

Title: The CFTC Complaint against Archegos alleges material misrepresentations during recorded telephone calls on the following dates: January 28th, January 29th, March 8, and March 10. Coincidence?

■ Was GME volatile on those dates?

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Swap Counterparties regarding credit risk issues, including but not limited to position size.

Halligan therefore knew or had reason to know that Risk Officer 1 continued to have such calls with Archegos Fund's Swap Counterparties after he directed Risk Officer 1 to provide false information to the Swap Counterparties, and Halligan knew or was reckless in not knowing that Risk Officer 1 would provide false information to Archegos Fund's Swap Counterparties as instructed.

53. During the Relevant Period, when Swap Counterparties asked about Archegos Fund's largest positions across its entire portfolio (including at other Swap Counterparties), Risk Officer 1 typically represented that Archegos Fund's largest position was approximately 35% of its net asset value ("NAV"), despite knowing that this 35% figure was not true. For example, in late 2020 or early 2021, Risk Officer 1 had a telephone call with Swap Counterparty 3. At that time, Risk Officer 1 knew that Archegos Fund's largest long single-name TRS position, ViacomCBS, had grown significantly larger than 35% of Archegos Fund's NAV, and he was concerned that Swap Counterparty 3 would ask questions about the position. Risk Officer 1

asked Halligan how he should proceed, and Halligan, also knowing that Viacom had grown well above 35% of Archegos Fund's NAV, nonetheless directed Risk Officer 1 to continue to falsely represent that Archegos Fund's largest position was approximately 35% of its NAV. Following Halligan's direction, Risk Officer 1 falsely represented to Swap Counterparty 3 that Archegos Fund's largest investment was only 35% of its NAV. Based on Halligan's prior direction, Risk Officer 1 also made similar misrepresentations to Swap Counterparty 4 on a recorded telephone call on March 8, 2021; and to Swap Counterparty 5 on telephone calls on January 28, 2021 and March 1, 2021. By misrepresenting that Archegos Fund's largest position was only 35% of NAV, rather than 70%, Risk Officer 1 misrepresented that Archegos Fund's portfolio was materially less concentrated (and hence materially less risky) than it actually was.

54. Risk Officer 1 also intentionally misrepresented the composition of Archegos Fund's total portfolio across all of its Swap Counterparties. For example, on March 8, 2021, in a recorded telephone call with Swap Counterparty 4, Risk Officer 1 intentionally falsely



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORKCOMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

ARCHegos CAPITAL MANAGEMENT, LP  
and PATRICK HALLIGAN,

Defendants.

Case No. 22-CV-3401

ECF Case

**COMPLAINT FOR INJUNCTIVE  
AND OTHER EQUITABLE RELIEF  
AND FOR CIVIL MONETARY  
PENALTIES UNDER THE  
COMMODITY EXCHANGE ACT  
AND COMMISSION REGULATIONS****JURY TRIAL DEMANDED****I. SUMMARY**

1. In the span of a year, between March 2020 and March 2021 ("Relevant Period"), Archegos Capital Management, LP ("Archegos") and Archegos's Chief Financial Officer, Patrick Halligan (collectively, "Defendants"), and others acting on their behalf or under their direction ("Accomplices"), engaged in a scheme whereby they intentionally and/or recklessly provided false or misleading material information and/or omitted to provide such material information to their trading swap counterparties ("Swap Counterparties"). During this period, the value of Archegos's portfolio increased fifteen-fold before it abruptly collapsed, causing its Swap Counterparties to suffer losses totaling billions of dollars.

2. Archegos's spectacular rise and catastrophic fall arose from a pattern of deceit in which Defendants and their Accomplices routinely led Archegos's Swap Counterparties to falsely believe that the portfolio of Archegos Fund, LP ("Archegos Fund"), a fund managed by Archegos, was far less risky than it actually was.



Swap Counterparty 6. Thereafter, on multiple occasions between December 2020 and March 2021, Swap Counterparty 6 imposed increased margin requirements on Archegos Fund's positions.

