

Industries | Legal

Bill Hwang's Fate Is Now in Jury's Hands After Archegos Trial

- Jurors start their deliberations after 7 weeks of testimony
- Judge scolded lawyer for 'boring the jury to tears' in trial



How Bill Hwang and Archegos Lost \$20 Billion

By [Ava Benny-Morrison](#)

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The 12 jurors in Bill Hwang's market manipulation trial over the collapse of Archegos Capital Management have started their deliberations.

As the jury in lower Manhattan hammers out a verdict in one of the most prominent white collar prosecutions of recent years, it will be wading through seven weeks of evidence. That includes the often dramatic testimony of two top executives who turned against Hwang and a parade of managers from the banks that lost billions working with him.

Though closely watched on Wall Street, the long trial got so granular at times that the seasoned jurist overseeing it, 90-year-old US District Judge Alvin Hellerstein, sometimes lost his patience.

"I think you're wasting our time," he told the government at one point, suggesting the testimony it was eliciting from an Archegos staffer was "marginal." He later told the defense it was "boring the jury to tears."

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The panel of New Yorkers, who the judge has wryly said would be getting a crash course in “Finance 101,” will weigh a raft of complicated exhibits and reams of testimony. The jurors must decide whether Hwang illegally pumped up the price of stocks he was investing in and duped such sophisticated players as UBS Group AG, Morgan Stanley and Goldman Sachs Group Inc. about the sky-high risk to which he was exposing them.

In the end, the banks' role as Archegos' trading counterparties cost them more than \$10 billion when the family office imploded in 2021, obliterating Hwang's own, sudden \$36 billion wealth and contributing to the failure of Credit Suisse Group AG. The defense has argued it was an unforeseeable “black swan” event and that Hwang was just an aggressive investor who believed in his holdings.

“This is more complex than many other cases, and that's an issue,” UCLA law professor James Park said in an interview. “It will be challenging for the jury to distinguish between trading meant to artificially manipulate the price and trading of a stock you think is valuable.”

The jurors, most of whom don't have any financial background, will now determine Hwang's fate. The 60-year-old protege of hedge fund billionaire Julian Robertson is facing as many as 20 years in prison on each count if he is convicted, although he would probably serve those terms concurrently. Former Archegos chief financial officer Patrick Halligan is also on trial and has pleaded not guilty to fraud and racketeering conspiracy.



US District Judge Alvin Hellerstein *Photographer: Todd Heisler/The New York Times/Redux*

One by one, bank insiders, former Archegos employees and market experts testified during the trial about the circumstances of Archegos' failure. Prosecutors elicited testimony that Hwang amassed huge positions in a handful of public companies using swaps and engaged in manipulative trading practices to artificially jack up the stocks. They claim he directed Archegos executives to lie to the banks to increase the family office's credit limits and fuel his prolific trading.

On cross-examination and during the presentation of their own case, Hwang's lawyers tried to show that many of the tactics the government calls nefarious were common industry practices. They pushed back on testimony about their client's care in keeping the concentration of his positions secret, probing witnesses on the importance of not tipping one's hand to short sellers and other competing investors.

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The government's case was anchored by two cooperating witnesses. One was former chief risk officer Scott Becker, who testified that Archegos lied again and again to the banks about its positions. The other, former Archegos head trader William Tomita, spent about two weeks on the stand and told the jurors how he manipulated stock prices at Hwang's

direction. He seemed especially effective at putting financial terms into plain English for the jury.



Former head trader William Tomita leaves federal court in New York on June 10. *Photographer: Jeenah Moon/Bloomberg*

Still, the defense appeared to land several blows during cross-examination. It tried to cast doubt on Becker's credibility, reminding him of a text he had sent wishing Halligan would die in a plane crash. As for Tomita, Hwang's lawyer Barry Berke told the jury during his closing that the trader had said "I don't recall" 451 times during cross.

Through it all, the challenge for the lawyers has been turning the sometimes arcane subject matter into digestible information for the jury. Some jurors appeared to nod off during the more detailed testimony, while others doodled on notepads or wrapped themselves in blankets to counter the air conditioning.

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Overall, though, they appeared alert and engaged, following share price charts on their individual screens and often asking the judge to keep the trial going when given the choice to finish for the day. One alternate juror shook his head when a spreadsheet was presented showing that Archegos

suffered a \$2.85 billion loss in a single day because the share price of ViacomCBS dropped \$10.

When the testimony grew too dense for his liking, the judge warned the lawyers that the jury was fading. But that periodic inattention needn't be fatal, according to Columbia Law School Professor [Daniel Richman](#).

“At the end of the day, the fact that jurors looked bored is not necessarily bad for the government, so long as the jury doesn't hold it against them,” Richman said. “And it's less likely to do so if the government succeeded in its summation to explain how the dry spots really relate to the most interesting parts, to support a narrative.”

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Most of the testimony was about the daily work of Wall Street. Clearly mindful of the need to make it real for the jury, one witness for the defense, investing expert [Sunil Wahal](#), used a household staple to explain variations in algorithmic trading.

“I like whole yogurt. My kids like Greek yogurt. My wife likes low-fat yogurt,” Wahal told the jurors. “These are all algorithms. They are just different.”

– *With assistance from Bob Van Voris and Chris Dolmetsch*

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