

# International Hedge Fund Pleads Guilty To Wire Fraud Scheme And Agrees To Forfeit More Than \$16 Million In Illegal Profits

FOR IMMEDIATE RELEASE

December 12, 2012

NEWARK, N.J. – Tiger Asia Management LLC, an international hedge fund management company, pleaded guilty today to a wire fraud scheme, U.S. Attorney Paul J. Fishman announced.

Company founder Sung Kook “Bill” Hwang, 48, of Tenafly, N.J., pleaded guilty on behalf of Tiger Asia Management before U.S. District Judge Stanley R. Chesler in Newark federal court to an Information charging the company with one count of wire fraud. Following the guilty plea, Judge Chesler sentenced Tiger Asia to one year of probation and ordered Tiger Asia to forfeit more than \$16 million in criminal proceeds.

“On more than one occasion, Tiger Asia was entrusted with confidential, non-public information about companies only to turn around and violate that trust by illegally trading millions of shares of the company’s stock for huge profits,” U.S. Attorney Fishman said. “This criminal activity by a hedge fund operator, one of the biggest in the world, is unacceptable. The investing public must be reassured that they are investing in markets that are operated fairly.”

“Manipulation of securities trading laws by large hedge funds places the uninformed individual investor at risk of great financial harm,” FBI Special Agent in Charge Michael B. Ward said. “This guilty plea and associated forfeiture action is designed to deter such illegal activity and reinforces the US Government’s resolve in addressing such criminal action.”

Robert Khuzami, director of the SEC’s Division of Enforcement, said: “Hwang today learned the painful lesson that illegal trading offshore is not off-limits from U.S. law enforcement, and tomorrow’s would-be securities law violators would be well-advised to heed this warning.”

According to documents filed in this case and statements made in court:

Tiger Asia Management (“Tiger Asia”) was founded by Bill Hwang in 2001 and was one of the so-called “Tiger Cubs,” a group of hedge funds that were spun off from Tiger Management Corp., which in the late 1990s was one of the largest hedge funds sponsors in the world. Tiger Asia managed two separate hedge funds, Tiger Asia Overseas Fund, Ltd. and Tiger Asia Fund, L.P., which specialized in Asian-trading equities. Through these funds, Tiger Asia at times managed more than \$5 billion in assets.

On three separate occasions in December 2008 and January 2009, investment bankers contacted Tiger Asia and asked whether Tiger Asia was interested in purchasing shares of stock in one of two Chinese companies whose stock was traded on the Hong Kong Stock Exchange. Before providing further information to Tiger Asia concerning the companies or the terms of the proposed sales, however, the investment bankers first required that Tiger Asia agree to be “brought over the wall,” or “wall-crossed,” standard industry terms which meant that Tiger Asia was required to keep the information disclosed to it confidential and could not buy or sell stock based on the information.

On each of these three occasions, a Tiger Asia executive agreed to these restrictions and then violated the agreement. Almost immediately after receiving the confidential information, Tiger Asia used that information to trade millions of shares of stock in the companies at issue. By trading on this valuable, nonpublic information in violation of its agreements, Tiger Asia reaped more than \$16 million in illicit profits.

U.S. Attorney Fishman praised special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward; special agents of the IRS – Criminal Investigation, under the direction of Acting Special Agent in Charge Shantelle P. Kitchen; and the U.S. Securities and Exchange Commission’s Division of Enforcement in New York, under the direction of Robert Khuzami, for the investigation leading to today’s guilty plea and sentence.

The government is represented by Assistant U.S. Attorney Christopher J. Kelly of the U.S. Attorney’s Office Economic Crimes Unit in Newark.

This case was brought in coordination with President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

12-433

Defense counsel: Lawrence S. Lustberg Esq., Newark, N.J.

