Summary

I would like to start by formally stating, under oath:

I fucked up.

I know that it doesn't mean much to say that I'm sorry. And so I'm dedicating as much of myself as I can to doing right by customers. When all is said and done, I'll judge myself primarily by one metric: whether I have eventually been able to make customers whole. If I fail our customers in this regard, I have failed myself.

Last year, my net worth was valued at $20b.

Today, I would be wrong to say that I have nothing: I have a loving family, and food on my plate, and that's more than life has given billions of people.

But last I saw, I believe my bank account had about $100k in it. I don't know for sure, because I have been denied access to many of my own personal passwords, data, documents, and accounts.

As of today, I and many other members of FTX International's former management team are missing access to key data–data that could help inform customers, inform the Chapter 11 team's decisions, and inform foreign regulators looking after FTX International. Nearly all of this data is held by the Chapter 11 team.

In fact, many of us are still missing access to our own personal data, which is being held hostage by the Chapter 11 team's leadership. When we have asked for access to our own personal data and passwords, an example response reads "you should take steps, as we've suggested to others in the same position, to reset 2FA/passwords for any relevant personal accounts".

As such, much of my testimony is less confident and detailed than I would want it to be, and I apologize if I am unable to confidently answer completely reasonable questions. I unfortunately cannot access most of FTX's current or historical data right now in order to explore or confirm my understanding. I also cannot access most of my own notes, writings, spreadsheets, data, or email. Mr. Ray's team has even refused to return to me my credentials for purely personal accounts.

I deeply regret giving in to pressure to sign forms that precipitated the Chapter 11 filing just a few days after FTX International became potentially insolvent. Among other things, the Chapter

11 team was thrust into a very difficult situation, and I worry that they were given very misleading information by a few members of the FTX US team when they joined. They are trying to manage multiple complex global entities and systems without support from many of the teams who used to run them. I believe it will be extremely hard, if not impossible, for the Chapter 11 team to move forward constructively without working cooperatively with the many foreign jurisdictions that have direct regulatory and operational control over FTX International and its subsidiaries.

I have offered, many times, to help the Chapter 11 team. To cite just one example, I would have been able to easily collect some pieces of data they expressed an inability to find in their court filings. I have not received responses to those offers, or to any other messages I have sent them.

I have reached out to Mr. Ray and the Chapter 11 team numerous times. Sometimes I've been requesting access to my own data, but other times I've been attempting to alert them to potentially important information for their jobs and duties to creditors and customers of FTX.

I have sent five emails to Mr. Ray. Mr. Ray has never responded, nor has he reached out to me to communicate in any other ways.

He has not responded, for instance, to an email of mine that stated: "I have potentially pertinent information concerning future opportunities and financing for FTX and its creditors. I also believe that I have relevant financial information about FTX US, and further that I have potentially relevant regulatory information concerning FTX. I would love to talk to you, whether it's via email or phone, and to work constructively with you and the Chapter 11 team to do what's best for customers."

To the best of my knowledge, FTX US has been and remains solvent, and could pay off all of its customers in full tomorrow. Unfortunately, the Chapter 11 team has frozen the FTX US exchange, blocking customers' access to their account information and funds.

The customers who have lost assets are those who traded on the FTX International platforms, *which do not accept US residents*. My primary focus right now is to do right by the customers of FTX International who were hurt. I am fighting to make these customers as whole as I can, and I will keep doing so as long as I see any pathway forward, because that is my duty.

I believe that there is a credible path forward to put together billions of dollars of additional funds for FTX International customers. That would involve significant external financing, which in turn I believe would require the FTX exchange to restart operations. Doing so would be significantly easier if the Chapter 11 team worked cooperatively with the foreign jurisdictions that have regulatory authority over FTX International and its subsidiaries.

I have heard complaints that the Chapter 11 team is refusing to respond to regulatory inquiries from foreign regulators, sometimes at the risk of employees going to jail. I have also heard complaints of the Chapter 11 team freezing or otherwise interfering with funds duly belonging to various operating entities of FTX International. I hope that this is greatly exaggerated, or at least that it was a product of an initial unfamiliarity with the company and industry that has now passed. It has been a month since the Chapter 11 filing and the password to my LinkedIn account still hasn't been returned, though, so I'm not overly optimistic.

I have a duty towards the colleagues and supporters who fought for FTX day after day, and who were deeply hurt by a collapse they don't bear any responsibility for.

What Happened

This reconstruction of events concerns FTX International, a non-US crypto exchange for non-Americans, run out of The Bahamas and not regulated in the US. To my knowledge, FTX US–a separate, US-based exchange that *does* accept Americans–is fully solvent, and thus *all* US customers could and should be made whole immediately.

I wish that I could give a fuller account of what happened. Unfortunately I don't have access to much of the relevant data right now. Here is a reconstruction of events to the best of my recollection.

