

HEALTH OF THE BAHAMAS

2022

IN THE SUPREME COURT

COM/com/00060

Commercial Division

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

AND IN THE MATTER OF the Companies Act, 1992 (as amended)

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

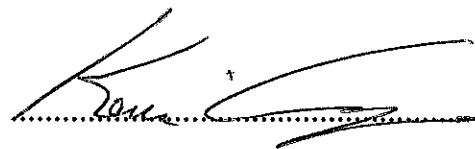
**TWENTY-THIRD AFFIDAVIT OF KEVIN CAMBRIDGE
(Joint Official Liquidators' First Interim Report)**

I, **KEVIN G. CAMBRIDGE**, of 2 Bayside Executive Park, West Bay Street and Blake Road, Nassau, N.P. The Bahamas make Oath and say as follows:

1. That I am a Partner of PricewaterhouseCoopers Advisory (Bahamas) Limited (**“PwC Bahamas”**), having its place of business at 2 Bayside Executive Park, Nassau, N.P., The Bahamas.
2. By Order of this Honourable Court dated 10th November 2023, I along with Mr. Brian Simms KC of Messrs. Lennox Paton and Mr. Peter Greaves of PricewaterhouseCoopers Limited (a Hong Kong incorporated entity), were appointed to act as the Joint Official Liquidators (**“the JOLs”**) of FTX Digital Markets Ltd. (In Official Liquidation) (**the “Company” or “FTX Digital”**), and I am duly authorized to make this Affidavit on behalf of the JOLs and FTX Digital.

- 3. The facts and matters referred to herein are, unless otherwise stated, within my own knowledge or are obtained from documents in the possession of the JOLs or our Counsel as the case may be, and are true to the best of my knowledge, information and belief. Where the matters deposed hereto are not within my knowledge, they are derived from the sources which I identify and are true to the best of my information and belief.
- 4. This Affidavit is made for the purpose of exhibiting the First Interim Report and Accounts of the JOLs (“**the First JOLs Interim Report**”) in the official liquidation, dated 25th November 2024. There is now produced and shown to me marked “**KC-1**” a full and true copy of the First JOLs Interim Report.
- 5. The First JOLs Interim Report is prepared and submitted by the JOLs to this Honourable Court for the purpose of providing information regarding the work undertaken and progress made by the JOLs since FTX Digital was ordered to be wound up on 10th November 2023. The facts set out therein are true and correct to the best of my knowledge and belief.

SWORN TO before me this)
 25th day of November, 2024 at)
 Nassau, N.P., The Bahamas)



Before me,



NOTARY PUBLIC

COMMONWEALTH OF THE BAHAMAS

2022

IN THE SUPREME COURT

COM/com/00060

Commercial Division

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

AND IN THE MATTER OF the Companies Act, 1992 (as amended)

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

CERTIFICATE

I hereby certify that the attached is a true copy of **Exhibit "KC-1"** referred to in the Twenty-Third Affidavit of Kevin Cambridge sworn before me this **25th day of November A.D., 2024.**



NOTARY PUBLIC

TAB 1

FTX DIGITAL MARKETS LTD. (IN OFFICIAL LIQUIDATION)

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Official Liquidators to The Supreme Court of
The Bahamas**

25 November 2024

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COMMONWEALTH OF THE BAHAMAS
IN THE SUPREME COURT
COMMERCIAL DIVISION

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)

FIRST INTERIM REPORT AND ACCOUNTS OF THE JOINT OFFICIAL LIQUIDATORS

TO

THE SUPREME COURT OF THE COMMONWEALTH OF THE BAHAMAS

Date the 25th November, A.D. 2024

Foreword

1. Basis of preparation & disclaimers

This report is the first report on the activities and progress of the Official Liquidation of FTX Digital Markets Ltd (“FTX Digital” or the “Company”). FTX Digital was placed into Provisional Liquidation on 10 November 2022 by order of the Supreme Court of The Bahamas. Following a period of Provisional Liquidation, an order was passed by the Supreme Court of the Bahamas placing FTX Digital into Official Liquidation on 10 November 2023.

This report serves as the first interim report of the Joint Official Liquidators (“JOLs”) to the Commercial Division of the Supreme Court of The Commonwealth of The Bahamas (“The Supreme Court of The Bahamas”) on the progress made in the estate, as required within 12 months from the date of the Winding Up Order in the Official Liquidation (10 November 2023). This report covers matters since the commencement of the Official Liquidation on 10 November 2023, although a number of the matters covered were in train during the preceding Provisional Liquidation period. For a full overview of significant developments on the case since the original winding up petition on 10 November 2022, this report should be read in conjunction with the First, Second and Third progress reports of the Joint Provision Liquidators (“JPLs”) issued during the Provisional Liquidation period. These progress reports are available on the FTX Digital case website (address below).

Neither the JOLs, Lennox Paton, any member firm of PricewaterhouseCoopers International Limited (“PwC”) (each member firm of which is a separate legal entity), nor any of their employees, professional advisers or agents (“Professional Parties”) will be responsible for any loss, damage, liabilities or claims arising from the use and/or reliance on this report. None of the Professional Parties accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report. The JOLs are acting as agents of the Company, without personal liability. No representation of any kind (whether expressed or implied) is given by the JOLs as to the accuracy or completeness of the information. The JOLs reserve their right to amend or supplement this report in due course. In producing this report, the JOLs are not waiving any legal privilege whatsoever in relation to legal advice they have received.

2. Appointment of the JOLs and purposes

On 10 November 2022, the Securities Commission of the Commonwealth of The Bahamas (“SCB”) presented a winding up petition against FTX Digital and suspended its licence to operate from the Commonwealth of The Bahamas (“The Bahamas”) as a digital asset business. FTX Digital is a wholly owned subsidiary of FTX Trading Ltd (“FTX Trading”), a company incorporated in Antigua and Barbuda.

Following the presentation of the petition, at a hearing on 10 November 2022, The Supreme Court of The Bahamas appointed Mr Brian Simms K.C. of Lennox Paton as Provisional Liquidator and ordered that FTX Digital be placed into Provisional Liquidation. On 14 November 2022, Kevin Cambridge of PricewaterhouseCoopers Advisory (The Bahamas) Limited (“PwC Bahamas”) and Peter Greaves of PricewaterhouseCoopers Limited (“PwC Hong Kong”) were also appointed by The Supreme Court of The Bahamas as additional Provisional Liquidators (together with Brian Simms K.C., the JPLs). Copies of the appointment orders of the JPLs (together, the “JPL Orders”) are available to view and download on the FTX Digital case website.

Following the hearing of the Petition of the SCB as regulator the JPLs were appointed as JOLs on 10 November 2023. The basis of the SCB petition was as follows: that the Company was unable to pay its debts; and if the court was of the opinion that it was just and equitable that the Company should be wound up. The petition was a regulator’s petition for the winding up of FTX Digital over which it had regulatory authority and whose license or registration was suspended .

The JOLs are Court-appointed Officers; acting as agents and without personal liability and are authorised to act jointly and severally. Under Section 199(4) of the Companies (Winding Up Amendment) Act, 2011 (the “Winding Up Act”) the JOLs are authorised to take any action that is considered appropriate and expedient to maintain the value of the Company’s assets, whether owned or managed by FTX Digital or to carry out the

functions for which the JOLs were appointed, which include those powers stated in Part I (with sanction of The Supreme Court of The Bahamas) and Part II of the Fourth Schedule of the Winding Up Act.

Case website portal: <https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets.html>
("Case Website")

First Interim Report from the JOLs

Overview

From the outset of the Provisional Liquidation, the manner in which the affairs of FTX Digital had been managed and operated prior to insolvency presented fundamental challenges to the progress of the liquidation. A particular complexity inhibiting the winding up arose from the fact that FTX Digital had commingled assets and liabilities with those of its immediate parent FTX Trading Ltd, an entity registered in Antigua and Barbuda that was placed into a US Chapter 11 bankruptcy on 11 November 2022. After extensive review of the available books and records of FTX Digital, the JOLs reached the conclusion that there was no realistic prospect of unravelling the affairs of FTX Digital from those of the FTX Trading Ltd. Following extensive negotiations, the Global Settlement Agreement (“GSA”) was executed between FTX Digital and the Chapter 11 Debtors on 19 December 2023, which was subsequently approved by both the Supreme Court of The Bahamas and the US Bankruptcy Court in January 2024, with certain revisions and amendments agreed and approved by the respective Courts in August 2024.

In March 2024, the first creditors’ meeting was convened, during which the JOLs provided an update on the liquidation process and proposed the establishment of a Liquidation Committee (the “Committee”) to represent the interests of creditors at large. At the first creditors’ meeting the JOLs informed creditors that having resolved the intercreditor disputes with the Chapter 11 Debtors via the GSA, the JOLs were preparing to launch a claim portal via which creditors could begin lodging claims in the FTX Digital estate. Up until that point, creditors had been able to register their intention to make a claim in the liquidation of FTX Digital but were not able to lodge claim details pending the resolution of the GSA.

In April 2024, the JOLs launched the FTX Digital Claim Portal (the “Claim Portal”) to enable FTX.com Customers to submit claims in the liquidation. Creditors were able to elect to have their FTX.com claims resolved in the FTX Digital process (the “Bahamas Process”) up until the bar date and election deadline of 16 August 2024 at 4pm EDT. As a central provision of the GSA and as a result of the challenges presented by the co-mingling of the affairs of FTX Digital and FTX Trading Ltd., all Customer creditors of FTX.com were given the choice of alternatively electing to have their claims dealt with via the US Chapter 11 Process. With the claims election deadline having now elapsed, the JOLs have commenced the adjudication of claims and are implementing the necessary Know Your Customer (“KYC”) processes. Creditors will be eligible to receive a distribution once their claim has been positively adjudicated, they have passed KYC and submitted the necessary tax forms. This claims adjudication and KYC exercise are likely to represent the principal area of activity for the JOLs activities during the balance of the 2024 calendar year, before the focus turns to preparations for the first distribution to creditors which we currently anticipated will be made in the first quarter of 2025.