**Tiger Asia Information**  
**Tiger Asia Plea Agreement**

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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No.
	:	
	:	18 U.S.C. § 1343
v.	:	
	:	<u>INFORMATION</u>
	:	
TIGER ASIA MANAGEMENT, LLC	:	

The defendant having waived in open court prosecution by Indictment and any objections to venue, the United States Attorney for the District of New Jersey charges:

**BACKGROUND**

**Defendant and Others**

1. At all times relevant to this Information:

a. TIGER ASIA MANAGEMENT, LLC (“Tiger Asia Management”) was a limited liability company with headquarters in New York, New York. TIGER ASIA MANAGEMENT was the investment manager of the Tiger Asia Overseas Fund, Ltd. and served as the management company for the Tiger Asia Fund, L.P. (collectively, the “Tiger Asia Funds”), hedge funds specializing in Asian-traded equities. The Tiger Asia Funds maintained numerous brokerage accounts worldwide, including at Morgan Stanley, a financial services firm with offices and operations in New York, New Jersey and elsewhere. TIGER ASIA MANAGEMENT was founded by Sung Kook “Bill” Hwang, a New Jersey resident, in or about 2001 and was one of the so-called “Tiger Cubs,” a group of hedge funds that were spun off from Tiger Management Corp., which in the late 1990s was one of the largest hedge fund sponsors in the world. At various times relevant to this Information, TIGER ASIA MANAGEMENT managed more than \$5 billion in assets.

b. R.P., who is not named as a defendant herein, was employed by TIGER ASIA MANAGEMENT as Head of Trading. As Head of Trading, R.P. was responsible for executing securities trades on behalf of the Tiger Asia Funds. R.P. also held the title of Managing Director.

c. Bank of China Limited (“Bank of China”) was one of China’s largest commercial banks. Shares of Bank of China stock were traded on the Hong Kong Stock Exchange.

d. China Construction Bank Corporation (“CCB”) also was one of China’s largest commercial banks. Shares of CCB stock were traded on the Hong Kong Stock Exchange.

e. Bloomberg L.P., which maintained offices in New Jersey, provided messaging services used by financial services firms to place electronic trades. TIGER ASIA MANAGEMENT used Bloomberg’s messaging service to place trades, including the short sales referenced herein.

## **Relevant Terms**

2. At all times relevant to this Information:

a. The term “block trade” referred to a privately negotiated transaction involving the sale of large quantities of shares of stock executed away from the stock markets. Block trades often were used by institutional shareholders seeking to sell large quantities of stock other than through placing a sell order on the markets, for fear that a large sell order would, by virtue of the laws of supply and demand, depress the sale price. Ordinarily, block trades were brokered by investment banks, and were carried out on short notice and closed quickly. Often, the shares of stock sold in a block trade were sold at a discount to the market price.

b. The term “over the wall” was a term used in the financial markets to reflect that a potential investor had agreed to certain confidentiality and trading restrictions in exchange for receiving material, nonpublic information about a potential securities transaction.

c. The term “short selling” was the practice of selling a stock that had been borrowed from a third party with the intention of buying the stock back at a later date to return to the lender. The short seller hoped to profit from a decline in the price of the stock between the sale and the repurchase. The act of buying back the stock that was sold was called “covering the short” or “covering the position.”

## **THE SCHEME TO DEFRAUD**

3. From in or about December 2008 through in or about January 2009, in the District of New Jersey and elsewhere, defendant

TIGER ASIA MANAGEMENT, LLC

did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, as more fully described below.

### **The Object of the Scheme and Artifice to Defraud**

4. The object of the scheme was for defendant TIGER ASIA MANAGEMENT to agree to be brought “over the wall” in order to receive confidential, material, and nonpublic information regarding impending block sales of stock, and then to improperly and unlawfully use that information to engage in profitable securities trades.

### **The Means and Methods of the Scheme and Artifice to Defraud**

#### **UBS AG’s Sale of Bank of China Shares on or about December 31, 2008**

5. On or about December 18, 2008, a representative of UBS AG (“UBS”), a financial services company headquartered in Switzerland, contacted R.P. The UBS representative asked R.P. whether TIGER ASIA MANAGEMENT wanted to be “wall crossed” with respect to the sale of a large block of stock for which UBS was acting as the placement agent. The UBS representative told R.P. that if TIGER ASIA MANAGEMENT agreed to be wall crossed, it would have to keep the information that would be disclosed confidential and could not trade in the securities that were the subject of the information. R.P., on behalf of TIGER ASIA MANAGEMENT, agreed to these restrictions.

6. Once R.P., on behalf of TIGER ASIA MANAGEMENT, agreed to be bound by these confidentiality and trading restrictions, the UBS representative told him that UBS intended to sell approximately 3.3 billion shares of Bank of China stock at a discount of between

approximately 8% and approximately 10% of market price. The UBS representative also told R.P. that the deal would close on or about December 31, 2008.