1) I started Alameda Research, a private crypto trading firm, in 2017.
2) I started FTX International, a non-US crypto exchange for non-Americans, in 2019. I began transitioning away from an active role in Alameda Research then.
3) I started FTX US, a US crypto exchange that does accept Americans, in 2020.
4) In reconstructing the events of 2021-2022, I am relying on memory and extrapolations, as I was not fully aware of many of the critical events at the time they happened and don't have access to the relevant data right now that would allow me to confirm or disconfirm my best guess at this point. In particular, I was not running Alameda Research this past year.
    a) FTX is a derivatives exchange. As is true for most financial exchanges, users are permitted to put on margined or leveraged positions. This means that users are allowed to put down less than the full cost of their positions, with their obligation to repay backed by posted collateral. A significant percentage of customers on FTX engaged in margin trading. Alameda Research was one such user.
    b) FTX was licensed and regulated to operate by regulators globally, including in The Bahamas, Switzerland, Japan, Australia, Cyprus, and Dubai.
    c) Over the past year, as markets crashed, Alameda's assets fell substantially
        i) In late 2021, I believe that Alameda Research likely had a Net Asset Value (NAV) of substantially over $50b, marked to market.
            (1) I believe that Alameda was likely leveraged long: perhaps about 1.1x leveraged. That is, it had corresponding assets for roughly

90% percent of its position, borrowing the remaining 10%. That was roughly 1/20 of the maximum leverage FTX allowed, and roughly 1/3 of the leverage assumed by the average FTX margin trader.

ii) In early November, 2022, over a three-day period, the market value of assets that Alameda Research held declined dramatically–I believe by more than 50%.

iii) After that crash, Alameda had, to my knowledge, roughly $11b of assets and roughly $11b of liabilities, marked to market, including its position on FTX. However, many of the assets were not very liquid, and could not be quickly sold. I believe that roughly $3b of the assets were highly liquid, leaving a liquidity shortfall of roughly $8b.

iv) This is a very rough approximation of Alameda Research's net assets and liabilities over time, in billions. I do not have access to all of this data now, and did not know much of this at the time; thus these numbers may well be incorrect or incomplete.

	Assets	Liabilities	NAV		Liquid
Now	11	-11	0		-8
October	21	-11	10		-8
Pre Luna	66	-15	52		-8
Late 2021	114	-15	99		-8

(1)

d) At the same time, there was a 'run on the bank' on FTX. There were, I believe, roughly $4b of client withdrawals per day, starting shortly after Changpeng Zhao (CZ), Binance's CEO, tweeted on November 6th that he would sell all of his company's holdings in FTT, a token that Alameda Research had substantial holdings in.

e) This put extreme pressure on FTX, and forced the exchange to margin call substantial customer positions. Alameda Research was not able to deliver sufficient liquid assets for its margin call, and defaulted against FTX International. Thus, FTX International was unable to meet customer withdrawal requirements.

What went wrong?

A large number of things had to go wrong for this to happen. Because I was not running Alameda, I was not aware of some of the critical events at the time. But I *was* running FTX, and that means it was ultimately *my* responsibility to do right by FTX's customers.

1) Alameda Research became insolvent when the economic environment changed.
   a) Alameda put on a margin position that was sustainable in the economic environment of late 2021, with roughly 10% leverage. As tightening monetary policy, a war, and supply chain problems hit throughout 2022, asset prices crashed: I believe that Alameda's assets fell by roughly 90% over the course of the year, and so even 10% leverage was too much.

b) A run on the bank forced immediate liquid delivery from FTX.
   i) This meant that FTX had only a few days to margin call a substantial, fairly illiquid margin position.

c) A failure of hedges.
   i) As best as I can reconstruct looking back, in late 2021, Alameda Research was not sufficiently hedged; I believe that it had a total margin position, much of which was not on FTX, that was roughly $8b in size, and likely had on roughly $2b of hedges.
   ii) By the fall of 2022, I believe that Alameda Research had a margin position of roughly $8b, and likely had roughly $8b of hedges. However, the crash that occurred in November 2022 was not a broad market crash, or even a broad crypto market crash. From November 7th to November 9th, Bitcoin was down roughly 17% and equities markets were roughly flat, but many of Alameda's assets were down more than 50%. And so Alameda's hedges didn't work.
   iii) This is the classic 'hedge fund risk'--that all of a firm's positions can become highly correlated, even if some are thought to be hedges, as happened with e.g. Long-Term Capital Management and in the 2008 financial crisis.

d) Uses of capital:
   i) Piecing together what data I can, in retrospect, Alameda Research's roughly $8 billion net short margin position in liquid assets lined up with the following approximate expenditures:
      (1) Interest payments to lenders: ~$1b
      (2) VC investments: ~$4b
      (3) Buying back Binance's stake in FTX: ~$3b

2) Failures of FTX's internal controls
   a) FTX's Dashboard:
      i) FTX's dashboard for user positions did not display Alameda's full position size on the platform, because of a historical accounting quirk. I now believe that Alameda's position was over twice as large as what was displayed. My periodic assessments of the riskiness of our positions were often based on the dashboard's numbers.
   b) Financials:
      i) FTX had annual audited GAAP financial statements, which to my knowledge were generally correct
      ii) However, those were merely for FTX's corporate financial state, not an audit of customer risk.
   c) Risk management:
      i) While FTX International had a team dedicated to financials, and to many other areas of the business, it did not have a team dedicated to risk management, or to user position monitoring
      ii) I, as CEO, did not put adequate effort into monitoring risk on FTX

3) Binance's role in FTX' collapse.

