



**By Electronic Submission**

September 27, 2025

Ann E. Misback  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Christopher Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre, 1155 21st Street NW  
Washington, DC 20581

FDTA-INTERAGENCY RULE  
c/o Legal Division Docket Manager  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

James P. Sheesley  
Assistant Executive Secretary  
Attention: Comments/Legal OES (RIN 3064-AF96)  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Clinton Jones  
General Counsel  
Attention: Comments/ RIN 2590-AB38  
Federal Housing Finance Agency  
9 400 Seventh Street SW  
Washington, DC 20219

Melane Conyers-Ausbrooks  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Chief Counsel's Office  
Attention: Comment Processing  
Office of Financial Research  
Department of the Treasury  
717 14th Street NW  
Washington, DC 20220

Chief Counsel's Office,  
Attention: Comment Processing  
Office of the Comptroller of the Currency  
400 7th Street, SW, Suite 3E-218  
Washington, DC 20219

Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Re: Proposed Rule: Financial Data Transparency Act Joint Data Standards**

**OCC Docket ID OCC-2024-0012**

**FRB Docket No. R-1837; RIN 7100-AG-79**

**FDIC RIN 3064-AF96**

**3133-AF57; NCUA-2023-0019**

**FHFA RIN 2590-AB38**



**CFTC RIN number 3038-AF43**

**SEC File No. S7-2024-05**

**Docket No. CFPB-2024-0034**

To All Concerned Financial Participants:

[The DFA appreciates the opportunity to provide comments](#) to the Securities and Exchange Commission ("SEC" or the "Commission") in response to the above captioned rule proposal (the "Proposal") on Rule Financial Data Transparency Act Joint Data Standards. Exploited status of the CUSIP identifiers as the standard identifying system for United States financial instruments by Criminal Organizations falsely claiming that the CUSIP identifiers were copyrighted. Criminal Organizations whom use false claims of a proprietary interest in the CUSIP numbers has created a transfer of wealth over the years of billions of dollars from the CUSIP users to these Criminal Organizations in the form of license fees & assets/equity theft that CUSIP users otherwise could have used for more productive purposes.

Requiring an open-source, non-proprietary identifier is an important first step toward a day when financial market participants are no longer burdened by the Criminal Organizations restrictive license agreements and unwarranted financial exploitation of and a tax on the United States financial system.

Criminal Organizations are currently Swapping, Converting, & Pledging "Notional Short/Long" Positions. Pledge & Rehypothesized Equity Asset Values then Converted to Crypto Stable Coin then Commingled into ["Tokenized Stocks Agreement and Collateral Agreement"](#) for Venture Capital Loans with \$0 Valuation creating ["\\$27.3 Quintillion"](#) to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in Venture Liabilities. Equity Assets using proprietary CUSIP identifiers which these organizations also control. Requiring an open-source, non-proprietary CUSIP identifier would provide a verifiable publicly accessible CUSIP identifier attached to the assets/equity used once. An open-source, non-proprietary CUSIP identifier would allow regulators/investors/equity holders to check and verify their assets are not stolen, reused, repledged, commingled or otherwise used without compensation to the initial primary equity holders or investor.

Organizations e.g., American Bankers Association ("ABA"), S&P Global Inc. ("S&P"), and FactSet Research Systems, Inc. ("FactSet") operating through CUSIP Global Services ("CGS") currently require restrictive "license agreements" as a condition to using CUSIP numbers.

The following Items highlight how Rehypothesizing, Repledging, Commingling Asset with proprietary non-public CUSIPS assets and equity are used to Convert Securities Equity to StableCoins followed by Tokenized Stocks used as Collateral for Venture Loans over & over; creating Quintillions to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in liabilities and Stolen Assets & Equity.



The process of how these internal counsel from various prime brokers were able to move and launder the \$50 billion Notional Short Positions of Archegos is detailed as follows:

“Indeed, internal counsel from the various prime brokers held a call among themselves earlier that day, agreeing that lawyers would be present on any calls between the brokers, and that the lawyers would read a script on each call making clear that no broker was permitted to disclose its Archegos-related positions.)”

- 1) Internalize Buy/Sell Orders within each brokerage or exchange [i.e. Robinhood].

“Robinhood can send trades directly to exchanges to be executed or to other brokerdealers called off-exchange market makers or wholesalers, which can directly execute the customer orders or, consistent with their own best execution obligations, send them to exchanges or ATSs or other liquidity providers”

- 2) Use Riskless Principle to avoid Tape Reporting.
- 3) Combine Individual Orders less than 10,000 shares into 10,000 “Block Trade Orders”
- 4) Using Services [i.e. Apex’s CODAFUSE bypassing NBBO] detailing how the conversion of each Internalized Retail Order less than 10,000 shares from Multiple brokerages or exchanges [i.e. Robinhood & IEX]
- 5) Moving Buy/Sell orders from the Market.
- 6) Transferring the Cash/Fiat for those purchases internationally to be converted into Stable Coins [i.e. Circle USDC]
- 7) Create Tokenized Stocks with Crypto Exchanges [i.e. Binance & FTX]
- 8) Use Fiat from Brokerages Sale of Stocks Converted to Stable Coin to Show Collateral for Tokenized Stock Values
- 9) Using the Stolen, Rehypothesized, Repledged, & Commingle Asset Value that Originated from Retail Stock Orders of Less than 10,000 Shares. These same firms get Loans against these Crypto Asset [i.e. Stable Coins USDC, GEMNI, PAXOS] or [i.e. Tokenized Stocks FTX SPY, FTX GME, FTX TSLA, FTX AMC] within crypto exchanges these firms also own [i.e. Coinbase]
- 10) Collateral and assets moved between firms and companies which the same criminals own; over and over again [i.e. Grayscale GBTC, DCG, Genesis, Terra Luna, Voyager, Blockfi, TRON, Celsius, Binance, FTX]
- 11) Once fake collateral and assets values are created, obtain physical loans from traditional banks [i.e. Silicon Valley Bank, Silver Gate, Signature Bank, First Republic, Deltec, Moonstone, Prime Trust]. These banks [i.e. SVB & Deltec], crypto exchanges [i.e. FTX & Binance], Stable Coins [i.e. Circle’s USDC] & even traditional exchanges [i.e. IEX] or



traditional broker dealer [i.e. CM-Equity & Embed] which are owned by the same firms whom have substantial cross equity ownership with all of the companies.

- 12) [Services provided to family offices \[i.e., Archegos\], Hedge Funds \[i.e. Skybridge Capital, Sequoia, Paradigm, Tiger Global\] to launder and pool their Naked Notional Long/Short portfolio for a subscription fee by Crypto Exchanges \[i.e. Binance & FTX\].](#) These firms launder and move their portfolio to pool accounts [i.e. EDF Man Group].
- 13) [With pooled accounts, these Firms combined can obtain combined Margin Loans in excess of individual firms. With centralized pooled accounts \[i.e., EDF Man Group\],](#) these firms use to manipulate the financial markets.
- 14) These family offices [i.e. Archegos], hedge funds [i.e. Skybridge Capital & Paradigm] are given crypto tokens [i.e. FTX's FTT & Binance BnB] to exit and cash out from laundering their positions.
- 15) Another method used to exit and cash out on the Stolen Assets and Ponzi, obtain Venture Investment loans from the very same banks [i.e. Silicon Valley Bank & Silvergate] whom have equity in all the Venture Investments. The fiat or cash would be redeposited back into the very same banks. As the new Ponzi Value Venture Investment [i.e. Anthropic], sell stock or stake in those Venture Investments.

["Silvergate's SEC filings show that in response to the outflow, it secured a \\$4.3 billion advance from the Federal Home Loan Bank \(FHLB\) of San Francisco. To pay back the FHLB and address remaining liquidity issues posed by the decline in deposits, Silvergate sold assets at a loss"](#)

["These margin features meant FTX was not merely a trading platform; it was a finance platform as well, offering lending services and operating as a "prime broker."](#)

["FTX became "predominantly a margin exchange."](#)

[Alameda was a hedge fund, and FTX was a margin futures trading platform--a leveraged lending platform. Lenders like BlockFi deployed complicated cryptocurrency lending structures where they would rehypothecate crypto assets.](#)

["BlockFi provides an individually negotiated interest-bearing borrowing product to eligible clients as part of its BlockFi Private Client suite of products \("BPC"\). A BPC loan may be structured as an "open" term \(i.e., the BPC client may request that BlockFi repay the loan at any time\) or a "fixed" term \(i.e., the loan has a negotiated maturity date\). BlockFi has the right to redeploy digital assets borrowed under a BPC loan for its revenue-generating activities. More specifically, BlockFi has the right, without further notice to a BPC client, to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer, invest, or use any amount of digital assets borrowed under a BPC loan, separately or together with other property, with all attendant rights of ownership, and for any period of time and without retaining in BlockFi's possession and/or control a like amount of digital assets."](#)

["Celsius had exposure to FTX and Alameda in the hundreds of millions of dollars."](#)





16) After transferring the Pooled Notional Long/Short Positions, these firms use Short & Distort firms [[i.e. HedgeEye, Hindenburg Research, Citron Research, Muddy Waters, Melvin Capital](#)] & Creator Agency to put narratives out to the general public and manipulate stock prices.

17) These prime brokerages represented by these internal counsels have swap agreements between one another essentially manipulating a company's stock price and keeping the difference.

"The purpose of each Contract is to allow the Counterparty synthetically to gain exposure to fluctuations in the price of the relevant" "neither party acquires any interest in or right to acquire or dispose of any Security or any right to vote or give any consent with respect to any Security by virtue of any Contract; and neither party is obliged to sell, purchase, hold, deliver or receive any Security by virtue of any Contract"

18) Swaps Contracts pay out in International FX or Currencies, these funds are used to service any Venture Loans or Real Estate or Margin Loans with the banks [[i.e. Silicon Valley Bank, Silver Gate, Deltec, Silvergate, First Republic](#)].

19) Internal Counsel Controlling & Directing [[i.e., Sullivan & Cromwell & Fenwick West](#)] the process:

"It appears that the law firm of Sullivan & Cromwell ("S&C") played a pivotal & problematic role in inducing the bankruptcy - & then in leading the bankruptcy estate's support for Bankman-Fried's prosecution. Drawing on disclosures in the Bankman-Fried prosecution & the FTX bankruptcy, forthcoming scholarship by Jonathan Lipson and David Skeel shows that S&C may have misled & pressured Bankman-Fried into authorizing the commencement of the bankruptcy as & when he did."

"S&C was FTX's pre-bankruptcy counsel, played an instrumental role in FTX's decision when and how to commence the bankruptcy, and subsequently became FTX's bankruptcy counsel. Although Dieterich's November 9 Email implied that a bankruptcy filing would be two weeks away (if needed at all), two days later, in the early morning hours of November 11, 2022, Dieterich sent Bankman-Fried an email marked "URGENT,"

"Ray then used to commence the FTX bankruptcy & retain S&C as FTX 's bankruptcy counsel. The OCA gave Ray control of FTX, its data, & its billions of dollars in assets, which Ray then used to commence the FTX bankruptcy and to retain S&C as FTX's bankruptcy counsel.?' The OCA gave Ray control of FTX, its data, and its billions of dollars in assets, which Ray would use in his discretion, including extensive support for the Bankman-Fried prosecution."

Derivatives had an eight-member board, comprised of various commodities and investment professionals (e.g., Keisha Bell, Managing Director, Head of Diverse Talent Management and Advancement, DTCC; Lucas Moskowitz, Vice President and Deputy General Counsel at Robinhood).



Debtors and S&C were motivated to place all blame squarely on Bankman-Fried—to avoid scrutiny of their own business decisions, their own conflicts of interest, their own exorbitant billing, and their own misconduct.

Once the North Dimension bank account was opened, FTX directed customer dollar deposits to the North Dimension account. Thereafter, when FTX customers deposited or withdrew fiat currency, Alameda personnel, who maintained control over the North Dimension account and acted under the direction and supervision of SAMUEL BANKMAN-FRIED, a/k/a "SBF," the defendant, and his co-conspirators, manually credited or subtracted the customer's FTX account with the corresponding amount of fiat currency on an internal ledger system. Customers could then convert their deposits to a range of cryptocurrencies and traditional currencies, engage in various types of trading, and make withdrawals denominated in various types of cryptocurrencies and traditional currencies. FTX charged fees and generated revenues from many of these activities, using the fraudulently obtained access to a U.S. bank account. Customers could also convert various cryptocurrencies and traditional currencies to dollars on their FTX account, and withdraw the dollars from FTX. FTX sent customer withdrawals by wire transfer from the North Dimension bank account, and by at least summer 2021 charged a fee for dollar withdrawals.

The following Items highlight how Rehypotheccating, Repledging, Commingling Asset with proprietary non-public CUSIPS assets and equity are used to Convert Securities Equity to StableCoins followed by Tokenized Stocks used as Collateral for Venture Loans over & over; creating Quintillions to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in liabilities and Stolen Assets & Equity.

The collusion of HUDSON BAY CAPITAL MANAGEMENT LP, BARCLAYS CAPITAL INC., BNP PARIBAS, MERRILL LYNCH INTERNATIONAL, NATIONAL FINANCIAL SERVICES LLC, STATE STREET BANK AND TRUST CO., UBS SECURITIES LLC, BNP PARIBAS SECURITIES CORP., GOLDMAN SACHS & CO. LLC, MERRILL LYNCH PROFESSIONAL CLEARING CORP., UBS AG, PALOMA PARTNERS MANAGEMENT COMPANY, BOFA SECURITIES, INC., CITIGROUP GLOBAL MARKETS INC., DEUTSCHE BANK AG, DEUTSCHE BANK SECURITIES INC., J.P. MORGAN SECURITIES LLC, MERRILL LYNCH PROFESSIONAL CLEARING CORP., MORGAN STANLEY & CO. INTERNATIONAL PLC, BARCLAYS BANK PLC, CITIGROUP GLOBAL MARKETS INC., CREDIT SUISSE SECURITIES (USA) LLC, DEUTSCHE BANK AG, DEUTSCHE BANK SECURITIES INC., GOLDMAN SACHS INTERNATIONAL, J.P. MORGAN CHASE BANK, NA, MERRILL LYNCH INTERNATIONAL, MERRILL LYNCH PROFESSIONAL CLEARING CORP., SG AMERICAS SECURITIES, LLC, THE BANK OF NEW YORK MELLON, THE BANK OF NOVA SCOTIA, UBS SECURITIES LLC, UBS SWITZERLAND AG, WELLS FARGO BANK NA, SS&C TECHNOLOGIES, INC., SAMLYN CAPITAL, LLC, BARCLAYS CAPITAL INC., FIDELITY PRIME SERVICES, J.P. MORGAN CLEARING CORP., MORGAN STANLEY & CO., INC., NATIONAL FINANCIAL SERVICES LLC, BARCLAYS CAPITAL INC., FIDELITY PRIME SERVICES, MORGAN STANLEY CAPITAL SERVICES, LLC, THE NORTHERN TRUST INTERNATIONAL BANKING CORPORATION, MORGAN STANLEY FUND SERVICES (CAYMAN) LTD., with one of their internal counsels believed to be Sullivan & Cromwell. The collusion of these financial organizations and legal counsel liquidated Archegos Long Inflated Positions [i.e., Discovery & Viacom] through open-market, algorithmic trading. Credit Suisse liquidated 97% of its Archegos Long Inflated exposure. Credit Suisse & Archegos Notional Short



Positions remained unsettled. These internal lawyers devised plans to laundered the Notional Shorts Positions [\[i.e. SPY 114% & Tesla 19.3%\]](#) with a \$50 billion Notional Short valuations. These law firms devised plans to convert this value to crypto exchanges Binance & FTX.

First using loopholes from a Riskless Principal standpoint. Utilizing Brokerages which these same institutions have control over [i.e. Robinhood & Fidelity] internalize Retail Small order of less that 10,000 shares. Once internalized, grouping 10,000 internalized share together, into Block Trades. Transferring the Fiat Value Internationally since Tape Reporting are not required when retail small orders are grouped into Block Trades. By converting the values into Circle's USDC and other stable coins; thereby using the stable coins to Back the value of the Tokenized Stock on FTX and Binance.

**Timeline of Sullivan Cromwell, Binance, FTX, LedgerX Securities Asset Laundering with Coinbase & Circle USDC**



Archegos then exited the call and its prime brokers remained on the line. The possibility of a managed liquidation without Archegos was discussed, whereby Archegos's prime brokers would send their positions for review to an independent counsel, government regulator, or other independent third-party, who would freeze holdings for the entire consortium when the aggregate concentration reached particular levels, and give the lenders a percentage range within which they would be permitted to liquidate their overlapping positions. General counsel of the various banks and outside legal counsel were engaged to work through any regulatory and legal challenges, and counsel attended all calls.<sup>133</sup> Ultimately, several banks including Deutsche Bank, Morgan Stanley, and Goldman determined that they were not interested in participating in a managed liquidation, while CS, UBS, and Nomura remained interested.

On Sunday, March 28, CS entered into a managed liquidation agreement with UBS and Nomura. Pursuant to this agreement, CS participated in block sales of overlapping positions on April 5 and 14, 2021, liquidating approximately \$3 billion and \$2.2 billion, respectively, on those dates.<sup>134</sup> Otherwise, CS liquidated its other historic Archegos positions through open-market, algorithmic trading. As of April 22, 2021, CS had liquidated 97% of its Archegos exposure.

<sup>133</sup> Indeed, internal counsel from the various prime brokers held a call among themselves earlier that day, agreeing that lawyers would be present on any calls between the brokers, and that the lawyers would read a script on each call making clear that no broker was permitted to disclose its Archegos-related positions.

<sup>134</sup> The stocks sold in these trades were Vipshop Holdings, ViacomCBS, Farfetch, Texas Capital Bancshares Inc., IQIYI, Discovery (Series A), and Discovery (Series C).





# 1) INTERNALIZING

Case 1:22-cr-00240-AKH Document 223-3 Filed 06/13/24 Page 1 of 5

## Archegos Debrief – April 2021

Most of the information below is based on an initial due diligence call that occurred on March 16, 2021 between Archegos (Patrick Halligan- CFO and Scott Becker – Finance) and BofA [REDACTED]

Archegos started 2020 with about \$3.4bn in capital. In the 1Q20, Archegos had losses of 58%. This was a result of market effects of COVID.

On our call, Archegos stated that they were up 180% YTD21 (indicative of a +52.4% return in Feb) with \$23bn in capital.

## Archegos Fund LP 2020-2021 Performance from HFAD

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YE Perf	BM1	BM2	NAV(MM)
2020	83.70	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60.70	N/A	N/A	16543.00
2021	-1.20	-26.90	+45.50	34.00	12.90	\$6.70	23.00	-7.30	5.10	0.00	26.90	27.50	102.23	N/A	N/A	8078.00

Concentration & Structure	[REDACTED]	[REDACTED]
	Archegos ran a very concentrated book. Although the book had ~110 total long positions and ~50 shorts (mainly ETFs, Indexes (SPY and custom baskets in the Tech sector), the book was concentrated in 10 positions totaling 300% of NAV or \$69bn. The largest position was 35% of NAV or \$8.1bn.  [REDACTED]  [REDACTED]	

GOVERNMENT  
EXHIBIT  
2350

22 Cr. 240 (AKH)

CONFIDENTIAL TREATMENT REQUESTED

BOA-229-SDNY-00005247  
SDNY\_P004\_0000129548





<b>WELLS FARGO</b>	<b>SECURITIES</b>	<b>Wholesale Counterparty Credit Risk Credit Review – Hedge Funds Incremental Request</b>
<b>Investment Manager</b>	Archegos Capital Management, LLC	
<b>Fund(s) Name</b>	Archegos Fund, LP	

- **Directional Portfolio** – Archegos holds a directional, long-only portfolio of securities in its PB portfolio at WFS. Given its directionality, the portfolio at WFS remains vulnerable to a decline across developed equity markets, particularly in technology and FAANG stocks. Note, Archegos obtains the majority of its short exposure through swaps at other providers.
  - **Mitigant** – In addition to the excess collateral at its prime brokers, Archegos holds \$1Bn in cash and cash equivalents at a third party custodian. The cash reserve can be used to meet margin calls. The portfolio is also very liquid, which provides them with the ability/option to liquidate to meet calls, when required.

#### EXPOSURE & RELATIONSHIP SUMMARY

**Relationship Summary** – Archegos is a new PB client that began clearing in September 2018. The fund's PB activity is cleared on the broker-dealer (WFS LLC) under the PM margin regime. This margin methodology allows for a maximum of 6-7x in gross leverage (minimum margin requirement of 15%).

On September 6<sup>th</sup>, 2018, Archegos transferred over ~\$970M of equity securities, resulting ~\$800M in debits. This was followed by a second transfer on September 10<sup>th</sup>, 2018. The second transfer included an additional ~\$950M of equity securities and resulted in an additional ~\$966M in debits. A large percentage of the balances were transferred over from Deutsche Bank.

Following the two transfers, Archegos became one of the largest PB clients by debit balances, totaling \$1.8Bn, as of October 3<sup>rd</sup>, 2018. The portfolio has remained largely static since the initial transfers.

**Exposure** – Archegos is currently clearing a portfolio of liquid, large cap US equity securities and ADRs of large, Asia-based equity issuers. This is a long only portfolio (the manager does the large majority of its short business on swap, at other providers) and includes 24 positions. The portfolio is heavily invested in the tech and internet sectors and includes many of the FANG + BAT constituents. Archegos has been invested in its largest positions for several years.

At present, the portfolio carries a long market value of \$2.2Bn. PB Equity totals \$425M. The fund also holds excess collateral equal to \$82M at WFS. Since the initial transfer, Archegos has maintained excess collateral between \$70M and \$90M at WFS.

The portfolio currently includes a margin requirement of \$342M. The requirement is largely driven by PB Risk's base calculation, with a smaller amount driven by a sector add-on. The weighted average portfolio requirement totals 15.3%.

Currently, there is no PFE on this portfolio. The PB margin requirement provides over 2x coverage of the PEAC pre-collateral stress (\$152M). In addition, the PB margin requirement comfortably exceeds the portfolio's 5 day, 99.7% VAR (\$209M).

Portfolio Overview	USD
Long Market Value	\$2,238,807,232
Short Market Value	-
Net Market Value	\$2,238,807,232
PB Equity	\$425,185,310
Margin Requirement	\$342,999,697
Debit Balance	\$1,813,621,922
Leverage	5.27X

#### Top 10 Positions:

TKR	ISSUER	LMV	% OF LMV	TYPE
BABA	ALIBABA GROUP HOLDING	264,977,286	11.8%	ADR
BIDU	BAIDU INC	223,741,381	9.99%	ADR
AMZN	AMAZON.COM INC	210,517,292	9.40%	CMN STOCK
NFLX	NETFLIX INC	209,845,669	9.37%	CMN STOCK
MSFT	MICROSOFT CORP	203,390,220	9.08%	CMN STOCK
AAPL	APPLE INC	191,857,607	8.56%	CMN STOCK

Page [ PAGE ] of [ NUMPAGES ]

CONFIDENTIAL

WF-SDNY-00000384  
SDNY\_P001\_0006976920

<b>WELLS FARGO</b>	<b>SECURITIES</b>	<b>Wholesale Counterparty Credit Risk Credit Review – Hedge Funds Incremental Request</b>
<b>Investment Manager</b>	Archegos Capital Management, LLC	
<b>Fund(s) Name</b>	Archegos Fund, LP	

GOOGL	ALPHABET INC-CL A	185,900,798	8.30%	CMN STOCK
GOOG	ALPHABET INC-CL C	183,167,182	8.18%	CMN STOCK
FB	FACEBOOK INC-A	165,816,016	7.40%	CMN STOCK
FDC	FIRST DATA CORP- CLASS A	124,026,118	5.53%	CMN STOCK
<b>TOTAL</b>		<b>1,963,239,568</b>	<b>87.69%</b>	

- As of October 3<sup>rd</sup>, 2018



**From:** Kambhampati, Laxmi [Laxmi.Kambhampati@mufgsecurities.com]  
**Sent:** 1/25/2021 3:00:39 PM  
**To:** Peluso, Espedito- Securities(EMEA) [Espedito.Peluso@mufgsecurities.com]; Tobin, Susan [Susan.Tobin@mufgsecurities.com]  
**CC:** Seminara, Alessio- Securities(EMEA) [Alessio.Seminara@mufgsecurities.com]  
**Subject:** RE: Archegos update and **notional limits**

Hello,

We had a call with Archegos and below are some details. Archegos had a great year. They ended the year with \$8bn. There are **4 non-PB ISDA counterparties** and the swap balances with each of the 4 c/p are around the same. The Top 3 PBs are the largest swap provider each with roughly 20% exposure.

- As of end of December 2020 total capital was **\$8.078bn**
- 2020 gross performance **+134.3%** and net performance **+107.1%**
- No change in investment strategy.
- Archegos is comprised solely of Bill Hwang's money.
- No plans to change investment strategy or include a sub-strategy
- Chinese ADRs are a big contributor to overall performance in 2020.
- **Current Portfolio Composition as of January 25, 2021**
  - Portfolio continues to be comprised of liquid names. There is concentration in Tech/Media stocks – **Alphabet, Amazon, Netflix, Chinese ADRs** (i.e. **QIYI Inc** – ADR, **VipShop Holdings** – ADR, **Alibaba** – ADR, and **Baidu** – ADR). The top 10 positions include 2 or 3 financial companies (2<sup>nd</sup> tier in terms of size)
    - Largest positions
      - Within the top 10 long position which are pretty close in size each have around 35% of capital.
      - Most of the short positions are ETFs (such as EEM and SPY) although there are a few single names. There are some custom baskets such as SPY with some companies taken out.
    - Current portfolio gross exposure (Long Cash Positions + abs(short cash positions))/ capital is around 610% or \$49.5bn and net exposure is 225% or \$18.3bn
  - No change year over year. Archegos has 7 prime brokers and ISDA with 6 of them. The PBs are **Morgan Stanley, Credit Suisse, Nomura, Wells Fargo, UBS, Deutsche Bank** and **Jefferies**. **Wells Fargo** is the only PB with no ISDA.
  - Top PBs are Morgan Stanley, Credit Suisse, UBS and Nomura. The **top 3 P/Bs each have around 20% of the swap exposure**
  - There are **4 ISDA counterparties** that are not PBs – **MUFG, Mizuho, Macquarie**, and **Goldman**. The swap balances with each of these counterparties is around the same.
  - **Cash Management**
    - Archegos does the cash management and has a soft target excess cash balance of 30% of capital. At December 31, 2020 cash balances were \$2.4bn.

Laxmi  
212-405-7195





318B-NY-3416770

(U) Interview of Scott Becker on

Continuation of FD-302 of 08/03/2021, On 08/03/2021, Page 4 of 12

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In early 2020, ACM had a large short position in TESLA that had not performed well, and by February 2020, the firm was down roughly 70% year-to-date, largely as a result of the TESLA position. ACM's gross exposure and leverage had grown extremely high because of this poor performance, and between February and April 2020, ACM's prime brokers were calling more frequently for updates.

BECKER asked HALLIGAN what he should tell the banks about ACM's gross exposure. In response, HALLIGAN created a monthly report that calculated ACM's year-to-date average gross exposure, a number that significantly understated the firm's true gross exposure at the time. HALLIGAN told BECKER to provide that misleading figure to the banks in response to their questions.

**September 2020 – based on due diligence call**

- The fund's NAV was \$4.38Bn as of September 2020 month-end., up from \$3.5Bn FYE2019. YTD performance was +20.1%.
- Long exposure was 465%, short exposure was 185% measured at notional. All positions were cash equities or equity swaps.
- The long portfolio consisted of 115 names, 25 of which were above 2% of NAV. The short portfolio is composed of two components: (i) alpha shorts (ii) hedges. The alpha short portfolio had 40 names, 22 of which were over 2% of NAV. The hedge portfolio is mainly constructed using ETF's such as SPY, EEM, and FXI.
- The top 10 longs were 350% of NAV.
- Per Mr. Becker, due to the dramatic increase in equity prices during the Q2-Q3 2020, the geographic focus of the portfolio had shifted somewhat. Earlier in the year, the fund's largest positions were major U.S. tech names such as Microsoft, Apple, Amazon, Facebook, Netflix, and Tesla (TSLA short.) The fund began taking profits on these names throughout Q3, partially recycling capital into some Chinese ADR's. The three main themes in the portfolio remain the above U.S. technology stocks, Chinese technology names (Alibaba and Baidu are major positions,) as well a U.S. financials.
- Unencumbered cash was 30% of NAV, at target. This was down from 42% in the summer when the firm was still more cautious redeploying risk. Margin with counterparties averaged 11.5% of GMV.

**Audited financials, December 31, 2019**

- The audits are fairly detailed in terms of the funds' positioning, as it is mostly long/short global equities and swaps (reported at notional values in additional fair value.) Other than the repositioning described by Mr. Becker above, he also indicated the audits present a fair representation of the fund's major exposures and trading patterns, again highlighting that the trade horizon tends to be long-term. A summary of the fund's largest positions, geographic, and sector exposures as of year-end are below. Figures are expressed as a % of NAV, and ADR's as the home-country of the issuer.

Country	Long	Short
U.S.	255.4%	177.0%
China	118.3%	21.1%
South Korea	0.6%	41.7%
Japan	4.5%	26.2%
Germany	5.4%	
U.K.	1.9%	
Netherlands	0.2%	
Spain		0.1%
Sweden		0.1%
Italy	0.0%	
Australia	0.0%	
<b>Total</b>	<b>386.4%</b>	<b>266.1%</b>

Sector	Long	Short
Internet, Media, & Telecom	267.0%	15.2%
Financial	74.0%	43.7%
Index		114.1%
Retail	24.0%	58.0%
Info. Technology	18.4%	4.5%
Automotive	0.1%	19.3%
Pharmaceuticals		7.3%
Consumer Staples	0.0%	2.0%
Health Care		1.9%
ETF	1.0%	
Real Estate	0.7%	
Transportation	0.6%	
Professional Services	0.2%	
Airline	0.2%	
Portfolio Swap	0.1%	

Issuer	Long	Short
Other	55.4%	112.7%
SPY		114.1%
Amazon	66.2%	
Alibaba	37.9%	
Baidu	29.2%	
Netflix	26.9%	
Fiserve Inc.	26.3%	
IQIYI Inc.	25.7%	
Apple	23.4%	
Fast Retailing		19.9%
Tesla		19.3%
Microsoft	18.2%	
Facebook	14.0%	
Vipshop Holdings	12.2%	
Alphabet - A	11.7%	

CONFIDENTIAL TREATMENT REQUESTED

BMO00077549  
SDNY\_P002\_0000058674





Name	Message
Berger	But it might not have gotten here
***	
Sullivan	Do we know the avg price that Viacom's offering got filled? Look at foxa and dis versus our names. Shows you the risk of market of one I wonder what all the street chatter is saying. We could get found out
Berger	You think?
Chuang	I think so Cause this is extreme moves
Sullivan	Everyone is going to say why are foxa and dis hardly down But Viacom and disca down big
Chuang	And China
Sullivan	We were literally the market
Chuang	If every stock takes 10% off performance It's looking like 40-50% down
Sullivan	We manipulated the stock price
***	
Sullivan	<a href="https://www.google.com/amp/s/www.barrons.com/amp/articles/heres-why-viacomcbs-and-discovery-stocks-are-tumbling-today-51616610549">https://www.google.com/amp/s/www.barrons.com/amp/articles/heres-why-viacomcbs-and-discovery-stocks-are-tumbling-today-51616610549</a>
***	
Chuang	So they couldn't fill the full \$2bn? Could only do 1.7? Even with that discount
Berger	Wow
Sullivan	That's really really bad Doing equity deal also dumb Viacom clearly misread the market demand because of us
Berger	When you say us as the market and why viac is down is because we are the only buyers?
Sullivan	Yes
Chuang	Viacom thought they were in a stronger position than they were
Sullivan	the stock wouldn't be anywhere close to where it was without us
Chuang	They thought investors loved them even at \$100
Berger	Yeah. That makes sense
Chuang	So of course it made sense To raise equity
Sullivan	I haven't heard of a single investor who likes this stock
Berger	Me either
***	
Berger	Most investors I know are short viac
Chuang	Yup
Sullivan	Yup
Chuang	I'll bet pressing it too
Sullivan	All my friends are short viac





06/22/2020 21:12:55 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Cool so everyday with the four sheets now we have to delete out the PPDD symbol

06/22/2020 21:13:01 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: PDD symbol

06/22/2020 21:13:05 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: In the longs

06/22/2020 21:13:08 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: yup

06/22/2020 21:13:15 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: And then make sure that harcode price is moved to sillujen row

06/22/2020 21:13:27 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Should be ok on the sillajen

06/22/2020 21:13:28 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Just writing that out for scott when he does am tomorrow

06/22/2020 21:13:35 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: It's the 4th smallest name in the short book

FOIA Confidential Treatment Requested-S1230350326

BBG00007534  
SDNY\_SWR\_0000004117

Case 1:22-cr-00240-AKH Document 157-8 Filed 03/21/24 Page 33 of 38  
06/22/2020 21:13:40 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Word

06/22/2020 21:13:43 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Teamwork

06/22/2020 21:13:43 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Where does pdd get deleted?

06/22/2020 21:13:44 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Yeah but if order changes

06/22/2020 21:13:44 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: dreamwork

06/22/2020 21:13:54 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: When u paste in the combo

06/22/2020 21:14:03 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Delete the actual symbol from the long section

06/22/2020 21:14:05 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: In that combo

06/22/2020 21:14:20 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Just the combo tab?

06/22/2020 21:14:24 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: yeah

06/22/2020 21:14:28 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Cool thx

06/22/2020 21:14:55 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Yeah if u don't do that you'll end up seeing the short section starts pulling longs



strategy makes no sense

Case 1:22-cr-00240-AKH Document 157-8 Filed 03/21/24 Page 12 of 38

06/22/2020 15:10:05 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: To avoid any questions, perhaps don't even add the new tsia short--- just adjust the realized

06/22/2020 15:10:11 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: yes

06/22/2020 15:10:16 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I think that's the way

06/22/2020 15:10:19 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I was about to type that

06/22/2020 15:10:21 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: cool

06/22/2020 15:10:31 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Yeah otherwise he'd start asking about pdd and aapl too

06/22/2020 15:10:48 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Btw- how many people are getting emails from fernanda right now to close out their aapl position?

06/22/2020 15:10:49 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: hehe

06/22/2020 15:10:56 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Well he'd probably wonder why he has a loss that size already from tsia too

06/22/2020 15:11:07 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Yeah that too,

06/22/2020 15:11:22 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Dude I'm not closing my APPLE

06/22/2020 15:11:27 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: No f'ing way

06/22/2020 15:11:35 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Compliance rule man

06/22/2020 15:11:41 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Bill rule man

06/22/2020 15:11:48 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Not regulatory or anything

06/22/2020 15:11:49 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Bill = compliance

06/22/2020 15:11:54 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Just f'ing stupid

06/22/2020 15:12:06 UTC SCOTT BECKER (SBECKER15@Bloomberg.net) posted: Did you just punch the wall?

06/22/2020 15:12:12 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I'm ready to

06/22/2020 15:12:24 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: She just asked me to confirm my sbux shares





06/22/2020 21:27:10 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Hey \$\$

06/22/2020 21:27:18 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: What symbol did you use to price apple

06/22/2020 21:27:30 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: In the sheets?

06/22/2020 21:27:34 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: yeah

06/22/2020 21:27:45 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I'm checking now but greenies used aapl un

06/22/2020 21:27:55 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I think you're using something different maybe

FOIA Confidential Treatment Requested-S1230350326

BBG00007536  
SDNY\_SWR\_0000004119

Case 1:22-cr-00240-AKH Document 157-8 Filed 03/21/24 Page 35 of 38  
06/22/2020 21:28:03 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: I pulled up the one that was in the sheets(excel) from when we last had it and used that

06/22/2020 21:28:28 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: =BDP("aapl UW EQUITY", "LAST PRICE")

06/22/2020 21:28:31 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Ok I'll use UW

06/22/2020 21:28:41 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: I went to jan 2 2020 sheets (excel)

06/22/2020 21:28:42 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Guess greenies were wrong for awhile

06/22/2020 21:28:48 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: And I took that formula

06/22/2020 21:28:50 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: cool

06/22/2020 21:28:52 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: But let me double check now

06/22/2020 21:28:57 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Nah nah

06/22/2020 21:29:00 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: I think you're good

06/22/2020 21:29:05 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Okay sweet

06/22/2020 21:29:15 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Let me check the four sheets too

06/22/2020 21:29:24 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Lick the price in those

06/22/2020 21:29:52 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Oh yeah good call

06/22/2020 21:29:52 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Nah I think it should be UN actually

06/22/2020 21:29:59 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: I just checked tho

06/22/2020 21:30:00 UTC DAVID HOHLMAN (DHOHLMAN1@Bloomberg.net) posted: Let me check something

06/22/2020 21:30:04 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Like all the sheets from jan

06/22/2020 21:30:09 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: When we had aapl

06/22/2020 21:30:11 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Have uw

06/22/2020 21:30:25 UTC JESSE MARTZ (JMARTZ4@Bloomberg.net) posted: Which is the p&I we are incorporating



know, the AUM and the account has moved around a bit from what I recollect in terms of performance, but obviously nothing like this, uh, I've seen and I think in the past your peak was I don't know, eight, nine, ten if I remember from our original conversations a year ago, and now you're quite a bit higher than that.

BECKER: Right, yes.

UBS EMPLOYEE-1: And at 35 percent of AUM for your top position. I mean we're talking seven yards for a name.

BECKER: Yep.

Based on my interview with UBS Employee-1, I understand "AUM" to be an acronym that stands for "assets under management," "yard" to be a colloquialism for "billion," and "name" to be a colloquialism for a particular securities issuer. Accordingly, UBS Employee-1's statement—"we're talking seven yards for a name"—signifies that Archegos largest positions would each total \$7 billion or more in market exposure.

e. After discussing the relative and dollar-value size of Archegos's positions, Becker and UBS Employee-1 then discussed the nature of Archegos's positions at other prime brokerages:

UBS EMPLOYEE-1: And I mean, I'm hoping it's Amazon, a Google, a Microsoft, an Apple, like big, stupidly-liquid type name, whereby you know even at that size it doesn't really matter, you can dump that and not move the market.

BECKER: Mhm. Right—

UBS EMPLOYEE-1: And those are kind of the names that I recall from a year ago that were some of your bigger names, were those type names if I remember.

BECKER: Yeah, and they still are. They still are. Those were going back to when we became the family office in uh, early 2013 or so, and I





would say then through maybe late 2019 or so, those were, I mean essentially those were our portfolio frankly.

UBS EMPLOYEE-1: Wow, okay.

BECKER: Yeah, it's-

UBS EMPLOYEE-1: I didn't think my memory was that good, but I'll take it.

BECKER: Yeah no, it's (laughter). Those have always been pretty big names for us, so we're taking advantage in the recent pullback in a few of those.

UBS EMPLOYEE-1: Yep. Yeah, because that's really where I get, if I'm honest, that's where I get concerned on the liquidity profile is. I mean you have a lot of big-conviction names but as long as the market is deep enough, it doesn't really matter almost how big you get, but when you're not playing in the 100-billion, 500-billion type market cap names, it then becomes, you know, the liquidity, you know, under the surface can be less than what you're seeing if the market churns.

BECKER: Right, yeah that makes sense.

Based on my training, experience, and interview of UBS Employee-1, I understand this conversation to reflect UBS Employee-1's efforts to evaluate how risky Archegos's concentrated trading strategy would be to UBS given that UBS did not have independent visibility into Archegos's trading elsewhere. Accordingly, UBS Employee-1's statement that he hoped certain of Archegos biggest positions were "stupidly liquid," like "Amazon or Google, Microsoft and Apple," was an effort to determine whether Archegos's overall portfolio was structured so that even though its biggest positions were large they could be sold if necessary and still "not move the market." UBS Employee-1 then recalled that Archegos had previously said it traded in those sorts of highly-liquid securities ("I recall from a year ago that were some of your bigger names"), and





turned a bit. Being that we were on-boarding with you guys and you guys had the capacity, that's- that's how we got to that place with you guys. So it's not a- Not to say that those names aren't big names but I wouldn't say if you took our top ten positions at UBS, that those are our top ten positions overall.

UBS EMPLOYEE-1: Yeah. Well I mean, other than Viacom I don't know that you could have five, seven yards of any of those names.

BECKER: (Laughter) Right.

UBS EMPLOYEE-1: Just to be honest, I know the market caps and DTV, so-

BECKER: Yeah, yeah, exactly.

UBS EMPLOYEE-1: Like my expectation is my book is different than your others.

BECKER: Yeah, it is.

Based on my training, experience, and an interview of UBS Employee-1, I understand that in this conversation UBS Employee-2 asked Becker whether the trades placed through UBS are similar to the trades at other prime brokers ("our top names are pretty fairly representative of, and excuse me if I'm wrong Scott, but pretty representative of what you have across your brokers right?"). UBS Employee-1, however, interjected to say that UBS could not have a similar book to other prime brokers because Archegos did not have the substantial trades in highly liquid equities like Amazon, Google, Apple, or Microsoft at UBS that Becker had just referenced ("I guess I would think we don't have a ton of your top 10s, because we don't have those names."). Becker then agreed with UBS Employee-1 that UBS's book did not fully reflect Archegos's trading strategy ("Yeah, it's- it's not fully representative"). UBS Employee-1 then further observed that it would be difficult to have billions of dollars in exposure to most of the equities Archegos was trading at UBS ("Well I mean, other than Viacom I don't know that you could have five, seven yards of any



UBS EMPLOYEE-1: I appreciate your sensitivity towards your top names and stuff, but I just need a little more color on the overall liquidity because, just to be upfront and honest, like when you, when we first on-boarded the account you guys gave us great transparency, you know, but at four billion, levered call it five, it's twenty yards. Now at 100, 120 billion, the balance is, like, it's much more meaningful in the market.

BECKER: Right.

UBS EMPLOYEE-1: You know, and, and that's what I'm trying to you know, make sure that my boss and his boss, who I have to have a follow-up call with, you know, just have some level of comfort that, you know, because, portfolio liquidity at that size is probably the biggest item.

BECKER: Okay. Yeah, that makes sense.

Based on a review of the audio recording of the call, my training, experience, and an interview of UBS Employee-1, I believe that this conversation reflects UBS Employee-1 conveying to Becker that UBS needed more information about Archegos's trading ("I just need a little more color") because Archegos's positions had become so large that liquidity—that is, the ability to sell out of the position when desired—was a concern for UBS ("portfolio liquidity at that size is probably the biggest item"). Becker indicated that he understood liquidity information was important to UBS ("Yeah, that makes sense.").

b. As the March 10, 2021 call continued, Becker informed UBS Employee-1 that he had obtained additional information to share with UBS following a conversation with Tomita:

BECKER: So what he said right now overall, we could close out half the book in ten days, twenty-five percent of the book in twenty days-

UBS EMPLOYEE-1: You mean the next twenty-five percent?



b. Beginning in or about March 2020, Archegos's trading strategy—directed by Hwang—changed dramatically. Prior to that time, Archegos invested predominantly in large companies, especially technology companies, with highly liquid stock, such as Google, Facebook, Microsoft, and Alibaba, and had a short position in Tesla. Also prior to that time, Hwang was very margin-sensitive, meaning that he was extremely careful to invest in a way that minimized that amount of margin Archegos would have to post.

SDNY\_001\_00000192





swap transactions allegedly manipulated the market (see Opposition to Motion to Dismiss at 64-66, ECF 53), leaving the defense to guess among the thousands of swap transactions over the charged time period.

The request for data regarding the unwinding of the hedges is equally relevant and specific. Data on the unwinding of hedges is critical because of the government's theory that Archegos "dominate[d] the marketplace for the[] securities[.]" (Indictment ¶¶ 26-27). The government improperly assumes that each Counterparty held its hedge for the duration of the swap, thereby reducing the number of freely traded shares in the security. However, documents available through the United States Securities and Exchange Commission's ("SEC") Electronic Data Gathering, and Retrieval System contradict the government's hypothesis. For example, Credit Suisse filed a Section 13(f) disclosure showing that on September 30, 2020, it held approximately 2,088,120 shares of Baidu stock. Credit Suisse AG, Quarterly Report Filed by Institutional Managers, Holdings (Form 13F-HR) 393 (Nov. 13, 2020). But at the time, Archegos had economic exposure to approximately 6,968,500 shares of Baidu through swaps with Credit Suisse. Similarly, a 13(f) disclosure filed by Goldman Sachs shows that on December 31, 2020 it held 2,754,520 shares of Discovery A stock, whereas at the time, Archegos had economic exposure to approximately 7,531,577 shares of Discovery A through swaps with Goldman. Goldman Sachs Group Inc., Quarterly Report Filed by Institutional Managers, Holdings (Form 13F-HR) 80 (Feb. 12, 2021). In other words, the government's assumption that Archegos's Counterparties held their hedges on a one-to-one basis with the swaps is fundamentally wrong, undermining the government's theory that Archegos "dictated" the Counterparties' hedging transactions and thereby "dominated" the float of the relevant stocks. (Indictment ¶ 27). The defense is entitled to the specific transaction data that will prove this point.



**From:** Avery, Brian James (GM/US)  
**Sent:** Monday, March 22, 2021 10:06 PM UTC  
**To:** Patel, Samir (GM/US); Caperonis, Michael (GM/US)  
**CC:** Kurek, Joshua Ari (GM/US)  
**Subject:** VIAC upside for Archegos

Good evening gents – working on getting the VIAC additional capacity request from Archegos approved by the NSTC committee. One of the risks is that we may need to restrict trading in the name should our actual ownership get close to 10%. Currently we are giving the client exposure to 9.50% of the company, however Nomura's physical ownership of the stock is 5.5%.

I will continue to manage our hedge as much as I can via cash settled swaps to avoid getting close to 10%, forcing us to restrict trading. If you are comfortable with this, am I ok to proceed with the memo using the below language?

- **Risk:** Nomura's position in Valley resulting from the contemplated transaction could become large enough that Nomura must place Valley (i.e., both Valley's Class B shares and Valley's Class A shares) on a trading restricted list.
- **Mitigant:** If Nomura's beneficial ownership of Valley Class B shares exceeds 9%, both Valley's Class B shares and Valley's Class A shares will be placed on the restricted list. Mike Caperonis and Samir Patel have evaluated and approved this risk. The Delta One Team will ensure this risk is managed.

Thanks

Confidential Treatment Requested by  
Nomura

Nomura-CFTC-00041012  
SDNY\_P002\_0000431860





For pledging, or an equity repurchase agreement, Morgan Stanley would borrow cash from the lender and pledge portfolio shares to the lender as collateral. PECULLAN believed Morgan Stanley engaged in netting and pledging for Archegos's trades; otherwise it was left on Morgan Stanley's books unencumbered. Morgan Stanley generally would not leave a small residual portion of its book unencumbered. PECULLAN believed approximately 90% of

3557-001  
Pecullan, Scott  
Page 2 of 4

FD-302a (Rev. 5-8-10) Case 1:22-cr-00240-AKH Document 157-2 Filed 03/21/24 Page 3 of 3

318B-NY-3416770

(U) Interview of Scott Pecullan on

Continuation of FD-302 of 04/25/2022 , On 04/25/2022 , Page 3 of 4

Archegos's positions were netted or pledged with Morgan Stanley.

Hedging contributed to Morgan Stanley's reporting because Morgan Stanley managed their reporting in a sub-ledger, which was divided into a number of accounts. If a client added shorts, then a Morgan Stanley trader would need to find a locate to hedge the short. Morgan Stanley would report the shares as if it was a long position.

If a client of Morgan Stanley had 100 shares of a name short and another client bought 100 shares of the same name long, Morgan Stanley would let that happen because it netted to zero. In this scenario, if the client wanted to buy their short, then Morgan Stanley would have to buy to even it out. At the time of execution, Morgan Stanley would purchase those shares in the marketplace. Morgan Stanley always purchased shares for an accepted order.



## 2) RISKLESS PRINCIPAL

Federal Register / Vol. 88, No. 213 / Monday, November 6, 2023 / Proposed Rules

76301

TABLE 4—EXCHANGE TRADING VOLUME AND SHARE BY LIQUIDITY TYPE, JAN. 2023

[The following table breaks apart the total buy and sell executed order flow from all exchange members using a sample of CAT data for the month of Jan 2023. Exchange members are identified as the set of unique CRD IDs in CAT which have directly routed orders to any of the national equities exchanges in the month. Exchange member CRDs are also verified in the CAT Industry Member Identifier List daily reference data. For each exchange the number of shares executed under the CAT allowable trade capacities of Agency, Principal, and Riskless Principal are reported. Trade capacity in CAT is defined by the exchange member for its side of a trade and represents the capacity in which the exchange member acted at trade time. Trades with the sale condition codes—M—Market Center Official Close, —Q—Market Center Official Open, —V—Contingent Trade, —7—Qualified Contingent Trade (QCT), —8—Placeholder for 611 Exempt, and —9—Corrected Consolidated Close (per listing market) were excluded. The share of total trading volume across all exchanges for orders of a specific capacity are reported under the trading volume. The fourth column, "Total" reports the total trading volume for each exchange with the exchange's volume-based exchange market share reported below.]

Exchange	Agency	Principal	Riskless principal	Total
Nasdaq <sup>b</sup> (Maker-Taker) .....	42,381,231,425 32.04%	26,084,186,949 24.37%	256,443,292 13.90%	68,721,861,666 28.50%
NYSE <sup>a</sup> (Maker-Taker) .....	23,578,087,344 17.82%	15,663,850,087 14.64%	145,114,774 7.86%	39,387,052,205 16.33%
NYSE Arca <sup>a</sup> (Maker-Taker) .....	19,581,312,954 14.80%	19,600,669,528 18.31%	129,269,046 7.00%	39,311,251,528 16.30%
Cboe EDGX <sup>c</sup> (Maker-Taker) .....	13,478,973,097 10.19%	12,512,933,159 11.69%	677,345,568 36.70%	26,669,251,824 11.06%
Cboe BZX <sup>c</sup> (Maker-Taker) .....	9,612,667,056 7.27%	10,242,339,878 9.57%	367,462 0.02%	19,855,374,396 8.23%
MEMX (Maker-Taker) .....	6,308,673,864 4.77%	6,746,470,107 6.30%	186,541,931 10.11%	13,241,685,902 5.49%
IEX (Flat) .....	6,860,652,435 5.19%	3,905,276,620 3.65%	7,011,129 0.38%	10,772,940,184 4.47%
Cboe EDGA <sup>c</sup> (Inverted) .....	3,401,951,122 2.57%	2,289,187,280 2.14%	109,407,328 5.93%	5,800,545,730 2.41%
Cboe BYX <sup>c</sup> (Inverted) .....	1,950,854,778 1.47%	2,582,413,642 2.41%	131,506,520 7.13%	4,664,774,940 1.93%
MIAX Pearl (Maker-Taker) .....	1,803,716,409 1.36%	2,527,733,474 2.36%	153,910,919 8.34%	4,485,360,802 1.86%
NYSE National <sup>a</sup> (Inverted) .....	827,209,968 0.63%	1,489,403,927 1.39%	1,340,645 0.07%	2,317,954,540 0.96%
Phlx (PSX) <sup>b</sup> (Maker-Taker) .....	877,534,988 0.66%	1,342,954,596 1.25%	53,580 0.00%	2,220,543,164 0.92%
BX <sup>b</sup> (Inverted) .....	713,708,890 0.54%	965,538,116 0.90%	32,818,578 1.78%	1,712,065,584 0.71%
NYSE American <sup>a</sup> (Maker-Taker) .....	712,130,625 0.54%	818,767,495 0.77%	14,185,250 0.77%	1,545,083,370 0.64%
NYSE Chicago <sup>a</sup> (Flat) .....	177,946,002 0.13%	254,499,006 0.24%	120,789 0.01%	432,565,797 0.18%
LTSE (Free) .....	10,749,491 0.01%	1,411,063 0.00%	0 0.00%	12,160,554 0.01%
Total .....	132,277,400,448 100.00% 54.85%	107,027,634,927 100.00% 44.38%	1,845,436,811 100.00% 0.77%	241,150,472,186 .....





“OCC” whom “clears certain stock loan and futures transactions” FTX & Alameda used (57) Tokenized Stock which [“mimic the price movements of publicly traded stocks”](#) for [“Caroline 3/31/2022” “tokenized stock loans”](#). Moving “\$23.6 quintillion” of Real Stock Equity Value to FTX through entities owned by FTX (IEX, CM-Equity, Embed, LedgerX, Liquid, Bitocto, DAAG, Zybr), with a loophole in regulations called the [“Riskless Principal” as illustrated with SEC proposed rule equating to 1,845,436,811 per month of Jan 2023](#). These same Venture Capital firms & Start-Ups used the same “Tokenized Stocks” that were paid with Real Cash converted to **“Stablecoin”** means any cryptocurrency pegged to the US Dollar, including, Gemini Dollar (GUSD), Circle’s USD Coin (USDC) and Paxos Standard (PAX) from Real Equity Investors, as Collateral for Venture Loans & Funding with Banks like SVB (Silicon Valley Bank), Signature, Silver Gate, & First Republic.

Market Markers, Brokerages, Prime Brokers, Financial Institutions & ISDA Members using the **“riskless” principal** because MM & Financial Institutions controls majority of the trades and has the ability to see Payment for Order flow including limit orders. MM & Other Financial Participants, group All Retail Orders on Buy Sides and Never Report Transaction on **“10 sec”** tape.

The Following references highlights the manipulation used with **“riskless principal”** in conjunction with **“block trades”** which are hidden from view of regulators & retail & on the **“10 sec”** tape [FINRA Trade Reporting Rule](#).

#### **Q102.2: Does the 10-second reporting requirement apply to the submission of non-tape reports to FINRA?**

**A102.2:** No. Members are not required to submit non-tape reports to FINRA within 10 seconds of trade execution; however, regulatory reports generally are required to be submitted within specified time frames. For example, members must submit the non-tape report for the offsetting “riskless” leg of a riskless principal transaction as soon as practicable after the offsetting leg is executed, but no later than the time the FINRA Facility closes for the trading day. See [NTM 00-79 Complying With Riskless Principal Trade-Reporting Rules](#) (November 2000). However, to qualify for the exemption from the requirements of Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) for riskless principal transactions, a member must submit, contemporaneously with the execution of the facilitated order, a non-tape report reflecting the offsetting “riskless” leg of the transaction. See Rule 5320.03. For purposes of this exception, “contemporaneously” has been interpreted to require execution as soon as possible, but absent reasonable and documented justification, within one minute. See [NTMs \[95-67\] Notices](#) (August 1995) and [NTMs \[98-78\] Notices](#) (September 1998).

Non-tape reports that are submitted for regulatory transaction fee purposes under Section 3 of Schedule A to the By-Laws must be submitted by the end of the reporting session for the FINRA Facility. See Rules 7130(c), 7230A(g), 7230B(f) and 7330(g).

Clearing reports must be submitted to the FINRA Facilities in conformance with the trade reporting rules, as well as all applicable rules of other self-regulatory organizations, including the rules of the National Securities Clearing Corporation (NSCC) requiring that locked-in trade data



be submitted in real time and prohibiting pre-netting and other practices that prevent real-time trade submission. See [DTCC/NSCC Important Notice A#7663](#), [S#7333](#), dated January 7, 2014.

**Q100.7: What is a "non-tape" report (also referred to as a "non-media" report)?**

**A100.7:** A non-tape report can be either a "regulatory" report or a "clearing" report, neither of which is publicly disseminated. A regulatory report, sometimes referred to in the trade reporting rules as a "non-tape, non-clearing" report, is submitted to FINRA solely to fulfill a regulatory requirement (e.g., to report certain transactions subject to a regulatory transaction fee or, where applicable, to report the offsetting "riskless" leg of a riskless principal transaction). A clearing report, sometimes referred to in the trade reporting rules as a "clearing-only" report, is used by members to clear and settle transactions; information reported to FINRA in a clearing report is transmitted by FINRA to the National Securities Clearing Corporation (NSCC). Clearing reports also can be used to satisfy a member's obligation to provide regulatory information to FINRA, if applicable.

[FINRA Rules Guidance Nasdaq Adopts Alternative Approach For Complying With Riskless Principal Trade-Reporting Rules And Issues Net Trading Interpretation](#)

**Alternative Approach To Riskless Principal Trade Reporting**

After reviewing concerns raised by the firms, and consultation with the SEC and NASD Regulation, Nasdaq has adopted a different method for reporting riskless principal trades that can be used as an alternative to the original approach set forth in the Notices. This new approach can be utilized by both market makers, which for the first time must adhere to Riskless Principal Trade-Reporting Rules, and by non-market makers, which have been subject to the Rules for some time.

Under the alternative approach, member firms may report a riskless principal transaction by submitting either one or two reports to ACT. The first report would be required only if the member is the party with a reporting obligation under the relevant Nasdaq trade-reporting rule. The second report, representing the offsetting, "riskless" portion of the transaction with the customer, must be submitted by all members electing to use the alternative method for riskless principal trade reporting, regardless of whether the firm has a reporting obligation, when the firm effects the offsetting trade with its customer. This report will be either a non-tape, non-clearing report (if there is no need to submit clearing information to ACT) or a clearing only report. In either case, the report must be marked with a capacity indicator of "riskless principal." Because this is not a last sale report, it does not have to be submitted within 90 seconds after the transaction is executed, but should be submitted as soon as practicable after the trade is executed but no later than by the time ACT closes for the trading day (currently 6:30 p.m., Eastern Time). The effect of the new rule can be illustrated by the following examples.





### Example 1

A market maker (MM1) holds a customer limit order to sell 1,000 shares of ABCD at \$10 that is displayed in its quote. MM1 sells 1,000 shares to a second market maker (MM2) at \$10. (MM2's bid represents proprietary interest, not a customer order.) When there is a trade between two market makers, the Nasdaq trade-reporting rules require the member representing the sell side to report the transaction.<sup>5</sup> MM1, the seller in this transaction, reports the sale of 1,000 shares by submitting a last sale report to ACT marked "principal." MM1 then fills its customer order for 1,000 shares. Under the new alternative approach, MM1 would submit either one of the two following reports marked "riskless principal" to ACT for the offsetting, riskless portion of the transaction:

- a clearing-only report if necessary to clear the transaction with the customer; or
- a non-tape, non-clearing report (if a clearing entry is not necessary because, for example, the trade is internalized).

This submission is not entered for reporting purposes and thus there will be no public trade report for this leg of the transaction. Because MM2 did not enter into a riskless principal transaction, MM2 does not have an obligation to submit the second report.

### Example 2

Both MM1 and MM2 hold customer limit orders: MM1 holds a marketable customer limit order to sell 1,000 shares of ABCD and MM2 holds a customer limit order to buy 1,000 shares of ABCD, both of which are displayed in the market makers' quotes. MM1 sells 1,000 shares to MM2 at \$10. MM1 and MM2 then fill both of their customer orders. MM1 submits two reports to ACT—a last sale report and either a clearing-only report or a non-tape, non-clearing report—as described above. MM2 does not have a reporting obligation under the Nasdaq trade-reporting rules because it bought 1,000 shares from MM1. Therefore, it does not submit a last sale report for the transaction with MM1. However, for the offsetting transaction with its customer, MM2 is obligated to submit to ACT either a clearing-only report or a non-tape, non-clearing report marked "riskless principal."

[SEC.gov](https://www.sec.gov) keyword searches "**riskless**" highlights the many issues on subject including a study by **Laura Tuttle · Senior Financial Economist at U.S. Securities and Exchange Commission** March, 2014 [Market Structure Research OTC Trading](#).

"Broker-dealers effect trades for customers acting in a principal, agency, or riskless principal capacity. **The capacity in which a broker-dealer acts can affect how the volume of OATS execution reports relates to the volume of trades on the consolidated tape.** Generally, a principal trade is one in which the BD trades for the firm's own account. In an agency trade, the transaction is conducted on behalf of a customer; the BD does not own the position at any point in time. A trade can generally be classified as riskless principal when the BD acquires the position for the firm's



account with the intention of using it to fill (at the same price) a customer order it has already received.

These three capacities can be similar economically but have different reporting requirements to OATS and the Consolidated Tape. For example, agency and principal trades generally require one execution report in OATS for each side, and one report to the consolidated tape per trade. **The second leg of a riskless principal trade, however, would generally have an OATS execution report for each side but no associated consolidated tape report. In view of the different ways in which a client order can be executed and their differential impact on consolidated tape volume, I interpret volume figures cautiously.** In addition, I provide detail regarding the percentage of volume being transacted as riskless principal to allow for interpretation by readers.”

***Elisse Walter Former Chairman U.S. Securities Exchange Commission*** Aug. 21, 2018  
[Sec.gov Comments 265-30.](#)

“We also are concerned that delayed dissemination of **block trade reports can mislead the market about supply and demand** conditions when dealers distribute the block in smaller trades whose reports are immediately disseminated. For example, if a dealer crosses \$20 million in bonds from one seller to four buyers each buying \$5 million on a riskless-principal basis, under the recommended proposal, **FINRA would delay dissemination of the \$20 million dealer buy report but would immediately disseminate reports each of the \$5M dealer sales.** The immediately disseminated reports would give the appearance of surplus buying demand and the possibility that one or more dealers have been left short facilitating this customer demand. The response to such **reports could artificially push the price of the bonds higher**, at least until FINRA disseminates the “\$10MM+” dealer buy trade two days later.”

[SEC Rules June 10, 2021 SRO CboeBYX](#) offer to sell tax payer paid for information of Short Sale data and “**riskless**” **principle** data which could be used in market manipulation.

“The Exchange proposes to offer Short Sale Volume data on an end-of-day and intraday basis which will be available for purchase by Members and non-Members. Specifically, the Exchange proposes to offer an end-of-day short sale volume report that includes the date, session (i.e., Pre-Opening Session, Regular Trading Hours, or After Hours Trading Session), symbol, trade count, buy and sell volume, type of sale (i.e., sell, sell short, or sell short exempt), capacity (i.e., principal, agent, or **riskless principal**), and retail order indicator. The end-of-day Short Sale Volume data would include same day corrections to short sale volume.”



#### [SEC v Citadel Cease and Desist January 13, 2017](#)

Many wholesale market makers largely handle marketable orders on a fully automated basis, using proprietary algorithms to determine whether to execute the order, in whole or in part, as a principal (i.e., internalize, or take the other side of the trade) or whether to attempt to fill all or part of the order on a riskless **principal basis by sending orders to a variety of other trading centers, including exchanges, dark pools, and other wholesale market makers.**

#### [SEC v Credit Suisse Cease and Desist Sept. 28, 2018](#)

9. The RES desk executed order flow on either a “principal” basis or a “riskless principal” basis. In a principal execution, also referred to as “internalization,” RES took a proprietary position with risk by either buying from or selling to the customer. **In a riskless principal execution, RES also bought from or sold to a customer,** but RES did not take on any meaningful risk because RES, with a customer order in hand, first obtained the position in the marketplace (**e.g., by trading principally on lit markets or in a dark pool**), and then provided a corresponding execution to its customer at the same price (or better). RES executed held customer orders in one of three ways: (i) RES traded as principal to fill the entire order; **(ii) RES executed the entire order on a riskless principal basis; or (iii) RES executed some of the order on a principal basis and some on a riskless principal basis (referred to herein as “split fills”).**

10. For the held orders at issue, RES did not charge customers commissions or markups, and instead sought to **profit from its principal trading.** RES considered two elements of potential profit: **(i) spread capture (i.e., capturing the difference between the bid and ask for a security at the time the order was received); and (ii) impact capture (as set forth below).** RES also considered the potential risk associated with internalizing all or part of the order.

11. **The RES desk executed over 15 million held orders (over 8.5 billion shares) with a total market value of approximately \$227 billion during the Relevant Period”**

Financial Institutions, Market Makers, ISDA Members, Prime Brokers can group all Retail orders together reclassify as **“limit orders”** to effectuate **“Block Trades”**. Then apply **“riskless principal” “10 sec” non-tape transactions.** Meaning transactions delayed or non-existent reporting requirement. Effectively Sending Millions of Retail Trading Volume plus limit orders to Dark Pools or Crypto Tokenized Exchanges such FTX & Binance. Under this **“riskless principal”** only have to report by 6:30pm. To categorize **“Riskless” principal** transactions can have no-tape **“10 sec”** (record) or trail of transactions or at minimal delayed in reporting until 6:30pm Eastern after market hours. This can help facilitate inaccurate volume and true supply and demand pricing of a stonks, bonds, and so forth.





Financial Institutions, Market Makers, ISDA Members, Prime Brokers using **“riskless principal”** move all transaction as **“block trades”** to Crypto Exchanges that Offers Tokenized Stocks; whom repledge, reloan, & commingle assets with convoluted Company Ownership Structures i.e. ([FTX Contract Controlling Ownership by Binance](#)). These Complex Ownership Structure for example have Covenants that only Binance **“Pass any resolution approving liquidation, dissolution or winding up or the initiation of bankruptcy proceedings or apply for the appointment of a receiver, judicial manager or like”**, which bankruptcy was used to hide Venture Loans obtained i.e. Silicon Valley Bank with same Collateral reused over & over.

DocuSign Envelope ID: 6B33BCB4-B969-4F50-8027-190516895CD6  
Case 22-11068-JFD Doc 4620-1 Filed 12/11/23 Page 150 of 180

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

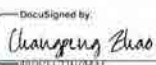
**FTX TRADING LTD.**

By:   
[REDACTED]

Name: **Samuel Bankman-Fried**

Title: Chief Executive Officer

**BINANCE CAPITAL MANAGEMENT CO., LTD.**

By:   
[REDACTED]

Name: **Changpeng Zhao**

Title: Chief Executive Officer

SIGNATURE PAGE TO SERVICES AGREEMENT

UNITED STATES DISTRICT COURT FOR  
THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

Civil Action No. 1-23-cv-01599-ABJ

BINANCE HOLDINGS LIMITED, BAM  
TRADING SERVICES INC., BAM  
MANAGEMENT US HOLDINGS INC., AND  
CHANGPENG ZHAO,

Defendants.

