

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

)	
In re)	Chapter 15
)	
FTX DIGITAL MARKETS LTD., ¹)	Case No. 22-11217 (JTD)
)	
Debtor in a Foreign Proceeding.)	
)	

**STATEMENT NOTIFYING THE COURT OF DEVELOPMENTS IN THE BAHAMIAN
OFFICIAL LIQUIDATION PURSUANT TO 11 U.S.C. § 1518 AND 28 U.S.C. § 1746**

1. Brian C. Simms KC, Kevin G. Cambridge, and Peter Greaves (the “**Foreign Representatives**”), in their capacity as joint official liquidators and foreign representatives of FTX Digital Markets Ltd. (“**FTX Digital**”), in official liquidation in the Commonwealth of the Bahamas (the “**Bahamian Official Liquidation**”) pursuant to the Companies (Winding Up Amendment) Act, 2011 (the “**CWUA Act**”), by and through their undersigned counsel, respectfully submit this statement pursuant to section 1518 of title 11 of the United States Code (the “**Bankruptcy Code**”) to update this Court regarding developments in connection with the Bahamian Official Liquidation.

I. RECENT DEVELOPMENTS IN CONNECTION WITH THE BAHAMIAN OFFICIAL LIQUIDATION

2. On November 10, 2022, the Securities Commission of the Bahamas (the “**SCB**”) suspended the registration of the FTX Digital license under section 19 of the DARE Act and petitioned the Supreme Court of the Commonwealth of the Bahamas (the “**Bahamas Court**”) to place FTX Digital into provisional liquidation. The Bahamas Court granted an order placing FTX Digital into provisional liquidation (the “**Provisional Liquidation**”) and appointed Brian C.

¹ FTX Digital Markets Ltd. (in Official Liquidation) was incorporated in the Commonwealth of The Bahamas as an International Business Company, registered number 207269B.

Simms KC as provisional liquidator. On November 14, 2022, Peter Greaves and Kevin Cambridge were appointed by the Bahamas Court as additional provisional liquidators of FTX Digital. On November 15, 2022, the Foreign Representatives filed a chapter 15 petition, seeking recognition of the Provisional Liquidation as a foreign main proceeding. On February 15, 2023, this Court entered an order recognizing the Provisional Liquidation as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code.

3. Upon the Foreign Representatives' appointment, their first mandate was to assess the scope of the assets and liabilities of FTX Digital and to preserve and maintain the assets of the company as a prerequisite to evaluating whether a full wind-down of the company was appropriate. As this Court is aware, since the commencement of the Provisional Liquidation, the scope of FTX Digital's assets and liabilities has been the subject of various disputes between the Foreign Representatives and FTX Trading, Ltd., (Case No. 22-11068-JTD) and its affiliates (together, the "**Chapter 11 Debtors**"). The Foreign Representatives have filed with the Bahamas Court, various Interim Reports updating the Bahamas Court on developments regarding their efforts, the disputes, and the status of the chapter 11 cases of the Chapter 11 Debtors (the "**Chapter 11 Cases**").

4. On July 20, 2023, this Court entered its *Order Denying Motion of the Joint Provisional Liquidators for a Determination that the U.S. Debtors Automatic Stay Does Not Apply to, or in the Alternative for Relief from Stay for Filing of the Application in the Supreme Court of the Commonwealth of the Bahamas Seeking Resolution of Non-US Law and Other Issues*, whereby an agreed upon, non-binding mediation process was established to potentially resolve the disputes and claims between FTX Digital and the Chapter 11 Debtors (the "**Parties**") in the Chapter 11 Cases [Case No. 22-11068; Docket No. 1883].