a) I won't belabor this point, because at the end of the day I fucked up. I will note, briefly, the following:
b) Alameda's assets fell precipitously in value beginning on Nov. 6th 2022, hours after Binance's CEO (CZ) tweeted his intent to sell his holdings in FTT
c) The 'run on the bank' was triggered by the same tweet by Binance's CEO.
d) That tweet followed what I believe to be a month of sustained negative PR on FTX largely being driven by Binance.
e) Alameda's hedges failed in November 2022 because the crash was specific to its hedges, triggered by the same PR campaign by CZ.
f) Around November 8th, we agreed with CZ on a deal that would have Binance acquire FTX at a small fraction of its value a week earlier.
    i) We signed an LOI that prevented us from talking to other potential investors as long as the negotiations with Binance were ongoing.
    ii) During that time, I received serious expressions of interest from multiple potential investors who represented billions in capital that could have gone to customers. I was inhibited in responding by the LOI.
    iii) A day later, Binance announced they were not going to go through with the deal. We learned about them backing out from their Twitter post.
    iv) As best I can tell, Binance never intended to go through with the deal.
g) Roughly ~$3b of capital was used buying Binance's stake in FTX, because Binance's equity ownership was causing KYC issues for FTX: Binance was not cooperative in supplying information about CZ to regulatory bodies FTX was applying for licensure with.
h) A few months ago, FTX was generally considered to be Binance's most significant competitor globally. After the crash, Binance has averaged roughly 70% of global cryptocurrency volume, up from roughly 50% before.
    i) There are reports that, due to its increase in market share following FTX's collapse, Binance might be able to avoid regulatory enforcement: https://www.reuters.com/article/fintech-crypto-binance-doj-idUSKBN2SW0ZY
i) There is much more to say about Binance, its role in the cryptocurrency ecosystem, and its relationship with FTX, but this is neither the place nor the time for it.

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For the above to go wrong, *I*, as CEO of FTX, had to make a number of significant mistakes.

1) I believe that the thread that most ties them together is that, for much of 2022, I was less grounded in operational details than I had been before.
2) I had prided myself on staying grounded: staying in the weeds, day to day, of the company.
3) But by mid 2022, I believe I was spending, approximately:
    a) 25% of my time talking with regulators and policymakers in DC and beyond

    b) 25% of my time on branding and new pathways for FTX, including remittances, financial settlement, and sports partnerships
    c) 25% of my time managing FTX's growing workforce
4) Together, those were maybe 25% of my time in 2020, but by 2022 they were closer to 75%. That's time that wasn't spent focusing on the actual core product, including risk management.
5) I also prided myself on having a strong work ethic; I began FTX by routinely working 18 hour days. But for much of 2022, I believe that I was working about 30% less than I was used to. And even when I was working, I was less focused and disciplined than I used to be.
6) I thought that I could hold FTX together despite the expansion. I was wrong. I bit off more than I could chew, and ended up failing to focus on risk management.

I deeply regret what happened, and I would give anything to be able to go back and put in place the detailed oversight and risk management that I should have.

Right now I'm focusing on what I can do to make customers whole, and reflecting on what I did wrong. There are a number of things I wish I had done. Among those:

1) I wish that I had operated FTX International with a consistently high degree of transparency–to myself, and our employees, and customers, and regulators.
    a) We were transparent about market data and access and fees and many other things
    b) We were *not* transparent–even internally, even to ourselves–about assets, and margin, and positions, and risk.
    c) I wish that I had ensured we built out public monitors that displayed:
        i) Total client balances
        ii) Total blockchain balances, and the corresponding addresses
        iii) Total bank and fiat balances that were in FTX's name
        iv) Total bank and fiat balances that were in a payment processor's name
        v) Total margin position size, and total futures position size, and the amount and types of collateral that were utilized to support those
        vi) The treatment of margin and risk on all accounts
    d) I wish that we had deployed:
        i) Public API endpoints to pull the above data
        ii) Private API endpoints that served anonymized versions of account balances and risk to regulators for oversight
2) I wish that, when the cracks began to show, I had communicated openly with our employees, users, and community, rather than freezing up and remaining mostly quiet per lawyers' instructions as people wondered what was happening.
3) I wish I had not clicked on a button on Docusign at 4:30 am, leaving some of FTX under destructive leadership. And I deeply regret not taking the advice of employees and supporters who knew what Chapter 11 would mean for customers. I received a call from

a regulatorily experienced advisor who I deeply trust and respect, shortly before 4:30 am, imploring me not to do it. What they said felt correct to me. I talked with my counsel, who strongly pushed back. In retrospect I can confidently say that they were right and my (now ex) counsel was wrong.

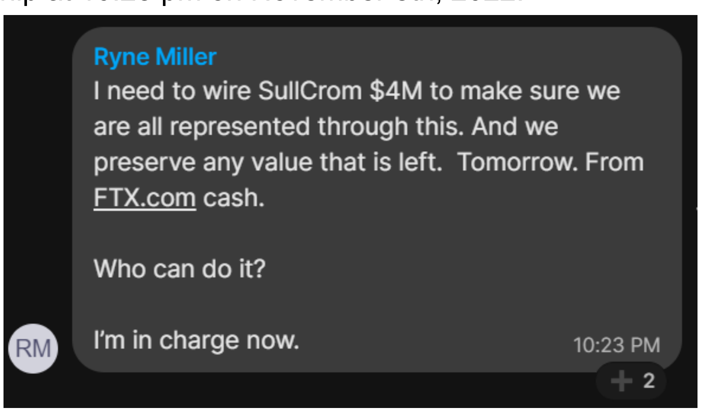
4) And more than anything else: I wish that I had remained grounded, and spent at least as much time focusing on and safeguarding user assets and risk as I did on branding and partnerships.

Chapter 11

Between November 6th and November 10th, I received a large number of calls from prospective investors, many of them potentially interested in contributing more than a billion dollars of financing. Together, there was substantially more strong interest than what it would have taken to make all customers immediately whole.

Starting on November 8th, I was put under extreme pressure to file for Chapter 11.

