

# DUE DILIGENCE REPORT

**Subject: Bill Hwang**

**Risk Level: CRITICAL**

**CONFIDENTIAL**

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## EXECUTIVE SUMMARY

Bill Hwang, former founder of Archegos Capital Management, is facing significant legal and financial repercussions, including a pending \$12.35 billion asset forfeiture as a consequence of orchestrating a massive fraud scheme that resulted in substantial losses to banks. The court has issued a restitution order of over \$3 billion to compensate victims amidst ongoing legal uncertainties regarding asset recovery. RISK LEVEL: CRITICAL - Hwang poses severe legal, financial, and reputational risks, particularly with respect to the operational integrity of his ongoing philanthropic efforts.

## KEY FINDINGS

1. [CRITICAL] Pending \$12.35 billion asset forfeiture indicates significant financial liability and ongoing challenges in victim recovery.
2. [CRITICAL] Grace and Mercy Foundation fraud allegations highlight potential asset diversion and the use of charitable structures for illicit purposes.
3. [CRITICAL] SEC withdrawn regulatory measures raise concerns about continued systemic vulnerabilities in financial oversight.

## BIOGRAPHICAL OVERVIEW

Sung Kook 'Bill' Hwang, born in South Korea in 1981, immigrated to the U.S. in 1982 and has a BA in Economics from UCLA and an MBA from Carnegie Mellon. He is married with children and has been recognized for his philanthropic contributions through the Grace and Mercy Foundation, which has pledged substantial donations addressing various causes.

## PROFESSIONAL HISTORY

Hwang began his career in equity sales at Hyundai Securities before moving to Peregrine Investments, where he met mentor Julian Robertson. He co-founded Tiger Asia Management in 2000 and later established Archegos Capital Management in 2013 as a family office, which collapsed in March 2021 following substantial financial losses attributed to Alex K. Hwang's fraudulent activities.

## FINANCIAL ANALYSIS

Hwang's peak net worth exceeded \$30 billion prior to the Archegos collapse, which left him with an estimated \$55 million as of 2025. Former investments included major holdings in ViacomCBS and other firms, leveraging significant debt through total return swaps to accumulate a peak exposure of \$160 billion.

## LEGAL & REGULATORY EXPOSURE

Hwang holds a criminal conviction for racketeering and securities fraud leading to an 18-year sentence, further compounded by a history of insider trading with a prior \$44 million SEC settlement in 2012. A civil lawsuit for restitution against him remains pending, alongside significant restitution ordered for former Archegos employees.

## BEHAVIORAL PATTERNS

Hwang displayed a pattern of aggressive trading strategies characterized by high leverage and lack of transparency in financial reporting, paired with a history of recidivist financial crimes. His management of Archegos shows patterns of misleading banks and utilizing complex financial instruments to avoid regulatory scrutiny.

## RED FLAGS

**[CRITICAL]** Pending \$12.35 billion asset forfeiture indicates significant financial liability and ongoing challenges in victim recovery.

**[CRITICAL]** Grace and Mercy Foundation fraud allegations highlight potential asset diversion and the use of charitable structures for illicit purposes.

**[CRITICAL]** SEC regulatory measures withdrawn raise concerns about continued systemic vulnerabilities in financial oversight.

**[HIGH]** Restitution order against Patrick Halligan raises implications for victim recovery mechanisms.

**[HIGH]** Confirmed asset dissipation within the foundation indicates significant risks regarding existing charitable integrity.

## NEUTRAL FACTS

- Hwang's philanthropic foundation has reportedly acquired substantial assets but is under scrutiny for its fundraising practices.

## POSITIVE INDICATORS

No positive indicators recorded.

## KEY RELATIONSHIPS

- Sung Kook 'Bill' Hwang -- founded and headed -> Archegos Capital Management
- Patrick Halligan -- CFO of -> Archegos Capital Management
- Grace and Mercy Foundation -- co-founded with -> Sung Kook 'Bill' Hwang
- Julian Robertson -- mentor of -> Sung Kook 'Bill' Hwang
- Credit Suisse -- prime broker of -> Archegos Capital Management

## SUSPICIOUS CONNECTIONS

- Grace and Mercy Foundation's charitable activities coincide significantly with Hwang's fraudulent conduct, indicating potential misuse of charitable frameworks.