**DECLARATION OF ADAM J. FEE**

ADAM J. FEE, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am a member of the law firm Milbank LLP, counsel to Defendants BAM Trading Services Inc. ("BAM Trading") and BAM Management US Holdings Inc. ("BAM Management," collectively with BAM Trading, "BAM"). I submit this declaration in support of BAM's opposition to the Securities and Exchange Commission's (the "SEC") motion for a temporary restraining order and other relief.

2. I have personal knowledge of the matters set forth in this declaration, and, if called as a witness, I could and would competently testify under oath to the facts stated herein.

3. Attached as **Exhibit 1** is a true and correct copy of *Game Stopped? Who Wins and Loses When Short Sellers, Social Media, and Retail Investors Collide, Part III*, 117th Cong. 1 (May 6, 2021), 167 Cong. Rec. 44-837 (2021).



**GAME STOPPED? WHO WINS AND  
LOSES WHEN SHORT SELLERS,  
SOCIAL MEDIA, AND RETAIL  
INVESTORS COLLIDE, PART III**

Thursday, May 6, 2021

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FINANCIAL SERVICES,  
*Washington, D.C.*

The committee met, pursuant to notice, at 12 p.m., via Webex, Hon. Maxine Waters [chairwoman of the committee] presiding.

Members present: Representatives Waters, Maloney, Sherman, Meeks, Scott, Green, Cleaver, Perlmutter, Himes, Foster, Vargas, Gottheimer, Lawson, Axne, Casten, Torres, Adams, Tlaib, Dean, Garcia of Illinois, Williams of Georgia, Auchincloss; McHenry, Lucas, Posey, Luetkemeyer, Huizenga, Wagner, Barr, Williams of Texas, Hill, Zeldin, Loudermilk, Mooney, Davidson, Budd, Kustoff, Hollingsworth, Gonzalez of Ohio, Rose, Steil, Timmons, and Taylor.

Chairwoman WATERS. The Financial Services Committee will come to order.

Without objection, the Chair is authorized to declare a recess of the committee at any time.

As a reminder, I ask all Members to keep themselves muted when they are not being recognized by the Chair. The staff has been instructed not to mute Members except when a Member is not being recognized by the Chair and there is inadvertent background noise.

Members are also reminded that they may only participate in one remote proceeding at a time. If you are participating today, please keep your camera on, and if you choose to attend a different remote proceeding, please turn your camera off.

Today's hearing is entitled, "Game Stopped? Who Wins and Loses When Short Sellers, Social Media, and Retail Investors Collide, Part III."

I now recognize myself for 4 minutes to give an opening statement.

Today, this committee convenes for part three of our series of hearings focused on market volatility related to GameStop and other stocks. In our first hearing on those events, we received testimony from the CEOs of trading app, Robinhood; Wall Street firms, Citadel and Melvin Capital; and social media company, Reddit; as well as Keith Gill, a trader involved in WallStreetsBets on subreddit. We heard directly from those involved in the short squeeze and volatility and we got the facts.





## VOTING AGREEMENT

THIS VOTING AGREEMENT (this “*Agreement*”), is made and entered into as of this 27th day of November, 2019 (the “*Effective Date*”), by and among FTX Trading Ltd., a company established under the laws of Antigua and Barbuda (the “*Company*”), each holder of the Series A Preferred Shares of the Company (“*Series A Preferred Shares*” or “*Preferred Shares*”) listed on Schedule A (together with any subsequent investors, or transferees, who become parties hereto as “*Investors*” pursuant to Subsections 7.1(a) or 7.2 below, the “*Investors*”), and those certain shareholders of the Company listed on Schedule B (together with any subsequent shareholders, or any transferees, who become parties hereto as “*Key Holders*” pursuant to Subsection 7.2 below, the “*Key Holders*,” and together collectively with the Investors, the “*Shareholders*”).

### RECITALS

A. Concurrently with the execution of this Agreement, the Company and the Investors are entering into a Series A Preferred Share Purchase Agreement (the “*Purchase Agreement*”) providing for the sale of shares of the Series A Preferred Shares, and in connection with that agreement the parties desire to provide the Investors with the right, among other rights, to designate the election of certain members of the board of directors of the Company (the “*Board*”) in accordance with the terms of this Agreement.

B. The Amended and Restated Memorandum and Articles of Association of the Company (the “*Restated Articles*”) provides that the holders of record of the shares of Common Shares, voting as a separate class, shall be entitled to elect one director of the Company.

NOW, THEREFORE, the parties agree as follows:

#### 1. Voting Provisions Regarding the Board.

1.1 Size of the Board. Subject to Subsection 1.2(b) below, each Shareholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at one director. For purposes of this Agreement, the term “*Shares*” shall mean and include any securities of the Company that the holders of which are entitled to vote for members of the Board, including without limitation, all Common Shares and Series A Preferred Shares, by whatever name called, now owned or subsequently acquired by a Shareholder, however acquired, whether through share splits, share dividends, reclassifications, recapitalizations, similar events or otherwise.

1.2 Board Composition. Each Shareholder agrees to vote, or cause to be voted, all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of shareholders at which an election of directors is held or pursuant to any written consent of the shareholders, subject to Section 5, the following persons shall be elected to the Board:

(a) Samuel Bankman-Fried (the “*Founder*”) for so long as he remains an officer of the Company, except that if he declines or is unable to serve, his successor shall be designated by the holders of a majority of the Common Shares outstanding; and

(b) If, in connection with an investment in the equity capital of the Company from a third-party unaffiliated with the Company, any investor designee is elected to serve on the Board, then Binance Capital Management Co. Ltd. (“*Binance*”) shall have the right to appoint one (1) individual to serve on the Board, for so long as such other incoming investor has a designee serving on the Board.



promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

2. Vote to Increase Authorized Common Shares. Each Shareholder agrees to vote or cause to be voted all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Shares from time to time to ensure that there will be sufficient shares of Common Shares available for conversion of all of the shares of Preferred Shares outstanding at any given time.

3. Covenants. For so long as Binance holds more than 25% of the Series A Preferred Shares originally issued to Binance pursuant to the Purchase Agreement, the Company will not, without the written consent of Binance, take any of the following actions:

(a) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from a digital asset exchange;

(b) For the first \$200,000,000 of cumulative profits, with such computation commencing from the date of Closing (the "**Initial Profits**"), award bonuses to employees that are equal to or greater than 25% of the Company's annual profits for the immediately preceding fiscal year;

(c) For profits in excess of the Initial Profits, award bonuses to employees that are equal to or greater than 50% of the Company's annual profits for the immediately preceding fiscal year. Annual profits shall be reasonably determined by the Board in accordance with the information delivered by the Company to Binance under Section 3 (Information Rights) of the Investor's Rights Agreement entered into between the Company and Binance concurrently with the execution of this Agreement;

(d) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from an unaffiliated third party, other than Binance (such consent not to be unreasonably withheld);

(e) Alter or change the rights, preferences or privileges of the Preferred Shares in a manner that is materially adverse to the Preferred Shares; *provided*, that the creation of any new class or series of shares shall be deemed to not be materially adverse to the Preferred Shares;

(f) Effect a recapitalization, reclassification, split-off or spin off that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company;

(g) Amend any provision of the Restated Articles that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company; or

(h) Pass any resolution approving liquidation, dissolution or winding up or the initiation of bankruptcy proceedings or apply for the appointment of a receiver, judicial manager or like officer; *provided*, that the Company shall not need the written consent of Binance to pass a resolution enacting any of the foregoing actions that are taken in connection with any merger, acquisition or similar transaction involving a Sale of the Company or all or substantially all of its assets.

Except as otherwise provided in the foregoing, Binance agrees that it shall execute such consents, waivers, documents and/or instruments and to take such actions as may be reasonably necessary to ensure that the Company will have full operational independence.





## **SOFTWARE LICENSE, TOKENIZATION, AND CO-MARKETING AGREEMENT**

This Software License, Tokenization, and Co-Marketing Agreement (this “**Agreement**”), effective as of **April 15, 2019** (the “**Effective Date**”), is by and between **Cottonwood Grove Limited**, a Hong Kong company (“**Licensor**”) and **FTX Trading Ltd**, a company established under the laws of Antigua and Barbuda (“**Licensee**”). Licensor and Licensee may be referred to herein collectively as the “**Parties**” or individually as a “**Party**”.

WHEREAS, Licensor has developed a proprietary software platform described in Exhibit A attached hereto (the “**Cottonwood Platform**”);

WHEREAS, FTX is a **cryptocurrency derivatives exchange** that **offers futures, leveraged tokens, and OTC trading** who wishes to use the Cottonwood Platform as part of its business activities (the “**Exchange**”);

WHEREAS, Licensor desires to license the Cottonwood Platform to Licensee, and Licensee desires to purchase a license to use the Cottonwood Platform, and in each case, subject to the terms and conditions of this Agreement;

WHEREAS, Licensor desires to **sell blockchain-based cryptographic tokens** (the “**Tokens**”) to the public that provide holders an economic return linked to payments made to Licensor by Licensee in consideration of the Cottonwood Platform license;

WHEREAS, Licensor desires Licensee’s assistance in marketing and promoting the Token and Licensee desires Licensor’s assistance in marketing and promoting the Exchange;

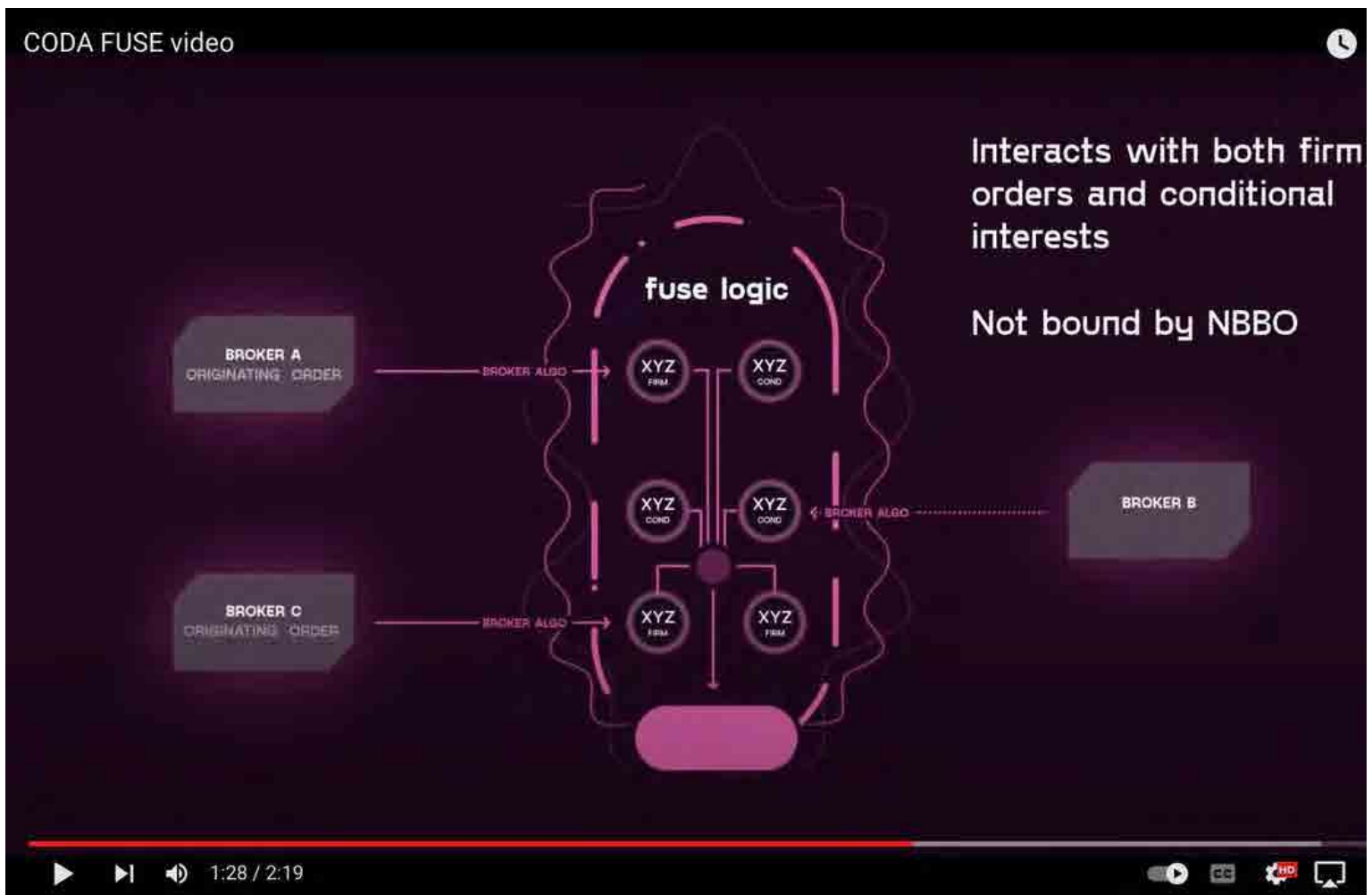
WHEREAS, in connection with **marketing the Tokens**, Licensee is **willing to list the Tokens for trading on the Exchange, treat the Tokens as good collateral on the exchange, and provide Token holders with promotional rates for trading costs;**





Using loopholes from the Riskless Principal "non-tape" report (also referred to as a "non-media" report), Brokerages which these same institutions have control over [i.e. Robinhood & Fidelity] internalize Retail's Small order of less than 10,000 shares. Once internalized, grouping 10,000 internalized share together, into "Block Trades". Moving those orders to ["IEX Exchange is a national securities exchange, facilitating the trading of U.S. equities"](#) and [Embed "a stock clearing firm and FINRA licensed brokerdealer"](#), [CM-Equity AG "Compliant and licensed financial institute"](#), & then to regulated Exchanges like LedgerX & FTX.US. Combining the "Block Trades" into a Mixing Services APEX (i.e., CodaFuse), combine multiple brokerages orders to bypassing the NBBO [National Best Bid & Offer] regulations & rules. Transferring & Converting the Fiat Value Internationally since there "non-tape" report when retail small orders are grouped into Block Trades. By Converting the values into Circle's USDC and other Stable Coins Swapping the values with [DAAG d/b/a FTX Europe \[Dubai proprietary trader and swap dealer\]](#); thereby using the Stable Coins as the Purported Value of the Tokenized Stocks on FTX and Binance exchanges.

CODA FUSE video





**Examples of order Mismarking Shorts to Long Sales & Vice versa from Citadel on excel spreadsheets:**

<https://www.sec.gov/files/litigation/admin/2023/34-98482.pdf>

“This matter involves violations of the order-marking requirements of Regulation SHO by Citadel Securities in connection with its activities as a registered broker-dealer. Regulation SHO requires broker-dealers, such as Citadel Securities, to accurately mark all sell orders of equity securities as long, short, or short exempt. Under Regulation SHO, sell orders may only be marked as long when the seller has a net long position in the particular security. During a five-year period from September 2015 through September 2020 (the “Relevant Period”), Citadel Securities inadvertently marked certain short sale orders as long sales, and long sales as short sales, while handling orders on behalf of its broker-dealer clients. As a result, an estimated millions of sell orders were mismarked”

**Example Morgan Stanley’s Pawan Passi selling Information on “Block Trade” to Citadel’s Hedge Fund:**

<https://www.sec.gov/newsroom/press-releases/2024-6>

<https://unusualwhales.com/news/citadel-was-among-the-hedge-funds-that-got-morgan-stanleys-ms-block-trading-leaks>

“Sellers entrusted Morgan Stanley and Passi with material non-public information concerning upcoming block trades with the full expectation and understanding that they would keep it confidential,” said SEC Chair Gary Gensler. “Instead, Morgan Stanley and Passi abused that trust by leaking that same information and using it to position themselves ahead of those trades.”

“Despite assuring selling shareholders that they would keep their efforts to sell large blocks of stock confidential, Morgan Stanley and Pawan Passi instead leaked that material non-public information to mitigate their own risk, win more block trade business, and generate over a hundred million dollars in illicit profits.”

A block trade generally involves the sale of a large quantity of shares of an issuer’s stock, privately arranged and executed outside of the public markets. According to the SEC’s orders, from at least June 2018 through August 2021, Passi and a subordinate on Morgan Stanley’s equity syndicate desk disclosed non-public, potentially market-moving information concerning impending block trades to select buy-side investors despite the sellers’ confidentiality requests and Morgan Stanley’s own policies regarding the treatment of confidential information. The SEC’s orders find that Morgan Stanley and Passi disclosed the block trade information with the understanding that those buy-side investors would use the information to “pre-position” by taking a significant short position in the stock that was the subject of the upcoming block trade. According to the SEC orders, if Morgan Stanley eventually purchased the block trade, the buy-side investors would then request and receive allocations from the block trade from Morgan Stanley to cover their short positions. This pre-positioning reduced Morgan Stanley’s risk in purchasing block trades.



The SEC's order further finds that Morgan Stanley failed to enforce information barriers to prevent material non-public information involving certain block trades from being conveyed by the equity syndicate desk, which sits on the private side of Morgan Stanley, to a trading division on the public side of the firm. As a result, the firm was unable to sufficiently scrutinize whether trades by that division, placed while the equity syndicate desk was in discussions with selling shareholders regarding potential block trades, were based on such confidential discussions."

Citadel was among the hedge funds that got Morgan Stanley's, \$MS, block-trading leaks, per Bloomberg. Morgan Stanley gave hedge funds advance as clients planned to sell enough to move market prices. Morgan Stanley paid \$249 million to settle the probe.

An insider at Ken Griffin's sizable hedge fund was among several executives referred to anonymously in Morgan Stanley's settlements with authorities, according to sources familiar with the matter.

In addition to Citadel, individuals at block-trading specialist CaaS Capital Management, Segantii Capital Management, and Evolution Capital Management were recipients of stock information outlined in legal documents, although their names were not disclosed, the sources said, speaking on condition of anonymity to discuss confidential aspects of the investigation.

Prosecutors have not accused any recipients of the stock tips of wrongdoing.

The investigation criticized Morgan Stanley for alerting hedge funds in advance when clients were planning to sell significant blocks of stock that could impact market prices. The Department of Justice and the Securities and Exchange Commission alleged that bank employees provided this information with the understanding that hedge funds would short the stocks and position themselves to purchase parts of the block when it became available on the market.

The involvement of these firms illustrates the extent of the information flow as Morgan Stanley employees breached client confidentiality to bolster the bank's standing. While the bank's close relationships with certain specialized firms have been previously examined, Citadel's connections to the case were less known.

Not every leak resulted in hedge fund managers trading before blocks of stock were sold. In some instances, the sellers canceled their plans, as was the case with two trades shared with Citadel. Legal experts in the industry argued that if firms did engage in trading, they did not violate any laws because they had not entered into confidentiality agreements with the bank.

"Hedge funds that received information from a Morgan Stanley executive were entitled to assume he was following his firm's rules," said Cristie Ford, a former Davis Polk lawyer now teaching at the University of British Columbia. She noted that interactions in the industry often involve rumors, hunches, and hypothetical questions from equity desks.

Morgan Stanley paid a \$249 million penalty to settle the investigation. Pawan Passi, who oversaw the bank's US equity syndicate desk before being placed on leave in 2021, was banned from the industry for a year by the SEC.





Representatives for the bank and the hedge funds declined to comment or did not respond to inquiries.

Those selling blocks of stock have long expressed frustration over price declines just before executing a trade, reducing their proceeds. Morgan Stanley, a major player in block trading, drew criticism from rival firms envious of its ability to drive down prices ahead of its sales, a phenomenon dubbed "the Morgan Stanley fade."

4. Fractional Share Trading and Stock Lending: Robinhood Securities failed to comply with Regulation SHO (“Reg SHO”) in connection with stock lending and fractional trading programs. From May 2019 until March 2020, Robinhood Securities did not timely close out fails to deliver resulting from its stock lending activities. Additionally, from at least December 2019 until December 2023, Robinhood Securities effected millions of principal short sales relating to fractional shares trades that it mismarked as “long” because it lacked the ability to calculate its net proprietary position at the time of its sale orders. From December 2019 until May 2022, Robinhood securities mismarked millions of short sale riskless principal orders relating to fractional share trades as “long” because it improperly marked the orders based on its customers’ positions rather than its proprietary positions. Then, from May 2022 until December 2023, Robinhood Securities mismarked an additional 4.5 million riskless principal orders relating to fractional shares trades as “short exempt” even though Robinhood Securities did not satisfy all the conditions for doing so.

41. From December 2019 until December 2023, Robinhood Securities mismarked more than 15 million principal short sales as “long.”

**b. Reg SHO Violations Relating to Riskless Principal Transactions**

**i. Robinhood Securities Improperly Marked Short Sale Riskless Principal Orders “Long” Based on Customers’ Positions**

42. Reg SHO Rule 201(a)(8) states that the term “riskless principal” shall mean a transaction in which a broker or dealer, after having received an order to buy a security, purchases the security as principal at the same price to satisfy the order to buy, exclusive of any explicitly disclosed markup or markdown, commission equivalent, or other fee, or, after having received an order to sell, sells the security as principal at the same price to satisfy the order to sell, exclusive of any explicitly disclosed markup or markdown, commission equivalent, or other fee.

43. When Robinhood Financial launched Fractional Trading in December 2019, Robinhood Securities’ systems were designed to facilitate customer orders through a combination of riskless principal transactions and principal transactions. (All references to riskless principal sales orders in this section refer to Fractional Trading riskless principal sale orders.) For example, if a Robinhood Financial customer placed an order to sell 100.5 shares of a security, Robinhood

8

48. From December 2019 until May 2022, Robinhood Securities mismarked as “long” over 58 million Fractional Trading riskless principal short sale orders based on its customers’ underlying positions when it should have marked the orders “short” based on its net position.

**ii. Robinhood Securities Improperly Marked Short Sale Riskless Principal Orders and Short Sale Principal Orders as “Short Exempt”**



# TOKENIZING APPLE STOCK

SO HERE YOU ARE,

YOUR STOCK TOKENS

BELIEVE ARE THE WORLD'S FIRST OPENAI AND

SPACEX PRIVATE STOCK TOKENS ON A  
DECENTRALIZED

## ROBINHOOD RESPONSE PER COMPANY SPOKESPERSON

"These tokens give retail investors indirect exposure to private markets, opening up access, and are enabled by Robinhood's ownership stake in a special purpose vehicle."

## ROBINHOOD RESPONSE PER COMPANY SPOKESPERSON

"These tokens give retail investors indirect exposure to private markets, opening up access, and are enabled by Robinhood's ownership stake in a special purpose vehicle."

### MARKET ALERT OPENAI SAYS ROBINHOOD TOKENS ARE NOT EQUITY IN THE COMPANY

a Robinhood spokesperson saying



### MARKET ALERT OPENAI SAYS ROBINHOOD TOKENS ARE NOT EQUITY IN THE COMPANY

it is a derivative

### MARKET ALERT OPENAI SAYS ROBINHOOD TOKENS ARE NOT EQUITY IN THE COMPANY

investors indirect exposure to



OpenAI Newsroom @OpenAINewsroom · 7/2/25

These "OpenAI tokens" are not OpenAI equity. We did not partner with Robinhood, were not involved in this, and do not endorse it. Any transfer of OpenAI equity requires our approval—we did not approve any transfer.

Please be careful.

649

1.6K

13K

3.8M



Elon Musk @elonmusk

X.com

Your "equity" is fake

5:15 PM · 7/2/25 · 406K Views





### BANK OF LITHUANIA ON ROBINHOOD OFFERINGS CAUSE CONCERN

"We have contacted Robinhood and are awaiting clarifications regarding the structure of OpenAI and SpaceX stock tokens as well as the related consumer communication"

### OPENAI ON ROBINHOOD'S STOCK TOKENS

"We did not partner with Robinhood, were not involved in this, and do not endorse it"

### NEWS ALERT ROBINHOOD LAUNCHES TOKENISED EQUITIES IN COMPANIES LIKE OPENAI & SPACEX **STRUCTURE** OF THIS INSTRUMENT

### NEWS ALERT ROBINHOOD LAUNCHES TOKENISED EQUITIES IN COMPANIES LIKE OPENAI & SPACEX HOLDS **OPENAI** STOCK



### NEWS ALERT VLAD TENEV | ROBINHOOD CEO **THESE ARE NOT TECHNICALLY** EQUITY



idLogger OP · 3y  
Power to the Players

The "riskless" principle is not only still being used, but 14 days ago the SEC is selling the information including short volume data. <https://www.sec.gov/rules/sro/cboebyx/2021/34-92149.pdf> "The Exchange proposes to offer Short Sale Volume data on an end-of-day and intraday basis which will be available for purchase by Members and non-Members. Specifically, the Exchange proposes to offer an end-of-day short sale volume report that includes the date, session (i.e., Pre-Opening Session, 4 Regular Trading Hours, 5 or After Hours Trading Session), 6, 7 symbol, trade count, buy and sell volume, type of sale (i.e., sell, sell short, or sell short exempt), capacity (i.e., principal, agent, or **riskless principal**), and retail order indicator. The end-of-day Short Sale Volume data would include same day corrections to short sale volume." Guess we can buy tax payer paid for information on methods of manipulation.

... ↩️ 🗨️ 🔴 11 ⬇️

dlauer · 3y  
WRINKLE BRAIN

So this isn't the SEC selling data, it's CBOE BYX, which is a stock exchange. And they are a private, for-profit entity who sells data.

All this comment says to me is that someone is selling data reporting the amount of riskless principal trading. Again, I'm really not seeing how any of this bolsters the point you're trying to make. In fact, riskless principal trading is good to know about because it's generally inconsequential - it's not a real trade, it's simply a facilitation of a trade. It looks like a real trade, and so it needs to be flagged as a riskless facilitation transaction. But that doesn't eliminate the reporting of the ACTUAL real trade.

... ↩️ 🗨️ ⬆️ 6 ⬇️

idLogger OP · 3y  
Power to the Players

The examples were mainly from your comment regarding a friend with inside knowledge that "riskless" principles have not been used in a while. Mainly for the fact that CBOE BYX a private exchange 14 days ago petition SEC to gather short interest as well as "riskless" principal transactions for sale for profit only bolster the value of Short Interest Data in conjunction with "Riskless" Principal Data. Yes, I agree "riskless" principle is an ACTUAL trade. The trade in itself is not in question. The "10 second" reporting requirement when MM utilize "riskless" principal which can cause a non-tape reporting event. Or with the "riskless" principle can delay in reporting after-market hours at 6:30pm Eastern and not "10 second" after trade during market hours. This classification can facilitate supply and demand volume distortions as well as pricing issues.

In regards to the Fixed income Market example, be it stock/equity, bonds, or fixed income. The use of the "riskless" principal anything sold/brought classification can lead to a known "block trade reports can mislead the market about supply and demand" and "reports could artificially push the price" with SEC/FINRA knowledge.

... ↩️ 🗨️ 🔴 2 ⬇️

dlauer · 3y  
WRINKLE BRAIN

Sorry I thought I was clear that I initially agreed with you that my friend was wrong about it not being used. But while I agree it's used, I don't see it being abused in the way you're describing. Even when it's used, the actual trade is still printed to the tape in real-time, it's only later that you find out that a certain portion of the day's trading might have been facilitated with riskless principal.

The Fixed Income example doesn't apply to equities because equity reporting requirements aren't the same. So I don't see the connection.


... ↩️ 🗨️ ⬆️ 10 ⬇️

# Dark Pool Not Required, Market Markers can Control Pricing w/out Orders Reported, "Riskless" Princip... 2.7k upvotes · 166 comments

 d1auer · 3y  
👍👍👍 - WRINKLE BRAIN 🧠👍

This description suggests that riskless principle is primarily used to avoid double-counting trades, it cannot be used to avoid reporting them. I asked a friend who knows more than I do about this and he said riskless principle hasn't been used for a decade.

... Reply 🗨️ 163 🔒

 UnderstandingNew7083 · 3y  
🎮 Power to the Players 🍅

With great desperation comes great deceit. Hasn't been used and Can't be used are two different things. My question: is it possible?

... Reply 🗨️ 60 🔒

 boskle · 3y  
💻 ComputerShared 🍅👍

let's accept the fact that he might not know if it's possible

... Reply 🗨️ 17 🔒

 IdLogger OP · 3y  
🎮 Power to the Players 🍅

Laura Tuttle Senior Financial Economist at SEC did an study on "riskless" on exchange. [https://www.sec.gov/files/marketstructure/research/otc\\_trading\\_march\\_2014.pdf](https://www.sec.gov/files/marketstructure/research/otc_trading_march_2014.pdf)

... Reply 🗨️ 16 🔒

 d1auer · 3y  
👍👍👍 - WRINKLE BRAIN 🧠👍

Right, so that paper confirms what I said in the first part, that riskless principle is used to avoid double-reporting trades, because they are trades executed at the same price, and I think there's a timing requirement too - it has to happen quickly, aka riskless. Looks like it's used more than my friend thinks though this data is 9 years old (2012 dataset).

... Reply 🗨️ 32 🔒

 IdLogger OP · 3y  
🎮 Power to the Players 🍅

The "riskless" principle classification was recently issued a cease and desist order by the SEC to Credit Suisse Sept 28, 2018. <https://www.sec.gov/litigation/admin/2018/33-10565.pdf> in the SEC filing explains what Credit Suisse was doing.

... Reply 🗨️ 14 🔒

 d1auer · 3y  
👍👍👍 - WRINKLE BRAIN 🧠👍

Yes, I remember this case well, it was a big deal at the time. But as I read this, RES was not abusing riskless principle trades, per se. It was using them to impact the stock price and then capture that impact on a principle basis. This is shady af, and deserved the enforcement. But I'm not sure how it bolsters what you're trying to show. Maybe I'm missing something here?


... Reply 🗨️ 25 🔒

 IdLogger OP · 3y  
🎮 Power to the Players 🍅

Aug. 21, 2018 SEC <https://www.sec.gov/comments/265-30/26530-4268151-173129.pdf>

We also are concerned that delayed dissemination of **block trade reports can mislead the market about supply and demand** conditions when dealers distribute the block in smaller trades whose reports are immediately disseminated. For example, if a dealer crosses \$20 million in bonds from one seller to four buyers each buying \$5 million on a **riskless-principal** basis, under the recommended proposal, **FINRA would delay dissemination of the \$20 million dealer buy report** but would **immediately disseminate reports each of the \$5M dealer sales**. The immediately disseminated reports would give the appearance of surplus buying demand and the possibility that one or more dealers have been left short facilitating this customer demand. The response to such **reports could artificially push the price of the bonds higher**, at least until FINRA disseminates the "\$10MM+" dealer buy trade two days later.

... Reply 🗨️ 12 🔒

 d1auer · 3y  
👍👍👍 - WRINKLE BRAIN 🧠👍

This is a comment from the Fixed Income Advisory Committee pushing for faster block trade dissemination times in the fixed income market. It's an issue I'm very familiar with, but it has nothing to do with stocks/equities.

... Reply 🗨️ 5 🔒





# 5, 6, 7, 8) CONVERSION PROCESS TO CRYPTO





**Ryan Salame** ✓

14:23

I did cooperate with the government

Entirely

Just wouldn't lie



15:35

Yeah I don't trust Caroline testimony at all. Such a load of BS. Crying on the stand like she gave a [REDACTED]

16:00

**Saturday**

Amicus brief is good



01:40

Awesome - have you got the link?

03:11 - Seen



Start a message











(25 of 296), Page 25 of 296 Case: 24-961, 09/13/2024, DktEntry: 31.1, Page 25 of 296

**A-232**

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 20 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: April 30, 2019  
Invoice Number: 750861  
Billing Attorney: Daniel Friedberg

Page 2

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/19	Daniel Friedberg	Analyze regulatory issues.	0.8	572.00
03/01/19	Chad Richman	Emails with accountants regarding tax reorganization.	0.3	148.50
03/04/19	David L. Forst	Conference call regarding trading activities.	1.2	1,590.00
03/04/19	Daniel Friedberg	Conference with client; draft futures exchange documents; emails regarding Antigua entity.	2.3	1,644.50
03/04/19	Chad Richman	Develop plan to address Jurisdictional considerations for futures exchange; emails with D.Forst regarding tax restructuring and ; emails with A&O regarding futures regulation; Call with Alameda to discuss futures exchange; emails to S.Bankman-Fried, A.Croghan regarding futures exchange; staff term sheet project.	5.3	2,623.50
03/04/19	Igor Voloshin	Discuss entity structure with C. Richman.	0.6	297.00
03/04/19	Igor Voloshin	Call with Andy and Sam on forming foreign entity; issuing security token; tax consequence of different business models.	1.5	742.50
03/05/19	Andrew Albertson	Confer regarding security token design.	0.4	310.00
03/05/19	Daniel Friedberg	Attention to formation and regulatory issues.	1.4	1,001.00

SBF\_GOOGLE\_SW\_00192151



A-325

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 113 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: May 31, 2019  
Invoice Number: 755670  
Billing Attorney: Daniel Friedberg

Page 4

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
04/01/19	Daniel Friedberg	Conference with Antigua counsel; review issues regarding futures exchange	1.4	1,001.00
04/01/19	Chad Richman	Call with Antigua counsel regarding exchange entity; review exchange and leveraged token models and websites; review FTX deck, plan structuring for exchange and leveraged tokens	3.4	1,683.00
04/01/19	Igor Voloshin	Call with Antigua law firm; discuss workflow with D. Friedberg and C. Richman; confer with C. Richman on user agreement/liquidity provider agreement; identify precedent for leveraged token agreement; and review FX site for compliance flags. Begin drafting AML checklist for stablecoin specific transaction flags.	2.1	1,039.50
04/02/19	Isaiah Deporto-Plick	Discussion with C. Richman regarding outstanding corporate matters for Alameda.	0.3	148.50
04/02/19	Daniel Friedberg	Review futures exchange issues	1.8	1,287.00
04/02/19	Chad Richman	Develop structure for exchange and leverage tokens; research entity for leverage tokens	1.0	495.00
04/02/19	Igor Voloshin	Discuss leveraged token structure with C. Richman; being drafting privacy policy.	1.0	495.00
04/03/19	Andrew Albertson	Confer regarding security token design and approach.	0.4	310.00



A-326

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 114 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: May 31, 2019  
Invoice Number: 755670  
Billing Attorney: Daniel Friedberg

Page 6

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
04/08/19	Chad Richman	Call with Seychelles counsel regarding entity choice for leveraged tokens; call with Allen Overy regarding global regulatory survey; revisions to FTX slide deck; emails with J. Bankman regarding slide deck and revisions for his comments; further drafting of exchange agreements.	5.3	2,623.50
04/09/19	David L. Forst	Discussion with Mr. Richman and Mr. Hatch regarding various tax issues; review email regarding same.	1.1	1,457.50
04/09/19	Daniel Friedberg	Review financing proposals; attention to corporate issues.	1.5	1,072.50
04/09/19	Kristofer Hatch	Review tax issues flagged for call; Call with Mr. Forst and Mr. Richman regarding same.	1.4	756.00
04/09/19	Chad Richman	Revise FTX deck; call with D. Forst regarding FTX tax issues, emails with W. Skinner, Bob Lee, J. Bankman regarding FTX tax issues; revisions to exchange documents.	2.9	1,435.50
04/09/19	William Skinner	Call with Bob Lee CPA regarding C Corporation election and pros and cons.	0.4	390.00
04/09/19	Igor Voloshin	Discuss token raise structure with C. Richman; continue drafting terms of use.	1.2	594.00
04/10/19	Isaiah Deporto-Plick	Email communication with C. Richman regarding outstanding matters for Alameda.	0.1	49.50





Alameda Research LLC  
Client Number: 34394

Invoice Date: September 26, 2019  
Invoice Number: 770539  
Billing Attorney: Daniel Friedberg

Page 5

Compliance and Risk Mitigation  
Matter number 34394-00402

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
08/08/19	Michael Dicke	Analyze new Ninth Circuit CFTC enforcement case and consider application to Alameda's business, and follow-up with D. Friedberg re same; confer with D. Friedberg re FTX exchange, business strategy update, compliance issues, and follow-up.	1.1	1,017.50
08/09/19	Michael Dicke	Review compliance issues.	1.9	1,757.50
08/14/19	Michael Dicke	Analysis of CFTC guidance on non-U.S. swap participants.	1.1	1,017.50
08/14/19	Daniel Friedberg	Research regarding compliance issues.	2.0	1,430.00
08/15/19	Chad Richman	Research related to risk mitigation project.	0.4	220.00
08/16/19	Vincent Barredo	Analyze CFTC rules research for FTX.	0.5	345.00
08/16/19	Michael Dicke	Legal issue for FTX exchange; legal research re affiliates of U.S. entities trading on futures exchange.	1.0	925.00
08/19/19	Michael Dicke	Research for client inquiries on prediction markets, futures contracts.	0.8	740.00
08/20/19	Vincent Barredo	Research and review FTX website and materials (0.5); research and analyze effect of CFTC's rules regarding exchanges not located in the United States (2.0).	2.5	1,725.00

**VOTING AGREEMENT**

THIS VOTING AGREEMENT (this "**Agreement**"), is made and entered into as of this **27th day of November, 2019** (the "**Effective Date**"), by and among **FTX Trading Ltd.**, a company established under the laws of Antigua and Barbuda (the "**Company**"), each holder of the Series A Preferred Shares of the Company ("**Series A Preferred Shares**" or "**Preferred Shares**") listed on Schedule A (together with any subsequent investors, or transferees, who become parties hereto as "**Investors**" pursuant to Subsections 7.1(a) or 7.2 below, the "**Investors**"), and those certain shareholders of the Company listed on Schedule B (together with any subsequent shareholders, or any transferees, who become parties hereto as "**Key Holders**" pursuant to Subsection 7.2 below, the "**Key Holders**," and together collectively with the Investors, the "**Shareholders**").

**RECITALS**

A. Concurrently with the execution of this Agreement, the Company and the Investors are entering into a Series A Preferred Share Purchase Agreement (the "**Purchase Agreement**") providing for the sale of shares of the Series A Preferred Shares, and in connection with that agreement the parties desire to provide the Investors with the right, among other rights, to designate the election of certain members of the board of directors of the Company (the "**Board**") in accordance with the terms of this Agreement.

B. The Amended and Restated Memorandum and Articles of Association of the Company (the "**Restated Articles**") provides that the holders of record of the shares of Common Shares, voting as a separate class, shall be entitled to elect one director of the Company.

NOW, THEREFORE, the parties agree as follows:

**1. Voting Provisions Regarding the Board.**

1.1 **Size of the Board.** Subject to Subsection 1.2(b) below, each Shareholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at one director. For purposes of this Agreement, the term "**Shares**" shall mean and include any securities of the Company that the holders of which are entitled to vote for members of the Board, including without limitation, all Common Shares and Series A Preferred Shares, by whatever name called, now owned or subsequently acquired by a Shareholder, however acquired, whether through share splits, share dividends, reclassifications, recapitalizations, similar events or otherwise.

1.2 **Board Composition.** Each Shareholder agrees to vote, or cause to be voted, all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of shareholders at which an election of directors is held or pursuant to any written consent of the shareholders, subject to Section 5, the following persons shall be elected to the Board:

(a) **Samuel Bankman-Fried (the "Founder")**, for so long as he remains an officer of the Company, except that if he declines or is unable to serve, his successor shall be designated by the holders of a majority of the Common Shares outstanding; and

(b) If, in connection with an investment in the equity capital of the Company from a third-party unaffiliated with the Company, any investor designee is elected to serve on the Board, then **Binance Capital Management Co. Ltd. ("Binance")** shall have the right to appoint one (1) individual to serve on the Board, for so long as such other incoming investor has a designee serving on the Board.

promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

2. **Vote to Increase Authorized Common Shares.** Each Shareholder agrees to vote or cause to be voted all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Shares from time to time to ensure that there will be sufficient shares of Common Shares available for conversion of all of the shares of Preferred Shares outstanding at any given time.

3. **Covenants.** For so long as Binance holds more than 25% of the Series A Preferred Shares originally issued to Binance pursuant to the Purchase Agreement, the Company will not, without the written consent of Binance, take any of the following actions:

(a) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from a digital asset exchange;

(b) For the first \$200,000,000 of cumulative profits, with such computation commencing from the date of Closing (the "**Initial Profits**"), award bonuses to employees that are equal to or greater than 25% of the Company's annual profits for the immediately preceding fiscal year;

(c) For profits in excess of the Initial Profits, award bonuses to employees that are equal to or greater than 50% of the Company's annual profits for the immediately preceding fiscal year. Annual profits shall be reasonably determined by the Board in accordance with the information delivered by the Company to Binance under Section 3 (Information Rights) of the Investor's Rights Agreement entered into between the Company and Binance concurrently with the execution of this Agreement;

(d) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from an unaffiliated third party, other than Binance (such consent not to be unreasonably withheld);

(e) Alter or change the rights, preferences or privileges of the Preferred Shares in a manner that is materially adverse to the Preferred Shares; provided, that the creation of any new class or series of shares shall be deemed to not be materially adverse to the Preferred Shares;

(f) Effect a recapitalization, reclassification, split-off or spin off that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company;

(g) Amend any provision of the Restated Articles that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company; or

(h) Pass any resolution approving liquidation, dissolution or winding up or the initiation of bankruptcy proceedings or apply for the appointment of a receiver, judicial manager or like officer; provided, that the Company shall not need the written consent of Binance to pass a resolution enacting any of the foregoing actions that are taken in connection with any merger, acquisition or similar transaction involving a Sale of the Company or all or substantially all of its assets.

Except as otherwise provided in the foregoing, Binance agrees that it shall execute such consents, waivers, documents and/or instruments and to take such actions as may be reasonably necessary to ensure that the Company will have full operational independence.





A-316

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 104 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: March 31, 2020  
Invoice Number: 796256  
Billing Attorney: Andrew Albertson

Page 13

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
02/20/20	Sean McElroy	Confer with C. Richman and J. Wittman regarding intercompany agreements; draft term sheet language for international acquisitions; review internal email memorandum by D. Forst; research on partnership tax issues.	1.3	962.00
02/20/20	Kathleen Murray	Attention to correspondence with GKL regarding West Realm Shires Services Inc. entity registration in all 47 states and fictitious name filings; review Bitcoin Manipulation closing volume, distribute same.	0.5	107.50
02/20/20	Chad Richman	Call regarding intercompany agreements; draft and revise FTX equity token documents.	2.9	2,102.50
02/20/20	Igor Voloshin	Advice to C. Richman on margin lending program. MTL Project: miscellaneous reorganization matters.	1.0	655.00
02/20/20	Jacob Wittman	Attend to Binance waivers; review waiver requirements; discuss intercompany agreements.	3.1	2,030.50
02/21/20	Andrew Albertson	Review comments to FTX offering documents; confer regarding same; prepare comments to same.	1.4	1,344.00
02/21/20	Sean McElroy	Review intercompany agreements.	0.4	296.00
02/21/20	Kathleen Murray	Attention to correspondence from registered agent regarding qualification filing.	0.1	21.50
02/21/20	Chad Richman	Draft ECP only US margin agreement; revisions to FTX equity documents.	3.6	2,610.00

CONFIDENTIAL TREATMENT REQUESTED BY FTX

FTX\_000313981  
SDNY\_03\_00208067



A-252

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 40 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: September 11, 2020  
Invoice Number: 819810  
Billing Attorney: Andrew Albertson

Page 43

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
08/15/20	Igor Voloshin	MTL Project; draft roadmap for MTL project; review outstanding items in application logs; review AML Policy audit.	3.6	2,358.00
08/17/20	Andrew Albertson	Attention to MTL and financial regulatory compliance.	0.5	480.00
08/17/20	Sean McElroy	Confer with D. Forst regarding genetic crypto loan agreements and intercompany crypto loan agreements; mark up and edit loan agreement documents; circulate documents.	1.5	1,110.00
08/17/20	Igor Voloshin	MTL Project: Miscellaneous project management arrangements.	1.2	786.00
08/18/20	Andrew Albertson	Review intercompany note and prepare comments to same; confer regarding approval/ratification.	0.7	672.00
08/19/20	Andrew Albertson	Attention to MTL project and related issues.	0.5	480.00
08/19/20	Igor Voloshin	Comfort letter; miscellaneous international corporate formation matters.	0.4	262.00
08/19/20	Igor Voloshin	MTL Project: surety bonds; confer internally on project management.	2.1	1,375.50
08/20/20	Kathrine McEnroe	Orientation meeting with I. Voloshin and team regarding money transmitter licensing project.	1.0	440.00
08/20/20	Liliya McKenzie	Orientation meeting with I. Voloshin and team members regarding money transmitter licensing project.	1.0	400.00





A-253

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 41 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: September 11, 2020  
Invoice Number: 819810  
Billing Attorney: Andrew Albertson

Page 44

General Corporate  
Matter number 34394-00600

Date	Timekeeper	Description	Hours	Amount
08/20/20	Meera Park	Orientation meeting with I. Voloshin and team members regarding money transmitter licensing project.	1.0	360.00
08/20/20	Mark Porter	Meeting with I. Voloshin and others regarding licensing project.	1.0	850.00
08/20/20	Katherine Schuler	Orientation meeting with I. Voloshin and team members regarding money transmitter licensing project.	1.1	236.50
08/20/20	Igor Voloshin	MTL Project: presentation to MTL Team; client call on roadmap.	3.5	2,292.50
08/21/20	Liliya McKenzie	Prepare list of bonding requirements nationwide.	1.7	680.00
08/21/20	Igor Voloshin	MTL Project: Update AML policy.	1.5	982.50
08/22/20	Sean McElroy	Review loan documents; research tax issues regarding crypto loans; send emails regarding same.	1.0	740.00
08/22/20	Can Sun	Prepare EIACA for WRSS.	0.2	172.00
08/23/20	Sean McElroy	Research crypto tax loan issues; confer with D. Forst regarding same; mark up and review loan documents; organize call with D. Friedberg and D. Forst.	2.5	1,850.00
08/23/20	Igor Voloshin	MTL Project: Update AML Policy; review Washington licensing items; state assignment to Fenwick MTL Team.	2.9	1,899.50
08/24/20	Sean McElroy	Research tax reporting issue; confer with D. Forst regarding same; review loan document; draft internal emails on crypto tax issues.	3.4	2,516.00



**A-255**

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 43 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: September 11, 2020  
Invoice Number: 819810  
Billing Attorney: Andrew Albertson

Page 46

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
08/26/20	Kathrine McEnroe	Review State Assignments, checklists, current state requirements and current state of material in state folder.	1.3	572.00
08/26/20	Kathleen Murray	Attention to EIN for Alameda Research Ventures LLC.	0.1	21.50
08/26/20	Ryan J. Straus	Review and revise Fiat Integration and Loan Agreement; ancillary review in connection with same.	1.6	1,408.00
08/26/20	Igor Voloshin	MTL Project: Daily check-in with FTX team.	1.0	655.00
08/27/20	Kathrine McEnroe	WebEx meeting with I. Voloshin and money transmitter licensing team to answer question regarding NMLS DATABASE, MMLA application, status of Washington application; paralegal assignments and next steps.	0.6	264.00
08/27/20	Kathrine McEnroe	Contact IT Department regarding creating internal Fenwick email to be used for individual state applications and registering users on West Realm NMLS data base; register as a user on NMLS database; forward email to team members providing West Realm details, such as account number, user login, password, etc. for accessing database and instructions for setting up user account; download MU1 form and MU2 Associates and distribute to team.	1.0	440.00





A-242

Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 30 of 148

Alameda Research LLC  
Client Number: 34394

Invoice Date: February 11, 2021  
Invoice Number: 841932  
Billing Attorney: Andrew Albertson

Page 29

General Corporate  
Matter number 34394-00600

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
01/12/21	Kent Sugang	Continue to collect and coordinate docuSign distribution of purchase agreements; respond to client questions.	0.7	129.50
01/12/21	Can Sun	Weekly call; review SPAC precedents.	1.2	1,074.00
01/12/21	Jacob Wittman	Attend internal call; attend to emails.	0.5	375.00
01/12/21	Jacob Wittman	Attend to bittrex matters; internal call; review Binance restrictions on transaction.	2.0	1,500.00
01/13/21	David L. Forst	Review emails regarding Ashlan; review regulations regarding acquisition structuring; brief review of Westrealm agreements.	2.7	4,117.50
01/13/21	Sean McElroy	Research on exit tax issues; research Project Alshain tax planning issues.	3.3	2,689.50
01/13/21	Chad Richman	Call with D. Friedberg regarding FTX US futures business.	0.3	225.00
01/13/21	Ryan J. Straus	Attention to multijurisdictional issue; correspondence regarding same.	0.8	728.00
01/13/21	Can Sun	Coordinate token sales matters.	0.2	179.00
01/13/21	Igor Voloshin	Prepare material for Silvergate submission.	2.1	1,575.00
01/14/21	Andrew Albertson	Confer regarding open items, including options, transactions and form of forward contract.	1.3	1,319.50



**SCHEDULE 13**  
**SERVICE SCHEDULE**  
**TERMS APPLICABLE TO AUSTRALIAN USERS ONLY**  
**(Updated September 18, 2022)**

Appendix A will form part of the Terms and apply to you if you are using the Exchange to buy, sell, exchange hold or otherwise transact in Digital Assets that are being provided by FTX Australia.

**1. FIAT CURRENCY TO DIGITAL ASSET (AND VICE VERSA) CONVERSION SERVICES**

If you are depositing fiat currency, or instructing the conversion of Digital Assets to fiat currency, the conversion of:

- a) your deposit of fiat currency to Digital Assets; and
- b) your withdrawal of Digital Assets to fiat currency,

will be processed by a third-party DCE provider. The name of the DCE provider is provided on the FTX Website at the time you enter into any transaction.

You agree that you only place orders to convert fiat currency to Digital Assets (and vice versa) with the DCE provider. You do not place orders with FTX Trading or FTX Australia for the conversion of fiat currency to Digital Assets or vice-versa.

If you send fiat currency to the DCE provider, the DCE provider shall convert your fiat currency to stablecoins automatically by default. FTX Trading does not hold client money or E-Money for clients of FTX Australia. Any account balances shown in fiat currency are provided for convenience only. All such balances are held by FTX Trading in stablecoins.

You also agree to accept any additional terms and conditions of the DCE provider relevant to the conversion services it is providing and disclosed to you at the time any

**2. FINANCIAL SERVICES OR FINANCIAL PRODUCTS PROVIDED BY FTX AUSTRALIA**

Only FTX Australia will, or may, provide you with financial services or financial products under its Australian Financial Services Licence.

Neither FTX Trading or the DCE provider will, or may, provide you with financial services or financial products.



[Sign in](#)[FTX Exchange](#) » [Transfer Funds](#) » [Deposits & Withdraws](#)

## Deposit to your FTX account to earn VIP status



FTX Crypto Derivatives Exchange  
Updated 12 days ago

From now until 2022-08-01 0:00 AM (UTC), users who deposit assets to FTX have the the ability to earn VIP status more, details are laid out below:

From now until 2022-08-01 0:00 AM (UTC), users can deposit funds into their FTX account to get a 45 day trial period with lower fees and higher API rate limits, up to and including our VIP tiers.

Assets Deposit (USD worth)	Fee Tiers
100,000	Tier5
200,000	Tier6
1,000,000	VIP4
5,000,000	VIP6/MM2
10,000,000	VIP7/MM4

### How to apply?

Send an email with the following information to [mm@ftx.com](mailto:mm@ftx.com)

- FTX account email which does not exist referral relationship
- [Contact details \(telegram/whatsapp\)](#)
- Country/Region
- [Screenshot of deposited funds](#)
- [Screenshot of your volume on other exchanges](#)

Note:

### ARTICLES IN THIS SECTION

[Deposit to your FTX account to earn VIP status](#)[Blockchain Deposits and Withdrawals](#)[Depositing & Withdrawing Fiat](#)

### RELATED ARTICLES

[VIP Program and Market Maker Policy](#)[Depositing & Withdrawing Fiat](#)[FTX Features Overview](#)[Win BIG with #FTXICC !](#)[Introducing New Fee and Ratelimit Tiers to the FTX VIP & Market Maker Program](#)

### PROMOTED ARTICLES

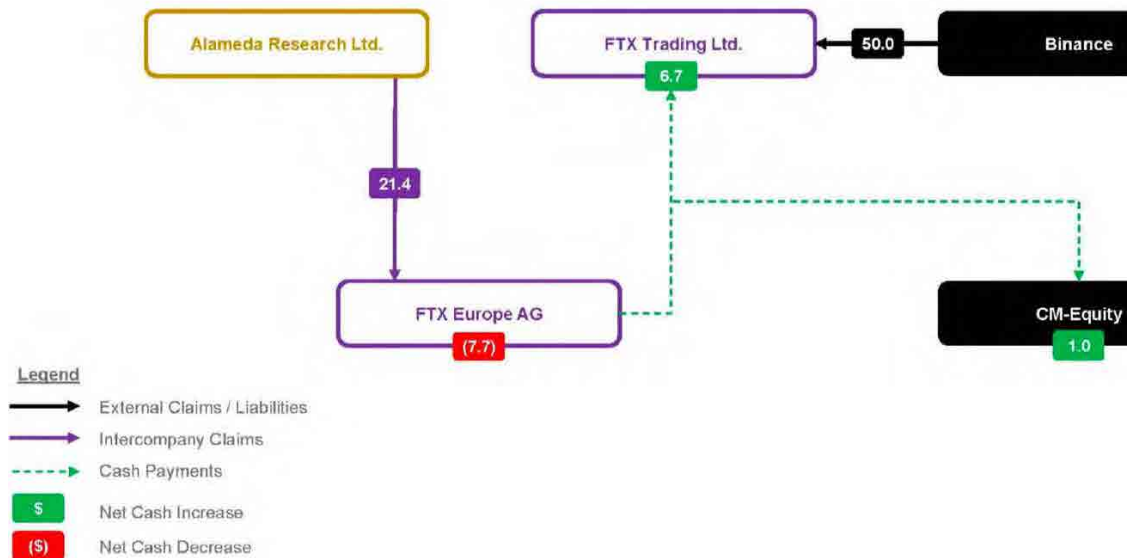
[Deposit to your FTX account to earn VIP status](#)[FTX Features Overview](#)[Ratelimits on FTX](#)[Introducing New Fee and Ratelimit Tiers to the FTX VIP & Market Maker Program](#)[VIP Program and Market Maker Policy](#)[FTX partners with Paradigm for one-click futures spreads trading](#)



## Pro Forma Positions

(Amounts in \$/Millions)

### FTX Europe – Overview of Key Positions (Post Collateral Agreement and Inter-Debtor)



#### Collateral Transactions with CM-Equity

8. I understand that, on October 27, 2020, CM-Equity and FTX Europe (formerly known as Digital Assets DA AG) entered into that certain Framework Purchase Agreement Regarding Collateral Contracts (the “Collateral Agreement”) pursuant to which CM-Equity made certain payments to FTX Europe from time to time to collateralize tokenized stock trading of CM-Equity’s customers (the “Collateral Payments”).
9. I understand that, on April 1, 2021, Binance and CM-Equity entered into that certain Agreement on the Purchase and Sale of Tokenized Stocks (the “Tokenized Stocks Agreement”) and together with the Collateral Agreement, the “Tokenized Stock and Collateral Agreements”), pursuant to which Binance purchased certain tokenized stocks from CM-Equity. The Debtors are not party to the Tokenized Stocks Agreement. I further understand that Binance has initiated arbitration in Germany for the return of \$65 million against CM-Equity in respect of collateral transferred by Binance to CM-Equity pursuant to the Tokenized Stocks Agreement.





Strictly Private & Confidential  
Mar 2021

GOVERNMENT  
EXHIBIT  
532  
22 Cr. 673 (LAK)

FOIA Confidential Treatment Requested

FTX-POLP-00003533

(140 of 232), Page 140 of 232, Case: 24-961, 09/13/2024, DktEntry: 34.1, Page 140 of 232  
A-1220



## Compliance Framework

3

Work closely with policymakers and regulators to operate in a compliant manner\*.

Comprehensive anti-money laundering policies and procedures. KYC and AML conducted by full-time employees. Mandatory AML, Cyber Security training for all employees.

Use multiple third party identity verification services including Jumio, WorldCheck and ChainAnalysis.

Offering tokenized stocks in partnership with CM-Equity, a licensed broker-dealer in Germany.

West Realm, an independent US-regulated entity acts as the back end for US Blockfolio users, has MSB, MTLs and a US broker-dealer license.

Member of the Blockchain Association, Future of Digital Currency Initiative.

\* FTX Int. blocks restricted jurisdictions and does not service US customers.



FOIA Confidential Treatment Requested

FTX-POLP-00003541

(148 of 232) Page 148 of 232 Case: 24-961, 09/13/2024, DktEntry: 34-1, Page 148 of 232 A-1228

## Current product offering



Futures

70% of the revenues come from futures on crypto assets.



Spot

We list 17 spot markets, supporting 11 major FX.



Leveraged Tokens

Our leveraged tokens are listed on major exchanges.



OTC

Access via an OTC portal and RFQ speeds that provides liquidity for large orders. OTC volume has been growing steadily.



Spot Margin trading and P2P Lending

Liquidated spot margin in less than 10 minutes. It's growing rapidly with \$1.2B in borrowed capital.



Tokenized Stocks

In partnership with CM-Equity, a licensed broker-dealer in Germany, we offer tokenized equity on our platform.

More products, less mess. A single wallet where all assets can be cross-margined.



FOIA Confidential Treatment Requested

FTX-POLP-00003539

(146 of 232) Page 146 of 232 Case: 24-961, 09/13/2024, DktEntry: 34-1, Page 146 of 232 A-1226



**Exhibit B: Description of Operations for Controlled Non-Debtor Entities****Official Form 426**

United States Bankruptcy Court

District of Delaware

**Non-Debtor Entity****Description**

FTX Capital Markets LLC

Previously registered as a Broker-Dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority. Registration status terminated 2/5/2023

As of June 30, 2024, FTX Capital Markets LLC has an intercompany payable of \$113.8k due to Embed Clearing LLC for withdrawals made while Debtor West Realm Shires Services Inc. accounts were inaccessible before the bankruptcy court authorized the Debtors to operate a cash management system (D.I. 145). FTX Capital Markets LLC has an offsetting intercompany receivable of \$113.9k due from Debtor West Realm Shires Services Inc. related to Embed Clearing LLC customer account withdrawals funded by FTX Capital Markets LLC. Additionally, FTX Capital Markets LLC has an intercompany payable of \$184.5k due to Debtor West Realm Shires Financial Services Inc. related to the payment of compensation expenses for FTX Capital Markets LLC. Lastly, FTX Capital Markets LLC has an intercompany payable of \$476 due to Debtor West Realm Shires Inc. for corporate services paid on behalf of FTX Capital Markets LLC.

As of the balance sheet date of the financials presented in Exhibit A, no payments of professional fees were paid by FTX Capital Markets LLC that would have otherwise been payable by a Debtor. Post petition, FTX Capital Markets incurred an intercompany payable of \$113.8k due to Embed Clearing LLC for withdrawals made while Debtor West Realm Shires Services Inc. accounts were inaccessible before the bankruptcy court authorized the Debtors to operate a cash management system (D.I. 145). FTX Capital Markets LLC has an offsetting intercompany receivable of \$113.9k due from Debtor West Realm Shires Services Inc. related to Embed Clearing LLC customer account withdrawals funded by FTX Capital Markets LLC.



FENWICK

1101 Second Avenue  
10th Floor  
Seattle, WA 98101

206.389.4510  
Fenwick.com

Igor Voloshin  
Associate  
ivoloshin@fenwick.com | +1 206-389-4546

January 10, 2022

VIA EMAIL [DANIEL@FTX.US]

Daniel S. Friedberg  
Chief Compliance Officer  
West Realm Shires Services, Inc.

Re: West Realm Shires Services, Inc. dba FTX.US ("FTX.US") Exemption under Federal and State Money Transmission Rules

Dear Daniel:

I. EXECUTIVE SUMMARY

We are counsel for FTX.US. We have prepared this memorandum that addresses the permissibility of FTX.US operating its cryptocurrency exchange. We have represented FTX.US since its inception in or around January 2019 and the information and analysis provided herein reflects the legal assessment of FTX.US products since this engagement.

FTX.US is registered with the U.S. Department of the Treasury Financial Crimes Enforcement Network ("FinCEN") as a money services business ("MSB") under the U.S. Federal Bank Secrecy Act and its regulations (collectively, the "BSA") and has money transmitter licenses ("MTLs") in good standing in twenty-three (23) states along with pending applications in twenty-three (23) others. FTX.US products are not available to New York based residents. FTX.US has established a BSA compliant compliance program, which is subject to independent audits and assessment by reputable compliance firms as well as state regulators as part of FTX.US' MTL application process.

FTX.US operates a cryptocurrency exchange which enables Users (as defined below) to purchase cryptocurrency via the FTX.US orderbook that links Users (e.g., purchasers and sellers of cryptocurrency) using a standard bid and quote system. Users login to their FTX.US account ("Account") using this Platform (as defined below) to generate payment instructions to participating financial institutions (the "Partner Financial Institutions") to fund their FTX.US balances (collectively, "Services"). Its key Partner Financial Institution, Silvergate Bank, has reviewed and passed upon FTX.US's compliance systems including its regulatory posture related to money transmission for the Services rendered to Users and continues to oversee activity processed through the Services.





Daniel S. Friedberg  
January 10, 2022  
Page 2

Under Federal law, FTX.US is operating within the scope of its MSB registration.

Under state law, FTX.US has received MTLs and is applying for others. With respect to the states that FTX.US has not yet received an MTL, the applicable state exemptions are discussed below. **It is very common for cryptocurrency exchanges to operate in such states while their MTL application is pending.**

## II. FENWICK & WEST BACKGROUND

The undersigned is a former enforcement attorney with a state non-depository regulatory agency with jurisdiction over, among other industries, money transmitters, and is intimately familiar with the KYC/AML requirements imposed in the United States under the framework of the Bank Secrecy Act of 1970. Several years ago, the undersigned shifted his emphasis to representing technology companies with respect to compliance with financial laws.

At Fenwick & West LLP, we represent the entire spectrum of clients in the cryptocurrency ecosystem including cryptocurrency exchanges, emerging payments, and financial institutions with respect to financial compliance. We have a deep understanding and knowledge of the space from both a technological and financial perspective.

## III. SUMMARY OF FTX.US OPERATIONS

Presently, FTX.US' core product is a cryptocurrency exchange ("**Exchange**") where Users can purchase and sell eligible cryptocurrency on the platform ("**Platform**"). Users utilize FTX.US to operate in part its exchange activities, which primarily include cryptocurrency to cryptocurrency transactions. Several states have expressly either carved out crypto-to-crypto trading or otherwise limit their regulatory oversight functions to cash-to-crypto transactions.

### A. Funding an Account and Maintaining an Account (Account Based Activity)

Users can fund their FTX.US account with U.S. Dollars ("**USD**") or cryptocurrency to begin trading. As further detailed in Appendix A,<sup>1</sup> where a User is only exposed to cryptocurrency transactions (e.g., crypto-to-crypto), **the identified states where licenses are pending or not being sought do not presently require MTLs.**

**However, we also note that Users who fund their Account with USD are in effect receiving an advance from FTX.US where FTX.US where the Account is prefunded by FTX.US. This flow can best be characterized as an advance where FTX.US assumes the credit risk between the point of prefunding the Account balance and receiving the settlement amount advanced by FTX.US.<sup>2</sup> Account balances**

<sup>1</sup> We have compiled a survey of state laws in those states where FTX.US has licenses pending, has not submitted license but intends to, or will not submit licenses due to the regulatory treatment of its operations in such jurisdictions (collectively discussed in "Appendix A").

<sup>2</sup> Our review has not uncovered a circumstance where applicable regulators have opined on a similar funds flow in the context of money transmission/cryptocurrency operations. California Department of Financial Protection and Innovation, however, recently issued an administrative opinion that stated, "... transactions do not



Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 48 of 148

Daniel S. Friedberg  
January 10, 2022  
Page 3

denominated in USD also presently likely fall outside the scope of applicable money transmitter regulations as those balances are only maintained as necessary and incidental to the Exchange.

B. Blind Order Matching

FTX.US exchange operates an orderbook that on the backend, fulfills orders through a combination of institutional and retail liquidity pools into a single orderbook for Users. As a result, for each Exchange transaction on the Platform, Users are transacting opposite other Users and the subject consideration is immediately delivered. Applicable states have either explicitly or tacitly acknowledged that such transactions fall outside the scope of money transmitter regulations absent explicit guidance to the contrary.

C. Future Products and Regulatory Roadmap

FTX.US continues to operate its core product while pursuing MTLs without negative regulatory treatment. This approach is consistent with industry practice given the fractured nature of state regulations applicable to cryptocurrency operators, and FTX.US' stated desire to both exemplify best practices and release products that may require MTLs. As a result, FTX.US has received twenty-three (23) licenses in many states where it has a prior operational history. Further, FTX.US has applications pending in an additional twenty-three (23), with an additional eight (8) states and US territories that are pending submission or exempt from requiring licensure based on the current and future FTX.US product roadmap. As noted, FTX.US does not operate in New York, and Montana does not have a money transmission licensing law.