1) Most of that pressure came from Ryne Miller, the General Counsel of FTX US and a former partner at Sullivan & Cromwell (S&C), and Sullivan and Cromwell itself.
2) Sullivan & Cromwell was one of the primary external law firms that represented FTX US as well as FTX International at the time.
    a) I have 19 pages of screenshots of Sullivan & Cromwell, Mr. Miller, and others I believe were influenced by them, all sent over a two day period, pressuring me to quickly file for Chapter 11. They range from adamant to mentally unbalanced. They also called many of my friends, coworkers, and family members, pressuring them to pressure me to file, some of whom were emotionally damaged by the pressure. Some of them came to me, crying.
    b) It was only later that I was informed that it was very unusual for such a significant filing to be made so quickly.
3) Sullivan & Cromwell chose John Ray to run the Chapter 11 team
4) During the time I was being pressured to file, Sullivan & Cromwell lawyers told my counsel that I would get to choose the board chair. Sullivan & Cromwell silently reneged on that a few days later.
5) At roughly 4:30 am on November 10th, 2022, against my better judgment, I clicked on a Docusign link that would nominate John Ray as the CEO of various entities.
6) Less than 10 minutes later I received a potential funding offer for billions of dollars to help make customers whole.
7) A few minutes thereafter I instructed my counsel to rescind the document; it had become clear to me that it was not the best way forward.
8) My counsel informed me a few minutes later that it was too late to rescind it, and that Sullivan & Cromwell lawyers were submitting it on my behalf despite my instructions not to.

9) Roughly 6 hours later—more than ample time to change course— Sullivan & Cromwell filed the document with the court against my express wishes and stated orders.
10) After that John Ray filed for Chapter 11 for all of the entities–*including a fully solvent US entity, FTX US, in which they shut down customer access and withdrawals*–John Ray and his team appointed, as legal counsel for the Chapter 11 team (debtors), Sullivan & Cromwell.
11) John Ray is famous primarily for his work for the Enron bankruptcy estate.
    a) Sullivan & Cromwell recommended John Ray to manage the FTX bankruptcy; in the Enron bankruptcy, law firms including Sullivan and Cromwell were paid roughly $700m (!!!) in fees from funds that would otherwise have gone to creditors. (https://www.latimes.com/archives/la-xpm-2007-nov-22-fi-enronfees22-story.html; https://www.chron.com/business/energy/article/Energy-company-s-bankruptcy-generating-12789018.php)
12) So, to summarize, to the best of my knowledge: when Enron went through the Chapter 11 process, John Ray and S&C were both lawyers and/or administrators for the estate, which paid out roughly $700m in legal fees. Then, when FTX crashed: an ex-S&C partner chose S&C to represent FTX. S&C pressured me to file Chapter 11 documents, and filed the documents despite my instructions not to. S&C chose John Ray as the new CEO of the Chapter 11 estate; John Ray then chose S&C to represent the Chapter 11 estate. S&C reneged on an agreement to let me choose the board chair, and then John Ray appointed the board.
13) In an official statement, The Bahamas Attorney General, Ryan Pinder, said "it is possible that the prospect of multimillion-dollar legal and consultancy fees is driving both [the Chapter 11 team's] legal strategy and their intemperate statements". https://nypost.com/2022/11/28/bahamas-shreds-ftx-ceo-john-ray-extremely-regrettable-accusations/
14) I will end this section with a screenshot of a message Mr. Miller sent to much of FTX's leadership at 10:23 pm on November 8th, 2022:
    a) 

    b) Needless to say, Sullivan & Cromwell has not made sure that we are all represented through this. They have, however, done a good job of making sure they were wired $4M.

As of today, I am still aware of billions of dollars of serious offers for financing, including signed LOIs: billions of dollars that could potentially make customers substantially whole. However, I believe that all of those are conditional on FTX being restarted as an exchange. I sincerely hope that all of the global teams working on FTX are seriously considering such a possibility, because I believe it would drive a large amount of value to customers and creditors. I hope, at the very least, that all global FTX entities are prioritizing allowing customers to get access to their account data and history.

However, I admit I am not optimistic about some parts of the process. I have not myself witnessed any progress by Mr. Ray's team towards raising substantial funds or restarting the exchange. In the few days prior to the Chapter 11 filings, Mr. Miller said, referencing my plans, that a capital raise was "a 0% likelihood…" And in response to my desire to keep FTX active, Mr. Miller said "There's nothing to save Sam".

And as of today, FTX US is off and US customers cannot even access their account data, let alone withdraw. To my knowledge, FTX US is solvent, and could make all customers whole. I'm surprised and saddened that it has not.

I understand that the Chapter 11 team has been placed in a very complex and difficult situation. I regret placing them there; I both regret the oversight that allowed for insolvency in the first place, and what I believe to be an overly rushed and improper transfer of control and filing. I have heard very good things about many members of the Chapter 11 team, especially those from Alvarez and Marsal, and believe that they could be extremely valuable members of a more global process forward for FTX.

FTX International's Jurisdictions

To my knowledge, the serious problems that occurred as a result of the crash in early November all happened on FTX International. FTX US was not generally affected, and remains, to my knowledge, fully solvent.

There are currently multiple insolvency proceedings around the world–in Delaware, The Bahamas, Australia, and more. A few relevant facts, to my knowledge:

1. FTX International is a separate entity from FTX US; neither entity is a subsidiary of the other, nor are they subsidiaries of the same holding company.
2. FTX International does *not* accept US customers, is not based in the United States, did not maintain a significant US workforce, was not regulated in the United States, and was not operated out of a US entity.
    a. FTX International's terms of service prohibited customers from the following locations from accessing the platform: **United States of America**, Cuba, Crimea

and Sevastopol, Luhansk People's Republic, Donetsk People's Republic, Iran, Afghanistan, Syria, and North Korea.