1. Engagement with Customers and non-Customer Creditors

1.1. First Creditors’ Meeting

Pursuant to Order 9 of the Companies Liquidation Rules 2012, the JOLs convened the first meeting of the creditors of the Company (the “Meeting”) on 15 March 2024 at 10:30am Eastern Daylight Time both physically at Salon 3, Baha Mar Convention Centre, Baha Mar Blvd., Nassau, The Bahamas and virtually via livestream for creditors who were unable or chose not to attend in person for observational purposes.

The Meeting was not open to the general public or the media and was only open to eligible creditors of FTX Digital and their proxies. In terms of resolutions considered at the meeting, eligible creditors and their proxies were invited to vote on the establishment of a Liquidation Committee (“the Committee”) for the purposes of supporting the winding-up of the Company pursuant to Order 9 of the Companies Liquidation Rules 2012, with the composition of the Committee being representative of the interests of all Customers and non-Customer creditors. The proposed resolution was passed unanimously by the Meeting.

Minutes of the Meeting are available for creditors to view at this link (<https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets/assets/minutes-of-first-meeting-of-creditors-15-march-2024.pdf>)

1.2. Formation of Liquidation Committee and the Committee meetings

The role of the Committee is to represent the interests of creditors in the governance of the estate and monitor the progress of the Official Liquidation on behalf of all creditors and to assist and advise the JOLs in the development of the liquidation strategy.

In accordance with the resolutions passed at the Meeting, the Committee was formed from creditors who had expressed a willingness to join the Committee, taking into consideration the geographical footprint of the Creditor population, a balance of representation in terms of claim size, as well as representation for both individual and institutional Customers to reflect a balanced representation of the wider creditor body. After consideration of expressions of interest from Customers and non-Customer creditors who remained interested in acting on the committee, the Committee was officially constituted on 10 June 2024 as follows:

Committee member	Representing	Customer category
Mr Stephen Ezekiel	Project Theia Advisors Limited	Institutional
Mr Patrick Zbinden	Capital Union Bank Ltd	Institutional
Mr Tian Rong Liew	Individual	Individual

The first meeting of the Committee was held virtually on 24 June 2024 at 9:00am EDT. The Committee was provided with a detailed update on the background and development of matters during the Provisional Liquidation period, as well as details on the progress of the Official Liquidation, particularly in respect of the extensive work required to develop and manage the claim process and the legal and commercial steps being undertaken to prepare to adjudicate, administer, resolve and distribute funds to Customers and non-Customer creditors on their claims. The Committee also received updates on the financial position of the estate, including reports in relation to recoveries, costs and receipts and payments made to that date in the Liquidation. The Committee considered the professional fees and disbursements incurred by the JOLs and other professional parties for the period from 1 February 2024 to 30 April 2024 and unanimously agreed to the JOLs' seeking the sanction of the Bahamas Court to settle the same. This process will be followed on an ongoing basis, with professional fees incurred by the estate being subject to the approval of the Bahamas Court after due consideration by the Committee.

The second meeting of the Committee was held face-to-face and took place on 4 October 2024 at 10:00am BST. The JOLs provided an update on the outcome of the election process and an overview on the key milestones and priorities, in particular the claim adjudication and distribution preparation process, represents the primary focus of the JOLs at this time. In addition, the JOLs also provided a detailed walkthrough of the wind down plan and governance pursuant to the Chapter 11 Plan of Reorganisation. An update on existing and potential legal actions impacting the estate was also provided as well as a presentation and analysis on the time costs and disbursements incurred by the JOLs and other professional parties covering the period up to 31 September 2024. Written resolutions necessary to defend or commence legal action will be sought from the Committee as appropriate, as well as in relation the JOLs' applications in relation to the settlement of professional fees prior to JOLs making court applications for the same.

1.3. Creditor communications

Pursuant to the terms of the GSA, FTX.com creditors were offered a choice of either pursuing their claim in the US Process or the Bahamas Process. Creditors were notified of a claim "bar date" deadline of 16 August 2024 in order to elect into the Bahamas Process should they choose to do so. The FTX.com creditor base is large in terms of the number and value of claims, widely dispersed geographically and includes a material number of lower value claims. In recognition of this factor, the JOLs launched an extensive communication strategy to the more than one million Customers in the period prior to the Election Deadline to ensure that all creditors had sufficient notice of the bar date and election deadline and access to the information needed to make their election choice on an informed basis.

- i. Creditor notices and mail outs – key notices were mass emailed to creditors of FTX.com to provide notice of deadlines and updates, including:
 - March 2023 – Notice to register details on version one of the FTX Digital Claim Portal
 - February 2024 – Notice of creditors meeting and invitation to submit a proof of debt form
 - February 2024 – Notice to creditors to prove debts in the Bahamas Process
 - May 2024 – Extension of the initial Bahamas Bar Date for Customer claims

- June 2024 – Update on next stage of the liquidation process
 - July 2024 – Launch of election process and claim process overview document
 - August 2024 – Election deadline reminder email to creditors
 - September 2024 – Confirmation to customers who elected into the Bahamas Process
 - October and November 2024 – Notices to certain customers who have been adjudicated
- ii. FTX Digital Case Website – regular updates have been posted to the FTX Digital Case Website administered by PwC on behalf of the JOLs as required (<https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets.html>). Various press releases were also issued (available under the “Press Release” section of the FTX Digital Case Website document library)
 - iii. Social media – updates in relation to the election process were communicated via the JOLs’ FTX Digital accounts on the X (formerly “Twitter”) (https://x.com/FTX_DMOOfficial) and Reddit (<https://www.reddit.com/user/FTXLiquidationOff/submitted/>) social media platforms as well as responses to key posts regarding the claim process to answer Customers queries and clarify misinformation or incorrect statements where required;
 - iv. “Ask Me Anything” sessions – the JOLs held six “Ask Me Anything” sessions, which were live Q&A sessions open to all Customers, providing a summary of the election and claims process with the opportunity for Creditors to join and submit any questions which were answered as far as possible during the sessions or via updates to online Frequently Asked Questions summaries on the Case Website. These sessions were held over three weeks between the election launch date and the Election Deadline and were scheduled to accommodate all time zones;
 - v. Podcasts – the JOLs joined crypto podcaster Henri Arslanian on “The Future of Money” podcast to provide clarity on the FTX Digital liquidation and the upcoming election and claims process (<https://www.youtube.com/watch?v=F61FYtIaVj4>); and
 - vi. Creditor contact centre – The JOLs deployed a Customer contact centre team to deal with individual queries from creditors. This contact centre is scaled up or down as required by the volume of enquiries. The contact centre addressed over 10,000 queries during the period until the end of August 2024. The most asked questions focused on: i) Differences between the Bahamas Process and the US Process; ii) Claim Portal technical queries; iii) Queries regarding next steps; and iv) Claim valuation queries.

2. Claim Process

2.1. Creditor claims after Election deadline

As described above, FTX.com Customers were able to elect whether they wished to participate in the Bahamas Process or the US Process before the Election Deadline on 16 August 2024 at 4:00 PM EDT. Customers were required to positively opt in to the Bahamas process by submitting a proof of debt in the FTX Digital Liquidation and making the election to opt into the Bahamas process on either the Bahamas Election form or the US ballot form. By making an election into one process or the other, creditors consented to the release of their claim in the alternate process. Consequently, since the Election Deadline has passed, the creditor population for the Bahamas Process is now fixed. Customer creditors who made no election by the Election Deadline will by default remain in the US Process, to the extent they have been scheduled in that process.

Non-Customer creditors (e.g. trade creditors and employees) of FTX Digital only have a claim in the Bahamas Process and were therefore not required to complete an election, but were required to submit a Proof of Debt form prior to the bar date.

The following table summarises the results of the election process.

Customer claim category*	No. of Claims	Claim amount (USDm)	Scheduled balance (USDm)
Individual Customers:			
- Scheduled balance accepted	38,159	601.1	607.1 ¹
- Scheduled balance disputed	2,570	135.8	42.8
Subtotal - Individual Customers	40,729	736.9	649.9
Institutional Customers:			
- Scheduled balance accepted	488	99.7	100.0
- Scheduled balance disputed	47	30.3	4.6
Subtotal - Institutional Customers	535	130.0	104.6
Total	41,264	866.9	754.5

Customer Claim with Stratifications by size	Min (>)	Max (<=)	No. of Claims	Scheduled balance (USDm)	Cumulative % of Total (no. of claims)
Convenience Class Claim	0	10	1,138	0.004	2.8%
	10	1,000	15,344	5.8	39.9%
	1,000	10,000	17,330	64.1	81.9%
	10,000	50,000	5,471	117.8	95.2%
DM Customer Entitlement Claim	50,000	100,000	981	68.4	97.6%
	100,000	1,000,000	921	235.8	99.8%
	1,000,000	10,000,000	74	188.4	100.0%
	10,000,000		5	74.4	100.0%
Total			41,264	754.5	

¹ Scheduled balance higher than initial claim amount due to valuation uplift applied to SRM and OXY tokens in Jul-24

Types of Non-Customer Claims*	No. of Claims	Claim amount (USDm)
Trade creditors	25	3.2
Employees	20	1.0
Fraud Claim	1	0.1
Contingent, unliquidated, general unsecured claim from a third party	1	377.4
Claims against affiliates of FTX Digital	15	25.7
Total	62	407.4

*Note:

- 3 claims that appear to be facially frivolous or errant of USD 2.9 quadrillion have been excluded from the above tables.
- Manual proof of debt forms were provided to Customers who had difficulties accessing the FTX Digital Claim Portal. As of the date of preparation of this report, 666 manual proof of debt forms with aggregate claim amounts of approximately USD12.5 million have been received. Since these forms are still undergoing data extraction and validation, the numbers are subject to change and have been excluded from the above tables.
- 15 accounts which are on the exclusion list of Chapter 11 Debtors have been excluded from the above tables. These excluded parties could be insiders or current or former employees, officers or directors of the Chapter 11 Debtors or its affiliates or defendants or named plaintiffs in any pending litigations brought by or against any Chapter 11 Debtors.
- 277 accounts which are on the reduction list of Chapter 11 Debtors with fraud-related and/or litigation-related flags have been excluded from the above tables.