IV. FTX.US IS EXEMPT FROM STATE MONEY TRANSMISSION LICENSING

State rules on money transmission in the context of cryptocurrency operators vary, are ever evolving and disparate. Some states have instituted legislative changes to their money transmission rules that specify such rules apply to cryptocurrency (often referring to "virtual currencies"). For instance, in 2017, Washington State amended its money transmission act to incorporate virtual currency transmission:

*"Money transmission" means receiving money or its equivalent value (equivalent value includes virtual currency) to transmit, deliver, or instruct to be delivered to another location,*

*constitute money transmission because [Company's] first action after receiving instructions from its customers is to instruct [Company's] bank to immediately disburse the requested amount to the recipient. [Company] places a hold on sender's debit card; however, this hold does not initiate the transfer of funds to [Company]. Only after [Company] has paid the beneficiary is the hold status converted to a payment/post status, and the reimbursement to [Company] finalized. Under this payment reimbursement model, [Company] never 'receives money for transmission.' [Company] does not actually or constructively receive, take possession of, or hold money or monetary value for transmission. Since funds are not transferred to reimburse [Company] until after the designated beneficiary has been paid, [Company] incurs no transmission liability and consumer funds are not at risk." Transactions in which recipients are paid before company is reimbursed are not subject to licensing under MTA, Feb. 11, 2021.* As noted in Appendix A, states uniformly require an acceptance of USD as a definitional element of money transmission (i.e., transfer of USD to another place or person). Therefore, FTX.US' model for USD funding transactions is distinct from the statutory treatment of money transmission activity where FTX.US does not accept funds for the purpose of transfer but prefunds the account from its own capital.





Case 1:22-cr-00673-LAK Document 151-1 Filed 05/30/23 Page 71 of 148

Daniel S. Friedberg  
January 10, 2022  
Page 26

"Buying, selling, issuing, or taking custody of payment instruments or stored value in the form of virtual currency or receiving virtual currency for transmission to a location within or outside the United States by any means."<sup>70</sup> Based on the above, FTX.US would not be subject to MTL requirements. Nonetheless, FTX.US has submitted an MTL application to account for changes in the regulatory treatment of the Platform and any future product launches that may require licensure.

---

<sup>70</sup> Wyo. Stat. Ann. § 40-22-104(a)(vi).



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FTX Trading Ltd., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**DECLARATION OF DANIEL FRIEDBERG IN SUPPORT OF AMENDED  
OBJECTION OF WARREN WINTER TO DEBTORS<sup>1</sup> APPLICATION  
FOR AN ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF SULLIVAN & CROMWELL LLP AS COUNSEL TO  
THE DEBTORS AND DEBTORS IN-POSSESSION *NUNC PRO TUNC* TO  
THE PETITION DATE**

I, Daniel Friedberg, under penalty of perjury, declare as follows:

1. I am a citizen and permanent resident of the United States. I am over 18 and am competent to make this Declaration.
2. I am admitted to practice law in the State of Washington. I served as chief compliance officer of West Realm Shires Services, Inc. ("FTX.US") and chief regulatory officer of FTX Trading Ltd. ("FTX International") until I resigned as further described below.

82. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: January 19, 2023

/s/ Daniel Friedberg

Daniel Friedberg

Declarant





25. S&C represented all of these groups simultaneously without proper conflict waiver. S&C also represented Sam and Nishad personally. The lawyers in this important bankruptcy proceeding should be independent and not have a history of representing all of the various groups and the principals at one time.

#### V. Discovery of the Customer Deficit

26. On November 7, 2023, certain FTX personnel including Sam informed certain executives in the Bahamas of the existence of an \$8 billion customer deficit with respect to FTX International.

27. The FTX International general counsel contacted me by zoom to inform me of this shocking development.

28. Prior to this disclosure, I had no idea of any customer deficit. It was not my job as regulatory counsel to conduct a customer proof of reserves; indeed, I would have no idea how to do this. I relied on the executives, the finance team, and the auditors, and believed that the customer assets were fully funded on a 1:1 basis as advertised to the customers.

29. I was in the New York office of FTX.US at the time and went to Ryne Miller to inform him of the development. Mr. Miller was already aware of the development and said that he was busy contacting "all the billionaires that he knew" to provide emergency financing to cover the customer deficit.

30. I explained to Mr. Miller that he had to review his ethical obligations before continuing to represent FTX.US under such circumstances, and soliciting financing under the circumstances might conflict with his ethical duties. He dismissed my concerns and remained optimistic about helping Sam get future financing.

31. I reviewed my ethical obligations that evening and felt that there was substantial risk that I would be used to further additional fraud in connection with the additional investment efforts if I stayed on. In addition, I no longer trusted

Case 1:24-cv-20639-X1 Document 58-1 Filed 11/20/24 Page 9 of 18  
Sam, Gary, or Nishad, and did not think that I could proceed under such circumstances.

32. I therefore tendered my resignation the following day.

#### VI. Final Discussion with Ryne Miller

33. A day or two later, I had a final call with Ryne Miller as I was concerned about the direction of the companies. This was after CZ of Binance had announced that he was abandoning the purchase of the Debtors and it looked like bankruptcy was the only answer for the FTX International Group and the Alameda Group.

34. On that call, I first informed Mr. Miller that we had been counseled by all our other law firms that the bankruptcy filings of FTX International Group and the Alameda Group should occur outside the United States, and likely in Bahamas or Europe. This was in part because of the unnecessary expense of the US bankruptcy system, the situs of the primary regulator, as well as the fact that creditors of the FTX International Group were outside the United States, amongst other legal issues.

35. Mr. Miller told me that the bankruptcy filings of FTX International Group, the Alameda Group, and the FTX.US Group had to be in the United States because otherwise S&C couldn't do the job.

36. I then told Mr. Miller that FTX.US should not file bankruptcy at all until it was certain that there were insufficient assets at FTX.US. Indeed, the tech team checked the wallets and had told the FTX International general counsel at the time of the disclosure of the customer deficit that FTX.US was not affected. I told Mr. Miller that the FTX.US crypto exchange needed to be retained if at all possible and sold as a going concern to allow the preferred shareholders to be paid back. Mr. Miller stated that he needed to include FTX.US as part of the bankruptcy because FTX.US had the cash to pay S&C its retainer. Without this retainer from FTX.US,



S&C wouldn't file. I told him that it wasn't proper for FTX.US to pay for the expenses of the bankruptcy of FTX International Group or the Alameda Group.

37. Mr. Miller informed me that S&C was installing "S&C's guy" to run all the companies.

38. I told Mr. Miller that S&C was not the proper law firm to select because of the claims and conflicts, as well as the exorbitant costs of the firm. Mr. Miller told me that there was over \$200 million cash in LedgerX and that he was going to send these funds to S&C, and that bankruptcy legal costs were therefore not a problem.

39. I was horrified at this response and started to try to remind him of his ethical obligations and that he was stealing further funds from customers, but he hung up the phone on me and terminated the call.

#### VII. Inappropriate Conduct of S&C After Bankruptcy Filings

40. I have had several disturbing interactions with S&C following the bankruptcy filing.

41. In my first call with an S&C female partner who specialized in white collar crime (I forget her name), I asked who S&C was representing in this matter. She indicated that S&C was representing all the companies and that all the assets were being combined. I started to explain to her that there were unwaivable conflicts considering the bankruptcy (as described above) between the entities. She told me that the conflict rules do not apply in the bankruptcy context. I was later told by other counsel that this was not correct. This was a knowingly false statement made to me in violation of the New York ethical rules that prohibits a lawyer from making a false statement of fact or law made to third persons in the course of representation.

42. Then that same S&C lawyer told me that I should personally hire a lawyer at the Covington law firm that was representing FTX personnel in this

matter. I spoke to the lawyer at Covington who informed me that he had received assurances from S&C that they would foot his bill through indemnification.

43. I asked how much he would charge me for this personal representation and he said it would likely be in the hundreds of thousands and under \$1 million but that I could rest assured that he would get the Debtors to pay because the "lawyers are always paid first".

44. I was horrified of the thought that customer assets were being used to frivolously pay lawyers at the behest of S&C. I did not hire this lawyer.

45. Finally, I approached S&C and asked them to waive my attorney-client privilege solely for the purpose of aiding the FBI, the SEC, the CFTC and the regulators in their investigations. S&C has repeatedly refused this request and attempted to muzzle me in an effort to avoid me raising issues adverse to S&C. I think this is totally inappropriate and I should be allowed to freely help law enforcement under these circumstances.

46. In addition, from Bahamian regulators, I was told that S&C refuses to communicate with the Bahamas on this important matter. This is attributed to the fact that the bankruptcies of the FTX International Group and the Alameda Group should have been made in the Bahamas, and the Bahamas were the appropriate place of jurisdiction, notwithstanding that S&C couldn't represent those groups in such a proceeding.

#### VIII. Claims that the Debtors have against S&C

47. The Debtors have at least four significant claims against S&C arising from their past work and also related to the bankruptcy. Under any reasonable reading, these potential claims are sufficient to disqualify S&C from acting as a lawyer at all for the Debtors in this proceeding.





**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Hearing Date: May 23, 2024 10 AM (ET)

Objection Deadline: April 30, 2024

**DANIEL FRIEDBERG'S AMENDED FIRST SET OF REQUESTS FOR  
PRODUCTION OF DOCUMENTS AND THINGS TO FTX TRADING LTD.  
AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION**

**REQUESTS FOR PRODUCTION**

1. All Documents and Communications between the Swiss Administrator (as such term is defined in the Motion) and Debtors, including (without limitation) all email communications between Dr. Lorandi and Mr. Evan Simpson concerning maximizing the disposition or potential disposition of FTX Europe's assets, FTX Europe's fiduciary obligations, the Motion, the FTX Europe Restructuring Agreements, and the Sale Transaction (as such terms are defined in the Motion).
2. Documents sufficient to identify by name of stock, number of shares, the initial value of shares, and the date of purchase(s) and/or sale(s) of the stocks purchased by Binance in connection with the Tokenized Stock and Collateral Agreement as discussed in paragraph 11 of the Motion.



3. Documents sufficient to identify the value of Binance's stock then held in connection with the Tokenized Stock and Collateral Agreement as discussed in paragraph 11 of the Motion, as of the following dates: (i) the Petition Date; (ii) the date of the filing of the petition for the Swiss Moratorium (as discussed in the Motion); and (iii) present date.

**REQUEST FOR PRODUCTION NO. 2.**

All Communications with third parties, including, without limitation, the United States Government, concerning investigations by governmental authorities into Binance (including Binance Holdings Limited and its former chief executive officer, Changpeng Zhao), regarding both established and potential criminal and civil violations of United States law by Binance

**REQUEST FOR PRODUCTION NO. 3.**

Documents sufficient to identify by name of stock, number of shares, the initial value of shares, and the date of purchase(s) and/or sale(s) of the stocks purchased by Binance in connection with the Tokenized Stock and Collateral Agreement, as discussed in paragraph 11 of the Motion.

Case 22-11068-JTD Doc 14995-1 Filed 05/15/24 Page 48 of 103

**REQUEST FOR PRODUCTION NO. 4.**

Documents sufficient to identify the value, as of the Petition Date, of Binance's stock then held in connection with the Tokenized Stock and Collateral Agreement, as discussed in paragraph 11 of the Motion.





**REQUEST FOR PRODUCTION NO. 5.**

Documents sufficient to identify the value, as of FTX Europe's date of filing of the petition for the Swiss Moratorium (as such term is defined in the Motion), of Binance's stock in connection with the Tokenized Stock and Collateral Agreement, as discussed in paragraph 11 of the Motion.

**REQUEST FOR PRODUCTION NO. 6.**

Documents sufficient to identify the value, as of the date hereof, of Binance's stock in connection with the Tokenized Stock and Collateral Agreement, as discussed in paragraph 11 of the Motion.

Case 22-11068-JTD Doc 14995-1 Filed 05/15/24 Page 54 of 103

**REQUEST FOR PRODUCTION NO. 24.**

The December 2022 operating report of FTX Europe filed by FTX with the Court shows an Other Expense of over \$100 million. Produce all Documents and Communications explaining this other Expense and how it was arrived at.

**REQUEST FOR PRODUCTION NO. 25.**

The valuation report was conducted by accounting firm BDO following FTX's acquisition of Digital Assets DA AG (DAAG), published in or around April 2022.



Case 22-11068-JTD Doc 14995-1 Filed 05/15/24 Page 57 of 103  
IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

FTX TRADING LTD., et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Hearing Date: May 23 2024 at 1:00 p.m. (ET)  
Objection Deadline: April 30, 2024

**DANIEL FRIEDBERG'S AMENDED FIRST SET OF  
INTERROGATORIES TO FTX TRADING LTD. AND ITS AFFILIATED  
DEBTORS AND DEBTORS IN POSSESSION**

Case 22-11068-JTD Doc 14995-1 Filed 05/15/24 Page 62 of 103

**INTERROGATORIES**

**INTERROGATORY NO. 1.**

Identify the date(s) on which Binance allegedly transferred the \$65,000,000 of collateral to CM-Equity AG, and with respect to each such transfer, identify the form of the collateral, name of the stock issuer, number of shares, date of purchase, and the purchase price of Binance's purchases and sales of stock made with the collateral furnished to CM-Equity AG.

**INTERROGATORY NO. 2.**

State the market value of the stock purchased by Binance using the collateral to CM-Equity AG, as of (i) the Petition Date, (ii) date of the filing of the petition for the Swiss Moratorium (as such term is defined in the Motion), and (iii) today.

**INTERROGATORY NO. 3.**

Explain why it is reasonable to pay Binance more than the valuation of its stock purchased as of the Petition Date, when all other creditors of the estates are paid the value of their claims as of the Petition Date.





**INTERROGATORY NO. 4.**

State the process by which the Debtors determined that Binance should be allowed an unsecured claim of \$50,000,000 in connection with the FTX Europe Restructuring Agreements, as discussed in the Motion, and identify all persons who made that determination.

**INTERROGATORY NO. 6.**

State what happened to the USDC stablecoins held by FTX Europe on the FTX Trading Ltd. exchange, the cash held by FTX Europe as of the Petition Date, and why these stablecoins and cash are not reflected in FTX Europe's current financial statements.

**INTERROGATORY NO. 13.**

Describe how, if at all, the U.S. Department of Justice and the Securities and Exchange Commission were consulted by the Debtors' estates with respect to paying Binance \$50 million and indicated whether these agencies objected to the proposed payment.

**INTERROGATORY NO. 14.**

Explain why the Motion does not explain that Binance collateral was used to purchase a publicly traded stock that had substantially declined in value as of the Petition Date and identify the persons who decided this was the appropriate way to explain the Binance claim to the Court.



On [01/31/2024 AlixPartners Forensic Investigation Invoices](#) for FTX & Related Entities states:

“reconciliation of historical digital asset balances to **balance sheet produced by Caroline Ellison**”

“Caroline **3/31/2022 balance sheet** related to specific **tokenized stock loans**”

“**Alameda's tokenized equities arrangement with specific Entity**”

Utilizing “[Caroline 3/31/2022 balance sheet](#)” “[related to specific tokenized stock loans](#)”, Sullivan & Cromwell Andrew Dietderich falsify statements under oath & whom commissioned “[Sabrina T. Howell Debtors \[FTX\] To Estimate Claims Based On Digital Assets](#)” report.

## AlixPartners

John J. Ray III  
Chief Executive Officer  
FTX Trading Ltd. and its affiliated debtors-in-possession  
c/o Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004

Re: Financial Statement Reconstruction  
Code: 20008100PN0001.1.15

DATE	PROFESSIONAL	DESCRIPTION OF SERVICES	HOURS
12/08/2023	TP	Analyze SOL transactional block chain data related to Debtor accounts for use in the recreation of the historical financial statements	0.8
12/08/2023	TP	Working session with A. Vanderkamp, D. White, F. Liang, J. LaBella, K. Wessel, L. Goldman, M. Birtwell, T. Phelan (AlixPartners) re: discuss timing and to-dos for next production of the historical balances of Debtors' wallets	1.0
12/08/2023	TP	Working session with D. White, J. Berg, M. Birtwell, R. Backus, T. Phelan (AlixPartners) re: Liquidity pool token pricing script methodology	0.2
12/08/2023	XS	Update Blockfolio workpaper based on Quality Check feedback re: investment in subsidiaries	1.4
12/10/2023	CC	Review workpaper overview in loan payable workpaper	1.6
12/11/2023	AP	Meeting with A. Patti, J. LaBella, M. Birtwell, O. Braat (AlixPartners) re: discuss potential updates to the adjusted balance sheet footnotes and disclosures	0.8
12/11/2023	AP	Perform reconciliation of <a href="#">Caroline 3/31/2022 balance sheet (pointer data) related to specific tokenized stock loans</a>	2.5
12/11/2023	AP	Continue to perform reconciliation of <a href="#">Caroline 3/31/2022 balance sheet (pointer data) related to specific tokenized stock loans</a>	1.9
12/11/2023	AP	Update Other Investments guide documentation based on QC review notes	2.3
12/11/2023	AP	Working session with A. Patti, B. Mackay, E. Mostoff, F. Liang, K. Wessel, M. Birtwell, T. Toaso (AlixPartners) re: reconciliation of <a href="#">historical digital asset balances to balance sheet produced by Caroline Ellison</a>	0.6
12/11/2023	AP	Working session with A. Patti, E. Mostoff, F. Liang, K. Wessel (AlixPartners) re: reconciliation of <a href="#">historical loan balances to balance sheet produced by Caroline Ellison</a>	0.4
12/11/2023	AP	Working session with A. Patti, J. Chin (AlixPartners) re: Review latest chart of accounts mapping in the Other Investments Master File	0.5
12/11/2023	AV	Prepare questions for FTX insiders	2.6
12/11/2023	AV	Review use of AFRM data in historical financial statement reconstruction	0.3
12/11/2023	AV	Working session with A. Vanderkamp, B. Mackay, D. White, F. Liang, J. LaBella (AlixPartners) re: discuss pricing methodology for Debtors' historical holding of cryptocurrencies in wallets	0.8
12/11/2023	AV	Working session with A. Vanderkamp, J. Chin, J. Somerville, K. Vasilou, T. Toaso (AlixPartners) re: discuss access to Notion and the inclusion of Sam coins in Other Investments from Non-QuickBooks sources	0.8
12/11/2023	BFM	Review historical wallet attribution to Alameda	1.3
12/11/2023	BFM	Working session with A. Patti, B. Mackay, E. Mostoff, F. Liang, K. Wessel, M. Birtwell, T. Toaso (AlixPartners) re: reconciliation of <a href="#">historical digital asset balances to balance sheet produced by Caroline Ellison</a>	0.6





# AlixPartners

John J. Ray III  
 Chief Executive Officer  
 FTX Trading Ltd. and its affiliated debtors-in-possession  
 c/o Sullivan & Cromwell LLP  
 125 Broad Street  
 New York, New York 10004

Re: Financial Statement Reconstruction  
 Code: 20008100PN0001.1.15

DATE	PROFESSIONAL	DESCRIPTION OF SERVICES	HOURS
12/14/2023	BFM	Working session with B. Mackay, F. Liang, J. LaBella, K. Wessel, L. Goldman (AlixPartners) re: discuss Alameda's tokenized equities arrangement with specific entity	0.5
12/14/2023	BAR	Internal meeting with B. Robison, T. Hofner, T. Kang (AlixPartners) re: review of suggested changes for preparing draft documentation of cash database for financial reconstruction	0.4
12/14/2023	CAS	Design analyses to reconcile exchange ledger information to independent third-party information in support of the financial statement reconstruction	0.4
12/14/2023	CAS	Review the scope of data analytics work performed that contributed to the financial statement reconstruction, preparing documentation to support future court filings	0.3
12/14/2023	CC	Update net stablecoin deposit calculation based on updated stablecoin population for the FTX.com Exchange fiat and stablecoin shortfall calculation	2.6
12/14/2023	CC	Working session with B. Mackay, C. Chen, J. Chin, J. LaBella, M. Birtwell (AlixPartners) re: discuss the stable coin population update and the impact to the Dotcom Shortfall	0.8
12/14/2023	CC	Working session with C. Chen, F. Liang, K. Wessel (AlixPartners) re: workpapers leveraged in reconstructing intercompany balances impacted by the FTX.com Exchange fiat and stablecoin shortfall	0.9
12/14/2023	DL	Analyze Alameda's accounts on third party exchange for digital assets workstream	1.4
12/14/2023	DL	Perform quality control review on the latest version of Debtors' historical wallets balances	1.8
12/14/2023	DL	Perform quality control review on workpaper for FTX Trading shortfall calculation	1.7
12/14/2023	DL	Working session with B. Mackay, F. Liang, J. LaBella, K. Wessel, L. Beischer, L. Goldman (AlixPartners) re: discuss additional sources to validate current pricing database for digital assets	0.7
12/14/2023	DL	Working session with B. Mackay, F. Liang, J. LaBella, K. Wessel, L. Goldman (AlixPartners) re: discuss Alameda's tokenized equities arrangement with specific entity	0.5
12/14/2023	DL	Working session with C. Chen, F. Liang, K. Wessel (AlixPartners) re: workpapers leveraged in reconstructing intercompany balances impacted by the FTX.com Exchange fiat and stablecoin shortfall	0.9
12/14/2023	DL	Analyze Alameda's tokenized equity arrangements with entity of interest for the digital assets workstream	1.1



Initial false statements by [Sabrina Howell during hearing {Time Stamp 1:47:17}](#) states “Brian Glueckstein and his team at Sullivan & Cromwell”.

Lawyer Question: “When you completed did you send it to anyone for review, before it was filed?”

Sabrina Howell Answer: “I was the finally reviewer”



As [01/31/2024 Alvarez & Marsal Invoices states:](#)

“12/8/2023 2.7 Review and provide comments to Howell expert report”

“12/14/2023 2.6 Review the draft Howell Report and provide comments”

“12/14/2023 1.1 Review the Appendix C for the Howell Report and provide comments”

“12/18/2023 2.9 Review the draft of the Howell report and provide feedback”

“12/21/2023 2.8 Review the last draft of the Howell report and provide feedback”

“12/22/2023 2.8 Review the latest Howell report and provide feedback”





These Alvarez & Marsal Invoice Entries Contradicts [Sabrina Howell's statements {Time Stamp 1:47:17}](#) "I was the finally reviewer".

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 402 of 672

*Exhibit D*

*FTX Trading Ltd., et al.,  
Time Detail by Activity by Professional  
December 1, 2023 through December 31, 2023*

**Claims**

Professional	Date	Hours	Activity
Walia, Gaurav	12/14/2023	1.1	Review the Appendix C for the Howell Report and provide comments

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 416 of 672

Walia, Gaurav	12/18/2023	0.9	Update the list of tokenized stock in the pricing master
Walia, Gaurav	12/18/2023	2.9	Review the draft of the Howell report and provide feedback

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 184 of 672

Johnston, David	12/1/2023	0.5	Call with D. Johnston, E. Mosley (A&M) to discuss tokenized stocks and next steps
-----------------	-----------	-----	---



Sabrina Howell Initial 12/27/23 [“Estimate Claims Based On Digital Assets” including \(57\) “Tokenized Stocks” “mimic the price movement of publicly trade stocks”.](#)

Case 22-11068-JTD Doc 5203-1 Filed 12/27/23 Page 56 of 129

## Appendix A

### **SABRINA T. HOWELL**

Associate Professor  
Stern School of Business Finance Department  
New York University

Website: [www.sabrina-howell.com](http://www.sabrina-howell.com)

Email: [sabrina.howell@nyu.edu](mailto:sabrina.howell@nyu.edu)

Phone: (212) 998-0719

#### **ACADEMIC POSITIONS & AFFILIATIONS**

Associate Professor, NYU Stern (with tenure) (2022-)  
Assistant Professor, NYU Stern (2015-2022)

Research Associate, NBER (2022-)  
ABFER Fellow (2022-)  
Faculty Research Fellow, NBER (2017-2022)  
IPC PERC Research Fellow (2021-)

Associate Editor, *Review of Financial Studies* (2022-25)  
Associate Editor, *Review of Corporate Finance Studies* (2022-25)  
Associate Editor, *Management Science* (2020-22)





## Tokenized Stocks

770.	AAPL	\$164.1105734
771.	ABNB	\$96.0000000
772.	ACB	\$0.9999615
773.	AMC	\$2.3736839
774.	AMD	\$71.5300000
775.	AMZN	\$141.0000000
776.	AMZNPRES**	\$0.0000000
777.	APEAMC	\$2.8312387
778.	APHA	\$3.3000000
779.	ARKK	\$36.7500000
780.	BABA	\$69.6482759
781.	BB	\$4.3800000
782.	BILI	\$11.5000000
783.	BITO	\$141.1510000
784.	BITW	\$654.0250000
785.	BNTX	\$130.0069841
786.	BYND	\$10.0000000
787.	CBSE**	\$0.0000000
788.	CGC	\$1.9770210
789.	COIN	\$30.0000000
790.	CRON	\$3.5830000
791.	DKNG	\$10.2000000
792.	ETHE	\$9.9990000
793.	FB	\$118.0000000
794.	GBTC	\$8.4053969
795.	GDJ	\$28.0000000
796.	GDJ	\$34.6500000
797.	GLD	\$164.0000000
798.	GLXY	\$2.8534083
799.	GME	\$21.7725000
800.	GMEPRE**	\$0.0000000
801.	GOOGL	\$140.0000000
802.	GOOGLPRE**	\$0.0000000
803.	HOOD	\$8.9000000
804.	HOOD_PRE**	\$0.0000000
805.	MRNA	\$162.2837500
806.	MSTR	\$176.0022727
807.	NFLX	\$221.5600000

## Asset

## Price

[A]		[B]
Tokenized Stocks (Cont.)		
808.	NIO	\$7.1215967
809.	NOK	\$192.0000000
810.	NVDA	\$179.2500000
811.	NVDA_PRE**	\$0.0000000
812.	PENN	\$35.0360000
813.	PFE	\$57.0000000
814.	PYPL	\$82.7457524
815.	SLV	\$21.0000000
816.	SPY	\$395.2800000
817.	SQ	\$68.4769563
818.	TLRY	\$1.0888269
819.	TSLA	\$218.9500000
820.	TSLAPRE**	\$0.0000000
821.	TSM	\$86.2900000
822.	TWTR	\$54.2000000
823.	UBER	\$20.0350000
824.	USO	\$139.3253569
825.	WDR	\$0.1800000
826.	ZM	\$87.9242857



Sullivan & Cromwell's Andrew Dietderich & Brian Glueckstein filing of [01/28/24 "Ombus Reply in Support of Motion of Debtors \[FTX\] to Estimate Claims Based on Digital Assets"](#)

"As explained by Professor Howell, tokenized stocks are derivatives that aim to mimic the price movements of publicly traded stocks"

"Professor Howell considered tokenized stocks to amount to a financial contract between a customer and the Debtors to track a stock price"

"FTT, simulating a stock repurchase/dividend"

Case 22-11068-JTD Doc 6728 Filed 01/28/24 Page 35 of 35  
Assets. Estimation will allow the Debtors to proceed to confirmation and distributions in a timely manner without unnecessary delay.

**CONCLUSION**

For the reasons stated above, the Court should overrule the Objections, grant the Motion and enter the revised Order, attached hereto as Exhibit A.

Dated: January 28, 2024  
Wilmington, Delaware

**LANDIS RATH & COBB LLP**

/s/ Matthew R. Pierce  
Adam G. Landis (No. 3407)  
Kimberly A. Brown (No. 5138)  
Matthew R. Pierce (No. 5946)  
919 Market Street, Suite 1800  
Wilmington, Delaware 19801  
Telephone: (302) 467-4400  
Facsimile: (302) 467-4450  
E-mail: [landis@lrclaw.com](mailto:landis@lrclaw.com)  
[brown@lrclaw.com](mailto:brown@lrclaw.com)  
[pierce@lrclaw.com](mailto:pierce@lrclaw.com)

-and-

**SULLIVAN & CROMWELL LLP**

[Andrew G. Dietderich](#) (admitted *pro hac vice*)  
[James L. Bromley](#) (admitted *pro hac vice*)  
[Brian D. Glueckstein](#) (admitted *pro hac vice*)  
[Alexa J. Kranzley](#) (admitted *pro hac vice*)  
125 Broad Street  
New York, New York 10004  
Telephone: (212) 558-4000  
Facsimile: (212) 558-3588  
E-mail: [dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)  
[bromleyj@sullcrom.com](mailto:bromleyj@sullcrom.com)  
[glueckstemb@sullcrom.com](mailto:glueckstemb@sullcrom.com)  
[kranzleya@sullcrom.com](mailto:kranzleya@sullcrom.com)

*Counsel for the Debtors and Debtors-in-Possession*



[01/31/2024 AlixPartners Forensic Investigation Invoices](#) for FTX & Related Entities  
“[Caroline 3/31/2022 balance sheet](#)” “[related to specific tokenized stock loans](#)”, Sullivan & Cromwell’s Andrew Dietderich would have had access to the (57) “tokenized stock loans” & “Futures”, whom now the “OCC also clears certain stock loan and futures transactions” requesting SEC’s “Adjusting Certain Parameters in Its Proprietary System for Calculating Margin Requirements”.

Case 22-11068-JTD Doc 6728-1 Filed 01/28/24 Page 30 of 36				Case 22-11068-JTD Doc 6728-1 Filed 01/28/24 Page 32 of 36			
Asset		Price	Futures (Cont.)	Asset		Price	Futures (Cont.)
[A]		[B]		[A]		[B]	
1039.	ALGO-PERP	\$0.3022000		1133.	EOS-1230	\$0.8737500	
1040.	ALICE-PERP	\$1.0097500		1134.	EOS-PERP	\$0.8677500	
1041.	ALPHA-PERP	\$0.0895000		1135.	ETC-PERP	\$21.1215000	
1042.	ALT-1230	\$1,817.8000000		1136.	ETH-0331	\$1,195.7000000	
1043.	ALT-PERP	\$1,817.0000000		1137.	ETH-1230	\$1,220.0000000	
1044.	AMC-1230	\$6.6562500		1138.	ETH-PERP	\$1,223.2500000	
1045.	AMD-1230	\$59.2200000		1139.	ETHE-1230	\$8.7000000	
1046.	AMPL-PERP	\$0.9584000		1140.	ETHW-PERP	\$2.6000000	
1047.	AMZN-1230	\$85.0000000		1141.	EXCH-1230	\$5,681.0000000	
1048.	ANC-PERP	\$0.1469765		1142.	EXCH-PERP	\$5,540.1000000	
1049.	APE-1230	\$2.6280000		1143.	FB-1230	\$108.0100000	
1050.	APE-PERP	\$3.1415000		1144.	FIDA-PERP	\$0.1148000	
1051.	APT-PERP	\$4.5700000		1145.	FIL-1230	\$4.5200000	
1052.	AR-PERP	\$9.5000000		1146.	FIL-PERP	\$4.8874211	
1053.	ARKK-1230	\$73.0000000		1147.	FLM-PERP	\$0.0809400	
1054.	ASD-PERP	\$0.0430000		1148.	FLOW-PERP	\$1.2974309	
1055.	ATLAS-PERP	\$0.0017165		1149.	FLUX-PERP	\$0.4600000	
1056.	ATOM-1230	\$18.5000000		1150.	FTM-1230	\$0.2303000	
1057.	ATOM-PERP	\$11.6225000		1151.	FTM-PERP	\$0.1893000	
1058.	AUDIO-PERP	\$0.1506500		1152.	FTT-PERP	\$1.9770000	
1059.	AVAX-1230	\$12.8000000		1153.	FTXDX-PERP	\$111.9907155	
1060.	AVAX-PERP	\$12.7420000		1154.	FXS-PERP	\$4.5600000	
1061.	AXS-1230	\$6.8659095		1155.	GAL-PERP	\$1.1145000	
1062.	AXS-PERP	\$6.8920000		1156.	GALA-PERP	\$0.0286000	
1063.	BABA-1230	\$67.3111523		1157.	GBTC-1230	\$9.7125000	
1064.	BADGER-PERP	\$2.7460000		1158.	GDX-1230	\$24.2000000	
1065.	BAL-1230	\$5.5250000		1159.	GDXI-1230	\$32.0000000	
1066.	BAL-PERP	\$5.0950000		1160.	GLD-1230	\$151.7000000	
1067.	BAND-PERP	\$2.0286000		1161.	GLMR-PERP	\$0.4610000	
1068.	BAT-PERP	\$0.2461000		1162.	GMF-1230	\$27.7250000	

Case 22-11068-JTD Doc 6728-1 Filed 01/28/24 Page 35 of 36		
Asset		Price
[A]		[B]
Futures (Cont.)		
1275.	STMX-PERP	\$0.0047150
1276.	STORJ-PERP	\$0.3078111
1277.	STX-PERP	\$0.2099804
1278.	SUSHI-1230	\$0.9257000
1279.	SUSHI-PERP	\$1.2376000
1280.	SXP-1230	\$0.2270000
1281.	SXP-PERP	\$0.2035000
1282.	THETA-PERP	\$1.0464000
1283.	TLM-PERP	\$0.0159950
1284.	TLRY-1230	\$2.9320000
1285.	TOMO-PERP	\$0.3590000
1286.	TONCOIN-PERP	\$0.8165000
1287.	TRU-PERP	\$0.0272500
1288.	TRUMP2024	\$0.2300000
1289.	TRX-1230	\$0.0724900
1290.	TRX-PERP	\$0.0588975
1291.	TRYB-PERP	\$0.0506800
1292.	TSLA-1230	\$185.0000000





Further highlighting [Sullivan & Cromwell's Andrew Dietderich {TimeStamp 29:25} full knowledge & participation of "amount of claims" "\\$23.6 quintillion" "stock loan" "futures" fraud.](#)



Sullivan & Cromwell's Andrew Dietderich false statements under oath are highlighted in his [Opening Statement to the Court on 1/31/2024 {TimeStamp 18:48}:](#)

1. "We Remember What it was it like November 2022"
2. "Emergency Filing on No Notice"
3. "No Adequate books & records"
4. "Assets Transfer Favored Insiders at Last Minute"





Sullivan & Cromwell's Andrew Dieterich's False Statement (1), (2), (3) "We Remember What it was like November 2022" & "Emergency Filing on No Notice" contradicts Emails dated July 27, 2022. [Sullivan & Cromwell Andrew Dieterich Cc: Brian Glueckstein "Subject-Voyager" "FTX has a bottomless sea of ordinary cryptocurrency"](#) Which also contradicts with having access to ["Caroline 3/31/2022 balance sheet" "related to specific tokenized stock loans"](#)

22-10943-mew Doc 937-12 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 12 -  
July 27 2022 E-mail Pg 2 of 3

From: Dietderich, Andrew G. <[dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)>

Sent: Wednesday, July 27, 2022 2:36 PM

To: Steinman, Gregg <[Gsteinman@mwe.com](mailto:Gsteinman@mwe.com)>; Azman, Darren <[Dazman@mwe.com](mailto:Dazman@mwe.com)>; Wu, Mimi <[wum@sullcrom.com](mailto:wum@sullcrom.com)>; Gibbs, Chuck <[Crgibbs@mwe.com](mailto:Crgibbs@mwe.com)>; Zhu, Angela <[zhua@sullcrom.com](mailto:zhua@sullcrom.com)>; Ljustina, Jessica <[ljustinaj@sullcrom.com](mailto:ljustinaj@sullcrom.com)>; Sun, Yiming <[sunyi@sullcrom.com](mailto:sunyi@sullcrom.com)>  
Cc: Glueckstein, Brian D. <[gluecksteinb@sullcrom.com](mailto:gluecksteinb@sullcrom.com)>; Eitel, Mitchell S. <[Eitelm@sullcrom.com](mailto:Eitelm@sullcrom.com)>; Jensen, Christian P. <[jensenc@sullcrom.com](mailto:jensenc@sullcrom.com)>

Subject: Voyager - [REDACTED]

22-10943-mew Doc 937-12 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 12 -  
July 27 2022 E-mail Pg 3 of 3

[REDACTED]

Two smaller differences. First, different deals may have a different ability to "match" what the customers had. **FTX has a bottomless sea of ordinary cryptocurrency** but not sure we can match every currency. On the other hand, the estate may not have enough cryptocurrency to match the basics without going out to buy it. Not sure how all that plays out or how material.

[REDACTED]

Best,  
Andy



# 9, 10, 11) TOKENIZED STOCK & CRYPTO LOANS

10/11/2022, 18:04

Case 2:22-cv-01087-JTD Document 36-1 Filed 12/30/22 Page 14 of 53  
Page 1 of 37



Sign in

FTX Exchange › Getting Started with FTX › Legal

Search Help Center

## Jurisdiction, regulations, licensing, and practices



FTX Crypto Derivatives Exchange  
Updated 2 months ago

BROWSE

### Licensure and Regulation

1. FTX Trading Ltd is incorporated in Antigua and Barbuda.
2. FTX Digital Markets Ltd, a subsidiary of FTX Trading Ltd, is licensed under The Bahamas' Digital Assets and Registered Exchange Act, 2020 and regulated by the Securities Commission of the Bahamas.
3. FTX Trading Ltd owns, through its Gibraltar subsidiary Zubr Exchange Limited, a crypto derivatives exchange licensed by the Gibraltar Financial Services Commission as a distributed ledger technology provider.
4. FTX provides services to Australian customers via FTX Express Pty Ltd, an AUSTRAC-registered digital currency exchange provider, and FTX Australia Pty Ltd, an Australian Financial Services Licensee.
5. FTX Digital Markets Ltd does not currently facilitate





stocks or prediction markets. All other services and users currently are or soon will be facilitated by FTX Digital Markets Ltd.

6. FTX Europe's domain is approved through **K-DNA Financial Services Ltd.**, a duly incorporated Investment Firm in Cyprus that is passported to the European Economic Area. FTX is a brand operated by **K-DNA Financial Services Ltd.** and regulated by the Cyprus Securities and Exchange Commission, with license number 273/15.
7. **FTX offers tokenized stock trading in partnership with K-DNA and FTX Switzerland GmbH, utilizing a German license in concert with FTX Trading GmbH. See here for details.**
8. FTX's subsidiary, **FTX Switzerland GmbH**, can provide financial services and limited custody services. **It is registered for AML purposes with SRO Treuhand Suisse and is a member of Finanzombudsstelle Schweiz (FINOS)**
9. FTX's subsidiary, **DAAG Certificates GmbH**, has an **approved base prospectus for various tokenized financial instruments**, which is valid in Switzerland and is passported across the EEA.
10. **FTX's subsidiary DAAG Trading, DMCC, is a licensed proprietary trader and swap dealer in the United Arab Emirates.**
11. FTX's subsidiary, **FTX Exchange FZE**, is licensed and **prudentially supervised as a Virtual Asset Exchange and Clearing House in the United Arab Emirates by the Virtual Asset Regulatory Authority (VARA).**
12. FTX's subsidiary, **FTX Japan Corporation (formerly Quoine Corporation)**, is licensed as a cryptocurrency exchange business (Cryptocurrency Exchange Business Kanto Finance Bureau Director No. 00002), and a Type 1 Financial Instruments Business by the Japan Financial Services Agency.
13. **FTX's subsidiary, Quoine Pte Ltd, has been granted an exemption from holding a licence under the Singapore Payment Services Act with respect to digital payment token services.**

Notable exceptions are *Enron* and *WorldCom*, cases to which *FTX* is often compared.<sup>10</sup>

### **A. Commencing the Bankruptcies**

Like *FTX*, *Enron* and *WorldCom* were large “freefall” bankruptcies, chapter 11 cases commenced with little advance planning.<sup>11</sup> Like *FTX*, *Enron* and *WorldCom* were precipitated by allegations of serious misconduct. The bankruptcies of *Enron* and *WorldCom* began and unfolded differently from *FTX*, however, and those differences mattered to the related criminal proceedings.

#### **1. Sullivan & Cromwell and the Commencement of the FTX Bankruptcy**

Although *Enron* and *WorldCom* landed in bankruptcy suddenly, those bankruptcies were preceded by efforts by the boards of directors of those companies

---

<sup>10</sup> Lawrence J. Trautman & Larry D. Foster II, *The FTX Crypto Debacle: Largest Fraud Since Madoff?*, 54 U. MEM. L. REV. 289, 309 (2023) (“In many ways, the FTX implosion, with estimated losses in excess of \$7 billion, brings back memories of corporate failures (and estimated losses) of two decades ago such as *Enron* (\$74 billion), *WorldCom* (over \$175 billion)”). Although *FTX* has also been likened to *Madoff*, see *id.*, *Madoff* was a chapter 7 liquidation, and so irrelevant for present purposes.

<sup>11</sup> See Jonathan C. Lipson & Christopher Fiore Marotta, *Examining Success*, 90 AM. BANKR. L.J. 1, 22 (2016).



to ascertain what had gone wrong and to try to fix it.<sup>12</sup> Those boards then hired independent counsel to oversee their companies' chapter 11 reorganizations.

In *FTX*, by contrast, it appears that the law firm of Sullivan & Cromwell (“S&C”) played a pivotal and problematic role in inducing the bankruptcy—and then in leading the bankruptcy estate’s support for Bankman-Fried’s prosecution. Drawing on disclosures in the Bankman-Fried prosecution and the *FTX* bankruptcy, forthcoming scholarship by Jonathan Lipson and David Skeel shows that S&C may have misled and pressured Bankman-Fried into authorizing the commencement of the bankruptcy as and when he did.<sup>13</sup>

Unlike *Enron* and *WorldCom*, where bankruptcy counsel had no prior connection to the debtors, S&C had represented FTX in 20 nonbankruptcy matters, including in sensitive regulatory work in which the firm may have learned of the

---

<sup>12</sup> Disclosure Statement for Fifth Am. Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code at 98-99, *Enron*, No. 01-16034 (AJG) (Bankr. S.D.N.Y. Jan. 9, 2004), ECF No. 15414 (“*Enron* Disclosure Statement”); Debtors’ Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code at 31-32, *WorldCom*, No. 02-13533 (AJG) (Bankr. S.D.N.Y. May 23, 2003), ECF No. 7273 (“*WorldCom* Disclosure Statement”).

<sup>13</sup> Jonathan C. Lipson & David Skeel, *FTX’d: Conflicting Public and Private Interests in Chapter 11*, 77 STAN. L. REV. \_\_\_\_ (forthcoming 2025), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4760736](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4760736) (“*FTX’d*”). *FTX’d* draws from, among other sources, Samuel Bankman-Fried’s Sentencing Memorandum, *United States of America v. Samuel Bankman-Fried*, No. 1:22-cr-00673-LAK (S.D.N.Y. Feb. 27, 2024), ECF No. 407-34 (“SBF Sentencing Memorandum”).



asset commingling that precipitated the bankruptcy and formed the basis for the prosecution.<sup>14</sup>

In early November 2022, in the depths of the so-called “crypto winter,” troubling news emerged about the financial condition of FTX, leading to a “run” on deposits.<sup>15</sup> Shortly thereafter, on November 9, 2022, S&C bankruptcy partner Andrew Dietderich emailed Bankman-Fried recommending that he hire Mr. Ray as “chief restructuring officer” (CRO) to support Bankman-Fried’s efforts to find rescue financing and assuring him that S&C was there to help this effort “however we can.”<sup>16</sup>

Earlier that same day, however, and without telling Bankman-Fried, it appears that attorneys from S&C’s white-collar group—including a former prosecutor—reported unspecified “concerns” about FTX to prosecutors and caused FTX to agree

---

<sup>14</sup> See *FTX’d*, *supra* note 13, at 25 (citing Suppl. Decl. of Andrew G. Dietderich in Supp. of Debtors’ Application for an Order Authorizing the Retention & Employment of Sullivan & Cromwell LLP as Counsel to the Debtors and Debtors-in-Possession Nunc Pro Tunc to the Petition Date ¶ 54, *FTX Bankr. No. 510* (“Dietderich 1st. Suppl.”)). S&C’s connection to FTX dates to early 2021, when Ryne Miller, an S&C partner, left the firm to become general counsel of FTX US. See *id.*

<sup>15</sup> Ian Allison, *Divisions in Sam Bankman-Fried’s Crypto Empire Blur on His Trading Titan Alameda’s Balance Sheet*, Coindesk (Nov. 2, 2022), <https://www.coindesk.com/business/2022/11/02/divisions-in-sam-bankman-frieds-crypto-empire-blur-on-his-trading-titan-alamedas-balance-sheet/>.

<sup>16</sup> See Email from Andrew Dietderich to Bankman-Fried, re Preparation Steps (Nov. 9, 2022, 9:32 PM), reproduced in SBF Sentencing Mem., *supra* note 13, Ex. E at 8-9 (“November 9 Email”).



to voluntarily disclose confidential information on a “rolling basis” to the government.<sup>17</sup>

## 2. Wrestling Control from Bankman-Fried

In *Enron* and *WorldCom*, prebankruptcy counsel played little if any role in the chapter 11 reorganizations. Indeed, Enron’s prebankruptcy counsel was the target of investigation by the *Enron* creditors’ committee, who recovered significant sums from the firm.<sup>18</sup>

In *FTX*, by contrast, S&C was FTX’s pre-bankruptcy counsel, played an instrumental role in FTX’s decision when and how to commence the bankruptcy, and subsequently became FTX’s bankruptcy counsel. Although Dietderich’s November 9 Email implied that a bankruptcy filing would be two weeks away (if needed at all), two days later, in the early morning hours of November 11, 2022, Dietderich sent Bankman-Fried an email marked “URGENT,” demanding that he

<sup>17</sup> See Letter from James McDonald, Sullivan & Cromwell, to U.S. Attorneys Nicolas Roos and Danielle Sassoon, Nov. 15, 2022, reproduced in SBF Sentencing Mem., *supra* note 13, Ex. E at 30-33 (J.A.1305-06). Mr. McDonald was a prosecutor for the Southern District of New York until 2017. See Sullivan & Cromwell LLP, James M. McDonald, <https://www.sullcrom.com/Lawyers/James-M-McDonald>; see also Dietderich 1st Suppl., *supra* note 14, ¶ 16 (reporting).

<sup>18</sup> See *In re: Committee of Unsecured Creditors of Enron Corp.*, 2006 WL 1889497 (June 6, 2006) (indicating Vinson & Elkins settled with Enron for \$30 million).



immediately sign an “omnibus corporate authority” (OCA) prepared by S&C, which Bankman-Fried did around 4:30 that morning.<sup>19</sup>

In retrospect, the OCA that Bankman-Fried signed went far beyond what Dietderich had indicated two days earlier.<sup>20</sup> Rather than merely appoint Ray as CRO—which would leave Bankman-Fried as chief executive officer—it caused Bankman-Fried to convey *all* of his corporate powers and status as majority shareholder, director, and CEO to Ray, which Ray then used to commence the FTX bankruptcy and to retain S&C as FTX’s bankruptcy counsel.<sup>21</sup> The OCA gave Ray control of FTX, its data, and its billions of dollars in assets, which Ray would use in his discretion, including extensive support for the Bankman-Fried prosecution.

There is no evidence that S&C informed Bankman-Fried or the Paul Weiss law firm (which briefly represented Bankman-Fried personally) that S&C had already gone to prosecutors. Nor does it appear that S&C recommended that the boards of directors of any of the 100-plus entities in the FTX group meet before Bankman-Fried executed the OCA or before Ray filed the bankruptcy petitions. Unlike the boards of most FTX entities—where Bankman-Fried conceded he did not

<sup>19</sup> See Email from Andrew G. Dietderich to Ken Ziman, *et al.*, Omnibus Corporate Authority - URGENT (Nov. 11, 2022, 12:58 AM) (“November 11 Email”), reproduced in SBF Sentencing Mem., *supra* note 13, Ex. E at 14.

<sup>20</sup> The OCA is Annex 1 to the Voluntary Petition.

<sup>21</sup> A chief restructuring officer does not typically run a chapter 11 debtor, but instead supports the CEO, who may be unfamiliar with bankruptcy but continues to manage the company’s operations as debtor in possession. See *FTX’d*, *supra* note 13, at 29.



even know the directors' names<sup>22</sup>—the FTX US entities appear to have had a functional board of directors, a fact that should have been known to S&C, since much of its prebankruptcy work was for them.<sup>23</sup>

Although there were objections to S&C's retention in the bankruptcy, critical aspects of S&C's history with FTX were not before the Bankruptcy Court, and so the Court approved S&C's retention as general bankruptcy counsel at the beginning of the bankruptcy.<sup>24</sup> In that capacity, S&C would control the day-to-day flow of the bankruptcy, and act as an important conduit to government officials—and would

---

<sup>22</sup> See *FTX Disclosure Statement*, *supra* note 6, at 1. The disclosure statement asserts that “there was not time to hold over 100 board meetings for companies with incomplete records,” *id.* 36, but it is not clear why the boards of the top-level entities could not have been convened or, if not functional, properly appointed by Bankman-Fried on advice of counsel.

<sup>23</sup> See *Dietderich 1st Suppl.*, *supra* note 14, at ¶¶ 47-50. It appears, for example, that FTX US Derivatives had an eight-member board, comprised of various commodities and investment professionals (*e.g.*, Keisha Bell, Managing Director, Head of Diverse Talent Management and Advancement, DTCC; Lucas Moskowitz, Vice President and Deputy General Counsel at Robinhood). See Press Release, *FTX US Derivatives Announces Board of Directors*, PR Newswire (Jan. 19, 2022), <https://www.prnewswire.com/news-releases/ftx-us-derivatives-announces-board-of-directors-301463938.html>.

<sup>24</sup> See Order Authorizing the Retention and Employment of Sullivan & Cromwell LLP as Counsel to the Debtors and Debtors-In-Possession *Nunc Pro Tunc* to the Petition Date at 2, *FTX Bankr.* No. 553.



even know the directors' names<sup>22</sup>—the FTX US entities appear to have had a functional board of directors, a fact that should have been known to S&C, since much of its prebankruptcy work was for them.<sup>23</sup>

Although there were objections to S&C's retention in the bankruptcy, critical aspects of S&C's history with FTX were not before the Bankruptcy Court, and so the Court approved S&C's retention as general bankruptcy counsel at the beginning of the bankruptcy.<sup>24</sup> In that capacity, S&C would control the day-to-day flow of the bankruptcy, and act as an important conduit to government officials—and would

---

<sup>22</sup> See FTX Disclosure Statement, *supra* note 6, at 1. The disclosure statement asserts that “there was not time to hold over 100 board meetings for companies with incomplete records,” *id.* 36, but it is not clear why the boards of the top-level entities could not have been convened or, if not functional, properly appointed by Bankman-Fried on advice of counsel.

<sup>23</sup> See Dietderich 1st Suppl., *supra* note 14, at ¶¶ 47-50. It appears, for example, that FTX US Derivatives had an eight-member board, comprised of various commodities and investment professionals (*e.g.*, Keisha Bell, Managing Director, Head of Diverse Talent Management and Advancement, DTCC; Lucas Moskowitz, Vice President and Deputy General Counsel at Robinhood). See Press Release, *FTX US Derivatives Announces Board of Directors*, PR Newswire (Jan. 19, 2022), <https://www.prnewswire.com/news-releases/ftx-us-derivatives-announces-board-of-directors-301463938.html>.

<sup>24</sup> See Order Authorizing the Retention and Employment of Sullivan & Cromwell LLP as Counsel to the Debtors and Debtors-In-Possession *Nunc Pro Tunc* to the Petition Date at 2, FTX Bankr. No. 553.



# 24-961

*To Be Argued By:*  
DANIELLE R. SASSOON

---

United States Court of Appeals  
**FOR THE SECOND CIRCUIT**  
**Docket No. 24-961**

—♦♦♦—  
UNITED STATES OF AMERICA,

*Appellee,*

—v.—

SAMUEL BANKMAN-FRIED, AKA SEALED DEFENDANT 1,

*Defendant-Appellant,*

*(Caption continued on inside cover)*

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

---

---

**BRIEF FOR THE UNITED STATES OF AMERICA**

---

---

DAMIAN WILLIAMS,  
*United States Attorney for the  
Southern District of New York,  
Attorney for the United States  
of America.*

DANIELLE KUDLA,  
NATHAN REHN,



First, it allowed customers to trade crypto derivatives such as futures. A-705-06. In a spot trade a customer purchases or sells an asset like bitcoin. A-703-04. By contrast, futures trading involves purchasing or shorting a futures contract—a derivative financial instrument in which parties agree to buy or sell an asset at a specific price in the future. A-1002-03, A-827-28, A-689-90, A-714-716. The investment's value is contingent on whether the future price of the underlying asset ends up higher or lower than the price when the future was purchased. A-689-90, A-715-16. The ability to trade derivatives was a key feature on FTX, and derivatives became its most popular financial product. A-689-91, A-714-15.

Second, like other non-U.S.-based crypto exchanges, FTX allowed customers to trade on margin, i.e., by borrowing funds from the exchange. Whereas U.S.-based competitors allowed customers to purchase and sell assets dollar-for-dollar, A-703-704, FTX's margin feature allowed customers to increase and leverage their positions through spot margin borrowing and lending.

One innovative feature of FTX was "cross-margining," which allowed customers to rely on their overall assets and liabilities on the exchange—in whatever currencies—to margin trade other assets on the exchange. A-1004-05, A-999-1001. For example, a customer could deposit \$100 of bitcoin to immediately trade \$1,000 of bitcoin, or to trade other assets on the exchange, such as \$1,000 of ether. A-704. These margin features meant FTX was not merely a

trading platform; it was a finance platform as well, offering lending services and operating as a "prime broker." A-993-94, A-1222.

FTX's innovations gave retail customers access to a variety of sophisticated trading strategies that were previously available only to hedge funds and institutional investors. These innovations were incredibly popular. FTX became "predominantly a margin exchange," and the "vast majority of [trading] activity happened on margin on FTX." A-991. About 80% of assets had the margin feature enabled, by customers' election. A-881, A-1298-99.



The facts here also make the instruction wrong and deeply confusing.

Alameda was a hedge fund, and FTX was a margin futures trading platform—a leveraged lending platform. Lenders like BlockFi deployed complicated cryptocurrency lending structures where they would rehypothecate crypto assets.

A-817. BlockFi placed no restrictions on what Alameda could do with the funds.

The very nature of the lending agreement meant BlockFi would be “deprived” of its funds for a period, and if Bankman-Fried believed the loans could be covered, he could not have intended a “loss” in any meaningful sense. The same is true of FTX customers, who engaged in margin trading with 80% of assets on the platform.

This case presents an extreme example of that dynamic. The FTX debtor estate had sole possession of much of the evidence necessary to determine Bankman-Fried's guilt or innocence. John Ray and Sullivan & Cromwell, who took control of the company three days into the liquidity crisis, provided extraordinary assistance to the government. S&C—which billed *hundreds of millions of dollars* in this case—performed prosecutorial tasks that had nothing to do with bankruptcy. Moreover, the Debtors and S&C were motivated to place all blame squarely on Bankman-Fried—to avoid scrutiny of their *own* business

Case: 24-961, 09/13/2024, DktEntry: 28.1, Page 79 of 102

decisions, their *own* conflicts of interest, their *own* exorbitant billing, and their *own* misconduct.



Once the North Dimension bank account was opened, FTX directed customer dollar deposits to the North Dimension account. Thereafter, when FTX customers deposited or withdrew fiat currency, Alameda personnel, who maintained control over the North Dimension account and acted under the direction and supervision of SAMUEL BANKMAN-FRIED, a/k/a "SBF," the defendant, and his co-conspirators, manually credited or subtracted the customer's FTX account with the corresponding amount of fiat currency on an internal ledger system. Customers could

then convert their deposits to a range of cryptocurrencies and traditional currencies, engage in various types of trading, and make withdrawals denominated in various types of cryptocurrencies and traditional currencies. FTX charged fees and generated revenues from many of these activities, using the fraudulently obtained access to a U.S. bank account. Customers could also convert various cryptocurrencies and traditional currencies to dollars on their FTX account, and withdraw the dollars from FTX. FTX sent customer withdrawals by wire transfer from the North Dimension bank account, and by at least summer 2021 charged a fee for dollar withdrawals.



The Honorable Lewis A. Kaplan

October 25, 2023

Page 2

deferring a ruling on this matter, ECF No. 289 at 13 ¶ 19, the Court precluded the defense from referring in its opening statement to the role of counsel and required the defense to give prior notice to the Court and the Government, outside the presence of the jury, before offering evidence on these issues at trial, ECF No. 305 at 9-10. The Court explained that whether the defense may offer such evidence will depend on the circumstances, and noted the risk of confusion if such evidence were presented “without any degree of specificity about what [attorneys] were present for or involved in, what their tasks were, what exactly they knew, and what the defendant knew about what the lawyers knew and were doing.” *Id.* at 9. The Court further noted that “circumstances in which lawyer presence, involvement, or advice [is] known to the defendant at the time of his alleged misconduct might have a real bearing on whether he acted with or without fraudulent intent.” *Id.*

On September 15, 2023, the defense provided additional disclosures to the Government indicating that we would seek to adduce evidence as to the involvement of counsel in, *inter alia*, the following events at FTX and Alameda, as relevant to Mr. Bankman-Fried’s good faith:

- In or about mid-2021, FTX Chief Legal Officer Dan Friedberg and outside counsel Fenwick & West implemented data retention policies, including auto-deletion policies for Slack and Signal communications, at FTX and Alameda;
- In or about mid-2021, Mr. Friedberg and Fenwick & West were involved in the creation of the North Dimension entities and Mr. Friedberg supervised the opening of North Dimension’s bank account with Silvergate Bank;
- In mid-2021, Mr. Friedberg and Fenwick & West were involved in drafting and approving the Payment Agent Agreement between FTX and Alameda;
- In or about late-2021 to mid-2022, Mr. Friedberg, FTX General Counsel Can Sun, and FTX US General Counsel Ryne Miller, and Fenwick & West were involved in approving and structuring loans from Alameda to Mr. Bankman-Fried, Gary Wang, and Nishad Singh, and attorneys drafted the loan documents;
- Mr. Friedberg, Fenwick & West, and later Mr. Sun were involved in drafting and approving the FTX Terms of Service, which were updated at various points in time from 2019 to May 2022; and

As discussed below, Mr. Bankman-Fried’s knowledge of the involvement of counsel in these matters is directly relevant to his state of mind and good faith at the time.

First, the Government has argued and elicited testimony that the use of auto-deletion policies is evidence of Mr. Bankman-Fried’s fraudulent and criminal intent. For example, the Government asserted in its opening argument that Mr. Bankman-Fried “demanded that [his



Case 1:22-cr-00673-LAK Document 137-10 Filed 05/08/23 Page 3 of 6

Dear Thane,

Attached is a zip file containing documents relating to legal advice concerning whether FTX.com, Alameda or entities (other than FTX US) needed to register as a MSB or have money transmitting licenses. As we discussed yesterday, as part of its cooperation, the FTX Debtors agreed to waive privilege on these topics to assist in your investigation.

Best,

Stephanie

**From:** Rehn, Nathan (USANYS) [REDACTED]  
**Sent:** Tuesday, February 14, 2023 5:43 PM  
**To:** Roos, Nicolas (USANYS) [REDACTED]; Wheeler, Stephanie G. [REDACTED]; Rohrbach, Andrew (USANYS) [REDACTED]; Peikin, Steven R. [REDACTED]  
**Cc:** McDonald, James M. [REDACTED]; Raymond, Samuel (USANYS) [REDACTED]; Sassoon, Danielle (USANYS) [REDACTED]; Croke, Jacob M. [REDACTED]; Friedlander, Nicole W. [REDACTED]; Levin, Sharon Cohen [REDACTED]; Materni, Michele C. [REDACTED]; O'Hara, Daniel P. [REDACTED]; Kudla, Danielle (USANYS) [REDACTED]  
**Subject:** RE: [EXTERNAL] RE: FTX - Priority Requests for Documents and Presentations

Hi Stephanie,

Can we get on the phone with you tomorrow morning if possible? We want to discuss any privilege issues relating to questions we might have for [REDACTED] and/or Fenwick dealing with whether FTX.com needed to register as a MSB or have money transmitting licenses.

Thank you,

Thane

**From:** Roos, Nicolas (USANYS) [REDACTED]  
**Sent:** Monday, February 13, 2023 9:40 PM  
**To:** Wheeler, Stephanie G. [REDACTED]; Rohrbach, Andrew (USANYS) [REDACTED]; Peikin, Steven R. [REDACTED]  
**Cc:** McDonald, James M. [REDACTED]; Raymond, Samuel (USANYS) [REDACTED]; Sassoon, Danielle (USANYS) [REDACTED]; Croke, Jacob M. [REDACTED]; Friedlander, Nicole W. [REDACTED]; Rehn, Nathan (USANYS) [REDACTED]; Levin, Sharon Cohen [REDACTED]; Materni, Michele C. [REDACTED]; O'Hara, Daniel P. [REDACTED]; Kudla, Danielle (USANYS) [REDACTED]  
**Subject:** RE: [EXTERNAL] RE: FTX - Priority Requests for Documents and Presentations

Thanks very much, we appreciate it.

**From:** Wheeler, Stephanie G. [REDACTED]  
**Sent:** Monday, February 13, 2023 9:17 PM  
**To:** Roos, Nicolas (USANYS) [REDACTED]; Rohrbach, Andrew (USANYS) [REDACTED]; Peikin, Steven R. [REDACTED]  
**Cc:** McDonald, James M. [REDACTED]; Raymond, Samuel (USANYS) [REDACTED]; Sassoon, Danielle (USANYS) [REDACTED]; Croke, Jacob [REDACTED]; Friedlander, Nicole W. [REDACTED]; Rehn, Nathan (USANYS) [REDACTED]; Levin, Sharon Cohen [REDACTED]; Materni, Michele C. [REDACTED]; O'Hara, Daniel P. [REDACTED]; Kudla, Danielle (USANYS) [REDACTED]  
**Subject:** RE: [EXTERNAL] RE: FTX - Priority Requests for Documents and Presentations

We will try to send them by Box tomorrow.



2. Any documents or communications relating to political donations/contributions by Sam Bankman-Fried, [REDACTED], and Nishad Singh. Case 1:22-cr-00673-LAK Document 137-10 Filed 05/08/23 Page 6 of 6

Our search terms have identified almost 60,000 documents, which are being reviewed. We have attached four interesting documents we have identified to date.

3. Any documents or communications relating to the campaign finance laws or restrictions on political contributions. For this one, the custodians can be limited Sam Bankman-Fried, [REDACTED], and Nishad Singh.

Our search terms have identified almost 60,000 documents, which are being reviewed.

4. Any documents or communications relating to payments (including loans) to bank accounts in the names of Sam Bankman-Fried, [REDACTED], and Nishad Singh. As part of this request, please include any documents in which [REDACTED] is involved in a discussion of such a loan or payment.

We produced what we were able to identify by email on 1/7.

5. Any Slack communication between [REDACTED] and [REDACTED]; between [REDACTED] and Caroline Ellison; or among [REDACTED], Caroline Ellison, and [REDACTED].

These documents were our formal production of 1/12, bearing Bates numbers FTX\_000283963-FTX\_000286875.

6. Any versions of a Signal chat called "Donation Processing."

We have not been able to identify an such Signal chat.

7. The Alameda Research "pointer" page for loans.

We produced what we were able to identify by email on 1/7.

8. A presentation on anything you can determine with respect to whether FTX.com, Alameda Research, and/or North Dimension were acting as an unlicensed money transmission business.

We need to complete our review of the 6000 documents discussed in 9 below before being in a position to make a presentation on this topic.

9. Any documents or communications about the licensing of FTX.com, FTX.us, Alameda Research, and North Dimension as a money transmission business.

Our searches have identified 6000 documents that we are reviewing. A large percentage of these documents potentially raise privilege issues. We produced one memo in our formal production of 1/12, bearing bates numbers FTX\_000291852-FTX\_000291883.

10. FTX.com account records for any accounts belonging to Sam Bankman-Fried, Nishad Singh, Caroline Ellison, Gary Wang, [REDACTED], and [REDACTED].

Please see the chart below and the attached spreadsheet entitled "2023.01.12 FTX Insiders Withdrawal Information.xlsx:



To: Daniel Friedberg [REDACTED]  
 From: Igor Voloshin [REDACTED] Document 151-1 Filed 05/30/23 Page 78 of 148  
 Sent: Fri 2/28/2020 6:16:32 PM (UTC)  
 Subject: Tether Gold Analysis

Hi Dan:

You told us that Bitfinex or affiliate is considering listing its stablecoin ("**Tether Gold**") on FTX Trading Ltd. ("**FTX**"). You asked us to consider whether the transaction would result in Bitfinex engaging in a licensable activity, particularly whether money services business ("**MSB**") registration under the Bank Secrecy Act ("**BSA**") is required. As you know, the Financial Crimes Enforcement Network ("**FinCEN**") has not provided guidance on this exact issue, so our legal analysis follows. Please let me know if you want us to put this into a formal memo format.

There are two key questions to consider: (i) whether the underlying activity/transaction constitutes money transmission within the meaning of FinCEN; and if so (ii) whether the parties are MSBs by engaging in the underlying activity. Both conditions have to be present in the transaction to trigger MSB registration.

#### Money Transmission

BSA regulations define "money transmission" as "the acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means." 31 C.F.R. § 1010.100(ff)(5)(i)(A) (emphasis in original). FinCEN has said that "convertible virtual currency" qualifies as "value that substitutes for currency." FIN-2013-G001. FinCEN has defined convertible virtual currency to include digital assets that have "an equivalent value in real currency or act[] as a substitute for real currency." *Id.*

Stablecoins fall under the definition of convertible virtual currency ("**CVC**"), thereby making Tether Gold subject to this regulatory regime. As I understand it, offering Tether Gold likely constitutes money transmission as Bitfinex is transmitting (e.g., converting) CVC for another substitute of value.

#### Status as an MSB

According to a 2012 FinCEN guidance, "[t]o qualify as an MSB, a person, wherever located, must do business, wholly or in substantial part within the United States, in one or more of the capacities listed in 31 CFR 1010.100(ff). Relevant factors include whether the foreign-located person, whether or not on a regular basis or as an organized or licensed business concern, is providing services to customers located in the United States." FIN-2012-A001 (emphasis added). As noted above, 31 C.F.R. § 1010.100(ff) includes money transmission.