3. FTX International's headquarters and primary office are in The Bahamas
4. FTX International had nearly 100 employees in The Bahamas, and did not, to my knowledge, maintain any employees primarily based in the United States outside of US legal counsel
5. FTX International is regulated in a large number of jurisdictions, including The Bahamas, Australia, Cyprus, Switzerland, the UAE, Japan, and others, but not the United States.
6. The primary operating entity of FTX International was FTX Digital Markets LTD (FDM), in The Bahamas.
7. The majority of the mind and management of FTX International worked for FDM in The Bahamas.
8. The primary regulator was the Securities Commission of The Bahamas, overseeing FDM.
9. I believe that the majority of users faced FDM, and the majority of assets were of users who faced FDM.
10. FDM is not part of any Chapter 11 process. FDM was placed under the oversight of Joint Provisional Liquidators (JPLs) by the Securities Commission of The Bahamas roughly a day prior to the initiation of the Chapter 11 process, and was not included in any Chapter 11 filings.
11. The JPLs have filed for recognition in Delaware court as the primary insolvency process.
12. I do not believe that Mr. Ray or any members of his team are the CEO or are on the Board of Directors of the primary operating entity of FTX International, and as such I do not believe that they have lawful jurisdiction over the preponderance of FTX International's insolvency proceedings.

FTX US

American customers were protected, at least until Mr. Ray's team took over.

1) FTX US has oversight from a number of regulators, including–for various of its entities–the CFTC, the SEC, FINRA, and many state regulatory agencies, all of which, to my knowledge, are in the US. FTX International has oversight from a completely different set of regulators, none of which are US regulators.
2) FTX US maintained a separate orderbook, matching engine, and userbase from FTX International.
3) I do not believe that there was any large margin position on FTX US that went significantly insolvent during the period in question (or, for that matter, any other time).
4) To my knowledge, FTX US had segregated funds from FTX International, at least as of when John Ray became CEO of FTX US.

5) In fact, to my knowledge, FTX US is, and always has been, solvent. I believe that US customers were not directly harmed by the events in early November, and that *all* US customers of FTX–and in fact *all* customers of FTX US, wherever they reside–could and should be made whole immediately.
6) As of when I last had access to FTX US data–which was on or around November 10th, 2022–to the best of my knowledge FTX US had net assets (assets in excess of customer liabilities) of roughly $350m, with no insolvent customer positions or corporate mismatches between assets and liabilities that could make a substantial impact on the above number.
7) Given the above, I believe that:
    a) US customers's assets were successfully safeguarded
    b) US customers could be made whole immediately
    c) US customers *should* be made whole immediately
8) When John Ray became CEO of FTX US on November 10th, 2022, FTX US was still operational, and still processing customer withdrawals. I intended and expected for withdrawals to remain open, making all customers whole. I am surprised that did not happen.
9) I do not believe that the Chapter 11 process is or ever has been appropriate for FTX US, and believe that US customers are being materially harmed by the process without good reason.

Misstatements

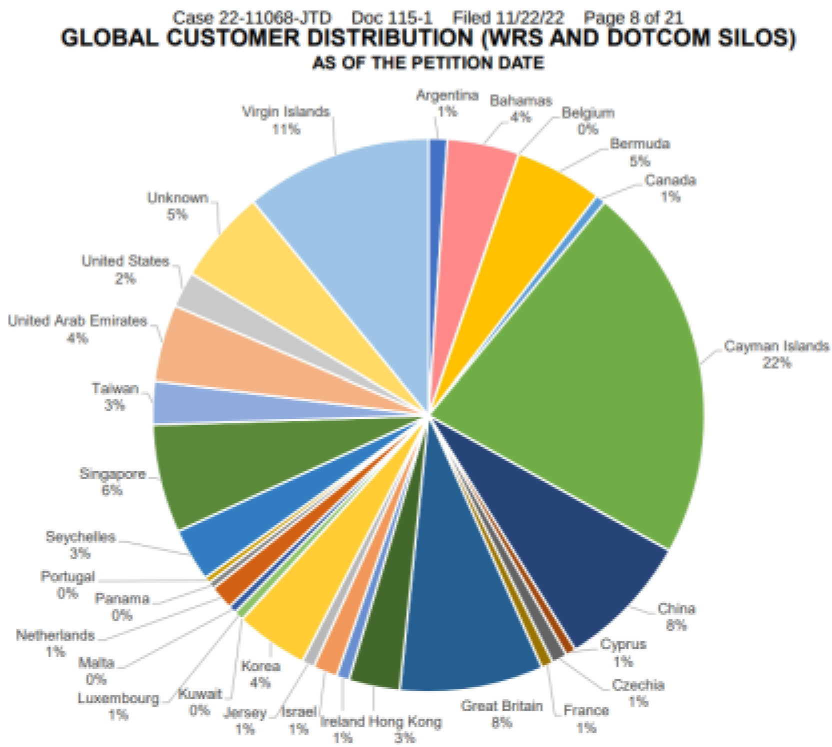
There have been a number of statements made over the course of this process which I believe are inaccurate or substantially misleading. Below is a partial list of them.

