

JPL:NMA/SKW
F. #2025R00412

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

- against -

JUSTIN CHEN,
also known as “Jia Wei Chen,” and
JUN ZHEN,

Defendants.

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EASTERN DISTRICT OF NEW YORK, SS:

JENNIFER RIKER, being duly sworn, deposes and states that she is a Special Agent with the Federal Bureau of Investigation, duly appointed according to law and acting as such.

In or about May 2025, within the Eastern District of New York and elsewhere, the defendants JUSTIN CHEN, also known as “Jia Wei Chen,” and JUN ZHEN, together with others, did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud one or more persons in connection with one or more securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that was required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit: CHEN and ZHEN obtained material non-public information about Purple Innovation, Inc. in the course of CHEN’s and ZHEN’s employment at Edgar Filer 1, an entity the identity of which is known to the affiant, and then in violation of CHEN’s and ZHEN’s duties of trust and confidence to Edgar Filer 1 and Purple Innovation, Inc., and without disclosure to Edgar Filer 1

TO BE FILED UNDER SEAL

COMPLAINT AND AFFIDAVIT
IN SUPPORT OF APPLICATION
FOR ARREST WARRANT

(18 U.S.C. §§ 1348, 2 and 3551 et seq.)

Case No. 25-MJ- 223__

and Purple Innovation, Inc., converted that information for CHEN's and ZHEN's own use for the purpose of executing one or more securities transactions in Purple Innovation, Inc. stock.

(Title 18, United States Code, Sections 1348, 2 and 3551 et seq.)

The source of your affiant's information and the grounds for her belief are as follows:¹

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI") and have been involved in the investigation of numerous cases involving white collar crimes, including securities fraud, wire fraud and money laundering. I am familiar with the facts and circumstances set forth below from, among other things, my participation in the investigation; my review of the investigative file; and from reports of other law enforcement officers involved in the investigation.

The Defendants and Relevant Entities and Terms

2. The defendant JUSTIN CHEN, also known as "Jia Wei Chen," is a resident of Brooklyn, New York, and during the relevant period, worked as an Edgar Operator and Edgar Assistant Manager at Edgar Filer 1.

3. The defendant JUN ZHEN is a resident of Brooklyn, New York, and during the relevant period, worked as an Edgar Operator and Typeset Assistant Manager at Edgar Filer 1.

4. The Electronic Data Gathering, Analysis and Retrieval system or "EDGAR" is the primary system for companies and others filing documents under the Securities

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware. Dates, times and dollar figures provided are approximations. Dollar figures are in U.S. dollars unless otherwise stated. Statements provided are recounted in sum and substance.

Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940. EDGAR is operated by the Securities and Exchange Commission (the “SEC”). Filings with SEC are available to the public via EDGAR.

5. An “issuer” is a legal entity that development registered and sold securities including shares of “stock,” a type of security that signified a proportionate ownership in the issuer.

6. A “Form 8-K” is a current report that issuers must file with the SEC to announce major events that shareholders should know about, such as an issuer’s entry into material agreements (e.g., business combination agreements, merger agreements, or partnerships). Forms 8-K are filed on and available to the public via EDGAR.

7. Edgar Filer 1 is an industry leading, full-service EDGAR filing agent, specializing in financial regulatory and compliance solutions for public and private companies, private equity firms, corporate attorneys, asset management companies, and various financial institutions. Edgar Filer 1 maintains a principal place of business in New York, New York. Edgar Filer 1’s services include, among other things, EDGAR filing conversion, inline XBRL² tagging, typesetting and Proxy design.

8. Ondas Holdings, Inc. is a Massachusetts-based provider of private wireless data solutions and commercial drone solutions. Ondas Holdings, Inc. is listed on the NASDAQ exchange where it trades under the ticker “ONDS.”

² XBRL stands for eXtensible Business Reporting Language. XBRL is used for EDGAR submissions.

9. Purple Innovation, Inc. is a Utah-based creator of mattresses and pillows. Purple Innovation, Inc. is listed on the NASDAQ exchange where it trades under the ticker “PRPL.”

10. SigmaTron International, Inc. is an Illinois-based provider of electronic manufacturing services including printed circuit board assemblies, electro-mechanical subassemblies and completely assembled (box-build) electronic products. SigmaTron International, Inc. is listed on the NASDAQ exchange where it trades under the ticker “SGMA.”

