

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of
Finance, Consumer Finance Bureau,

Complainant,

vs.

FTX LEND INC.,

Respondent.

Docket No. 2023-06-01
**CONSENT AGREEMENT AND
ORDER**

The Director of the Department of Finance, State of Idaho (“Director”), has evaluated the business practices of FTX LEND INC. (“FTX LEND”). Based on the results of its evaluation, together with certain disclosures FTX LEND made to the Department, the Director believes that FTX LEND no longer meets the minimum licensing requirements in the Idaho Credit Code (“the Act”) Idaho Code § 28-41-101, *et seq.* Accordingly, FTX LEND, 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 the Idaho administrative agency authorized and empowered to administer and enforce the Act.
2. The Director has the responsibility of administering and enforcing the Act in Idaho.
3. FTX LEND was granted Regulated Lender License No. RLL-10878 on July 7, 2022.

4. FTX LEND's physical address is 167 N Green Street, Suite 1102, Chicago, IL 60607,

5. FTX LEND filed Chapter 11 in the United States Bankruptcy Court for the District of Delaware on November 11, 2022, as "Case No. 22- 11071(JTD)."

6. FTX LEND had several changes in control persons including officers, executives, and other management.

7. FTX LEND is unable to provide evidence of the required amount of liquid assets to qualify for a license under Idaho Code § 28-46-302. Holding a license from day to day without providing evidence of the required amount of liquid assets is a repeated and willful violation of Idaho Code § 28-46-303(1)(a).

8. FTX LEND no longer meets the minimum licensing requirements found in the Act.

RELIEF

9. License Suspension. Upon the Effective Date of this Order, FTX LEND agrees to a suspension of its Regulated Lender License No. RLL-10878. The suspension shall remain in place for a period not to exceed six (6) months or until such earlier time as: FTX LEND provides evidence that it meets the minimum licensing requirements; the Department, upon its own request and in its own discretion, chooses to conduct an Examination and/or Audit of FTX LEND and finds FTX LEND satisfactorily meets the requirements for licensure; and/or the Department lifts said suspension. FTX LEND shall not engage in or accept any new business of any kind. However, FTX LEND may refer new business to other properly licensed regulated lenders as approved by the Department. FTX LEND may continue to service its existing business, including collecting on old or existing accounts.

10. Reporting. FTX LEND agrees, to the extent practicable, to respond to reasonable requests from the Department seeking information concerning any FTX LEND transactions with Idaho consumers.

FURTHER PROVISIONS

11. Consent. FTX LEND hereby knowingly, willingly, voluntarily, and irrevocably consents to the entry of this Order pursuant to the Department's authority under the Act, and agrees that it understands all the terms and conditions contained herein. FTX LEND, 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.

12. Publication. The Department will publish this Order pursuant to its authority in the Act.

13. Entire Agreement. This Order contains the entire agreement between the Department and FTX LEND. 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 Director and FTX LEND.

14. Binding Nature. The Department, FTX LEND, and all officers, owners, directors, employees, heirs, and assigns of FTX LEND intend to be and are legally bound by the terms of this Order.

15. Hearing Waiver. FTX LEND waives its right to notice and opportunity for hearing on this matter provided by the Act, including Idaho Code § 28-46-303 and under the contested case provisions of the Idaho Administrative Procedures Act at Title 67, Chapter 52, Idaho Code. FTX LEND further waives its right to seek judicial review of this Agreement and Order.

16. Counsel. This Order is subject to review by the Department's Deputy Attorney General. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

17. Effectiveness. The parties hereby stipulate and agree that the Order is subject to and conditioned upon the adoption by the Director, and it shall become effective on the date that the Director signs this Order ("Effective Date") and remain in effect pending further order of the Director.

18. Other Enforcement Action.

- a. The Department reserves all its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against FTX LEND in the future regarding any issues or matters not resolved by this Order. This could include such issues as examination, audits, penalties or restitution in this matter or issues other issues that may arise in this matter or any other related or unrelated matter.
- b. FTX LEND acknowledges and agrees that 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.
- c. Should FTX LEND fail to timely comply with each and every term and condition of this Agreement as set forth above, the Department may immediately pursue any and all legal remedies deemed necessary to protect the public and enforce FTX LEND's compliance with applicable law.


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

20. 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 LEND, intending to be legally bound, do hereby execute this Consent Agreement and Order.

FTX Lend Inc.

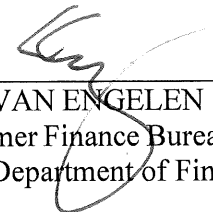
DATED: 2/13/2023



JOHN J. BAY III
Chief Executive Officer and Chief Restructuring
Officer

IDAHO DEPARTMENT OF FINANCE

DATED: 2.14.2023




ERIN VAN ENGELEN
Consumer Finance Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 15th day of February, 2023.





PATRICIA R. PERKINS, Director
Idaho Department of Finance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of February 15, 2023, I served a true and correct copy of the foregoing CONSENT AGREEMENT AND ORDER on the following by the designated means:

Leanne M. Van Allen
Sullivan & Cromwell LLP
1700 New York Avenue, N.W., Suite700
Washington, D.C. 20006-5215

[] U.S. mail, postage prepaid
[] Certified mail
[] Facsimile
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Erick Shaner
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Paralegal