1) Numerous assertions, by the Chapter 11 process and team, that John Ray is CEO of FTX International. John Ray is not CEO of the primary operating entity of FTX International.
2) Numerous assertions, by the Chapter 11 process and team, that there was unauthorized access of customer funds by The Bahamas.
    a) In one Chapter 11 filing, John Ray stated that there was "credible evidence that the Bahamian government is responsible for directing unauthorized access to the Debtors' systems for the purpose of obtaining digital assets of the Debtors — that took place after the commencement of these [Chapter 11] cases."
    b) The Bahamas is where FTX International is headquartered; the Security Commission of The Bahamas is the primary regulator for FTX International; the mind and management of FTX International has been in The Bahamas. Further, *prior to the Chapter 11 filings*, the Securities Commission of The Bahamas initiated an administrative process over FTX Digital Markets, the Bahamian entity and operating entity of FTX International, an entity which was thus *not* included in the Chapter 11 filings.

c) The Bahamas stepped in to safeguard customer assets, acting in their duty as the primary regulator of FTX International. Meanwhile, John Ray's team–run out of the United States–initiated an asset seizure of FTX International, a company run from The Bahamas, regulated in The Bahamas, and servicing non-US clients.
d) Their assumption, without evidence, of malign intent and incompetence on the part of other races, cultures, and governments would be considered deeply offensive if directed at American minorities. It is no less offensive when directed at the citizens of other countries, let alone their regulators. Meanwhile, seizing assets overseen by other governments is a practice most recently considered appropriate centuries ago.

3) I believe that the current Chapter 11 team has significantly overstepped its mandate.
    a) Numerous entities were improperly placed in Chapter 11 proceedings by the Chapter 11 team, either because:
        i) John Ray was not the CEO of the entities;
        ii) they were not owned by FTX, FTX US, or Alameda Research to begin with;
        iii) they are subject to other global insolvency processes that preceded and thus supersede the Chapter 11 process; or
        iv) they were not filed properly
    b) This includes entities that I believe own the vast majority of customer accounts of FTX International, and oversee the vast majority of customer assets.
    c) I believe that the assets, properties, credentials, passwords, cryptographic keys, domain names, and governance of FTX International should rest with the CEO, Board of Directors, and/or locally regulatorily appointed administrators of the core entity or entities that primarily operated FTX International.
        i) Those are the entities that most of the customers of FTX International faced, that controlled most of the assets of FTX International, that housed the mind and management of FTX International, and that had ultimate governance over most of FTX International, during this global restructuring process.
        ii) I hope that Mr. Ray and the Chapter 11 team can agree with me on that.
    d) I believe that much of the current Chapter 11 team–including Alvarez and Marsal among others–is putting in a heroic effort to manage a difficult global business on very little notice, but that the initial and current leadership and direction they have gotten has been counterproductive. I further think that the leadership does not have legal authority to lead the global restructuring and financing effort, as they are not the current CEO, Board of Directors, or locally regulatorily appointed administrators of the core entity that primarily operated FTX International. As such, I believe they are acting outside of their mandate, defying law in multiple jurisdictions, and misappropriating funds that are the property of the primary entity of FTX International. I think that the Chapter 11 team would be extremely useful and better served working constructively with the legally and regulatorily valid global leadership of the operating entities of FTX International.

4) In one Chapter 11 filing, John Ray stated that “the dilutive ‘minting’ of approximately $300 million in FTT tokens by an unauthorized source after the Petition Date”. There was no such minting, as block explorers would confirm. This statement is bizarre, confrontational, false, and harms the reputation of people including myself.
5) In one Chapter 11 filing, John Ray included a graph regarding FTX customers by jurisdiction, claiming that over 20% of users were from the Cayman Islands. In fact, according to data from October 20th, 2022, less than 1% of trading accounts on FTX were from the Cayman Islands.

