

STATE OF NORTH DAKOTA

DEPARTMENT OF FINANCIAL INSTITUTIONS

In Re: The Matter of West Realm Shires) **CONSENT AGREEMENT AND ORDER**
Services Inc. d/b/a FTX US)
167 N Green Street, Suite #1102)
Chicago, IL 60607)
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Respondent)

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THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE STATE OF NORTH DAKOTA TO THE ABOVE-NAMED RESPONDENT:

The Department of Financial Institutions (“the Department”) has evaluated the business practices of West Realm Shires Services Inc. d/b/a FTX US (“FTX US”). Based on the results of the Department’s evaluation, together with certain disclosures FTX US made to the Department, the Department has a reasonable basis to believe it has cause to revoke or suspend the North Dakota Money Transmitter license of FTX US. Therefore, FTX US, in order to avoid the time and expense of litigating this matter, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is authorized and empowered to administer and enforce North Dakota Century Code (N.D.C.C.) Chapter 13-09.
2. The Department issued FTX US a Money Transmitter license, license number MT103940 on January 12, 2022, pursuant to its authority as set forth under N.D.C.C. Ch. 13-09.

3. On or about November 11, 2022, FTX US limited its customers' platform activity, preventing customers from transferring or withdrawing their digital assets (cryptocurrency) stored on the platform. FTX US further suspended payments of its obligations to its customers.
4. FTX US filed Chapter 11 in the United States Bankruptcy Court for the District of Delaware on November 11, 2022 as "Case No. 22-11071(JTD)."
5. FTX US had several changes in control persons including officers, executives, and other management.
6. The Commissioner of the Department may issue and serve upon any licensee an order suspending or revoking a licensee's license pursuant to N.D.C.C. § 13-09-17.

RELIEF

7. License. Upon the Effective Date of this Order, FTX US agrees to a SUSPENSION of Money Transmitter license number MT103940. Following the Effective Date of this Order, FTX US shall not engage in money transmission in the State of North Dakota, including but not limited to accepting any new business or assets from North Dakota residents. This Order does not prohibit FTX US from returning fiat currency or cryptocurrency assets to North Dakota residents or allowing North Dakota residents to withdraw fiat currency or cryptocurrency assets from their accounts with FTX US. The suspension shall remain in place until such time as FTX US provides evidence that it meets the minimum licensing requirements, has a satisfactory examination conducted by the Department, complies with any conditions imposed by the Department, and

the Department lifts said suspension via written notice. If the Department has not lifted the suspension on or before December 31, 2025, FTX US agrees to the revocation of the Money Transmitter license.

8. Reporting. FTX US agrees, to the extent practicable, to respond to reasonable requests from the Department seeking information concerning any FTX US transactions with North Dakota consumers.

FURTHER PROVISIONS

9. Consent. FTX US hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order and agrees that it understands all of the terms and conditions contained herein. FTX US, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions, and/or penalties set forth in this Order.
10. Publication. The Department will make public this Order pursuant to its statutory authority set forth at N.D.C.C. § 6-07-07.1 of the North Dakota Century Code.
11. Entire Agreement. This Order contains the entire agreement between the Department and FTX US. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and FTX US.
12. Binding Nature. The Department, FTX US, and all officers, owners, directors, employees, heirs, and assigns of FTX US intend to be and are legally bound by the terms of this Order.

13. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.
14. Effective Date. FTX US hereby stipulates and agrees that the Order shall become effective on the date that it is signed by the Commissioner of the Department [the "Effective Date"].
15. Other Enforcement Action.
- a. The Department reserves all rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against FTX US in the future regarding all matters not resolved by this Order.
 - b. FTX US acknowledges and agrees this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.
16. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.
17. Counterparts. This Order may be executed in separate counterparts, by facsimile or electronic mail in portable document format "PDF."

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and FTX US, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**North Dakota Department of
Financial Institutions**

**WEST REALM SHIRES SERVICES
INC. d/b/a FTX US**



Lise Kruse
Commissioner



John J. Ray III

Chief Executive Officer and Chief
Restructuring Officer

Date: 2/28/23

Date: 2/24/2023