2.2. Claim process

Following the final reconciliation of the creditor claim populations between the Bahamas Process and the US Process, the JOLs have commenced the necessary activities to administer, adjudicate and determine claim amounts as well as commencing the collection and assessment of the relevant information required to make distributions (including KYC and Tax compliance requirements) in due course. Significant levels of planning were undertaken in the period leading to the Election Deadline to prepare policies, procedures, systems and team infrastructure to handle these processes. The JOLs have a short window to complete these activities across the large creditor population that has opted into the Bahamas process prior to the targeted first distribution date.

Adjudication process

The adjudication of disputed claims involves the assessment of the basis of disputed balances, investigating platform records, bank records and supporting information submitted by Customers, together with the existing books and records of the Company available to the JOLs in order to make a determination as to the validity and quantum of the Creditor's claim. For crypto asset related claims, the assessment involves a detailed review of the transaction listing of the creditors' trading history, review of bank transaction data and tracing of crypto transactions recorded on the blockchain to validate the claim of a creditor. There are circumstances which the JOLs will seek from creditors supporting evidence to substantiate their claims before the adjudication result can be reached.

As at the date of this report, the JOLs have already commenced issuing notifications to creditors of their respective adjudication outcomes. These outcomes may be that a claim is:

1. Admitted in full (i.e., the whole amount claimed by the creditor is recognised); or
2. Admitted in part; or
3. Rejected in full.

Creditors have the option to appeal the JOLs' decision to the Supreme Court of The Bahamas within 21 days of receipt of the adjudication results. The adjudicated amount will form the basis on which distributions are calculated in the Bahamas Process.

Claims associated with non-fungible token(s) and/ or deposit of digital assets or fiat currency subsequent to the date of winding petition against FTX Digital will be dealt with in a separate adjudication process.

Know Your Customer ("KYC") process

Identity Verification is required in all cases to ensure that distributions are only made to valid parties. Valid parties are those whose identities match the intended recipients and where payments comply with relevant financial crime, regulatory and sanction requirements.

The JOLs have set up KYC processing centres and have commenced conducting KYC, anti-money laundering ("AML") and sanctions screening checks on all creditors confirmed as participating in the Bahamas process. The KYC standards applied by the JOLs in the Bahamas Process are substantially the same as those applied in the US Process, although differences may arise in consideration of relevant regulatory standards in the Bahamas or elsewhere. Non-Customer creditors will also be asked to verify their identities. For a claim to qualify as eligible for distribution, both the original claim beneficiary and the current beneficiary or claim owner (to the extent that claims were sold) must meet the relevant requirements.

Where Customers had already provided KYC information in the US Process, to the extent possible and permitted by law, the JOLs will endeavour to utilise this information to minimise the need for Customers to repeat steps they may have already performed. By confirming their election to have their claims dealt with in the Bahamas Process, Customers acknowledged and agreed to make any KYC information they have submitted to the Chapter 11 Debtors accessible to FTX Digital, its agents and representatives including the JOLs, and authorised the Chapter 11 Debtors to make such KYC information available.

The JOLs have adopted a 'risk-based' approach' to the KYC in accordance with the relevant regulatory rules and have established two levels of due diligence which are linked to the risk categorisation of the Customer as determined upon receipt of the Customer KYC information. The two levels of risk categorisation are standard risk and high risk.

Invitations to creditors to submit KYC information commenced in late August. Not all customers will receive this invitation at the same time. Customers who have received an email notification advising that an update had been posted to their claim on the Claim Portal need to log in to the Claim Portal to begin their identity verification process by completing submission of the KYC questionnaire. Individual Customer are required to complete digital identity verification and institutional Customer are required to provide documentation evidencing their legal and corporate ownership structure as part of this process. Customers are instructed to complete this process within 30 days of being invited to do so.

For individual Customers, after completion of the KYC questionnaire, the creditor will be directed to a website hosted by SumSub Inc. ("SumSub") or its affiliates, where facial recognition and identify verification is performed. Once creditor Sumsb verification is completed and any additional KYC checks that are required have been performed, individual Customers may be contacted for additional information or will be notified if the verification checks are passed or failed. Where an individual Customer has successfully completed identity verification in the US Chapter 11 process, it is expected that the JOLs will obtain access to the existing Sumsb records and customers may not be asked to reperform Sumsb verification.

Institutional Customers will be prompted in the Claim Portal to select their entity type and then asked to complete the corresponding KYC questionnaire. The creditor will need to upload a document that serves as evidence of the entity's incorporation of establishment, which may include, but not limited to, articles of association, certificates of incorporation, trust deed or similar documents in order to complete the KYC questionnaire to be submitted. Further information requests from representatives of the JOLs may occur via a secure messaging function on the Claim Portal. Ongoing monitoring of Customers will be performed proportionate to the risk of money laundering and terrorist financing to ensure that the JOLs are aware of any changes to the creditor risk profile.

Identify verification checks on non-Customer creditors will be conducted on a manual basis.

Tax form submission process

Pursuant to the Order of the Supreme Court of The Bahamas dated 16th August 2024 and the terms of the Amended GSA, creditors are required to provide tax residency information as a condition of distribution eligibility by submitting a duly completed Form W-8EN/W-8EN-E (for non-US tax residents) or Form W-9 (for US tax residents). Creditors will receive a notification to submit this information via the FTX Digital Claim Portal.

Distribution process

Claims from all Customers and non-Customer creditors are adjudicated in the Bahamas Process equally and fairly pursuant to Bahamian Law. No claim may be prioritised over others in the same creditor class. All Customers are expected to receive 100% of their agreed claim value based on the Court-approved claim valuation rate as at the deemed date of insolvency (being 11 November 2022, the "Petition Date"), plus post-petition interest of 9.0% per annum from the Petition Date to the date that payment is made on claims. Including this interest element, Convenience Class Customers are expected to receive a one time, full and final distribution from the estate equivalent to approximately 119% of the reconciled claim value in the first quarter of 2025. Non-Convenience Class Customers will receive distributions on their claims after those in the Convenience Class and are not expected to have their claims settled via a single payment. Such Customers are however expected to participate in a share of any proceeds from a pool of funds referred in the Chapter 11 Plan of Reorganisation and GSA as the "Supplemental Remission Fund". It is anticipated that this pool will be funded by amounts due to Government agencies made available to Customers via subordination agreements whereby the Government agencies will agree to their claims being payable after Customers claims have been satisfied in full, including interest. Claims from Government agencies relate to fines and penalties levied against the FTX group. This arrangement remains subject to ongoing discussions with the respective Government agencies and regulatory bodies.

Customers with reconciled claim values over USD 50,000 will have the option to opt into the Convenience Class if they agree to waive the balance of their claim above the Convenience Class threshold. This will result in their reconciled claim value being capped at USD 50,000 (i.e. they will forgo any right to claim any balance above USD 50,000), but will entitle them to receive a single distribution payment at the same date and on the same basis as other Convenience Class Customers. As stated above, Customers who do not opt in to the Convenience Class will receive distributions over a longer period, which includes 100% of their reconciled claim value, the same rate of Post Petition Interest, and a share of proceeds from the Supplemental Remission Fund. Customers with claims below USD 50,000 may not elect out of the Convenience Class.

Overall, FTX.com Customer creditors are currently projected to receive between 119 cents (Convenience Class) and 143 cents (Non-Convenience Class) on the dollar against agreed claims. Payments will be processed through selected payment processors or cryptocurrency exchanges, and any non-fungible tokens ("NFTs") will be returned via transfers to designated wallet addresses. The return for non-Customer creditors remains subject to ongoing assessment and finalisation by the JOLs whilst the claim adjudication process is ongoing.

The JOLs are in ongoing discussions with the Chapter 11 Debtors regarding the process of shortlisting suitable payment processors to facilitate the distribution process and updates and relevant information will be provided to the Committee and the wider body of creditors as appropriate in due course.

2.3. Claim Valuation

In keeping with the primary principle of the GSA that the Bahamas Process and the US Process be harmonised as far as practical, the JOLs applied to the Bahamas Court for sanction to adopt the digital asset estimation methodology approved by the US Bankruptcy Court in the Chapter 11 proceedings for the purpose of valuing creditor claims on a common basis. By Order of the Supreme Court of The Bahamas, Justice Klein sanctioned the estimated values of the relevant digital assets and fiat currency as set forth in the digital assets conversion table calculated as at 11 November 2022 (the same date as in the US Process), which was established after the submission of evidence and testimony by relevant expert witnesses. Further details will be covered in Section 4.2 below.

Additionally, as described in Section 2.2 above, interest is calculated on claims at the applicable interest rate from November 11, 2022 through to the applicable distribution date. Recent amendments to the GSA include the power for the JOLs to pay interest up to a rate 9% or such lesser amount that may be agreed and approved by the Courts. The JOLs expect that Customer creditors in the Bahamas Process will receive the same payments at materially the same times as Customer creditors in the US Process.

Some Customers may have had NFTs stored in their FTX.com account, whereby custody of the underlying digital asset was controlled by the FTX.com platform. As part of the Bahamas Process, through the FTX Digital Claim Portal Customers are able to view the list of NFTs in their account and make a claim for these as part of the claims process.

