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COMMONWEALTH OF PENNSYLVANIA 2022 NOV 23 AM 11:05
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA:	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	DOCKET NO. 22 0049 (BNK-CAO)
	:	
FTX LEND INC.	:	
	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office 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 Compliance Office believes that FTX Lend no longer meets the minimum licensing requirements found in the Consumer Discount Company Act, 7 P.S. § 6201 *et seq.* (“CDCA”). 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 Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the CDCA.
2. The Compliance Office has the primary responsibility of administering and enforcing the CDCA for the Department.
3. FTX Lend was granted Consumer Discount Company license # 101781 on September 27, 2022.

4. FTX Lend filed Chapter 11 in the United States Bankruptcy Court for the District of Delaware on November 11, 2022 as “Case No. 22-11167(JTD).”
5. FTX Lend had several changes in control persons including officers, executives, and other management.
6. The Department received notification that the bond required in the CDCA would be cancelled in the near future for FTX Lend.
7. The Department alleges that, FTX Lend no longer meets the minimum licensing requirements found in the CDCA.

RELIEF

8. License. Upon the Effective Date of this Order, FTX Lend agrees to a SUSPENSION of Consumer Discount Company license 101781. The suspension shall remain in place until such time as FTX Lend provides evidence that it meets the minimum licensing requirements, has a satisfactory Examination conducted by the Department, and the Department lifts said suspension. FTX Lend shall not engage in the business of arranging, negotiating, or making loans regulated under the CDCA without maintaining an approved consumer discount company license in Pennsylvania.
9. Reporting. FTX Lend agrees, to the extent practicable, to respond to reasonable requests from the Department seeking information concerning any FTX Lend transactions with Pennsylvania consumers.

FURTHER PROVISIONS

10. Consent. FTX Lend hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office's order authority under the CDCA and agrees that it understands all of 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.
11. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking Code. 71 P.S. 733-302.A(5).
12. 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 Compliance Office and FTX Lend.
13. 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.
14. Counsel. This Order is subject to review by the Department's Legal Division. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.
15. Effectiveness. FTX Lend hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket this Order ("Effective Date").

16. Other Enforcement Action.

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

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 Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and FTX Lend, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF
PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES**

Redacted

John Talalai, Director
Compliance Office

Date: 11/23/2022

FTX LEND INC.

Redacted

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

11/22/2022
Date: _____