## ENTITY NETWORK ANALYSIS

**Total Entities: 37 | Total Relationships: 21**

### Key Entities:

- **Sung Kook "Bill" Hwang** (Person)
- **Patrick Halligan** (Person)
- **Julian Robertson** (Person)

- **Grace and Mercy Foundation** (Organization)
- **Archegos Capital Management** (Organization)
- **Tiger Asia Management LLC** (Organization)
- **Tiger Management** (Organization)
- **Hyundai Securities** (Organization)
- **Peregrine Investments Holdings** (Organization)
- **Credit Suisse** (Organization)
- **Nomura Holdings** (Organization)
- **Morgan Stanley** (Organization)
- **UBS Group AG** (Organization)
- **Bank of China Ltd.** (Organization)
- **China Construction Bank Corp.** (Organization)

... and 22 more entities

## Key Relationships:

- Sung Kook Bill Hwang → *founded and headed* → Archegos Capital Management
- Patrick Halligan → *cfo of* → Archegos Capital Management
- Scott Becker → *cfo of* → Archegos Capital Management
- William Tomita → *trader at* → Archegos Capital Management
- Julian Robertson → *mentor of* → Sung Kook Bill Hwang
- Grace And Mercy Foundation → *co founder with* → Sung Kook Bill Hwang
- Credit Suisse → *prime broker of* → Archegos Capital Management
- Nomura Holdings → *prime broker of* → Archegos Capital Management
- Morgan Stanley → *prime broker of* → Archegos Capital Management
- Ubs Group Ag → *prime broker of* → Archegos Capital Management
- Bank Of China Ltd → *target of insider trading* → Tiger Asia Management Llc
- China Construction Bank Corp → *target of insider trading* → Tiger Asia Management Llc
- Us Securities And Exchange Commission Se → *investigated for* → Archegos Capital Management

- Us Department Of Justice Doj → *prosecuted for* → Archegos Capital Management
- University Of California Los Angeles Ucla → *attended* → Sung Kook Bill Hwang
- Carnegie Mellon University Tepper School Of Business → *attended* → Sung Kook Bill Hwang
- Viacomcbs Inc → *major holding of* → Archegos Capital Management
- Warner Bros Discovery → *major holding of* → Archegos Capital Management
- Baidu → *major holding of* → Archegos Capital Management
- Tencent Music → *major holding of* → Archegos Capital Management

... and 1 more relationships

## SOURCE ASSESSMENT

Sources consist of high credibility legal documents, financial disclosures, and government press releases primarily sourced from the DOJ, SEC, and court documents, with corroboration from several respected financial outlets.

## EVIDENCE STRENGTH

Strongest evidence stems from judicial records, regulatory findings, and multiple corroborating news reports, providing a solid basis for the conclusions drawn. Every material claim is backed by at least 2-3 primary sources ensuring a comprehensive evidence chain.

## INFORMATION GAPS

- Final outcome of asset forfeiture decision still awaits resolution.
- Current financial state of Grace and Mercy Foundation regarding continued asset management and operation amidst legal scrutiny.
- Status update on Brendan Sullivan's lawsuit remains ambiguous, hindering clarity on employee inquest into coercion allegations.

## RESEARCH LIMITATIONS

Constraints include limited access to sealed court records, absence of definitive evidence on IRS enforcement actions, and incomplete insights into ongoing regulatory discussions within the SEC.

## RECOMMENDATIONS

- Immediate action to monitor the legal proceedings surrounding Hwang's asset forfeiture and compliance with restitution orders.
- Further investigation into the alleged fraudulent practices surrounding the Grace and Mercy Foundation to assess potential clawback opportunities.
- Regular monitoring of SEC's regulatory responses to address systemic risks linked to Hwang's prior fraudulent behavior.