It is anticipated that NFTs will be returned to Customers in kind where the asset is in the control of FTX Digital or the Chapter 11 Debtors (i.e., the underlying NFT will be transferred to a wallet of the Customer’s choice). Where an NFT is not available to be returned to the Customer, provision will be made to distribute a US dollar equivalent amount to the value of the NFT to the Customer.

2.4. Transferred claim treatment

Some creditors have sold or transferred their claim(s) to third-parties. Within the Bahamas Process, claims can only be transferred in full, with positive confirmation of the transfer required from the assignor (the Customer who was the original holder of the claim). Claims that had partial transfers approved in the US, which cannot be facilitated in the Bahamas Process, will be handled in the US Process. All transferred, purchased or assigned claims held by parties other than the original Customer will need to satisfy KYC and AML requirements in relation to both the original holder of the claim and the current holder. The current claim holder will undergo identity verification and sanction screening, and it will be necessary for any distributions to be made to an account in the name of the current holder, with no assignment of distribution payments to third parties permitted.

3. Real Assets and Property in the Bahamas

3.1. Real Estate owned by FTX

Pursuant to the GSA and the Exclusive Sales Agency Agreement (“ESAA”) entered into between the JOLs and the Chapter 11 Debtors, FTX Digital was appointed as the sole and exclusive agent by FTX Property Holdings Limited to manage, prepare for sale, market, and sell the properties in The Bahamas. This exclusive appointment grants FTX Digital full and comprehensive authority to engage real estate agents, valuers, appraisers, and other property professionals. FTX Digital is also empowered to manage, secure, maintain, and develop the properties, as well as appoint legal representatives and obtain insurance. FTX Digital can negotiate and conduct sales, procure financing, and engage in legal proceedings related to the properties. The JOLs have, in accordance with the ESAA, taken steps to make the properties available for sale.

A request for expression of interest (“RFEOI”) from suitably qualified real estate agents was uploaded onto the FTX Digital Case Website on 16 February 2024. The JOLs published a notice for expressions of interest in the local newspaper in the Bahamas on 15 and 16 February 2024 and emailed all realtors who had previously contacted the JOLs directing them to the FTX website for the RFEOI. By the deadline of 1 March 2024, the JOLs had received a total of 23 expressions of interest to act on behalf of the FTX Digital in relation to the sale of real estate. After screening out unsuitable parties, the JOLs issued a detailed request for proposals to suitably qualified realtors that responded to the RFEOI, requiring comprehensive information about the realtors, their credentials and sales history, proposed listing strategy along with details on commission structures and other terms of business.

After careful consideration and assessment of all proposals received by the deadline of 21 May 2024, the JOLs notified all respondents on whether or not they had been successful with their proposal, and subsequently have entered into, or are in the process of entering into, contracts with the selected brokers to represent the JOLs in the marketing and sale of each property.

The table below sets out the selected listing agents for each property.

Property	Listing agent
Albany	Bahamas Sotheby’s International Realty & Graham Real Estate
One Cable Beach	Bond Realty
Goldwynn	Better Homes and Gardens Real Estate MCR Bahamas
Veridian Corporate Centre	Morley Realty
Ocean Terrace & Blake Road	HG Christie

The JOLs are currently in the process of working with the aforementioned listing agents to prepare the marketing materials and to list the properties for sale. The JOLs have also engaged an independent valuer to provide appraisals for each of the properties to assist the JOLs in determining the respective listing prices based on current market conditions. As each of the individual properties becomes available for sale, the JOLs will update the Case Website with details of the properties, listing agent contact details and links to the property listings. Several of the properties are currently under contract, with the agreements for sale having been executed. The JOLs are gradually releasing properties in an effort to not flood the market.

3.2. Other real assets

Properties conveyed to Insiders

As part of the GSA, the JOLs and the Chapter 11 Debtors have been working together to recover further real estate assets located in The Bahamas that were paid for by FTX but conveyed to individual former employees. With the cooperation and agreement of the Chapter 11 Debtors, the JOLs have taken action to secure two further properties located at the One Cable Beach development that were held by former employees and FTX founders Gary Wang and Nishad Singh. These properties are also in the process of being listed for sale. The JOLs continue to work with the Chapter 11 Debtors and their advisors in relation to the property realisation process.

Motor Vehicles & Chattel Assets

The JOLs have continued to advertise for sale the remaining fleet of vehicles owned by FTX Digital through consignment with local dealerships. As of the date of this report, the JOLs have realized a total of USD 1.1m from the disposal of 39 motor vehicles owned by the Company.

The JOLs have been assessing options to efficiently realise the various chattel assets owned by FTX Digital currently held at FTX Digital's offices or in rented storage facilities (including computer and office equipment, as well as branded marketing materials and merchandise). It is anticipated that the realisation process will be implemented by the end of Q1 of 2025, with details of the sales process to be shared via the Case Website.

4. Legal Proceedings

The Supreme Court of The Bahamas Proceedings

4.1. GSA (terms, details and amendments)

By a summons filed on 11 January 2024, supported by the 5th Affidavit of Brian C Simms KC and the Affidavit of Luke Groth, the JOLs applied for the Court's approval of the terms of the GSA. The Court granted its approval by Order dated 22 January 2024.

The GSA was a major development in the liquidation of the Company, which paved the way for the return to Customers of the proceeds from the assets of the Company, which otherwise would have been significantly delayed by the acrimonious legal conflict between the JOLs and the US Debtors. The GSA settled all disputes between the Company and the US Debtors, and set out a mechanism to bring the administration of the estates into harmony. The GSA also significantly diminished the legal costs being incurred in the USA by the Company, which would have threatened the ability of the Company to pay any significant distributions to creditors.

The GSA addresses many of the complex cross-border legal and other issues raised following the collapse of the FTX group. It provides for assets across the estates of FTX Digital and the Debtors to be pooled for distribution to FTX.com Customers in a way that ensures Customers, whether they claim in the FTX Digital official liquidation or the Bankruptcy, will receive, at similar times, substantially identical distributions on their claims. The GSA provided important arrangements between FTX Digital and the Debtors with respect to the monetisation and distribution of the assets of the FTX Group, including Bahamian real-estate assets held in the name of FTX Property Holdings Ltd ("PropCo").

As to this latter company, ancillary to the GSA was The Bahamas Properties Exclusive Sales Agency Agreement (also approved by the Court) by which the JOLs were to take the lead in realising the real-estate assets of PropCo, as well as addressing any matters arising in relation to PropCo assets.

The GSA set out clear areas of responsibility which were divided between the JOLs and US Debtors, including designating responsibility for recovery proceedings and asset sales. It also expressly provides for inter-estate funding, to ensure that all entitled creditors will have their claims settled. The GSA also includes a resolution in relation to the Digital Assets which the Securities Commission of the Bahamas had expeditiously secured to protect creditors and the Company from an unlawful dissipation of its assets, ultimately resulting in the transfer of the Digital Assets at the direction of the JOLs to the US Debtors for the benefit of customers and creditors of both estates.

The main elements of the GSA include the following:

Terms Effective Upon Initial Settlement Effective Date	
Mutual Support Sections 3.02, 4.02	In these proceedings, the Chapter 11 Debtors will not object to, or take any action contrary to any liquidation of FTX Digital proposed by the JOLs that is consistent with the terms of the GSA. In the Chapter 11 Cases, FTX Digital and the JOLs will support any plan of reorganization proposed by the Chapter 11 Debtors that is consistent with the terms of the GSA.
Opt-In Section 5.02 (a)	All Customers of FTX.com (other than insiders and certain excluded Customers against whom the Chapter 11 Debtors have pending or potential claims) will have the opportunity to elect whether to have their claims reconciled and paid in the Bahamian Official Liquidation or in the Chapter 11 Cases, under the elective procedures, which the Parties will finalize and propose to the Courts for prior approval. FTX Digital and the Chapter 11 Debtors currently anticipate that eligible FTX.com Customers will be able to make this election either in a form filed in the Bahamian Official Liquidation or in response to Chapter 11 plan ballots distributed by the Debtors.
KYC Procedures Section 5.08	Know-Your-Customer Procedures will be implemented in a coordinated manner designed to ensure compliance with applicable law in the United States, The Bahamas, and all other applicable jurisdictions.
Settlement of Preference Actions Section 5.05	The Chapter 11 Debtors and FTX Digital will use commercially reasonable efforts to (i) make the same settlement offer to Dotcom Customers available in the Chapter 11 Cases and, the FTX Digital Liquidation and (ii) release the settled Recovery Actions belonging to the estates of the Chapter 11 Debtors and FTX Digital upon acceptance of the offer.
Loan Agreement-Administrative Expenses Section 5.06 (a) (i) and (c)	Pursuant to the terms of the Loan Agreement (subject to the approval of this Court and the US Court), the Chapter 11 Debtors will provide FTX Digital a loan for \$45 million exclusively to pay administrative expenses. Certain extraordinary events trigger a mandatory prepayment of the loan. The principal on the loan matures on the earlier of: 18 months; the chapter 11 Plan Effective Date; termination of the GSA; or when the principal automatically becomes due pursuant to the terms of the Loan Agreement.
Third-Party Litigation Section 2.02	The Parties have agreed to a consensual approach with respect to litigation against unaffiliated third parties through recovery actions. The right to manage and control the prosecution of Recovery Actions have been amicably divided between the Parties. The Parties will cooperate and use commercially reasonable efforts to maximize recoveries from all recovery actions.