11. Signing Day Sports, Inc. is an Arizona-based developer of an electronic application or “App” used by student-athletes to create recruitment profiles for college sports. Signing Day Sports, Inc. is listed on the NASDAQ exchange where it trades under the ticker “SGN.”

The Insider Trading Scheme

12. In or about and between March and June 2025, ONDS, PRPL, SGMA, and SGN announced that they had entered into business combination agreements, merger agreements, or partnerships that resulted in significant increases in the share price of each company’s stock. These material agreements were announced in Form 8-K filings with the SEC on EDGAR and press releases, which were also included in the respective Form 8-K filings. Edgar Filer 1 was the filing agent for each of these announcements. As set forth below in more detail, in each case CHEN and ZHEN (who are Edgar Filer 1 employees) purchased shares in the company on the day before the announcement and sold those shares at a significant profit immediately after the announcement. In total, CHEN and ZHEN have made a profit of more than \$1 million from their trading in ONDS, PRPL, SGMA, and SGN.

13. As set forth below, based on CHEN’s and ZHEN’s access to ONDS,

PRPL, SGMA, and SGN announcements before they were filed, the timing of their trades, and the fact that neither CHEN nor ZHEN had previously traded in any of ONDS, PRPL, SGMA, and SGN in their brokerage accounts, I respectfully submit that there is probable cause to believe that CHEN and ZHEN misappropriated material non-public information about ONDS, PRPL, SGMA, and SGN learned in the course of their employment at Edgar Filer 1 and used that material non-public information to trade in advance of the companies' Form 8-K filings in violation of their duties of trust and confidence to Edgar Filer 1 and the companies themselves.

Edgar Filer 1

14. In the ordinary course, clients of Edgar Filer 1 submit proposed filings to an email inbox maintained by Edgar Filer 1. Employees of Edgar Filer 1, including managers and assistant managers like CHEN and ZHEN have access to these proposed filings. Edgar Operators like CHEN and ZHEN are responsible for reviewing the proposed filings and providing the proposed filings to other Edgar Filer 1 employees who convert the filing to the format used by EDGAR and then return them to the Edgar Operator to be provided to the client for review and approval. Accordingly, employees of Edgar Filer 1, including CHEN and ZHEN have access to material non-public information about Edgar Filer 1's clients before that information is made public in filings on EDGAR.

15. A representative of Edgar Filer 1 informed me that Edgar Filer 1's policies prohibit employees like CHEN and ZHEN from using material non-public information about Edgar Filer 1's clients to trade in securities.

16. As set forth above, ONDS, PRPL, SGMA, and SGN are each Edgar Filer 1 clients.

ONDS

17. On March 11, 2025, before the market opened, ONDS filed a Form 8-K announcing that ONDS had entered into a strategic partnership with Palantir, a multi-billion dollar provider of artificial intelligence systems. Pursuant to the partnership, ONDS will integrate Palantir's Foundry platform into its autonomous drone platforms. The day before the announcement, on March 10, 2025, ONDS shares closed at approximately \$0.72 per share. Following the announcement, on March 11, 2025, ONDS shares opened at \$1.18 per share (an approximately 63% increase). Edgar Filer 1 filed the March 11, 2025 announcement on ONDS's behalf.

18. In the afternoon on March 10, 2025 (shortly prior to the filing of the Form 8-K), CHEN purchased approximately 65,239 shares of ONDS through his Morgan Stanley e-Trade brokerage account for approximately \$44,703. Approximately 15 minutes after the announcement, on the morning of March 11, 2025, CHEN began selling his entire position of ONDS shares (approximately 65,239 shares) for approximately \$69,447, resulting in a net profit of approximately \$24,744.³ ZHEN's trading in ONDS followed a similar pattern. In the afternoon on March 10, 2025, ZHEN purchased approximately 38,747 shares of ONDS through his Morgan Stanley e-Trade brokerage account for approximately \$27,896.44. In the morning on March 11, 2025, approximately one hour and ten minutes after the announcement, ZHEN sold his entire position in ONDS shares (approximately 38,747 shares) for approximately \$39,901, resulting in a net profit of approximately \$12,005.

