

**THE COMMONWEALTH OF THE BAHAMAS  
THE SUPREME COURT  
COMMERCIAL DIVISION**

**2022/com/COM/00060**

**IN THE MATTER OF The Companies Act, 1992 AND IN THE MATTER  
OF FTX Digital Markets Ltd.**

**THE MINUTES OF THE SECOND MEETING OF CREDITORS  
OF FTX DIGITAL MARKETS LTD (In Official Liquidation)**

**IN PERSON**

**Held at 9:30am**

**Wednesday, 12 March 2025**

**San Salvador Room, Baha Mar Convention Centre, Baha Mar Blvd.,  
Nassau, The Bahamas**

**Introduction and Formalities**

Mr. Kevin Cambridge called the Second Meeting of Creditors (the “Meeting”) of FTX Digital Markets Ltd. (In Official Liquidation) (“FTX Digital”) to order at 9:30am, and notified the customers and non-customer creditors present at the Meeting that proceedings would also be live-streamed to customers and non-customer creditors viewing online. Mr. Cambridge introduced his fellow Joint Official Liquidators (“JOLs”) of FTX Digital, Messrs Brian Simms KC and Peter Greaves.

Mr. Cambridge set out the agenda for the Meeting:

1. Formalities
2. Update from the JOLs
3. Claims process

**Meeting Formalities**

Mr. Cambridge explained that the JOLs are required to convene meetings to provide an update on the progress and conduct of the liquidation at least once a year. The Meeting was for creditors and customers of FTX Digital only, with a live broadcast available for those unable to attend in person.

All creditors and customers of FTX Digital were notified of the Meeting via email on 19 February 2025, through a notice posted on the website ([www.pwc.com/ftx](http://www.pwc.com/ftx)) on 25 February 2025, and by advertisement in the local newspaper on 26 February 2025.

Mr. Cambridge confirmed that there was a quorum and Mr. Greaves presented the update to creditors.

## **Update from the JOLs**

### **1. General Update**

The Chairman reported the key milestones in the case since the commencement of the official liquidation and also previewed the upcoming key dates/ events:

- 1.1. On 10 November 2023, the Court ordered FTX Digital to be wound up, and appointed the Joint Provisional Liquidators as JOLs.
- 1.2. On 15 March 2024, the First Meeting of Creditors was called, during which it was resolved to appoint a Liquidation Committee.
- 1.3. On 24 June 2024, the First Meeting of the Liquidation Committee was held. Members were drawn from the body of creditors and included both individual and institutional creditors of FTX Digital.
- 1.4. On 16 August, the US and Bahamian Courts approved amendments to the Global Settlement Agreement (“GSA”) entered into between FTX Digital and the US Debtors.
- 1.5. Before 16 August 2024, customers were allowed to elect which process (i.e. Bahamas or the US) to participate in when submitting a claim as it was concluded that the estates of FTX Digital and various US Debtors companies were hopelessly intermingled and that there was no real means of determining the true counterparty for customers. The GSA would guarantee fair and equal treatment of customers and creditors.
- 1.6. On 7 October 2024, the Chapter 11 Plan of Reorganisation was confirmed by the US Court. Its formal effective date would be 3 January 2025, at which time certain provisions of the GSA and importantly the funding arrangements thereunder would become legally binding. Around the same time, a Liquidation Committee meeting took place, accompanied by updates provided between the meetings.
- 1.7. Upon confirmation the population, the JOLs began adjudicating and conducting KYC on claims elected for the Bahamas process. In parallel, the JOLs negotiated with payment agents and onboarding requirements to facilitate the distribution payment process.
- 1.8. From 3 January 2025, when the Chapter 11 Plan of Reorganisation became effective, FTX Digital gained access to pooled assets, valued at approximately US\$16 billion.

- 1.9. On 18 February 2025, distribution was paid to the customer claims of less than US\$50,000 (convenience class creditors) who had met the distribution requirements and have selected payment agents. The distribution represents 120.49% of their claim value.
- 1.10. Distributions for all other creditors are scheduled to commence on 30 May 2025, provided that the distribution requirements have been satisfied. This will need to be completed by creditors in April to be eligible for the May distribution. Non-convenience class creditors will receive distributions in instalments over time.
- 1.11. Creditors must complete the KYC process by the stipulated deadline to remain eligible for distributions. Customers and non-customer creditors who started but have not completed KYC will receive reminders to complete the process. Whilst in exceptional cases this deadline may be extended, there is no guarantee this will be done. Customers who fail to complete KYC risk forfeiting their claims. Unclaimed funds by the deadline will be redistributed among remaining customers.