<p>Bahamas Real Property Section 2.04</p>	<p>Each Party agrees to the joint process set forth in the Properties Exclusive Sales Agency Agreement for the prompt cash sale of real estate owned by Propco in The Bahamas. FTX Digital, acting through the JOLs, will take the operational lead in marketing and selling the real estate owned by PropCo.</p>
<p>Realization of Assets Section 2.05 (b)</p>	<p>Each Party shall cooperate and use commercially reasonable efforts to assist (including by providing any consents or authorizations) the other Party in the prompt realization of assets allocated to the other Party, which includes the release of the DOJ Seized Funds to FTX Digital's Estate.</p>
<p>Valuation Section 5.03(d)(ii)</p>	<p>FTX Digital will use commercially reasonable efforts to determine the fair market value of digital assets in a manner that is consistent with the valuation methodologies and processes adopted by the Chapter 11 Debtors in consultation with FTX Digital in the Chapter 11 Cases in order to minimize potential discrepancies in the administration of their respective proceedings. The valuation of digital assets as of the Petition Date will reflect a consensual approach between the Chapter 11 Debtors and FTX Digital, approved by both Courts.</p>
<p>Terms Effective Upon Final Settlement Effective Date (Chapter 11 Plan Effectiveness)</p>	
<p>Distributions Section 5.07 (b)</p>	<p>For the purposes of making distributions to FTX.com Customers, the Chapter 11 Debtors and FTX Digital will pool assets, and coordinate the establishment of reserves and the timing and amount of distributions, all to ensure that FTX.com Customers in both proceedings receive substantially identical relative distributions at substantially identical times. FTX.com Customers will not be permitted to file the same claim in both proceedings and will release their claims in the proceeding that is not elected.</p>
<p>Disputed Property Section 2.01 & ExhibitC</p>	<p>The Parties have agreed to a consensual allocation of disputed property between the Chapter 11 Debtors and FTX Digital, to be vested free and clear of all claims and interests of the other on the Final Settlement Effective Date.</p>
<p>Inter-Estate Funding Section 5.06 (a) (ii)</p>	<p>On any distribution date, the Chapter 11 Debtors will determine the distributable amount (reserving for appropriate holdback amounts) for FTX.com Customers as a cumulative percentage. To the extent that one estate does not have sufficient assets to fulfil the distributable amount, the other estate will pay cash sufficient to pay the full distributable amount owed to Customers.</p>
<p>PropCo Chapter 11 Plan Section 2.04 (b)</p>	<p>PropCo will be treated separately under the Chapter 11 Plan and not be substantively consolidated with any other Chapter 11 Debtor. FTX Digital will have a claim against PropCo, stipulated and Allowed as an unsecured, unsubordinated, pre-petition Claim in the amount of \$256,291,221.47; provided that the Stipulated PropCo Claim will be subordinated to the PropCo Ordinary Course Claims.</p>
<p>Releases Section 9</p>	<p>The Parties will fully release each other from, against, and in respect of any and all present and future Claims connected to the GSA, save as otherwise provided in the GSA.</p>

Stay of Adversary Proceeding Sections 7.01 & 7.02	In full and final settlement and satisfaction of the Adversary Proceeding, the Adversary Proceeding Parties agree to settle on the Final Settlement Effective Date (a) all Claims and Causes of Action between the Parties that are asserted or could have been asserted in the Adversary Proceeding and all pending litigation between the Parties on the terms set forth in the GSA, (b) all intercompany Claims between the Parties, except as provided otherwise in the GSA, and (c) any potential objection either Party may have to such settlement on such terms.
Other Matters	
Treatment of FTX Digital Customer Claims Section 5.03 (d)	Customers of FTX Digital will be paid distributions based on a valuation of cash or digital assets as of 11th November 2022 provided that claims relating to FTT tokens are to be valued at zero.
FTT Interests Section 5.03 (d) (ii)	FTT Interests in FTX Digital and the Chapter 11 Debtors will be treated as equity and will not receive any recovery.

4.2 Approval of Estimation Methodology

By a summons filed on 10 June 2024, supported by the 3rd Affidavit of Peter Greaves, and the Expert Reports of Mr. Kevin Lu and Dr. Sabrina Howell, the JOLs applied for the approval of the Court of the Estimation Methodology. By Order dated 12 June 2024, the Bahamian Court granted its approval of valuations in relation to 1321 species of digital assets.

The Estimation Methodology Application permitted the JOLs to adopt the same valuation of Digital Assets as approved by the US Court. It also permitted the JOLs to adopt 11 November 2022 as the valuation date related to customer claims.

This approval was necessary to ensure that Customers of the Company would be treated the same as customers claiming in the US Process, and to maintain fair treatment of Customers between the Estates as required under the GSA.

The order can be viewed at <https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets/assets/order-filed-20th-june-2024-approval-of-estimation-methodology.pdf>.

4.3 The First Amended GSA

By a summons filed on 15 August 2024, supported by the Affidavit of Keath Smith, the JOLs applied for approval of certain amendments to the GSA. With the consent of the Liquidation Committee and the approval of the Bahamian Court by Order dated 16 August 2024, the amendments to the GSA were ratified. Key aspects of these amendments are summarised below and impact the JOLs' adjudication and distribution procedures.

Amendment	Description
Convenience Class Claims	The JOLs may exercise their power to permit creditors whose claims are below \$50,000 to receive a dividend at an earlier payment period. Additionally, the JOLs may permit creditors to reduce their claim to \$50,000 in order to fall within the convenience class.

Supplemental Remission Fund	The JOLs may exercise their power to establish a segregated fund to receive any funds payable to creditors holding allowed senior subordinated government claims.
Bahamas Bar Date	The JOLs are permitted to extend the Bahamas Bar Date to 16 August 2024.
NFT Entitlement Claims	The JOLs may exercise their power to permit creditors holding NFT Entitlement Claims to receive in-kind distributions. It is anticipated that NFTs will be returned to Customers in kind where the asset is in the control of the Joint Official Liquidators in the Bahamas Process or the Chapter 11 Debtors in the US Process (i.e., the underlying NFT will be transferred to a wallet of the Customer's choice). Where an NFT is not available to be returned to the Customer, a provision will be made to distribute a US dollar equivalent amount of the value of the NFT.
EU Digital Asset Withdrawal Claims	The JOLs may exercise their power to permit pending EU Digital Asset Withdrawal Claims to opt-in to the Bahamas Process and have the claim settled in the official liquidation.
Interest	The JOLs may exercise their power to pay interest payments to creditors at the rate of 9% or such lesser rate as may be approved by the Delaware Bankruptcy Court in the US proceedings to the extent that funds are available.
Supplemental Distributions	The JOLs may make supplemental distributions to creditors out of any Supplemental Remission Fund.
Unclaimed Distributions	The JOLs may revest unclaimed distributions back into FTX Digital after making reasonable efforts to contact creditors, where creditors have failed to provide necessary information or failed to accept their distribution.
KYC & Distribution Requirements	The JOLs may refuse to admit into proof any FTX Digital Customer claim whose holder has not commenced KYC by the KYC cut-off date. Additionally, the JOLs may refuse to pay distributions to claim holders who have not satisfied the Distribution Requirements, which includes completion of the relevant W-8 or W-9 IRS form as applicable.

The JOLs have continued to engage collaboratively in regular productive discussions with the Chapter 11 Debtors to facilitate the implementation of the GSA between FTX Digital and the Chapter 11 Debtors. The JOLs and Chapter 11 Debtors remain focused on the constructive resolution of issues between their estates and meeting their duties in parallel.

4.4 Celsius Network

On 13 August 2024 the Supreme Court of The Bahamas granted a declaratory order pursuant to section 254 (1) (a) of the Companies Act recognizing Mr. Mohsin Y. Meghji, Litigation Administrator for Celsius Network LLC and its affiliated United States debtors ("Celsius Debtors"), as a foreign representative and the only person entitled to act on behalf of the Celsius Debtors in The Bahamas.

On 14 August 2024 the Celsius Debtors filed a summons seeking leave to commence proceedings against FTX Digital to recover digital assets transferred from Celsius to FTX Digital. The Celsius Debtors seek to lift the statutory moratorium which prevents a party from commencing legal proceedings against a company in liquidation. These proceedings have not yet been heard by the Supreme Court of The Bahamas.

On 7 October 2024, the JOLs filed a Notice of Application seeking leave to commence proceedings against the Celsius Debtors and further seeking an order restraining the Celsius Debtors from taking any further steps against FTX Digital in the United States Bankruptcy Court for the District of Delaware and/or commencing any further foreign proceedings against FTX Digital with respect to avoiding and recovering transfer allegedly received by FTX Digital. This application has not yet been heard by the Supreme Court of The Bahamas.

On 16 October 2024, the JOLs filed a summons seeking an order sanctioning the exercise of the JOLs' power to oppose the relief sought in the Celsius Debtors' summons, and commence proceedings on behalf of FTX Digital against the Celsius Debtors as set out above. As of the date of this report, this application has not yet been heard by the Supreme Court of The Bahamas.

Additionally, the Celsius Debtors have filed a proof of debt in the Bahamian process for USD 377,419,348 which they claim to be the estimated value of the assets transferred from the Celsius Debtors to FTX Digital as at 7 May 2024. The JOLs are in the process of considering the above proceedings and claims with the assistance of legal counsel.

4.5 Real Estate Disputes – FTX Property Holdings Ltd (“PropCo”)

The below matters are ongoing disputes which, though not yet formally commenced, are being addressed by the JOLs and may result in Court proceedings.

The JOLs are responsible for addressing all matters impacting the Bahamian realty owned by PropCo pursuant to the Exclusive Sales Agency Agreement under the GSA. In doing so, the JOLs continue to inform and work with the US Debtors in relation to developments in this regard.

Ocean Terrace

The JOLs are aware of an allegation regarding a trespassing claim relative to all that “Piece Parcel or Lot of Land Containing 60 acres situate Ocean Terrace (East of the Caves), West Bay St.” and demanded the JOLs vacate the same.

The JOLs consider such claims, including the assertion of interest in the Ocean Terrace property, to be wholly unmeritorious and vexatious in nature. The JOLs are considering taking legal action on behalf of PropCo to ensure that any sale of the Ocean Terrace property can proceed securely and without interference.

Old Fort Bay Lot 5B

By a conveyance of 19 May 2022, Lots 5A and 5B in Old Fort Bay, Fincastle Island were purchased by PropCo for the sum of \$9,000,000.

