



Are We Stewards or Speculators of Christ?

Case Study #09

Scenario

The story of Bill Hwang of Archegos

Bill Hwang, born in 1964, of South Korea origin, immigrated to the US in 1982 as a teenager with his family. His father was a pastor of a church. Bill Hwang is Benefactor & trustee of Fuller Theological Seminary. Co-founded "Grace & Mercy Foundation", donated US\$500M in 2018. The King's College in New York is a beneficiary. The Grace and Mercy Foundation supports the poor and invests in organizations that could bring value to their communities. It makes grants in the marketplace & for non-profit. (SCMP 24.5.21).

Pleaded guilty and fined US\$60M for insider trading in 2012. SEC banned him from managing outside money. Banned trading for 4 years in HK. Later, Bill Hwang founded Archegos Capital Management, described as a hard-charging financial speculator, a Christian evangelist and philanthropist. Assets reportedly grown to US\$20B. About 10 banks bended backwards to loan him US\$50B to supercharge bets for lucrative high fee, said to total US\$100M p.a. Known as aggressive, money-making genius. "Super aggressive" and "considered a guy who was willing to do incredibly bold things," said a professional hedge fund investor. CNA 2.4.21

1. Archegos invested heavily in ViacomCBS. On Thursday 25th March 2021, the share price of ViacomCBS fell 30% after announcing a \$3B new share issue.
2. Other large share positions also reversed sharply and rapidly. Falling prices diminished collateral values.
3. Archegos did not have enough liquidity to meet margin calls, thus defaulted per agreement.
4. A tiny spark triggered a ferocious fire. Banks who advanced loans dumped all shares held as collateral at sharply reduced values. What ensued was one of the biggest sudden losses in Wall Street history.
5. Archegos lost \$20B in 2 days.



PROVERBS 15:16

Better a little with the fear of the Lord than great wealth with turmoil.

WHAT DO WE DO?

Are we stewards or speculators of Christ?