³ CHEN also purchased and sold approximately 5,000 shares in ONDS on March 11, 2025 resulting in a net profit of approximately \$37.16.

19. In total, CHEN, who works at Edgar Filer 1, ONDS's EDGAR filing agent, and ZHEN, who also works at Edgar Filer 1, made a profit of approximately \$36,749 trading ONDS shares in the 24-hour period before and after the March 11, 2025 announcement. Based on a review of records provided by CHEN's and ZHEN's broker, I am aware that before March 10, 2025, neither CHEN nor ZHEN had invested in shares of ONDS.

PRPL

20. On May 6, 2025, after the market closed, PRPL filed a Form 8-K announcing that PRPL had entered into a partnership with Somnigroup, the owner of Mattress Firm, to expand PRPL's product offerings in Somnigroup's stores nationwide. At the same time, PRPL entered into a strategic supply agreement with Tempur Sherwood, LLC, a subsidiary of Tempur Sealy, to assemble PRPL products. On May 6, 2025, before the announcement, PRPL shares closed at approximately \$0.74 per share. Following the announcement on May 7, 2025, PRPL shares opened at approximately \$0.85 per share (an approximately 15% increase) and hit a high price of \$0.97 per share. Edgar Filer 1 filed the May 6, 2025 announcement on PRPL's behalf.

21. In the evening on May 5, 2025 and the morning on May 6, 2025, before the announcement, CHEN purchased approximately 117,799 PRPL shares through his brokerage account for approximately \$90,135. CHEN began selling his PRPL shares approximately two minutes after the announcement in the afternoon on May 6, 2025. In total, CHEN sold his entire PRPL position (approximately 117,799 shares) in approximately five minutes after the announcement for approximately \$120,413, resulting in a net profit of \$30,278. ZHEN also purchased PRPL shares before the announcement and sold them immediately after. In the evening on May 5, 2025, ZHEN purchased approximately 41,000 PRPL shares through his

brokerage account for approximately \$29,936. ZHEN sold his entire position in PRPL approximately 12 minutes after the announcement in the afternoon on May 6, 2025. ZHEN sold approximately 41,000 shares in PRPL for approximately \$40,191, resulting in a net profit of \$10,255.

22. In total, CHEN, who works at Edgar Filer 1, PRPL's EDGAR filing agent, and ZHEN, who also works at Edgar Filer 1, made a profit of approximately \$40,533 trading PRPL shares in the 24-hour period before and after the May 6, 2025 announcement. Based on a review of records provided by CHEN's and ZHEN's broker I am aware that before May 5, 2025, neither CHEN nor ZHEN had invested in shares of PRPL.

SGMA

23. On May 21, 2025, before the market opened, SGMA filed a Form 8-K announcing that SGMA had entered into a merger agreement whereby SGMA would be acquired by Transom Capital Group, LLC at a total enterprise value of approximately \$83 million representing a price premium of approximately 134% over SGMA's closing price per share on May 20, 2025. On May 20, 2025, SGMA closed at approximately \$1.29 per share. On May 21, 2025, after the announcement, SGMA opened at approximately \$2.93 per share (an approximately 127% increase) and closed at approximately \$2.97 per share. Edgar Filer 1 filed the May 21, 2025 announcement on SGMA's behalf.

24. In the afternoon and evening on May 20, 2025, before the May 21, 2025 announcement, CHEN purchased approximately 144,870 shares of SGMA through his brokerage account for approximately \$193,034. CHEN sold his SGMA shares the next morning, on May 21, 2025, approximately a half-hour after the announcement. In total, CHEN sold approximately 144,870 SGMA shares for approximately \$419,245, resulting in a net profit of

\$226,210. ZHEN also bought SGMA shares before the announcement and sold them immediately after. In the afternoon on May 20, 2025, and early in the morning on May 21, 2025, ZHEN purchased approximately 41,405 shares in SGMA through his brokerage account for approximately \$51,494.⁴ Approximately a half-hour after the announcement, ZHEN sold his position in SGMA. ZHEN sold a total of 36,905 shares for approximately \$108,721, resulting in a total profit of approximately \$63,795.⁵

25. In total, CHEN, who works at Edgar Filer 1, SGMA's EDGAR filing agent, and ZHEN, who also works at Edgar Filer 1, made a profit of approximately \$290,005 trading SGMA shares in the 24-hour period before and after the May 21, 2025 announcement. Based on a review of records provided by CHEN's and ZHEN's broker, I am aware that before May 20, 2025, neither CHEN nor ZHEN had invested in shares of SGMA.