By a letter dated 31 January 2024, the JOLs were notified of a claim made on behalf of Burchfield Universal S.A. (“Burchfield”) which contests the title held by PropCo. Burchfield assert that the sale and conveyance by Old Fort Bay Company Ltd (“the Developer”) to the sellers in 2014 is void insofar as it relates to Lot 5B, on the basis that Lot 5B was included in Lot 4 which the Developer had previously sold and conveyed in 2007 to Burchfield. Accordingly, Burchfield asserts that PropCo has no title to Lot 5B, as the Developer (and subsequently, the sellers) had no title to Lot 5B that they could sell, given that land had already been sold to Burchfield.

Burchfield has threatened to commence proceedings for possession, trespass, and mesne profits.

The JOLs contest the merits of Burchfield's claim, and are considering their legal options. The JOLs have been in continued correspondence with Burchfield in connection with this matter.

One Cable Beach Litigation

On 25 April 2024, the One Cable Beach Association (“OCBA”) filed 3 Fixed Date Claim Forms in relation to arrears connected to 3 units nominally owned by Nishad Singh (Unit 209), Samuel Bankman-Fried (Unit 311), and Zixiao Wang (Unit 112).

The Company considers that these Units are properly assets of the Company. The JOLs have resolved the claims in relation to Units 209 and 112 and are in the process of seeking to resolve the litigation regarding Unit 311.

4.6 SCB Action against the Company (2022/COM/com/00061)

Separate proceedings were initiated by the SCB against the Company in connection with the seizure of various Digital Assets of the Company in or around 10 November 2022. These proceedings concerned, amongst other matters, the exercise of the regulator’s powers, and the custody and control of the seized assets.

Following the conclusion of the GSA in December 2023, the SCB filed a Notice of Application on 19 January 2024 seeking directions relating to the digital assets in their possession. This was supported by the 4th Affidavit of Christina Rolle. In particular, the SCB sought directions relating to the transfer of the digital assets out of their control, either to the Company, or to such party as the JOLs directed in accordance with the GSA.

Having heard the JOLs, the US Debtors, and the SCB on the application, the Court made an order setting out the framework and mechanisms for the handover of the digital assets.

Between 19-22 April 2024, the SCB, under the instruction and supervision of the JOLs, transferred all of the seized assets to the US Debtors.

Additionally, on 15th August, 2024, the SCB submitted a proof of debt in the FTX Digital liquidation for a claim value of \$221,550,000.00, representing the regulatory penalties imposed by the SCB for FTX Digital’s statutory compliance breaches (the “Asserted Regulatory Claim”). The JOLs are in ongoing discussions with the SCB regarding the potential subordination of the SCB’s Asserted Regulatory Claim to claims by other customers and creditors including interest on such claims. Further, to direct any proceeds in respect of such Asserted Regulatory Claim, if any, to the Supplemental Remission Fund to be established by the Chapter 11 Debtors.

4.7 Swiss Recognition Order

The Swiss Financial Market Supervisory Authority (“FINMA”) granted an order recognising the Bahamas winding up order and appointment of the JOLs over FTX Digital with effect for Switzerland (without initiating ancillary proceedings in Switzerland). The effect of this order is that the jurisdiction, powers and duties of the JOLs to act on behalf of FTX Digital have now been recognised in Switzerland, granting the JOLs immediate access to funds held in the name of FTX Digital at Klarpay AG and authorising the JOLs to perform all legal acts in relation to these assets including arranging for the repatriation of these assets to the Bahamas. The order was made subject to the following conditions:

- a. The order is immediately enforceable but the assets may only be transferred abroad after FINMA’s recognition order has become final (in case – contrary to expectations – secured or privileged creditors exist in Switzerland and wish to defend themselves against this order);
- b. FTX Digital is obliged to report annually to FINMA on the status of the repatriation of assets deposited in Switzerland;
- c. FTX Digital is obliged to notify FINMA of the termination of its activities in Switzerland following the transfer of any proceeds to abroad;
- d. In the event FTX Digital has further assets located in Switzerland that fall within the scope of application of Art. 37g of the Banking Act or wishes to assert legal claims against other natural persons or legal entities other than Klarpay AG, it is obliged to inform FINMA in advance in order to assert such claims;
- e. FTX digital is obliged to inform FINMA in the event of the appointment of a new official liquidator(s) without delay.

FINMA published its order (p. 13, par. 1-6) in the Swiss Official Gazette of Commerce. The deadline to appeal the order ended on 20 August 2024 with no appeal received.

Proceedings regarding seized Swiss Funds

The JOLs have been corresponding with the authorities in Switzerland regarding certain of the Company funds subject to a freezing order in connection to a criminal matter. LALIVE SA acts on behalf of the JOLs in this matter. As these proceedings are ongoing, we are unable to give any further information.

4.8 Applications for the approval of Fees and Rates of Professional Parties

The JOLs have sought the approval from the Court in respect of the JOLs' application on the fees and expenses arising out of the Liquidation:

1. 4th Remuneration Application covering the JOLs' fees and expenses for the period from November 2023 to January 2024
2. PWC and JOL Rates Approval Application
3. 2nd SCB Reimbursement Application
4. 5th Remuneration and Baker & McKenzie LLP Rates Application covering the JOLs' fees and expenses for the period from February 2024 to June 2024

US Court Proceedings

4.9 United States Department of Justice

The United States Department of Justice ("DOJ") has maintained its freeze on assets of \$143 million belonging to the Company in its accounts at Moonstone Bank and Silvergate Bank. Notice of this fact was filed by the DOJ in the Chapter 15 Bankruptcy Proceedings of the Company (Case 22-11217-JTD) in January 2023.

The JOLs and the US Debtors are in ongoing negotiations with the DOJ to secure the release of these funds.

4.10 Binance

On 10th November 2024 the Chapter 11 Debtors along with FTX Digital and other affiliated FTX entities, commenced adversary proceedings in the US Bankruptcy Court against (1) Binance Holdings Limited, (2) Binance Capital Management Co. Ltd., (3) Binance Holdings Ltd, (4) Binance (Services) Holdings Limited ((1)-(4) collectively, "Binance"), (5) Changpeng Zhao, (6) Dinghua Xiao, (7) Samuel Wenjun Lim, and (8) DOES 1-10001 ((1)-(8) collectively, the "Binance Defendants"), seeking amongst other things, to avoid and set aside fraudulent transfers against all Binance Defendants amounting to approximately \$1.76 billion, and an award of compensatory damages against Binance and Changpeng Zhao.

The claims against the Binance Defendants arise from two separate events, (i) the Chapter 11 Debtors' repurchase of shares in FTX Trading Ltd. and West Realm Shires Inc. held by Binance and (ii) certain tweets published in November 2022 by Binance and/or its founder and former CEO, Changpeng Zhao.

The Chapter 11 Case Administration

4.11 Chapter 11 Plan of Reorganisation (the "Plan") confirmation

On 7 October 2024, the US Court overruled objections from various parties and confirmed the Plan.

The confirmation permits the implementation of the Plan of Reorganisation, including the creation of a liquidating trust to manage the assets of the wind down, settlements with various customers and creditors, governmental authorities and non-U.S. insolvency trustees, facilitating a return to all non-governmental creditors of over 100% of the reconciled claim value. Under the plan, the Convenience Class Customers, representing over 95% of the customer population will be repaid within 60 days of the Plan's effective date.

To the extent that the GSA is in full force and in effect as of the Plan effective date, the GSA will be fully incorporated into the Plan which will facilitate and further formalise the ongoing collaboration between the estates and give FTX Digital access to the assets and funds demarcated for the estate via the GSA.

4.12 GSA, the First Amended GSA and ancillary agreement approvals

On 24 January 2024, the US Court approved the entry of the US Debtors and the Company into the GSA. This included an approval to enter into and perform the Loan Agreement, which provided immediate funding to the Company to meet liquidation expenses, as well as an approval to execute such documents necessary to give effect to the approval order.

On 29 January 2024, the US Court approved the entry of FTX Trading Ltd and FTX Property Holdings Ltd and the Company into ancillary agreements providing for the JOLs to oversee and have conduct of matters

concerning real estate in the Bahamas. On 14 August 2024, the US Court approved the entry of the US Debtors and the Company into The First Amended GSA.

4.13 Approval of the Estimation Methodology

On 7 February 2024, the US Court made an order approving the valuations of the vast majority of digital assets, save for certain tokens including MAPS, SRM, OXY, and BOBA, the values of which were to be determined at a later hearing.

On 26 June 2024, the US Court issued a ruling determining the market value of the remainder of the digital assets, and the value they are to be given for the purposes of the US Proceedings.

4.14 Ongoing Investigations

In relation to matters raised in the report of Examiner Robert J. Cleary (“the Examiner”) relating to certain actions by former employees of FTX Digital as well as payments made by FTX Digital to charities, the JOLs have conducted interviews to gather information and continue to consider appropriate recovery actions.

Robinhood transaction

The Examiner’s investigation of the Robinhood Transaction focused on the scope of S&C’s representation of SBF and what, if anything, S&C knew or should have known about the FTX’s Group’s misconduct and/or fraud. This included consideration of the investigation conducted by Quinn Emanuel Urquhart & Sullivan, LLP into S&C’s prepetition representation of the FTX Group. In addition, the allegations of conflict made by former employees and/or third parties that S&C acted as counsel for both SBF and Emergent Fidelity Technologies Ltd. and knew that customer funds were misappropriated in relation to the Robinhood Transaction. The investigation concluded the allegations lack merit.

The Examiner found that:

1. S&C did not have any disqualifying conflict as a result of advising SBF in connection with the Robinhood Transaction.
2. There was no evidence S&C had actual knowledge of any misconduct at the FTX Group.
3. There was no evidence S&C ignored any red flag that would have alerted it to the FTX Group’s fraud.