5. Thereafter, the Parties commenced mediation and engaged in good faith, arm's-length negotiations over a period of many months regarding the terms of a potential global settlement to resolve all disputes between the Parties and garner the mutual support to their respective insolvency proceedings. FTX Digital and the Chapter 11 Debtors are making meaningful progress on resolving all of their outstanding disputes and claims. Based on their efforts and the progress with respect to a prospective settlement, the Parties have sought consensual extensions of the time to respond to claims and counterclaims in the adversary proceeding commenced by the Chapter 11 Debtors in *Alameda Research LLC, et al. v. FTX Digital Markets Ltd., et al.*, Adv. Pro. No. 23-50145 (JTD) (the "**Adversary Proceeding**"). Recently, on November 8, 2023, this Court entered an *Order Approving Stipulation and Abeyance of Deadlines*, whereby the Parties agreed to an abeyance of all deadlines in the Adversary Proceeding [Adversary Proceeding; Docket No. 68]. The Foreign Representatives look forward to promptly concluding discussions.

6. On November 10, 2023, the Bahamas Court heard the application by the SCB to place FTX Digital into Official Liquidation. For various reasons, including the fact that it was in the public interest to grant a winding up Order and on the basis that it was just and equitable to do so, the Bahamas Court entered an order: (i) winding up FTX Digital in accordance with the CWUA Act; and (ii) appointing the Foreign Representatives as joint official liquidators to carry out the winding up of FTX Digital (the "**Winding-Up Order**"). A copy of the Winding-Up Order is attached hereto as Exhibit A.

7. Upon entry of the Winding-Up Order, the Bahamian Official Liquidation will have commenced allowing the Foreign Representatives, now in their capacity as joint official liquidators, to, amongst other things, begin a claims reconciliation process, realize assets for the

benefit of customers and creditors of the FTX Digital estate (such as commence avoidance actions), and make distributions to creditors/customers when appropriate.

8. The Foreign Representatives will keep this Court apprised of further developments with respect to the Bahamian Official Liquidation and the progress made in the winding up of FTX Digital.

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Dated: November 21, 2023
Wilmington, Delaware

/s/ Brendan J. Schlauch

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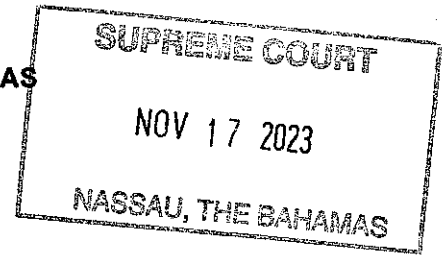
Exhibit A

IN THE COMMONWEALTH OF THE BAHAMAS

IN THE SUPREME COURT

Commercial Division

Claim No. 2022/COM/com/00060



**IN THE MATTER OF the Digital Assets and Registered Exchanges Act, 2020
(as amended)**

AND IN THE MATTER OF the Companies (Winding Up Amendment) Act, 2011

AND IN THE MATTER OF FTX Digital Markets Ltd.

(A Registered Digital Asset Business)

WINDING UP ORDER

Before The Honourable Mr Justice Loren Klein

Dated the 10th day of November A.D., 2023

UPON THE HEARING OF THE PETITION of Securities Commission of The Bahamas, presented on 10th November 2022 (**"the Winding-Up Petition"**) for an Order that FTX Digital Markets Ltd (**"the Company"**) be wound up.

AND UPON EVIDENCE OF NOTICE having been provided to those entitled to appear and be heard under Order 3 Rule 15 of The Companies Liquidation Rules 2012.

AND UPON READING the Affidavit of Christina R. Rolle filed on 11 November 2022, Second Affidavit of Christina R. Rolle filed on 9 November 2023, Affidavit of Brian C. Simms KC filed on 11 November 2022, Second Affidavit of Brian C. Simms, KC filed on 14 November 2022, Third Affidavit of Brian C. Simms, KC filed on 6 February 2023, Fourth Affidavit of Brian C. Simms, KC filed on 15 March 2023, Affidavit of Peter J. Greaves filed on 14 November 2022, the Affidavit of Kevin G. Cambridge filed on 14 November 2022, Third Affidavit of Kevin G. Cambridge filed on 13 December 2022, the Fourth Affidavit of Kevin G. Cambridge filed on 13 December 2022, Seventh Affidavit of Kevin G. Cambridge filed on 8 February 2023, Ninth Affidavit of Kevin G. Cambridge filed on 24 May 2023, Eleventh Affidavit of Kevin G.