In reviewing the available precedent and FinCEN guidance on this question, it is unlikely that FinCEN would take the position that this activity triggers MSB registration. FinCEN takes a facts and circumstances approach to the underlying transaction to determine if one or more of the parties to the transaction must register as MSBs.

Here, Bitfinex is incorporated and operated outside the US, and does not allow US based customers to trade on its platform.

Likewise, FTX is incorporated and operated outside the US, and does not allow US persons to trade on its platform.

FTX is majority owned by Sam Bankman-Fried who we understand is not a resident of the US, but is a US citizen and US taxpayer. FTX is operated from abroad, and no FTX business activities are conducted within the US. We note that FTX does not accept US customers or offer services to the US. FTX also has no physical presence within the US.

On its face, FTX is not a customer "located" in the United States. Any fair reading of the 2012 FinCEN Guidance indicates that the customer's physical location controls for purposes of determining whether an entity is doing business in the United States. This is buttressed by the fact that the few cases where a foreign entity was subject to proceedings for failing to register as an MSB, that entity had a direct and substantial customer base physically located in the US. See e.g., *United States v. Budovsky*, No. 13CR368-DLC (S.D.N.Y. Sept. 23, 2015) (reviewing the application of the BSA to the Liberty Reserve offshore exchange).

However, we note of course that regulatory agencies have wide discretionary authority and often exceed their apparent regulatory authority, and are therefore unpredictable. We think it is very helpful if no FTX customers are US residents.

#### Enforcement Risk

As a practical matter, US agencies typically do not take enforcement action against offshore entities unless the underlying business activity sufficiently touches and concerns the US such that it would rebut the presumption against extraterritorial application of the US authority, would warrant the necessary resource allocation to pursue such an action, and requires such action due to the grave nature of the underlying conduct.

However, this of course is uncertain and most of these matters fall within the realm of regulatory discretion.

Thanks,

Igor

IGOR VOLOSHIN

Associate | Fenwick & West LLP | [REDACTED] | [REDACTED]

Admitted to practice only in Washington



NARMBAN4

Bankman-Fried - Direct

2427

1 Q. I think you mentioned three times in the testimony. We  
2 have talked about two. The third time was in the middle of  
3 2022, is that right?

4 A. Yes, that's right.

5 Q. Who did you testify before then?

6 A. The house agricultural services committee.

7 Q. What was the reason for that testimony?

8 A. I think I mangled the name a little bit, but the house  
9 agricultural committee.

10 FTX US Derivatives had an application before the CFTC  
11 to expand its license, to allow it to actually offer  
12 cryptocurrency futures in the traditional sense in the United  
13 States.

14 There was -- I was aware of a fair bit of political  
15 talk about this in Washington, D.C. The house agricultural  
16 committee ended up hosting a hearing on FTX's application, FTX  
17 US Derivatives application to the CFTC. So it was a house  
18 committee hearing on the company that I owned, and there were  
19 competitors of ours who I believed to be pushing back against.

20 MS. SASSOON: Objection. No foundation.

21 THE COURT: Beyond that, it's essentially all  
22 unresponsive. The question was: Who did you testify before?  
23 And the answer was: The house agricultural committee, and then  
24 it went on from there.

25 MS. SASSOON: I believe the question was, what was the



NARMBAN4

Bankman-Fried - Direct

2412

1 A. Yes, that is correct.

2 Q. Who was Amy?

3 A. Amy was a former venture capitalist who we had hired to  
4 work on and help lead our investment team as well.

5 Q. I don't want to go through all the investments. I just  
6 want to talk about one.

7 Do you recall the investment in Solana?

8 A. Yes.

9 Q. Can you describe for the jury the due diligence, if any,  
10 that was performed.

11 A. Yes. Solana is a cryptocurrency. It's a token, like  
12 Bitcoin or Ethereum. In the spring of 2020, it was a new  
13 cryptocurrency, had just been launched. We were investigating  
14 various blockchains at the time to compare them and figure out  
15 the pros and cons. I and others had calls with the leadership  
16 of most of the major cryptocurrency teams in the space and  
17 asked them questions about their technology, about their future  
18 projections, how they were going to get there, what they were  
19 prioritizing, and came away with the impression from those  
20 calls that Solana was --

21 MS. SASSOON: Objection. Hearsay.

22 THE COURT: Yes.

23 Don't tell us what anyone else said,

24 Mr. Bankman-Fried.

25 Q. To his honor's point, just tell us what your takeaway is.

NARMBAN4

Bankman-Fried - Direct

2413

1 A. Understood.

2 MS. SASSOON: Objection. It is based on hearsay.

3 THE COURT: Sustained. That's another way of doing  
4 it, but it's still hearsay.

5 Q. Following his Honor's ruling, say what you did.

6 A. I ended up believing --

7 MS. SASSOON: Objection.

8 Q. Just tell us --

9 MS. SASSOON: He can describe what he did, not what he  
10 believed based on his conversations.

11 Q. Tell us what you did in connection with the Solana  
12 investigation.

13 A. I ended up making a significant investment in the  
14 cryptocurrency Solana at prices starting, I think, around 20  
15 cents per token.

16 Q. Where did you believe the funds for the venture investments  
17 came from?

18 A. I believe that they came from Alameda Research's operating  
19 profits and, in some cases, from the loans that it had from  
20 third-party borrow lending desks.

21 Q. What entities would make the investments?

22 A. It varied. Sometimes, especially for liquid -- for tokens  
23 that were already trading, it would be Alameda Research's core  
24 trading entities. For more early-stage projects, or things  
25 that were not in the cryptocurrency sector, it would generally



13 A. Alameda had been leveraged long the market for the prior  
14 year. That basically means it had a bunch of assets that were  
15 correlated with the market, and it had loans, liabilities, many  
16 of which were in dollars, and as the market crashed, the value  
17 of its assets fell.

18 Q. Okay. Let me go back. You said Alameda had been leveraged  
19 long.

20 A. Yes.

21 Q. What does that mean?

22 A. So Alameda had a number of assets. Some of them—a few  
23 billion, to my understanding—were from trading profits from  
24 arbitrage. Substantially more than that, tens of billions, as  
25 of late 2021, were from investments that it had made, venture

SOUTHERN DISTRICT REPORTERS, P.C.  
(212) 805-0300

236 of 296), Page 236 of 296 Case: 24-961, 09/13/2024, DktEntry: 33.1, Page 236 of 296

A-1025

NAR1BAN5

Bankman-Fried - Direct

2455

1 investments. Those investments, it had financed in part  
2 through borrowing of—~~from~~ third-party lenders like Genesis and  
3 Celsius and others. That meant that it had tens of billions, I  
4 think, tens of billions—over 40 billion of assets at the peak  
5 in late 2021, but it also had substantial liabilities. And it  
6 was leveraged long because the exposure it had to the market  
7 was that it made money if the market went up and it lost money  
8 if the market went down. Many of its assets had that property.  
9 Most of them did. And—

10 Q. If I could interrupt.

11 A. Yup.

12 Q. Long meaning you bought the stock?

13 A. Right. Long meaning we bought these companies rather than  
14 short selling, which would be betting on them to decline. And  
15 it was leveraged because it was more than a hundred percent of  
16 its value was in its positions, because it had taken on debt to  
17 make those investments.



NAUMBANI

Bankman-Fried - Direct

2534

1 November 6.

2 MR. COHEN: Let's pull up Government Exhibit 874 in  
3 evidence. Brian, if we can expand that.

4 Q. Looking at the top of it, it says -- first of all, who is  
5 this from?

6 A. That is CZ, Changpeng Zhao, the CEO of finance.

7 Q. It says: As part of Binance's exit from FTX equity last  
8 year, Binance received roughly \$2.1 billion USD equivalent in  
9 cash, BUSD and FTT. Due to recent revelations that have come  
10 to light, we have decided to liquidate any remaining FTT on our  
11 books.

12 Do you see that, sir?

13 A. Yes.

14 Q. I want to take it in steps. The first sentence says --

15 MR. COHEN: If you can highlight it Brian.

16 Q. -- as part of Binance's exit from FTX equity last year,  
17 Binance received roughly \$2.1 billion and so on.

18 What does that refer to?

19 A. So in mid 2021, we had bought out Binance's equity holdings  
20 of FTX. It had been the seed investor in FTX.

21 Q. Continuing on he says: Due to recent revelations that have  
22 come to light, we have decided to liquidate any remaining FTT  
23 on our books.

24 What did that refer to?

25 A. CZ was declaring that they were going to sell off the FTT



c. **BlockFi Private Client Program**

40. In addition to BIAs, which generally have standardized terms applicable to all holders, BlockFi provides an individually negotiated interest-bearing borrowing product to eligible clients as part of its BlockFi Private Client suite of products (“BPC”). The BPC product suite permits clients to lend digital assets to BlockFi on individually negotiated terms, which may lead to individually negotiated terms for other products and services. BPC loan interest is paid in the form of digital assets at a negotiated rate. A BPC loan may be structured as an “open” term (*i.e.*,

13

Case 2:22-cv-01382-MBK Document 72-4 Filed 11/28/22 Entered 11/28/22 15:25:17 Desc Main Document Page 154 of 421

the BPC client may request that BlockFi repay the loan at any time) or a “fixed” term (*i.e.*, the loan has a negotiated maturity date).



41. BlockFi has the right to redeploy digital assets borrowed under a BPC loan for its revenue-generating activities. More specifically, BlockFi has the right, without further notice to a BPC client, to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer, invest, or use any amount of digital assets borrowed under a BPC loan, separately or together with other property, with all attendant rights of ownership, and for any period of time and without retaining in BlockFi’s possession and/or control a like amount of digital assets.



## 1. The FTX Loan Agreement

67. On June 30, 2022, BlockFi Inc., as borrower, entered into a loan agreement with West Realm Shires Inc. (d/b/a FTX US, “FTX US”), as lender (the “FTX Loan Agreement”), which provides for loans (the “Loans”) to be made to BlockFi Inc. in an amount of up to \$400 million outstanding at any time, of which: (a) \$300 million is available for general corporate purposes; and (b) \$100 million is available solely to fund BlockFi Inc.’s obligations to its clients (the “Client Payment Obligations”). BlockFi Inc.’s obligations under the FTX Loan Agreement are guaranteed by BlockFi Trading and BlockFi Lending (together, the “Guarantors”).

68. The Loans (a) are *pari passu* in right of payment with all other senior unsecured indebtedness of BlockFi Inc. and the Guarantors and (b) rank junior to the Customer Liabilities.<sup>8</sup>

---

<sup>8</sup> Customer Liabilities are defined as “obligations to clients incurred by [BlockFi Inc., the Guarantors] or any of [their] Subsidiaries in connection with (x) the BlockFi Interest Account, BlockFi Yield, BlockFi Personalized Yield or BlockFi Wallet products, (y) custody arrangements and collateral arrangements relating to loans made to clients and (z) any other similar products or services provided to clients by [BlockFi Inc., the Guarantors] or any of [their] Subsidiaries.”

The Loans bear interest at a fixed rate of 5.00% per annum, payable at maturity. Loans may be made in USDC, the digital asset issued by the Centre Consortium, and are redeemable 1:1 for U.S. dollar, or other digital asset or fiat currency as mutually agreed to between the parties.



loans. This report (available at <https://blockfi.com/blockfi-transparency-report-Q2-2022>) was and is part and parcel of BlockFi's guiding principle that "Transparency Builds Trust."

26. Among other things, BlockFi was transparent with clients and investors that funds held in BlockFi Interest Accounts and in the Private Client Program, as well as loan collateral for Retail Client Loans (all discussed below), were going to be used for lending to generate the yields provided to clients. BlockFi was forthright about what it would and would not do with funds on its platform—in stark contrast to others reported to have done the opposite.<sup>3</sup>

27. BlockFi experienced rapid growth; between 2019 and March 2022, total trading volume grew from \$2 million to more than \$23 *billion* as of March 2022 (on an LTM basis), while deployable assets grew from \$345 million to \$14.8 billion, and gross loan originations expanded from \$687 million to more than \$47 billion. As BlockFi's business and operations grew, it expanded its management team and employee base, with a focus on hiring experts from other segments of the financial industry to better mature the nascent cryptocurrency business.



## II. The Company's History and Business Operations

22. BlockFi Inc. (with its direct and indirect subsidiaries, "BlockFi") was founded in 2017 by Zac Prince and Flori Marquez to provide credit services to markets with limited access to simple financial products. BlockFi's culture embodies four core values: "Pragmatic Pioneering"; "Clients not Customers"; "Individual Effort, Collective Success"; and "Transparency Builds Trust." These values have been key drivers of BlockFi's strategy and decision-making, which has

consistently prioritized client protection, stability, and prudent stewardship. BlockFi always endeavored to do things the right way, even when it was difficult, and even when certain of BlockFi's competitors did less to gain a competitive advantage.

23. BlockFi worked to become an industry leader in compliance. Unlike certain competitors, BlockFi never launched its own token to raise funds but instead relied on traditional venture capital. BlockFi was also the first in many states to seek and receive lending licenses to make cryptocurrency-backed loans. As disclosed on its website, <https://blockfi.com/licenses>, BlockFi was issued 47 licenses for lending, money transmission, operations, and the like by 32 states and D.C., and received a separate Class F Digital Business Assets License from Bermuda.



**A. BlockFi's Client Offerings**

29. BlockFi's business model is client centric, consistent with its core value of "Clients not Customers" and its commitment to prioritizing clients' best interests. BlockFi acquires clients by offering custom products and services that enable its clients to meet their financial goals, and continuously expands its product suite to deepen its relationship with its clients over time.

30. Generally, BlockFi has two primary types of clients: retail and institutional. As described in more detail below, BlockFi serves retail clients through web and mobile applications, and its products enable individuals and small businesses to store and/or earn interest on, buy and sell, borrow U.S. dollars secured by, and earn (via a credit card rewards program) digital assets. On the institutional front, BlockFi provides hedge funds, market makers, proprietary trading firms, trading desks, cryptocurrency miners, exchanges, and corporations with bespoke financing, trading, and treasury solutions relating to digital assets.



1 baseline liquidity in the middle of April.

2 The price of bitcoin, which has gained more than  
3 35 percent in the last month, increases the value of the  
4 mined bitcoin and makes the mining operations that much more  
5 attractive and productive, even without Core Scientific.

6 Additionally, now that the Court has authorized  
7 the Debtors to sell stable coins, the Debtors have access to  
8 much-needed liquidity that improves the cashflow forecast.

9 THE COURT: Have stable coins been sold since the  
10 Court's ruling?

11 MR. FERRARO: No, but it's -- it will be this  
12 week.

13 THE COURT: Okay.

14 MR. KWASTENIET: Your Honor, I don't have anything  
15 further for Mr. Ferraro.

16 THE COURT: I do. I do. So, Mr. Ferraro, during  
17 the hearing on November 15th, 2022 -- let me -- I have the  
18 transcript if you'll just bear with me a second.

19 Okay. I ask questions about the -- let me -- I  
20 ask a question about Celsius' exposure with respect to FTX.  
21 And at Pages 27 and 28 of the transcript, your answer is  
22 there. And I won't read it verbatim, but I believe that you  
23 estimates Celsius' exposure to FTX and Alameda at  
24 approximately \$12 million.

25 I read some reports over the last week or two that

1 questioned whether Celsius had exposure to FTX and Alameda  
2 in the hundreds of millions of dollars. Are you -- I just  
3 want to ask, not for you to comment on a report you haven't  
4 seen, but I just want to see whether you have any update on  
5 what Celsius' exposure to FTX or any of its affiliates are  
6 at this time.

7 MR. FERRARO: Yes, Your Honor. My update -- I  
8 don't have it in front of me, so I apologize. But to my  
9 understanding, our exposure remains at the \$12 million. I  
10 think there was transactions between Celsius and Alameda,

11 you know, leading up to our filing. We did have  
12 relationships with them, as I discussed I believe in  
13 November when I gave the update to the report. So I haven't  
14 read the report that you're speaking to. But, you know, our  
15 exposures from the standpoint of what's on the balance sheet  
16 are really limited to some coins on FTX and then the Alameda  
17 loan.

18 THE COURT: Okay. Let me make -- when I saw I saw  
19 a report, it wasn't from FTX. I mean, you know, there are  
20 some wild things on the internet, and I don't -- I'm not  
21 putting credence in them. But because I saw some report  
22 that suggested that the Celsius exposure was in the hundreds  
23 of millions, I thought I would ask about -- we went back and  
24 we looked at the transcript from November. And I just  
25 wanted to be sure to ask it again today. So thank you very



To: Roos, Nicolas (USANYS [REDACTED]); Sassoon, Danielle (USANYS [REDACTED])  
Cc: Peikin, Steven R. [REDACTED]; McDonald, James M. [REDACTED]; Wheeler, Stephanie G. [REDACTED]; Croke, Jacob M. [REDACTED]; Friedlander, Nicole W. [REDACTED]; \*FTXInvestigationsAssociates [REDACTED]  
From: Yeargan, Shane R.  
Sent: Fri 12/16/2022 9:57:56 PM  
Subject: [EXTERNAL] FTX

Nick, Danielle,

We wanted to draw your attention to an entry in the FTX.us AWS user account and transaction data provided to you on December 5, 2022 via the USAFX FTP site ("AWS Data") that resembles a transfer discussed by Sam Bankman-Fried in Signal chats to address the \$45 million "hole" in the FTX.us balance sheet.

The signal chats produced to you on November 23, 2022 reflect that, on November 9, 2022, Zach Dexter noted a "\$45M deficit in customer assets based on Gary's spreadsheet," and argued that it was "urgently important to determine where that \$45M is, and if it doesn't exist, clearly effectuate a transfer of the same amount of operating cash to the FBO accounts." FTX\_000022966. Later that day, Sam Bankman-Fried asked "how much exac[tly] is needed on US for FBO." FTX\_000022974. Dexter responded "45,752,126.14 but that's based on Gary's snapshot yesterday." *Id.* Bankman-Fried replied that he had "transferred 46m from [info@alameda-research.com](mailto:info@alameda-research.com) to [expenses@ftx.us](mailto:expenses@ftx.us) on ftx.us." *Id.*

In the AWS Data file named "UA Transfers," row 891 reflects a transfer (ID No. 5463239) made on November 9, 2022 of \$46,000,000 in U.S. Dollars from account number [REDACTED] ([info@alameda-research.com](mailto:info@alameda-research.com)) to account number [REDACTED] ([fiat@ftx.us](mailto:fiat@ftx.us)). The notes field for the transfer includes the note "Fiat accounting." Although the destination account does not match Bankman-Fried's message (i.e., the transfer is to [fiat@ftx.us](mailto:fiat@ftx.us) instead of [expenses@ftx.us](mailto:expenses@ftx.us)), the timing of the transfer and remaining details are consistent with the transfer described in Bankman-Fried's message.

Best,

Shane

Shane Yeargan  
Sullivan & Cromwell LLP | 125 Broad Street | New York, NY 10004-2498  
T: [REDACTED] | F: [REDACTED]  
[REDACTED] | <http://www.sullcrom.com>

---

This e-mail is sent by a law firm and contains information that may be privileged and confidential. If you are not the intended recipient, please delete the e-mail and notify us immediately.

The Debtors have filed 30 omnibus objections to over \$26.8 quintillion of claims and early claims objections for several of their largest individual claims not yet settled.

7. To date, approximately 95,900 customer proofs of claim have been filed against the Debtors and the FTX Recovery Trust, asserting more than \$52,024,000,000.<sup>4</sup>

### CLAIMS PARTIALLY SATISFIED AFTER THE PETITION DATE

8. The FTX Recovery Trust, with the assistance of its advisors, has been reviewing and reconciling Proofs of Claim, including any supporting documentation attached

<sup>3</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Customer Bar Date Order or the Plan, as applicable.

<sup>4</sup> Excludes over 499 frivolous customer claims filed in aggregate for more than \$1.187 sextillion.

### Asserted Claims

### Modified Claim

Claim / Schedule	Asserted Claims				Modified Claim	
Number	Name	Debtor	Tickers	Ticker Quantity	Debtor	Ticker Quantity
			GME-20210326	-0.0000000000000181		-0.0000000000000181
			GME-20211231	0.0000000000000000		0.0000000000000000
			TSLA-1230	0.0000000000000000		0.0000000000000000
			TSLA-20210326	0.0000000000000000		0.0000000000000000
			TSLA-20210625	0.0000000000000000		0.0000000000000000
			TSLA-20211231	0.0000000000000007		0.0000000000000007
			TWTR-0624	0.0000000000000021		0.0000000000000021
Reason: Claim has been partially satisfied via payment of \$111.77 AUD dated May 29th, 2024						
56616	Name on file	FTX Trading Ltd.	1INCH-PERP	0.0000000000000000	FTX Trading Ltd.	0.0000000000000000
			AAVE-PERP	-0.0000000000000028		-0.0000000000000028
			ADA-PERP	0.0000000000000000		0.0000000000000000
			ALPHA-PERP	0.0000000000000000		0.0000000000000000
			AMC-20210625	-0.0000000000000909		-0.0000000000000909





## SETTLEMENT AND STOCK EXCHANGE AGREEMENT

**This SETTLEMENT AND STOCK EXCHANGE AGREEMENT** (this “Agreement”) is made as of July 31, 2023, by and between FTX Trading Ltd., a company established under the laws of Antigua and Barbuda (“FTXT”), West Realm Shires Inc. (“WRS” and, together with FTXT, collectively with any of their successors or assigns, “FTX” and each, an “FTX Entity”), and IEX Group, Inc., a Delaware corporation (“IEX”). The signatories to this Agreement are collectively referred to as the “Parties” and individually as a “Party”. Capitalized terms used and not otherwise defined herein have the meanings set forth in Article IX below.

### RECITALS

**WHEREAS**, pursuant to a Share Exchange Agreement, dated as of March 18, 2022, as amended as of May 17, 2022, by and among FTX and IEX, WRS acquired 1,570,142 shares of Common Stock, \$0.01 par value per share, of IEX (the “IEX Shares”) and IEX acquired 5,663,211 shares of Common Shares, par value US\$0.0000026 per share, of FTXT (the “FTXT Shares”) and 49,234,136 shares of Class A Common Stock, \$0.00001 par value per share (the “WRS Shares” and, together with the FTXT Shares, the “FTX Shares”), of WRS (the “Prior Transaction”);

**WHEREAS**, IEX has asserted that the FTX entities fraudulently induced IEX into entering into the Share Exchange Agreement by, among other things, making false statements during the negotiations therefor and by making knowingly false representations in the Share Exchange Agreement and at the closing thereof;



**Sent:** 8/15/2022 7:55:07 PM  
**To:** sam@ftx.com; Brad Katsuyama [brad.katsuyama@i  
Ramnik Arora [ramnik@ftx.com]

**Subject:** FTX/IEX  
**Location:** 3 World Trade Center (United States of America)

**Start:** 8/17/2022 3:30:00 PM  
**End:** 8/17/2022 5:30:00 PM  
**Show Time As:** Busy

**Recurrence:** (none)

Upon arrival, please check in with lobby security.

IEX Address  
3 World Trade Center, 58<sup>th</sup> Floor





To: File No.: S7-25-20  
From: Amanda Fischer  
Date: 4/29/22  
Re: Meeting with IEX/FTX

---

On March 23, 2022, members of the staff of Chair Gensler met with staff of IEX and FTX to discuss custody of digital asset securities by special purpose broker-dealers, including the unique risks associated with custody of digital asset securities and the conditional no action relief discussed in the statement.

**SEC Attendees:**

- Amanda Fischer, Senior Counselor to the Chair
- Corey Frayer, Senior Advisor

**IEX Attendees:**

- Brad Katsuyama, Co-Founder and CEO
- John Ramsay, Chief Market Policy Officer
- Rachel Barnett, General Counsel
- Florian Seifferer – COO, IEX Digital Assets

**FTX Attendees:**

- Sam Bankman Fried, Founder and CEO
- Ryne Miller, General Counsel
- Mark Wetjen, Head of Policy and Regulatory Strategy FTX US



Debtor **FTX Trading Ltd.** Case 22-11068-JTD Doc 2000 Filed 07/31/23 Page 120 of 174  
Name Case number (if known): 22-11068 (JTD)

**Additional Page if Debtor Has More Executory Contracts or Unexpired Leases**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.300	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	WHITE LABEL SERVICES AGREEMENT DATED 12/17/2021	Idealex Services OÜ Harju maakond Tallinn, Kristiine linnaosa Keemia tn 4 10616 ESTONIA
2.301	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>COLLABORATION AGREEMENT</b> DATED 3/18/2022	<b>IEX DAP Group LLC</b> 3 World Trade Center 58th Floor New York, NY 10007
2.302	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>IEX GROUP, INC. TERM SHEET FOR STRATEGIC PARTNERSHIP WITH WEST REALM SHIRES INC. DATED 1/4/2022</b>	<b>IEX GROUP, INC.</b> ADDRESS UNKNOWN





Debtor Name: FTX Europe AG

Case Number: 22-11075 (JTD)

## Assets - Real and Personal Property

Part 4, Question 15: Non-publicly traded stock interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture.

Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture (Name of entity:)	% of Ownership	Valuation method used for current value	Current value of debtor's interest
BCOIN DIGITAL ASSETS LTD	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
CM-EQUITY AG	9.9%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
CONCEDUS DIGITAL ASSETS	90.1%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
DAAG TRADING, DMCC	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX CERTIFICATES GMBH	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX CRYPTO SERVICES LTD.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX EU LTD.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX EXCHANGE FZE	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX STRUCTURED PRODUCTS AG	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX SWITZERLAND GMBH	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX TRADING GMBH	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
TOTAL			\$0.00 * Undetermined Amounts



Debtor Name: West Realm Shires Inc.

Case Number: 22-11183 (JTD)

**Assets - Real and Personal Property****Part 4, Question 15:** Non-publicly traded stock interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture.

Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture (Name of entity:)	% of Ownership	Valuation method used for current value	Current value of debtor's interest
DIGITAL CUSTODY INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
EMBED FINANCIAL TECHNOLOGIES INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX LEND INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX MARKETPLACE, INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
GOOD LUCK GAMES, LLC	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
HAWAII DIGITAL ASSETS INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
LEDGER HOLDINGS INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
PIONEER STREET INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
WEST REALM SHIRES FINANCIAL SERVICES INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
WEST REALM SHIRES SERVICES INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
BITNOMIAL, INC.	Undetermined	Funded Amount	\$2,000,000.00
LEX GROUP, INC.	Undetermined	Funded Amount	\$112,554,985.67
<b>TOTAL</b>			<b>\$114,554,985.67</b> + Undetermined Amounts





Cases was authorized by the Court by an order entered on November 22, 2022 [D.I. 128].

Accordingly, Plaintiffs have the authority to file this Complaint to commence, and thereafter to prosecute, this adversary proceeding.

3. **Prior to the filing of the Chapter 11 Cases** Alameda was a cryptocurrency trading firm owned by Samuel Bankman-Fried and Zixiao “Gary” Wang. Caroline Ellison was initially co-CEO and later the sole CEO of Alameda. WRS is a Delaware holding company owned by Samuel Bankman-Fried, Nishad Singh, and Gary Wang, with a number of subsidiaries, including WRSS, which did business as FTX.US, the cryptocurrency exchange founded by Bankman-Fried, Singh, and Wang to offer cryptocurrency trading services to U.S. customers. **Embed is a stock clearing firm** and **FINRA licensed broker-dealer founded by Michael Giles.**

4. **On or about March 15, 2022** WRS began discussions to acquire Embed, ostensibly in order to provide **FTX.US customers with the ability to trade stocks**, in addition to cryptocurrency, on the FTX.US exchange platform. **The contemplated product was to be called FTX Stocks.**

5. Through a series of self-dealing transactions orchestrated by Bankman-Fried, Ellison, Singh, and Wang (hereinafter, the “**FTX Insiders**”), **WRS paid Defendants \$236,764,105.34 of misappropriated FTX Group<sup>4</sup> funds** to acquire Defendants’ equity interests in Embed on or around September 30, 2022—**mere weeks before the Petition Date.** WRS also agreed, in “Retention Incentive Award Agreements” effective as of September 30, 2022, to pay



*Pleadings* [D.I. 92], and the *Supplemental Declaration of Edgar W. Mosley II in Support of First Day Pleadings* [D.I. 93] (collectively, the “*First Day Declarations*”).

26. The FTX Insiders among others, took advantage of the FTX Group’s lack of controls and recordkeeping to perpetrate a massive fraud—lavishly spending the FTX Group’s assets on, among other things, private homes and jets, political and “charitable” contributions, and various investments. The acquisition of Embed was one such transaction.

27. All of the funding for the Embed acquisition came from Alameda, which, at the FTX Insiders’ direction, had surreptitiously and unlawfully diverted and transferred assets belonging to FTX.com, the principal international cryptocurrency exchange operated by the FTX Group, to spend on the FTX Insiders’ pet projects. By causing Alameda to take money belonging to FTX.com and spend it on the FTX Insiders’ pet projects, the FTX Insiders defrauded FTX.com’s creditors, including customers and investors.

28. The FTX Insiders purportedly pursued the Embed acquisition because they believed it would help expand FTX US’s operations into conventional securities markets, thereby enriching themselves as WRS shareholders. In pursuing the Embed acquisition, the FTX Insiders prioritized speed above all else. They performed almost no due diligence on Embed and accepted the significant terms proposed by Giles, Embed’s founder, CEO, and sole representative during the negotiation, who personally received approximately \$157 million in connection with the acquisition. As a consequence, WRS paid far more than fair or reasonably equivalent value for Embed, and awarded Giles an extravagant and unwarranted retention bonus as an incentive to complete the acquisition quickly.

29. All of the FTX Insiders, except for Bankman-Fried, have pleaded guilty to crimes perpetrated through the very practices that facilitated the acquisition of Embed. On December





**Messages in chronological order** (times are shown in GMT +00:00)



**D0493KXPGRE**

ZD

Zach Dexter

11/11/2022, 3:33 AM

Michael, we're trying to get Sam to sign a control agreement that will empower a restructuring professional to immediately make a series of critical decisions without the delays and disengagement Sam has been providing us.

ZD

Zach Dexter

11/11/2022, 3:35 AM

those decisions include the appropriate/best actions on FTXUS - need someone who can consult with counsel to quickly wind down activity there in the most appropriate way for customers - all Sam needs to do is sign. he's been unable to relinquish control or approve / delegate authority to approve material decisions - I hope we're able to cross that bridge tonight.

MG

Michael Giles

11/11/2022, 3:44 AM

Sounds like the right approach to me. We are in contact with all of our own regulators daily and it's hard to navigate without direction and ability to make big decisions. We are currently focused on assisting with the off boarding of FTXCM customers and ensuring they can liquidate and receive their funds (likely from Embed Clearing directly).

ZD

Zach Dexter

11/11/2022, 3:56 AM

I'm on the phone with Sam's personal lawyers at Paul Weiss essentially yelling at them about how the internal ledger doesn't work, but if Sam authorizes an executive authority, that person will have the capacity to make the decisions we absolutely must make to bring in people who can help us fix this

CONFIDENTIAL TREATMENT REQUESTED BY FTX

FTX\_000287243  
SDNY\_02\_00411941



**Example of Digital Currency Group & Genesis Creating Ponzi Collateral for Crypto Loans:**

<https://www.sec.gov/newsroom/press-releases/2023-7>

[“According to the complaint, in December 2020, Genesis, part of a subsidiary of Digital Currency Group, entered into an agreement with Gemini to offer Gemini customers, including retail investors in the United States, an opportunity to loan their crypto assets to Genesis in exchange for Genesis’ promise to pay interest. Beginning in February 2021, Genesis and Gemini began offering the Gemini Earn program to retail investors, whereby Gemini Earn investors tendered their crypto assets to Genesis, with Gemini acting as the agent to facilitate the transaction. Gemini deducted an agent fee, sometimes as high as 4.29 percent, from the returns Genesis paid to Gemini Earn investors. As alleged in the complaint, Genesis then exercised its discretion in how to use investors’ crypto assets to generate revenue and pay interest to Gemini Earn investors.](#)

[The complaint further alleges that, in November 2022, Genesis announced that it would not allow its Gemini Earn investors to withdraw their crypto assets because Genesis lacked sufficient liquid assets to meet withdrawal requests following volatility in the crypto asset market. At the time, Genesis held approximately \\$900 million in investor assets from 340,000 Gemini Earn investors. Gemini terminated the Gemini Earn program earlier this month. As of today, the Gemini Earn retail investors have still not been able to withdraw their crypto assets.](#)

**Example of Shadow Banks approving Venture Investment Loans from Silvergate:**

<https://www.sec.gov/newsroom/press-releases/2024-82>

[“From November 2022 to January 2023, Silvergate, Lane, and Fraher misled investors in stating that Silvergate had an effective BSA/AML compliance program and conducted ongoing monitoring of its high-risk crypto customers, including FTX, in part to rebut public speculation that FTX had used its accounts at Silvergate to facilitate FTX’s misconduct. In reality, Silvergate’s automated transaction monitoring system failed to monitor more than \\$1 trillion of transactions by its customers on the bank’s payments platform, the Silvergate Exchange Network.](#)

[“Rather than coming clean to investors about serious deficiencies in its compliance programs in the wake of the collapse of FTX, one of Silvergate’s largest banking customers, they doubled down in a way that misled investors about the soundness of the programs. In fact, because of those deficiencies, Silvergate allegedly failed to detect nearly \\$9 billion in suspicious transfers among FTX and its related entities. Silvergate’s stock eventually cratered, wiping out billions in market value for investors.”](#)

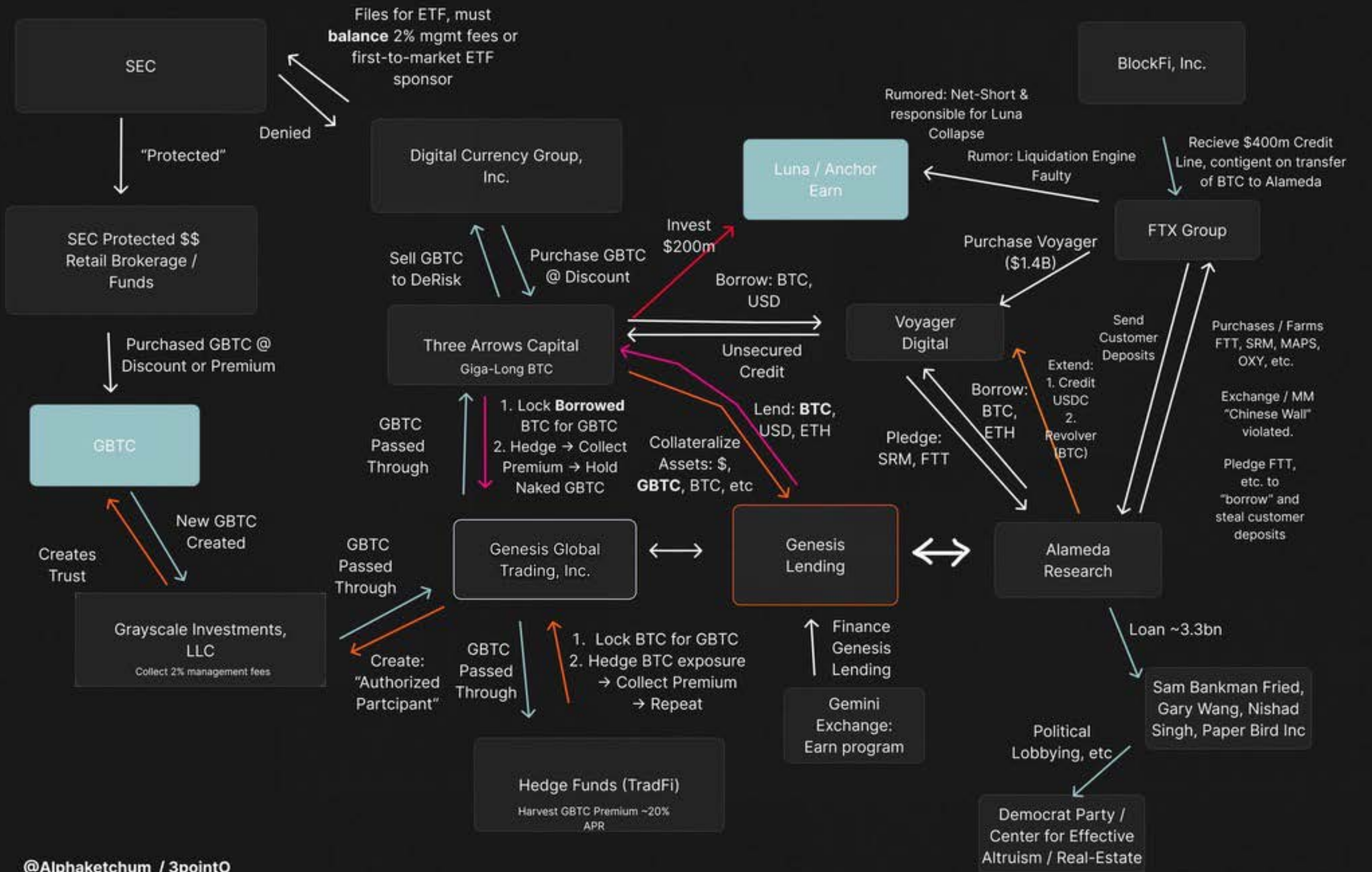




**Example TerraLuna used as further Collateral for Crypto Backed Loans:**  
<https://www.sec.gov/newsroom/press-releases/2024-73>

“Terraform blockchain to settle transactions and about the stability of their crypto asset security, UST. The SEC also offered evidence at trial showing that, in May 2022, after UST de-pegged from the U.S. dollar, the price of UST and Terraform’s other tokens plummeted to close to zero. This wiped out \$40 billion in market value nearly overnight and caused devastating losses to countless investors, including numerous retail investors who believed defendants’ lies and poured their life savings into Terraform’s ecosystem.”

# DAISY CHAIN OF CRYPTO LEVERAGE - NOV 2022







Using the conversion of U.S. Equities Stocks to crypto valuations, the same Sullivan & Cromwell Legal Experts/Equity Holders working on Voyager, BlockFi, Celsius, and FTX's bankruptcies used ["crypto currency as collateral in connection with those loans"](#) with California based banks i.e. Silicon Valley Bank.

**From:** Washburn, Charles  
**Sent:** Tuesday, July 24, 2018 10:57 AM  
**To:** 'Nourafshan, Alexander@DBO'  
**Subject:** RE: Confidential Treatment Re: BlockFi  
**Importance:** High

CONFIDENTIAL

Alex,

I hope this message finds you well.

I am following up to check on the status of our request for an interpretive opinion, a copy of which request I have attached for ease of reference. As you know, it was received by the Department on May 15.

As discussed in more detail in the opinion request, the position taken by the Department to-date that a licensee under the [California Financing Law](#) ("CFL") cannot [hold collateral](#) I respectfully believe is based on a clear misreading of vestigial language in Section 22009 of the CFL defining the term "finance lender," which hopefully you see as well.

As also discussed in the request, this incorrect Department position is causing substantial harm to our client [BlockFi Lending LLC](#). In particular and as noted in the request for expedited treatment, I understand from the client that a competitor, Unchained Capital, Inc., was granted a CFL license by the Department (60DBO-78867) and based on the Department's web site that license is still active. The client further advises that [Unchained Capital](#) is still doing a [lending business](#) in [California](#) and is still [holding crypto currency as collateral](#) in connection

Case 22-19361-MBK Doc 204-5 Filed 01/06/23 Entered 01/06/23 18:06:09 Desc

Exhibit F Page 162 of 175

[with those loans](#), while at the same time BlockFi Lending is unable to lend in [California](#) on similar terms with respect to [holding collateral](#) based on this Department position.

Thank you in advance for your assistance, and I would again be happy to discuss any questions you may have regarding the analysis.

Best regards,

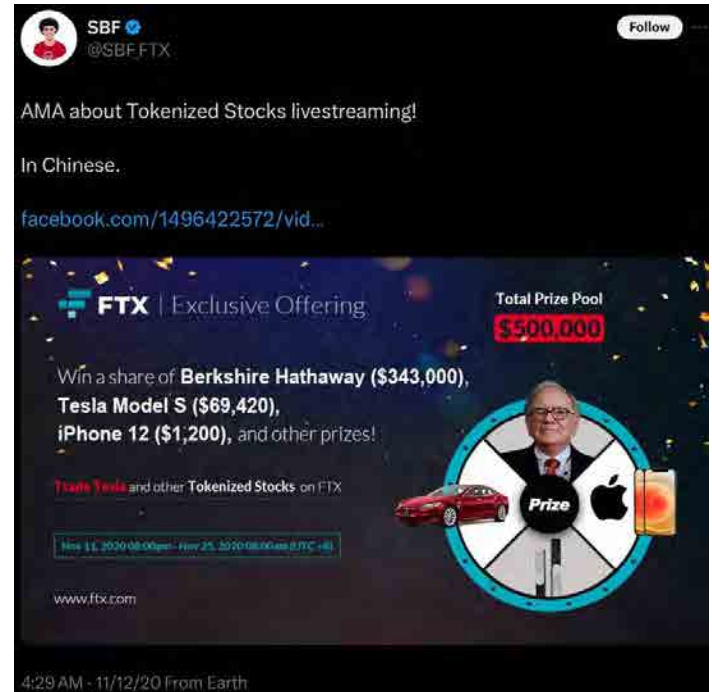
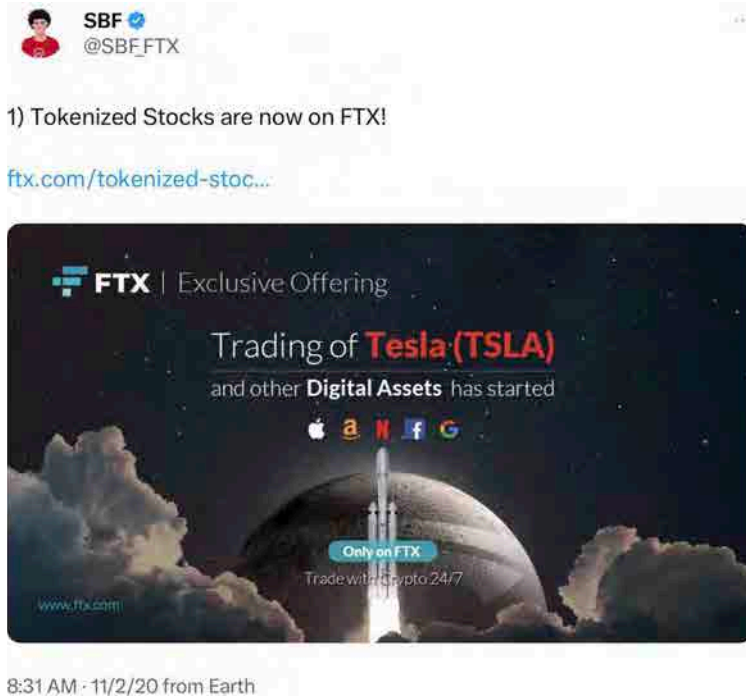
Chuck

Charles Washburn

Partner



On 11/2/2020, Sam Bankman-Fried tweeted [“Tokenized Stocks are now on FTX!”](#) which listed symbols for Tesla, Apple, Amazon, Netflix, Facebook/Meta, & Google.

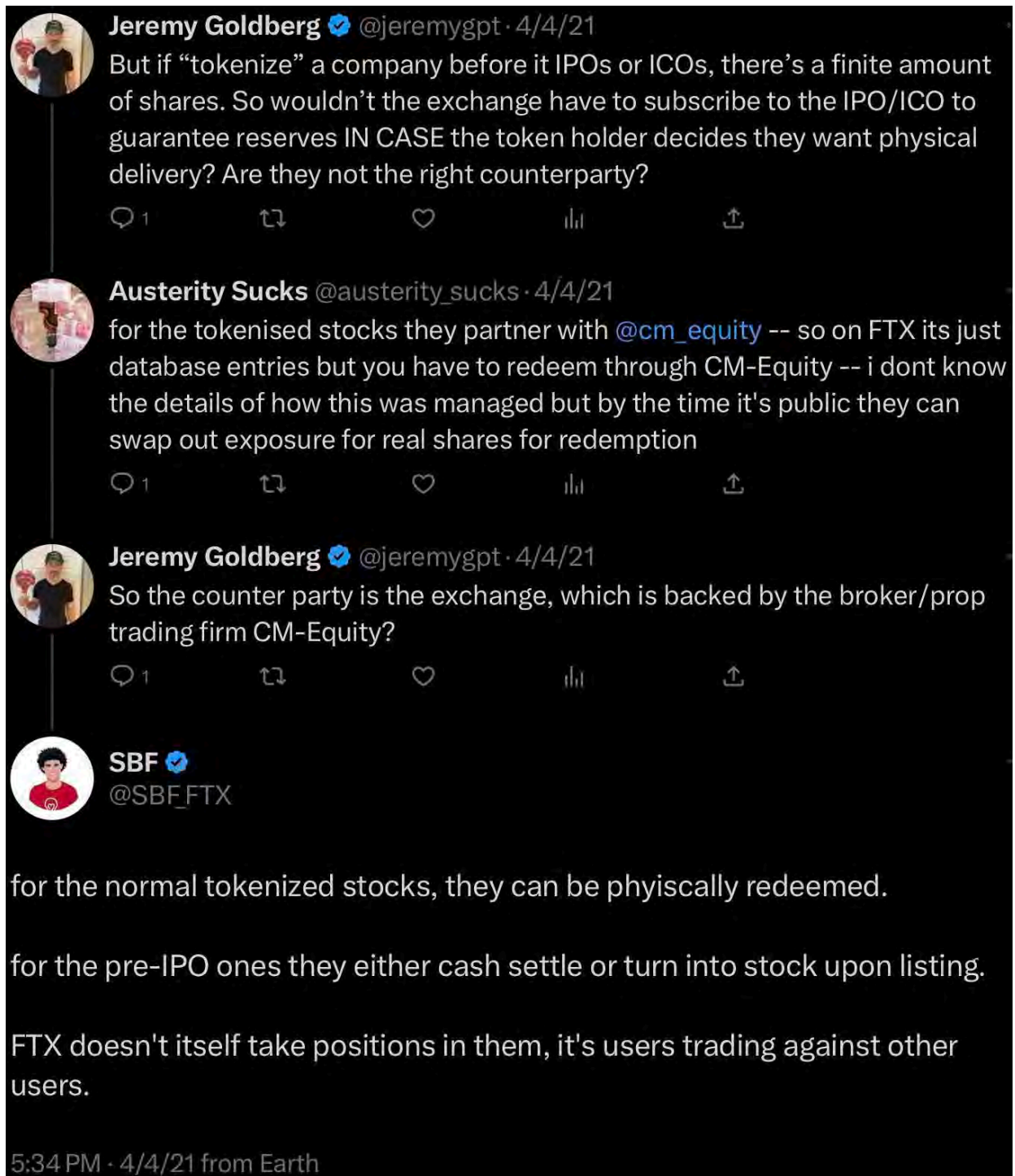


On 11/12/2020, Sam Bankman-Fried tweeted [“AMA \[Ask Me Anything\] about Tokenized Stocks livestreaming! In Chinese.”](#) attached with a Facebook link and ad stating [“Trade Tesla and other Tokenized Stocks on FTX”](#).





During a Twitter exchange when Sam Bankman-Fried was asked [“So the counter party is the exchange, which is backed by the broker/prop trading firm CM-Equity?”](#), Sam answers [“for the normal tokenized stocks, they can be physically redeemed”](#). Implying CM-Equity was the custodian of the Original Stock Equity, in which can be “redeemed” upon request.





AlixPartners

John J. Ray III  
Chief Executive Officer  
FTX Trading Ltd. and its affiliated debtors-in-possession  
c/o Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004

Re: Financial Statement Reconstruction  
Code: 20008100PN0001.1.15

DATE	PROFESSIONAL	DESCRIPTION OF SERVICES	HOURS
12/08/2023	TP	Analyze SOL transactional block chain data related to Debtor accounts for use in the recreation of the historical financial statements	0.8
12/08/2023	TP	Working session with A. Vanderkamp, D. White, F. Liang, J. LaBella, K. Wessel, L. Goldman, M. Birtwell, T. Phelan (AlixPartners) re: discuss timing and to-dos for next production of the historical balances of Debtors' wallets	1.0
12/08/2023	TP	Working session with D. White, J. Berg, M. Birtwell, R. Backus, T. Phelan (AlixPartners) re: Liquidity pool token pricing script methodology	0.2
12/08/2023	XS	Update Blockfolio workpaper based on Quality Check feedback re: investment in subsidiaries	1.4
12/10/2023	CC	Review workpaper overview in loan payable workpaper	1.6
12/11/2023	AP	Meeting with A. Patti, J. LaBella, M. Birtwell, O. Braat (AlixPartners) re: discuss potential updates to the adjusted balance sheet footnotes and disclosures	0.8
12/11/2023	AP	Perform reconciliation of Caroline 3/31/2022 balance sheet (pointer data) related to specific tokenized stock loans	2.5
12/11/2023	AP	Continue to perform reconciliation of Caroline 3/31/2022 balance sheet (pointer data) related to specific tokenized stock loans	1.9
12/11/2023	AP	Update Other Investments guide documentation based on QC review notes	2.3
12/11/2023	AP	Working session with A. Patti, B. Mackay, E. Mostoff, F. Liang, K. Wessel, M. Birtwell, T. Toaso (AlixPartners) re: reconciliation of historical digital asset balances to balance sheet produced by Caroline Ellison	0.6
12/11/2023	AP	Working session with A. Patti, E. Mostoff, F. Liang, K. Wessel (AlixPartners) re: reconciliation of historical loan balances to balance sheet produced by Caroline Ellison	0.4





## LOAN AGREEMENT

This **LOAN AGREEMENT** (this “Agreement”) is entered into as of **June 21, 2022** (the “Effective Date”) by and among **ALAMEDA VENTURES LTD** (“Lender”), **VOYAGER DIGITAL HOLDINGS, INC.** (“Borrower”) and **VOYAGER DIGITAL LTD** (“Guarantor”). Capitalized terms used but not otherwise defined herein shall have the meanings given them on Schedule B. The parties agree as follows:

1. **Loans.** Lender will make extensions of credit or other financial accommodations for Borrower’s benefit (each, a “Loan” and collectively, the “Loans”) under two facilities, the cash revolving facility and the BTC facility, in the amounts and as otherwise identified on Schedule A, and Borrower promises to pay Lender the amount of all Loans and all debts, liabilities, obligations, covenants, indemnifications, interest, expenses and fees, created hereunder, whether arising before or after the commencement of any bankruptcy or insolvency proceeding (collectively, the “Obligations”) pursuant to the terms and conditions of this Agreement, and as set forth herein and on Schedule A.



**SULLIVAN & CROMWELL LLP**

TELEPHONE: 1-212-558-4000  
FACSIMILE: 1-212-558-3588  
WWW.SULLCROM.COM

**125 Broad Street  
New York, New York 10004-2498**

LOS ANGELES • PALO ALTO • WASHINGTON, D.C.  
BRUSSELS • FRANKFURT • LONDON • PARIS  
BERN • HONG KONG • TOKYO  
AUCKLAND • SYDNEY

July 22, 2022

Voyager Digital Holdings, Inc.

c/o Jared Dermont  
Moelis & Company LLC  
399 Park Avenue, 4<sup>th</sup> Floor  
New York, NY 10022

c/o Joshua A. Sussberg, P.C.  
Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, NY 10022

Re: Customer Liquidity and Asset Purchase Agreement

Dear Jared and Josh,

FTX Trading Ltd and West Realm Shires Inc. (collectively, "FTX") and Alameda Ventures Ltd ("Alameda") have asked us to convey their joint proposal to enter into a Customer Liquidity and Asset Purchase Agreement, subject to the terms and conditions we describe in this letter and more fully in the attached term sheet.

22-10943-mew Doc 937-9 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 9 -  
FTX Joint Proposal Pg 4 of 11

A few other notes with respect to the proposal. First, FTX and Alameda are not interested in purchasing, and plan to leave behind in the bankruptcy estate, all 3AC-related litigation claims. The chapter 11 case is the best place to pursue recoveries relating to Voyager's loan to 3AC. We expect Voyager will use its bankruptcy powers to monetize these claims and provide supplemental recoveries to customers.

Second, Alameda will write off its own \$75 million loan claim as part of the proposed transaction. This claim would otherwise share in supplemental recoveries. By writing off our loan, we will permit customers and other unsecured creditors to receive 100% of any incremental recoveries from the enforcement of the 3AC claim and any related litigation claims.

22-10943-mew Doc 937-9 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 9 -  
FTX Joint Proposal Pg 5 of 11

Attached is a term sheet describing the legal and financial terms of the customer liquidity transaction, as well as a short annex describing some of its benefits for FTX and Voyager customers. As with other financial institution insolvencies, we would seek expedited approval from the Bankruptcy Court of the customer liquidity transaction. We would aim to have a closing by August 17, so that we can begin customer migration promptly.

We are available to discuss this proposal with you at your earliest convenience.

Sincerely,

Andy Dietderich

cc: Mitchell S. Eitel (Sullivan & Cromwell LLP)





**SCHEDULE A  
LOAN TERMS**

<b>BORROWER:</b>	<b>VOYAGER DIGITAL HOLDINGS, INC.</b>
<b>Cash Revolving Loan Amount:</b>	Two Hundred Million Dollars (\$200,000,000.00) (the "Cash Revolving Loan Amount").
<b>BTC Revolving Loan Amount:</b>	Fifteen Thousand (15,000) BTC (the "BTC Revolving Loan Amount").
<b>Guarantor:</b>	Voyager Digital LTD.
<b>Draw Period:</b>	The period of time commencing upon the Effective Date and continuing through the earlier to occur of (a) December 30, 2024 or (b) the earlier termination of this Agreement in accordance with the terms thereof ("Draw Period").
<b>Maturity Date:</b>	December 31, 2024 (the "Maturity Date").
<b>Cash Revolving Loan:</b>	<p>Subject to the terms and conditions of this Agreement, during the Draw Period, and upon the delivery by Borrower to Lender of a completed and executed irrevocable loan request (in a form acceptable to Lender), Lender shall make cash loans available to Borrower in an aggregate original principal amount not to exceed the Cash Revolving Loan Amount, subject to the funding restrictions set forth in this Agreement. Prior to the Maturity Date, Cash Revolving Loans may be repaid and reborrowed.</p> <p>Lender will only be obligated to make a Cash Revolving Loan so long as the Conditions to Funding set forth in Section 3 of this Agreement have been met.</p>
<b>BTC Revolving Loan:</b>	Subject to the terms and conditions of this Agreement, during the Draw Period, and upon the delivery by Borrower to Lender of a completed and executed irrevocable loan request (in a form acceptable to Lender), Lender shall make loans available to Borrower in an aggregate original principal amount not to exceed the BTC Revolving Loan Amount, subject to the funding restrictions set forth in this Agreement. Prior to the Maturity Date, BTC Revolving Loans may be repaid and reborrowed.
<b>Repayment:</b>	<p>For the Cash Revolving Loan, the repayment shall be in the form of Dollars or USDC, depending on the Applicable Currency in which such Loan was funded.</p> <p>For the BTC Revolving Loan, the repayment shall be in the form of BTC in an amount equal to the amount drawn down and outstanding at the time of repayment.</p>
<b>Interest:</b>	The Loans shall accrue interest on the outstanding principal balance at a rate equal to five percent (5.0%) per annum and shall be payable on the Maturity Date (provided that under the BTC Revolving Loan the interest shall be paid in kind based on the number of BTC outstanding at the Maturity Date). Interest is computed on a three hundred sixty (360) day year for the actual number of days elapsed.

US-DOCS\132902736.2

CONFIDENTIAL

PRIVILEGED-CONFIDENTIAL-VOYAGER-00014178  
PRIVILEGED-CONFIDENTIAL-VOYAGER-00014165



Same Sullivan & Cromwell law firm individuals wrote and executed Voyager agreement mimicking FTX/BlockFi "Pledge Agreement" that allow "lend principal, pledge principal, sell principal, rehypothecate principal, transfer principal to unidentified third parties and engage in any other transaction at Voyager's discretion and the depositing investor's sole risk."

22-10943-mew Doc 941 Filed 02/01/23 Entered 02/01/23 15:59:01 Main Document  
Pg 84 of 120

22-10943-mew Doc 186-2 Filed 08/01/22 Entered 08/01/22 15:38:12 Exhibit B  
Pg 73 of 113

#### USE OF PRINCIPAL

14. After investors provide principal to Voyager, their principal is comingled in omnibus accounts, they relinquish control of their principal and Voyager takes legal and beneficial ownership of the principal.

15. Voyager is thereafter able to use principal consistent with the terms of use, and as such it may transfer principal to foreign jurisdictions, lend principal, pledge principal, sell principal, rehypothecate principal, transfer principal to unidentified third parties and engage in any other transaction at Voyager's discretion and the depositing investor's sole risk.

22-10943-mew Doc 830 Filed 01/08/23 Entered 01/08/23 23:43:54 Main Document  
Pg 52 of 241

#### 7. Voyager's Security Processes and Procedures

Voyager has a defined cybersecurity framework that includes protecting people, technology, and digital assets. The security protocols utilize several strategies and activities, including conducting first and third-party security assessments, multi-party computation ("MPC") and asset protection, and diligent monitoring and proactive hunting for risks. The Debtors use four different custodial solutions to hold and safely store a majority of the Cryptocurrency: Fireblocks Inc. ("Fireblocks"), Copper.co ("Copper"), Anchorage Digital Bank N.A. ("Anchorage") and Coinbase Prime Company ("Coinbase"), and one self-custodial software solution called Gnosis (collectively, the "Custodians").<sup>30</sup> Specifically, all of the Custodians use MPC, which is one of the primary technologies custodians in the industry utilize to secure Cryptocurrency assets. Through MPC, private keys are never constructed in one place, which minimizes the possibility for a single point of compromise. To set up keys, wallets typically are "multi-signer" wallets that require a threshold of co-signers on behalf of the Custodian and a threshold of co-signers on behalf of Voyager. None of the parties are able to sign a transaction by themselves to setup a key and none of the Custodians hold the entire "private key" for wallets.

# VOYAGER

## VOYAGER DIGITAL LTD.

### Management's Discussion and Analysis

For the quarter ending March 31, 2022

May 16, 2022





On 7/16/22, SBF tweeted [“Say you tokenized stocks. Instead of waiting 2 days to settle, you can just swap AAPL-token <> USD-token on a blockchain. Which, remember, takes about 10 seconds”](#) [“No remaining settlement uncertainty or risk.”](#) Implying the U.S. Equity (Apple) which should be Custodied by CM-Equity and Tokenized, could easily swap for U.S. Dollar pegged StableCoin.



26) Say you tokenize stocks.

Instead of waiting 2 days to settle, you can just swap AAPL-token <> USD-token on a blockchain. Which, remember, takes about 10 seconds and costs about \$0.0002 in fees.

No remaining settlement uncertainty or risk.

6:05 AM · 7/16/22 · Twitter Web App



17) Ok, so how about market structure?

On January 28th 2021, most major retail brokers shut down.

Users were unable to buy; sometimes they were unable to sell, too. And on some platforms users got liquidated.

The weird thing is that there was basically no leverage!

6:04 AM · 7/16/22 · Twitter Web App



23) And on January 28th 2021, there was a lot of retail trading volume.

Which meant tens (hundreds?) of billions of dollars of pending settlements between tens of counterparties which would take days.

As GME rose in price, so did the potential loss if settlement failed.

6:04 AM · 7/16/22 · Twitter Web App



20) The dollars they send in are routed to the broker's bank account. Their order is in turn routed to a PFOF firm, like Citadel or Virtu.

That firm, in turn, might buy the stock on an ATS from another trading firm, which would finally bid on NASDAQ, or NYSE.

6:04 AM · 7/16/22 · Twitter Web App



On Sep 23, 2022, President of FTX.US Brett Harrison answers SuperStonk's questions. In which Brett Harrison states ["We're not the clearing firm for stocks we partner with Embed"](https://www.youtube.com/watch?v=pbjQH73NKg) ["those are fully collateralized tokens so, you know for every you know one token of you know GME share there's of GME token, there's you know a GME share"](https://www.youtube.com/watch?v=pbjQH73NKg).







Further highlighting knowledge & participation of Sullivan & Cromwell's Andrew Dieterich fraud & False Statement (4) "[Assets Transfer Favored Insiders at Last Minute](#)". On Nov 07, 2022, Andrew Dieterich states: "[That's just Binance silliness. FTX is rock solid, doesn't use customer funds or take credit risk at all. It \[FTX\] cannot have "liquidity" issues because it doesn't lend.](#)"

22-10943-mew Doc 937-13 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 13 -  
November 7 2022 E-mail Pg 2 of 2

From: Dietderich, Andrew G. <[dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)>  
Date: Monday, Nov 07, 2022, 1:55 PM  
To: Azman, Darren <[Dazman@mwe.com](mailto:Dazman@mwe.com)>  
Subject: RE: [EXTERNAL] Re: Town Hall

That's just Binance silliness. FTX is rock solid, doesn't use customer funds or take credit risk at all. It cannot have "liquidity" issues because it doesn't lend.

I'll get back to you on town hall. Discussing calendar and sequence for closing with debtor later this week.

---

From: Azman, Darren <[Dazman@mwe.com](mailto:Dazman@mwe.com)>  
Date: Monday, Nov 07, 2022, 1:09 PM  
To: Dietderich, Andrew G. <[dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)>  
Subject: RE: [EXTERNAL] Re: Town Hall

We are getting a lot of inbounds regarding liquidity issues at FTX/Alameda. We also had a lot of leftover questions from the last town hall. I'm thinking we'd like to do another one next week and would like you for your team to be a part of it. We can't be silent on these issues and I don't want to speak for FTX. Let me know your thoughts on timing and who on your side would be best to join and handle FTX-related questions.

DARREN AZMAN  
Partner

McDermott Will & Emery LLP One Vanderbilt Avenue, New York, NY 10017-3852

Tel +1 212 547 5615 Mobile +1 410 409 7591 Email [dazman@mwe.com](mailto:dazman@mwe.com)

Biography [\[mwe.com\]](#) [\[nam10.safelinks.protection.outlook.com\]](#) | Website [\[mwe.com\]](#) [\[nam10.safelinks.protection.outlook.com\]](#) | vCard [\[dynasend.com\]](#) [\[nam10.safelinks.protection.outlook.com\]](#)



22-10943-mew Doc 937-14 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 14 -  
November 8 2022 E-mail Pg 2 of 2

**From:** Dietderich, Andrew G. <dietdericha@sullcrom.com>  
**Sent:** Tuesday, November 8, 2022 8:34 AM  
**To:** Azman, Darren  
**Cc:** gluecksteinb; FTI\_Voyager; Steinman, Gregg; Williams, Grayson; Evans, Joseph  
**Subject:** RE: [EXTERNAL] Re: Town Hall

[ External Email ]

First I've heard of it. Talking with them later today on Voyager migration protocol and will ask. Assume Binance nonsense. This is getting crazy.

---

**From:** Azman, Darren <Dazman@mwe.com>  
**Date:** Tuesday, Nov 08, 2022, 9:29 AM  
**To:** Dietderich, Andrew G. <dietdericha@sullcrom.com>  
**Cc:** Glueckstein, Brian D. <gluecksteinb@sullcrom.com>, FTI\_Voyager <FTI\_Voyager@fticonsulting.com>, Steinman, Gregg <Gsteinman@mwe.com>, Williams, Grayson <Gwilliams@mwe.com>, Evans, Joseph <Jbevans@mwe.com>  
**Subject:** RE: [EXTERNAL] Re: Town Hall

Andy: Can you let me know whether this story is accurate about FTX withdrawals being paused (removing your client from this email).

<https://www.theblock.co/post/184176/ftx-appears-to-have-stopped-processing-withdrawals-on-chain-data-show-theblock.co>

DARREN AZMAN

Partner

McDermott Will & Emery LLP One Vanderbilt Avenue, New York, NY 10017-3852

Tel +1 212 547 5615 Mobile +1 410 409 7591 Email dazman@mwe.com

Biography [\[mwe.com\]](#) | Website [\[mwe.com\]](#) | vCard [\[dynasend.com\]](#) | Twitter [\[twitter.com\]](#) | LinkedIn [\[linkedin.com\]](#)





Sullivan & Cromwell on 02/01/2023 "[Genesis/BlockFi and FTX transactions](#)" whom also work the November 8 & 9, 2022 FTX/Alameda & BlockFi Pledge Agreements allowing "[pledge, rehypocate, assign, use, commingle, or otherwise dispose of or use any Collateral](#)" including "[Tokenized Stocks](#)" "[mimic the price movements of publicly traded stocks](#)" two day prior to FTX/Alameda Petition for Bankruptcy on November 11, 2022, which highlights Sullivan & Cromwell's Andrew Dietrich Courts Opening Statement full knowledge and participation in [\(4\) "Assets Transfer Favored Insiders at Last Minute"](#).

DocuSign Envelope ID: D4BC4165-8115-4927-1155-A857FA068B5C Case 22-01628-EMK Document 1 Filed 01/05/23 Page 30 of 137 Desc Main Document Page 120 of 137

### PLEDGE AGREEMENT

This PLEDGE AGREEMENT ("*Agreement*") is entered into as of **November 9, 2022** by and among BlockFi Inc. a Delaware corporation, as collateral agent ("*Collateral Agent*") for **BLOCKFI LENDING LLC** ("*BlockFi Lending*") and BLOCKFI INTERNATIONAL LTD. ("*BlockFi International*" and, together with BlockFi Lending, the "*Lenders*" and together with Collateral Agent, the, "*Secured Party*") and **EMERGENT FIDELITY TECHNOLOGIES LTD.**, a company incorporated under the laws of Antigua and Barbuda ("*Pledgor*").