7. On or about December 22, 2008, the UBS representative sent an e-mail to R.P. confirming their prior conversation in which R.P. had agreed to be brought over the wall. In the e-mail, the UBS representative wrote:

This e-mail is being sent to memorialize a previous conversation between us whereby you agreed on behalf of Tiger Asia to receive confidential information from UBS . . . in connection with a potential sell down of the shares in Bank of China. As part of that conversation, you expressly agreed that Tiger Asia will hold any information regarding Bank of China and UBS AG in confidence . . . [and] you will not engage in any trading activities regarding any security of Bank of China.

Within minutes of receiving this e-mail, R.P. responded, "Got it. Thx."

8. Although R.P. had expressly agreed on behalf of TIGER ASIA MANAGEMENT to keep this information confidential and not to trade on it, TIGER ASIA MANAGEMENT almost immediately violated that agreement and, between on or about December 18, 2008 and on or about December 22, 2008, TIGER ASIA MANAGEMENT caused the Tiger Asia Funds to short sell a total of approximately 104 million shares of Bank of China stock.

9. On or about December 31, 2008, pursuant to the block trade, UBS allocated the Tiger Asia Fund's approximately 199 million shares of Bank of China stock at a price of approximately HK\$1.93 per share, which represented a discount of approximately 12% off the closing price on or about December 30, 2008.

10. By covering the approximate 104 million shares of Bank of China stock that Tiger Asia short sold between on or about December 18, 2008 and on or about December 22, 2008 with the shares acquired from UBS (at a discount) in the block sale, the Tiger Asia Funds reaped illicit profits of more than approximately \$3,000,000.

**Bank of America's Sale of CCB Shares on or about January 6, 2009**

11. In or about December 2008, Bank of America ("BOA") retained UBS to assist BOA in arranging the block sale of approximately 5.6 billion shares of CCB stock which were owned by BOA.

12. On or about January 5, 2009, a representative of UBS contacted R.P., told R.P. that he had price-sensitive information regarding a block sale in which TIGER ASIA MANAGEMENT might be interested, and asked R.P. whether he wanted to be wall crossed. R.P., on behalf of TIGER ASIA MANAGEMENT, agreed to be wall crossed.

13. The UBS representative then told R.P. that BOA intended to sell approximately 5.6 billion shares of CCB stock at a discount of approximately 15% of market price. The UBS representative also told R.P. that the deal would close within approximately 48 hours.

14. Although R.P. expressly agreed on behalf of TIGER ASIA MANAGEMENT to keep this information confidential and not to trade on it, TIGER ASIA MANAGEMENT almost immediately violated that agreement and, on or about January 6, 2009, TIGER ASIA MANAGEMENT caused the Tiger Asia Funds to short sell approximately 93 million shares of CCB stock.

15. On or about January 6, 2009, UBS allocated to the Tiger Asia Funds approximately 1.97 billion shares of CCB stock at a price of approximately HK\$3.92 per share, which represented a discount of approximately 11.9% off of that day's closing price.

16. By covering the approximately 93 million shares of CCB stock that they short sold on or about January 6, 2009 with the shares purchased from BOA (at a discount) in the block sale on or about January 7, 2009, the Tiger Asia Funds reaped illicit profits of more than approximately \$7,000,000.



**RBS's Sale of Bank of China Shares on or about January 13, 2009**

17. In or about January 2009, Royal Bank of Scotland ("RBS") retained Morgan Stanley Hong Kong Securities Limited ("Morgan Stanley HK") to assist RBS in arranging the block sale of approximately 10.8 billion shares of Bank of China stock which were owned by RBS.

18. On or about January 11, 2009, representatives of Morgan Stanley HK contacted R.P. at TIGER ASIA MANAGEMENT. The Morgan Stanley HK representatives told R.P. that Morgan Stanley HK had confidential, material and nonpublic information regarding a potential block sale of stock that TIGER ASIA MANAGEMENT might be interested in, and asked R.P. whether he wanted to be wall crossed. R.P. indicated that he understood the term "wall crossed," and the concomitant restriction on disclosing the confidential information, and agreed on behalf of TIGER ASIA MANAGEMENT to be wall crossed.

19. After R.P. agreed on behalf of TIGER ASIA MANAGEMENT to be wall crossed, the Morgan Stanley HK representatives told R.P. that RBS intended to sell approximately 10.8 billion shares of BOC stock at a discount of between approximately 7% and approximately 11% of market price. The Morgan Stanley HK representatives also told R.P. that the deal would close within approximately 24 to 48 hours.

