

The DOJ raises a conflict of interest objection to FTX's choice of attorneys. In a legal document filed on January 13, the U.S. Trustee objected to [FTX](#) engaging the New York law firm Sullivan & Cromwell due to possible conflicts of interest arising from the company's prior work. The complaint indicates fear that the company would trample on future work by an independent examiner and is similar to those made by a bipartisan group of U.S. Senators and Sam Bankman-Fried, the creator of the cryptocurrency exchange. According to Trustee Andrew Vara, a Department of Justice representative in charge of bankruptcy proceedings, "S&C's disclosures as presented are totally insufficient to determine whether S&C fulfils the Bankruptcy Code's conflict-free and disinterestedness criteria." A sufficient and independent ground to reject the application is the insufficient disclosures. If the Court were to allow the U.S. Trustee's current move to appoint an examiner with a broad investigative mandate, Vara said, "Any inquiry headed by S&C would be redundant and wasteful of estate resources." Vara pointed out that FTX's General Counsel Ryne Miller spent eight years as an employee of S&C, and the law firm may find itself in the "conflicted situation" of looking into both itself and its former employee. Nevertheless, the law firm's retention is "essential and in the best interests of the Debtors and their estates and stakeholders," FTX CEO John Ray, who was appointed on November 11, claimed in a deposition on December 21. In each major practice area, S&C is a top law firm globally. Bankman-Fried expressed concerns about the law firm's

independence in a blog post that was published on Thursday. He claimed that S&C's relationships with FTX before the company's demise had been more than merely transactional and that its employees had forced him to declare bankruptcy on November 11. At a hearing on January 11, Judge John Dorsey ruled that the letter requesting the appointment of an impartial examiner into the matter constituted an improper intrusion. An inquiry for comment was not immediately answered by S&C attorneys.

**Source:** [The Pipsafe Team](#) - **The DOJ raises a conflict of interest objection to FTX's choice of attorneys**

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