SGN

26. On May 28, 2025, before the market opened, SGN filed a Form 8-K announcing that SGN had entered into a merger agreement with BlockchAIn Digital Infrastructure, a digital asset mining and data hosting company that is developing new facilities in South Carolina and Texas. On May 27, 2025, the day before the announcement, SGN closed at approximately \$0.83 per share. On May 28, 2025, after the announcement, SGN opened at approximately \$3.17 per share (an approximately 282% increase) and closed at approximately \$2.19 per share. Edgar Filer 1 filed the May 28, 2025 announcement on SGN's behalf.

⁴ On May 20, 2025, ZHEN also sold 4,500 shares in SGMA. At the time of SGMA's announcement, ZHEN owned 36,905 shares in SGMA.

⁵ ZHEN's profit includes his profit from selling 4,500 SGMA shares on May 20, 2025 before SGMA's announcement.

27. In advance of the announcement, in the afternoon on May 27, 2025, CHEN purchased approximately 128,517 SGN shares through his brokerage account for approximately \$100,007. CHEN sold his SGN shares the next morning approximately 50 minutes after the announcement. In total, CHEN sold 128,517 SGN shares for approximately \$395,939 for a total profit of approximately \$295,932. ZHEN's trading in SGN was similar. In the afternoon on May 27, 2025, ZHEN purchased approximately 130,000 SGN shares through his brokerage account for approximately \$97,267. In the morning, on May 28, 2025, approximately 50 minutes after the announcement, ZHEN sold his entire stake in SGN (approximately 130,000 SGN shares) for approximately \$420,732, yielding a total profit of approximately \$323,464.⁶

28. In total, CHEN, who works at Edgar Filer 1, SGN's EDGAR filing agent, and ZHEN, who also works at Edgar Filer 1, made a profit of approximately \$617,396 trading SGN shares in the 24-hour period before and after the May 28, 2025 announcement.

Connections between CHEN and ZHEN and Travel to Hong Kong

29. CHEN and ZHEN are both employees at Edgar Filer 1. According to account opening paperwork for CHEN's brokerage account and information obtained from law enforcement databases, CHEN lives at a certain address in the Bensonhurst section of Brooklyn. According to account opening paperwork for ZHEN's brokerage account and information

⁶ CHEN and ZHEN also traded in SGN shares several days before the May 28, 2025 announcement. Between May 22, 2025 and the morning of May 27, 2025, CHEN made a profit of approximately \$70,948 on these trades and ZHEN made a profit of approximately \$26,259 on these trades. At the time CHEN and ZHEN began purchasing SGN shares in the afternoon on May 27, 2025 neither held any shares of SGN. The markets were closed from May 24, 2025 through May 26, 2025 for the Memorial Day holiday. Based on a review of records provided by CHEN's and ZHEN's broker, I am aware that before May 22, 2025, neither CHEN nor ZHEN had invested in shares of SGN.

obtained from law enforcement databases, ZHEN also lives at a certain address in the Bensonhurst section of Brooklyn. CHEN's address is approximately two blocks from where ZHEN lives.

30. Travel records also indicate that CHEN and ZHEN have recently traveled together to Hong Kong. In particular, on April 19, 2025, CHEN and ZHEN were each ticketed for Cathay Pacific flight 841 from John F. Kennedy International Airport to Hong Kong International Airport. ZHEN returned to the United States on May 4, 2025 (the day before he began purchasing PRPL shares) and CHEN returned to the United States on June 20, 2025.

31. CHEN and ZHEN are also currently scheduled to leave the country together on June 28, 2025. On May 27, 2025, CHEN purchased a flight from Hong Kong to New York, arriving in New York on June 20, 2025, and a return ticket from New York to Hong Kong, departing on Cathay Pacific flight 843 on June 28, 2025. The next day, May 28, 2025 ZHEN purchased a one-way ticket on the same Cathay Pacific flight on June 28, 2025 flight from New York to Hong Kong.