20. Although R.P. had expressly agreed on behalf of TIGER ASIA MANAGEMENT to keep this information confidential and not to trade on it, TIGER ASIA MANAGEMENT almost immediately violated that agreement and, on or about January 12 and January 13, 2009, caused the Tiger Asia Funds to short sell approximately 282 million shares of BOC stock.

21. On or about January 13, 2009, after the market close and pursuant to the block trade, Morgan Stanley HK allocated to the Tiger Asia Funds approximately 450 million shares of BOC stock at a price of approximately HK\$1.71 per share, which represented a discount of approximately 7.6% off the closing price.

22. By covering the approximately 282 million shares of Bank of China stock that they short sold on or about January 12 and January 13, 2009 with the shares purchased from RBS (at a discount) in the block sale on or about January 13, 2009, the Tiger Asia Funds reaped illicit profits of more than approximately \$5,700,000.

23. As a result of the illicit transactions described herein, TIGER ASIA MANAGEMENT reaped illicit profits of approximately \$16,257,000.

24. On or about December 22, 2008, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, defendant TIGER ASIA MANAGEMENT did knowingly and intentionally transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce certain writings, signs, signals, pictures and sounds, to wit, a short sale of approximately 7,310,000 shares of Bank of China stock which cleared, electronically, through Tiger Asia Fund L.P.'s account at Morgan Stanley.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to the defendant, that upon its conviction of the offense charged in this Information, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), which requires any person convicted of such offense to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described in paragraph 2.

  
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PAUL J. FISHMAN  
UNITED STATES ATTORNEY

CASE NUMBER: \_\_\_\_\_

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**United States District Court  
District of New Jersey**

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**UNITED STATES OF AMERICA**

**v.**

**TIGER ASIA MANAGEMENT, LLC**

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**INFORMATION FOR**

**18 U.S.C. § 1343**

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**PAUL J. FISHMAN**

*U.S. ATTORNEY*

*NEWARK, NEW JERSEY*

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**CHRISTOPHER J. KELLY**

*ASSISTANT U.S. ATTORNEY*

*NEWARK, NEW JERSEY*

*973-645-6112*

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U.S. Department of Justice

United States Attorney  
District of New Jersey

Christopher J. Kelly  
Assistant United States Attorney

970 Broad Street, Suite 700  
Newark, New Jersey 07102

Phone: 973-645-6113  
Fax: 973-297-2045

August 27, 2012

**Via First Class Mail**

Lawrence S. Lustberg, Esq.  
Gibbons P.C.  
One Gateway Center  
Newark, NJ 07102-5310

Re: Tiger Asia Management, LLC

Dear Mr. Lustberg:

This letter sets forth the plea agreement between your client, Tiger Asia Management, LLC ("Tiger Asia") and the United States Attorney for the District of New Jersey ("this Office").

**Charge**

Conditioned on the understandings specified below, this Office will accept a guilty plea from Tiger Asia to a one-count Information that charges it with wire fraud in violation of Title 18, United States Code, Section 1343. If Tiger Asia enters a guilty plea and is sentenced on this charge, and otherwise fully complies with all of the terms of this agreement, this Office will not initiate any further criminal charges against Tiger Asia, any officers, employees or affiliates thereof, relating to Tiger Asia's participation in December 2008 and January 2009 in offerings of stock in China Construction Bank Corporation ("CCB") and Bank of China Limited ("BOC"). However, in the event that a guilty plea in this matter is not entered for any reason or the judgment of conviction entered as a result of this guilty plea does not remain in full force and effect, Tiger Asia agrees that any dismissed charges and any other charges that are not time-barred by the applicable statute of limitations on the date this agreement is signed by Tiger Asia may be commenced against it, notwithstanding the expiration of the limitations period after Tiger Asia signs the agreement.

**Sentencing**

The violation of 18 U.S.C. § 1343 to which Tiger Asia agrees to plead guilty carries a statutory maximum fine equal to the greatest of: (1) \$500,000; (2) twice the gross amount of any pecuniary gain that any persons derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense. Fines imposed by the sentencing judge may be subject to the payment of interest.

The sentence to be imposed upon Tiger Asia is within the sole discretion of the sentencing judge, subject to the provisions of the Sentencing Reform Act, 18 U.S.C. §§ 3551-3742, and the sentencing judge's consideration of the United States Sentencing Guidelines. The United States Sentencing Guidelines are advisory, not mandatory. The sentencing judge may impose any reasonable sentence up to and including the statutory maximum term of probation and the maximum statutory fine. This Office cannot and does not make any representation or promise as to what guideline range may be found by the sentencing judge, or as to what sentence Tiger Asia ultimately will receive.