Cambridge filed on 20 June 2023 and Fourteenth Affidavit of Kevin G. Cambridge filed on 9 November 2023.

AND UPON HEARING IN OPEN COURT Robert K. Adams KC and Edward J. Marshall II of Counsel for Securities Commission of The Bahamas, Sophia Rolle-Kapousouzoglou, Valdere Murphy and Sebastian Masnyk of Counsel for Brian C. Simms, KC, Peter J. Greaves and Kevin G. Cambridge, the Joint Provisional Liquidators of the Company and Peter D Maynard, KC, Jason Maynard and Colin Jupp of Counsel for the Foreign Representative of FTX Trading Ltd.

AND UPON the Court appointed Joint Provisional Liquidators of the Company being present and consenting to appointment as Joint Official Liquidators, if the Court thinks fit

IT IS HEREBY ORDERED AND DIRECTED THAT:-

1. The Company be wound up in accordance with the provisions of the Companies Act, 1992 (as amended) and as applicable to the winding up of International Business Companies under the Companies (Winding Up Amendment) Act, 2011('the Act').
2. Pursuant to sections 200 and 201 of the Act, Brian C. Simms KC of 3 Bayside Executive Park, West Bay Street and Blake Road, Nassau, New Providence, The Bahamas, Kevin G. Cambridge of 2 Bayside Executive Park, West Bay Street, Nassau, New Providence, The Bahamas and Peter J. Greaves of 22/F, Prince's Building, Central, Hong Kong, the Joint Provisional Liquidators of the Company appointed pursuant to Orders dated 10 November 2022, and 14 November 2022, respectively and filed herein on 11 November 2022, and 15 November 2022, respectively, be and are hereby appointed as Joint Official Liquidators to carry out the winding up of the Company;
3. Pursuant to section 205 of the Act, the Joint Official Liquidators be and are hereby authorized to exercise any of the general powers or to carry out the functions for which they are appointed including,
 - (i) with the sanction of the court, those powers contained in Part I of the Fourth Schedule of the Act; and
 - (ii) without the sanction of the Court the exercise of the general powers specified in Part II of the Fourth Schedule of the Act.

4. Until further order of this Court the Joint Official Liquidators are directed to take all and any necessary steps that they consider fit to and collect and get in all of the property and/or assets of the Company, of whatever nature wherever situate for the avoidance of doubt including any assets held on trust by the Company.
5. The law firm of Lennox Paton will be at liberty to assist the Joint Official Liquidators in the carrying out of the Joint Official Liquidators' functions and duties in the winding up of the Company.
6. The Joint Official Liquidators will on 10 November 2024 and thereafter at twelve-monthly intervals file with this Court subsequent reports in writing as to the position or the progress made in the winding up of the Company, including regarding the realization of the assets thereof (if any), and as to any other matters connected with the winding up of the Company.
7. The Petitioner's and Joint Official Liquidators' costs of these proceedings are to be paid out of the Company's estate and/or trust assets, to be taxed if not agreed.

BY ORDER OF THE COURT

REGISTRAR

This Order was drawn by DELANEY PARTNERS of and whose address for service is Lyford Manor (West Bldg), Western Road, Lyford Cay, Nassau, NP, The Bahamas, Attorneys for the Petitioner.

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


**IN THE MATTER OF the Digital Assets and
Registered Exchanges Act, 2020
(as amended)**

**AND IN THE MATTER OF the Companies
(Winding Up Amendment) Act, 2011**

**AND IN THE MATTER OF FTX DIGITAL
MARKETS LTD.
(A Registered Digital Asset Business)**

WINDING UP ORDER

2022/COM/com/00060


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RKA/EJM/sjs 0833-2949