



COMMONWEALTH OF THE BAHAMAS
IN THE SUPREME COURT
COMMERCIAL DIVISION

2022
COM/com/

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)

ORDER OF SANCTION

Before His Lordship, the Honourable Mr. Justice Klein

Dated the 29th day of January, A.D., 2025

UPON THE APPLICATION by Summons filed herein on 22nd January 2025 on behalf of the Joint Official Liquidators ("**the JOLs**") of FTX Digital Markets Ltd. ("**FTX DM**") and FTX DM.

AND UPON READING the Twenty-Fifth Affidavit of Kevin Cambridge filed herein on 22nd January 2025 and the Affidavit of Christina Rolle filed herein on 28th January 2025.

AND UPON HEARING Mrs. Sophia T. Rolle-Kapousouzoglou with Miss. Vonisha Rolle of Counsel for the JOLs and FTX DM; Mr. Robert Adams KC with Mr. Edward Marshall II of Counsel for the Securities Commission of The Bahamas; and Ms. Veronique Evans of Counsel for the Liquidation Committee.

IT IS HEREBY DECLARED AND ORDERED that: -

1. Pursuant to the Companies Act, section 205(3) and the Fourth Schedule, Part I, paragraphs 5 and 6, this Honourable Court sanctions the exercise of the JOLs' powers to cause FTX DM to enter into the Administrative Claim Settlement Agreements and the Claim Subordination Agreement, both dated 21st January 2025 (**"the SCB Settlement Agreements"**).
2. Without prejudice to the generality of the order of sanction in paragraph 1 above, this Honourable Court, pursuant to the Companies Act, section 205(3) and the Fourth Schedule, Part I, sanctions the exercise by the JOLs of the following powers:
 - a. The JOLs' power to allow the payment to the Securities Commission of The Bahamas ("SCB") of an Administrative Expense Claim (as defined in the Amended GSA) in the FTX DM Liquidation in an amount of \$10,000,000.00 (the "Allowed Administrative Expense Claim") relative to expenses incurred as a result of steps that the SCB took to protect digital assets on behalf of the FTX DM Estate.
 - b. The JOLs' power to allow the subordination of the SCB's Regulatory Claim (the "Allowed Regulatory Claim") in the FTX DM liquidation in an amount equal to US\$221,550,000.00
 - c. The JOLs' power to compromise (in the terms of the Claim Subordination Agreement) the Allowed Regulatory Claim of the SCB, specifically by:
 - i. Subordinating the SCB's Allowed Regulatory Claim to the prior payment of all customers and other creditors of FTX DM, including the payment of interest to FTX DM customers; and
 - ii. Directing any amounts payable in respect of the Allowed Regulatory Claim, to the Supplemental Remission Fund (as defined by the Amended GSA).

3. That the costs of and occasioned by this Summons including the costs of the SCB in connection with the application be paid out of the assets of FTX DM and/or any assets that may be trust assets.

BY ORDER OF THE COURT

REGISTRAR

This Order was drawn up by Lennox Paton, Chambers, 3 Bayside Executive Park, West Bay Street and Blake Road, Nassau, The Bahamas, Attorneys for the Joint Provisional Liquidators

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Digital Markets Ltd. ("In Official Liquidation")*