Further, in addition to imposing any other penalty on Tiger Asia, the sentencing judge: (1) will order Tiger Asia to pay an assessment of \$400 pursuant to 18 U.S.C. § 3013, which assessment must be paid by the date of sentencing; (2) may order Tiger Asia to pay restitution pursuant to 18 U.S.C. §§ 3663 *et seq.* and U.S. Sentencing Guideline 8B1.1; (3) may order Tiger Asia, pursuant to 18 U.S.C. § 3555, to give notice to any victims of its offense; and (4) pursuant to 18 U.S.C. § 3561, may require Tiger Asia to serve a term of probation of not less than one (1) year, but not more than five (5) years.

#### Forfeiture

Tiger Asia agrees that as part of its acceptance of responsibility and pursuant to 18 U.S.C. § 982, Tiger Asia will consent to the entry of a forfeiture money judgment in the amount of \$16,257,918 in United States currency (the "Forfeiture Money Judgment"). Tiger Asia acknowledges that the Forfeiture Money Judgment is subject to forfeiture as property constituting, or derived from, proceeds obtained directly or indirectly, from a violation of 18 U.S.C. §1343, and/or constitutes a substitute asset pursuant to 21 U.S.C. § 853.

Payment of the Forfeiture Money Judgment shall be made by certified or bank check, with the criminal docket number noted on the face of the check, payable to the United States Marshals Service. On or before the date Tiger Asia enters a plea of guilty pursuant to this agreement, Tiger Asia shall cause said check to be hand-delivered to the Asset Forfeiture and Money Laundering Unit, United States Attorney's Office, District of New Jersey, 970 Broad Street, Newark, New Jersey 07102.

Tiger Asia agrees to waive all interest in the Forfeiture Money Judgment in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. Tiger Asia agrees to consent to the immediate entry of orders of forfeiture for the Forfeiture Money Judgment and waives the requirements of Rules 32.2 and 43(a) of the Federal Rules of Criminal Procedure regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Tiger Asia understands that the forfeiture of the Forfeiture Money Judgment is part of the sentence that may be imposed in this case and waives any failure by the court to advise Tiger Asia of this pursuant to Rule 11(b)(1)(J) of the Federal Rules of Criminal Procedure at the guilty plea proceeding.

Tiger Asia hereby waives any and all claims that this forfeiture constitutes an excessive fine and agrees that this forfeiture does not violate the Eighth Amendment.

#### Rights of This Office Regarding Sentencing

Except as otherwise provided in this agreement, this Office reserves its right to take any position with respect to the appropriate sentence to be imposed on Tiger Asia by the sentencing judge, to correct any misstatements relating to the sentencing proceedings, and to provide the sentencing judge and the United States Probation Office all law and information relevant to sentencing, favorable or otherwise. In addition, this Office may inform the sentencing judge and the United States Probation Office of: (1) this agreement; and (2) the full nature and extent of Tiger Asia's activities and relevant conduct with respect to this case.

#### Stipulations

This Office and Tiger Asia agree to stipulate at sentencing to the statements set forth in the attached Schedule A, which hereby is made a part of this plea agreement. This agreement to stipulate, however, cannot and does not bind the sentencing judge, who may make independent factual findings and may reject any or all of the stipulations entered into by the parties. To the extent that the parties do not stipulate to a particular fact or legal conclusion, each reserves the right to argue the existence of and the effect of any such fact or conclusion upon the sentence. Moreover, this agreement to stipulate on the part of this Office is based on the information and evidence that this Office possesses as of the date of this agreement. Thus, if this Office obtains or receives additional evidence or information prior to sentencing that it determines to be credible and to be materially in conflict with any stipulation in the attached Schedule A, this Office shall not be bound by any such stipulation. A determination that any stipulation is not binding shall not release either this Office or Tiger Asia from any other portion of this agreement, including any other stipulation. If the sentencing court rejects a stipulation, both parties reserve the right to argue on appeal or at post-sentencing proceedings that the sentencing court was within its discretion and authority to do so. These stipulations do not restrict the Government's right to respond to questions from the Court and to correct misinformation that has been provided to the Court.