32. CHEN and ZHEN also conducted many of their trades in ONDS, PRPL, SGMA, and SGN within hours (and sometimes minutes) of each other suggesting that they were coordinating their trading. For instance, CHEN made his first purchase of ONDS's shares at approximately 3:09 p.m. on March 10, 2025. ZHEN made his first purchase of ONDS's shares less than an hour later at approximately 3:47 p.m. on March 10, 2025. ZHEN made his first purchase of PRPL at approximately 7:51 p.m. on May 5, 2025, and CHEN made his first purchase of PRPL at approximately 7:57 p.m. on May 5, 2025 approximately six minutes later. CHEN made his first purchase of SGMA's shares at approximately 3:51 p.m. on May 20, 2025 and ZHEN made his first purchase of SGMA's shares at approximately 3:52 p.m. on May 20,

2025, approximately one minute later. CHEN and ZHEN also sold their positions in SGN within minutes of each other on May 28, 2025.

33. There is also evidence that ZHEN has accessed CHEN's brokerage account. Internet Protocol ("IP")⁷ information obtained from their broker indicates that CHEN's and ZHEN's brokerage accounts were accessed from the same location on June 2, 2025. In particular, at approximately 5:14 p.m. on June 2, 2025, ZHEN's brokerage account was accessed from IP address 100.38.231.59, which is associated with a location in Brooklyn, New York. Approximately 20 minutes later, at approximately 5:38 p.m. on June 2, 2025, CHEN's brokerage account was accessed from the same IP address. Based on port of entry records from the Customs and Border Patrol, I am aware that CHEN did not return to the United States until June 20, 2025, 18 days later. According to the same records, ZHEN was in the United States at the time, and, as noted above, ZHEN (like CHEN) lives in the Bensonhurst section of Brooklyn. Accordingly, I believe that ZHEN, who was in Brooklyn at the time, accessed CHEN's brokerage account shortly after accessing his own brokerage account from Brooklyn, New York.

⁷ An IP address is a unique numerical string that represents a single point of connection to the internet, such as a home internet router or a mobile device.

WHEREFORE, your affiant respectfully requests that an arrest warrant be issued for the defendants JUSTIN CHEN, also known as “Jia Wei Chen,” and JUN ZHEN so that they may be dealt with according to law.

IT IS FURTHER REQUESTED that, because public filing of this document at this time could result in a risk of flight by the defendant, as well as jeopardize the government’s investigation, all papers submitted in support of this application, including the complaint and arrest warrant, be sealed until further order of the Court.



JENNIFER RIKER
Special Agent, Federal Bureau of Investigation

Sworn to before me this
27 day of June, 2025

Vera M. Scanlon

THE HONORABLE VERA M. SCANLON
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK



TO: Clerk's Office
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

APPLICATION FOR LEAVE
TO FILE DOCUMENT UNDER SEAL

UNITED STATES OF AMERICA

-v.- 25-MJ-223

JUSTIN CHEN, also known as "Jia Wei Chen,"
and JUN ZHEN

SUBMITTED BY: Plaintiff Defendant DOJ ☒

Name: AUSA Nick M. Axelrod

Firm Name:USAO-EDNY

Address: 271 Cadman Plaza East

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INDICATE UPON THE PUBLIC DOCKET SHEET: YES NO ☒
If yes, state description of document to be entered on docket sheet:

A) If pursuant to a prior Court Order:
Docket Number of Case in Which Entered: _____
Judge/Magistrate Judge: _____
Date Entered: _____

B) If a new application, the statute, regulation, or other legal basis that
authorizes filing under seal
risk of flight; destruction of evidence

ORDERED SEALED AND PLACED IN THE CLERK'S OFFICE,
AND MAY NOT BE UNSEALED UNLESS ORDERED BY
THE COURT.

DATED: Brooklyn, NEW YORK
Vera M. Scanlon 6/27/25

U.S. MAGISTRATE JUDGE

RECEIVED IN CLERK'S OFFICE _____ DATE _____

MANDATORY CERTIFICATION OF SERVICE:

A.) _____ A copy of this application either has been or will be promptly served upon all parties to this action, B.) _____ Service is excused by 31 U.S.C. 3730(b), or by the following other statute or regulation: _____; or C.) ☒ This is a criminal document submitted, and flight public safety, or security are significant concerns.
(Check one)

6/27/2025
DATE

Nick M. Axelrod
SIGNATURE