

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED January 26, 2023 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of the Money Transmitter License of:

**WEST REALM SHIRES SERVICES INC. DBA
FTX US**

License No. 1031184

167 N Green Street, Suite 1102
Chicago, IL 60607

Respondent.

No. 23A-002-FIN

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (“Department”) has evaluated the business practices of West Realm Shires Services Inc. *d/b/a* FTX US (“Respondent”). Based on the results of its evaluation, together with certain disclosures Respondent made to the Department, the Department believes that Respondent no longer meets the minimum licensing requirements under Arizona Revised Statutes (“A.R.S.”) §§ 6-1201 *et seq.* Respondent, in order to avoid the time and expenses 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 Order (“Order”).

BACKGROUND

1. The Department is the State of Arizona’s administrative agency authorized and empowered to administer and enforce Arizona’s money transmission laws pursuant to A.R.S. §§ 6-1201 *et seq.*

2. Respondent is a Delaware corporation licensed with the Department as a money transmitter. The Department issued a license, number 1031184, to Respondent on December 3, 2021. Respondent’s license is scheduled to expire on December 31, 2023.

3. Respondent filed Chapter 11 in the United States Bankruptcy Court for the District of Delaware on November 11, 2022, in Case No. 22-11071(JTD).

1 4. Without any notification to or approval by the Department, Respondent had several changes
2 in control persons, including officers, executives, and other management.

3 5. The Department received notification that the Respondent's surety bond, required under
4 A.R.S. § 6-1228, would be cancelled in the near future.

5 6. The Department alleges that Respondent no longer meets the minimum licensing
6 requirements in A.R.S. §§ 6-1201 *et seq.*

7 **RELIEF**

8 1. License. Upon the Effective Date of this Order, Respondent agrees to a SUSPENSION
9 of its Arizona money transmission license number 1031184. The suspension shall remain in place until
10 such time as Respondent provides evidence that it meets the minimum licensing requirements, has a
11 satisfactory examination conducted by the Department, and the Department lifts said suspension.
12 Respondent shall not engage in the business of money transmission without maintaining an approved
13 money transmission license in Arizona.

14 2. Reporting. Respondent agrees, to the extent practicable, to respond to reasonable requests
15 from the Department seeking information concerning any Respondent transactions with Arizona
16 consumers.

17 **FURTHER PROVISIONS**

18 3. Consent. Respondent hereby knowingly, willingly, voluntarily, and irrevocably consents
19 to the entry of this Order pursuant to the Department's order authority under A.R.S. §§ 6-1231(A)(1),
20 (A)(6) and (A)(7) and agrees that it understands all of the terms and conditions contained herein.
21 Respondent by voluntarily entering into this Order, waives any right to a hearing or appeal concerning
22 the terms, conditions and/or penalties set forth in this Order.

23 4. Publication. The Department will publish this Order pursuant to its authority in A.R.S §
24 6-129(C)(3).

25 5. Entire Agreement. This Order contains the entire agreement between the Department and

1 Respondent. There are no other terms, obligations, covenants, representations, statements, conditions,
2 or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by
3 mutual agreement by the Department and Respondent.

4 6. Binding Nature. The Department, Respondent, and all officers, owners, directors,
5 employees, heirs and assigns of Respondent intend to be and are legally bound by the terms of this Order.

6 7. Counsel. This Order is subject to review by the Director. This Order is entered into by
7 the parties upon full opportunity for legal advice from legal counsel.

8 8. Effectiveness. Respondent hereby stipulates and agrees that the Order shall become
9 effective on the date that the Department docket this Order (“Effective Date”).

10 9. Other Enforcement Action.

11 a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules
12 and regulations under its jurisdiction against Respondent in the future regarding all matters not resolved
13 by this Order.

14 b. Respondent acknowledges and agrees that this Order is only binding upon the Department
15 and not any other local, state or federal agency, department or office regarding matters within this Order.

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

18 11. Counterparts. This Order may be executed in separate counterparts, by facsimile or
19 electronic mail in portable document format “PDF.”

1 **WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Arizona
2 Department of Insurance and Financial Institutions and Respondent, intending to be legally bound, do
3 hereby execute this Consent Agreement and Order.

4

5 **Arizona Department of Insurance and**
6 **Financial Institutions**

West Realm Shires Services Inc. d/b/a
 FTX US

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Shane Foster, Acting Director

John J. Ray III, Chief Executive Officer and
Chief Restructuring Officer

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Date: 1/26/2023

Date: 1/19/2023

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1 **ORIGINAL** of the foregoing filed
this 26th day of January, 2023 in the office of:

2
3 Shane Foster, Acting Director
4 Arizona Department of Insurance and Financial Institutions
5 Attn: Ana Starcevic, Paralegal
6 100 North 15th Avenue, Suite 261
7 Phoenix, Arizona 85007
8 Ana.Starcevic@difi.az.gov

9 **COPY** of the foregoing delivered and/or emailed same date to:

10 Deian Ousounov, Assistant Director
11 Gio Espinosa, Regulatory Legal Affairs Officer
12 Steven Fromholtz, Licensing Manager
13 Linda Lutz, Legal Assistant
14 Ana Starcevic, Paralegal
15 Arizona Department of Insurance and Financial Institutions
16 100 North 15th Avenue, Suite 261
17 Phoenix, AZ 85007

18 **COPY** of the foregoing transmitted electronically the same date to:

19 West Realm Shires Services Inc. *d/b/a* FTX US
20 167 N Green Street, Suite 1102
21 Chicago, IL 60607
22 marissa@ftx.us
23 Respondent

24 West Realm Shires Services Inc. dba FTX US
25 C/O Registered Agents Inc
1846 E Innovation Park Dr., Suite100
Oro Valley, AZ 85755
Statutory Agent for Respondent

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