

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
FTX Trading LTD., <i>et al.</i> ,)	
)	Jointly Administered
Debtors. ¹)	
)	Case No. 22-11068 (JTD)

**RESPONSE OF JOINT PROVISIONAL LIQUIDATORS OF EMERGENT
TO DEBTORS’ MOTION TO ENFORCE OR EXTEND THE AUTOMATIC STAY**

The Joint Provisional Liquidators (the “JPLs”) of Emergent Fidelity Technologies Ltd (“**Emergent**”), by their undersigned special counsel, respectfully submit this response to the Debtors’ *Motion to Enforce the Automatic Stay or, in the Alternative, Extend the Automatic Stay* (the “**Motion**”) [Docket No. 291].²

1. The JPLs do not oppose the relief requested in the Motion. The JPLs submit this response to the Motion to inform the Court regarding their role as the representatives of Emergent—the owner of the assets subject to the Motion—and certain events that have transpired since the Motion was filed.

2. Emergent is a corporation organized under the laws of Antigua and Barbuda. The JPLs are the lawful representatives of Emergent, having been duly appointed as Joint Provisional Liquidators of Emergent on December 5, 2022 by order of the High Court of Justice of Antigua

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

² Capitalized terms not defined herein have the meanings ascribed to them in the Motion.

and Barbuda. The JPLs are officers of the Antiguan Court and fiduciaries for all of Emergent's creditors.

3. As the Debtors note in the Motion, Samuel Bankman-Fried challenged the JPLs' appointment and sought to stay the provisional liquidation, but on December 28, the Antiguan Court rejected Mr. Bankman-Fried's application and affirmed the JPLs' authority.

4. Emergent is the owner of the approximately 55 million Class A common shares of Robinhood Markets Inc. and approximately \$21 million in proceeds of the sale of such shares (the "**Emergent Assets**") that are the focus of the BlockFi Adversary Proceeding and the Motion. Emergent acquired the Emergent Assets in the first half of 2022, and from May 11, 2022 through yesterday (January 4, 2023) the Emergent Assets were held for the benefit of Emergent in an account in Emergent's name by its custodian, EDFM (now known as "**Marex**").

5. Yesterday, at a status conference in this chapter 11 case, a government representative reported to this Court that the Department of Justice was in the process of seizing the Emergent Assets. Later yesterday, Marex reported that it had transferred the Emergent Assets to an account identified by the DOJ in compliance with the DOJ's instructions. This transfer appears to moot the alternative relief sought in the Motion, namely, to extend the stay to freeze Emergent's account at Marex.

6. The JPLs are investigating the transactions by which Emergent was capitalized and acquired the Emergent Assets. The JPLs are also investigating the transactions underlying the assertions of property interests in, and claims against, the Emergent Assets being made by several persons in several forums, including BlockFi in the BlockFi Adversary Proceeding and the Debtors in the Motion. Ultimately a court will have to decide which interested party has the superior interest in the Emergent Assets. The JPLs have no view yet as to which party this will be (or which

court should make this determination), although the JPLs believe that BlockFi's asserted property interest is avoidable on several grounds, as the JPLs note in papers filed today in the BlockFi Adversary Proceeding.

7. Once the JPLs have completed their investigation, they wish to have the various claims to the Emergent Assets adjudicated equitably and efficiently. The JPLs do not believe the BlockFi Adversary Proceeding suits this goal. For this reason, the JPLs do not oppose the Motion, to the extent the Debtors seek to stay the BlockFi Adversary Proceeding.

8. The JPLs also do not dispute that the Debtors have shown an arguable or colorable property interest in the Emergent Assets. For the avoidance of doubt, however, the JPLs do not interpret the Motion as seeking an ultimate determination on the merits of the Debtors' (or anyone else's) interests in the Emergent Assets at this time, and the JPLs deny that the Debtors (or anyone else) have shown a superior interest to Emergent's ownership interest in the Emergent Assets at this time.

9. The JPLs have been cooperating, and will continue cooperating, subject to their duties as fiduciaries for Emergent's creditors and as officers of the Antiguan Court, with the Debtors and other interested parties about how best to resolve the disputes surrounding the Emergent Assets. That said, the JPLs' investigation is ongoing, and accordingly the JPLs on behalf of Emergent reserve all rights as to jurisdiction, merits, and procedural issues in this matter.

Dated: January 5, 2023
Wilmington, DE

MORGAN, LEWIS & BOCKIUS LLP

/s/ Jody C. Barillare

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*Counsel to the Joint Provisional Liquidators
of Emergent Fidelity Technologies Ltd*

CERTIFICATE OF SERVICE

I certify that on this 5th day of January 2023, a true and correct copy of the foregoing *Emergent's Response to Debtors' Motion to Enforce or Extend the Automatic Stay* was sent via ECF Noticing to all parties receiving ECF Notices in these chapter 11 cases.

/s/ Jody C. Barillare
Jody C. Barillare, Esq. (#5107)