

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

_____)	Chapter 11
In re:)	
FTX TRADING LTD., <i>et al.</i> , ¹)	Case No. 22-11068 (JTD)
)	(Jointly Administered)
)	
)	Re: Docket Nos. 4863, 13628, 14300,
)	14301, 15520, 15521, 15522, 19068, 19139, 22165
)	
Debtors.)	Hearing Date: October 7, 2024 at 10:00 a.m.
_____)	Obj. Deadline: August 30, 2024 at 4:00 p.m.
	(extended for the SEC by consent of the Debtors)

**RESERVATION OF RIGHTS OF THE U.S. SECURITIES AND EXCHANGE
COMMISSION TO CONFIRMATION OF THE DEBTORS' JOINT CHAPTER 11 PLAN**

The U.S. Securities and Exchange Commission (“SEC”) files this reservation of rights to confirmation of the Debtors’ Joint Chapter 11 Plan [Docket No. 19139, as amended].

BACKGROUND

1. The SEC is the federal agency responsible for regulating the U.S. securities markets, protecting investors, and enforcing the federal securities laws. On December 13, 2022 and December 21, 2022, the SEC filed complaints against the founders of FTX Trading Ltd. (“FTX”) and its former insiders, alleging they engaged in a scheme to defraud equity investors in FTX, at the same time that they were also defrauding the platform’s customers.²

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² *SEC v. Bankman-Fried*, No. 1:22-cv-10501 (S.D.N.Y.); *SEC v. Ellison*, No. 1:22-cv-10794 (S.D.N.Y.).

2. Since filing this case, the Debtors have moved forward with a plan to liquidate, by pursuing sales of substantially all of their assets and filing a Chapter 11 Plan which seeks to liquidate and wind down the Debtors' estates.³

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³ Although styled as a Plan of "reorganization" the Debtors are liquidating.

RESERVATION OF RIGHTS

3. The Debtors' portfolio includes crypto asset securities which the Debtors may seek to monetize and/or distribute pursuant to the Plan. And, the Debtors are exploring different distribution options, including potentially distributing stablecoins to certain creditors. Docket No. 22165, at 12 of 94 (defining "Cash" to include U.S. Dollar pegged stablecoin). In addition, the Debtors have not identified the distribution agent, which may potentially distribute stablecoins to creditors under the Plan. The SEC is not opining as to the legality, under the federal securities laws, of the transactions outlined in the Plan and reserves its rights to challenge transactions involving crypto assets.⁴

Dated: Washington, DC
August 30, 2024

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

By: /s/ Therese A. Scheuer

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⁴ The SEC has requested that the Debtors delete the discharge provision from the Plan and proposed confirmation order and has also asked the Debtors to make certain other changes to the Plan and proposed confirmation order. The SEC reserves the right to object to confirmation of the Plan if these changes are not made.

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of August, 2024, a true and correct copy of the foregoing Reservation of Rights was furnished to all ECF Participants via the CM/ECF system.

/s/ Therese A. Scheuer

Therese A. Scheuer