Ledger X Transaction

The Examiner’s investigation of the Ledger X Transaction focused on whether the transaction may be avoided to recover value for the bankruptcy estates and any other potential causes of action against Ledger Holdings Inc (“LHI”) shareholders. This included consideration of LHI business, FTX.US offers to buy Ledger X, the parties negotiation of the transaction, valuations of LHI and viability of potential avoidance claims under US law.

Generally, the LedgerX Transaction satisfies the preliminary factors of fraudulent transfers claims: (i) the transfers involves property of the estate; and (ii) the transfer was made within two years of the Petition Date. However, in light of the heightened pleading standards in relation to fraud based claims and lack of direct evidence there may be little value in asserting these claims.

The Examiner found that:

1. A preference claim would not be viable because the LedgerX Transaction occurred outside the 90 days preference period for creditors and one year preference period for insiders.
2. A potential fraudulent transfer claim in relation to the LedgerX Transaction is not likely a viable claim as there is no evidence of actual fraudulent intent.
3. A constructive fraudulent transfer claim in relation to the Ledger X Transaction is not likely viable. However, such a claim be sufficiently pleaded to survive a motion to dismiss.
4. Additionally, another factor in a constructive fraudulent transfer claim is insolvency at the date of transfer. The FTX Group accounting and controls are notoriously unreliable. Financial information created at the time of the LedgerX Transaction is not best evidence of insolvency. Furthermore, insolvency needs to be shown at the transferor - entity which was WRS in relation to the LedgerX Transaction.

FTX US

The Examiner's supplemental investigation of the \$45.8 million hole or balance sheet shortfall in customer assets at FTX US was unable to determine the direct cause of and/or specific transactions leading to the discrepancy in customer assets observed in November 2022 or whether shortfalls existed at earlier times. The Examiner interviewed witnesses and reviewed documents in considering the broader events surrounding identification of the 'hole' in customer assets at FTX US, including challenges associated with reconciliation.

Due to inadequate record keeping and internal controls in reconciling customer assets the Examiner concluded that systemic issues preclude reaching a reliable determination on the amount of any actual discrepancies in customer assets at any point in time prior to November 2022.

5. Other matters

Fenwick & West

On 9 November 2022 the Company paid \$3.5 million to law firm Fenwick & West as a retainer. On 17 April 2024 the JOLs terminated the service agreement and requested the return of the retainer. This amount has been refunded and paid directly to the Chapter 11 Debtors. This amount has been recognised as a reduction in the \$45m loan to FTX Digital from the Chapter 11 Debtors per the terms of the GSA and its ancillary agreements.

Nuvei Corporation

Prior to the FTX Digital's collapse Nuvei Corporation provided online payment services. On 10 May 2024 the JOLs terminated the service agreement and requested payment of all funds owed to FTX Digital.

Prager Metis

On 17 April 2024 the JOLs terminated the service agreement and requested payment of all funds owed to FTX Digital.

SCB audit

The SCB, in its role as the regulator for investment funds, securities and capital markets in the Bahamas, has conducted investigations into FTX Digital's compliance with the Digital Assets and Regulated Exchanges Act 2020 ("DARE Act"). The JOLs have been in close communication with the SCB and have provided access to the necessary documents and available records for the investigations. Certain documents, relevant to the SCB's investigation held by the Chapter 11 Debtors remain outstanding and are to be provided subject to relevant data release contracts. The JOLs continue to cooperate with the SCB and to hold constructive dialogue with the Chapter 11 Debtors regarding access to information required by the SCB. Further updates will be provided once any determination or agreement is reached in relation to the SCB's investigations.

6. Estate Costs and Liquidity

6.1. Estate costs and liquidity

As at the date of this report, the principal sources of funding for the liquidation estate of FTX Digital are funds taken over in non-US bank accounts in the name of FTX Digital (analysed below) and the \$45m cashflow loan from the Chapter 11 Debtors that was agreed as part of the GSA via ancillary agreements. This loan facility was put in place in acknowledgment of the pooling of assets between the estates under the GSA and in recognition of the fact that the remaining material assets directly within the perimeter of the FTX Digital estate are currently illiquid (e.g. real estate and USD amounts in bank accounts frozen by the US Department of Justice). The loan under the GSA is to be repaid (partially or fully) from any receipts from certain identified asset recoveries.

A summary of receipts and payments is set out below, which includes the professional fees of the JPLs and their advisors for the period from June 2023 to October 2023 and those of the JOLs and their advisors from

November 2023 to April 2024, as approved the respective remuneration applications to the Supreme Court of the Bahamas. Please refer to the First, Second and Third reports filed during the Provisional Liquidation period for activities, receipts and payments prior to 23 November 2023 which are available on the Case Website (<https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets/documents.html>).

Available liquidity (USDm)	
	Total
Cash balance at 11 November 2023	47.0
Receipts	
Chapter 11 Debtor Loan	45.0
Refunds from third parties	4.0
Sale of vehicles	1.1
Bank interest receipt	1.5
Total receipts for the period	51.6
Payments	
Bahamas properties expenses	(4.3)
Lennox Paton (LXP)	(13.3)
PricewaterhouseCoopers (PwC)	(22.3)
White & Case LLP	(6.9)
Other estate costs	(2.8)
Total payments for the period	(49.6)
Cash balances at 30 September 2024	49.0

The disbursements relate to the legal and professional costs and estate costs associated with preserving and safeguarding the estate assets, such as insurance, maintenance, and security. A summary of the balances held at the various bank accounts held in the name of FTX Digital as at 30 September 2024 is set out below.

Cash balances at 30 September 2024 by financial institution (USDm)	
	Total
Term deposits:	
• Bank of Scotland	30.0
• Fidelity Bank	1.0
Operating accounts:	
• Bank of Scotland	3.7
• Equity Bank	0.1
• Fidelity Bank	4.0
• Scotiabank	10.2
Subtotal	49.0
Klarpay AG (restricted pending finalization of the Swiss recognition order)	26.6
Total	75.6

Further detail regarding the areas of work making up the time costs of advisers to the JOLs is reported to the Liquidation Committee and The Supreme Court of the Bahamas. JOL and adviser costs are only paid following analysis and discussion with the Committee, after which written resolutions are required before the JOLs proceed with applications for fee approval which are subject to detailed review and sanction by the Court.

It is expected that further realisations will be made in the coming months, particularly in relation to the sale of real estate. It should be noted that under the terms of the GSA, any shortfall in funds required to make distribution payments in full to creditors of FTX Digital or required for validly incurred estate expenses will be funded by assets currently held within the perimeter of the Chapter 11 entities.

7. Next Steps

Now that the Plan of Reorganisation (including the adoption of the GSA) has been approved, the next step is confirmation that the Plan has formally become effective. The Plan effective date has not yet been determined but is expected to be around the turn of the year. Under the approved Plan, substantially all remaining assets of the Chapter 11 Debtors (in which FTX Digital and its creditors have an interest under the terms of the GSA) will be held in a single Consolidated Wind Down Trust (“the Trust”). The Trust will conduct business only as appropriate for its business purpose, being to liquidate its remaining assets and fund cash distributions to creditors. In terms of governance in relation to the Trust, there will be an initial Wind Down Board which shall consist of the Plan Administrator, Brian C. Simms KC and Peter Greaves in their capacity as the JOLs of FTX Digital, the incumbent members of the Chapter 11 Debtors’ board and one additional director (the “Appointed Director”). The Appointed Director has been jointly designated by the Ad Hoc Committee and the Official Committee and is acceptable to the Chapter 11 Debtors and the JOLs.

In addition to the above, the Chapter 11 Debtors shall establish an Advisory Committee consisting of the Appointed Director on the Wind Down Board and two other persons reasonably acceptable to the Chapter 11 Debtors and the JOLs, to be jointly designated by the Ad Hoc Committee and the Official Committee. The members of the Advisory Committee shall not be a current or former holder of a claim or interest (unless otherwise agreed to by the Chapter 11 Debtors, the Official Committee, and the Ad Hoc Committee) and shall be subject to the same confidentiality, independence and trading restrictions as members of the Wind Down Board. The members of the Advisory Committee shall have fiduciary duties to all creditors. The Wind Down Board and the Plan Administrator shall consult with the Advisory Committee in good faith on all of its material decisions in relation to the estate from time to time.

In parallel, following the deadline for elections on 16 August 2024, the JOLs are now implementing the claim adjudication and KYC processes, mobilising operational support teams to prioritise Convenience Class creditors ahead of the planned first distribution date (as these claims will be paid first). While a definitive distribution date has not yet been confirmed, the JOLs and Chapter 11 Debtors are working on the basis that the distribution to Convenience Class creditors can be made early in 2025, with the initial distribution to non-Convenience Class creditors following as soon as practicable thereafter in 2025. Concurrently, the JOLs are working to maximise asset realisations, including the sale of luxury real estate and chattels in the Bahamas, with ongoing evaluations and updates on the sales process. The JOLs will provide updates via the Case Website. The JOLs will also continue to consult the Committee and seek directions from the court on the key issues in respect of the liquidation administration as and when appropriate.

