



PRESS RELEASE

Former CEO And Board Chairman Charged With Fraud Scheme Directed At Public Company

Tuesday, November 4, 2025

For Immediate Release

U.S. Attorney's Office, Southern District
of New York

Bradley Heppner Obtained More Than \$150 Million Through Fraud on GWG

United States Attorney for the Southern District of New York, Jay Clayton, and the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation, Christopher G. Raia, announced today the unsealing of an Indictment charging BRADLEY HEPPNER, the founder of Beneficient, with securities fraud, wire fraud, conspiracy to commit securities fraud and wire fraud, false statements to auditors, and falsification of records. The charges in the Indictment arise from an alleged scheme by HEPPNER and others to fraudulently extract funds from GWG Holdings, Inc., a publicly traded company for which HEPPNER served as chairman, through the use of a shell company he controlled, the Highland Consolidated Limited Partnership ("HCLP"). HEPPNER was arrested this morning in Dallas, Texas, and will be presented tomorrow in the Northern District of Texas. The case has been assigned to U.S. District Judge Jed S. Rakoff.

"As alleged, Heppner abused his role as a public company executive to loot the company and to funnel money into his own pockets," said

U.S. Attorney Jay Clayton. “When executives like Heppner lie and cheat to enrich themselves at the expense of everyday investors, they corrupt the integrity of our public markets. The women and men of the SDNY and our law enforcement partners will continue to work tirelessly to protect investors and the markets.”

“While serving as chairman of GWG, a publicly traded company, Bradley Heppner allegedly misappropriated more than \$150 million. In furtherance of this scheme, Heppner allegedly falsified documents, made misleading statements to investors and auditors, and obstructed an investigation by regulatory authorities. GWG’s subsequent bankruptcy resulted in over \$1 billion in losses to retail investors. The FBI will continue to hold accountable any individual who defrauds investors for their own gain,” said FBI Assistant Director in Charge Christopher G. Raia.

As alleged in the Indictment unsealed today in Manhattan federal court:

BRADLEY HEPPNER was the founder of Beneficient, a financial services startup. HCLP was a shell company that HEPPNER also controlled. In order to obtain a payout for himself, HEPPNER created a \$141 million debt that Beneficient purportedly owed to HCLP. Over time, HEPPNER gained control and influence over GWG Holdings, Inc., a Nasdaq-listed financial services company. GWG historically raised capital through bonds — called L bonds — sold to retail investors, predominately retirees seeking income-generating investments. HEPPNER installed himself as chairman of GWG’s board of directors and appointed his friends and associates as GWG’s board members.

Between 2018 and 2021, HEPPNER made false and misleading statements to a special committee of GWG’s board to induce them to authorize investments by GWG in Beneficient, in part to pay off the debt Beneficient purportedly owed to HCLP. When the special committee inquired about who controlled HCLP, HEPPNER represented that HCLP was independent, disclaimed influence over it, and denied that he would personally receive the payments on the purported debt. Those representations were false and misleading. HCLP was controlled by HEPPNER. And when GWG authorized payments to satisfy what it believed were arm’s length debts owed to a third-party lender, those funds flowed through multiple corporate entities and ultimately to HEPPNER’s personal accounts. Beneficient received at least approximately \$300 million from GWG. And HEPPNER received more than \$150 million of these GWG funds through his HCLP entity. HEPPNER used the funds he received from GWG for personal expenses, including to fund his lifestyle and to renovate his Dallas mansion and improve his East Texas ranch.

In addition, in or about 2019, HEPPNER made false and misleading statements and prepared false documents to deceive Beneficient’s auditors in connection with the preparation of

Beneficiary's and GWG's audit. As a publicly held company, GWG was required to report to the United States Securities and Exchange Commission its quarterly and annual financial statements, and to have its annual financial statements audited by independent certified public accounts. By the end of 2018, because GWG held a large interest in Beneficiary, Beneficiary's audit was required to be incorporated into GWG's annual SEC filings. As part of this audit, Beneficiary's auditors considered whether HCLP was independent of HEPPNER, and whether one of the friends HEPPNER had installed to run HCLP was also independent. Because neither was true, HEPPNER prepared, and directed others to prepare, backdated paperwork, misleading letters, and fraudulent emails, which were sent to the auditors and were material to the auditors' accounting determinations.

In late 2020, GWG received a subpoena from the SEC in connection with an ongoing enforcement investigation of GWG and Beneficiary. HEPPNER falsified minutes from an October 2019 board meeting by adding language to the minutes to make it appear that HEPPNER had disclosed to Beneficiary his history of borrowing money from HCLP. In truth, HEPPNER had never disclosed this information to GWG or Beneficiary. HEPPNER later caused the falsified Board minutes to be sent to the SEC.

In June 2021, HEPPNER resigned from his position on GWG's board, and by the end of 2021, HEPPNER had separated Beneficiary from GWG. Thereafter, GWG filed for Chapter 11 bankruptcy, unable to satisfy more than one billion in obligations to tens of thousands of retail bondholders.

* * *

HEPPNER, 59, of Dallas, Texas, is charged with securities fraud, wire fraud, false statements to auditors, and falsification of records, each of which carries a maximum sentence of 20 years in prison. HEPPNER is also charged with conspiracy to commit securities fraud and wire fraud, which carries a maximum sentence of five years in prison.

The maximum potential sentences are prescribed by Congress and provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Clayton praised the outstanding work of the FBI. Mr. Clayton also expressed appreciation for the assistance of the U.S. Securities and Exchange Commission.

This case is being handled by SDNY's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Thomas Burnett, Daniel G. Nessim, and Alexandra Rothman are in charge of the prosecution.

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Southern District of New York

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