WHEREAS, ALAMEDA RESEARCH LIMITED ("*Borrower*") and BlockFi Lending entered into that certain Master Digital Currency Loan Agreement dated as of July 15, 2019 (together with any loan agreement and any loan term sheet thereunder, and as amended by the Forbearance Agreement referred to below and as amended hereby, and as may have heretofore been or may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced) (the "*BlockFi Lending Master Agreement*");

DocuSign Envelope ID: D4BC4165-8115-4927-1155-A857FA068B5C Case 22-01628-EMK Document 1 Filed 01/05/23 Page 30 of 137 Desc Main Document Page 125 of 137

7. **Rights and Powers of Secured Party** Secured Party shall be free to **pledge, rehypothecate, assign, use, commingle or otherwise dispose of or use any Collateral**. Upon the occurrence of an Event of Default, Secured Party, without liability to Pledgor, may: vote the Collateral; take control of proceeds, including stock received as dividends or by reason of stock splits; take control of funds generated by the Collateral, such as cash dividends, interest and proceeds, and use same to reduce any part of the Guaranteed Obligations and exercise all other rights which an owner of such Collateral may exercise; and, at any time, transfer any of the Collateral or evidence thereof into its own name or that of its nominee. Secured Party shall not be liable for failure to collect any account or instruments, or for any act or omission on the part of Secured Party, its officers, agents or employees, except for any act or omission arising out of their own willful misconduct or fraud. The foregoing rights and powers of Secured Party will be in addition to, and not a limitation upon, any rights and powers of Secured Party given by law, elsewhere in this Agreement, or otherwise.

Exchange coordination

4 weeks

Zane Tackett

C Z  
@Zane Tackett can you give me admin permission for this group?

Done 7:29 AM

C Z  
@SBF stop trying to depeg stablecoins. And stop doing anything. Stop now, don't cause more damage. Pause trading, pause withdrawal of only TRON @Justin Sun . Let the rest play out. 7:31 AM

C Z  
@SBF stop trying to depeg stablecoins. And stop doing anything. Stop now, don't cause more damage. Pause trading, pause withdrawal of only TRON @Justin Sun . Let the rest play out.

huh? 7:31 AM

C Z  
The more damage you do now, the more jail time. 7:31 AM

what am I doing to stablecoins? 7:32 AM

C Z

Today

Hi CZ,

Looks like Alameda is trying to manipulate the Curve pool and depeg Tether

Needless to say, such a misguided move is incredibly destabilizing for the space.

Kudos, for the way, for exposing the FTX fraud. That was masterfully executed.

Sam is trying to take the whole space down with him. Please to get your attention on this, let me know how we can help.

7:33 AM

News is that Alameda is shorting tether on-chain  
Supplying usdc on Aave  
Borrowing usdt on aave  
Swap USDT to usdc on curve 7:34 AM

Exchange coordination

4 weeks

Zane Tackett  
<https://etherscan.io/tx/0x3a91935b5541ff3270a58401ae1b312ea31391efc4de8ebf7589b532ef772699> Thu, Nov 10

just to be clear, is this what you're referencing? 7:34 AM

the \$250k swap 7:34 AM

C Z  
<https://twitter.com/HsakaTrades/status/1590679973416693760> 7:35 AM

yes 7:35 AM

so to be absolutely explicit, CZ:  
are you claiming that you think that \$250k of USDT trading would depeg it? 7:36 AM

C Z  
C Z  
Photo  
ada is shorte  
i have  
sent  
to on curve  
no, I don't think 100x that size will succeed. It just cause small issues here and there, and more work for market makers, etc. 7:37 AM

C Z  
@SBF stop trying to depeg stablecoins. And stop doing anything. Stop now, don't cause more damage. Pause trading, pause withdrawal of only TRON @Justin Sun . Let the rest play out.  
so you said "stop trying to depeg stablecoins"  
are you claiming that I was attempted to depeg USDT by doing a \$250k trade? 7:38 AM

C Z  
My honest advice: stop doing everything. Put on a suit, and go back to DC, and start to answer questions. 7:39 AM

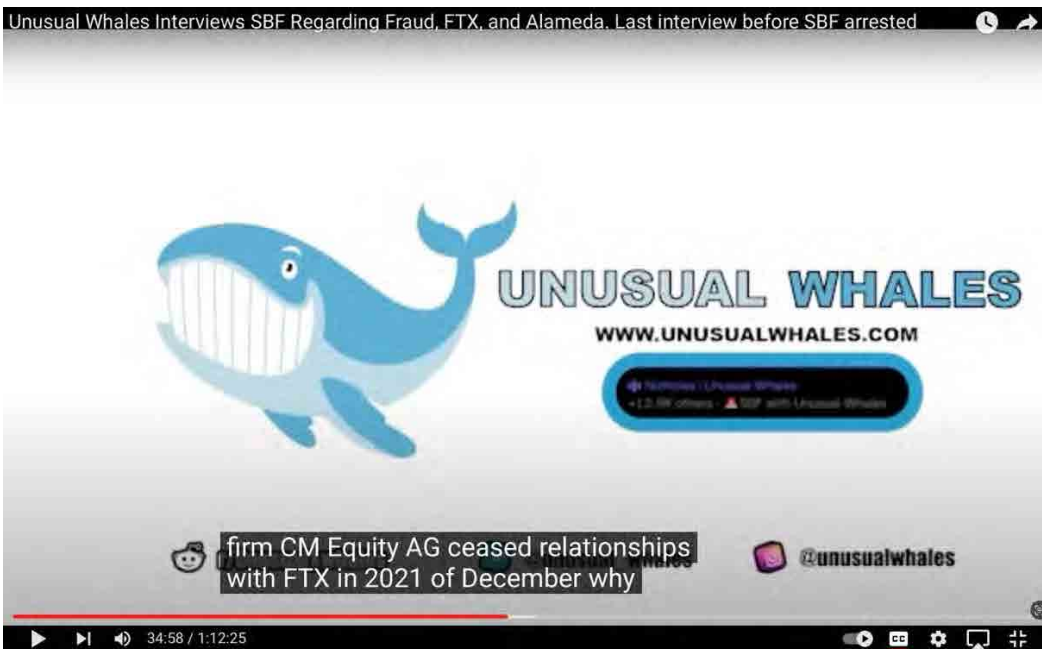
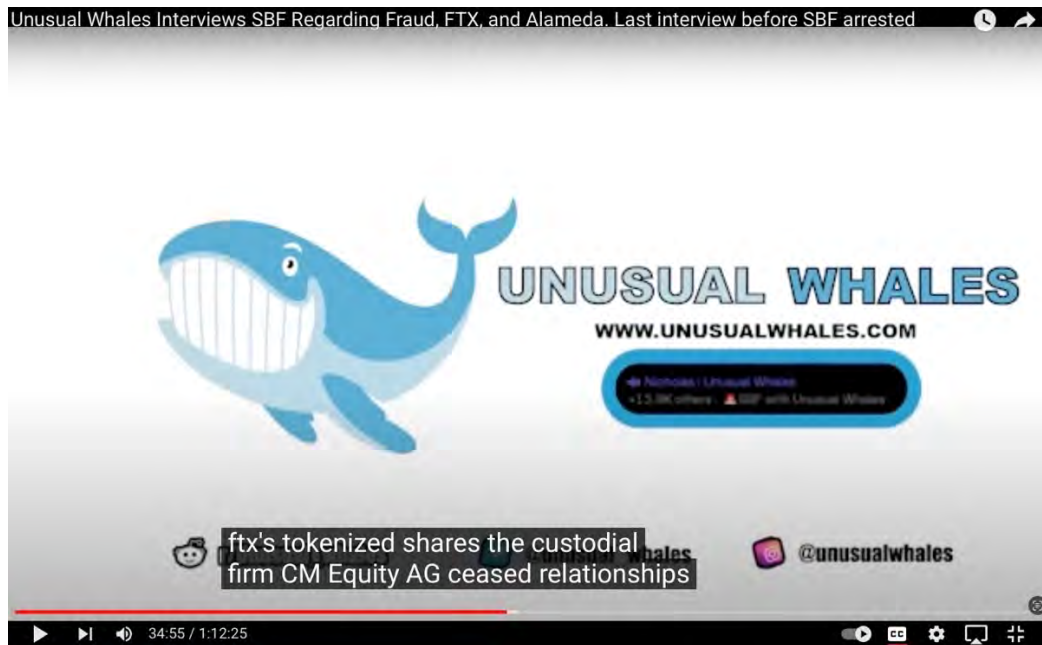
Thanks for the advice!  
I do kind of want to get clarity, though.  
Did you attempt to accuse me of trying to depeg a stablecoin by doing a \$250k trade? 7:40 AM

C Z  
Anyone object me remove SBF from here? I think we should coordinate a bit to see how we best work together to help stabilize and restore confidence for the market. 7:41 AM





On December 12, 2022, Unusual Whales Interviews SBF Regarding Fraud, FTX, and Alameda. Included in the interview, “FTX’s Tokenized Shares the custodial firm CM-Equity AG ceased relationship with FTX in 2021 of December” whether Tokenized Stocks were backed 1:1 with real U.S. Equities of Stock. The same (9.9%) Ownership of CM-Equity by FTX Europe AG.





The (57) Tokenized Stocks with a valuation of \$0 on FTX Exchanges were researched by Sullivan & Cromwell's analyst Sabrina Howell. ["Tokenized Stocks are Derivatives that aim to mimic the price movements of publicly traded stocks."](#) ["The tokenized stocks on the Debtor's exchanges were not otherwise tradeable outside of the Debtors' exchanges."](#)

**F. Tokenized Stock Prices Are Specific to the Debtors' Exchanges.**

57. As explained by Professor Howell, tokenized stocks are derivatives that aim to mimic the price movements of publicly traded stocks. (Howell Rep. ¶ 37.) The tokenized stocks on the Debtors' exchanges were not otherwise tradeable outside of the Debtors' exchanges. (*Id.* ¶ 38.) Therefore, Professor Howell considered tokenized stocks to amount to a financial contract between a customer and the Debtors to track a stock price. (*Id.*) Accordingly, the price of the tokenized stocks on the Debtors' exchanges—rather than same tokenized stocks on other exchanges or the underlying stocks themselves—best reflect the Petition Time value of such tokenized stocks. (*Id.*)





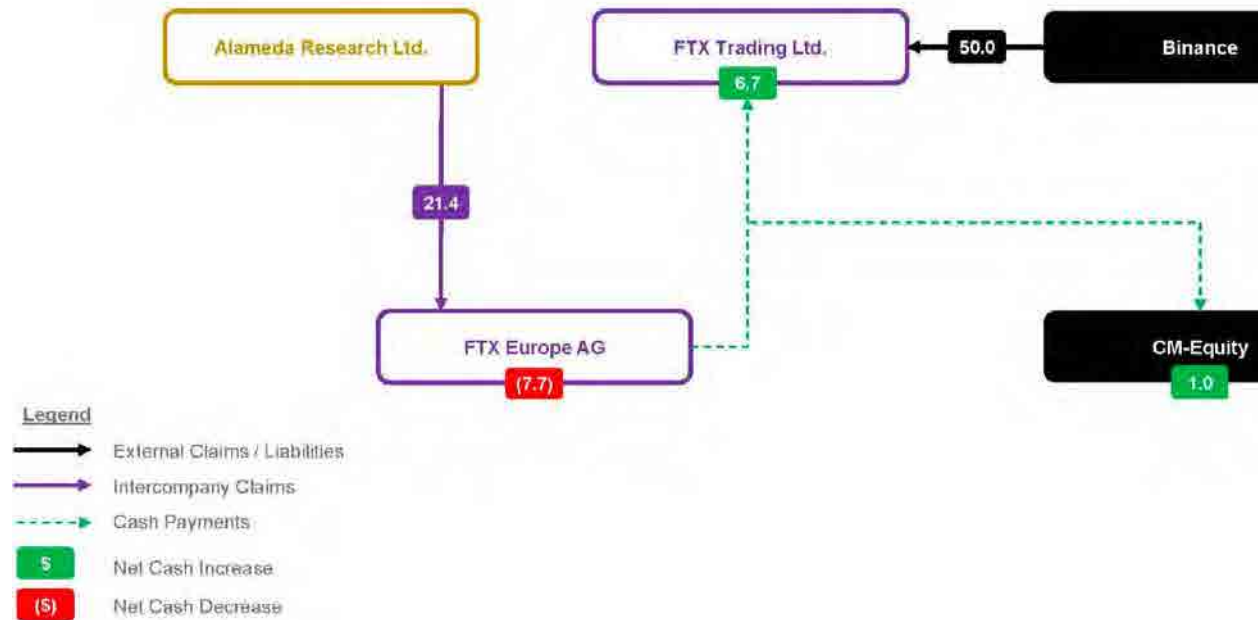
Using “[Tokenized Stocks Agreement and Collateral Agreement](#)”, Binance, FTX, and CM-Equity laundered & embezzled (57) U.S. Equities Values. Transferring minimum funds to FTX Trading Ltd. and even Fewer Funds to Custodian CM-Equity. Then using these “Tokenized Stocks” as “Collateral Agreements” with Bank i.e. Silicon Valley Bank.

Case 22-11068-JTD Doc 11626 Filed 04/10/24 Page 6 of 18

## Pro Forma Positions

(Amounts in \$Millions)

### FTX Europe – Overview of Key Positions (Post Collateral Agreement and Inter-Debtor)





8. I understand that, on October 27, 2020, CM-Equity and FTX Europe (formerly known as Digital Assets DA AG) entered into that certain Framework Purchase Agreement Regarding Collateral Contracts (the “Collateral Agreement”) pursuant to which CM-Equity made certain payments to FTX Europe from time to time to collateralize tokenized stock trading of CM-Equity’s customers (the “Collateral Payments”).

9. I understand that, on April 1, 2021, Binance and CM-Equity entered into that certain Agreement on the Purchase and Sale of Tokenized Stocks (the “Tokenized Stocks Agreement”) and together with the Collateral Agreement, the “Tokenized Stock and Collateral Agreements”), pursuant to which Binance purchased certain tokenized stocks from CM-Equity. The Debtors are not party to the Tokenized Stocks Agreement. I further understand that Binance has initiated arbitration in Germany for the return of \$65 million against CM-Equity in respect of collateral transferred by Binance to CM-Equity pursuant to the Tokenized Stocks Agreement.

#### RECITALS

WHEREAS, on October 27, 2020, CM Equity and FTX Europe (formerly known as Digital Assets DA AG) entered into that certain Framework Purchase Agreement Regarding Collateral Contracts (the “Collateral Agreement”) pursuant to which CM Equity made certain payments to FTX Europe from time to time to collateralize tokenized stock trading of CM Equity’s customers (the “Collateral Payments”);

WHEREAS, on April 1, 2021, Binance and CM Equity entered into that certain Agreement on the Purchase and Sale of Tokenized Stocks (the “Tokenized Stocks Agreement”), pursuant to which Binance purchased certain tokenized stocks from CM Equity, and Binance, in connection with transactions thereunder, has made demands for payments in the amount of sixty five million Dollars (\$65,000,000) against CM Equity (the “Binance Claim”) and has initiated an arbitration against CM Equity administered by the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit*) (the “DIS”) under the case file number DIS-SV-2023-00838 (the “Arbitration”);





## II. Collateral Transactions with CM-Equity

10. On October 27, 2020, CM-Equity and FTX Europe (formerly known as Digital Assets DA AG) entered into that certain Framework Purchase Agreement Regarding Collateral Contracts (the “Collateral Agreement”) pursuant to which CM-Equity made certain payments to FTX Europe from time to time to collateralize tokenized stock trading of CM-Equity’s customers (the “Collateral Payments”). See Coverick Decl. ¶ 8.

11. On April 1, 2021, Binance and CM-Equity entered into that certain Agreement on the Purchase and Sale of Tokenized Stocks (the “Tokenized Stocks Agreement” and together with the Collateral Agreement, the “Tokenized Stock and Collateral Agreements”), pursuant to which Binance purchased certain tokenized stocks from CM-Equity. The Debtors are not party to the Tokenized Stocks Agreement. The Debtors understand that Binance has

Case 22-11068-JTD Doc 11626 Filed 04/10/24 Page 7 of 18

initiated arbitration in Germany for the return of \$65 million against CM-Equity in respect of collateral transferred by Binance to CM-Equity pursuant to the Tokenized Stocks Agreement. See Coverick Decl. ¶ 9.

12. In connection with the Collateral Payments, CM-Equity filed a proof of claim in these Chapter 11 Cases in the amount of \$65 million against FTX Europe and a proof of claim in the amount of EUR 68,544,156.16 including interest against FTX Europe in its moratorium proceedings in Switzerland (the “Moratorium Proceeding”) (collectively, the “CME Claim”). See Coverick Decl. ¶ 10.



Sullivan & Cromwell using forged Sam Bankman-Fried's Signature on "Omnibus Corporate Authority" releases ["CM-Equity from and with respect to Binance's claim against CM-Equity and all other claims relating to the Collateral Agreement"](#).

Case 22-11068-JTD Doc 11626 Filed 04/10/24 Page 8 of 18

Settlement Agreement and the Inter-Debtor Restructuring Agreement, Swiss Court approval of the Collateral Claim Settlement Agreement and the Inter-Debtor Restructuring Agreement, and the execution and delivery of the Inter-Debtor Restructuring Agreement (collectively, the "Settlement Conditions"), (i) CM-Equity agrees to release the Debtors and Binance from and with respect to the CME Claim and all other claims relating to the Collateral Agreement, the Tokenized Stocks Agreement and related transactions; (ii) Binance agrees to release the Debtors and CM-Equity from and with respect to Binance's claim against CM-Equity and all other claims relating to the Collateral Agreement, the Tokenized Stocks Agreement and related transactions; (iii) the Debtors agree to release Binance and CM-Equity from and with respect to the CME Claim, Binance's claim against CM-Equity, and all other claims relating to the Collateral Agreement, the Tokenized Stocks Agreement and related transactions; (iv) FTX Trading agrees to allow a general unsecured claim of Binance in an amount of \$50 million (the "Binance Allowed Claim"); and (v) FTX Trading agrees to pay CM-Equity \$1 million in cash (the "CM-Equity Payment") within 10 business days following the satisfaction of the Settlement





Section 1. Release by CM Equity.

Subject to the satisfaction of the Settlement Conditions, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as of the date on which the Settlement Conditions are satisfied, CM Equity, on behalf of itself, its directors, shareholders, and its affiliates and their respective successors and assigns (collectively, the "CME Releasers"), to the fullest extent permitted by law, hereby generally, irrevocably, forever, and fully release, waive and discharge, each of (i) the Debtors and their affiliates, together with their respective present and former officers, directors, employees, agents, advisors and representatives, and each such person or entity's respective successors and assigns (collectively the "Debtor Releasees") and (ii) Binance and its affiliates, together with their respective present and former officers, directors, employees, agents, advisors, representatives, shareholders, and ultimate beneficial owners, and each such person or entity's respective successors and assigns (collectively the "Binance Releasees") from and with respect to the CME Claim and any and all other claims,

Case 22-11068-JTD Doc 11626-3 Filed 04/10/24 Page 4 of 36

obligations, rights, suits, damages, causes of action, remedies and liabilities, of any kind, nature or description solely arising out of or relating to collateral transferred by Binance to CM Equity, by CM Equity to FTX Europe and its affiliates, and/or Binance to FTX Europe and its affiliates, and any other transactions entered into pursuant to or in connection with the Collateral Agreement and/or the Tokenized Stocks Agreement, which the CME Releasers, or any of them, ever had or now has against the Debtor Releasees or the Binance Releasees.

Section 2. Releases by Binance.

(a) Subject to the satisfaction of the Settlement Conditions, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as of the date on which the Settlement Conditions are satisfied, Binance, on behalf of itself, its directors, shareholders, and its affiliates and their respective successors and assigns (collectively, the "Binance Releasers"), to the fullest extent permitted by law, hereby generally, irrevocably, forever, and fully release, waive and discharge, each of CM Equity and its affiliates, together with their respective officers, directors, employees, agents, advisors and representatives, and each such person or entity's respective successors and assigns (collectively the "CM Equity Releasees") from and with respect to the Binance Claim, and any and all other claims, obligations, rights, suits, damages, causes of action, remedies and liabilities, of any kind, nature or description solely arising out of or relating to collateral transferred by Binance to CM Equity, by CM Equity to FTX Europe and its affiliates, and/or Binance to FTX Europe and its affiliates, and any other transactions entered into pursuant to or in connection with the Tokenized Stocks Agreement, which the Binance Releasers, or any of them, ever had or now has against the CM Equity Releasees.





Essentially Sullivan & Cromwell representing; Creditor & Debtor, Lender & Borrower, Brokerages & Custodian of Assets. One such conflicts of Lender & Borrower, Sullivan & Cromwell represents is FTX and BlockFi. On November 9, 2022, two days before the FTX bankruptcy petition, FTX attempted to move assets to BlockFi. Filing and submitting to the court on November 9, 2022 FTX/Alameda & BlockFi Pledge Agreements allowing "pledge, rehypocate, assign, use, commingle, or otherwise dispose of or use any Collateral" including "Tokenized Stocks" "mimic the price movements of publicly traded stocks" two day prior to FTX/Alameda Petition for Bankruptcy on November 11, 2022.

DocuSign Envelope ID: 1B641858-1151-4827-A45E-A85FBA068B6C  
Case 22-01624-BK-11068-110 Filed 11/19/22 Entered 11/05/23 19:22:13 Desc Main Document Page 107 of 137

## PLEDGE AGREEMENT

This PLEDGE AGREEMENT ("*Agreement*") is entered into as of November 9, 2022, by and among BlockFi Inc, a Delaware corporation, as collateral agent ("*Collateral Agent*") for BLOCKFI LENDING LLC ("*BlockFi Lending*") and BLOCKFI INTERNATIONAL LTD. ("*BlockFi International*" and, together with BlockFi Lending, the "*Lenders*" and, together with Collateral Agent, the, "*Secured Party*") and ALAMEDA RESEARCH LIMITED ("*Pledgor*").

WHEREAS, Pledgor and BlockFi Lending entered into that certain Master Digital Currency Loan Agreement dated as of July 15, 2019 (together with any loan agreement and any loan term sheet thereunder, and as amended by the Forbearance Agreement referred to below and as amended hereby, and as may have heretofore been or may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced) (the "*BlockFi Lending Master Agreement*");

DocuSign Envelope ID: 1B641858-1151-4827-A45E-A85FBA068B6C  
Case 22-01624-BK-11068-110 Filed 11/19/22 Entered 11/05/23 19:22:13 Desc Main Document Page 111 of 137

6. **Rights and Powers of Secured Party.** Secured Party shall be free to pledge, rehypothecate, assign, use, commingle or otherwise dispose of or use any Collateral. Upon the occurrence of an Event of Default, Secured Party, without liability to Pledgor, may: vote the Collateral; take control of proceeds, including stock received as dividends or by reason of stock splits; take control of funds generated by the Collateral, such as cash dividends, interest and proceeds, and use same to reduce any part of the Secured Obligations and exercise all other rights which an owner of such Collateral may exercise; and, at any time, transfer any of the Collateral or evidence thereof into its own name or that of its nominee. Secured Party shall not be liable for failure to collect any account or instruments, or for any act or omission on the part of Secured Party, its officers, agents or employees, except for any act or omission arising out of their own willful misconduct or fraud. The foregoing rights and powers of Secured Party will be in addition to, and not a limitation upon, any rights and powers of Secured Party given by law, elsewhere in this Agreement, or otherwise.





The FTX Crypto Exchanges that Offers Tokenized Stocks; whom repledge, reloan, & commingle assets with convoluted Company Ownership Structures i.e. [\(FTX Contract Controlling Ownership by Binance\)](#). These Complex Ownership Structures for example have Covenants that only allow Binance ***“Pass any resolution approving liquidation, dissolution or winding up or the initiation of bankruptcy proceedings or apply for the appointment of a receiver, judicial manager or like”***, which bankruptcy was used to conceal these Venture Loans obtained i.e. Silicon Valley Bank with same Collateral reused over & over.

Case 22-11068-JTD Doc 4620-1 Filed 12/11/23 Page 134 of 180

promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

2. **Vote to Increase Authorized Common Shares.** Each Shareholder agrees to vote or cause to be voted all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Shares from time to time to ensure that there will be sufficient shares of Common Shares available for conversion of all of the shares of Preferred Shares outstanding at any given time.

3. **Covenants.** For so long as Binance holds more than 25% of the Series A Preferred Shares originally issued to Binance pursuant to the Purchase Agreement, the Company will not, without the written consent of Binance, take any of the following actions:

(a) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from a digital asset exchange;

(b) For the first \$200,000,000 of cumulative profits, with such computation commencing from the date of Closing (the ***“Initial Profits”***), award bonuses to employees that are equal to or greater than 25% of the Company's annual profits for the immediately preceding fiscal year;

(c) For profits in excess of the Initial Profits, award bonuses to employees that are equal to or greater than 50% of the Company's annual profits for the immediately preceding fiscal year. Annual profits shall be reasonably determined by the Board in accordance with the information delivered by the Company to Binance under Section 3 (Information Rights) of the Investor's Rights Agreement entered into between the Company and Binance concurrently with the execution of this Agreement;

(d) Accept an investment in capital equity or any instrument convertible or exchangeable for capital equity from an unaffiliated third party, other than Binance (such consent not to be unreasonably withheld);

(e) Alter or change the rights, preferences or privileges of the Preferred Shares in a manner that is materially adverse to the Preferred Shares, provided, that the creation of any new class or series of shares shall be deemed to not be materially adverse to the Preferred Shares;

(f) Effect a recapitalization, reclassification, split-off or spin off that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company;

(g) Amend any provision of the Restated Articles that would be reasonably expected to have any material adverse effect on the holders of Preferred Shares shareholding or rights in the Company; or

(h) Pass any resolution approving liquidation, dissolution or winding up or the initiation of bankruptcy proceedings or apply for the appointment of a receiver, judicial manager or like officer; provided, that the Company shall not need the written consent of Binance to pass a resolution enacting any of the foregoing actions that are taken in connection with any merger, acquisition or similar transaction involving a Sale of the Company or all or substantially all of its assets.

Except as otherwise provided in the foregoing, Binance agrees that it shall execute such consents, waivers, documents and/or instruments and to take such actions as may be reasonably necessary to ensure that the Company will have full operational independence.

DocuSign Envelope ID: 6B32823A-B0A8-4F6A-B067-C7F51680A0D4 Case 22-11068-JTD Doc 4620-1 Filed 12/11/23 Page 150 of 180

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above:

**FTX TRADING LTD.**

By: Samuel Bankman-Fried  
7440171101014401

Name: Samuel Bankman-Fried

Title: Chief Executive Officer

**FINANCE CAPITAL MANAGEMENT CO., LTD.**

By: Changping Zhao  
7440171101014401

Name: Changping Zhao

Title: Chief Executive Officer

SIGNATURE PAGE TO SERVICES AGREEMENT



**VOTING AGREEMENT**

THIS VOTING AGREEMENT (this “**Agreement**”), is made and entered into as of this 27th day of November, 2019 (the “**Effective Date**”), by and among FTX Trading Ltd., a company established under the laws of Antigua and Barbuda (the “**Company**”), each holder of the Series A Preferred Shares of the Company (“**Series A Preferred Shares**” or “**Preferred Shares**”) listed on Schedule A (together with any subsequent investors, or transferees, who become parties hereto as “**Investors**” pursuant to Subsections 7.1(a) or 7.2 below, the “**Investors**”), and those certain shareholders of the Company listed on Schedule B (together with any subsequent shareholders, or any transferees, who become parties hereto as “**Key Holders**” pursuant to Subsection 7.2 below, the “**Key Holders**,” and together collectively with the Investors, the “**Shareholders**”).

**RECITALS**

A. Concurrently with the execution of this Agreement, the Company and the Investors are entering into a Series A Preferred Share Purchase Agreement (the “**Purchase Agreement**”) providing for the sale of shares of the Series A Preferred Shares, and in connection with that agreement the parties desire to provide the Investors with the right, among other rights, to designate the election of certain members of the board of directors of the Company (the “**Board**”) in accordance with the terms of this Agreement.

B. The Amended and Restated Memorandum and Articles of Association of the Company (the “**Restated Articles**”) provides that the holders of record of the shares of Common Shares, voting as a separate class, shall be entitled to elect one director of the Company.

NOW, THEREFORE, the parties agree as follows:

1. **Voting Provisions Regarding the Board.**

1.1 **Size of the Board.** Subject to Subsection 1.2(b) below, each Shareholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at one director. For purposes of this Agreement, the term “**Shares**” shall mean and include any securities of the Company that the holders of which are entitled to vote for members of the Board, including without limitation, all Common Shares and Series A Preferred Shares, by whatever name called, now owned or subsequently acquired by a Shareholder, however acquired, whether through share splits, share dividends, reclassifications, recapitalizations, similar events or otherwise.

1.2 **Board Composition.** Each Shareholder agrees to vote, or cause to be voted, all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of shareholders at which an election of directors is held or pursuant to any written consent of the shareholders, subject to Section 5, the following persons shall be elected to the Board:

(a) Samuel Bankman-Fried (the “**Founder**”) for so long as he remains an officer of the Company, except that if he declines or is unable to serve, his successor shall be designated by the holders of a majority of the Common Shares outstanding; and

(b) If, in connection with an investment in the equity capital of the Company from a third-party unaffiliated with the Company, any investor designee is elected to serve on the Board, then Binance Capital Management Co. Ltd. (“**Binance**”) shall have the right to appoint one (1) individual to serve on the Board, for so long as such other incoming investor has a designee serving on the Board.

**SOFTWARE LICENSE, TOKENIZATION, AND CO-MARKETING AGREEMENT**

This Software License, Tokenization, and Co-Marketing Agreement (this “**Agreement**”), effective as of April 15, 2019 (the “**Effective Date**”), is by and between Cottonwood Grove Limited, a Hong Kong company (“**Licensor**”) and FTX Trading Ltd., a company established under the laws of Antigua and Barbuda (“**Licensee**”). Licensor and Licensee may be referred to herein collectively as the “**Parties**” or individually as a “**Party**”.

WHEREAS, Licensor has developed a proprietary software platform described in Exhibit A attached hereto (the “**Cottonwood Platform**”);

WHEREAS, FTX is a cryptocurrency derivatives exchange that offers futures, leveraged tokens, and OTC trading who wishes to use the Cottonwood Platform as part of its business activities (the “**Exchange**”);

WHEREAS, Licensor desires to license the Cottonwood Platform to Licensee, and Licensee desires to purchase a license to use the Cottonwood Platform, and in each case, subject to the terms and conditions of this Agreement;

WHEREAS, Licensor desires to sell blockchain-based cryptographic tokens (the “**Tokens**”) to the public that provide holders an economic return linked to payments made to Licensor by Licensee in consideration of the Cottonwood Platform license;

WHEREAS, Licensor desires Licensee’s assistance in marketing and promoting the Token and Licensee desires Licensor’s assistance in marketing and promoting the Exchange;

WHEREAS, in connection with marketing the Tokens, Licensee is willing to list the Tokens for trading on the Exchange, treat the Tokens as good collateral on the exchange, and provide Token holders with promotional rates for trading costs;

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

(a) “**Documentation**” means the operator and user manuals, training materials, specifications, minimum system configuration requirements, compatible device and hardware list and other similar materials in hard copy or electronic form provided or made available by Licensor to Licensee (including any revised versions thereof) to assist with or describe the Software, which may be updated from time-to-time upon notice to Licensee.

(b) “**Intellectual Property Rights**” means patent rights (including patent applications and disclosures), copyrights, trademarks, trade secrets, know-how and any other intellectual property rights recognized in any country or jurisdiction in the world.

(c) “**Licensor IP**” means the Software, any other products and services provided by Licensor under this Agreement (including the Professional Services and support services provided hereunder), all improvements, modifications or enhancements to, or derivative works of, the foregoing, and all Intellectual Property Rights in and to any of the foregoing.

(d) “**Person**” means any individual, corporation, partnership, trust, limited liability company, association, governmental authority or other entity.





Initial false statements by [Sabrina Howell during hearing {Time Stamp 1:47:17}](#) states “Brian Glueckstein and his team at Sullivan & Cromwell”.

Lawyer Question: “When you completed did you send it to anyone for review, before it was filed?”

Sabrina Howell Answer: “I was the finally reviewer”



As [01/31/2024 Alvarez & Marsal Invoices states:](#)

“12/8/2023 2.7 Review and provide comments to Howell expert report”

“12/14/2023 2.6 Review the draft Howell Report and provide comments”

“12/14/2023 1.1 Review the Appendix C for the Howell Report and provide comments”

“12/18/2023 2.9 Review the draft of the Howell report and provide feedback”

“12/21/2023 2.8 Review the last draft of the Howell report and provide feedback”

“12/22/2023 2.8 Review the latest Howell report and provide feedback”



These Alvarez & Marsal Invoice Entries Contradicts [Sabrina Howell's statements {Time Stamp 1:47:17}](#) "I was the finally reviewer".

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 402 of 672

*Exhibit D*

*FTX Trading Ltd., et al.,  
Time Detail by Activity by Professional  
December 1, 2023 through December 31, 2023*

**Claims**

Professional	Date	Hours	Activity
Walia, Gaurav	12/14/2023	1.1	Review the Appendix C for the Howell Report and provide comments

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 416 of 672

Walia, Gaurav	12/18/2023	0.9	Update the list of tokenized stock in the pricing master
Walia, Gaurav	12/18/2023	2.9	Review the draft of the Howell report and provide feedback

Case 22-11068-JTD Doc 6864-2 Filed 01/31/24 Page 184 of 672

Johnston, David	12/1/2023	0.5	Call with D. Johnston, E. Mosley (A&M) to discuss tokenized stocks and next steps
-----------------	-----------	-----	---





01/31/2024 AlixPartners Forensic Investigation Invoices for FTX & Related Entities “Caroline 3/31/2022 balance sheet” “related to specific tokenized stock loans”, Sullivan & Cromwell’s Andrew Dietderich would have had access to the (57) “tokenized stock loans” & “Futures”, whom now the “OCC also clears certain stock loan and futures transactions” requesting SEC’s “Adjusting Certain Parameters in Its Proprietary System for Calculating Margin Requirements”.

Case 22-11068-JTD Doc 6728-1 Filed 01/28/24 Page 30 of 36

Asset		Price	Asset		Price
[A]		[B]	[A]		[B]
Futures (Cont.)			Futures (Cont.)		
1039.	ALGO-PERP	\$0.3022000	1133.	EOS-1230	\$0.8737500
1040.	ALICE-PERP	\$1.0097500	1134.	EOS-PERP	\$0.8677500
1041.	ALPHA-PERP	\$0.0895000	1135.	ETC-PERP	\$21.1215000
1042.	ALT-1230	\$1.817.8000000	1136.	ETH-0331	\$1.195.7000000
1043.	ALT-PERP	\$1.817.0000000	1137.	ETH-1230	\$1.220.0000000
1044.	AMC-1230	\$6.6562500	1138.	ETH-PERP	\$1.223.2500000
1045.	AMD-1230	\$59.2200000	1139.	ETHE-1230	\$8.7000000
1046.	AMPL-PERP	\$0.9584000	1140.	ETHW-PERP	\$2.6000000
1047.	AMZN-1230	\$85.0000000	1141.	EXCH-1230	\$5.681.0000000
1048.	ANC-PERP	\$0.1469765	1142.	EXCH-PERP	\$5.540.1000000
1049.	APE-1230	\$2.6280000	1143.	FB-1230	\$108.0100000
1050.	APE-PERP	\$3.1415000	1144.	FIDA-PERP	\$0.1148000
1051.	APT-PERP	\$4.5700000	1145.	FIL-1230	\$4.5200000
1052.	AR-PERP	\$9.5000000	1146.	FIL-PERP	\$4.8874211
1053.	ARKK-1230	\$73.0000000	1147.	FLM-PERP	\$0.0809400
1054.	ASD-PERP	\$0.0430000	1148.	FLOW-PERP	\$1.2974309
1055.	ATLAS-PERP	\$0.0017165	1149.	FLUX-PERP	\$0.4600000
1056.	ATOM-1230	\$18.5000000	1150.	FTM-1230	\$0.2303000
1057.	ATOM-PERP	\$11.6225000	1151.	FTM-PERP	\$0.1893000
1058.	AUDIO-PERP	\$0.1506500	1152.	FTT-PERP	\$1.9770000
1059.	AVAX-1230	\$12.8000000	1153.	FTXDXY-PERP	\$111.9907155
1060.	AVAX-PERP	\$12.7420000	1154.	FXS-PERP	\$4.5600000
1061.	AXS-1230	\$6.8659095	1155.	GAL-PERP	\$1.1145000
1062.	AXS-PERP	\$6.8920000	1156.	GALA-PERP	\$0.0286000
1063.	BABA-1230	\$67.3111523	1157.	GBTC-1230	\$9.7125000
1064.	BADGER-PERP	\$2.7460000	1158.	GDX-1230	\$24.2000000
1065.	BAL-1230	\$5.5250000	1159.	GDXJ-1230	\$32.0000000
1066.	BAL-PERP	\$5.0950000	1160.	GLD-1230	\$151.7000000
1067.	BAND-PERP	\$2.0286000	1161.	GLMR-PERP	\$0.4610000
1068.	BAT-PERP	\$0.2461000	1162.	GMP-1230	\$27.7250000

Case 22-11068-JTD Doc 6728-1 Filed 01/28/24 Page 35 of 36

Asset		Price
[A]		[B]
Futures (Cont.)		
1275.	STMX-PERP	\$0.0047150
1276.	STORJ-PERP	\$0.3078111
1277.	STX-PERP	\$0.2099804
1278.	SUSHI-1230	\$0.9257000
1279.	SUSHI-PERP	\$1.2376000
1280.	SXP-1230	\$0.2270000
1281.	SXP-PERP	\$0.2035000
1282.	THETA-PERP	\$1.0464000
1283.	TLM-PERP	\$0.0159950
1284.	TLRY-1230	\$2.9320000
1285.	TOMO-PERP	\$0.3590000
1286.	TONCOIN-PERP	\$0.8165000
1287.	TRU-PERP	\$0.0272500
1288.	TRUMP2024	\$0.2300000
1289.	TRX-1230	\$0.0724900
1290.	TRX-PERP	\$0.0588975
1291.	TRYB-PERP	\$0.0506800
1292.	TSLA-1230	\$185.0000000



Sullivan & Cromwell's Andrew Dietderich & Brian Glueckstein filing of [01/28/24 "Ombus Reply in Support of Motion of Debtors \[FTX\] to Estimate Claims Based on Digital Assets"](#)

"As explained by Professor Howell, tokenized stocks are derivatives that aim to mimic the price movements of publicly traded stocks"

"Professor Howell considered tokenized stocks to amount to a financial contract between a customer and the Debtors to track a stock price"

"FTT, simulating a stock repurchase/dividend"

Case 22-11068-JTD Doc 6728 Filed 01/28/24 Page 35 of 35  
Assets. Estimation will allow the Debtors to proceed to confirmation and distributions in a timely manner without unnecessary delay.

**CONCLUSION**

For the reasons stated above, the Court should overrule the Objections, grant the Motion and enter the revised Order, attached hereto as Exhibit A.

Dated: January 28, 2024  
Wilmington, Delaware

**LANDIS RATH & COBB LLP**

/s/ Matthew R. Pierce  
Adam G. Landis (No. 3407)  
Kimberly A. Brown (No. 5138)  
Matthew R. Pierce (No. 5946)  
919 Market Street, Suite 1800  
Wilmington, Delaware 19801  
Telephone: (302) 467-4400  
Facsimile: (302) 467-4450  
E-mail: [landis@lrclaw.com](mailto:landis@lrclaw.com)  
[brown@lrclaw.com](mailto:brown@lrclaw.com)  
[pierce@lrclaw.com](mailto:pierce@lrclaw.com)

-and-

**SULLIVAN & CROMWELL LLP**

[Andrew G. Dietderich](#) (admitted *pro hac vice*)  
[James L. Bromley](#) (admitted *pro hac vice*)  
[Brian D. Glueckstein](#) (admitted *pro hac vice*)  
[Alexa J. Kranzley](#) (admitted *pro hac vice*)  
125 Broad Street  
New York, New York 10004  
Telephone: (212) 558-4000  
Facsimile: (212) 558-3588  
E-mail: [dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)  
[bromleyj@sullcrom.com](mailto:bromleyj@sullcrom.com)  
[glueckstemb@sullcrom.com](mailto:glueckstemb@sullcrom.com)  
[kranzleya@sullcrom.com](mailto:kranzleya@sullcrom.com)

*Counsel for the Debtors and Debtors-in-Possession*





Further highlighting [Sullivan & Cromwell's Andrew Dietderich {TimeStamp 29:25}](#) full knowledge & participation of "amount of claims" "\$23.6 quintillion" "stock loan" "futures" fraud.



Sullivan & Cromwell's Andrew Dietderich false statements under oath are highlighted in his [Opening Statement to the Court on 1/31/2024 {TimeStamp 18:48}](#):

1. "We Remember What it was it like November 2022"
2. "Emergency Filing on No Notice"
3. "No Adequate books & records"
4. "Assets Transfer Favored Insiders at Last Minute"





During the course of FTX bankruptcy proceedings, FTX Bankruptcy Estate has filed at Minimum (57) Tokenized Stocks listed on the FTX platform and affiliates alone. Each of these (57) Tokenized Stocks, were supposed to be custodied by [CM-Equity AG](#) “[Compliant and licensed financial institute](#)”. Further FTX bankruptcy filings show (9.9%) Ownership of CM-Equity was by FTX Europe AG (formally known as Digital Assets DAAG), using the 9.9% to bypass Reporting Requirements. Same Entities/Companies that were supposed to be the custodian of the Tokenized Stocks.

Case 22-11068-JTD Doc 2029 Filed 07/31/23 Page 39 of 55

Debtor Name: **FTX Europe AG**

Case Number: 22-11075 (JTD)

**Assets - Real and Personal Property**

**Part 4, Question 15:** Non-publicly traded stock interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture.

Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture (Name of entity:)	% of Ownership	Valuation method used for current value	Current value of debtor's interest
<b>CM-EQUITY AG</b>	9.9%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined

Additional FTX Bankruptcy filings, highlights additional ownership stakes in [“IEX Exchange is a national securities exchange, facilitating the trading of U.S. equities”](#) and Embed “a stock clearing firm and FINRA licensed broker-dealer”, which West Realm Shire Inc. (a 100% subsidiary of FTX) owned 100% of Embed Financial Technologies Inc.

Case 22-11068-JTD Doc 2070 Filed 07/31/23 Page 41 of 84

Debtor Name: **West Realm Shires Inc.**

Case Number: 22-11183 (JTD)

**Assets - Real and Personal Property**

**Part 4, Question 15:** Non-publicly traded stock interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture.

Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture (Name of entity:)	% of Ownership	Valuation method used for current value	Current value of debtor's interest
<b>EMBED FINANCIAL TECHNOLOGIES INC.</b>	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined





Elaborate shell companies like “FTX Trading GmbH” & “West Realm Shire Inc.”, had “Joint Venture Agreements”, “Collaboration Agreements”, and “Subscription Agreements” with FTX’s parent and/or subsidiaries companies allowing Stock Equity positions.

Case 22-11068-JTD Doc 1995 Filed 07/31/23 Page 45 of 48

**Fill in this information to identify the case:**

Debtor name **FTX Trading GmbH**

United States Bankruptcy Court for the: District of Delaware

Case number (if known): 22-11123 (JTD)

☐ Check if this is an amended filing

**Official Form 206G**

**Schedule G: Executory Contracts and Unexpired Leases**

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, numbering the entries consecutively.

**1. Does the debtor have any executory contracts or unexpired leases?**

- ☐ No. Check this box and file this form with the court with the debtor's other schedules. There is nothing else to report on this form.
- ☒ Yes. Fill in all of the information below even if the contracts or leases are listed on Schedule A/B: Assets - Real and Personal Property (Official Form 206A/B).

**2. List all contracts and unexpired leases**

**State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease**

2.1

State what the contract or lease is for and the nature of the debtor's interest

**JOINT VENTURE AGREEMENT DATED 10/27/2020**

**CM-Equity**  
Kaufingerstraße 20  
Munich, 80331  
GERMANY

State the term remaining

List the contract number of any government contract



These “fraudulent induced” [“IEX Exchange is a national securities exchange, facilitating the trading of U.S. equities”](#) and Embed “a stock clearing firm and FINRA licensed broker-dealer”, were “paid far more than fair or reasonably equivalent value” with customer funds. The same clearing and custodians’ firms of the U.S. Equities of which FTX and subsidiaries were entrusted to obtain.

Case 22-11068-JTD Doc 2070 Filed 07/31/23 Page 67 of 84		
Debtor <u>West Realm Shires Inc.</u> Case number (if known): <u>22-11183 (JTD)</u>		
Name _____		
Additional Page if Debtor Has More Executory Contracts or Unexpired Leases		
Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.		
List all contracts and unexpired leases		State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease
2.64	<p>State what the contract or lease is for and the nature of the debtor's interest</p> <p>State the term remaining</p> <p>List the contract number of any government contract</p>	<p><b>COLLABORATION AGREEMENT</b> <b>DATED 3/18/2022</b></p> <p><b>IEX DAP Group LLC</b> 3 World Trade Center 58th Floor New York, NY 10007</p>
2.65	<p>State what the contract or lease is for and the nature of the debtor's interest</p> <p>State the term remaining</p> <p>List the contract number of any government contract</p>	<p><b>IEX GROUP, INC. TERM SHEET FOR STRATEGIC PARTNERSHIP WITH WEST REALM SHIRES INC. DATED 1/4/2022</b></p> <p><b>IEX GROUP, INC.</b> ADDRESS UNKNOWN</p>





Cases was authorized by the Court by an order entered on November 22, 2022 [D.I. 128].

Accordingly, Plaintiffs have the authority to file this Complaint to commence, and thereafter to prosecute, this adversary proceeding.

3. Prior to the filing of the Chapter 11 Cases, Alameda was a cryptocurrency trading firm owned by Samuel Bankman-Fried and Zixiao "Gary" Wang. Caroline Ellison was initially co-CEO and later the sole CEO of Alameda. WRS is a Delaware holding company owned by Samuel Bankman-Fried, Nishad Singh, and Gary Wang, with a number of subsidiaries, including WRSS, which did business as FTX.US, the cryptocurrency exchange founded by Bankman-Fried, Singh, and Wang to offer cryptocurrency trading services to U.S. customers. Embed is a stock cleaning firm and FINRA licensed broker-dealer founded by Michael Giles.

4. On or about March 15, 2022, WRS began discussions to acquire Embed, ostensibly in order to provide FTX US customers with the ability to trade stocks, in addition to cryptocurrency, on the FTX.US exchange platform. The contemplated product was to be called FTX Stocks.

5. Through a series of self-dealing transactions orchestrated by Bankman-Fried, Ellison, Singh, and Wang (hereinafter, the "FTX Insiders"), WRS paid Defendants \$236,764,105.34 of misappropriated FTX Group<sup>4</sup> funds to acquire Defendants' equity interests in Embed on or around September 30, 2022—mere weeks before the Petition Date. WRS also agreed, in "Retention Incentive Award Agreements" effective as of September 30, 2022, to pay



*Pleadings* [D.I. 92], and the *Supplemental Declaration of Edgar W. Mosley II in Support of First Day Pleadings* [D.I. 93] (collectively, the “First Day Declarations”).

26. The FTX Insiders, among others, took advantage of the FTX Group’s lack of controls and recordkeeping to perpetrate a massive fraud—lavishly spending the FTX Group’s assets on, among other things, private homes and jets, political and “charitable” contributions, and various investments. The acquisition of Embed was one such transaction.

27. All of the funding for the Embed acquisition came from Alameda, which, at the FTX Insiders’ direction, had surreptitiously and unlawfully diverted and transferred assets belonging to FTX.com, the principal international cryptocurrency exchange operated by the FTX Group, to spend on the FTX Insiders’ pet projects. By causing Alameda to take money belonging to FTX.com and spend it on the FTX Insiders’ pet projects, the FTX Insiders defrauded FTX.com’s creditors, including customers and investors.

28. The FTX Insiders purportedly pursued the Embed acquisition because they believed it would help expand FTX.US’s operations into conventional securities markets, thereby enriching themselves as WRS shareholders. In pursuing the Embed acquisition, the FTX Insiders prioritized speed above all else. They performed almost no due diligence on Embed and accepted the significant terms proposed by Giles, Embed’s founder, CEO, and sole representative during the negotiation, who personally received approximately \$157 million in connection with the acquisition. As a consequence, WRS paid far more than fair or reasonably equivalent value for Embed, and awarded Giles an extravagant and unwarranted retention bonus as an incentive to complete the acquisition quickly.

29. All of the FTX Insiders, except for Bankman-Fried, have pleaded guilty to crimes perpetrated through the very practices that facilitated the acquisition of Embed. On December





## SETTLEMENT AND STOCK EXCHANGE AGREEMENT

This **SETTLEMENT AND STOCK EXCHANGE AGREEMENT** (this “Agreement”) is made as of July 31, 2023, by and between FTX Trading Ltd., a company established under the laws of Antigua and Barbuda (“FTXT”), West Realm Shires Inc. (“WRS” and, together with FTXT, collectively with any of their successors or assigns, “FTX” and each, an “FTX Entity”), and IEX Group, Inc., a Delaware corporation (“IEX”). The signatories to this Agreement are collectively referred to as the “Parties” and individually as a “Party”. Capitalized terms used and not otherwise defined herein have the meanings set forth in Article IX below.

### RECITALS

WHEREAS, pursuant to a Share Exchange Agreement, dated as of March 18, 2022, as amended as of May 17, 2022, by and among FTX and IEX, WRS acquired 1,570,142 shares of Common Stock, \$0.01 par value per share, of IEX (the “IEX Shares”) and IEX acquired 5,663,211 shares of Common Shares, par value US\$0.0000026 per share, of FTXT (the “FTXT Shares”) and 49,234,136 shares of Class A Common Stock, \$0.00001 par value per share (the “WRS Shares” and, together with the FTXT Shares, the “FTX Shares”), of WRS (the “Prior Transaction”);

WHEREAS, IEX has asserted that the FTX entities fraudulently induced IEX into entering into the Share Exchange Agreement by, among other things, making false statements during the negotiations therefor and by making knowingly false representations in the Share Exchange Agreement and at the closing thereof;



“On March 23, 2022, members of the staff of Chair Gensler met with staff of IEX and FTX to discuss custody of digital asset securities by special purpose broker-dealers” including FTX General Counsel whom worked at Sullivan Cromwell.

To: File No.: S7-25-20  
From: Amanda Fischer  
Date: 4/29/22  
Re: Meeting with IEX/FTX

---

On March 23, 2022, members of the staff of Chair Gensler met with staff of IEX and FTX to discuss custody of digital asset securities by special purpose broker-dealers, including the unique risks associated with custody of digital asset securities and the conditional no action relief discussed in the statement.

**SEC Attendees:**

- Amanda Fischer, Senior Counselor to the Chair
- Corey Frayer, Senior Advisor

**IEX Attendees:**

- Brad Katsuyama, Co-Founder and CEO
- John Ramsay, Chief Market Policy Officer
- Rachel Barnett, General Counsel
- Florian Seifferer – COO, IEX Digital Assets

**FTX Attendees:**

- Sam Bankman Fried, Founder and CEO
- Ryne Miller, General Counsel
- Mark Wetjen, Head of Policy and Regulatory Strategy FTX US





22                   However, again, no one listening should hear that  
23 and think funds can come immediately. In terms of making  
24 distributions, neither confirmation, nor effectiveness is the  
25 long pole in our tent. The long pole is now the quintillion

Case 2:22-cv-0068-JAX Document 1-1 Filed 03/20/24 Page 1 of 134

1                   dollars of asserted claims. We cannot pay the legitimate  
2 creditors until we resolve these claims.

24                   I would like to talk about claims. If our asset  
25 recovery effort is on the verge of being a qualified success

Case 2:22-cv-0068-JAX Document 1-1 Filed 03/20/24 Page 2 of 134

1                   the next equally immense challenge is claim management. When  
2 I asked Mr. Coverick of A&M this morning to remind me the  
3 amount of claims filed by our bar dates he told me it was  
4 \$23.6 quintillion. I had to ask him how many zeros in  
5 quintillion and the answer is 18. I then asked him to run  
6 recoveries if we allowed all of those claims and everyone  
7 would get a millionth of a percent. So, we have a job to do.



8 A I'm sure I could -- I'm sure I have that in files  
9 somewhere, but I do not have it committed to memory. As I  
10 said, there's two million claims, 87,000 filed claims, I  
11 don't have them committed to memory. I'm sorry.  
12 Q Did you hear debtors' counsel tell the Court that the  
13 debtors have \$26 quintillion in claims filed against them?  
14 A I think that number is a little off, but 20 -- over 20  
15 quintillion, yes.  
16 Q And is it fair to say that the claims of creditors that  
17 hold OXY and MAPS tokens are a very small portion of that 20-  
18 plus quintillion dollars in claims?  
19 A Tell me what your threshold for small is. I mean, it's  
20 very objective what you're asking and I've told you a couple  
21 times that I don't remember. I didn't commit them to memory,  
22 I don't know what the -- to do that math, I'd have to know  
23 what their amount is and divide it by 20 quintillion, which  
24 is a big number.

The statements about payments of claims of customers and creditors in full is always caveated by the word “allowed” (*see id.* at 24). The expectation is that allowed claims will be paid in full if all of the hard work described above pays off (*Id.* at 24). The question remains, though, how one takes a filed claim and turns it into an allowed claim. One must first start at the total dollar amount of claims filed. That number is \$23.6 quintillion dollars. (*Id.*) One quintillion is one billion billions. It is the number 1 followed by 18 zeros. The task of addressing filed claims and reducing them to their proper and “allowed” amount is monumental. Mr. Bankman-Fried assumes this is a breeze. He is wrong—very wrong.





Case 22-11068-JTD Doc 14301 Filed 05/07/24 Page 7 of 169

These chapter 11 cases have given FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) the breathing room necessary for new, experienced independent directors and management to assemble the remnants of the Debtors and amass their assets to repay customers and other stakeholders. Over the past 17 months, under the protection of the Bankruptcy Court and the global reach of its orders, hundreds of stakeholders have worked with the Debtors on a lengthy process to establish corporate governance; stabilize the FTX Group businesses around the world; cooperate with regulators and criminal authorities; create appropriate custody arrangements for digital assets; painstakingly recreate missing financial and accounting records; investigate and report to governmental authorities, stakeholders and the public on how and why the FTX Group collapsed; maximize the value of the FTX Group’s many diverse assets; explore going concern sales of various businesses, including the FTX.com exchange; commence and settle complex litigation disputes; develop protocols to coordinate with insolvency proceedings in The Bahamas and Australia, as well as criminal forfeiture proceedings in the Southern District of New York, and begin the daunting process of valuing, reconciling and resolving over 27.3 quintillion dollars of purported stakeholder claims.

Case 22-11068-JTD Doc 14301 Filed 05/07/24 Page 14 of 169

The Debtors have filed 30 omnibus objections to over \$26.8 quintillion of claims and early claims objections for several of their largest individual claims not yet settled.



# 12,13,14) Subscription & Pooled Accounts

Case 22-01382-MBK-11068-JTD Filed 12/19/22 Entered 05/23/24 Page 30 of 265 Desc Main Document Page 136 of 137

## EXHIBIT A TO UNIFORM COMMERCIAL CODE FINANCING STATEMENT

Debtor: EMERGENT FIDELITY TECHNOLOGIES LTD.  
Secured Party: BLOCKFI INC., as collateral agent  
Additional Secured Party: BLOCKFI LENDING LLC  
Additional Secured Party: BLOCKFI INTERNATIONAL LTD.

This financing statement covers all of Debtor's right, title and interest in, to and under all of the following property, in each case whether now owned or existing or hereafter acquired or arising, and wherever located (collectively, the "**Collateral**"):

- a) all shares of common equity of Robinhood Markets, Inc. (ticker: HOOD) (the "**Collateral Shares**");
- b) any security entitlements in respect of the Collateral Shares credited to the Current Collateral Account or the Perfection Collateral Account;
- c) all dividends, distributions or return of capital, including any extraordinary dividend, split-off, spin-off or other exchange on or from the Collateral Shares;
- d) the Current Collateral Account, the Perfection Collateral Account, and any cash, cash equivalents, securities (including the Collateral Shares), general intangibles, investment property, financial assets, and other property that may from time to time be deposited, credited, held or carried in the Current Collateral Account or Perfection Collateral Account and all security entitlements, as defined in §8-102(a)(17) of the UCC with respect to any of the foregoing; and
- e) the proceeds of all of the foregoing.

The capitalized terms in the above-described Collateral shall have the following meanings:

"**Current Collateral Account**" means the account of Debtor with account number 499-30500COMBINED maintained with ED&F Man Capital Markets Inc. or any affiliate thereof.

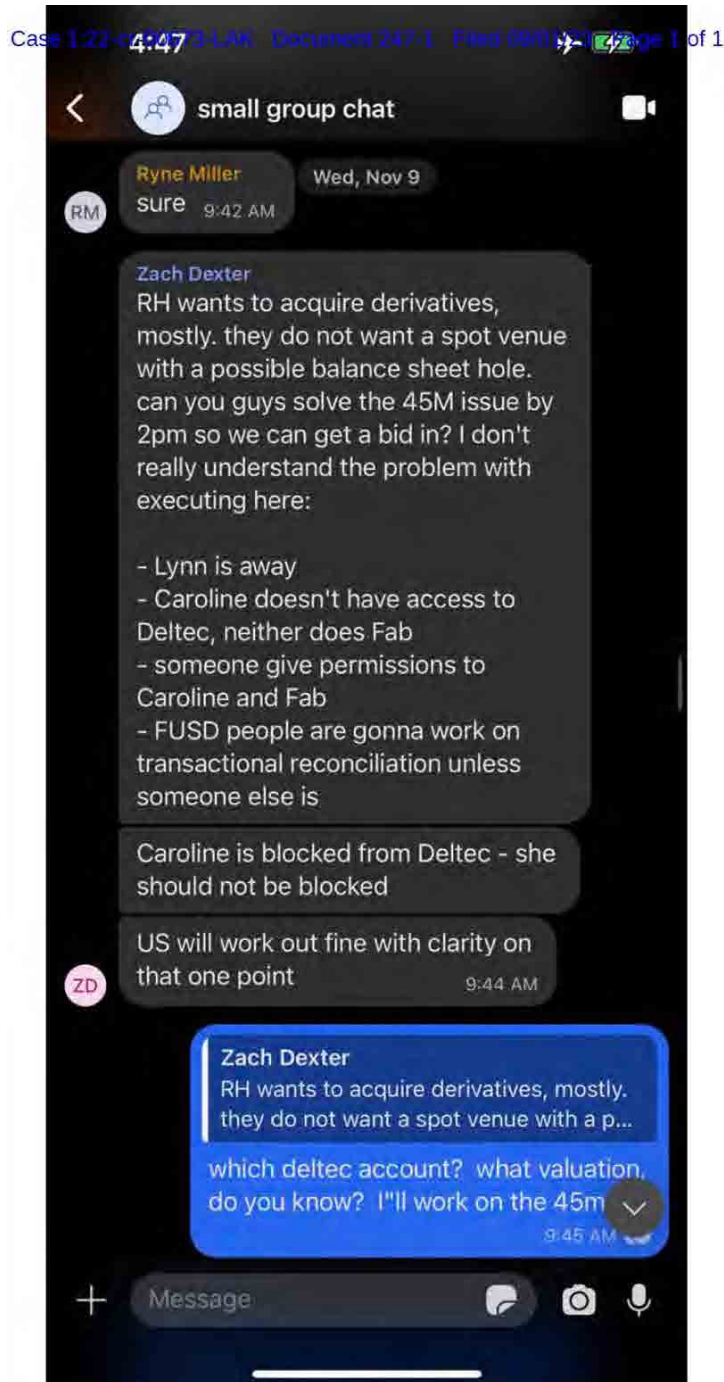
"**Perfection Collateral Account**" has the meaning set forth in the Pledge Agreement.

"**Pledge Agreement**" means that certain Pledge Agreement, dated on or about November 9, 2022 by and among Debtor, BlockFi Inc., as collateral agent, BLOCKFI LENDING LLC and BLOCKFI INTERNATIONAL LTD.





FTX internal Signal Messaging, exhibits, and testimonies shows vast borrowing for Venture Loans was a concern on Nov. 9, 2022. "Alameda was kinda borrowing a bunch of money via open term loans and use that to make various illiquid investments, FTX US Equity, a bunch of like other Venture Investments." during Caroline Ellison's Nov. 9 all-hands meeting from SBF trial.





To: Samuel Bankman-Fried [REDACTED]  
From: Zac Prince [REDACTED] Doc 292-1 Filed 12/22/22 Page 78 of 174  
Sent: Thur 11/10/2022 3:30:37 PM (UTC)  
Subject: Fwd: loan repayment



**Zac Prince**  
CEO



Twitter: [REDACTED]

----- Forwarded message -----

From: Zac Prince [REDACTED]  
Date: Thu, Nov 10, 2022 at 10:30 AM  
Subject: Re: loan repayment  
To: Yuri Mushkin [REDACTED]  
Cc: <caroline [REDACTED]>, Amit Cheela [REDACTED], Flori Marquez [REDACTED],  
usec.thc [REDACTED]

payment instructions for anything coming over:



**Zac Prince**  
CEO



Twitter: [REDACTED]

On Thu, Nov 10, 2022 at 5:07 AM Yuri Mushkin [REDACTED] wrote:

Hi Caroline

Are you guys able to make some incremental pay-downs, in meantime, eg 75m to complete yesterdays 200m amount

A few quick questions on HOOD, a) would that be the pledged shares in EDF account, b) how many shares are there in total in EDF, c) what do you think would be estimated proceeds? d) any ballpark on timing for potential buyer

since EDF HOOD shares are pledged as collateral, just need to double check how that works ( eg maybe buyer could settle with blockfi directly? )





Yuri

On Thu, 10 Nov 2022 at 00:49, Caroline Ellison [REDACTED] wrote:

great thanks!

we are talking to a couple buyers interested in buying the remaining HOOD.OTC. if that comes through, would it work to just use the proceeds from that to repay the loan?

I think that would get a majority of the remaining loan notional though it would be in USD and not BTC

—  
Caroline Ellison

On November 10, 2022 at 12:04 PM GMT+8 yuri [REDACTED] wrote:

Thanks a lot Caroline , acknowledging signed pledges.

We are up - if you want to sync up on anything , or if we can help in any way.

Our team is working with ED&F so that ACA can be setup for the pledges.

On Wed, 9 Nov 2022 at 19:13, Yuri Mushkin [REDACTED] wrote:

hi Caroline, we heard Binance is holding your funds. another idea (after signing the pledge) is to give us instructions to sell some of the pledged collateral ( or other ED&F collateral which you have listed) and we can use proceeds for loan repayment.  
Yuri

On Wed, Nov 9, 2022 at 5:59 PM Flori Marquez [REDACTED] wrote:

Caroline,  
Are you able to sign this tonight?



Flori Marquez  
Founder, COO



The attempted transfer of assets with Pledge Agreements between Alameda & BlockFi containing assets totaling \$1.2 billion shows the intended fraud to “[pledge, rehypothecation, assign, use, commingle, or otherwise dispose of or use any Collateral](#)” within the Terms of Alameda & BlockFi “Pledge Agreements” dated November 9, 2022; whom Sullivan & Cromwell authored. When only “[Loans Receivable of \\$250 million at FTX US consists of loan to BlockFi Inc. of \\$250 million in FTT tokens](#)” illustrates whom orchestrated “[Assets Transfer Favored Insiders at Last Minute](#)” {TimeStamp 18:48}. Further Supporting the Fraud was on Oct 13, 2023 Sam Bankman-Fried Criminal Trial where BlockFi’s CEO Zac Prince testified “overall, \$1.1 billion” when only “\$250M loan made in FTT”.

