

In a new online post, Sam Bankman-Fried denies stealing FTX funds

In a long news article on Substack released on Thursday, Sam Bankman-Fried, the discredited former CEO of FTX, denied concealing billions of dollars and provided his perspective on what occurred to his defunct cryptocurrency exchange. He denied taking money and said that the failure of [FTX](#) and its sister business Alameda Research was caused by the fall of the cryptocurrency market and insufficient hedging on Alameda's side. Bankman-Fried claimed, "I didn't take money, and I didn't hide billions." Alameda lost money as a result of a market catastrophe that it was not sufficiently hedged for, the author concluded later in the piece. He also claimed that he "hasn't operated Alameda for the previous five years" while asserting that the trading business "failed to appropriately hedge its market exposure." Bankman-Fried is currently free on bond at his parents' California home despite being charged with many federal offences, including conspiracy to commit fraud. He has entered a not-guilty plea to the allegations, but his Alameda chief and lieutenant Caroline Ellison entered a guilty plea to fraud-related charges and is now helping the Southern District of New York's investigation. Bankman-Fried blamed Alameda's bad hedging for FTX's demise, but, as was disclosed at a court hearing on Wednesday, he also opened a \$65 billion line of credit from the exchange to the trading unit. A lawyer for FTX in its Chapter 11 bankruptcy proceedings said before the court that the credit line has caused a "shortfall in value" in the repayment of consumers and creditors. In three places in his paper,

Bankman-Fried referred to Binance's early November announcement to remove cash from Alameda as a "targeted attack" since it caused a run on the FTX market. "The November crash wasn't a general market movement; rather, it was a focused attack on assets held by Alameda. Alameda eventually erected a bigger hedge that summer, but it ultimately wasn't helpful. For every other crash that year, it would have, but not for this one" wrote Bankman-Fried. On November 7 and 8, everything changed from being difficult but basically under control to becoming obviously bankrupt. He argued that FTX's American subsidiary is still solvent and able to pay back clients. Additionally, he stated that he intends to utilize almost all of his own resources to assist clients who have suffered financial losses and claimed to have "offered to contribute nearly all" of his personal Robinhood Markets (HOOD) shares to clients. According to court documents, Bankman-Fried wants to keep ownership of the roughly 56 million Robinhood shares, which are valued at around \$450 million, in order to pay his legal bills. Since then, the Justice Department has confiscated the contested shares.

Source: [The Pipsafe Team](#) - In a new online post, Sam Bankman-Fried denies stealing FTX funds

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