and 10:00:08 AM EDT on October 19, 2006, Marimuthu sold 5,162 shares of CNFL at prices ranging from \$5.05 to \$5.50 per share using his Firstrade account. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

93. As a result of this conduct, Marimuthu realized profits of \$261 and T. Ramanathan realized profits of \$400.

94. The intrusion scheme had a significant impact on the market for CNFL. On October 16, 2006, CNFL opened at \$4.88 per share and increased to an intraday high of \$6.62 per share on volume of 107,757 shares, approximately seventy times greater than the average trading volume over the fifteen trading days leading up to this intrusion.

American Access Technologies, Inc.

95. American Access Technologies, Inc. is a Keystone Heights, Florida-based manufacturer of zone cabling and wireless telecommunication enclosures. The company's securities are traded on NASDAQ under the symbol AATK. In the fifteen trading days leading up to the intrusions, the average daily trading volume for AATK was 9,445 shares. Shares of AATK closed at \$1.34 per share on October 16, 2006.

96. On October 17, 2006, between 7:16 PM EDT and 7:58 PM EDT, T. Ramanathan purchased 2,700 shares of AATK at prices ranging from \$1.11 to \$1.20 per share using his account at E*Trade. One or more of the Defendants executed these transactions using Internet protocol addresses assigned to ISPs located in Thailand.