[“BlockFi’s \[CEO\] Prince: They posted as collateral Greyscale Trust and Robin Hood.](#)

[AUSA: How much did BlockFi have on the FTX exchange at time of bankruptcy?](#)

[Prince: \\$350 million. So overall, \\$1.1 billion](#)

[AUSA: So BlockFi declared bankruptcy - why?](#)

[Prince: Alameda & FTX”](#)

Case 22-11068-JTD Doc 292-1 Filed 12/22/22 Page 87 of 174		
notional		
Interactive brokers balance	598,327,809	(this is a subset of liquid assets but represents the most major ones)
GBTC + ETHE + BITW	381,810,430	
EDF additional collateral	409,405,732	(some are more liquid than others; eg GBTC less liquid)
HOOD	739,358,487	
Binance account	180,651,817	
OKX account	119,305,665	
Bybit account	117,635,115	
Kucoin account	66,712,670	
Bitfinex account	49,424,777	
total	2,662,632,502	
Case 22-11068-JTD Doc 292-1 Filed 12/22/22 Page 87 of 174		

#### SCHEDULE 1 to FORBEARANCE AGREEMENT

##### Borrowed Amounts due under BlockFi Lending LLC Loan Agreement

- 1,800 BTC
- 90,000,000 USDC

##### Borrowed Amounts due under BlockFi International Ltd. Loan Agreement

- 23,865 BTC
- 133,960 ETH

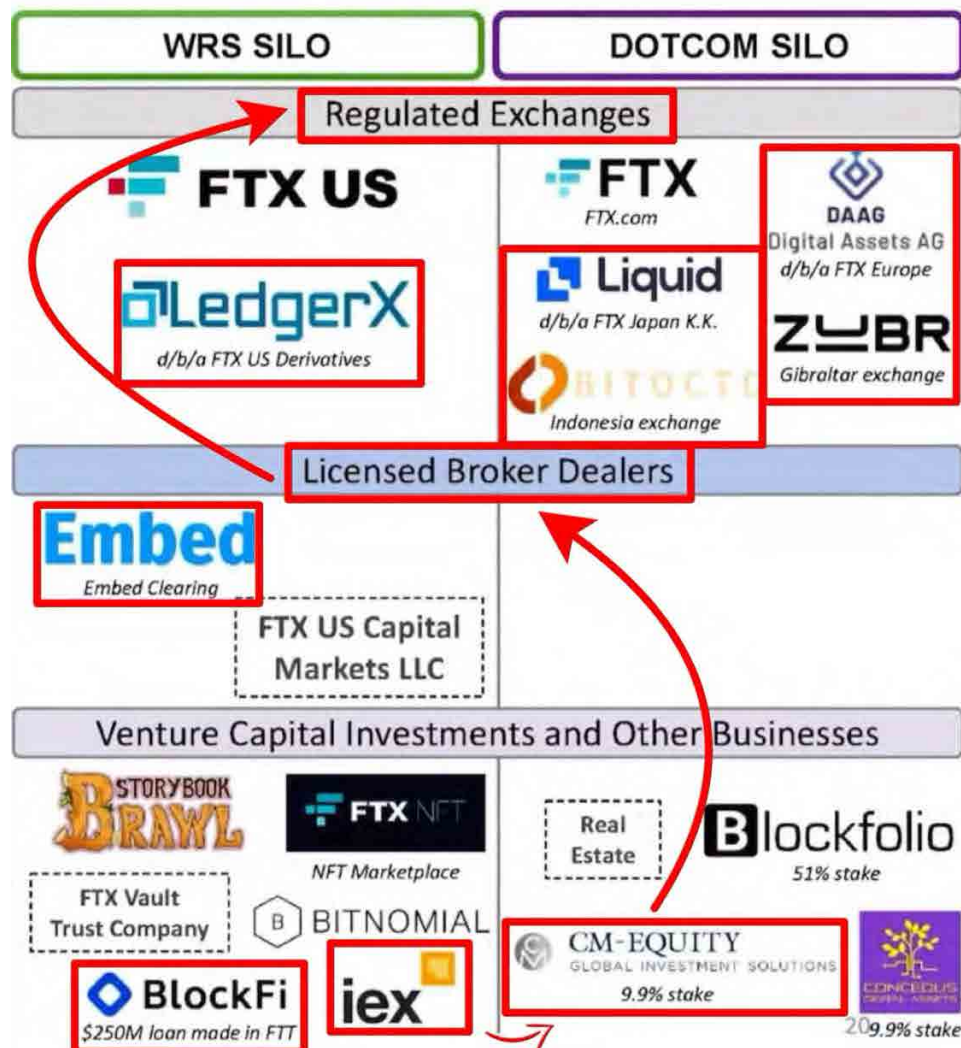




FTX used these massive U.S. Equities Sales, Controlling Interest owned by Binance, never purchased or custodied those securities, at Minimum (57) Tokenized Stocks listed on the FTX platform and affiliates, used for collateral with banks such as SilverGate, Silicon Valley Bank, & Signature Banks. These (57) Tokenized Stocks were supposed to be custodied by [CM-Equity AG](#) “Compliant and licensed financial institute”, yet Unusual Whale’s interview with Sam Bankman-Fried shows CM-Equity ceased its relationship with FTX around Dec. 2021. Additionally, FTX ownership stakes in “[IEX Exchange is a national securities exchange, facilitating the trading of U.S. equities](#)” and Embed “a stock clearing firm and FINRA licensed broker-dealer”, would be the mechanism to transfer i.e. NYSE orders Internationally to Binance then to FTX affiliated Exchanges. FTX also owned “LedgerX d/b/a FTX US Derivatives”, “Liquid”, “BitoCo”, “DAAG”, and “Zybr”, which are “Regulated Exchanges”.

Case 22-11068-JTD Doc 115-1 Filed 11/22/22 Page 21 of 21

### SELECTED ASSETS BY SILO<sup>(1)</sup>





FTX Communications, filings, Invoices, & DOJ Slack messaging Exhibits details conflicts of interest with Sullivan & Cromwell including [“intercompany loans of inside counsel” of which Andrew Dietrich was already retained by FTX for BlockFi and Voyager Agreements since July 27, 2022.](#)

Case 22-11068-JTD Doc 1241-2 Filed 04/07/23 Page 139 of 143

## quinn emanuel trial lawyers

April 05, 2023  
Page 138

Matter #: 11807-00001  
Invoice Number: 101-0000149656

02/28/23	SH6	Prepare 2004 law firm requests, review and analyze invoices and retainers detailing services of potential targets and emails with QE leadership team re: same (3.5); correspondence with K. Lemire and J. Young re: bank targets for 2004 requests (0.1); review issue documents related to intercompany loans of inside counsel (1.0); review draft in house counsel module and analyze for interview targets (1.0); review and revise family investigation team's political and charitable module (0.9); correspondence with investigation reviewers re: findings related to political and charitable contributions and analyze documents of interest re: the same (1.0); prepare case management topics for upcoming	8.00	6,732.00
----------	-----	---	------	----------





8 A I'm sure I could -- I'm sure I have that in files  
9 somewhere, but I do not have it committed to memory. As I  
10 said, there's two million claims, 87,000 filed claims, I  
11 don't have them committed to memory. I'm sorry.

12 Q Did you hear debtors' counsel tell the Court that the  
13 debtors have \$26 quintillion in claims filed against them?

14 A I think that number is a little off, but 20 -- over 20  
15 quintillion, yes.

16 Q And is it fair to say that the claims of creditors that  
17 hold OXY and MAPS tokens are a very small portion of that 20-  
18 plus quintillion dollars in claims?

19 A Tell me what your threshold for small is. I mean, it's  
20 very objective what you're asking and I've told you a couple  
21 times that I don't remember. I didn't commit them to memory,  
22 I don't know what the -- to do that math, I'd have to know  
23 what their amount is and divide it by 20 quintillion, which  
24 is a big number.





Financial Stability Oversight Council Annual Report 2023 (FSOC) “interconnections between the crypto-asset ecosystem and traditional finance”. “On March 9, Silicon Valley Bank (SVB) experienced a deposit run” this was caused by false reports of a “Bank Run” created by FTX/Binance Equity Holders & Venture Capital whom had substantial Deposits in SVB and other California Banks. Same California Banks allowing Crypto & Tokenized Assets as Collateral for Venture Loans with California Banks. The deliberate Collapse of the Banks were to facilitate planned “Venture Book” Loan Avoidance “included in 438 investments, totaling approximately \$4.5B in funded assets”.

state securities law violations in relation to a firm’s staking rewards programs.<sup>74</sup> Federal agencies, specifically the SEC and CFTC, have continued to bring enforcement actions due to fraud, manipulation, and failure to register with the appropriate agency, among other types of misconduct. In fiscal year 2023, the CFTC brought 47 actions charging a wide range of violations, including fraud, manipulation, failure to register, failure to supervise, and lack of adequate know your customer and anti-money laundering controls. The defendants in these actions included, among others, digital asset trading platforms, the operators of DeFi protocols, and a digital asset lending platform.<sup>75</sup> The allegations in these cases exemplify the consumer and investor risks that arise from using unregistered platforms. The SEC brought actions this year against companies for operating as unregistered exchanges, broker-dealers, and clearing agencies.<sup>76</sup> The SEC also charged entities with the unregistered offer and sale of securities, including the offer and sale of securities in connection with staking and lending programs.<sup>77</sup> Both the SEC and the CFTC have brought charges related to a firm’s failure to comply with anti-money laundering laws.<sup>78</sup>

#### Interconnections Between the Crypto-Asset Ecosystem and Traditional Finance

The crypto-asset market experiences a higher level of volatility than does the traditional finance system and is also prone to shocks that may impact traditional financial institutions that partner or otherwise interact with the crypto-asset market.<sup>79</sup> Such shocks may include the collapse of fraudulent schemes, cybersecurity issues, technology-related disruptions, and governance or decision-making breakdowns, among other events.

#### Banking

In January and February 2023, the FDIC, OCC, and Federal Reserve issued joint statements on crypto-asset risks to banking organizations and liquidity risks related to the crypto-asset market.<sup>80</sup> The statements noted, among other things, that the stability of deposits placed by crypto-asset-related entities may be influenced by vulnerabilities in the crypto-asset sector.

The risks faced by banks that maintain a high concentration of deposit accounts for crypto-

asset-related entities were visible during the March 2023 bank stress, when California-based Silvergate Bank announced its voluntary liquidation.<sup>81</sup> In the last quarterly report it filed in 2022, Silvergate noted that substantially all of its deposits were derived from crypto-asset customers.<sup>82</sup> However, depositors withdrew over \$9 billion (68 percent of Silvergate’s deposits) as stress within the crypto-asset market was exacerbated by the shock of the collapse of crypto-asset trading platform FTX.<sup>83</sup> On January 4, 2023, Judge John Dorsey, the presiding official in the FTX bankruptcy, also ordered the seizure of FTX’s funds held at Silvergate. Silvergate’s SEC filings show that in response to the outflow, it secured a \$4.3 billion advance from the Federal Home Loan Bank (FHLB) of San Francisco. To pay back the FHLB and address remaining liquidity issues posed by the decline in deposits, Silvergate sold assets at a loss. In a March 1 SEC filing, Silvergate disclosed that it might be unable to continue as a going concern.<sup>84</sup> Silvergate began the process of self-liquidation on March 8.<sup>85</sup>

The disruption created by Silvergate’s self-liquidation made evident the potential for further knock-on effects arising from interconnections between the crypto-asset ecosystem and traditional finance. On March 9, Silicon Valley Bank (SVB) experienced a deposit run and was closed by the California Department of Financial Protection and Innovation the next day, March 10. Signature Bank also experienced a run and was closed by the NYDFS on March 12. The NYDFS noted in its report that in the case of Signature Bank, the percentage of crypto-asset customer withdrawals on March 10 was relatively proportional to the percentage of crypto-asset customers in the deposit base overall. The NYDFS also noted that the perceived public association between Signature and the crypto-asset ecosystem, as well as the timing of SVB’s failure and Silvergate’s voluntary liquidation, were factors in Signature’s failure.<sup>86</sup> Separately, the FDIC noted in its internal review that the root cause of Signature’s failure was poor management, including its failure to understand the risks associated with its reliance on crypto-asset industry deposits and its vulnerability to contagion from the crypto-asset industry turmoil that occurred in late 2022 and into 2023.<sup>87</sup> According to the FDIC’s report, crypto-asset-related

deposits represented 23.5 percent of total deposits at Signature Bank as of September 30, 2022.<sup>88</sup>

In addition to showing the effects the crypto-asset market could have on the traditional financial system, the March bank stress revealed how the interconnections between the crypto-asset and banking sectors, as well as concentration risk, can cause stress in the crypto-asset market. Hours after SVB closed on March 10, Circle Internet Financial LLC (Circle), the issuer of the stablecoin USDC, revealed that \$3.3 billion (approximately 8 percent) of the reserves purportedly backing USDC were held at SVB.<sup>89</sup> The news sparked a run on USDC, with \$1.6 billion of USDC redemptions occurring on the same day as Circle’s announcement. Coinbase and Binance announced that the platforms would temporarily pause conversions between USDC and U.S. dollars as well.<sup>90</sup> Over the weekend after SVB’s closure, USDC temporarily lost its 1-to-1 peg with the dollar, with the value of USDC falling as low as \$0.89. By March 15, Circle reported that crypto-asset market participants redeemed some \$3 billion of USDC. Circle’s problems triggered MakerDAO’s DAI stablecoin to depeg over the weekend as well.<sup>91</sup> DAI, a stablecoin backed by other crypto-assets, relied on USDC for approximately 52 percent of the collateral supporting its circulating stablecoins.<sup>92</sup>

To help ensure the safety and soundness of the banking system as banks explore crypto-asset related activities, the Federal Reserve announced a novel-activities supervision program in August 2023. The program will be integrated into the Federal Reserve’s existing supervisory process to help address risks of novel activities related to crypto-assets, DLT, and complex technology-driven partnerships with nonbanks.<sup>93</sup>

#### Stablecoins

The Council has previously noted that interconnections between the financial system and the crypto-asset trading markets that are created by stablecoins could serve as conduits for contagion to traditional financial institutions. A stablecoin’s impact on the financial system depends on the scale of the stablecoin. For example, if a stablecoin were to scale significantly, a run on the stablecoin could lead to fire sales of the traditional assets backing the stablecoin like bank deposits, MMFs, Treasury securities, and commercial

paper (CP).<sup>94</sup> The President’s Working Group on Financial Markets (PWG), FDIC, and OCC have also published an assessment of the risks related to stablecoins (2021 PWG Report).<sup>95</sup> In the 2021 PWG Report, the PWG, FDIC, and OCC noted that the failure of stablecoins to maintain a stable value could expose stablecoin users to unexpected losses and lead to stablecoin runs that damage financial stability.<sup>96</sup> The 2021 PWG Report also flagged that disruptions to the payment chain that allow stablecoins to be transferred among users could lead to a loss of payments efficiency and, depending on the extent to which stablecoins are used, undermine functioning in the broader economy.<sup>97</sup> Like the Council’s Digital Asset Report, the 2021 PWG Report detailed systemic concerns related to the potential risk of stablecoin arrangements to rapidly scale.<sup>98</sup>

In addition to these issues, some stablecoin issuers do not provide adequate or accurate information about their asset holdings and rights of redemption.<sup>99</sup> A lack of information about these holdings and issuers’ reserve management practices may pose a challenge for accurate market analysis of the impact of a stablecoin issuer’s holdings, as well as a risk of fraud if the extent of the stablecoin’s reserves is misrepresented. The lack of information on reserves can contribute to outside market reactions to news about an issuer, which can manifest in outside volatility and potential losses. Regulatory requirements for reserves, capitalization, and reporting may mitigate some of these risks.<sup>100</sup> Like the traditional payment system, stablecoins, if used as a payment instrument, may pose credit risk, liquidity risk, operational risk, risks arising from ineffective system governance, and settlement risk.<sup>101</sup>

#### Recent Developments

##### Tokenization

Tokenization, the process of digitally representing an existing reference asset on a ledger, involves linking a digital token’s price to the value of its reference asset. Tokenization that occurs on blockchains, a type of DLT, aspires to introduce DLT into clearing and settlement processes, as well as payment systems.<sup>102</sup> This year, some firms have offered tokenized products, including digital forms of securities.<sup>103</sup> To date, the current uses of tokenized traditional assets are limited in their size and impact.<sup>104</sup> The overall value of tokenized





# 15) PONZI VALUE VENTURE INVESTMENT

Silicon Valley Banks & other Bank Failures were due to a Fake Bank Run Narrative created by the Top Depositors & Venture Capital firms whom were using Circle's USDC as conduit to transfer cash from NYSE Stock Orders (IEX, Embed, Robinhood & Others) to FTX (57) "Tokenized Stocks" which has a Zero (\$0) Value beyond FTX/Binance Affiliated Exchanges. Essentially laundering Real Customer Asset Value and transferring to Circle's USDC making [Circle one of the Top Depositor at Silicon Valley Bank.](#)

## Top 10 Depositors

Owner Name	Total Balance
CIRCLE INTERNET FINANCIAL	\$ 3,340,061,357.25
SILICON VALLEY BANK	\$ 2,497,556,580.09
SVB FINANCIAL GROUP	\$ 2,118,179,865.33
SEQUOIA CAPITAL FUND	\$ 1,011,479,029.59
KANZHUN LIMITED	\$ 902,875,700.25
BILL.COM LLC	\$ 761,109,263.00
ALTOS LABS	\$ 680,346,027.62
MARQETA	\$ 634,534,332.85
ROKU INC	\$ 420,004,504.53
INTRAFI / PROMONTORY	\$ 410,856,940.57

## Top 10 Accounts

CIRCLE INTERNET FINANCIAL, LLC	\$ 3,276,604,827.99
SVB FINANCIAL GROUP	\$ 1,953,395,231.76
SEQUOIA CAPITAL FUND, L.P.	\$ 1,011,479,029.59
SVB F BENEFIT OF NVOICEPAY, INC. CLIENTS	\$ 995,451,708.21
KANZHUN LIMITED	\$ 701,608,671.03
MARQETA, INC. 6TH FLO	\$ 632,034,327.92
ALTOS LABS, INC.	\$ 601,002,262.65
SVB F BENEFIT OF PEOPLE CENTER, INC. CLIENTS DBA RIPPING	\$ 544,083,624.59
BILL.COM, LLC	\$ 444,085,284.84
ROKU INC ATTN TREASURY ROKU INC	\$ 415,602,338.78



"Alameda Research, FTX Ventures invested in more than 250 crypto startups," including Trading Brokerages Anchorage Digital, Skybridge, Paradigm, & Voyager; Crypto Financial Circle (USDC Stable Coin), Paxos; Infrastructure Aptos, Bridge, Liquidity, LayerZero, Polygon, & Solana. All of which allow "transfer principal to foreign jurisdictions, lend principal, pledge principal, sell principal, rehypothecate principal, transfer principal to unidentified third parties and engage in any other transaction at Voyager's discretion" and the depositing investor's sole risk.

THE BLOCK | Research

## Alameda Research & FTX Ventures' Portfolio

### Decentralized Finance (DeFi)



### NFTs/Gaming



### Data/Analytics



### Trading/Brokerage



### Web3



### Crypto Financial Services



### Infrastructure







#	Name	POC	Share number	Exact wire amount	US Signed?	US Funded?	Date of Wire	US Funded Amount
3	Sequoia	Fenwick, Ramnik	4,769,173	\$125,000,024.33		SEQUOIA CAPITAL GLOBAL GROWTH FUND	8/26/2021	\$3,124,946.62
4	Paradigm Capital	Fenwick, Ramnik / Dan / Sam	4,769,173	\$125,000,024.33		PARADIGM FUND LP	1/18/2021	\$2,124,914.86\$999,879.13
5	Thoma Bravo	Dan, Fenwick	4,578,406	\$120,000,021.26		PARADIGM GREEN FORTITUDO LP	9/13/2021	\$2,999,790.02
6	SoftBank	Fenwick, Ramnik, Dan	2,861,504	\$75,000,019.84		FUND GROWTH A INVESTMENTFUND GROWTH INVESTMENT	9/7/2021	\$1,874,906.92
7	Third Point LLC (Dan Loeb's fund)	Fenwick	1,335,369	\$35,000,021.49		SOFTBANK VISION FUND II-2 L.P.	9/3/2021	\$874,875.16
8	Insight Partners	Ramnik	1,335,369	\$35,000,021.49	\$5,729.00	THIRD POINT LLC DBA THIRD POINT VEN	9/2/2021	\$874,417.27
9	Ribbit Capital	Fenwick/Ramnik	1,335,369	\$35,000,021.49		GRACE SOFTWARE HOLDINGS III, LLC	9/7/2021	\$874,875.16
10	Lightspeed Venture Partners	Ramnik	1,144,602	\$30,000,018.42		RIBBIT BULLFROG II, L.P.	9/1/2021	\$749,871.19
11	Willoughby Capital (Dan Och's fund)	Fenwick	953,835	\$25,000,015.35		LIGHTSPEED STRATEGIC PARTNERS I L.PLIGHTSPEED OPPORTUNITY FUN	11/5/2021	\$174,761.35
12	40 North Capital LLC.	Fenwick	953,835	\$25,000,015.35		WCH 2021 QUAD LLCWCHS HOLDINGS 1, LLCWCHS HOLDINGS 1, LLC	8/31/2021	\$624,867.22
13	Multicoin Capital	Ramnik	953,835	\$25,000,015.35		40 NORTH SELECT OPPORTUNITY LLC.	8/31/2021	\$624,867.22
14	Altimeter	Ramnik	953,835	\$25,000,015.35		MULTICOIN PRIVATE FUND IV, LP	8/26/2021	\$624,867.22
15	Coinbase Ventures	Fenwick	929,989	\$24,375,011.69		ALTIMETER GROWTH PARTNERS FUND III	8/27/2021	\$609,298.96
16	Bond Capital		763,068	\$20,000,012.28		COINBASE GLOBAL, INC.	8/31/2021	\$499,863.25
17	Precept (Mark Cuban) + Hunt Family	Fenwick	593,193	\$15,600,008.53		BOND II LP	8/19/2021	\$389,969.65
18	Senator Investment Group		572,301	\$15,000,009.21		PRECEPT VENTURES 7 LP	11/5/2021	\$37,394.35
19	Paul Tudor Jones		476,918	\$12,500,020.78	ES 2007 TRUST CTHE JOHN PAUL JONES II 2007 TRUST CTHE CHRISTINE LOUISE JONES 2	SENATOR GLOBAL OPPORTUNITY MASTER F	9/1/2021	\$311,975.72
20	Tribe Capital		381,534	\$10,000,006.14		TRIBE CAPITAL FUND II LP	8/31/2021	\$249,855.31
21	Tekne	Ryan Salame	381,534	\$10,000,006.14		BEENEET KOTHARI AND SEWITT TECKIE	8/30/2021	\$249,855.31
22	DWF		381,534	\$10,000,006.14	Good	Crypto?		
23	Circle	Ramnik	381,534	\$10,000,006.14		CIRCLE INTERNET FINANCIAL LIMITED	9/28/2021	\$249,855.31
24	Race Capital	Fenwick	324,304	\$8,500,007.84		RACE CAPITAL I, L.PRACE CAPITAL I, L.P	9/17/2021	\$212,308.33
25	Pantera Capital		190,767	\$5,000,003.07		PANTERA VENTURE FUND III LPPANTERA VENTURE FUND III A LP	8/31/2021	\$124,851.34
26	Ryan Rabaglia (LCV Shire Holdings)		190,767	\$5,000,003.07	Good	Crypto?		
27	Alan Howard		190,767	\$5,000,003.07		HOWARD ALAN	8/31/2021	\$124,851.34
28	Izzy Englander	Fenwick	190,767	\$5,000,003.07		EJNW HOLDINGS LLC	8/27/2021	\$124,851.34
29	Matthew Graham/Sino Global		190,767	\$5,000,003.07	Good	Crypto124,850.34 USDC1 USDC	Crypto 8/30/2021	\$124,851.34
30	Belfer Management LLC		190,767	\$5,000,003.07		BELFER INVESTMENT PARTNERS L.P.LIME PARTNERS, LLC C/O BELFER I	8/27/2021	\$124,851.34
31	White Truffle		190,767	\$5,000,003.07				Unable to confirm deposit.
32	Nibbio	Rob?	190,767	\$5,000,003.07	Good	Crypto 124,763.34 USDC	8/31/2021	\$124,763.34
33	NEA	Fenwick, Ramnik	186,115	\$4,878,074.15		NEW ENTERPRISE ASSOCIATES 17, L.P.	8/31/2021	\$121,798.74
34	Jason Tang/True Edge Capital		152,614	\$4,000,012.94	Good	Crypto99,997.5 USDC	8/17/2021	\$99,997.50
35	Kraft Family	Fenwick	111,599	\$2,925,009.79				Unable to confirm deposit.
36	Hazoor Partners		95,384	\$2,500,014.64		HAZOR DIGITAL ASSETS FUND LP	8/26/2021	\$62,425.67
37	VanEck - Asset Manager		76,307	\$2,000,006.47		VAN ECK ASSOCIATES CORPORATION	8/30/2021	\$49,910.01
38	Folkvang		76,307	\$2,000,006.47	Good	Crypto49,910.010 USDC	8/17/2021	\$49,910.01
39	Chen Guangrun		76,307	\$2,000,006.47	Good	Crypto49,910.010 USDC	8/31/2021	\$49,910.01
40	Coinfund		76,307	\$2,000,006.47		AJL INVESTMENT HOLDING II LLC	9/1/2021	\$12,363.03
41	Hudson River Trading		76,307	\$2,000,006.47		HRT TECHNOLOGY LLC	9/23/2021	\$49,910.01
42	BTIG		57,231	\$1,500,024.51		EAGLE POINT PARTNERS V	8/31/2021	\$37,394.35
43	Hudson River Trading employees		43,305	\$1,135,024.05		FENNEL ARBORIO WEST	8/31/2021	\$28,236.55
44	CMS Holding		38,154	\$1,000,016.34	Good	Crypto24,878.69 USDC	8/26/2021	\$24,878.69
45	Nokota		38,154	\$1,000,016.34		NOKOTA CAPITAL MASTER FUND LP	9/1/2021	\$24,878.69
46	Endeavor (Ari Emanuel)		38,154	\$1,000,016.34				Unable to confirm deposit.
47	Greg (Deltec)		38,154	\$1,000,016.34		GREGORY PEPIN	8/16/2021	\$24,878.69
48	Miguel Morel		38,154	\$1,000,016.34				Unable to confirm deposit.
49	Octopus		38,154	\$1,000,016.34				Unable to confirm deposit.
50	Tom Hennessey III (Circle)		36,628	\$960,019.88				Unable to confirm deposit.
51	Michael Lazarow		28,616	\$750,025.36		LAZEROW ENTERPRISES LLC	8/20/2021	\$18,620.86
52	Gabe		28,616	\$750,025.36		GABRIEL ZUBIZARRETAGABRIEL ZUBIZARRETA	8/31/2021	\$94,935.86
53	Sinan Koc		11,447	\$300,025.87	Good	Crypto7,478.8 USDC	8/21/2021	\$7,478.87
54	Genesis		9,539	\$250,017.19				Unable to confirm deposit.
55	DCG		9,539	\$250,017.19				Unable to confirm deposit.
56	Chet Burros (Eminence Capital)		9,539	\$250,017.19		CHET J BURROS	10/4/2021	\$6,105.20
57	David Proman		5,724	\$150,026.04		GXD LABS LLC	8/31/2021	\$3,663.12
58	Roshan Varadatanjan		3,816	\$100,017.36				Unable to confirm deposit.
59	Robert Lee		3,816	\$100,017.36		ROBERT LEE & ASSOCIATES LLP	9/3/2021	\$2,442.08
60	Evgeny Gaevoy (Wintermute)		3,816	\$100,017.36				Unable to confirm deposit.
61	Gururaj Singh		2,480	\$65,000.80		GS 2021 TRUST	8/31/2021	\$1,526.30
76				\$40,400,120.21				\$2,794,134.26
77								



Trial excerpts from FTX's Sam Bankman-Fried trial, highlights the [\\$23.6 quintillion dollars "Venture Book" Bank Loan Fraud](#) which used Real Customers Assets to rehypothecate, repledge, reloan, & commingle over & over again, in which the same Venture Capital owns the startups and California Banks. Terms within the Venture Funding were to deposit the Start-Ups Funding Checks back into the very same Banks issuing funds. Essentially making the Venture Capitalist the Majority Creditor & Debtors as well as the Majority Depositor & Lender with the Banks and Venture Start-Ups, while using customers assets for collateral and loan payments. FTX's Caroline Ellison on Nov 9, 2022 reaffirms on a ["All Hands Meeting" vast amounts of "Open Terms" "Venture Loans" {TimeStamp 0:40}](#).

[AUSA Roos: The defendant WAS Alameda. 90% owner. It took out loans to do crypto trading. Then the defendant started FTX and started getting customer money. He thought this was a new source of money for Alameda. Caroline Ellison told you so](#)

[AUSA Rehn: He gave stolen money to a non-profit his brother controlled. But then Alameda was losing money. The defendant doubled down. He pulled more customer money out of FTX to pay off Alameda's loans. He directed creation of false financial statement](#)

[AUSA Sassoon: When the defendant said FTX had enough to cover all customer holdings, that was a lie. That was taking into account illiquid investments not on the exchange. He said privately they had one-third...](#)

[SBF's Cohen: Sam worked at Jane Street, a highly regarded trading firm. He wanted to create a Jane Street for crypto. From Jane Street he learned you could fund it with third party loans. Then they created the futures exchange, FTX, unsurprisingly called](#)

[AUSA: What was his involvement in the crimes?](#)

[Ellison: He was the head of Alameda then FTX. He directed me to commit these crimes.](#)

[AUSA: What makes you guilty?](#)

[Ellison: Alameda took several billions of dollars from FTX customers and used it for investments.](#)

[Ellison: We were discussing having borrowed \\$10 billion](#)

[AUSA: From where?](#)

[Ellison: FTX customers. Sam was screaming that it was my fault](#)

[AUSA: How did you feel?](#)

[Ellison: I was crying. But it was Sam who made all these investments that put us in this situation](#)





AUSA: What was the volume of Alameda's loans at the time?

Ellison: Over \$9 billion.

AUSA: When you wrote "FTX borrows" what did you mean?

Ellison: The money on the FTX exchange that Alameda could make use of: \$7 billion.

We had done it before.

AUSA: Did you get any loans from Alameda?

Ellison: One loan of \$3.5 million for a gambling company people at FTX wanted to put in my name since I wasn't on the books of FTX. Money also went to political contributions.

Ryan Salame got a \$35 million loan

AUSA: What did the defendant tell you to do?

Ellison: To continue repaying Alameda's loans.

AUSA: How did you?

Ellison: Taking money from FTX customer funds.

AUSA: At this time, what was FTX's equity value?

Ellison: \$20 billion.

AUSA: Did you share your conclusions on possible impacts on Alameda with the defendant?

Ellison: Yes. He suggested we shift our loans to fixed term...

AUSA: Did he dispute the risk?

Ellison: No

AUSA: Please read this. What is a USD return?

Ellison: Return of our US Dollar loans, to this crypto currency address.

AUSA: What is an OT loans?

Ellison: An open term loan. Genesis wanted \$400 million back. I was very stressed out.

We would have to take from FTX

Ellison: Alameda by Sept 2022 was borrowing \$13 billion from FTX customers.

AUSA: How did it go up?

Ellison: We used it to repay loans, and as collateral for other investments.

AUSA: What did you do?

Ellison: Sam said don't sent the balance sheet to Genesis. We were borrowing \$10 billion from FTX and we had \$5 billion in loans to our own executives and affiliated entities. We thought Genesis might share the info



Ellison: I withdrew \$10 million for an investment in a start up. \$100,000 for a loan to my parents. And \$2 million for my own donor-advised fund.

AUSA: Did you have equity in Alameda?

Ellison No. And 0.5% of FTX.

AUSA: You calculated a 30% chance Alameda could not repay its loans - was that of concern?

Ellison: Yes.

AUSA: Even if you used FTX customer funds?

SBF's lawyer: Objection!

Judge Kaplan: Overruled

AUSA: And you still wouldn't be able to repay

Ellison: That's right

AUSA: Did Alameda still have lenders?

Ellison: Yes. They were recalling the loans. I wasn't sure how to balance with responsibilities to FTX customers.

AUSA: GX 410. Mr. Arora, an agent of the defendant.

SBF's lawyer: Not in the scope of the agency

Judge: Denied

AUSA: Were you able to convert over to fixed term loans?

Ellison: Not much.

AUSA: Did you tell the defendant?

Ellison: Yes, I regularly updated him. He wanted to expand investments.

AUSA: And if Genesis recalled the loans?

Ellison: We'd borrow from FTX

AUSA: You were assuming that FTX customer money would be available to Alameda?

Ellison: That's right.

AUSA: What does this mean, "Genesis freaks out immediately?"

Ellison: That Genesis would call in all our loans.

SBF's Cohen: You discussed them with Mr. Bankman-Fried?

Ellison: Some.

Cohen: What was your concern with the third party loans?

Ellison: It might look like Alameda was funneling money to FTX executives.





SBF's Cohen: What is this?

Ellison: Loan agreement with Voyager. I signed it.

Cohen: Did you know Ramnik Arora?

Ellison: Yes. I heard him making a lot of calls to investors. FTX was selling shares.

Cohen: You didn't prepare materials to investors?

A: I did not

SBF's Cohen: Let's move forward to November 6. You put up a tweet, that Alameda had returned most of its loans - as that true?

Ellison: Not really. We'd returned 3rd party loans, by taking out more loans from FTX.

AUSA: What did the defendant say in this tweet?

Ellison: That FTX was starting a venture fund. This was part of Sam's general push to do more investments.

AUSA: If the money was coming from Alameda, why was it called FTX?

Ellison: The brand.

Cohen: How many Signal channels were you on?

SBF: A few hundred, I think.

Cohen: Did the growth of FTX impact your relationship with Alameda?

SBF: I had to stop being CEO. But I was still involved in ventures. I turned it over to Caroline Ellison and Sam Trabucco

SBF's Cohen: The Robin Hood shares you mentioned, did you know who owned them?

BlockFi's Prince: It turns out I wasn't aware of the nuances.

Cohen: Why did BlockFi seek a loan from FTX in the summer of 2022?

AUSA Roos: Objection! Cumulative!

Judge Kaplan: It is

AUSA Roos: If you'd known Alameda was using FTX customer money, would you have lent?

BlockFi's Prince: No. That is not appropriate.

AUSA: And when FTT dropped what did BlockFi do?

Prince: We called some of the loans. But there were still \$650 million outstanding

AUSA Roos: Were you extending loans to Alameda because of your deal with FTX?

SBF's lawyer Cohen: Objection! Leading!

Judge Kaplan: Sustained.

AUSA: Did BlockFi lend to Alameda in 2022?

BlockFi's Prince: Yes, from July to early November, \$850 million of loans



AUSA: If you'd known of FTX - Alameda loans would BlockFi have still extended credit?  
BlockFi's Prince: No. They would have been insolvent.

AUSA: & if you'd known of Alameda's loans to Sam Bankman-Fried?

Prince: That's not generally done, we'd have been concerned

BlockFi's Prince: It also provided for FTX being able to acquire BlockFi in July 2023. We thought that would happen

AUSA: Did that happen?

Prince: No.

AUSA: But did your arrangement with FTX influence loans to Alameda?

Prince: It was a data point

AUSA: What about his, Skybridge Capital?

Singh: That's Anthony Scaramucci's firm.

AUSA: And this was in September, after your talk?

Singh: Yes... In this one, Sam, Gary and me were supposed to take loans and then give it to FTX US, this was just on-paper

SBF's Cohen: You got cash bonuses of 1 to 2 million?

Singh: I think that's right.

SBF's Cohen: And loans from FTX - let me give you the foundation. You borrowed \$477 million from FTX?

Singh: In a sense.

SBF's Cohen: To buy equity in FTX?

Singh: My first

Everdell: You got over \$200 million in loans from Alameda?

Gary Wang: Yes.

Everdell: To make venture investments, and to buy a house, right?

Wang: I used \$200,000 for a house.

Everdell: What lawyers worked on the promissory notes?

Wang: General counsel, under Dan

AUSA Sassoon: What if anything did you approve about lending to Alameda?

SBF's lawyer Cohen: Same objection.

Judge: Overruled

Sun: I never approved loans of FTX customer funds to Alameda. It was segregated.

AUSA: What was the purpose?

Sun: So not misappropriated





SBF's Cohen: Have you heard of Signal and Slack?

Can Sun: Yes.

Cohen: Were they used by the FTX legal dep't?

Sun: Yes.

Cohen: You said Nishad Singh told you he was concerned about this loans?

Sun: He was worried about repaying

Cohen: Understood

Cohen: After you took the \$2.3 million loans, you got a \$2.3 million bonus from FTX?

Can Sun: Actually I think it was \$3.5 million.

SBF's Cohen: And they were connected?

Can Sun: Well they were both about my employment.

Yedidia: I learned that Alameda used FTX depositors money to pay back Alameda's loans.

AUSA: Were you subpoenaed to be here today?

Yedidia: No.

AUSA: Do you have an immunity order?

Yedidia: Yes.



Sam Bankman-Fried

which lenders?

9:54 AM

can certainly do it for all  
the smaller ones

9:54 AM

SB

would prefer not to do it  
for blockfi yet

9:54 AM

Caroline Ellison

ah cool

9:54 AM

yeah not blockfi yet

9:54 AM

CE

Sam Bankman-Fried

what would the total be  
to return?

9:55 AM

I guess Genesis is also  
substantial?

9:55 AM

SB

**GOVERNMENT  
EXHIBIT  
410B**

22 Cr. 673 (LAK)





The same Venture Capital & Companies whom reloan, repledge, rehypothecate & commingle assets with [“BlockFi's largest creditor is Ankura Trust, which represents creditors in stressed situations and is owed \\$729 million. Valar Ventures, a Peter Thiel-linked venture capital fund, owns 19% of BlockFi equity shares”](#) owns FTX Equity Stake with prior knowledge [“Venture Book Avoidance”](#) prior to the Silicon Valley Banks & other California Banks collapses (obtaining Venture Loans).

Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 1 of 65

**EXHIBIT A**

**WRS Equity Holders List**

Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 2 of 65

2021-015 Investments LLC investments@rivendelltrust.com; jmichels@thielcapital.com	Common	Class A Common (CA)	245,000
---	--------	---------------------	---------

Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 17 of 65

**EXHIBIT B**

**FTX Trading Equity Holders List**

Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 18 of 65

2021-015 Investments LLC investments@rivendelltrust.com; jmichels@thielcapital.com	Common	Common (CS)	45,784
2021-015 Investments LLC investments@rivendelltrust.com; jmichels@thielcapital.com	Preferred	Series B-1 Preferred (PB1)	11,446



**From:** Washburn, Charles  
**Sent:** Tuesday, July 24, 2018 10:57 AM  
**To:** 'Nourafshan, Alexander@DBO'  
**Subject:** RE: Confidential Treatment Re: BlockFi  
**Importance:** High

CONFIDENTIAL

Alex,

I hope this message finds you well.

I am following up to check on the status of our request for an interpretive opinion, a copy of which request I have attached for ease of reference. As you know, it was received by the Department on May 15.

As discussed in more detail in the opinion request, the position taken by the Department to-date that a licensee under the California Financing Law ("CFL") cannot hold collateral I respectfully believe is based on a clear misreading of vestigial language in Section 22009 of the CFL defining the term "finance lender," which hopefully you see as well.

As also discussed in the request, this incorrect Department position is causing substantial harm to our client BlockFi Lending LLC. In particular and as noted in the request for expedited treatment, I understand from the client that a competitor, Unchained Capital, Inc., was granted a CFL license by the Department (60DBO-78867) and based on the Department's web site that license is still active. The client further advises that Unchained Capital is still doing a lending business in California and is still holding crypto currency as collateral in connection

Case 22-19361-MBK Doc 204-5 Filed 01/06/23 Entered 01/06/23 18:06:09 Desc

Exhibit E Mail - Page 162 of 175

with those loans, while at the same time BlockFi Lending is unable to lend in California on similar terms with respect to holding collateral based on this Department position.

Thank you in advance for your assistance, and I would again be happy to discuss any questions you may have regarding the analysis.

Best regards,

Chuck



*Exhibit D*

***FTX Trading Ltd., et al.,  
Time Detail by Activity by Professional  
February 1, 2023 through February 28, 2023***

**Avoidance Actions**

Professional	Date	Hours	Activity
Aly Helal	2/2/2023	2.9	Collecting financial documents and agreements on FTX's venture investments
Aly Helal	2/2/2023	2.5	Updating the counterparties for Silvergate's bank transactions to standardize the counterparties
Aly Helal	2/2/2023	2.8	Editing and populating the Silvergate bank transactions based on transaction description
Aly Helal	2/2/2023	2.2	Analyzing and standardizing the unique counterparties for Silvergate bank transactions
Austin Sloan	2/2/2023	2.0	Processing various additional bank statements received in Valid8, re: cash database construction progress and reporting
Austin Sloan	2/2/2023	1.9	Creating summary load file for various banks bank statements, re: cash database construction progress and reporting
Austin Sloan	2/2/2023	1.8	Processing additional Signature bank statements received in Valid8, re: cash database construction progress and reporting
Austin Sloan	2/2/2023	1.2	Creating summary load file for Signature bank statements, re: cash database construction progress and reporting
Austin Sloan	2/2/2023	0.3	Teleconference with C. Radis, A. Sloan and E. Hoffer (A&M) discussing Silvergate summary cash database
Austin Sloan	2/2/2023	0.1	Teleconference with C. Radis, A. Sloan, M. Shanahan, and E. Hoffer (A&M) discussing Silvergate cash database summary
Breanna Price	2/2/2023	1.6	Conducted Relativity searches related to the HOLE and Terraform relationship
Breanna Price	2/2/2023	0.5	Added new data to the Alameda venture investment interest payment analysis
Breanna Price	2/2/2023	0.6	Teleconference with S. Mimms and B. Price (A&M) regarding HOLE
Breanna Price	2/2/2023	0.5	Teleconference with E. Hoffer and B. Price (A&M) regarding the new bank data received from debtors and banks on 2/2/2023
Breanna Price	2/2/2023	0.4	Added new bank data received from SBI bank to the bank statement tracker
Breanna Price	2/2/2023	0.5	Added new bank data received from Nium bank to the bank statement reporting
Breanna Price	2/2/2023	3.1	Added new bank data received from Prime Trust to the bank data tracker
Breanna Price	2/2/2023	0.3	Teleconference with D. Medway and B. Price (A&M) regarding Alameda venture investment interest payment and margin call data
Breanna Price	2/2/2023	0.2	Added new bank data received from First Republic Bank to the bank statement tracker
Breanna Price	2/2/2023	0.1	Continued the document review process related to debtor entity financials
Breanna Price	2/2/2023	0.1	Completed the thorough review of "Blockchain.com" on Relativity
Breanna Price	2/2/2023	0.8	Added new data to the Alameda venture investment margin call analysis

*Exhibit D*

***FTX Trading Ltd., et al.,  
Time Detail by Activity by Professional  
February 1, 2023 through February 28, 2023***

**Avoidance Actions**

Professional	Date	Hours	Activity
Samuel Mimms	2/1/2023	0.3	Teleconference with S. Mimms, A. Dobbs, and B. Price (A&M) regarding the plan to gather relevant Alameda venture investment loan payment information via Relativity
Samuel Mimms	2/1/2023	0.1	Teleconference with D. Medway and S. Mimms (A&M) regarding questions on Alameda venture investment presentation
Samuel Mimms	2/1/2023	0.1	Teleconference with D. Medway, S. Mimms, A. Dobbs, and B. Price (A&M) regarding Relativity searching
Samuel Mimms	2/1/2023	0.3	Teleconference with D. Medway and S. Mimms (A&M) regarding Alameda venture investment loan history documentation and Relativity review
Samuel Mimms	2/1/2023	2.4	Performing targeted Relativity searches around Alameda venture investment open items
Samuel Mimms	2/1/2023	0.9	Teleconference with D. Medway and S. Mimms (A&M) regarding next steps with Alameda venture investment loan analysis and presentation
Samuel Mimms	2/1/2023	1.8	Updating and Analyzing Alameda venture investment Loan Database
Samuel Mimms	2/1/2023	2.2	Developing draft presentation on Alameda venture investment transactions
Samuel Mimms	2/1/2023	0.1	Teleconference with D. Medway and S. Mimms (A&M) regarding updates to Alameda venture investment loan history spreadsheet
Samuel Mimms	2/1/2023	0.5	Teleconference with S. Mimms, A. Dobbs, and B. Price (A&M) regarding Alameda venture investment loan payment findings
Scott Peoples	2/1/2023	0.2	Discussion with A. Canale and S. Peoples (A&M) regarding financial considerations for avoidance actions update
Scott Peoples	2/1/2023	0.3	Call with M. Blanchard, A. Canale, S. Peoples, K. Baker, and J. Chan (A&M) to discuss FTT Float balances
Scott Peoples	2/1/2023	0.6	Discussion with S. Peoples and M. Blanchard regarding loan analysis for Alameda Ventures Ltd
Steve Coverick	2/1/2023	1.9	Develop plan for upcoming preference analyses
Aaron Dobbs	2/2/2023	0.4	Teleconference with S. Mimms and A. Dobbs (A&M) regarding Alameda venture investment loan term sheet review
Aaron Dobbs	2/2/2023	3.3	Relativity Search and Summary of Alameda venture investment and FTX Loan and Option Agreements
Aaron Dobbs	2/2/2023	1.6	Prepare notes and materials for upcoming meeting re: Alameda venture investment transactions analysis
Aaron Dobbs	2/2/2023	2.3	Alameda venture investment Funds tracing, Loan History Analysis and Transaction Confirmation
Aaron Dobbs	2/2/2023	0.2	Teleconference with S. Mimms and A. Dobbs (A&M) regarding Alameda venture investment loan analysis
Aaron Dobbs	2/2/2023	3.2	Continue Alameda venture investment Payment Confirmation Tracker and Wallet Tracing Documents in Relativity
Aaron Dobbs	2/2/2023	2.9	ED&F Man Capital Markets Funds tracing, Loan History Analysis and Transaction Confirmation





Sullivan & Cromwell on 02/01/2023 "[Genesis/BlockFi and FTX transactions](#)" with "[Purchase Agreements](#)" "[venture book target](#)" for "Venture Book Avoidance" Loans with California Banks.

Case 22-11068-JTD Doc 1220-2 Filed 04/04/23 Page 74 of 231

## AlixPartners

John J. Ray III  
Chief Executive Officer  
FTX Trading Ltd. and its affiliated debtors-in-possession  
c/o Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004  
Attn: FTX Mail Room

Re: Forensic Analysis  
Code: 20008100P00001.1.5

02/01/2023	MB	Discussion with A. Walker (AlixPartners) re: addition of department to query on Genesis/BlockFi and FTX transactions	0.4
02/01/2023	MB	Attend meeting with D. Schwartz (AlixPartners) re: review of transactions of Genesis and BlockFi with FTX entities	0.5
02/01/2023	MB	Analyze bank transaction information to trace cash flows between Genesis and FTX	2.4
02/01/2023	MB	Analyze Genesis/Blockfi transactions with FTX	0.7
02/01/2023	MB	Analyze large cash transfers to Genesis from FTX	1.7
02/01/2023	MB	Analyze large loans to/from Genesis from/to FTX	0.6
02/01/2023	MB	Prepare bank statement request re: BlockFi/Genesis Transactions with FTX	0.6



*Exhibit D*

*FTX Trading Ltd., et al.,  
Time Detail by Activity by Professional  
February 1, 2023 through February 28, 2023*

**Avoidance Actions**

Professional	Date	Hours	Activity
David Medway	2/1/2023	0.5	Call with A. Canale, D. Medway (A&M) regarding Alameda venture investment investigation
David Medway	2/1/2023	0.4	Review summary of findings from analysis of Alameda venture investment Loan and Option Agreements
David Medway	2/1/2023	0.4	Call with A. Canale, D. Medway (A&M) regarding Alameda venture investment investigation
David Medway	2/1/2023	0.3	Teleconference with D. Medway and S. Mimms (A&M) regarding Alameda venture investment loan history documentation and Relativity review
David Medway	2/1/2023	0.2	Teleconference with D. Medway and S. Mimms (A&M) regarding updates to Alameda venture investment loan history spreadsheet
David Medway	2/1/2023	0.2	Teleconference with D. Medway and A. Helal (A&M) regarding Alameda venture investment collateral transactions analysis
David Medway	2/1/2023	0.8	Prepare materials summarizing historical Alameda venture investment loan accrued interest and payments
David Medway	2/1/2023	0.5	Investigate cash transactions with Alameda loan counterparty during the preference period





**quinn emanuel trial lawyers**

April 05, 2023  
Page 36

Matter #: 11807-00001  
Invoice Number: 101-0000149656

02/02/23	NH2	Review of engagement letters and populate the summary chart for purpose of Rule 2004 document request (4.8); call with S. Rand related to the review (0.5); call with A. Alden and S. Seneczko for avoidance action analysis (0.6).	5.90	5,336.55
02/02/23	OBV	Team call on issuing Rule 2004 requests (.5).	0.50	452.25
02/02/23	SS6	Research due diligence materials re potential avoidance actions, entities (3.7); draft analysis re same (2.4); correspond with A. Kutscher re same (.1); conference with A. Alden, N. Huh re avoidance action complaints, diligence analysis (.6); review, revise memorandum, materials re same (1.1).	7.90	7,785.45
02/02/23	APA	Review <b>Token Purchase Agreement</b> and memo regarding same (0.8); review memo regarding <b>Venture investments</b> (0.5); teleconference with N. Huh and S. Seneczko regarding tasks and research (0.6).	1.90	2,736.00
02/02/23	EK	Legal and factual research in support of avoidance actions (1.3); case management for avoidance actions (0.3).	1.60	1,994.40
02/02/23	AK2	Confer with J. Young re: <b>venture book avoidance</b> action targets (.2); conduct research and determine next steps re: same (3.7); confer with Alvarez and Marsal re: same (.1); confer with S. Seneczko re: same (.1).	4.10	4,981.50



## quinn emanuel trial lawyers

April 05, 2023  
Page 42

Matter #: 11807-00001  
Invoice Number: 101-0000149656

		regarding same (0.2); emails to and from A. Kutscher and S. Rand regarding same (0.3); review agreements with venture book target and emails regarding same (1.7); attention to emails from N. Huh and Alvarez and Marsal regarding venture book target (0.3).		
02/07/23	EK	Conference with A&M re avoidance action analysis (0.4); analyze data in connection with avoidance actions (0.5); correspond with team regarding avoidance action analysis (0.3).	1.20	1,495.80
02/07/23	AK2	Confer with S. Rand re: upcoming call with Alvarez and Marsal re: avoidance action targets in venture book (.1); confer with Alvarez and Marsal re: venture book targets for avoidance actions and next steps re same (.1); confer with E. Sutton and Alvarez and Marsal re: same (.1); confer with I. Nesser re: upcoming call re: same (.1); conduct research re: potential avoidance action targets between \$10 million and \$20 million and determine next steps re: same (2.3); confer with S. Rand and Alvarez and Marsal re: upcoming call re: avoidance action targets in venture book (.1); attend same (1.3); confer with team re: results of same (.1); analyze venture book and revisions to priority cases (2.8); confer with team re: results of same (.2); confer with Alvarez and Marsal re: same (.1); confer with S. Rand re: same (.2); confer with A. Alden re: same (.1); confer with Alvarez and Marsal re: upcoming call on avoidance targets and next steps re: same (.1); confer with I. Nesser re: potential avoidance action target and next steps for avoidance actions generally (.3); confer with M. Smith	8.70	10,570.50





**quinn emanuel trial lawyers**

April 05, 2023  
Page 73

Matter #: 11807-00001  
Invoice Number: 101-0000149656

Alvarez and Marsal re: financial valuation of potential avoidance target and stock received from purchase, confer with I. Nesser re: same, and confer with Alvarez and Marsal and I. Nesser re: upcoming call re: same (.3); revise draft memorandum on avoidance action target, conduct research re: same, and confer with S. Rand, J. Shaffer, and I. Nesser re: same (.5); confer with A. Roytenberg re: avoidance action target and timing of memorandum re: same (.1); confer with I. Nesser re: memorandum on potential avoidance action, revise comments on same, confer with E. Winston re: same (.3); confer with M. Meadows re: avoidance action document review and documents to provide to investigations team (.1); confer with S. Rand, J. Shaffer, I. Nesser, E. Winston, E. Sutton, E. Kapur, and A. Alden re: upcoming call on status of avoidance action analysis and next steps re: same (.2); draft venture book avoidance analysis status document and confer with team re: same (.4); review and revise draft memorandum on potential avoidance action target, determine next steps re: same, confer with S. Turk and M. Smith re: same, and confer with I. Nesser re: same (.7); draft communication to Sullivan and Cromwell re: data source, confer with S. Rand re: same, and confer with E. Sutton re: same (.3).

02/27/23	JR8	Prepare draft complaint (5.2), fact research re: same (1.2).	6.40	6,710.40
02/28/23	NH2	Drafted a memo for a target - draft fact sections and legal analysis (2.7), finalized a memo for another target and reviewed investigation result (1.5).	4.20	3,798.90

**quinn emanuel trial lawyers**April 05, 2023  
Page 138Matter #: 11807-00001  
Invoice Number: 101-0000149656

		S. Hill (0.2).		
02/28/23	RP	Review documents related to investigations targets (7.7).	7.70	6,964.65
02/28/23	ET3	Drafting and editing memorandum on results of law firm review (5.1).	5.10	2,593.35
02/28/23	KS7	Analyze documents and communications to evaluate in-house counsel targets (summarize same) (5.9).	5.90	5,336.55
02/28/23	TCM	Investigations team calls re. prioritization of bank and law firm 2004s (.5); review of SBF superseding indictment and SEC and CFTC complaints, and associated dockets (3).	3.50	4,252.50
02/28/23	CM	Research regarding law firm review (6.8); Analyze court filings and other documents related to potential claims (1.6).	8.40	4,271.40
02/28/23	JA4	Review of documents for family investigations targets (7.5).	7.50	3,813.75
02/28/23	SH6	Prepare 2004 law firm requests, review and analyze invoices and retainers detailing services of potential targets and emails with QE leadership team re: same (3.5); correspondence with K. Lemire and J. Young re: bank targets for 2004 requests (0.1); review issue documents related to intercompany loans of inside counsel (1.0); review draft in house counsel module and analyze for interview targets (1.0); review and revise family investigation team's political and charitable module (0.9); correspondence with investigation reviewers re: findings related to political and charitable contributions and analyze documents of interest re: the same (1.0); prepare case management topics for upcoming	8.00	6,732.00





**Facts Specific to Relief Requested**

6. SC30 is “the off-court presence of four-time NBA Champion and two-time MVP, Stephen Curry, which prioritizes endeavors spanning brand partnerships, media, investments and philanthropy.” Coverick Decl. Ex. 2. SC30 states that it seeks to partner with, and invest in, organizations that will bring strong financial returns and amplify Curry’s brand. See Coverick Decl. Ex. 3.

7. On August 11, 2021, Blockfolio and SC30 executed their Agreement pursuant to which Blockfolio agreed to pay SC30 sponsorship fees of \$12,000,000 (the “Sponsorship Fees”) to SC30 as follows: \$4,000,000 upon execution of the Agreement, \$1,000,000 one year after the execution of the Agreement, and \$1,000,000 every three months thereafter until all sponsorship fees are paid. Agreement § 5(A). In return, Curry would contribute each year a maximum of twenty “service hours,” for which Curry could be asked to, among other things, participate in personal and virtual appearances, photo shoots for the purpose of creating advertising materials, and provide autographs, limited to a maximum of fifty autographed items each year. Agreement § 4.

8. Under section 5(B) of the Agreement, Blockfolio also agreed to a separate cryptocurrency compensation whereby Blockfolio would deposit into Curry’s FTX.com exchange account \$500,000 per year in cryptocurrencies of Curry’s choosing. Instead of making a payment in cryptocurrency, Blockfolio also could make a payment equal to the cryptocurrency compensation in cash. Agreement § 5(B).

9. Prepetition, Blockfolio paid a total of \$6 million in Sponsorship Fees and cryptocurrency compensation under the Agreement. On September 14, 2021, Blockfolio received an invoice for the first \$4,000,000 payment, and Blockfolio paid SC30 the invoiced \$4,000,000 on September 30, 2021. On July 18, 2022, Blockfolio received an invoice for the second \$1,000,000 payment, which Blockfolio paid to SC30 on July 19, 2022. Under the cryptocurrency compensation portion of the Agreement, Blockfolio paid Curry a total of \$1 million. On August 27, 2021, Debtor West Realm Shires Services Inc., on behalf of Blockfolio, paid Curry \$500,000 in cash. On August 9, 2022, Blockfolio paid Curry the following cryptocurrencies: 12.93 BTC, 58.82 ETH, and 2,470 SOL, which amounted to \$500,000.



## 5. COMPENSATION.

- A. In consideration of the rights and services granted to Company by Consultant hereunder, Company agrees to pay to Consultant Twelve Million Dollars (\$12,000,000) (the "**Cash Compensation**") payable in accordance with the following schedule:
- \$4,000,000 due upon the execution hereof;
  - \$1,000,000 due one (1) year following the Effective Date; and
  - \$1,000,000 due every three (3) months thereafter during the Term until the full Cash Compensation is paid.

- B. Every Contract Year, Company shall pay to Consultant Five Hundred Thousand Dollars (\$500,000) in the cryptocurrency or cryptocurrencies of Talent's choosing and deposited into Talent's FTX/Blockfolio account, subject to any applicable restrictions on such cryptocurrency or cryptocurrencies being transferred to Talent (the "**Crypto Compensation**"); provided to the extent Company cannot provide Crypto Compensation due to such applicable restrictions, Company shall provide an amount equal to such Crypto Compensation in cash, which shall be due with the next

DocuSign Envelope ID: A45930DF-7E55-4328-8684-039F7BC2B87A  
Case 22-11068-JFD Doc 19972-1 Filed 07/10/24 Page 9 of 48

installment of any Cash Compensation. The Crypto Compensation shall be due on the Effective Date for Contract Year One, and on the first day of each subsequent Contract Year in Contract Year Two and Contract Year Three. Notwithstanding the foregoing and for the avoidance of doubt, the Crypto Compensation paid in connection with each Contract Year shall remain in Talent's FTX/Blockfolio account for twelve (12) months following the initial deposit thereof and shall not be subject to forfeiture for any reason.

- C. In addition to the **Cash Compensation and Crypto Compensation** Consultant shall be entitled to receive common shares of FTX TRADING LTD on the terms outlined in the attached Exhibit A, incorporated herein for reference (the "**Equity Compensation**").
- D. The **Cash Compensation shall be paid by wire transfer to the bank account designated by "SC30 Inc."** and paid/wired as directed by invoice. The Cash Compensation shall be payable in U.S. Dollars, provided upon notice to Company, Consultant or Talent may request that Company make any payment due hereunder in the **cryptocurrency or cryptocurrencies of Talent's choice into Talent's FTX/Blockfolio account** subject to any applicable restrictions on such cryptocurrency or cryptocurrencies being transferred to Talent. Furthermore, if Consultant or Talent provides notice to the Company that Talent wants the Cash Compensation to be made to an alternate account, the Company shall follow such instructions of Consultant or Talent, as applicable.





## EXHIBIT A

### Equity Compensation Terms

On the Effective Date, Talent will receive from FTX TRADING LTD. (the "Issuer") 572,301 shares of the common stock of Issuer (the "*Shares*").

For purposes of calculating the number of Shares issued to Talent, Issuer will divide \$15 million by the per share price paid by investors for shares of preferred stock in Issuer's current financing round (\$17 billion pre-money fully diluted valuation).

Vesting. One third (1/3) of the Shares will be vested upon issuance, one sixth (1/6) of the Shares shall vest one year from the Effective Date, and the remaining one half (1/2) of the Shares will vest ratably on a daily basis over the first three years of the Term. Except as otherwise set forth in the Award Agreement or determined by the Issuer, the Shares may not be transferred until vested, and vesting will cease and any then-unvested Shares (after taking into account any accelerated vesting, if any, that occurs in connection with such termination) will be cancelled upon termination of the Agreement prior to expiration of the initial 3-year term.

In the event of a change of control of the Company during the Term, including but not limited to a SPAC transaction, all of the then-unvested Shares will automatically vest, if and only if the Company or its successor terminates this Agreement in violation of the permitted terminations pursuant to the Agreement as outlined in Section 11 of this Agreement.

Talent acknowledges that the issuance of the Shares to Talent will have tax consequences and Talent is responsible for paying any taxes for which he is liable under applicable law with respect to the Shares.

The Shares will be subject to the terms set forth in an award agreement between Issuer and Talent, in a form mutually agreed upon by Issuer and Talent (the "*Award Agreement*").

EXHIBIT A  
INITIAL LOAN CONFIRMATION

This Loan Confirmation ("Loan Confirmation") is made by and between Alameda Research Ltd. ("Lender"), a British Virgin Islands company, and Tai Mo Shan Limited ("Borrower"), a Cayman Islands exempted company, pursuant to that certain Master Loan Agreement by and between the Lender and Borrower (the "Master Loan Agreement"). Capitalized terms used but not defined herein shall have the meanings set forth in the Master Loan Agreement.

Pursuant to the Master Loan Agreement, Lender hereby agrees to loan to Borrower, and Borrower hereby agrees to borrow from Lender, the quantity of Loaned VC specified below. The terms of this Loan are specified below and in the Master Loan Agreement. If there is any conflict between the terms of this Loan Confirmation and the Master Loan Agreement, the terms of this Loan Confirmation shall prevail.

Loaned VC	233 million SRM
Loan Fee (interest)	None
Loan Term	The date of this Loan Confirmation through the 7 <sup>th</sup> anniversary of the date of this Loan Confirmation
U.S. Dollar Repayment Right	Borrower shall be entitled to repay all or any portion of the Loan Balance, whenever paid, in either the Loaned VC or U.S. dollars. If Borrower chooses to pay in U.S. dollars, then Borrower must pay the U.S. Dollar Repayment Price per VC owed.
U.S. Dollar Repayment Price	\$0.06
Loaned VC Delivery Dates and Unlock Schedule	Lender shall deliver the Loaned VC and the Loaned VC shall be freely transferable by Borrower on the following schedule: starting on August 1 <sup>st</sup> , 2021, and ending on August 1 <sup>st</sup> , 2027, the tokens will be deliverable at a constant portion per day of approximately 106,392 tokens.

EXHIBIT B  
INITIAL LOAN CONFIRMATION 2

This Loan Confirmation ("Loan Confirmation") is made by and between Alameda Research Ltd. ("Lender"), a British Virgin Islands company, and Tai Mo Shan Limited ("Borrower"), a Cayman Islands exempted company, pursuant to that certain Master Loan Agreement by and between the Lender and Borrower (the "Master Loan Agreement"). Capitalized terms used but not defined herein shall have the meanings set forth in the Master Loan Agreement.

Pursuant to the Master Loan Agreement, Lender hereby agrees to loan to Borrower, and Borrower hereby agrees to borrow from Lender, the quantity of Loaned VC specified below. The terms of this Loan are specified below and in the Master Loan Agreement. If there is any conflict between the terms of this Loan Confirmation and the Master Loan Agreement, the terms of this Loan Confirmation shall prevail.

Loaned VC	800 million SRM
Loan Fee (interest)	None
Loan Term	The date of this Loan Confirmation through the 7 <sup>th</sup> anniversary of the date of this Loan Confirmation
U.S. Dollar Repayment Right	Borrower shall be entitled to repay all or any portion of the Loan Balance, whenever paid, in either the Loaned VC or U.S. dollars. If Borrower chooses to pay in U.S. dollars, then Borrower must pay the U.S. Dollar Repayment Price per VC owed.
U.S. Dollar Repayment Price	\$0.12
Loaned VC Delivery Dates and Unlock Schedule	Lender shall deliver the Loaned VC and the Loaned VC shall be freely transferable by Borrower on the following schedule: starting on August 1 <sup>st</sup> , 2023, and ending on August 1 <sup>st</sup> , 2027, the tokens will be deliverable at a constant portion per day of approximately 547,945 tokens.

IN WITNESS WHEREOF, the Parties have caused this Master Loan Agreement to be executed and delivered as of the dates set forth below.

LENDER:  
Alameda Research Ltd.  
By: Sam Bankman-Fried  
Name: Sam Bankman-Fried  
Title: CEO  
Date: 12 August 2020

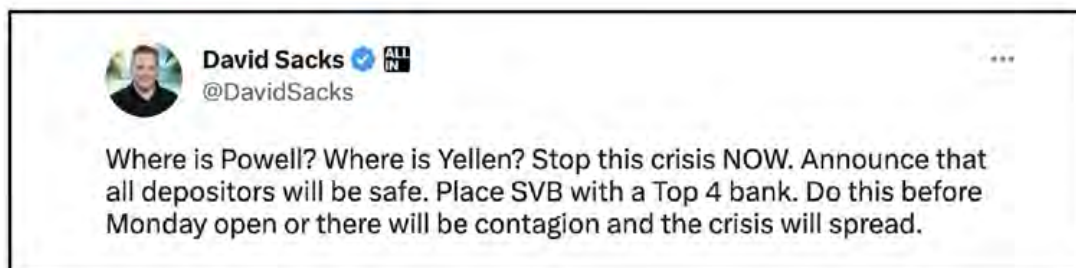
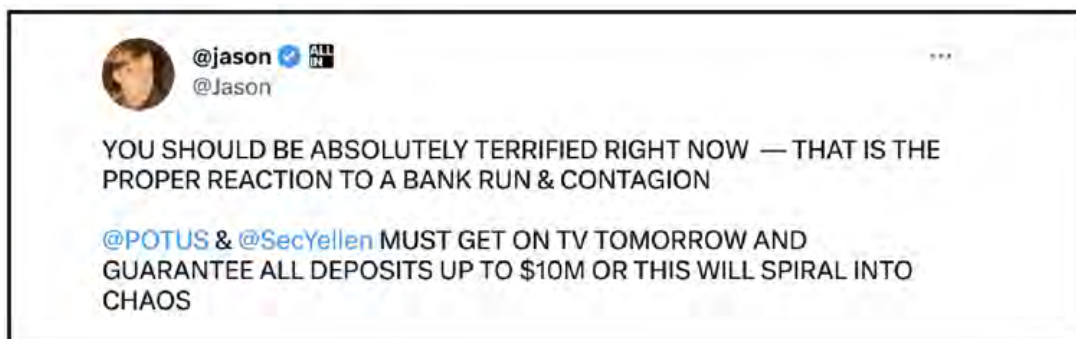
BORROWER:  
TAI MO SHAN LIMITED

By: M. Hinerfeld  
Name: Matthew Hinerfeld  
Title: Authorized Signatory  
Date: 12 August 2020





The same [“Venture Book” Loan Capital & Companies “included in 438 investments” “funded assets”](#) whom on Nov. 9, 2022 FTX/Alameda & BlockFi Pledge Agreements allowing [“pledge, rehypocate, assign, use, commingle, or otherwise dispose of or use any Collateral”](#) including [“Tokenized Stocks”](#) & [“Peter Thiel” “owns 19% of BlockFi equity shares”](#) owning [FTX Equity Stake](#) prior knowledge [“Venture Book Avoidance”](#) prior California Banks collapses. These same Venture Book Avoidance/Capital issues comments [“Coatue, USV, Founder Collective joined Thiel in advising companies to pull SVB funds”](#) which echoed across all “Venture Book Avoidance” Participants. On March 13, 2023, these actions prompted responses from POTUS, Secretary Yellen and [FDIC Acts to Protect All Depositors of the former Silicon Valley Bank](#), which accomplished these initial goal on Feb. 02, 2023 [“Venture Book” “438 investments, totaling approximately \\$4.5B in funded assets”](#) Loan Avoidance objectives.