#### Waiver of Appeal and Post-Sentencing Rights

As set forth in Schedule A, this Office and Tiger Asia waive certain rights to file an appeal, collateral attack, writ, or motion after sentencing, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2255.

#### Other Provisions

This agreement is limited to the United States Attorney's Office for the District of New Jersey and cannot bind other federal, state, or local authorities. However, this Office will bring this agreement to the attention of other prosecuting offices, if requested to do so.

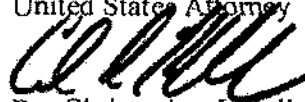
This agreement was reached without regard to any civil or administrative matters that may be pending or commenced in the future against Tiger Asia. This agreement does not prohibit the United States, any agency thereof (including but not limited to the Securities and Exchange Commission), or any third party from initiating or prosecuting any civil or administrative proceeding against Tiger Asia.

No Other Promises


This agreement constitutes the plea agreement between Tiger Asia and this Office and supersedes any previous agreements between them. No additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties.

Very truly yours,

PAUL J. FISHMAN  
United States Attorney

  
By: Christopher J. Kelly  
Assistant U.S. Attorney

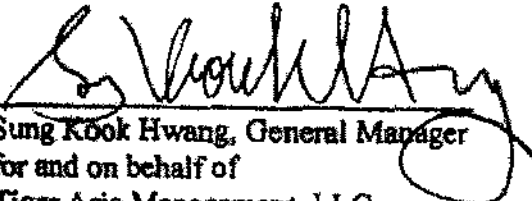
APPROVED:

  
Judith H. Germano  
Chief, Economic Crimes Unit



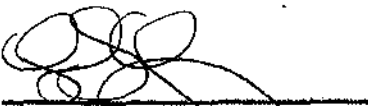
I have received this letter from my attorney, Lawrence S. Lustberg, Esq. I have read this letter. My attorney and I have discussed the letter and all of its provisions, including the provisions addressing the charge, sentencing, the stipulations, waiver, and forfeiture consequences. I understand the letter fully. I hereby accept the terms and conditions set forth in this letter and acknowledge that it constitutes the plea agreement between the parties. I understand that no additional promises, agreements, or conditions have been made or will be made unless set forth in writing and signed by the parties. In my capacity as General Manager of Tiger Asia, I am authorized to state, and do state, that Tiger Asia wants to plead guilty pursuant to this plea agreement.

AGREED AND ACCEPTED:

  
Sung Kook Hwang, General Manager  
for and on behalf of  
Tiger Asia Management, LLC

Date: 11-17-2012

I have discussed with my client this letter and all of its provisions, including the provisions addressing the charge, sentencing, the stipulations, waiver, and forfeiture consequences. My client understands the letter fully and wants to plead guilty pursuant to this plea agreement.

  
Lawrence S. Lustberg, Esq.

Date: 11/7/2012

Plea Agreement With Tiger Asia Management, LLC

Schedule A

1. This Office and Tiger Asia Management, LLC ("Tiger Asia") recognize that the United States Sentencing Guidelines ("U.S.S.G.") are not binding upon the Court. This Office and Tiger Asia nevertheless agree to the stipulations set forth herein, and agree that the Court should sentence Tiger Asia in accordance with those stipulations.

2. The version of the United States Sentencing Guidelines effective November 1, 2011 applies in this case. The applicable guideline is U.S.S.G. § 8A1.1. The parties agree that the Court should determine what, if any, sentence requirements should be imposed under U.S.S.G. § 8A1.2, including restitution, remedial orders, community service, and notice to victims.

3. The parties agree that Tiger Asia did not operate primarily for a criminal purpose or primarily by criminal means. See U.S.S.G. §§ 8A1.2(b)(1), 8C1.1.

4. The parties further agree that, in light of Tiger Asia's agreement to forfeit the proceeds of its criminal conduct and its pending agreement with the United States Securities and Exchange Commission to pay penalties and interest, the parties will jointly recommend that the Court waive the imposition of a fine.

5. Tiger Asia agrees that a term of probation of at least one year is necessary and reasonable. See U.S.S.G. § 8D1.1(a).

6. If the sentencing court accepts a stipulation set forth above, both parties waive the right to file an appeal, collateral attack, writ, or motion claiming that the sentencing court erred in doing so. Otherwise, both parties reserve the right to file, oppose, or take any position in any appeal, collateral attack, or proceeding involving post-sentencing motions or writs.