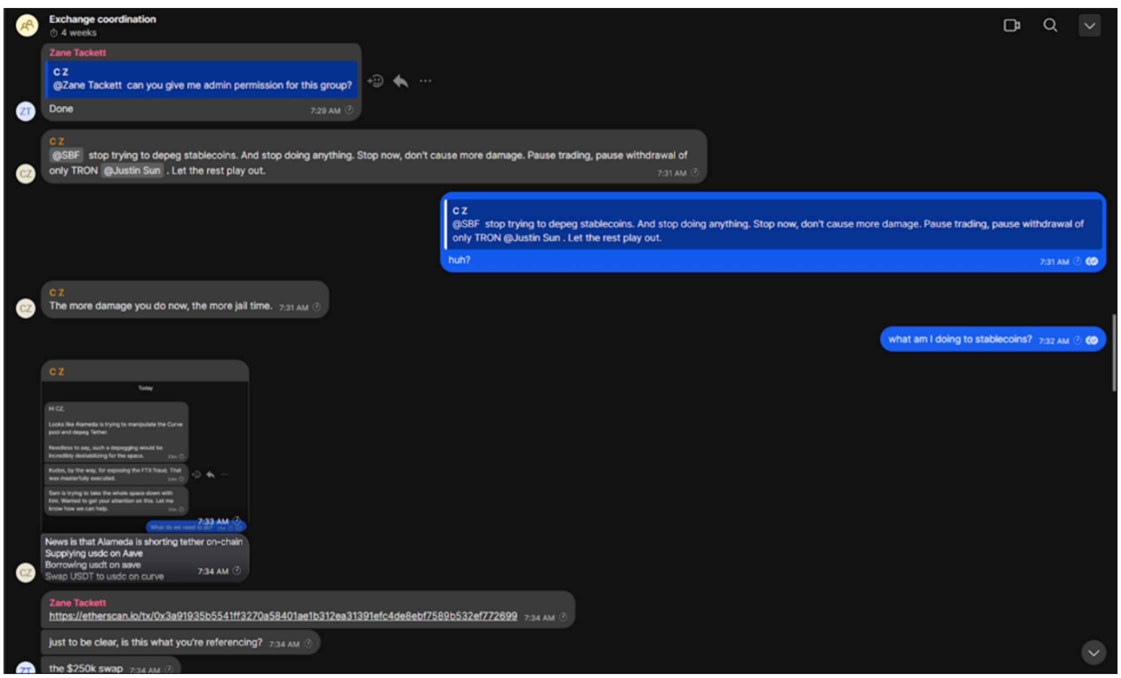


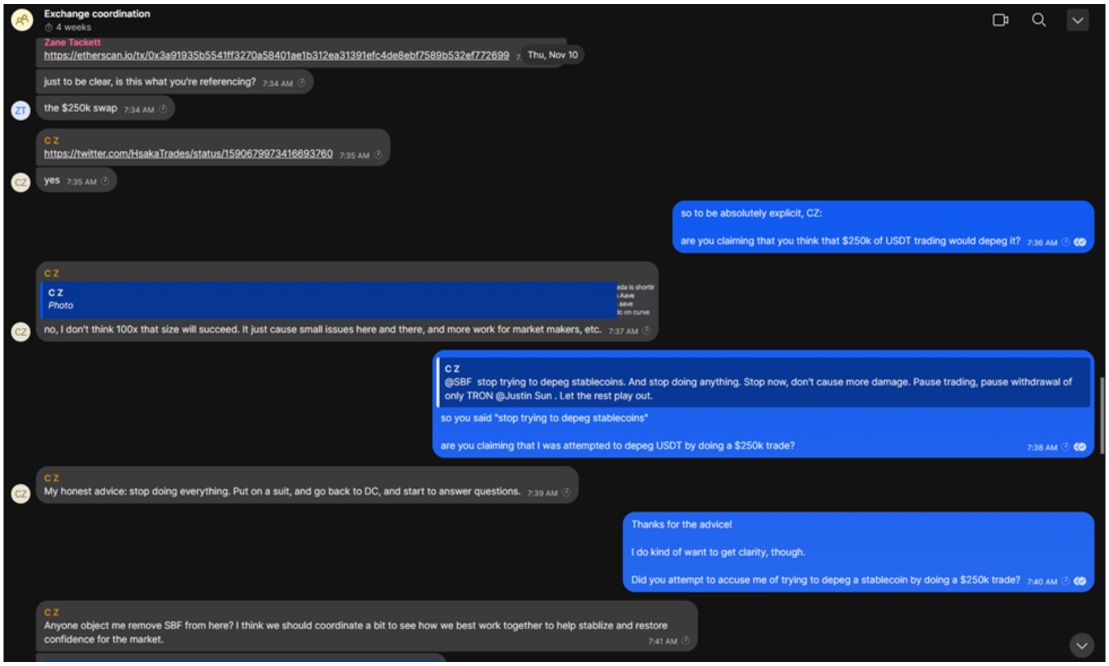
   a)
6) There have been various statements made by John Ray in filings about his own team’s inability to produce data, including “a complete list of who worked for the FTX Group”; “daily reconciliation of positions on the blockchain”; “a list of their top 50 creditors that includes customers”.
   a) To my knowledge, each of these existed, and I personally would have been able to produce some of the above. Neither I, nor to my knowledge most of the international leadership team, has been asked to help with queries including the above.
   b) I offered to help John Ray. I also alerted him to potentially significant information about the businesses. He has never responded to any of my messages.
7) John Ray complained about “The failure of the co-founders and potentially others to identify additional wallets believed to contain Debtor assets”
   a) To my knowledge, I have never been asked to identify such wallets. To my knowledge, no such wallets exist.

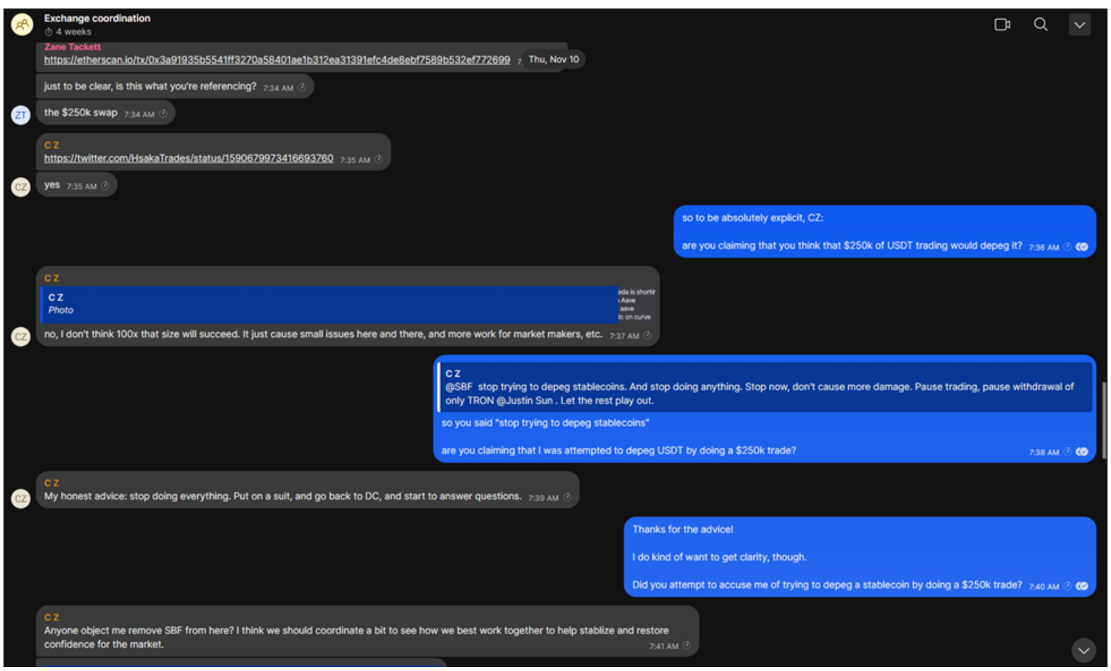
8) I believe that United States regulators may have been told materially misleading information about FTX US, including claims that FTX US is not solvent. I believe that it is solvent.