# 16) SHORT & DISTORT & NARRATIVES

Case 1:23-md-03076-KMM Document 554-4 Entered on FLSD Docket 03/22/2024 Page 2 of 4  
**CONFIDENTIAL**

**From:** Creators Agency <[compliance@creatorsagency.co](mailto:compliance@creatorsagency.co)>  
**To:** Graham Stephan <[graham\\_stephan@yahoo.com](mailto:graham_stephan@yahoo.com)>; Jeremy Lefebvre <[j.l.brandsproduction@gmail.com](mailto:j.l.brandsproduction@gmail.com)>; Andrei Jikh <[themajikh@gmail.com](mailto:themajikh@gmail.com)>  
**Cc:** Erika Kullberg <[erika@creatorsagency.co](mailto:erika@creatorsagency.co)>; Compliance Team <[compliance@creatorsagency.co](mailto:compliance@creatorsagency.co)>  
**Sent:** Monday, April 4, 2022 at 05:30:42 PM PDT  
**Subject:** Re: FTX Talking Points - Millennial Money

Hi Millennial Money Team,

Please Use the **FTX US** Logo, here: [https://drive.google.com/drive/u/0/folders/1KbU9kEjwanLFYJl\\_qjKxYVw33EXkAPc-](https://drive.google.com/drive/u/0/folders/1KbU9kEjwanLFYJl_qjKxYVw33EXkAPc-) and say **FTX US** instead of just FTX. Thank you!

Attached are the new Talking Points for this month too. Please see below.

On Wed, Jan 26, 2022 at 2:06 AM Erika Kullberg <[erika@creatorsagency.co](mailto:erika@creatorsagency.co)> wrote:  
Hi Team!

Here are the talking points for the live (attached and see below directly from FTX). They said that they were very happy with Graham's integration already, so similar talking points as what Graham did are great:

- **Important: before you go live, please get the affiliate link ready. Graham knows how to do this from the app. They want you to use a [bit.ly](https://bit.ly) (or link shortener) to make the affiliate link look nicer.**
- **Also important: please display the FTX logo the whole time throughout the live, here's the logo: <https://drive.google.com/drive/folders/1uzWrU7f8POk7Vnu2R63AESVpkmemU1zo?usp=sharing>**
- **Make sure the affiliate link is displayed at the top of description and as the pinned comment. Here's the text you can copy and paste (make sure you grab the affiliate link and code first):**
  - Trade Bitcoin, Doge, and other crypto with zero fees on FTX. Use our referral code and get a free coin when you trade \$10 worth: [INSERT BITLY LINK HERE] - Use Code: [INSERT CODE HERE] - Enjoy!

--

The main thing is no fee trading for FTX App, no fixed minimum fees, etc. Please make the focus **FTX.US** though. Here are the designs ([FTX Drive](#).) We are giving away \$80K in NFTs, such as Mutant Apes, Doodles, etc. Their community can enter it by going to [ftx.us](https://ftx.us) or the ftx app creating an account, entering promo code NFTJAN22 and buying \$50 worth of NFTs. If they want to also promote NFTs and this campaign - they can - but it is up to them.

For links - we can only make [blockfolio.com/millennialmoney](https://blockfolio.com/millennialmoney), which is a bit confusing. If they can create an account similar to what we did for others and use their teams to create a customized link, such as [ftx.app/millennialmoney](https://ftx.app/millennialmoney) that deep links to the affiliate links they create through that app that would be great.

The below information might be really helpful too if they want more context.

## FTX

- FTX was founded in 2019 built on a reputation for offering the best derivatives products and now has grown to be a top three exchange in the world by volume and users.





- In October of this year, FTX raised \$420 million for 69 investors at a \$25B valuation. Previously, this year, FTX raised \$900 million at a \$18B valuation
- FTX has FTX International and FTX.US. Similar to Coinbase - we have FTX App for retail users and FTX trading platforms for traders. On FTX App users can buy and sell crypto and NFTs with no fees and on FTX.US we have fees up to 85% cheaper than competitors. We believe FTX products offer the best liquidity and the cheapest fees in the industry for both sophisticated investors for more retail focused users (who want to DCA and buy crypto once in a while).
- *Last valuation is double Robinhood's current market share*
- Our founder SBF: Forbes: richest under 30

#### Acquisitions and Venture Investing

- FTX US has been growing rapidly and we acquired Blockfolio last year (now named FTX) as a primary place for new investors and acquired Ledger X, with a focus on regulated derivatives in the US
- FTX launched a \$2B fund to invest in crypto projects



**Erika Kullberg**  
Attorney & Co-Founder, Creators Agency  
Georgetown Law, *Juris Doctor*  
7,000,000+ on TikTok  
2,000,000+ on Instagram  
200,000+ on YouTube



As featured in Inc. Magazine, CNBC, Business Insider, U.S. News & World Report and more



FTX US Talking Points for Creators

CONFIDENTIAL

What is FTX and FTX US

- FTX US is a US regulated crypto exchange, which aims to inspire loyalty amongst users. FTX US is one of the largest exchanges in the US and is rapidly growing its user base. FTX US also recently raised \$400 million at \$8 billion valuation.
- FTX is one of the largest cryptocurrency exchanges in the world, in terms of trading volume and daily users.
- FTX was founded by Sam Bankman-Fried, known as SBF. SBF of the richest people in the world 30 and under and is an effective altruist; he plans to give away 99% of his money to charity

Two main FTX Products

- FTX App: this will be the app that most creators promote. For screenshots, b rolls etc please make sure graphics are from FTX App and not pro sites.
  - Please create an affiliate link under the present button, customize your code and copy **BOTH** your affiliate link and code for users to click or enter the code (ex: Jack) when signing up
- FTX.US: this is our trading platform for more advanced users. Most creators will not need to create affiliate links for this unless they are NFT focused creators.

Main bullet points

- The most complete crypto and finance app that allows users to buy and sell crypto and NFTs with no fees.
- Stocks: FTX US will also be launching stocks in the near future: FTX.US/Stocks
- Trusted by millions of users
- Cheaper than other crypto exchanges
  - No fixed minimum fee on transactions (ex: other platforms charge a minimum of \$2-3 USD on all transactions)
  - No ACH transaction fees
- Great for investing strategies, such as dollar cost averaging
  - Recurring buys directly from your bank account for dollar cost averaging strategies. This can be daily, weekly, bi-weekly or monthly
- NFTs: buy top ethereum and solana NFTs with no gas fees and follow top projects and upcoming projects listed with FTX.US
  - FTX.US has partnered with top brands, such as Coachella, one of the largest music festivals in the world, and Steph Curry for NFT projects that have unlocked real world use-cases to attend events and meet athletes/people in person
- Debit Card: Use a crypto debit card to spend your crypto at millions of merchants worldwide
- We have made a push into gaming, one of the first crypto companies to do so. We recently acquired Storybook Brawl Gaming and launched FTX US Gaming division ([link](#)). FTX Ventures has invested in projects, such as Bored Ape Yacht Club creator Yuga Labs ([link](#))

**\*\* Do not reference our interest product for the time being**

Shorter ad read examples

- *The most complete crypto and finance app that allows users to buy crypto and NFTs with no fees and will soon be launching stocks. You might have heard of the FTX brand from their partnerships with Tom Brady, Steph Curry or the Miami Heat Stadium. With FTX - you can trade crypto with up to 85% lower fees than top competitors. You can also use the FTX app to buy your favorite NFTs with no gas fees, supporting both Ethereum and Solana blockchains. Download the FTX App today using my referral link below with code "Insert customized code" to earn free crypto on every trade over \$10.*

Large partnerships to refer and as reference

- The pitch would be "you might have heard of FTX US from their marketing partnerships"
  - Home of Miami Heat , MLB (Major League Baseball), NFT partnerships: Golden State Warriors and FTX US, Mercedes F1 and FTX, Naomi Osaka

Social links and learning resources:

- Twitter: FTX, FTX App, FTX US, FTX NFTs, SBF
- Podcast: FTX Podcast: SBF Episode 1, SBF Episode 2, Ryan Salame CEO of FTX Bahamas, Brett Harrison President of FTX US, Nishad Singh Head of Engineering at FTX
- FTX Deep-Dive via the Generalist Newsletter: Part 1: SBF, Part 2: Data Insights, Part 3: The everything exchange





**Example of Unapproved communications with WhatsApp, Signal & etc used to Communicate Illegal Trades:**

<https://www.sec.gov/newsroom/press-releases/2024-98>

[“Each of the SEC’s investigations uncovered pervasive and longstanding use of unapproved communication methods, known as off-channel communications, at Ameriprise Financial Services, Edward D. Jones & Co., L.P., LPL Financial LLC, Raymond James & Associates, Inc., RBC Capital Markets, LLC, BNY Mellon Securities Corporation, Pershing LLC, TD Securities \(USA\) LLC, TD Private Client Wealth LLC, Epoch Investment Partners, Inc., Osaic Services, Inc., Osaic Wealth, Inc., Cowen and Company, LLC, Cowen Investment Management LLC, Piper Sandler & Co., First Trust Portfolios L.P., Apex Clearing Corporation, Truist Securities, Inc., Truist Investment Services, Inc., Truist Advisory Services, Inc., Cetera Advisor Networks LLC, Cetera Investment Services LLC, Great Point Capital, LLC, Hilltop Securities Inc., P. Schoenfeld Asset Management LP, Haitong International Securities \(USA\) Inc.](#)

[As described in the SEC’s orders, the firms admitted that, during the relevant periods, their personnel sent and received off-channel communications that were records required to be maintained under the securities laws. The failure to maintain and preserve required records deprives the SEC of these communications in its investigations. The failures involved personnel at multiple levels of authority, including supervisors and senior managers.”](#)

**Example of Unapproved communications with WhatsApp, Signal with APEX Clearing:**

<https://www.sec.gov/files/litigation/admin/2024/34-100702.pdf>

[“As a result of the conduct described above, from at least January 2021 through the date of this Order, Apex Clearing willfully violated Section 17\(a\) of the Exchange Act and Rule 17a-4\(b\)\(4\) thereunder, which require broker-dealers to preserve for at least three years originals of all communications received and copies of all communications sent relating to their business as such.”](#)



**Example of Short & Distort Funds Andrew Left Citron Research publishing false and misleading statements:**

<https://www.sec.gov/newsroom/press-releases/2024-89>

“publishing false and misleading statements regarding his supposed stock trading recommendations.

The SEC’s complaint alleges that Left, who resides in Boca Raton, FL., used his Citron Research website and related social media platforms on at least 26 occasions to publicly recommend taking long or short positions in 23 companies and held out the positions as consistent with his own and Citron Capital’s positions. The complaint alleges that following Left’s recommendations, the price of the target stocks moved more than 12 percent on average. According to the SEC’s complaint, once the recommendations were issued and the stocks moved, Left and Citron Capital quickly reversed their positions to capitalize on the stock price movements. As a consequence, Left bought back stock immediately after telling his readers to sell, and he sold stock immediately after telling his readers to buy.

“Andrew Left took advantage of his readers. He built their trust and induced them to trade on false pretenses so that he could quickly reverse direction and profit from the price moves following his reports,” said Kate Zoladz, Director of the SEC’s Los Angeles Regional Office. “We uncovered these alleged bait-and-switch tactics, which netted Left and his firm \$20 million in ill-gotten profits, and we intend to hold Left and his firm accountable for their actions.”

The complaint alleges that Left and Citron Capital made several false and misleading statements in connection with the scheme. For example, it alleges that defendants told the market that they would stay long on a target stock until the price hit \$65 when, in fact, they immediately began selling the stock at \$28. It further alleges that they falsely represented to the market that Citron Research was an independent research outlet that had never received compensation from third parties to publish information about target companies when, in fact, the defendants had entered into compensation arrangements with hedge funds”





The Following Documentations highlights the creation of the Tokenized Stock & Collateral Agreements between FTX, Binance, & CM-Equity which has (57) Tokenized Stock creating Quintillions in Liabilities:

[1 Declaration of Andrew Dieterich Debtor Case 22-11068-JTD DOC 510 Employment Conflicts](#)

[2 Declaration of Andrew Dieterich Debtor Case 22-11068-JTD DOC 8308 Creditor FTX/Alameda/BlockFi/LedgerX Conflicts](#)

[3 Declaration Special Counsel Debtors Creditor Changpeng Zhao Binance Current Client Conflicts](#)

[4 List of FTX Cross Equity Ownership & Employment Conflicts with Purchase of Assets Using Intercompany Loans](#)

[5 FTX/BlockFi Rehypo Emergent Robinhood LedgerX Intercompany/Cross Asset Movement & Purchases](#)

[6 FTX Blockfi Emergent Rehypo Asset Agreements with BlockFi Emails Case 22-11068-JTD Doc 292](#)

[7 LedgerX Case 22-11068-JTD Doc 1342](#)

[8 Timeline Tokenized Stock Collateral Binance/FTX/Alameda/BlockFi/IEX/Embed/ LedgerX Contracts, Communications, Omnibus Corporate Authority](#)



# 17, 18) SWAPS "INTERNAL COUNSEL FROM VARIOUS PB"

13 From March 2020 through March 2021, I was head trader  
14 at Archegos Capital Management. During this time, I and others  
15 executed trades that allowed the fund to amass market power and  
16 certain securities traded on U.S. exchanges. Archegos used  
17 security-based swaps to gain exposure to these securities while  
18 concealing the true size of the fund's positions from the  
19 market and our trading counterparties.

20 Once Archegos gained market power in these securities,  
21 I and others used this power to trade in such a way as to  
22 artificially manipulate the prices of the securities.

23 Acting at the direction of the head of the fund, I  
24 traded to increase the prices of names in which Archegos held  
25 long positions and reduced the prices of securities in which

Case 1:22-cv-03402-JPO Document 35-24 Filed 06/28/22 Page 41 of 51 40

1 the fund helped short positions. I did this by, for example,  
2 buying large amounts of a stock when the price dropped in  
3 response to negative news or trading premarket when I knew the  
4 fund's activity would have a greater impact on price.

5 I manipulated the prices of these securities in order  
6 to influence others in the market to buy or sell the securities  
7 in ways that would benefit Archegos' key positions and increase  
8 Archegos' purchasing power through variation margin.





**"Short Position"** means with respect to an Underlying that the Counterparty has one or more SPB Transactions where the Counterparty is the Equity Amount Payer.

**"Short SPB Transaction"** means with respect to an Underlying, an SPB Transaction where the Counterparty is the Equity Amount Payer.

**"SPB Bonds"** means an SPB Transaction that references Bonds and to which the SPB Bonds Supplement applies.

**"SPB Business Day"** means each day on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign exchange deposits) in London.

**"SPB Custom Baskets"** means an SPB Transaction that references a basket of Shares and to which the SPB Shares/Custom Baskets Supplement applies.

**"SPB Futures"** means an SPB Transaction that references Futures and to which the SPB Index/Futures Supplement applies.

**"SPB General Terms Supplement"** means the general terms supplement appended at Schedule 3 hereto.

**"SPB Index"** means an SPB Transaction that references an Index and to which the SPB Index/Futures Supplement applies.

**"SPB Product Supplement"** means each of the SPB Bonds Supplement, the SPB Index/Futures Supplement and the SPB Shares/Custom Baskets Supplement appended to this SPBMC.

**"SPB Product Type"** means the "Product Type" specified in the relevant SPB Transaction Supplement, being SPB Bonds, SPB Futures, SPB Index, SPB Shares or SPB Custom Baskets, as applicable.

**"SPB Shares"** means an SPB Transaction that references Shares and to which the SPB Shares/Custom Baskets Supplement applies.

**"SPB Transaction"** means an Equity Swap Transaction entered into under the terms of this SPBMC.

**"SPB Transaction Request"** means as defined in Clause 3.1 of the SPBMC.

**"SPB Transaction Supplement"** means as defined in Clause 3.2 of the SPBMC.

**"SPB Transaction Unwind"** means, with respect to an Underlying referenced in one or more SPB Transactions, the termination (in whole or in part) of one or more SPB Transactions in respect of that Underlying, as effected on the Termination Valuation Date





## Equity Swaps with Bond Underliers

### Conversion Right

The Floating Amount Payer may, by giving notice to the Equity Amount Payer, terminate all or part of a Covered Transaction referencing a Bond (the terminated portion being the Converted Portion) and replace it with a Covered Transaction referencing the number of shares in the Bond Issuer that a Bondholder would receive if it exercised its conversion right under the Bond Terms with respect to a number of Bonds corresponding to the Converted Portion.

Such conversion right is subject to:

- (a) full payment by the Floating Amount Payer of all Conversion Costs; and
- (b) the Conversion Proviso.

The final Valuation Date in respect of the Converted Portion will be determined by the Calculation Agent in its sole discretion.

With effect from the final Valuation Date, the Number of Shares under this Covered Transaction shall be reduced by the Converted Portion accordingly.

### Put Right

If a Bondholder would be entitled under the Bond Terms to redeem the Bonds early for cash, the Equity Amount Receiver may, by giving notice to the Equity Amount Payer, terminate this Transaction (in whole or in part) (the terminated portion being Put Shares), provided that:

- (a) the payment date of such cash amount will be deemed to be the final Valuation Date in respect of the Put Shares, and with effect from such date, the Number of Shares under this Covered Transaction shall be reduced by the Put Shares accordingly; and
- (b) such right of redemption under the Bonds is subject to the Conversion

Proviso.

### Mandatory Early Termination

If the Bond Issuer exercises its right to redeem the Bonds early by delivery of shares or cash under the Bond Terms then (upon the Equity Amount Payer giving reasonable notice of such exercise and subject to full payment by the Equity Amount Receiver of any Conversion Costs):

- (a) if the Bonds are redeemed by delivery of shares, the Covered Transaction will be terminated in whole and replaced by a Covered Transaction referencing the number of shares which a holder of a Number of Shares in the Bonds would have received under the Bond Terms; and





**Valuation Date**

is, for each Contract, each successive Business Day from but excluding the Trade Date up to and including the Closing Date.

**2. CONTRACT TERMS**

2.1. The purpose of each Contract is to allow the Counterparty synthetically to gain exposure to fluctuations in the price of the relevant Security. Accordingly, CSFB and the Counterparty agree that it is an express term of the Contract that:

- (i) neither party acquires any interest in or right to acquire or dispose of any Security or any right to vote or give any consent with respect to any Security by virtue of any Contract; and
- (ii) neither party is obliged to sell, purchase, hold, deliver or receive any Security by virtue of any Contract.

**3. SECURITY AND CALCULATION OF INTEREST**

3.1. For each Contract, the Opening Security Balance adjusted as provided in 3.3 is referred to as the Security Balance. On the Trade Date the Opening Security Balance shall be zero. For the avoidance of doubt a Security Balance may be positive or negative.

3.2. On each Valuation Date for a Contract, CSFB shall determine the Reference Price.

3.3. On each Security Payment Date (up to but excluding any Closing Date) for a Contract, a Security Payment shall be made to take into account any change in the Reference Price of the Security. Security Payments shall adjust the Security Balance. The Security Payment shall be an amount equal to  $Q \times (P_2 - P_1)$ , where:

$Q$  = the Contract Quantity;

$P_1$  = the Reference Price on the immediately prior Security Cycle Date or in respect of the first Security Payment Date, the Opening Price; and

$P_2$  = the Reference Price on the most recent Security Cycle Date.

If  $P_2$  is greater than  $P_1$ , then the Synthetic Seller shall make the Security Payment to the Synthetic Buyer and the Security Balance shall be increased by an equal amount; or

If  $P_2$  is less than  $P_1$ , then the Synthetic Buyer shall make the Security Payment to the Synthetic Seller and the Security Balance shall be reduced by an equal amount and may be reduced below zero.

3.4. On each Interest Payment Date for a Contract, the Synthetic Buyer shall pay to the Synthetic Seller an amount equal to the Interest Payment. The Interest Payment shall be the aggregate amount of Interest accrued daily from, and including, the immediately preceding Interest Payment Date (or the Effective Date in the case of the first payment made under this Section 3.4) to, but excluding, the next Interest Payment Date (or Closing Date as the case may be).

## SCHEDULE 2

### Form of SPB Transaction Supplement

This SPB Transaction Supplement is entered into between Nomura International plc ("Nomura") and [●] ("Counterparty" and, together with Nomura, the "Parties") on the Trade Date set forth below.

The purpose of this communication is to confirm the terms and conditions of the SPB Transaction entered into between Nomura and Counterparty on the Trade Date specified below. This SPB Transaction Supplement supplements, forms part of and is subject to the Synthetic Prime Brokerage Master Confirmation between the Parties dated [●], as may be amended and supplemented from time to time (the "SPBMC"), and, together with the SPBMC, the SPB General Terms Supplement, the applicable SPB Product Supplement and the Jurisdiction Supplement (if applicable) constitutes a "Confirmation" as referred to in the Agreement.

The terms of the SPB Transaction to which this SPB Transaction Supplement relates are as follows:

Product Identifier	RIC Code / ISIN	Underlying	SPB Product Type	Futures Price Valuation <sup>1</sup>	Multiplier	Maturity Date	Trade Date	Effective Date	Long / Short / Unwind
			[SPB Bonds] [SPB Shares] [SPB Custom Basket] [SPB Index] [SPB Futures]	[Applicable][Not Applicable]					

---

<sup>1</sup> This will be "Applicable" where the SPB Product Type is SPB Futures. Futures Price Valuation may also be applied via the SPB Transaction Supplement to SPB Shares. For SPB Custom Baskets, please insert "N/A".



Number of Units	Initial Price / Final Price <sup>2</sup>	FX Rate	Dividend / Distribution Percentage	Transaction Spread (bps)	Fee Adjustment (bps)	Related Exchange	Combined Synthetic Payment	Synthetic Payment Adjustment	Synthetic Payment Date
							[Applicable][Not Applicable]	[●], or otherwise notified by Nomura to Counterparty from time to time in accordance with the SPBMC.	[Each Cash Settlement Payment Date] [3 Currency Business Days after the next Valuation Date defined in the SPB Bonds General Terms Supplement] [The Termination Date]

Floating Amount Payer Payment Dates	Valuation Dates	Floating Rate Option
[Each Cash Settlement Payment Date] [[1st] Business Day of each month and each Unwind Cash Settlement Payment Date] [Last SPB Business Day of each month and each Unwind Cash Settlement Payment Date]	[•] / [1st Scheduled Trading Day of each month] / [Each Scheduled Trading Day] / [(a) 1st February, 1st May, 1st August and 1st November in each year from the Effective Date to the Termination Date, or in each case if not a Scheduled Trading Day, the next following Scheduled Trading Day and (b) the Scheduled Trading Day falling one Settlement Cycle prior to the Termination Date]	[AUD-SWAP OIS-RBA] [HIBOR-HKAB] [JPY-LIBOR-ICE] [NZD-OCR-RBNZ] [SGD-SIBOR-ABS] [USD-LIBOR-ICE] [GBP-LIBOR-ICE] [EUR-EURIBOR-EBF]

### Notifications of Calculation Agent amendments:

Any notification of amendments by the Calculation Agent, including, without limitation, amendments resulting from any Corporate Action will not constitute a Confirmation but shall be a notice only.

<sup>2</sup> This will be the "Initial" where the SPB Transaction is a short or long and Final Price where the SPB Transaction is an Unwind.



10. I understand that on September 16, 2021, the Gibraltar Financial Services Commission (“GFSC”) issued a license (the “License”) authorizing Zubr to operate its business. Based on currently available books and records, Zubr has never earned any revenue from operational activities and has never had any customers.

11. I understand that on December 22, 2022, GFSC released a statement indicating its decision to cancel the License due to, among others, a failure by Zubr to conduct any regulated activity authorized under the License. I also understand that GFSC noted that Zubr would likely fail to satisfy threshold conditions to operate including, for example, appropriate funding, effective supervision and a suitable business model to conduct regulated activities.

12. Based on currently available books and records, as of August 31, 2023 Zubr holds approximately \$719,000 in cash across several accounts. Additionally, based on currently available books and records, as of August 31, 2023 Zubr has aggregate outstanding liabilities of approximately \$20,000 (*i.e.* \$10,000 in accounts payable and \$10,000 in an intercompany claim from its parent company, Debtor Innovatia Inc.)

13. Although the Debtors have taken measures to reduce the cash operating expenditures of Zubr, the current operating costs are approximately \$14,200 per month, approximately \$10,000 corresponding to payroll dues and approximately \$4,200 to payroll taxes.

14. Debtor DAAG Trading, DMCC (“DAAG”) was incorporated in the United Arab Emirates in October 2021 as a Dubai proprietary trader and swap dealer. DAAG was licensed by the Dubai Multi Commodities Centre.



15. I understand that on April 26, 2023, the dissolution of DAAG became effective under the laws of the United Arab Emirates. Attached as Exhibit 2 hereto is a copy of





Debtor Name: FTX Trading Ltd.

Case Number: 22-11068 (JTD)

## Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

## SOFA Question 13: Transfers not already listed on this statement

Creditor Name and Address	Description of Property	Relationship to Debtor	Date	Amount
Wang, Zixiao "Gary" ADDRESS ON FILE	Cash Transfer to Abaco Law Limited for the benefit of Zixiao "Gary" Wang re: property purchase (One Cable Beach Unit 112)	Chief Technology Officer of the Debtors	04/21/2021	\$2,856.25
Wang, Zixiao "Gary" ADDRESS ON FILE	Cash Transfer to Abaco Law Limited for the benefit of Zixiao "Gary" Wang re: property purchase (One Cable Beach Unit 112)	Chief Technology Officer of the Debtors	04/21/2021	\$141,787.13
Wang, Zixiao "Gary" ADDRESS ON FILE	Cash Transfer to Abaco Law Limited for the benefit of Zixiao "Gary" Wang re: property purchase (One Cable Beach Unit 112)	Chief Technology Officer of the Debtors	06/11/2021	\$189,482.92
Wang, Zixiao "Gary" ADDRESS ON FILE	Intercompany Payable from Alameda Research Ltd. to FTX Trading Ltd created for the benefit of Zixiao "Gary" Wang as a result of the payment from FTX Trading Ltd. to the sellers of One Cable Beach Unit 112 (titled in the name of Zixiao "Gary" Wang)	Chief Technology Officer of the Debtors	06/11/2021	\$1,321,201.81
BRANDON WILLIAMS ADDRESS ON FILE	Crypto transfer of \$18.5M USDC related to DAAG acquisition	Close Associate of Bankman-Fried	07/02/2021	\$18,500,000.00
BRANDON WILLIAMS ADDRESS ON FILE	Crypto transfer of \$83.3M USDC related to DAAG acquisition	Close Associate of Bankman-Fried	11/23/2021	\$83,333,312.50



Debtor Name: FTX Europe AG

Case Number: 22-11075 (JTD)

## Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

## SOFA Question 25: Other businesses in which the debtor has or has had an interest

Business Name and Address	Nature of Business Operation	EIN	Existed From	Existed To
BCOIN DIGITAL ASSETS LTD 3 Cavendish Row Dublin 1, DO I KV26 IRELAND (EIRE)	Dormant Entity	Unknown	11/14/2021	Current
CM-EQUITY AG KAUFINGERSTRASSE 20 MUNICH, 80331 GERMANY	Majority owned by Third Party	Unknown	09/30/2022	Current
CONCEDUS DIGITAL ASSETS Schlehenstrasse 6 90542 Eckental GERMANY	Financial offerings	Unknown	11/14/2021	Current
DAAG TRADING, DMCC UNIT 2617 DMCC BUSINESS CENTRE LEVEL NO. 1, JEWELRY & GEMPLEX 3 DUBAI, UNITED ARAB EMIRATES	Proprietary trading firm	Unknown	11/14/2021	Current
FTX CERTIFICATES GMBH CHURERSTRASSE 135 8808 PFÄFFIKON SWITZERLAND	Issuer of Structured Products.	Unknown	11/14/2021	Current
FTX CRYPTO SERVICES LTD. AVE 23 SPYROU KYPRIANOU 3RD FLOOR, 4001 LIMASSOL, CYPRUS	Crypto Asset Service Provider	Unknown	11/24/2020	Current
FTX EU LTD. Churerstrasse 135 8808 Pfaffikon, SWITZERLAND	Investment Services	Unknown	11/14/2021	Current
FTX EXCHANGE FZE c/o FTX Europe AG Churerstrasse 135 8808 Pfaffikon, SWITZERLAND	Trading Vehicle	Unknown	11/14/2021	Current
FTX STRUCTURED PRODUCTS AG 13 SCHAANERSTRASSE VADUZ, 9490 LIECHTENSTEIN	Services for banks and credit institutions	Unknown	11/14/2021	Current
FTX SWITZERLAND GMBH CHURERSTRASSE 135 8808 PFÄFFIKON SWITZERLAND	Financial Intermediary	Unknown	11/14/2021	Current
FTX TRADING GMBH 63 Wülfeler Straße Hanover, 30539 GERMANY	Fintech product collaboration vehicle	Unknown	02/03/2020	Current





Case 22-11068-JTD Doc 3376-2 Filed 10/25/23 Page 2 of 2



**08/09/2023**

**DAAG TRADING DMCC**

Dubai

United Arab Emirates

**Subject: Dissolution of Company**

Please be advised that **DAAG TRADING DMCC**, which is registered with Dubai Multi Commodities Centre Authority bearing registration number **DMCC191564**, has been dissolved, with effect from **26/04/2023**.

Regards,

DMCC AUTHORITY

Document reference no: 604131893684

This document has been electronically generated by DMCC Authority. To verify the content and authenticity of this document go to [www.dmcc.ae/document\\_verification](http://www.dmcc.ae/document_verification) and enter the unique document reference number.

Almas Tower  
Jumeirah Lakes Towers  
P.O. Box 48800, Dubai, UAE  
+971 (0) 4 424 9600  
dmcc.ae

**MADE  
FOR  
TRADE**



# 19) SULLIVAN CROMWELL FENWICK WEST

Since prior Emails dated July 27, 2022; [Sullivan & Cromwell Andrew Dieterich Cc: Brian Glueckstein "Subject-Voyager"](#) worked on the FTX/Voyager/BlockFi/Celibus Agreements which contradicts Dieterich's Court Opening statement ["No Notice" & Supports Dietderich own statements "Assets Transfer Favored Insiders at Last Minute"](#) whom Sullivan & Cromwell are party to.

DOJ Internal FTX Slack Small Group Communication's highlights Sam Bankman-Fried "need to have a discussion with her [Christina Rolle "SEC of the Bahamas"] and SullCrom [Sullivan & Cromwell]" "will bring in the appropriate counsel".

["Cohen: The larger exchanges used omnibus wallets?"](#)

[SBF \[Sam Bankman-Fried\]: Yes.](#)

[Cohen: One more topic. The Bahamas regulator, yes or no, did you attend the meeting?](#)

[SBF: Yes. With my father and Krystal Rolle {sic Christina Rolle}... Gary Wang was in the building but not in the meeting"](#)

["Rolle: It was to transfer all the assets. And we did so, to the wallets they'd set up, until 2 in the morning. We offered to have Mr. Bankman-Fried be interviewed the following week. He turned over his passport. Mr. Gary Wang's too"](#)





Sullivan & Cromwell, Andrew Dietderich misrepresents his involvement in the FTX Asset Collateral Venture Bank Loan Laundering Operations. "July 27, 2022" "FTX has a bottomless sea of ordinary cryptocurrency" versus "[December 21, 2022](#)" [declaration filed "under penalty of perjury"](#). Attached to Dietderich's filing shows Sullivan & Cromwell representation of Deltec Bank whom "[Alameda transferred money to its Deltec accounts in order to fund the creation of billions of dollars in Tether \(USDT\)](#)".

Case 22-11068-JTD Doc 8308 Filed 02/29/24 Page 1 of 3

I, Andrew G. Dietderich, under penalty of perjury, declare as follows:

I. I am admitted to practice law in the State of New York and the Southern District of New York. I am a partner in the law firm of Sullivan & Cromwell LLP ("S&C" or the "Firm"), which maintains an office at 125 Broad Street, New York, NY 10004-2498. On December 21, 2022, I submitted a declaration in support of the *Debtors' Application for an Order Authorizing the Retention and Employment of Sullivan & Cromwell LLP as Counsel to the Debtors and Debtors-in-Possession Nunc Pro Tunc to the Petition Date* [D. I. 270] (the

22-10943-mew Doc 937-12 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 12 -  
July 27 2022 E-mail Pg 2 of 3

From: Dietderich, Andrew G. <[dietdericha@sullcrom.com](mailto:dietdericha@sullcrom.com)>  
Sent: Wednesday, July 27, 2022 2:36 PM  
To: Steinman, Gregg <[gsteinman@mwe.com](mailto:gsteinman@mwe.com)>; Azman, Darren <[Dazman@mwe.com](mailto:Dazman@mwe.com)>; Wu, Mimi <[wum@sullcrom.com](mailto:wum@sullcrom.com)>; Gibbs, Chuck <[Crgibbs@mwe.com](mailto:Crgibbs@mwe.com)>; Zhu, Angela <[zhua@sullcrom.com](mailto:zhua@sullcrom.com)>; Ljustina, Jessica <[ljustinaj@sullcrom.com](mailto:ljustinaj@sullcrom.com)>; Sun, Yiming <[sunyi@sullcrom.com](mailto:sunyi@sullcrom.com)>  
Cc: Glueckstein, Brian D. <[gluecksteinb@sullcrom.com](mailto:gluecksteinb@sullcrom.com)>; Eitel, Mitchell S. <[Eitelm@sullcrom.com](mailto:Eitelm@sullcrom.com)>; Jensen, Christian P. <[jensenc@sullcrom.com](mailto:jensenc@sullcrom.com)>  
Subject: Voyager - [REDACTED]

22-10943-mew Doc 937-12 Filed 02/01/23 Entered 02/01/23 00:45:39 Exhibit 12 -  
July 27 2022 E-mail Pg 3 of 3

Two smaller differences. First, different deals may have a different ability to "match" what the customers had. FTX has a bottomless sea of ordinary cryptocurrency, but not sure we can match every currency. On the other hand, the estate may not have enough cryptocurrency to match the basics without going out to buy it. Not sure how all that plays out or how material.

[REDACTED]

Best,  
Andy



Sullivan & Cromwell's declaration highlights clients whom had Massive Synthetic Swaps with Family Offices, Hedge Funds & Counter Party Banks. These clients moved their Naked Short Swap Positions to FTX Related Entities & Obtained Collateral Loans Against minimal (57) Tokenized Stocks with \$0 Valuations. Basically Stealing, Converting, & Laundering Fiat/Dollars used to Purchase Stocks on the New York Stock Exchange into Crypto Values such as FTX (FTT) or Celsius (CEL), whom uses Coinbase as custodian which these same organizations also own. The Same Family Offices/Hedge Funds/Venture Capital/Banks issuing the Loans, Obtaining Loans, & Eventually Collapsing/Buying Bankruptcy Assets; [all represented by Sullivan & Cromwell.](#)

Case 22-11068-JTD Doc 8308-3 Filed 02/29/24 Page 2 of 2

Entity	Relationship to Debtor	S&C Relationship
Name on File	363 Sale Parties	Ultimate Parent is Former Client
Docomo	363 Sale Parties	Ultimate Parent is Former Client
Enhanced Digital	363 Sale Parties	Former Client
Bittrex, Inc.	Banks/Lender/UCC Lien Parties/Administrative Agents	Former Client
Genesis Global Capital, LLC	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Former Client
Two Sigma Ventures III	Claimant	Former Client
Name on File	Customers	Ultimate Parent is Former Client
Cantor Fitzgerald Technology Markets LLC	Interested Parties	Ultimate Parent is Former Client
Clear Street Holdings LLC	Interested Parties	Former Client
Walton Enterprises	Interested Parties	Former Client
Grant Thornton	Ordinary Course Professionals	Former Client
Deltec International Group	Scheduled Claimant	Former Client
JEFFERIES FINANCIAL GROUP INC.	UCC Professionals	Former Client
TD Ameritrade Clearing, Inc.	Vendors	Former Client

Case 22-11068-JTD Doc 8308-2 Filed 02/29/24 Page 3 of 3

Entity	Relationship to Debtor	S&C Relationship
FANATICS HOLDINGS, INC.	Investments/Acquisitions	Current Client
FTX VENTURES BAHAMAS LIMITED	Investments/Acquisitions	Ultimate Parent is Current Client
PANTERA BLOCKCHAIN GP LLC	Investments/Acquisitions	Current Client
PROTEGO TRUST COMPANY	Investments/Acquisitions	Current Client
TIPLINK CORP	Investments/Acquisitions	Ultimate Parent is Current Client
WENUE, INC.	Investments/Acquisitions	Ultimate Parent is Current Client
FTX GENERAL PARTNERS AG	Known Affiliates - JV	Ultimate Parent is Current Client
APOLLO CAPITAL OPPORTUNITIES FUND LTD	Other Significant Creditors	Ultimate Parent is Current Client
BlockFi Lending LLC	Other Significant Creditors	Ultimate Parent is Current Client
itBit PTE, LTD (Paxos)	Other Significant Creditors	Ultimate Parent is Current Client
JONDAL PARTNERS PTE LTD	Other Significant Creditors	Ultimate Parent is Current Client
LEDGERPRIME DIGITAL ASSET OPPORTUNITIES OFFSHORE FUND	Other Significant Creditors	Ultimate Parent is Current Client
RIPPLE LABS, INC.	Other Significant Creditors	Current Client
US Department of Treasury	Taxing Authority/Governmental/Regulatory Agencies	Current Client
Merrill Lynch	Vendors	Ultimate Parent is Current Client
MPEG Live	Vendors	Ultimate Parent is Current Client
PARADIGM ONE LP	Vendors	Ultimate Parent is Current Client
PRICEWATERHOUSECOOPERS	Vendors	Current Client
Wasserman Media Group	Vendors	Current Client
WASSERMAN MEDIA GROUP LLC	Vendors	Current Client
WASSERMAN MUSIC LLC	Vendors	Ultimate Parent is Current Client





Entity	Relationship to Debtor	S&C Relationship
Rothschild & Co.	Ad Hoc Committee (Non US Customers of FTX.com)	Current Client
ACX	363 Sale Parties	Ultimate Parent is Current Client
Flow Traders	363 Sale Parties	Current Client
Galaxy Digital	363 Sale Parties	Current Client
JC Flowers	363 Sale Parties	Current Client
NYDIG	363 Sale Parties	Current Client
Name on File	363 Sale Parties	Ultimate Parent is Current Client
Rakuten	363 Sale Parties	Current Client
Robinhood	363 Sale Parties	Current Client
StoneX	363 Sale Parties	Current Client
Citizens Bank	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Current Client
First Republic Bank	Banks/Lender/UCC Lien Parties/Administrative Agents	Current Client
SBI Clearing Trust	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Current Client
Artz Fund Investments PTE Ltd.	Claimant	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Eric Schwartz	Director/Officer	Current Client
FTX PHILANTHROPY INC.	Donations	Ultimate Parent is Current Client
Galaxy Digital Holdings Limited Partnership (a/k/a Galaxy Digital Holdings Ltd.)	Interested Parties	Current Client
Kalshi, Inc.	Interested Parties	Current Client
Robinhood Markets, Inc.	Interested Parties	Current Client
SVB Financial Group	Interested Parties	Current Client
BlackRock Inc	Investments/Acquisitions	Current Client



[Sullivan Cromwell's Andrew Dieterich declaration "Relationship of Debtors"](#), has all each conflicting parties such as Changpeng Zhao (Binance), FTX, SVB Financial Group, Deltec, BlockFi, Genesis, First Republic, and Kalshi, as clients. "Kalshi" on 8/10/2022, Sullivan & Cromwell answering CFTC questions states:

**"24x7 Collateral Transfer Mechanisms ACH and Stablecoin: FTX plans to support instant transfers from FTX US, which accepts 24x7 cash deposits via stablecoin, ACH and other common payment rails. These instant transfers will work in roughly the same way that FTX plans to credit Kalshi customers for ACH deposits at its clearinghouse: by maintaining a pre-funded facility that fully collateralizes cash settlement risk. Instant bank transfer networks: FTX will continue to support instant bank transfer networks, such as Silvergate Exchange Network and Signature Bank's Signet, which perm it 24x7 transfer of fully settled US dollar funds."**

Case 22-11068-JTD Doc 8308 Filed 02/29/24 Page 1 of 3

I, Andrew G. Dietderich, under penalty of perjury, declare as follows:

1. I am admitted to practice law in the State of New York and the Southern District of New York. I am a partner in the law firm of Sullivan & Cromwell LLP ("S&C" or the "Firm"), which maintains an office at 125 Broad Street, New York, NY 10004-2498. On December 21, 2022, I submitted a declaration in support of the *Debtors' Application for an Order Authorizing the Retention and Employment of Sullivan & Cromwell LLP as Counsel to the Debtors and Debtors-in-Possession Nunc Pro Tunc to the Petition Date* [D. I. 270] (the





Entity	Relationship to Debtor	S&C Relationship
FANATICS HOLDINGS, INC.	Investments/Acquisitions	Current Client
FTX VENTURES BAHAMAS LIMITED	Investments/Acquisitions	Ultimate Parent is Current Client
PANTERA BLOCKCHAIN GP LLC	Investments/Acquisitions	Current Client
PROTEGO TRUST COMPANY	Investments/Acquisitions	Current Client
TIPLINK CORP	Investments/Acquisitions	Ultimate Parent is Current Client
WENEW, INC.	Investments/Acquisitions	Ultimate Parent is Current Client
FTX GENERAL PARTNERS AG	Known Affiliates - JV	Ultimate Parent is Current Client
APOLLO CAPITAL OPPORTUNITIES FUND LTD	Other Significant Creditors	Ultimate Parent is Current Client
BlockFi Lending LLC	Other Significant Creditors	Ultimate Parent is Current Client
itBit PTE. LTD (Paxos)	Other Significant Creditors	Ultimate Parent is Current Client
JONDAL PARTNERS PTE LTD	Other Significant Creditors	Ultimate Parent is Current Client
LEDGERPRIME DIGITAL ASSET OPPORTUNITIES OFFSHORE FUND	Other Significant Creditors	Ultimate Parent is Current Client
RIPPLE LABS, INC.	Other Significant Creditors	Current Client
US Department of Treasury	Taxing Authority/Governmental/Regulatory Agencies	Current Client
Merrill Lynch	Vendors	Ultimate Parent is Current Client
MPEG Live	Vendors	Ultimate Parent is Current Client
PARADIGM ONE LP	Vendors	Ultimate Parent is Current Client
PRICEWATERHOUSECOOPERS	Vendors	Current Client
Wasserman Media Group	Vendors	Current Client
WASSERMAN MEDIA GROUP LLC	Vendors	Current Client
WASSERMAN MUSIC LLC	Vendors	Ultimate Parent is Current Client

Entity	Relationship to Debtor	S&C Relationship
Rothschild & Co.	Ad Hoc Committee (Non US Customers of FTX.com)	Current Client
ACX	363 Sale Parties	Ultimate Parent is Current Client
Flow Traders	363 Sale Parties	Current Client
Galaxy Digital	363 Sale Parties	Current Client
JC Flowers	363 Sale Parties	Current Client
NYDIG	363 Sale Parties	Current Client
Name on File	363 Sale Parties	Ultimate Parent is Current Client
Rakuten	363 Sale Parties	Current Client
Robinhood	363 Sale Parties	Current Client
StoneX	363 Sale Parties	Current Client
Citizens Bank	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Current Client
First Republic Bank	Banks/Lender/UCC Lien Parties/Administrative Agents	Current Client
SBI Clearing Trust	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Current Client
Artz Fund Investments PTE Ltd.	Claimant	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Name on File	Customers	Ultimate Parent is Current Client
Eric Schwartz	Director/Officer	Current Client
FTX PHILANTHROPY INC.	Donations	Ultimate Parent is Current Client
Galaxy Digital Holdings Limited Partnership (a/k/a Galaxy Digital Holdings Ltd.)	Interested Parties	Current Client
Kalshi, Inc.	Interested Parties	Current Client
Robinhood Markets, Inc.	Interested Parties	Current Client
SVB Financial Group	Interested Parties	Current Client
BlackRock Inc	Investments/Acquisitions	Current Client



Entity	Relationship to Debtor	S&C Relationship
Name on File	363 Sale Parties	Ultimate Parent is Former Client
Docomo	363 Sale Parties	Ultimate Parent is Former Client
Enhanced Digital	363 Sale Parties	Former Client
Bittrex, Inc.	Banks/Lender/UCC Lien Parties/Administrative Agents	Former Client
Genesis Global Capital, LLC	Banks/Lender/UCC Lien Parties/Administrative Agents	Ultimate Parent is Former Client
Two Sigma Ventures III	Claimant	Former Client
Name on File	Customers	Ultimate Parent is Former Client
Cantor Fitzgerald Technology Markets LLC	Interested Parties	Ultimate Parent is Former Client
Clear Street Holdings LLC	Interested Parties	Former Client
Walton Enterprises	Interested Parties	Former Client
Grant Thornton	Ordinary Course Professionals	Former Client
Deltec International Group	Scheduled Claimant	Former Client
JEFFERIES FINANCIAL GROUP INC.	UCC Professionals	Former Client
TD Ameritrade Clearing, Inc.	Vendors	Former Client





The identical “[special counsel to FTX Trading Ltd. and its affiliated debtors](#)” are the legal counsel for [Creditor Changpeng Zhao of Binance](#). Binance whom have Tokenized Stock and Collateral Agreements with CM-Equity.

Case 22-11068-JTD Doc 11323 Filed 04/05/24 Page 1 of 3

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Ref. No. 280

**SECOND SUPPLEMENTAL DECLARATION OF WILLIAM A. BURCK IN SUPPORT  
OF THE DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING  
THE RETENTION AND EMPLOYMENT OF QUINN EMANUEL URQUHART &  
SULLIVAN, LLP AS SPECIAL COUNSEL FOR THE DEBTORS AND DEBTORS IN  
POSSESSION, *NUNC PRO TUNC* TO NOVEMBER 13, 2022**

I, William A. Burck, being duly sworn, hereby state as follows:

1. I am the global co-managing partner of the law firm Quinn Emanuel Urquhart & Sullivan, LLP (“Quinn Emanuel”), special counsel to FTX Trading Ltd. and its affiliated debtors and debtors in possession (collectively, the “Debtors”).



Name of Entity Searched	Relationship to Debtors	Name of Entity and/or Affiliate of Entity that is Client	Quinn Emanuel Relationship
Abu Dhabi Investment Council Company P.J.S.C.	Interested Parties	Abu Dhabi Investment entities	Current Client
Altimeter	Investments/ Acquisition	Altimeter	Former Client
Apex Fintech Solutions Inc.	Interested Parties	Apex Fintech Solutions Inc.	Former Client
Apollo Capital Opportunities Fund Ltd	Other Significant Creditors	Apollo Capital Opportunities Fund Ltd	Current Client
Avalanche (Bvi), Inc.	Other Significant Creditors	Avalanche (Bvi), Inc.	Former Client
[REDACTED]	Customers	[REDACTED]	Current Client
Bittrex, Inc.	Banks/ Lenders/ UCC Lien Parties/ Administrative Agents	Bittrex, Inc.	Current Client
Blackrock Inc	Investments/ Acquisition	Blackrock Inc	Current Client
Cantor Fitzgerald Technology Markets LLC	Interested Parties	Cantor Fitzgerald Technology Markets LLC	Former Client
Changpeng Zhao	Other Significant Creditors	Changpeng Zhao	Current Client
Contrarian Funds, LLC	Investments/ Acquisition	Contrarian Capital Partners (if related)	Former Client
Docomo	363 Sales Parties	NTT Docomo	Current Client
Fanatics Holdings, Inc.	Investments/ Acquisition	Fanatics Holdings, Inc.	Current Client
HDI Global Specialty Se	Insurance	HDI-Gerling Insurance Co., if related	Former Client
Herbert Smith Freehills	Vendors	Herbert Smith Freehills	Current Client
Kalshi, Inc.	Interested Parties	Kalshi, Inc.	Former Client





Name of Entity Searched	Relationship to Debtors	Name of Entity and/or Affiliate of Entity that is Client	Quinn Emanuel Relationship
Lloyd's America, Inc. / Beazley Syndicate	Insurance	Lloyd's of London	Former Client
		Beazley Management and Beazley Group	Former Client
Matilock, Inc. aka Mati	Investments/ Acquisition	Matilock, Inc. aka Mati	Former Client
Naomi Osaka, LLC	Contract Counter-Parties	Naomi Osaka, LLC	Former Client
Nasdaq	363 Sales Parties	Nasdaq	Former Client
NYDIG	363 Sales Parties	NYDIG	Current Client
Oracle America, Inc.	Notice of Appearance	Oracle entities	Current Client
Paul Hastings LLP	UCC Professionals	Paul Hastings LLP	Former Client
PineTree East Inc.	Other Significant Creditors	PineTree	Current Client
Pricewaterhousecoopers	Vendors	Pricewaterhousecoopers	Former Client
Regus Japan Holdings K.K.	Landlords	Regus Management Group, if related	Current Client
Regus Kk	Landlords	Regus Management Group, if related	Current Client
Ripple Labs, Inc.	Other Significant Creditors	Ripple Labs, Inc.	Current Client
Robinhood	363 Sales Parties	Robinhood	Former Client
Robinhood Markets, Inc.	Interested Parties	Robinhood Markets, Inc.	Former Client
Sequoia Heritage	Investments/ Acquisition	Sequoia Capital	Current Client
Socios Technologies Ag	Other Significant Creditors	Socios.com	Former Client
Sofi Technologies, Inc.	Interested Parties	Sofi Ltd	Current Client
Sol Stores (Solana Spaces-Solana Labs, Inc.)	Vendors	Sol Stores (Solana Spaces-Solana Labs, Inc.)	Current Client

# Buyback of FTX Stock from Binance

July 15, 2021

## Message

**From:** Sam Bankman-Fried [sam@ftx.com]  
**on behalf of** Sam Bankman-Fried <sam@ftx.com> [sam@ftx.com]  
**Sent:** 7/15/2021 12:10:16 PM  
**To:** Brooke Xue [brooke.xue@binance.com]  
**CC:** Wang, David S. [davidwang@paulhastings.com]; Hon Ng [hon.ng@binance.com]; Can Sun [csun@fenwick.com]; Helen Hai [helen.h@binance.com]; danny.f@binance.com; Xiong, Jialing [jialingxiong@paulhastings.com]; susan Li [susan.li@binance.com]; Daniel Friedberg [dan@ftx.com]  
**Subject:** Re: **Binance / FTX - closing funds flow memo**

**Please transfer:**

**1) 1,764,040.96088 BNB**

**2) 500,000,000 BUSD**, in addition to all currently pending BUSD (roughly 571,250,000.00 as of writing)

from: email is evergreennorthernenterprises@gmail.com and UID is 94086678

To: address is bnb136ns6lfw4zs5hg4n85vdthaad7hq5m4gtkgf23, memo is 558635257

**please do these transfers if and only if you promise to send both a scan and the hard copy of the necessary notarized documents to us in the next hour.**

—  
Sam Bankman-Fried

**GOVERNMENT  
EXHIBIT  
3016**

22 Cr. 673 (LAK)





Ryne Miller, the General Counsel of FTX US, was a partner of S&C from January 2019 through July 2021 (DOC 510), also holding positions, equity, & salaries at 100% owned FTX entities:

- West Realm Shires Services Inc OFFER OF EMPLOYMENT DATED 6/28/2021 EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT DATED 6/28/2021
- Cottonwood Grove Ltd General Counsel 09/27/2021 Grant on Exchange (DOC 2305)
- Cottonwood Grove Ltd CONSULTING AGREEMENT DATED 9/27/2021 (DOC 2016)
- West Realm Shires Inc. General Counsel Equity 10/27/2021 (DOC 2401)
- Alameda Research LLC General Counsel 11/15/2021
- FTX Trading Equity Holders List RDM Revocable Trust (DOC 450)
- FTX Lend Inc. Treasurer, Secretary (DOC 2092)
- West Realm Shires Services Inc. General Counsel 02/23/2022

Case 22-11068-JTD Doc 510 Filed 01/17/23 Page 19 of 34

**S&C's Relationship with Internal Lawyers of the Debtors**

62. Ryne Miller, the General Counsel of FTX US, was a partner of S&C from January 2019 through July 2021 and an associate for several years before being elected partner. Mr. Miller introduced S&C to WRS in connection with the LedgerX acquisition and supervised certain of S&C's work on non-bankruptcy matters for WRS and its affiliates prior to the Petition Date. I understood that Mr. Miller was the General Counsel for the U.S. businesses, was based in the U.S. and reported to Mr. Friedberg, who was the senior legal officer for the FTX group. I also understood that Mr. Sun was the General Counsel of the businesses outside of the U.S., was based in The Bahamas and also reported to Mr. Friedberg. Neither Mr. Friedberg nor Mr. Sun had any relationship with S&C.



Debtor

West Realm Shires Services Inc.

Name

Case 22-11068-JTD Doc 2072 Filed 07/31/23 Page 156 of 173

Case number (if known): 22-11071 (JTD)

**Additional Page if Debtor Has More Executory Contracts or Unexpired Leases**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.447	<b>State what the contract or lease is for and the nature of the debtor's interest</b>  <b>State the term remaining</b> <b>List the contract number of any government contract</b>	RE: OFFER OF EMPLOYMENT DATED 2/9/2022	Ryan Jackson Baron ADDRESS ON FILE
2.448	<b>State what the contract or lease is for and the nature of the debtor's interest</b>  <b>State the term remaining</b> <b>List the contract number of any government contract</b>	OFFER OF EMPLOYMENT DATED 3/15/2022	Ryan Mendel ADDRESS ON FILE
2.449	<b>State what the contract or lease is for and the nature of the debtor's interest</b>  <b>State the term remaining</b> <b>List the contract number of any government contract</b>	EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT DATED 3/16/2022	Ryan Mendel ADDRESS ON FILE
2.450	<b>State what the contract or lease is for and the nature of the debtor's interest</b>  <b>State the term remaining</b> <b>List the contract number of any government contract</b>	OFFER OF EMPLOYMENT DATED 6/28/2021	Ryne Miller ADDRESS ON FILE
2.451	<b>State what the contract or lease is for and the nature of the debtor's interest</b>  <b>State the term remaining</b> <b>List the contract number of any government contract</b>	EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT DATED 6/28/2021	Ryne Miller ADDRESS ON FILE





Debtor Name: Cottonwood Grove Ltd

Case Number: 22-11112 (JTD)

## Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

## SOFA Question 13: Transfers not already listed on this statement

Creditor Name and Address	Description of Property	Relationship to Debtor	Date	Amount
Friedberg, Daniel ADDRESS ON FILE	Grant on Exchange	Officer	12/30/2020	57,059 Locked_FTT
Friedberg, Daniel ADDRESS ON FILE	Grant on Exchange	Officer	12/30/2020	1,285,000 Locked_MAPS
Friedberg, Daniel ADDRESS ON FILE	Grant on Exchange	Officer	12/30/2020	2,141,667 Locked_OXY
Harrison, Brett ADDRESS ON FILE	Grant on Exchange	Officer	09/27/2021	6,000 Locked_FTT
Hidaka, Takashi ADDRESS ON FILE	Grant on Exchange	Director	09/27/2021	20,000 Locked_MAPS
Hidaka, Takashi ADDRESS ON FILE	Grant on Exchange	Director	09/27/2021	33,000 Locked_OXY
Miller, Ryne ADDRESS ON FILE	Grant on Exchange	General Counsel	09/27/2021	1,000,000 Locked_MAPS
Miller, Ryne ADDRESS ON FILE	Grant on Exchange	General Counsel	09/27/2021	1,000,000 Locked_OXY
Salame, Ryan ADDRESS ON FILE	Grant on Exchange	Director/Officer	12/29/2020	764,000 Locked_MAPS
Salame, Ryan ADDRESS ON FILE	Grant on Exchange	Director/Officer	12/29/2020	1,273,333 Locked_OXY
Salame, Ryan ADDRESS ON FILE	Grant on Exchange	Director/Officer	12/29/2020	79,329 Locked_FTT



Debtor

Cottonwood Grove Ltd

Name

Case 22-11068-JTD Doc 2016 Filed 07/31/23 Page 59 of 65

Case number (if known): 22-11112 (JTD)

**Additional Page if Debtor Has More Executory Contracts or Unexpired Leases**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.100

State what the contract or lease is for and the nature of the debtor's interest

CONSULTING AGREEMENT DATED  
9/27/2021

Ryne Miller  
ADDRESS ON FILE

State the term remaining  
List the contract number of any government contract

2.101

State what the contract or lease is for and the nature of the debtor's interest

CONSULTING AGREEMENT DATED  
9/20/2021

Ryne Miller  
ADDRESS ON FILE

State the term remaining  
List the contract number of any government contract





Debtor Name: West Realm Shires Inc.

Case Number: 22-11183 (JTD)

## Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

## SOFA Question 13: Transfers not already listed on this statement

Creditor Name and Address	Description of Property	Relationship to Debtor	Date	Amount
Bankman-Fried, Samuel ADDRESS ON FILE	Simple Agreement for Future Equity (SAFE)	Founder	01/01/2021	\$5,000,000.00
Bankman-Fried, Samuel ADDRESS ON FILE	Repurchase of West Realm Shires Inc. shares by Alameda Research Ltd. for the benefit of Samuel Bankman-Fried	Founder	07/15/2021	\$20,805,911.00
Bankman-Fried, Samuel ADDRESS ON FILE	Transfer of West Realm Shires Inc. Stock pursuant to purchase agreement	Founder	07/18/2021	\$170,394,453.00
Bankman-Fried, Samuel ADDRESS ON FILE	Simple Agreement for Future Equity (SAFE)	Founder	10/01/2021	\$210,800,000.00
Charis Law, Wing-Man ADDRESS ON FILE	Equity	Secretary	12/30/2020	JITY_STRIKE-0.33_EXPIRE-2030
Charis Law, Wing-Man ADDRESS ON FILE	Equity	Secretary	12/31/2020	JITY_STRIKE-0.33_EXPIRE-2030
Dexter, Zach ADDRESS ON FILE	Equity	Officer	10/27/2021	JITY_STRIKE-0.33_EXPIRE-2030
Ellison, Caroline ADDRESS ON FILE	Equity	Director/Officer	12/30/2020	JITY_STRIKE-0.33_EXPIRE-2030
Friedberg, Daniel ADDRESS ON FILE	Equity	Officer	12/30/2020	JITY_STRIKE-0.33_EXPIRE-2030
Harrison, Brett ADDRESS ON FILE	Equity	Officer	10/27/2021	JITY_STRIKE-0.33_EXPIRE-2030
Hidaka, Takashi ADDRESS ON FILE	Equity	Director	12/30/2020	JITY_STRIKE-0.33_EXPIRE-2030
Miller, Ryne ADDRESS ON FILE	Equity	General Counsel	10/27/2021	JITY_STRIKE-0.33_EXPIRE-2030



FTX Kroll (DOC 2054):

Case 22-11068-JTD Doc 2054 Filed 07/31/23 Page 52 of 66

Debtor Name: **Alameda Research LLC**

Case Number: 22-11066 (JTD)

**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

**SOFA Question 4:** Payments or other transfers of property made within 1 year before filing this case that benefited any insider

Creditor Name and Address	Relationship to Debtor	Total Amount or Value	Dates	Reason for Payment or Transfer
Miller, Ryne ADDRESS ON FILE	General Counsel	\$340.00	12/15/2021	Miscellaneous Employee Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$340.00	11/15/2021	Miscellaneous Employee Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	04/15/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	03/31/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	03/15/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	02/28/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	02/15/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	01/31/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	01/14/2022	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	12/31/2021	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	12/15/2021	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	11/30/2021	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$833.33	11/15/2021	Retirement Related Benefits
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	10/31/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	10/14/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	09/30/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	09/15/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	08/31/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	08/15/2022	Salary
Miller, Ryne ADDRESS ON FILE	General Counsel	\$20,833.33	07/29/2022	Salary





Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 17 of 65

**EXHIBIT B**

**FTX Trading Equity Holders List**

Case 22-11068-JTD Doc 450-1 Filed 01/09/23 Page 34 of 65

RDM Revocable Trust (Ryan Miller)	Common	Common (CS)	763
RDM Revocable Trust (Ryan Miller)	Preferred	Series B-1 Preferred (PB1)	191

Case 22-11068-JTD Doc 2092 Filed 07/31/23 Page 45 of 45

Debtor Name: FTX Lend Inc.

Case Number: 22-11167 (JTD)

**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

**SOFA Question 28:** List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position	% Interest
WEST REALM SHIRES INC.	167 N GREEN STREET SUITE 1102 CHICAGO, IL 60607	Sole Shareholder	100%
Ryne Miller	ADDRESS ON FILE	Treasurer, Secretary	N/A
Samuel Bankman-Fried	ADDRESS ON FILE	Director, President	N/A



[FTX Lend Inc. \(100% Ownership West Realm Shires Inc. DOC 2070\)](#)

Case 22-11068-JTD Doc 2070 Filed 07/31/23 Page 41 of 84

Debtor Name: West Realm Shires Inc.

Case Number: 22-11183 (JTD)

**Assets - Real and Personal Property**

**Part 4, Question 15:** Non-publicly traded stock interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture.

Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture (Name of entity:)	% of Ownership	Valuation method used for current value	Current value of debtor's interest
DIGITAL CUSTODY INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
EMBED FINANCIAL TECHNOLOGIES INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX LEND INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined
FTX MARKETPLACE, INC.	100%	% Ownership Per Corporate Org Structure [DI: #92]	Undetermined

[FTX Kroll \(DOC 2073\):](#)

Case 22-11068-JTD Doc 2073 Filed 07/31/23 Page 181 of 182

Debtor Name: West Realm Shires Services Inc.

Case Number: 22-11071 (JTD)

**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

**SOFA Question 28:** List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position	% Interest
WEST REALM SHIRES INC.	167 N GREEN STREET SUITE 1102 CHICAGO, IL 60607	Sole Shareholder	100%
Caroline Papadopoulos	ADDRESS ON FILE	Controller	N/A
Nishad Singh	ADDRESS ON FILE	Chief Security Officer	N/A
Ryne Miller	ADDRESS ON FILE	General Counsel	N/A
Samuel Bankman-Fried	ADDRESS ON FILE	Chief Executive Officer, President, Sole Director	N/A
Zixiao "Gary" Wang	ADDRESS ON FILE	Chief Technology Officer	N/A





On 8/10/2022, Sullivan & Cromwell along with FTX's counsel (whom are Equity Stake Holders & Holding Various Positions) answers a slew of concerns from the CFTC. One question from the CFTC ***"Clearing Policy Questions: 1. Please explain FTX's and Sam Bankman-Fried's relationship with Alameda Research."***

Case 1:22-cr-00673-LAK Document 407-39 Filed 02/27/24 Page 2 of 20

Message

**From:** Lloyd, Colin D. [lloyd@nullsullcrom.com]  
**on behalf of** Lloyd, Colin D. <lloyd@nullsullcrom.com> [lloyd@nullsullcrom.com]  
**Sent:** 8/10/2022 10:22:12 PM  
**To:** Sloan, Scott [SSloan@CFTC.gov]  
**CC:** Zach Dexter [zach@ftx.us]; zzext-ryne [ryne@ftx.us]; Donovan, Eileen A. [edonovan@CFTC.gov]; Polley, Theodore [TPolley@CFTC.gov]  
**Subject:** RE: Clearing Policy Follow Up Questions

Thanks, Scott. We and FTX will review and come back shortly

Colin D. Lloyd  
Sullivan & Cromwell LLP  
T: (212) 558-3040 | M: (202) 341-1684

**From:** Sloan, Scott <SSloan@CFTC.gov>  
**Sent:** Wednesday, August 10, 2022 6:02 PM  
**To:** Lloyd, Colin D. <lloyd@nullsullcrom.com>  
**Cc:** Zach Dexter <zach@ftx.us>; zzext-ryne <ryne@ftx.us>; Donovan, Eileen A. <edonovan@CFTC.gov>; Polley, Theodore <TPolley@CFTC.gov>  
**Subject:** [EXTERNAL] Clearing Policy Follow Up Questions

Hi Colin,

Below is a list of follow up questions from the your July 12<sup>th</sup> stay letter submission. I have removed any questions that I had about the risk management framework and will send any that are still relevant after reviewing the new version Brian sent yesterday.

Please let me know if you need additional information or need anything clarified.

Thanks,  
Scott

Clearing Policy Questions:

1. Please explain FTX's and Sam Bankman-Fried's relationship with Alameda Research.
2. Please provide an update on the current ownership of Ledger Prime and any plans for the organization to be spun off.
3. On page four of the July 12 stay letter submission, FTX referenced measures that will be put in place to ensure no BLP will have access to confidential information. Please provide the details of what measures will be put in place.
4. What is FTX's plan if the BLP capacity replenishment process does not provide the amount of BLP capacity FTX has determined it needs?
5. Will there be dedicated internal audit staff or will audits be conducted by individuals with other primary responsibilities?
6. In its internal audit procedures, FTX mentioned a remediation procedure. Which document is the remediation procedure located in?
7. Please provide a current count of FTX US Derivatives employees and contractors by department or business unit and indicate what if any additional hires are planned if the Commission approves FTX's application.

