

**SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
DIVISION OF BANKING**

SOUTH DAKOTA DIVISION OF BANKING

v.

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

CONSENT AGREEMENT AND ORDER

The state of South Dakota, acting through the South Dakota Division of Banking (“Division”), has evaluated the business practices of West Realm Shires Services Inc., d/b/a FTX US (“FTX US”). Based on the results of its evaluation, together with certain disclosures FTX US made to the Division, the Division believes that FTX US no longer meets the minimum licensing requirements in SDCL Chapter 51A-17. 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 Division is a South Dakota administrative agency authorized and empowered to administer and enforce SDCL Chapter 51A-17.
2. The Division has the primary responsibility of administering and enforcing the provisions of SDCL Chapter 51A-17 for South Dakota.
3. FTX US was granted South Dakota Money Transmitter license 1957771 on November 15, 2021.
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 Division received notification that the bond required in SDCL 51A-17-8 would be cancelled in the near future for FTX US.

7. The Division alleges that, FTX US no longer meets the minimum licensing requirements found in SDCL Chapter 51A-17.

RELIEF

8. License. Upon the Effective Date of this Order, FTX US agrees to a SUSPENSION of South Dakota Money Transmitter license 1957771. 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 Division, and the Division lifts said suspension. FTX US shall not engage in the business of money transmission for a fee or other consideration without maintaining an approved money transmitter license in South Dakota.

9. Reporting. FTX US agrees, to the extent practicable, to respond to reasonable requests from the Division seeking information concerning any FTX US transactions with South Dakota consumers.

FURTHER PROVISIONS

10. Consent. FTX US hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Division's order authority under SDCL Chapter 51A-17 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.

11. Publication. The Division will publish this Order pursuant to its authority in SDCL Chapter 51A-17.

12. Entire Agreement. This Order contains the entire agreement between the Division 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 Division and FTX US.

13. Binding Nature. The Division, 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.

14. Counsel. This Order is subject to review by the Division's legal counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

15. Effectiveness. FTX US hereby stipulates and agrees that the Order shall become effective on the date that this Order is fully executed ("Effective Date").

16. Other Enforcement Action.

a. The Division reserves all of its 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 that this Order is only binding upon the Division and not any other local, state or federal agency, department or office regarding matters within this Order.

17. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

18. 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 South Dakota Division of Banking and FTX US, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR
SOUTH DAKOTA DIVISION OF
BANKING**


Bret Afdahl, Director

Date: 12/21/2022

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


John J. Roy III
Chief Executive Officer and Chief
Restructuring Officer

Date: 12/26/2022