During this process, many people have made accusations against me. Some of them–including, for instance, that I exhibited poor risk management oversight as CEO of FTX–are true. But many are not.

1) Claims have been made that I personally or through an entity attempted to manipulate the stablecoin Tether in the wake of the November 2022 crash. This is categorically false. I have never attempted to manipulate the price of Tether, and I am not aware of any activity by a company I run or own intending to manipulate the price of Tether. One such accusation was made by CZ (the CEO of Binance), in reference to a trade of size $250k. In addition to the accusation being categorically false, it is absurd to think that a trade of size $250k could materially impact the price of Tether. CZ has plenty of context to know that these claims are both absurd and false.

a) 

b) 

c) 

d) In addition to CZ, media has breathlessly reported that "a tether official" also believes that I attempted to manipulate Tether's price (https://www.wsj.com/articles/rivals-worried-sam-bankman-fried-tried-to-destabilize-crypto-on-eve-of-ftx-collapse-11670597311).

   i) Again, I categorically deny this claim. I have had respect for the intelligence and authenticity of Tether's leadership, and would think that they would be aware that such claims of manipulation are obviously false. I also understand that media can invent statements, and as such hope that this was just a case of media making something out of nothing, and that Tether's executives themselves did not fall into the realm of conspiracy theories.

e) And, again, I would like to put in the official Congressional Record that the claims that I attempted to manipulate the price of Tether are categorically false. I have made large mistakes this year. But it seems to have given license to some parties to propagate claims that are ridiculous, destructive, and false.

2) Claims have been made that I personally or through an entity attempted to cause the implosion of Three Arrows Capital (3AC) this year.
   a) These claims, too, are categorically false. I never took actions with the intention of triggering the implosion of 3AC, nor to my knowledge did any company I run or own.
   b) In addition to being false, the claims do not make sense to me. Alameda Research's own insolvency was triggered by a market crash, which in turn triggered FTX's insolvency; it would have been absurd to create a market crash in order to take out 3AC, and then in turn bankrupt my own businesses.
3) False claims have been made about buying out CZ's equity in FTX. On Twitter, CZ claimed that "we decided to pull out as an investor" in a thread chalk full of lies.
   a) In fact, I reached out to CZ in 2021 to initiate discussions about buying them out of their stake in FTX.
   b) I initiated these discussions because, among other things, it was becoming increasingly difficult for FTX to operate with CZ as a significant equity owner. CZ was not cooperative in sending his KYC information to regulators that we were applying for licenses with.
   c) CZ threatened, at the last minute, to walk away from the negotiated buyout unless we kicked in an extra ~$75m or so. We ultimately agreed to pay the extra ~$75m because we were intent on severing relationships with CZ— something he undoubtedly surmised, and used to his advantage to extort an extra $75 million from us above the agreed-on purchase price.
4) Claims that Alameda Research would look at customer orders on FTX in order to 'front-run customers' or 'hunt stop losses'
   a) To my knowledge, this never happened. To my knowledge Alameda Research didn't have access to customer orders, let alone a desire to take advantage of them.
5) Claims that I have billions of dollars stashed away personally
   a) I'm aware of a bank account which, as best I can remember, has roughly $100k in it. While I have taken loans out of Alameda in my own name, those were not generally used for personal consumption or savings; most were used to invest in the business. I believe that they were taken out of Alameda's trading profits, which I believe were in the billions of dollars prior to 2022. I was not involved in the structuring of any of these loans. They were handled by inside and outside counsel.
   b) As a believer in the Effective Altruism movement, my primary goal has never been personal enrichment; I'm motivated by a commitment to help bring happiness and alleviate suffering for others. My personal charitable donations,

which starting in 2014 when I was working on Wall Street, vastly outstrip what's left in my bank account.

c) I'm not sure that I'm going to be able to pay all of the legal fees I'm likely to rack up. And I'm not sure what to do about that. But for now, I'm mostly trying to divert whatever funds of mine I can find away from paying lawyers, and towards bringing value to FTX's customers.

6) Various conspiracy theories involving myself, Ukraine, and the DNC
   a) Any theory that I conspired with the Government of Ukraine to do anything other than what I stated I was doing–creating pathways for contributions to Ukrainians and to their defense–is not just false, but deeply offensive.
   b) Any theories that a US political party was further involved in such a conspiracy are themselves categorically false and offensive.
7) Various claims that I created a hard-partying culture at FTX
   a) Our 'parties' were mostly dinner and board games
   b) I didn't have my first drink until I was 21, and to my knowledge have never been drunk
8) Various claims that I am Jewish
   a) Ok, technically this claim is correct–my name is Samuel Benjamin Bankman-Fried and my ancestors mostly arrived at Ellis Island in the first half of the 20th century; I'll leave it to the reader to guess why they came.
   b) But I don't think I need to spell out the implications being made.
9) Various theories that I take Emsam for a high, or to treat Parkinson's disease
   a) The Emsam patch is essentially never indicated or prescribed for Parkinson's. That theory is likely the result of lazy internet searches; Selegiline, Emsam's underlying chemical, is sometimes used for Parkinson's in oral form.
   b) I have a prescription for Emsam, and have for roughly a decade. I use it, daily, for its only on-label use as an antidepressant. It is not generally the case that people are expected to talk about their private medical conditions, but enough paparazzi have snapped photos of my belongings and theorized about it online that I guess I have no choice.
   c) The last few months have been difficult enough for everyone that it feels unremarkable to me, in comparison, that I need to put on the official Congressional Record that I am, and for most of my adult life have been, sad.

I have made many mistakes this year, but these are not among them.