CONFIDENTIAL TREATMENT REQUESTED BY FTX

FTX\_001394924  
SDNY\_06\_00632769



The corresponding answers to CFTC personnel, highlights the full understanding of FTX equity holders and Sullivan & Cromwell in regards to derivatives, margin, collateral, custodian, and most importantly the conversion method of fiat to StableCoins i.e. Circle's USDC **"AR [Alameda Research] also provides liquidity through the over-the-counter and "convert" (i.e., crypto to USD) functionality on the FTX crypto exchanges."**

**"24x7 Collateral Transfer Mechanisms ACH and Stablecoin: FTX plans to support instant transfers from FTX US, which accepts 24x7 cash deposits via stablecoin, ACH and other common payment rails. These instant transfers will work in roughly the same way that FTX plans to credit Kalshi customers for ACH deposits at its clearinghouse: by maintaining a pre-funded facility that fully collateralizes cash settlement risk. Instant bank transfer networks: FTX will continue to support instant bank transfer networks, such as Silvergate Exchange Network and Signature Bank's Signet, which perm it 24x7 transfer of fully settled US dollar funds."**

**FTX solves weak customer protections on traditional platforms, which offer crypto products with dangerous auto-margin calls, which can lead to unlimited loss**

Retail traders on traditional platforms offering crypto derivatives products may face margin calls, whereby risk positions remain open and accumulate potentially unlimited losses, including during Case 1:22-cr-00673-LAK Document 407-39 Filed 02/27/24 Page 8 of 20 overnight hours, when traditional derivatives markets remain closed but underlying prices of crypto continue to move.

FTX's model dispenses with this practice in favor of requiring more margin from users, so that under-margining events are more rare, given the same level of price movement.

While on-market de-risking orders may be inconvenient for some institutional traders in traditional markets, they are the only safe approach to use on platforms with large amounts of retail traders.

In fact, the danger of allowing risk positions to remain open (by allowing for margin calls) is so great that both regulators and industry are moving away from the margin call system for retail traders. For example, Interactive Brokers has long disallowed margin calls.

German regulators have begun to ban futures trading using any margining methodology *other than* the methodology FTX uses, on the grounds that margin-call based systems are too risky for retail investors, due to the lack of auto-de-risking orders that limit customer losses:  
<https://www.reedsmith.com/en/perspectives/2022/02/bafin-propose-d-ruling-to-prevent-trade-in-futures-with-margin-calls>

For all these reasons, FTX provides stronger customer protections against harmful liquidation practices and under-margining than traditional platforms do.





2. When it may be more difficult for customers to add margin during off-business hours, because of when funds from traditional US banks typically clear (e.g., not during the weekend).

#### **24x7 Collateral Transfer Mechanisms**

**ACH and Stablecoin:** FTX plans to support instant transfers from FTX US, which accepts 24x7 cash deposits via stablecoin, ACH and other common payment rails. These instant transfers will work in roughly the same way that FTX plans to credit Kalshi customers for ACH deposits at its clearinghouse: by maintaining a pre-funded facility that fully collateralizes cash settlement risk.

**Instant bank transfer networks:** FTX will continue to support instant bank transfer networks, such as Silvergate Exchange Network and Signature Bank's Signet, which permit 24x7 transfer of fully settled US dollar funds.

8. Position Limits and Market Surveillance (CP3, CP4, CP5 (Position Limitations or Accountability)
  - i. Has FTX analyzed whether the proposed transition to offering margined derivative products would necessitate changes to its approach to position limits and surveillance?

For margined products, FTX has proposed an approach to position limits and position surveillance that is appropriate for margined derivatives products. We have attached that analysis to these responses.

Note that physically settled products will not interact with cash settled products from a margin perspective. That is, fully collateralized physically-settled products will not be used to margin the new cash-settled products.



2. What are the relationships between the current BLPs and FTX?
  1. What steps have been taken to minimize/eliminate conflict of interest concerns?

LedgerPrime is both a wholly owned subsidiary of the parent company of LedgerX LLC (dba FTX US Derivatives), and a Backstop Liquidity Provider. Compliance manual section 10.3 addresses LedgerPrime Conflict of Interest Mitigation. Among other things, those provisions prohibit LedgerX employees from providing LedgerPrime with access to material, non-public information. It also requires such information to be stored in a manner that renders it inaccessible to LedgerPrime. Moreover, DCM Rule 2.5 discloses that LedgerPrime is a wholly-owned subsidiary of the parent company of LedgerX, and that "LedgerPrime does not receive any preferential pricing from the Company and does not have an inherent advantage over any other Participant with respect to latency or Order execution speed." It further states that "LedgerPrime traders are subject to the same access criteria and must abide by the same rules as all other Participants."

Alameda Research LLC ("AR") is not owned by any FTX entity, but is majority owned by Sam Bankman-Fried in his personal capacity (although he is not involved in the day-to-day activities of AR, does not offer trading suggestions, advice, or have control over AR's trading activities). AR also holds approximately 1% of the interests





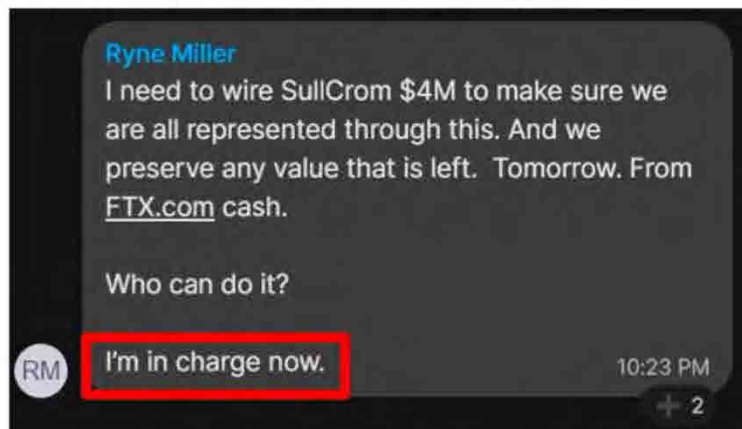
in the holding company of FTX.com. AR is one amongst many other professional trading participants transacting on both FTX International and FTX.US. In both instances, AR has no preferential fee structures or special or unique access to the exchange, to exchange data, or to any other feature of either exchange, versus that which is available to any other professional trading participant (e.g., AR does have access to the fee schedule tiers available to any user that meets the relevant requirements). Similar to any other professional trading participant, AR may participate in FTX US's borrow-lend book as well as the FTX US letter of credit program, and AR may participate in similar programs on FTX.com. AR also provides liquidity through the over-the-counter and "convert" (i.e., crypto to USD) functionality on the FTX crypto exchanges.

AR does not currently trade on FTX, but FTX expects that AR will be one of the Primary BLPs on FTX following approval of our forthcoming amended application to revise our DCO registration order.

FTX technology is segmented from technology used by affiliates, including any affiliates who may be BLPs, using industry standard access control technology. In addition, FTX communication channels with sensitive information (such as Slack channels and email) are not shared with affiliates, including affiliates that may be BLPs.

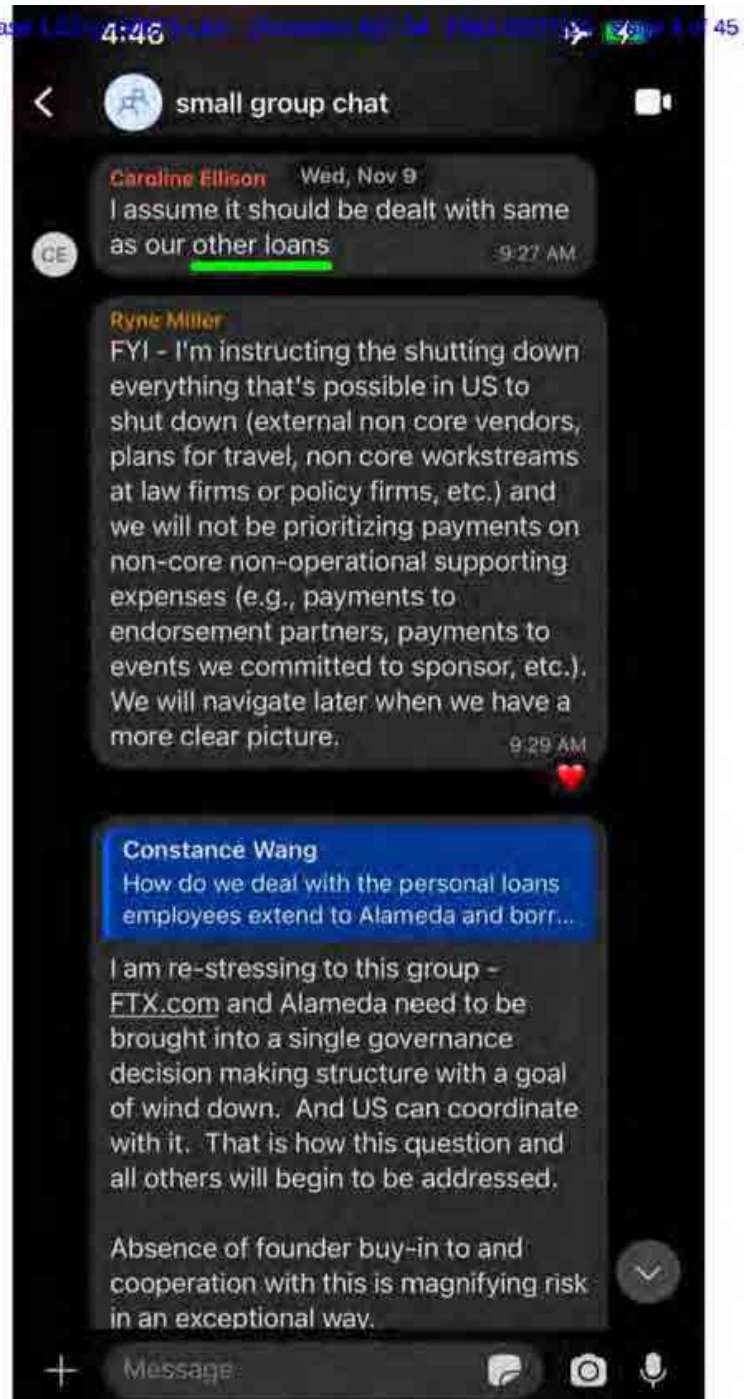
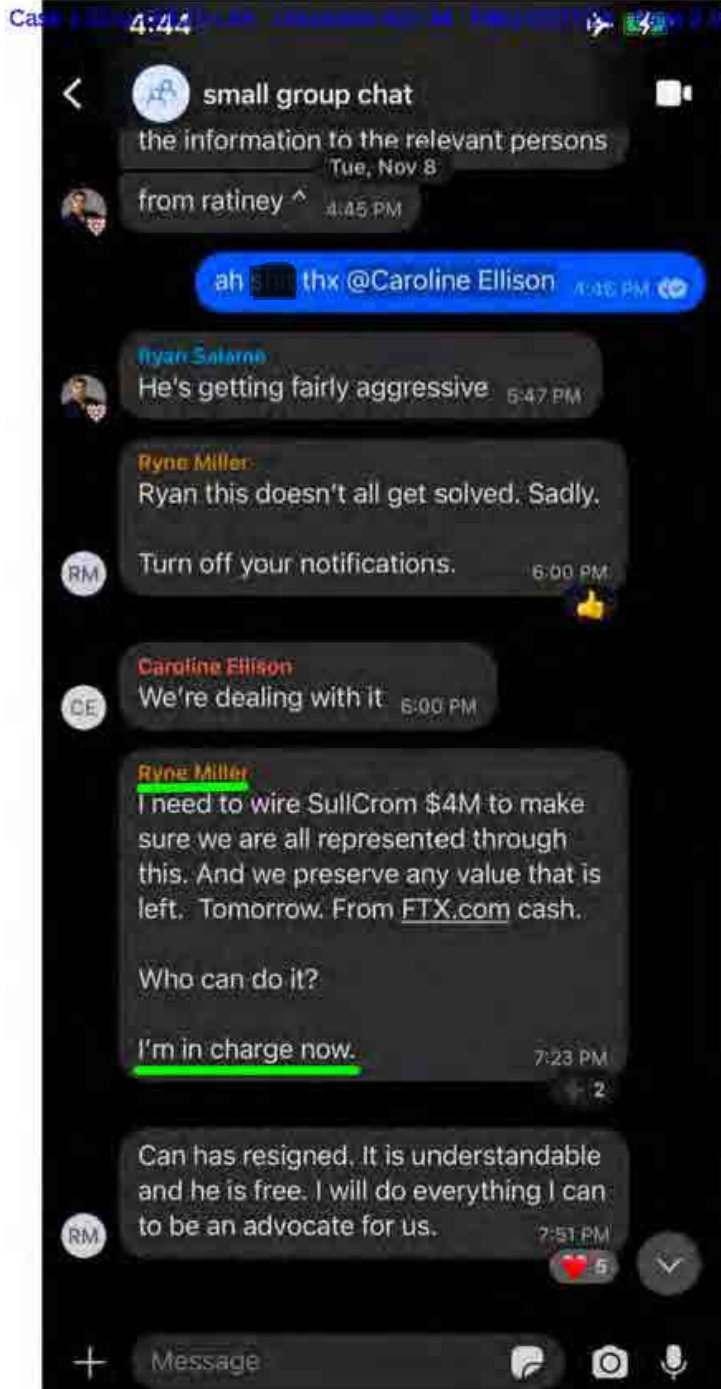


- 14) I will end this section with a screenshot of a message Mr. Miller sent to much of FTX's leadership at 10:23 pm on November 8th, 2022:



- a)
- b) Needless to say, Sullivan & Cromwell has not made sure that we are all represented through this. They have, however, done a good job of making sure they were wired \$4M.
- i) I believe that the current Chapter 11 team has significantly overstepped its mandate.
  - a) Numerous entities were improperly placed in Chapter 11 proceedings by the Chapter 11 team, either because:
    - i) John Ray was not the CEO of the entities;
    - ii) they were not owned by FTX, FTX US, or Alameda Research to begin with;
    - iii) they are subject to other global insolvency processes that preceded and thus supersede the Chapter 11 process; or
    - iv) they were not filed properly
  - b) This includes entities that I believe own the vast majority of customer accounts of FTX International, and oversee the vast majority of customer assets.
- 5) Claims that I have billions of dollars stashed away personally
  - a) I'm aware of a bank account which, as best I can remember, has roughly \$100k in it. While I have taken loans out of Alameda in my own name, those were not generally used for personal consumption or savings; most were used to invest in the business. I believe that they were taken out of Alameda's trading profits, which I believe were in the billions of dollars prior to 2022. I was not involved in the structuring of any of these loans. They were handled by inside and outside counsel.
- 8) When John Ray became CEO of FTX US on November 10th, 2022, FTX US was still operational, and still processing customer withdrawals. I intended and expected for withdrawals to remain open, making all customers whole. I am surprised that did not happen.







Case 1:22-cr-00673-LAK Document 407-34 Filed 02/27/24 Page 12 of 45

**From:** Ryne Miller <ryne@ftx.us>  
**Subject:** Re: URGENT - FTX Australia - Crypto-Assets [434982] [PA-A.FID1016001]  
**Sent:** Thursday, November 10, 2022 2:37:23 PM  
**Cc:** Sam Bankman-Fried <sam@ftx.com>, "tim@ftx.com" <tim@ftx.com>, Steven Pettigrove <spettigrove@piperalderman.com.au>  
**To:** Michael Bacina <MBacina@piperalderman.com.au>

Thank you. I am FTX US General Counsel. I am advising the founding team that the exchanges must be halted immediately. The founding team is not currently in a cooperative posture. We are exploring ways to change control in order to authorize a proper insolvency process (Sullivan & Cromwell and Fenwick are advising).

Ryne Miller

FTX US  
General Counsel  
ryne@ftx.us  
(405) 517 7570

Case 1:22-cr-00673-LAK Document 407-34 Filed 02/27/24 Page 27 of 45

RM Ryne Miller 11/10/2022 6:11 PM  
I think we need a call with Brandon Kotara, Zach, Nishad, and Gary, and me. If we are to take operational control  
Need ability to make site updates, edits, functionality, and need Brandon and a team with full access to new wallets and keys. Or to understand how Gary can coordinate.

GW Gary Wang 11/10/2022 6:13 PM  
believe Brandon and Will already have access to servers and can make changes

RM Ryne Miller 11/10/2022 6:16 PM  
Zach can you instruct Brandon and will to remove the bios from the website, to start. For personal security issues.





Further highlighting Sullivan & Cromwell deceit, Sam Bankman-Fried Tweets a comparison balance chart between SBF and S&C [Sullivan & Cromwell] for Nov 10 & 11 stating [“FTX US is solvent, as it always as been”](#).



**SBF**   
@SBF\_FTX

FTX US is solvent, as it always as been.

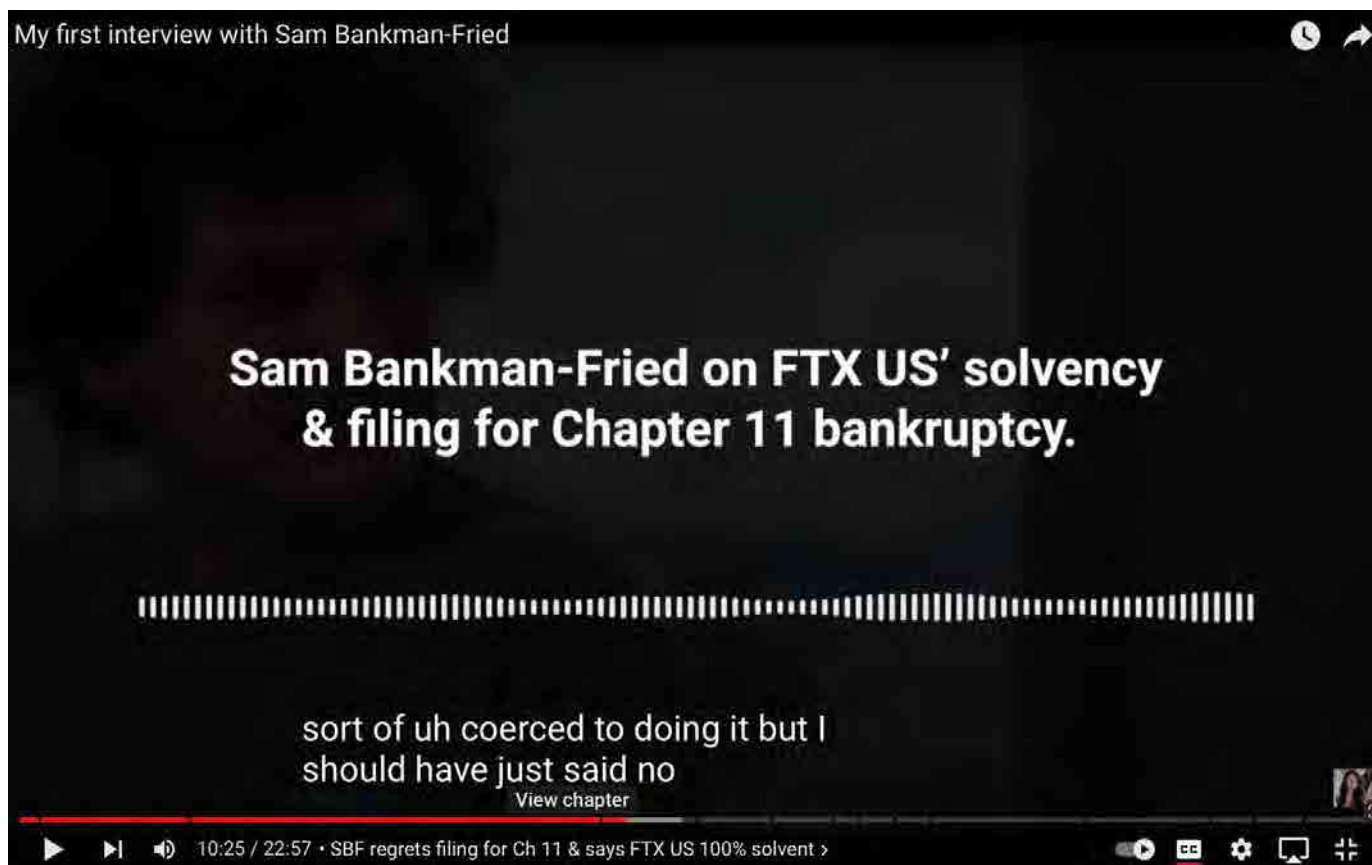
[sambf.substack.com/p/ftx-us-balan...](https://sambf.substack.com/p/ftx-us-balan...)

Date	Creator	Customer balances	Tokens	FBO bank	Corp bank	LedgerX	Corp Nov 11	LedgerX Nov 11	Other Bank
November 10th	SBF	497,323,421	484,676,723	23,918,495	90,577,638	250,000,000	90,577,638	250,000,000	0
November 11th	S&C	More than \$181m	181,000,000	29,400,000	235,900,000	128,400,000	114,300,000	250,000,000	34,400,000
	Creator	Total bank	Wallet		Total Assets		Max Customer	Est Customer	
November 10th	SBF	364,496,133	484,676,723		849,172,856		497,323,421	497,323,421	
November 11th	S&C	428,100,000	181,000,000		609,100,000		497,323,421	199,128,204	
	Creator	Min NAV	Est NAV		FBO+Token-Customer				
November 10th	SBF	351,849,434	351,849,434		11,271,796				
November 11th	S&C	111,776,579	409,971,796		11,271,796				

7:31 PM · 1/17/23 from Earth · **15.2M** Views



During a phone interview with Tiffany Fong on 11/20/2022, Sam Bankman-Fried states [“I was sort of coerced to doing it \[Signing Omnibus Corporate Authority\]”](#) which further supports further evidence that individuals at Sullivan & Cromwell and FTX were involved.



Sullivan & Cromwell & other parties forged Sam Bankman-Fried signature on the “Omnibus Corporate Authority” giving John Ray control of FTX’s bankruptcy procedures. The Omnibus Corporate Authority was allegedly signed digitally on Nov 10, 2022. [The “Omnibus Corporate Authority” was provided by John Ray in a filing “Notice of Filing Victim Impact Statement” on 3/20/2024.](#) On Nov. 11, 2022, Sam Bankman-Fried Counsel was still requesting another unexecuted copy for review. Financial Times Article who obtained emails from Sullivan & Cromwell’s [Andy Dietderich on Nov. 10, 2022 “We have done the work we can without Sam's signature.”](#) Sam Bankman-Fried Criminal Trial Exhibits and Signal Messages essential highlights Mr. Bankman-Fried refusing to sign over FTX control even on Nov. 11, 2022.





Omnibus Corporate Authority

I, Samuel Benjamin Bankman-Fried, as controlling owner, director, officer, manager or other authorized person with respect to West Realm Shires Inc., Paper Bird Inc., Hilltop Technology Services LLC, Cedar Grove Technologies Services, Ltd., FTX Trading Ltd., Alameda Research LLC and Clifton Bay Investments LLC (the "Top Companies"), and all of their directly and indirectly owned subsidiaries (together with the Top Companies, the "FTX Group"), hereby authorize, instruct and consent to the following corporate actions with respect to all members of the FTX Group:

(i) the appointment of John J. Ray III (the "CEO") as Chief Executive Officer with plenary authority to exercise all powers and authority capable of delegation to an officer under applicable law, including without limitation in connection with a voluntary filing for protection from creditors under Title 11 of the United States Code and any restructuring and insolvency-related proceeding that may be appropriate or necessary, or may be commenced by third parties, with respect to all members of the FTX Group;

(ii) the execution and delivery of any agreements, documents or instruments the CEO determines to be appropriate in connection with the foregoing;

(iii) the retention of counsel and other advisors, and the execution and delivery of any agreements, documents or instruments in connection with the foregoing;

(iv) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of FTX Trading Ltd.;

(v) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of Alameda Research Ltd.;

(vi) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of West Realm Shires Inc.;

(vii) if the CEO shall so determine, the appointment of one or more individuals chosen by the CEO and not affiliated with me as director of other members of the FTX Group;

(iv) the performance of any and all such acts as are reasonable, advisable, expedient, convenient, proper or necessary to effect the foregoing.

It is my wish that the CEO consult with my counsel at Paul, Weiss, Rifkind, Wharton & Garrison LLP with respect to the foregoing director appointments.

Date: November 10, 2022

Digitized by

Samuel Benjamin Bankman-Fried

Samuel Benjamin Bankman-Fried

SIGNAL - NOV 11, 02:50

<https://www.ft.com/content/5e912f25-11b7-4b19-b370-0071bc867246>

Ryne Miller: @SBF fresh doc sent, per instructions from your counsel.

Thanks. Let me know

Case 1:22-cr-00673-LAK Document 247-2 Filed 09/01/23 Page 2 of 2

Messages in chronological order (times are shown in GMT +00:00)

D0493KXPGRE

ZD Zach Dexter

11/11/2022, 3:33 AM

Michael, we're trying to get Sam to sign a control agreement that will empower a restructuring professional to immediately make a series of critical decisions without the delays and disengagement Sam has been providing us.

ZD Zach Dexter

11/11/2022, 3:35 AM

those decisions include the appropriate best actions on FTXUS - need someone who can consult with counsel to quickly wind down activity there in the most appropriate way for customers - all Sam needs to do is sign, he's been unable to relinquish control or approve / delegate authority to approve material decisions - I hope we're able to cross that bridge tonight.

M/G Michael Giles

11/11/2022, 3:44 AM

Sounds like the right approach to me. We are in contact with all of our own regulators daily and it's hard to navigate without direction and ability to make big decisions. We are currently focused on assisting with the off boarding of FTXCM customers and ensuring they can liquidate and receive their funds (likely from Embed Clearing directly).

ZD Zach Dexter

11/11/2022, 3:56 AM

I'm on the phone with Sam's personal lawyers at Paul Weiss essentially yelling at them about how the internal ledger doesn't work, but if Sam authorizes an executive authority, that person will have the capacity to make the decisions we absolutely must make to bring in people who can help us fix this.

CONFIDENTIAL TREATMENT REQUESTED BY FTX

FTX\_000287243  
SDNY\_02\_00411941



EMAIL - NOV 10, 21:20 <https://www.ft.com/content/6e912f25-41b7-4b19-b370-007fbc867246>

FROM: RYNE MILLER  
TO: SAM BANKMAN-FRIED

*Sam need this signed ASAP. Let me know.*

EMAIL - NOV 10, 22:36

FROM: ZACH DEXTER  
TO: SAM BANKMAN-FRIED

*Sam this is an excellent pick and I wholeheartedly hope you sign this tonight. The faster John is in place, the faster the company can resolve issues that require urgent progress. Those of us remaining can help you significantly if you sign tonight.*

Bankman-Fried's lawyers haggled over the choice of Ray and the selection of new directors for the company in bankruptcy. They questioned whether filing for bankruptcy in the US would expose Bankman-Fried to more scrutiny from American law enforcement, Dietderich later said in court filings. He said he told Bankman-Fried's counsel that the worries about his own interest were "inappropriate." Meanwhile, Miller continued to press.

NOV 10, 21:48

*Ryne Miller to SBF: Hello sir - I sent you the doc as DocuSign. I would super appreciate your signing it. Thank you again for getting this piece done.*

**Ryne Miller to Sam Bankman-Fried: MISSED CALL 22:14**

NOV 10, 22:36

*Ryne Miller to SBF: Hi there - a gentle ping to see if you could sign the DocuSign I sent. Happy to discuss it with you if helpful. Thanks again.*

EMAIL - NOV 10, 22:36

FROM: ANDY DIETDERICH  
TO: SAM BANKMAN-FRIED

*Can we please have an update? We have many people in NY and Delaware waiting to proceed. We have done the work we can without Sam's signature. If Sam is not going to sign the instruction appointing Ray tonight, we will send people home and regroup in the morning. Australia has commenced voluntary proceedings and we can expect more shortly. If Sam is signing relatively promptly, we can stay around. Please let us know promptly if we should continue to wait. Andy*

Case 1:22-cr-00673-LAK Document 407-34 Filed 02/27/24 Page 19 of 45

Messages in chronological order (times are shown in GMT +00:00)



mpdm-zach--nishadsingh--zx.gary--brian225--ryne-1

ZD

Zach Dexter

11/10/2022, 1:20 PM

Nishad, Gary - I extremely strongly recommend to you that you convince SBF to re-enable Ryne's posting ability. we are not all going to agree on what to do, but there is an objectively correct way and an objectively incorrect way to conduct operations at this point. Ryne has laid out the objectively correct way. you guys need to convince SBF to let Ryne continue to do that.

ZD

Zach Dexter

11/10/2022, 1:20 PM

what you guys do now is extremely important

ZD

Zach Dexter

11/10/2022, 3:23 PM

@Gary Wang I don't know where Nishad is. if there is ever a time in your life where you need to stand up and tell someone to stop fucking around, it's now.

ZD

Zach Dexter

11/10/2022, 3:24 PM

tell Sam to appoint a wind-down manager as Ryne has instructed

CONFIDENTIAL TREATMENT REQUESTED BY FTX

FTX\_000287073  
SDNY\_02\_00411771



GOVERNMENT  
EXHIBIT  
543  
22 Cr. 673 (LAK)



small group chat



Yesterday

Caroline Ellison

hm it looks like my account on Wireless Table 1pass got suspended, any chance I could get that reenabled?

CE

7:07 PM

Tim Wilson

Can someone please confirm that all trading on all exchanges is turned off? I just saw a message on Slack suggesting that people were still trading CHZ.



7:15 PM

Zach Dexter

You did this get sent? Just curious.

ZD

Don't think so

7:21 PM

Sam Bankman-Fried

The SCB—Christina Rolle—is directing us to transfer the assets to a custodian in their name; they say “we are doing so to protect the interest of creditors and clients of FTX Digital Markets and other entities that might be commingled”. We are being directed to do so.

SB

7:42 PM

This is a significant question of who owns the assets. FDM does not. We will need to have a discussion with her and SullCrom.

7:45 PM

Cannot transfer any funds that are the subject of the bankruptcy estate (i.e., assets owned by FTX Trading Ltd., WRSS, WRS, Alameda, etc.). These are all not assets of the Bahamian entity (including, i.e., the Robinhood shares, which technically roll up under Alameda).

Before folks transfer to Bahamas, absolutely consult with me and I will bring in the appropriate counsel.

8:02 PM



Message



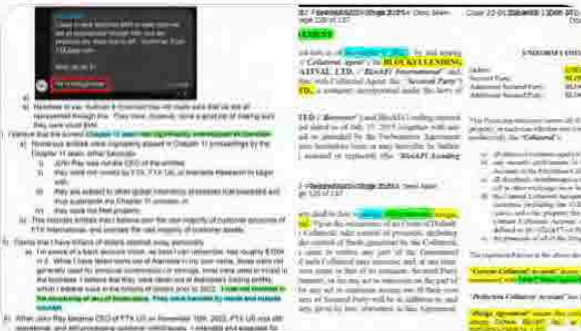




Ryan Salame

This is a good question

@applearegreen 6m  
@SBF\_FTX Congressional Transcript states "I'm [Ryne Miller] in Charge" "I [Ryne Miller] Need 2 Wire SullCrom \$4M" on Nov 8 2022? Simple Questions  
@rsalame7926 Was Miller in Charge Moving Assets & Structuring Loans Prior 2 Nov 11 Bankruptcy Petition Filing? [forbes.com/sites/steveneh...](https://forbes.com/sites/steveneh...)



[x.com/applearegreen/...](https://x.com/applearegreen/...)

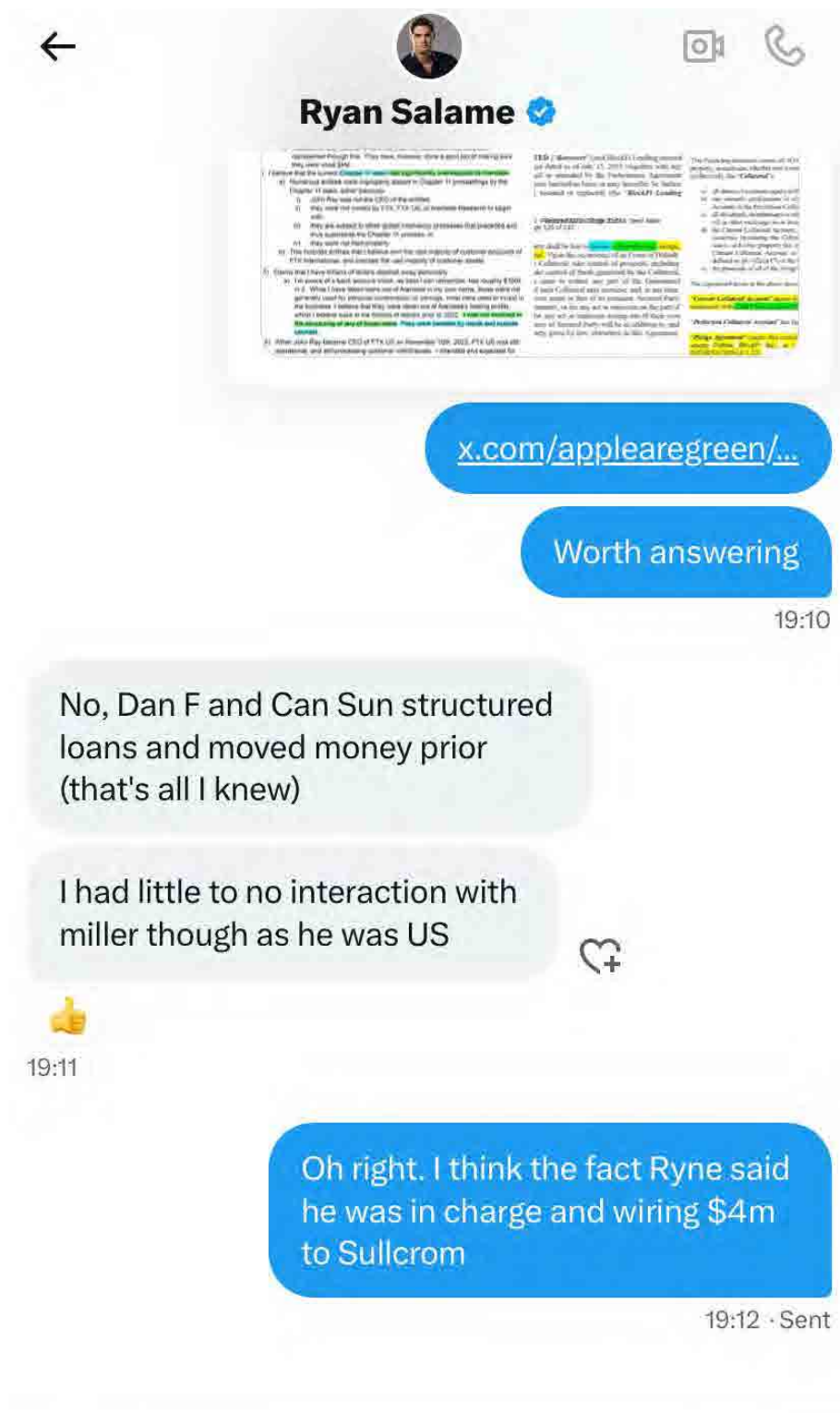
Worth answering

19:10 · Sent



Start a message





No, Dan F and Can Sun structured loans and moved money prior (that's all I knew)

I had little to no interaction with miller though as he was US



19:11

Oh right. I think the fact Ryne said he was in charge and wiring \$4m to Sullcrom

19:12 · Sent



Start a message





**Ryan Salame** 

Oh yah that's real of course,  
government isn't faking chats



19:17

Obviously think people want to  
know from at least 8 November  
did Ryne gave the orders as he's in  
charge?

It appears he was from the chats  
as he said he got Can Sun or Dan  
to transfer the \$4m and assets

\*ryne give

19:23

1 new message

Yes Ryne gave orders like he was  
in charge



19:25

Yeah that makes sense from chats

19:46 · Sent



Start a message







Given the international reach of the US capital markets, and the substantial cross-border investment of non-resident parties in US securities & digital assets, we support that wherever possible the ISO international identification codes are used. These are - for the reporting of Digital Assets, Tokenized Stocks, swaps and security-based swaps -, the **ISO 4914 – Financial services — Unique product identifier (UPI)**, and for other types of financial instruments, the **ISO 10962 — Securities and related financial instruments — Classification of financial instruments (CFI) code**. We agree that the UPI and CFI are complementary identifiers and provide a taxonomic classification system for financial instruments. These identifiers are useful for aggregating data and increasing global transparency, which is beneficial in certain financial markets such as swaps, forwards, and non-listed options. We would like to point out, however, that the reporting of swaps and security-based swaps could be based additionally on the **ISO 6166 – International Securities Identification Number** as administered by the ANNA Derivatives Service Bureau (DSB). This OTC -ISIN is the common derivatives identifier used in the EU regulatory reporting and is available free of licenses and fees, including any CUSIP licenses and fees.

Given the situation in the US with FTX & Binance's Quintillions to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in liabilities of unresolved Digital Assets, Stable Coins, Tokenized Stocks, swaps, derivatives, Pledges & Commingling of Assets for Unfathom Amounts of Loans when it comes to the identification of other financial instruments, we support that the agencies propose to establish the **Financial Instrument Global Identifier (FIGI)** established by the Object Management Group as an identifier of financial instruments. Financial market participants globally need to search for fee and license free alternatives to CUSIP based identifiers to be able to bring down data cost. The alternative to CUSIP / US-ISIN at this point in time is indeed therefore the FIGI. The FIGI is an international identifier for all classes of financial instruments, including, but not limited to, securities, Stable Coins, Tokenized Stocks, and other digital assets. It is a global non-proprietary identifier available under an open license. We would hope that the OMG standard FIGI will become an ISO standard at one point. We support that the agencies also considered CUSIP and the US-ISIN (which includes the CUSIP) for the identification of securities & digital asset.

Anywhere in the world the use of the locally allocated ISIN is also always license and fee free, as only the US identifiers are proprietary and not available under an open license. We therefore support the use of the OTC-ISIN, the ISIN, and the FIGI to easily identify all the instruments in the agencies reporting scope on a user license and fee free basis.



[DFA appreciates the Immortalization of confessions from Financial Institutions, Market Makers, Family Offices, Hedge Funds, ISDA Members, & Respective Legal Counsel](#) on the SEC's Proposed Rule on Rule Financial Data Transparency Act Joint Data Standards.

Retail Investors express profound concerns regarding the role of Sullivan & Cromwell LLP (S&C) & Fenwick West in the events leading up to the collapse of FTX and the subsequent bankruptcy proceedings. The involvement of S&C, given its close associations with FTX's Lenders & Borrowers, Creditor & Debtors, and U.S. Equities Assets Seller & Custodian, Swaps Dealers & Stable Coin Provider, while forging signed documents prior to its downfall, presents troubling questions about potential conflicts of interest and the firm's suitability to lead FTX through bankruptcy. S&C's intimate pre-collapse relationship with FTX raises concerns about its ability to impartially manage the bankruptcy process and faithfully represent the interests of defrauded investors. This is particularly disconcerting given S&C's advisory role to FTX with Binance having controlling interest and representing both criminal enterprises. Which could position Sullivan & Cromwell as gatekeepers and police of their own criminal behavior.

#### [Timeline of Sullivan Cromwell, Binance, FTX, LedgerX Securities Asset Laundering with Coinbase & Circle USDC](#)

Keep in mind the \$27.3 quintillion to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in claims, Sullivan & Cromwell's Andrew Dieterich stated, even if 99% of the claim were in error. If only 1% in \$27.3 Quintillion to [\(revised 3/05/25 "\\$1.187 Sextillion\)](#) in claims were accurate, the total would still be greater than **ALL** assets value globally. There are specific reasons there can be such High Percentage in recoveries for victims, the reason is because these funds were from collapsed overpaid Venture Bank Loans through now Bankrupt Banks, ironically most based in California. The same loans which these individuals are using YOUR Pensions, YOUR Children's Teachers Funds, YOUR Local Law Enforcement Funds, YOUR Family and Loved one's money, to create at minimum (57) Tokenized Stocks with \$0 Value obtaining Bank Loans, then collapse the Banks and request FDIC Insurance Protection, which we all will have to pay in extra fees. Also, these individuals are creating at minimum (4) StableCoin GUSD/USDC/Paxos/USDT that were supposedly Backed 1 to 1 with US Asset Values. Under FTX's Balances, we have learned there were no collateral or assets. These Stable Coins & individuals are devaluing the U.S. Dollar as well as steal Equity & Market Caps from the (57) Tokenized Stocks.

In light of these concerns. DFA urge your consideration to ensure that the bankruptcy process is led by entities fully detached from the pre-collapse operations of FTX or any affiliated companies (i.e., Binance).



Reminder Binance & CM-Equity with FTX Trading “Tokenized Stocks & Collateral Agreements” [“mimic the price movements of publicly traded stocks”](#) & [“tokenized stocks to amount to a financial contract between a customer”](#) and [“track a stock price”](#). Then using [“Caroline 3/31/2022”](#) [“tokenized stock loans”](#), repledge & commingled Digital Assets as Collateral for Venture Loans with California Banks (Silicon Valley Bank, Signature, SilverGate, First Republic).

Especially, Binance Flow Chart & Sam Bankman-Fried (CEO FTX) Signal Messages with Ryne Miller (Sullivan & Cromwell Partner/Formal CFTC Legal Counsel) & Zach Dexter (CEO LedgerX), Binance with Controlling Interest in regards to how Equities from Companies where “RH [Robinhood] wants to acquire derivatives” swapped for Digital Asset derivatives. Once U.S. Equities Swapped with Broker-Dealer USD Pegged Stable-Coin. Charles Washburn (Partner at Manatt, Phelps & Phillips, LLP) “a lending business in California and is still holding crypto currency as collateral in connection with those loans”. Which governmental body/agency will confirm those Digital Asset/Security or USD-Pegged Stable-Coin are backed with Physical Assets with Same Values used only (ONCE) as Collateral for Loans?

Requiring an open-source, non-proprietary identifier is an important first step toward a day when financial market participants are no longer burdened by the Criminal Organizations restrictive license agreements and unwarranted financial exploitation of and a tax on the United States financial system.

Allowing Self-Regulatory Organizations “OCC” “the sole clearing agency” for “stock loan and futures transactions” failed to liquidated “\$27.3 quintillion dollar” to [\(revised 3/05/25 “\\$1.187 Sextillion\)](#) in from Celsius, Voyager, BlockFi, FTX, Binance & Hundreds of Rehypothesized & Commingled Venture Investment Loans & Collateral obtained through Fraud & Manipulation; would allow a greater Black Hole which the World’s Financial Stability & Economy cannot recover from. [For the reasons above & For Immortalization of history in remembrance of the criminals and criminal’s enablers that will or will not allow this to occur, DFA write this to be memorialized who Stole the World using Nothing but Quintillions of Fake Collateral](#)

Sincerely,

[Janet Sparks,](#)  
[Forbes Former Contributor](#)





CommissionerPeirce · Sep 2, 2024

to me ▾



Good afternoon,

Thank you for reaching out. All tips, complaints, or referrals can be submitted using our online form found here: <https://www.sec.gov/tcr>. If you are a whistleblower and would like to submit information to the Commission, you may do so here: <https://www.sec.gov/whistleblower>. If you have questions you'd like to discuss, you can contact the Office of Investor Education and Advocacy at 1-800-732-0330 or by email at [help@sec.gov](mailto:help@sec.gov).

Office of Commissioner Hester M. Peirce

[100 F Street, NE](#)

[Washington, DC 20549](#)

**From:**

**Sent:** Friday, August 30, 2024 1:03 PM

**To:** Grewal, Gurbir <[GrewalG@SEC.GOV](mailto:GrewalG@SEC.GOV)>; Chair <[chair@sec.gov](mailto:chair@sec.gov)>; CommissionerPeirce <[CommissionerPeirce@SEC.GOV](mailto:CommissionerPeirce@SEC.GOV)>; CommissionerCrenshaw <[CommissionerCrenshaw@SEC.GOV](mailto:CommissionerCrenshaw@SEC.GOV)>; CommissionerUyeda <[CommissionerUyeda@SEC.GOV](mailto:CommissionerUyeda@SEC.GOV)>; CommissionerLizarraga <[CommissionerLizarraga@SEC.GOV](mailto:CommissionerLizarraga@SEC.GOV)>; Gensler, Gary <[GenslerG@SEC.GOV](mailto:GenslerG@SEC.GOV)>; [Lisa.monaco@usdoj.gov](mailto:Lisa.monaco@usdoj.gov); [lisa.monaco@usdoj.gov](mailto:lisa.monaco@usdoj.gov)

**Subject:** Re: FTX, Sullivan & Cromwell, Binance, USDC, TRON

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To Whom Values Simple Math of Quintillions:

Majority @SBF\_FTX Crimes Were Fake Venture Loans & Investment using Crypto like Tokenized Stocks for Collateral. Why are the Investigator & Criminals Same People As the Buyer & Seller of Crime Scene like Maclaurin also known as Alameda Ventures? Remember Quintillions in liabilities used as collateral can steal and collapse everything.



me · Oct 26, 2024

to grewalg, Chair, CommissionerPeirce, CommissionerCrenshaw, CommissionerUyeda ... ▾

<https://www.sec.gov/comments/s7-2024-05/s7202405-533076-1528863.pdf>



Financial Transparency.pdf



## Remarks by SEC Chair Gensler at the Meeting of SEC Investor Advisory Committee

*Posted by Gary Gensler, U.S. Securities and Exchange Commission, on Saturday, June 12, 2021*

Comments Off



Print

E-Mail

Post

**Tags:** Broker-dealers, Information asymmetries, Insider trading, Investor protection, NBBO, Regulation NMS, Retail investors, Rule 10b-5-1, SEC, Securities regulation

**More from:** Gary Gensler, U.S. Securities and Exchange Commission

**Editor's Note:** Gary Gensler is Chair of the U.S. Securities and Exchange Commission. This post is based on his recent remarks at the Meeting of SEC Investor Advisory Committee. The views expressed in the post are those of Chair Gensler, and do not necessarily reflect those of the Securities and Exchange Commission or the Staff.

Good morning. Thank you Jennifer, Heidi, and all the committee members for having me. I enjoyed meeting with members of the Executive Committee yesterday and am thrilled to meet the whole committee for the first time. I'm grateful for the members' time and willingness to represent the interests of American investors.

I know this committee has weighed in on a variety of policies that are of great importance to the agency and to the investing public. Every day, I'm motivated by working families and how they're served by the agency's mission.

At the heart of our mission and our work protecting investors—from new investors exploring the stock market for the first time to retirees living off their pensions, I look forward to your recommendations on representing investors' interests in areas as diverse as climate risk disclosures and market structure.

On today's panels, I know you'll be discussing issues related to best execution and executive stock ownership. I look forward to seeing the readouts on these topics. In that regard, I wanted to share some thoughts about how I'm thinking through these matters.

First, let me turn to the requirements for best execution in the context of the National Best Bid and Offer (NBBO).

Broker-dealers are obligated to seek the best execution for their customers' orders—not just better execution. I've been thinking about these issues a lot in the wake of January's market events, which brought more attention to payment for order flow.

It's interesting to note that the United Kingdom, [1] Canada, [2] and Australia [3] don't allow broker-dealers to route retail orders to wholesalers in return for payments. The European Securities and Markets Authority has also raised concerns about these potential conflicts of interest in payment for order flow and best execution. [4]

Again, it's best execution—not just better execution. But it's best execution in comparison to what?

That brings me to the NBBO. In fulfilling the requirement of best execution, brokers must consider, among other factors, prices currently being quoted. The NBBO is designed to aggregate information across different exchanges. I believe there are signs, however, that the NBBO is not a complete enough representation of the market.

First, as evidenced in January, nearly half of the trading interest in the equity market either is in dark pools or is internalized by wholesalers. Dark pools and wholesalers are not reflected in the NBBO. Moreover, the NBBO is also only as good as the market itself. Thus, under the segmentation of the current market, nearly half of trading along with a significant portion of retail market orders happens away from the lit markets. I believe this may affect the width of the bid-ask spread.

Further, as it relates to the lit markets, while the definition of odd lots is planned to change under the SEC's 2020 Infrastructure rulemaking, the NBBO still doesn't include many of the exchange prices, such as odd lots and non-displayed orders. Additionally, by SEC rule, the NBBO must be priced in penny increments.

Wholesalers are able to transact at sub-penny increments. As a result, wholesalers may operate on an unequal playing field when competing for order flow.



@TheRoaringKitty DFV Naked Short #NakedShort Short Ladder Attack Short Distort Synthetic Shares Using Mis-Marking Token Tokenized Stocks Tokenized Shares Convertible Bonds Similar BTIG Overstock @ryancohen Ryan Cohen @GameStop GameStop GME Adam Aron @CEOAdam AMC Theaters @AMCTheatres Keith Miller AB 525 @vladtenev Vlad Tenev Robinhood @elonmusk Elon Musk Tesla TSLA TSLAQ TelslaQ @SpaceX @jack Jack Dorsey Twitter TWTR @citsecurities Citadel Securities Ken Griffin Melvin Capital Gabe Plotkin Martin Shkreli Julian Robertson Tiger Cubs Virtu Doug Cifu Reddit WallStreetBets redchessqueen @redchessqueen99 SuperStonk Jim Cramer @jimcramer Charles Payne @cvpayne Gary Gensler @GaryGensler SEC.gov @SECGov Lisa Monaco @LisaMonaco APE @TheJusticeDept DOJ MOASS Squeeze APE Leverage Bill Gate Tiger Global Calipers Pensions @dianeg\_ceo Bob Huth @Hycroft HYMC Apex Clearing Dave Black @RobinhoodApp Camp LeJuene @The\_DTCC @CreditSuisse @FINRA Phantom Short Failure to Deliver (FTD) Bernie Madoff "Madoff Exemption" Bill Gate @BillGates BCG Boston Consulting Group Mark Cuban @mcuban Patrick Olds Mia Khalifa @miakhalifa @chamath Reverse Split Wilson Mak @kevinolearytv David Portnoy @stoolpresidente Andreessen Horowitz a16 Clubhouse Cathie Wood @CathieDWood Securitization @x @robertherjavec @TheSharkDaymond Conversion Shawn Corey Carter @sc @aplusk Eddie Griffin @EddieGriffinCom Jon Stewart @jonstewart January 28 2021 Buy Button Milly Elvis @MillyELVIS @TilmanJFertitta Jay Clayton Marcus Lemonis @marcuslemonis Donald Trump Jr. @DonaldJTrumpJr @LizClaman Helen Lee @peterelkind @eisingerj Janet Sparks @lizgarbus @JchristianWes @BetterMarkets @cz\_binance Dave Lauer @dlauer @SusanneTrimbath Dragonbreathe @DennisKelleher Travis Kelce @tkelce @LucyKomisar Aldwin Mak @andyleeck @LisaBraganca @GurbirGrewalNJ Maxine Waters @RepMaxineWaters Alexandria Ocasio-Cortez @AOC @RepAOC @PatrickMcHenry @RepBlaine @RepAlGreen @RepAdams @SenWarren @BradSherman @RoKhanna Ted Cruz @tedcruz @SenSherrodBrown @RashidaTlaib @RepJuanVargas Conan Mak @RepPerlmutter @SecYellen @FSCdems @BankingGOP Jay-Z @SenateBanking @SenFinance @FinancialCmte @caroljsroth Dominos Pizza @timseymour @reddit idLogger @SEC\_News @CNNBusiness @Foxbusiness @reuters @guardian @guardiannews @forbes @WSJ @YahooFinance @NYSE Lehmann Brothers Bear Stearns Corp @business Bill Pulte @Jefferies @andrewsorkin @Nasdaq @Overstock @reuters @guardian @guardiannews @forbes @WSJ @SBF\_FTX Beyonce @erinarvedlund Erin Arvedlund @MaxJReyes Max Reyes @0x\_tracy Tracy Wang @SimonDixonTwitt @AlexDamsker ALEX DAMSKER @MarioNawfal Mario Nawfal @CelsiusNetwork Modulo @SMTuffy Sean Tuffy SVB Silicon Valley Bank First Republic Bank FRM Signature Bank Silvergate @coinbase @brian\_armstrong Brian Armstrong @yaffebellany David Yaffe-Bellany @leomschwartz Leo Schwartz @MattGoldstein26 Matthew Goldstein @giseleofficial Gisele Bündchen @SHAQ @StephenCurry30 Stephen Curry @TomBrady Tom Brady FDIC Apollo Sequoia LightSpeed Coinbase @innercitypress Ryan Salame @rsalame7926 Dumb Money Ben Mezrich Taylor Swift @taylorswift13 The Eras Tour AMC theatres Cameron Winklevoss Tyler Winklevoss @circle





<https://www.fidelity.com/learning-center/investment-products/options/selling-naked-calls-video>  
<https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/results/csg-special-committee-bod-report-archegos.pdf>  
[https://www.bmoinvestorline.com/General\\_Info/trade-restrictions\\_en.html](https://www.bmoinvestorline.com/General_Info/trade-restrictions_en.html)

[https://www.reddit.com/r/wallstreetbets/comments/lmagzp/today\\_interactive\\_brokers\\_ceo\\_admits\\_that\\_without/?utm\\_source=share&utm\\_medium=ios\\_app&utm\\_name=iossmf](https://www.reddit.com/r/wallstreetbets/comments/lmagzp/today_interactive_brokers_ceo_admits_that_without/?utm_source=share&utm_medium=ios_app&utm_name=iossmf)

@MelissaLeeCNBC #KenGriffinLied @stacey\_cunning  
<https://twitter.com/cnbcevents/status/1405549478732517381?s=21>

Over ½ Trade Off Exchange Not True Supply & Demand @CNBC <https://youtu.be/Z8be2-z-CNM> PFOF Payment For Order Flow  
<https://twitter.com/BetterMarkets/status/1412930432447000582?s=2>

Internalized Shares @GaryGensler  
<https://www.cnbc.com/video/2021/08/04/sec-chair-gary-gensler-on-his-vision-for-cryptocurrency-regulation.html>  
<https://www.cnbc.com/2021/08/04/cnbc-exclusive-cnbc-transcript-sec-chair-gary-gensler-speaks-with-cnbc-squawk-box-today.html>  
<https://twitter.com/citsecurities/status/1443660601499308033?s=20>  
<https://www.sec.gov/files/staff-report-equity-options-market-struction-conditions-early-2021.pdf>  
<https://twitter.com/GaryGensler/status/1453021598617849857?s=20>  
<https://youtu.be/w5QnYYG72LA>  
<https://twitter.com/MelissaLeeCNBC/status/1454103426191798279?s=20>  
[https://www.reddit.com/r/fidelityinvestments/comments/r5pz1i/shortable\\_shares\\_for\\_gme/hmoq39r/?utm\\_source=share&utm\\_medium=ios\\_app&utm\\_name=iossmf&context=3](https://www.reddit.com/r/fidelityinvestments/comments/r5pz1i/shortable_shares_for_gme/hmoq39r/?utm_source=share&utm_medium=ios_app&utm_name=iossmf&context=3)  
<https://www.sec.gov/comments/s7-18-21/s71821-20111708-265037.pdf>  
<https://twitter.com/Fidelity/status/1466079691450859524?s=20>

#WhatsApp <https://www.sec.gov/news/press-release/2021-262>

@Discovery @ViacomCBS <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/results/csg-special-committee-bod-report-archegos.pdf>  
<https://www.sec.gov/files/staff-report-equity-options-market-struction-conditions-early-2021.pdf>

Shares-on-loan Positions [https://twitter.com/fintel\\_io/status/1476356365312352257?s=21](https://twitter.com/fintel_io/status/1476356365312352257?s=21)

@CitronResearch <https://news.bloomberglaw.com/securities-law/vast-doj-probe-looks-at-almost-30-short-selling-firms-and-allies>

<https://www.sec.gov/news/statement/peirce-worms-and-dinosaurs-20211119> @HesterPeirce  
<https://www.sec.gov/news/statement/peirce-statement-proposed-private-fund-advisers-020922>  
<https://twitter.com/garygensler/status/1491456428405633027?s=21>



@TheJusticeDept "mapping out block-trading <https://www.bloomberg.com/news/articles/2022-02-18/morgan-stanley-relationships-across-wall-street-snared-in-probe>

@Wedbush "large blocks of low-priced securities by an offshore customers"  
<https://www.sec.gov/litigation/admin/2021/33-11015.pdf>

@CitronResearch @muddywatersre "manipulative trading around negative reports" "probe of hedge funds and research firms" "potential charges under the (RICO)" "@TheJusticeDept is investigating" "#ShortDistort scheme" "profit" when "company's stock fell" <https://www.reuters.com/world/us/us-prosecutors-explore-racketeering-charges-short-seller-probe-sources-2022-02-18/?s=09>

@citsecurities Buy Alex Rampell Knight Capital. Parag Agrawal's wife Vineeta Agrawal is GP Marc Andreesen whom Invest @Clubhouse. @TwitterSpaces Start #ShortDistort w/ @Clubhouse Tech #NakedShort Majority Share Force @jack Out? <https://www.sec.gov/news/press-release/2013-222>  
<https://www.clubhouse.com/room/PGEX9zzd>

[https://www.bloomberg.com/news/articles/2022-05-28/musk-says-gates-has-multi-billion-dollar-tesla-short-position?utm\\_campaign=socialflow-organic&utm\\_content=business&utm\\_source=twitter&cmpid=socialflow-twitter-business&utm\\_medium=social](https://www.bloomberg.com/news/articles/2022-05-28/musk-says-gates-has-multi-billion-dollar-tesla-short-position?utm_campaign=socialflow-organic&utm_content=business&utm_source=twitter&cmpid=socialflow-twitter-business&utm_medium=social)

Knight Capital "mismarking short sale orders as long & by failing  
<https://www.sec.gov/litigation/admin/2013/34-70694.pdf>

@AlderLaneEggs same crime as KCG "mismarking short sale orders as long"  
<https://twitter.com/AlderLaneEggs/status/1533099224224628737?s=20&t=VaHWUqXZx-rBiayEEzF8hA>  
<https://www.rollingstone.com/politics/politics-news/accidentally-released-and-incredibly-embarrassing-documents-show-how-goldman-et-al-engaged-in-naked-short-selling-244035/>

<http://media.economist.com/sites/default/files/pdfs/Plaintiffs%20Opp%20to%20MSJ.pdf>  
<https://www.justice.gov/usao-sdny/press-release/file/1497216/download>  
<https://www.cnb.com/video/2021/03/30/evaluating-the-fallout-from-the-archegos-margin-call.html>  
<https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/results/csg-special-committee-bod-report-archegos.pdf>  
<https://www.justice.gov/usao-sdny/press-release/file/1497216/download>  
[https://financialservices.house.gov/uploadedfiles/6.22\\_hfsc\\_gs.report\\_hmsmeetbp.irm.nlrf.pdf](https://financialservices.house.gov/uploadedfiles/6.22_hfsc_gs.report_hmsmeetbp.irm.nlrf.pdf)

APEX Clearing bypass NBBO <https://www.codafuse.com/>  
<https://www.justice.gov/opa/pr/four-charged-connection-multibillion-dollar-collapse-archegos-capital-management>

FTX Sam Bankman-Fried  
<https://web.archive.org/web/20221027042145/https://help.ftx.com/hc/enus/articles/360051229472-Tokenized-Stocks>



@tim\_cook @Apple

[https://twitter.com/sbf\\_ftx/status/1548292823799148544?s=61&t=RZl6mH2NMEWt78z8w\\_T3zQ](https://twitter.com/sbf_ftx/status/1548292823799148544?s=61&t=RZl6mH2NMEWt78z8w_T3zQ)

<https://twitter.com/i/spaces/1rmxPgkEkLEJN>

<https://twitter.com/marionawfal/status/1592874296967598083?s=46&t=lpkF2pbJfCGejTdlS49sw>

BlockFi Modulo <https://restructuring.ra.kroll.com/blockfi/Home-DocketInfo>  
<https://twitter.com/mattgoldstein26/status/1617844967023562754?s=46&t=iONzfyxqJjL66wPbVKejtA>

9/23/22 @Brett\_FTXUS on "1 Token, There 1 GME Share" Embed Stock Clearing @Reddit SuperStonk @PlatnumSparkles Interview <https://youtu.be/pbjQHT73NKg?t=571>

12/12/22 @unusual\_whales SBF\_FTX Interview "Tokenized Shares" "Backed One to One?"  
@SBF\_FTX "To My Knowledge They Were" <https://youtu.be/mHikzlr6Gq8?t=2114>

5/04/2023 @Citi #NakedShorts "Whom They Borrowed" "Will Need to Deliver the APE Dividend"  
"Convert to Equity/Repaid for Cash" "Compensate Lenders/Economic Equivalent"?  
[https://s25.q4cdn.com/472643608/files/doc\\_downloads/shareholder-meeting/2023/05/plaintiffs-affidavit-and-exhibits-filed-iso-settlement.pdf](https://s25.q4cdn.com/472643608/files/doc_downloads/shareholder-meeting/2023/05/plaintiffs-affidavit-and-exhibits-filed-iso-settlement.pdf)

9/02/2023 @innercitypress "Bankman-Fried's lawyers at midnight file a Signal message" "RH wants to acquire derivatives"

<https://twitter.com/innercitypress/status/1697830538705260572?s=20>

<https://www.reddit.com/r/Superstonk/s/Dr45H6dg9m>

<https://www.reddit.com/r/Superstonk/s/ryGwty7Xz2>

<https://www.reddit.com/r/wallstreetbets/s/Hr8w7ZAEc1>

<https://x.com/innercitypress/status/1719743739206230349?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1711811793448833316?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1714664657049243856?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1711837990161403953?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1717610628179771502?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1714658743504294195?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>





<https://x.com/innercitypress/status/1711758234107650196?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1719087156507931039?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1613636814899712025?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1713993320525963427?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1713943387189965305?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1717964882056802543?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/innercitypress/status/1713924580488724654?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/kevinolearytv/status/1741968395698921547?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/applearegreen/status/1825376439144763622?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

<https://x.com/erinarvedlund/status/1784919945991614586?s=46&t=hwjyFGafbqnCz7cW8lm9Jg>

1) Quintillion from @SBF\_FTX Experts Hearing on Estate Valuation w/ Tokenized Stock/Collateral Agreements:

<https://restructuring.ra.kroll.com/FTX/Home-DownloadPDF?id1=MzA1NjMzNA==&id2=-1>

2) Transcripts of Quintillions from Enron's John Ray Victim Impact Statement:

<https://restructuring.ra.kroll.com/FTX/Home-DownloadPDF?id1=MzA4ODMwOA==&id2=-1>

3) Quintillions FTX Bankruptcy Plan for Assets:

<https://restructuring.ra.kroll.com/FTX/Home-DownloadPDF?id1=MzEwNTAyNA==&id2=-1>

4) Quintillions Reemphasized in FTX Bankruptcy Plan for Assets:

<https://restructuring.ra.kroll.com/FTX/Home-DownloadPDF?id1=MzEyMzExMA==&id2=-1>

@SBF Appeal Exhibits Volume 1

<https://storage.courtlistener.com/recap/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb.30.0.pdf>

Volume 2

<https://storage.courtlistener.com/recap/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb.31.0.pdf>

Volume 3

<https://storage.courtlistener.com/recap/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb.32.0.pdf>

Volume 4

<https://storage.courtlistener.com/recap/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb.33.0.pdf>

Volume 5

<https://storage.courtlistener.com/recap/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb/gov.uscourts.ca2.9d455c17-4ee8-40a0-bafd-1eeeb19acafb.34.0.pdf>



indonesian\_activist

**indonesian\_activist**

redditor for 3 y - 110,501 karma

Active in r/pancakeswap, r/wallstreetbets, and r/indonesia

FEB 17

Hi, please post this video that was just on cnbc. I have a new wsb account but was on the amc, gamestop before everyone knew. This was an interview today. Its the same guy that was crying saying he wanted to protect us. Now he is being honest in interview. [https://www.dropbox.com/s/p5v6vh1b5o19ayq/IMG\\_3524.MOV?dl=0](https://www.dropbox.com/s/p5v6vh1b5o19ayq/IMG_3524.MOV?dl=0)



did u contact the mods ?

Don't know how never really posted. Y'all can pull the video interview interactive broker did. He was basically saying GME was valid play and really it's still it



ok, first is this real ? I was at work didn't catch cnbc



so he said without the trading restrictions it would have gone up to thousands posing systemic risk, what time was this interview ?

You can Google it. He just said it. And congress lady was on right after. Basically squeeze is still on and we would have collapsed the financial market if it went through

Closing bell today

On CNBC and Maxine waters was on after. She only gonna find out what happened with that trade. I've been working with Elon on doge and crypto too for Robinhood. She said she not asking about that

Google interactive broker interview

Ceo

CNBC

Here

<https://www.cnbc.com/2021/02/17/interactive-brokers-chairman-thomas-peterffy-on-gamestop-frenzy.html>

I messaged a few top contributors hope someone puts it up. So ppl will know it was a good play. And why they stopped it. Still can be.



thx brah, I'll try to post it if mods allow



Message







indonesian\_activist



Here

<https://www.cnbc.com/2021/02/17/interactive-brokers-chairman-thomas-peterffy-on-gamestop-frenzy.html>

I messaged a few top contributors hope someone puts it up. So ppl will know it was a good play. And why they stopped it. Still can be.



thx brah, I'll try to post it if mods allow

No problem:) give apes hope

When you do post like of interview. DFV or someone needs to bring interactive broker admission to congress and ask Melvin and citadel it would be \$1000 a share.

posted it



r/wallstreetbets

u/indonesian\_activist • 285d • v.redd.it



892 Awards

Today, Interactive Brokers CEO admits that without the buying restrictions, \$GME would have gone up in to the thousands



1.44k



7.9k



Share



Award

Thank you I getting congress to ask Robinhood and hedge



U writing to Maxine?



Message