Appendix 1 – Glossary

Term/Abbreviation	Description
Ad Hoc Committee	the ad hoc group of individuals, funds, or accounts managed, advised, or sub-advised by funds that hold Dotcom Customer Entitlement Claims set forth on the Verified Statement of Eversheds Sutherland (US) LLP and Morris, Nichols, Arsht & Tunnell LLP Pursuant to Federal Rule of Bankruptcy Procedure 2019 as supplemented by the Verified Sixth Supplemental Statement, and as further supplemented from time to time
AML	Anti-money laundering
Asserted Regulatory Claim	The proof of debt submitted by the SCB for a claim value of \$221,550,000.00, representing the regulatory penalties imposed by the SCB for FTX Digital's statutory compliance breaches
Bahamas Bar Date	The deadline to file a proof of debt in the Liquidation of FTX Digital Markets Ltd., set at 4:00PM Prevailing Eastern Time 16 August 2024 Note - The Bahamas Bar Date is synchronised with the Election Deadline as Customers are required to file both a proof of debt and make an affirmative election to proceed in the Bahamas Process
Bahamas Process	The official liquidation proceedings of FTX Digital Markets Ltd. in the Bahamas
Binance	Named defendants (1) Binance Holdings Limited, (2) Binance Capital Management Co. Ltd., (3) Binance Holdings Ltd, (4) Binance (Services) Holdings Limited in an adversary proceedings in the US Bankruptcy Court
Binance Defendants	Named defenants (5) Changpeng Zhao, (6) Dinghua Xiao, (7) Samuel Wenjun Lim, and (8) DOES 1-10001 in an adversary proceedings in the US Bankruptcy Court
Burchfield	Burchfield Universal S.A.
Case Website	https://www.pwc.com/bs/en/services/business-restructuring-ftx-digital-markets.html
Celsius Debtors	Celsius Network LLC and its affiliated United States debtors
Claim Portal	A website administered by PwC on behalf of the JOLs where Customers can submit an electronic proof of debt prior to the Bahamas Bar Date https://digitalmarketsclaim.pwc.com/
Chapter 11 Debtors	Collective group of FTX affiliated entities filing for Chapter 11 relief under case number 22-11068
Committee or LC	The Liquidation Committee that was constituted on 10 June 2024 pursuant to the resolution that was passed at the Meeting, consisting of

	Mr Stephen EZEKIEL representing Project Theia Advisors Limited, Mr Patrick ZBINDEN representing Capital Union Bank Ltd., and Mr Tian Rong LIEW representing himself
Company or FTX Digital	FTX Digital Markets Ltd. (In Official Liquidation)
Convenience Class	A specific group of creditors created during the bankruptcy process to make the distribution process more efficient and expedite payments to those creditors. The creation of this class has been approved by the Court in the US Process and to maintain equivalence, has been recognised as a separate class of creditors in the liquidation of FTX Digital
DARE Act	Digital Assets and Regulated Exchanges Act 2020
Delaware Bankruptcy Court	United States Bankruptcy Court for the District of Delaware
Developer	Old Fort Bay Company Ltd
DOJ	The United States Department of Justice
Dotcom Customers / Customers	Customers of FTX.com or the FTX International platform
Election Deadline	The deadline to complete the election, set at 4:00PM Prevailing Eastern Time 16 August 2024
Emergent	Emergent Fidelity Technologies Ltd., a special purpose entity owned primarily by SBF
Equitably Subordinated Claim	any Claim of any kind or nature whatsoever (whether arising in law or equity, contract or tort, under the Bankruptcy Code, federal or state law, rule or regulation, common law or otherwise) held by any Control Person against any of the Chapter 11 Debtors as of the Petition Date
the Examiner	Robert J. Cleary, who filed the “Report of Examiner” in the US proceedings
ESSA or Exclusive Sales Agency Agreement	An agreement entered between the JOLs and the Chapter 11 Debtors to appoint FTX Digital as the sole and exclusive agent by FTX Property Holdings Limited to manage, prepare for sale, market and sell the properties in the Bahamas
FINMA	Swiss Financial Market Supervisory Authority
the First Amendments	an amendment to section 10.02 of the GSA which was sanctioned by the Supreme Court of The Bahamas on 16 August 2024
FTX Digital or the Company	FTX Digital Markets Ltd. (In Official Liquidation)
FTX Group	FTX International group of companies, together with the FTX US group of companies.

FTX International	FTX Trading and its subsidiaries (especially including FTX Digital) that operate, maintain and administer the FTX International Platform.
FTX Property or PropCo	FTX Property Holdings Ltd.
FTX Trading	A company incorporated in Antigua and Barbuda
FTX US	West Realm Shires Inc. and its subsidiaries, that operate, maintain and administer the FTX.us platform
GSA	Global Settlement Agreement
IRS	the Internal Revenue Service
JOLs	Joint Official Liquidators of FTX Digital, Mr Brian Simms, K.C., of Lennox Paton, Mr Kevin Cambridge of PwC Bahamas, and Mr Peter Greaves of PwC Hong Kong.
JPLs	Joint Provisional Liquidators of FTX Digital, Mr Brian Simms, K.C., of Lennox Paton, Mr Kevin Cambridge of PwC Bahamas, and Mr Peter Greaves of PwC Hong Kong.
JPL Orders	The orders delivered by The Supreme Court of The Bahamas to appoint Mr Brian Simms, K.C., of Lennox Paton, Mr Kevin Cambridge of PwC Bahamas, and Mr Peter Greaves of PwC Hong Kong.
Junior Subordinated IRS Claim	subject to the effectiveness of the IRS Settlement and the occurrence of the Effective Date, the Allowed Subordinated Tax Claim of the IRS against the Chapter 11 Debtors for income tax years ending 31 December 2019, 31 December 2020, 31 December 2021, and 31 October 2022, and for employment tax for the taxable quarters ending 31 March 2018, through and including 30 September 2022, for the taxable years ending 31 March 2018, through and including 31 December 2021, plus liabilities for the taxable quarter ending 31 December 2022, and taxable year ending 31 December 2022, accruing through 31 October 2022, in an amount equal to \$685,000,000
Klarpay AG	A financial institution in the Switzerland which FTX Digital has bank accounts
KYC	Know Your Customer
LC or the Committee	The Liquidation Committee that was constituted on 10 June 2024 pursuant to the resolution that was passed at the Meeting, consisting of Mr Stephen EZEKIEL representing Project Theia Advisors Limited, Mr Patrick ZBINDEN representing Capital Union Bank Ltd., and Mr Tian Rong LIEW representing himself
LHI	Ledger Holdings Inc
Ledger X Transaction	Disposal of interest by the former shareholders of LHI to WRS

the Meeting	The first meeting of the creditors of FTX Digital on 15 March 2024 at 10:30am Eastern Daylight Time both physically at Salon 3, Baha Mar Convention Centre, Baha Mar Blvd, Nassau, The Bahamas, and virtually
NFT(s)	Non-Fungible Token(s)
OCBA	One Cable Beach Association
Official Committee	the official committee of unsecured creditors of the Chapter 11 Debtors appointed in the Chapter 11 Cases on 15 December 2022 pursuant to section 1102 of the Bankruptcy Code, as reconstituted from time to time
Petition Date	(a) 11 November 2022, with respect to each Debtor other than West Realm Shires Inc. and (b) 14 November 2022, with respect to West Realm Shires Inc
Plan	Chapter 11 Plan of Reorganisation
Post Petition Interest	Interest of 9.0% accrued on claims after the Petition Date
Priority Tax Claim	means a Claim of a Governmental Unit, including of the IRS, against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code, including the Priority IRS Tax Claim; provided that, notwithstanding the foregoing, no Senior Subordinated IRS Claim, or Junior Subordinated IRS Claim shall be a Priority Tax Claim
PropCo or FTX Property	FTX Property Holdings Ltd
PwC	PwC Bahamas, PwC Hong Kong or a member firm of PricewaterhouseCoopers International Limited (each a member firm of which is a separate legal entity)
PwC Bahamas	PricewaterhouseCoopers Advisory (The Bahamas) Limited
PwC Hong Kong	PricewaterhouseCoopers Limited, an entity incorporated in Hong Kong
PwC UK	PricewaterhouseCoopers LLP, a UK limited liability partnership
RFEOI	Request for Expression of Interest
Robinhood Transaction	Purchase of Robinhood Markets, Inc. shares
S&C	Sullivan & Cromwell LLP
SBF	Samuel Benjamin Bankman-Fried
SCB	Securities Commission of The Bahamas
Scheduled balance	the balance of the Customers' accounts according to the books and records of FTX.com
Senior Subordinated Governmental Claims	means (a) a Subordinated Tax Claim or (b) any other claim for regulatory fines and penalties, U.S. federal, state or local income or employment taxes, similar foreign taxes and any other Claim by a Governmental Unit

	that has been subordinated on the basis of structural subordination, equitable subordination, laws or policies subordinating recoveries to claims by victims of crime or fraud, or any other grounds available under applicable law, other than an Equitably Subordinated Claim, Senior Subordinated IRS Claim or Junior Subordinated IRS Claim
Senior Subordinated IRS Claims	a Subordinated Tax Claim of the IRS arising for the Chapter 11 Debtors' income tax and employment tax obligations for the period beginning 1 November 2022 and continuing through to future tax years through the Effective Date
Subordinated Tax Claim	any Claim for federal, state and local, taxes (including income or employment taxes), or similar foreign tax that is not a Priority Tax Claim
SumSub	SumSub Inc.
Supplemental Remission Fund	A segregated fund the Chapter 11 Debtors may establish, with consultation with the Supporting Parties, to receive any funds otherwise payable to the holders of Allowed Senior Subordinated Governmental Claims
Supporting Parties	the Official Committee, FTX Digital and the Ad Hoc Committee, acting through its executive committee pursuant to such authority as may be delegated to such executive committee from time to time
The Supreme Court of The Bahamas	The Commercial Division of the Supreme Court of The Commonwealth of The Bahamas
the US Process	US Chapter 11 bankruptcy process, which is being run by FTX Trading Limited and its affiliated debtor entities
US / USD	United States dollar currency
USAO-SDNY	U.S. Attorney's Office - Southern District of New York
Winding Up Act	Companies (Winding Up Amendment) Act 2011
WRS	West Realm Shires Inc

Thank you

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
Act 1992, (as amended)**

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

**TWENTY-THIRD AFFIDAVIT OF
KEVIN CAMBRIDGE**

**2022
COM/com/00060**

Lennox Paton
LENNOX PATON
Chambers
No. 3 Bayside Executive Park
Blake Road and West Bay Street
Nassau, New Providence
The Bahamas
Attorneys for the Joint Official Liquidators