## **2. Legal Matters and further recovery**

- 2.1. Due to the high-profile nature of the FTX liquidation and the size of the Estate, several legal actions have been taken and claims made against FTX Digital which are being addressed.
- 2.2. Additional litigation will be pursued, either in collaboration with or independent of the US Debtors to recover assets of the Estate.
- 2.3. The JOLs are also in the process of realizing the real estate portfolio of FTX Property Holdings Ltd in the Bahamas. Marketing of the properties commenced last year.
- 2.4. Properties will be advertised and sold in a controlled manner to avoid market impact and work in consultation with the US Debtors in this regard. The JOLs have received significant interest in the properties to date and are optimistic in achieving appropriate recoveries.

## **Claims Process**

### **3. The Claims Process Overview**

- 3.1. The deadline to submit claims passed on 16 August 2024. Since this date, the JOLs have been adjudicating claims. Generally, an adjudication will occur in the following manner:
  - 3.1.1. Customers are presented with a balance based on the books and records of FTX Digital,
  - 3.1.2. The customer agrees and submits their claim for adjudication,
  - 3.1.3. The JOLs issue a Notice of Adjudication.
- 3.2. For claims not identifiable in FTX Digital's records, the JOLs correspond with the creditor to investigate the basis and evidence for the claim. A Notice of Adjudication including rejection reasons and details on appeal procedures will be issued to those claims which are admitted partially or rejected in full.
- 3.3. Creditors will receive interest on their claims upon the satisfaction of the underlying claim value. For convenience class creditors, the 9% annual interest is paid simultaneously with distributions. Non-convenience class creditors will receive accrued interest during the final distribution.
- 3.4. Payments will be made in USD, with no payment in kind (e.g. cryptocurrency). Non-Fungible Tokens (NFTs) will be dealt with separately, and where applicable the JOLs will communicate with relevant creditors directly.
- 3.5. Creditors must also complete KYC. The KYC Process is complex and time consuming in view of the completeness of the records. Despite being in liquidation, FTX Digital adheres to a negotiated KYC policy established with the Securities Commission of the Bahamas
- 3.6. KYC is a pre-requisite for payment to any creditor. Creditors fall into three categories: those awaiting processing after providing KYC information, those yet to respond or submit required information, and those facing complexities due to claim nature or technical issues. Around 50% of customers have completed the process.
- 3.7. After completing KYC, creditors must provide tax residency information to avoid withholding tax from the payment.
- 3.8. The final step is to select the payment agent, BitGo, set up and link their existing BitGo account.
- 3.9. The JOLs are exploring additional payment options for creditors but cannot guarantee alternatives beyond BitGo.

#### **4. Non-Customer Creditors and Invalid Claims**

4.1. Non-Customer Creditors form a small but equally important part of the creditor population.

4.2. The first main category is invalid claims that have been rejected. They include:

4.2.1. Claim against affiliate - Claims directed at other entities within the FTX Group.

4.2.2. Equity claims - Allegations of equity ownership in FTX Digital.

4.2.3. Frivolous claims – Unsubstantiated claims with unusually high values.

4.3. The other main category is valid claims under active consideration. They include:

4.3.1. Trade creditors – Suppliers, service providers, and others owed by FTX Digital.

4.3.2. Employees – Employee claims being actively addressed.

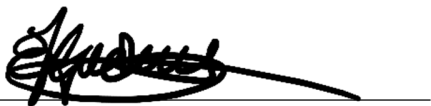
4.3.3. Damages and legal claims – Claims concerning platform management during its final stages and damages exceeding customer balances, with legal advice being sought.

#### **5. Closing Remarks and future areas of focus**

5.1. The adjudication of FTX Digital is progressing significantly, with over 90% of claims by value now adjudicated.

5.2. The JOLs' key priorities for the next 12 months include processing outstanding KYC, finalizing complex claim adjudications, realizing assets, resolving legal actions, maintaining coordination with debtors, and distributing funds to creditors.

There being no further business, the meeting was closed.



Peter Greaves,

*Joint Official Liquidator of FTX Digital Markets Ltd. (In Official Liquidation)*