59. On or around January 29, 2021, Trader 1 and Risk Officer 1 had a telephone call with Swap Counterparty 1 to discuss GSX. During this call, Trader 1 provided information to Swap Counterparty 1 that omitted material information regarding the size of Archegos Fund's overall position in GSX, one of Archegos Fund's largest positions. Prior to the call, Swap Counterparty 1 learned from certain public filings that several other swap dealers were among GSX's largest shareholders. During this call, Swap Counterparty 1 inquired about why so many other swap dealers were large shareholders of GSX. Trader 1 conveyed, in substance, that the other swap dealer shareholders related to other hedge funds that invested in GSX through swap

transactions. This statement was false and misleading because it only referred to other hedge funds who invested in GSX while omitting the material fact that Archegos Fund had invested in GSX through TRS with many of the same swap dealers that Swap Counterparty 1 was inquiring about. Trader 1 failed to provide this material information to Swap Counterparty 1 in order to conceal the true size and risk of Archegos Fund's total GSX position.

60. Prior to the call with Swap Counterparty 1 that occurred on or around January 29, 2021, Halligan told Risk Officer 1 that Risk Officer 1 should participate in all calls that Trader 1 was having with Archegos's Swap Counterparties so that Risk Officer 1 would know what Trader 1 was saying to the Swap Counterparties. Risk Officer 1 understood that Halligan wanted to ensure that Risk Officer 1 and Trader 1 were telling counterparties a consistent story, and that if Trader 1 was providing misleading information to a Swap Counterparty, it would be important for Risk Officer 1 to do the same. After the January 29 call with Swap Counterparty 1, Risk Officer 1 told Halligan, in substance, that he had adhered to Trader 1's talking points regarding GSX, to which Halligan responded, in sum and substance, "if they only knew." Risk Officer 1 interpreted this to mean that Halligan was reflecting on what would happen if Swap Counterparty 1 knew the truth about Archegos Fund's GSX positions, including the fact that Archegos Fund held substantial positions in GSX with several other Swap Counterparties. Such statements were common from Halligan, and Risk Officer 1 interpreted this to mean that Halligan knew that Risk Officer 1 and Trader 1 were providing false and misleading information and/or concealing material information from Archegos Fund's Swap Counterparties, and that Archegos Fund's Swap Counterparties would have taken protective countermeasures if they knew the truth. In

was. For example, on March 8, 2021, on a recorded telephone call with Swap Counterparty 4, Risk Officer 1 represented that Archegos Fund could liquidate almost its entire portfolio in about two weeks. In a subsequent call, Swap Counterparty 4 asked for additional information about Archegos Fund's liquidity, and Risk Officer 1 agreed to report back to Swap Counterparty 4. Thereafter, Trader 1, Risk Officer 1, and Halligan held a conference call in which they conspired to provide false liquidation statistics for Risk Officer 1 to report back to Swap Counterparty 4.

56. Consequently, in a recorded telephone call with Swap Counterparty 4 on March 10, 2021, Risk Officer 1 intentionally or recklessly misrepresented that Archegos Fund could liquidate: (i) about half of its total portfolio in ten days; (ii) seventy-five per cent of its total portfolio within twenty days; and (iii) its entire portfolio in about a month. Risk Officer 1 told Swap Counterparty 4 that this was based on liquidation at a rate of 10-15% of average daily trading volume, which was meant to convey liquidation at a rate that would not significantly impact market prices. At the time Risk Officer 1 made these representations to Swap Counterparty 4, Risk Officer 1 knew or was reckless in not knowing, based on the size and composition of Archegos Fund's portfolio compared to relevant average daily trading volumes, that his representation about the liquidation of the entire portfolio was false or misleading. Risk Officer 1 knew or was reckless in not knowing that Archegos Fund's portfolio could not be unwound at the stated rate and in the stated time period without significantly impacting the

market price, based on market conditions and the positions to be liquidated. Risk Officer 1 similarly misrepresented that Archegos Fund could liquidate 50% of its entire portfolio in ten days in a telephone call with Swap Counterparty 3 in late 2020 or early 2021, and in a telephone call with Swap Counterparty 2 on March 19, 2021. By intentionally or recklessly misrepresenting the time in which Archegos Fund could liquidate its positions, Risk Officer 1 concealed that Archegos Fund's portfolio was materially less liquid (and hence materially riskier) than it actually was.

57. Trader 1 also made multiple misrepresentations to Swap Counterparties. In connection with Archegos Fund's onboarding of Swap Counterparty 1, Trader 1 represented that Archegos Fund's portfolio with Swap Counterparty 1 would be different from its portfolios with other Swap Counterparties. This was untrue—in fact, Archegos Fund sought to onboard Swap Counterparty 1 because it needed additional capacity to trade many of the same securities it was trading with its other Swap Counterparties, including GSX and ViacomCBS.