

Disgraced crypto king pleads 'good faith' in US fraud trial

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Joseph Bankman and Barbara Fried, parents of FTX founder Sam Bankman-Fried, arrive for the second day of their son's fraud trial in New York.

Two visions of Sam Bankman-Fried, the disgraced crypto king, clashed in a New York courtroom on Wednesday in the opening arguments of

his blockbuster trial for fraud.

SBF, as he is known, "had wealth and power", but it was all "built on lies", prosecutor Thane Rehn said in his opening remarks.

For the [prosecution](#), the former crypto darling committed "massive fraud" by stealing money from the accounts of customers of his FTX exchange platform and using them for his own account, Rehn added.

The 31-year-old was charged with seven counts of fraud, embezzlement and criminal conspiracy and if convicted, he could face more than 100 years in prison.

In November 2022, his cryptocurrency exchange platform imploded, unable to cope with massive withdrawal requests from customers, panicked to learn that some of FTX's funds had been committed to risky operations by Alameda, Bankman-Fried's personal hedge fund.

"Sam didn't defraud anyone," countered Mark Cohen, one of the defendant's lawyers. "There was no theft."

His lawyer acknowledged that FTX funds had been used by Alameda, but assured that it was simply a matter of investing the money, not embezzling it.

On several occasions, he evoked "[good faith](#)" to describe his client's behavior when he was at the helm of FTX.

FTX was a start-up and Bankman Fried had to take "hundreds of decisions a day. As a result, some things got overlooked," Cohen said.

As expected, the Bankman-Fried defense team pointed the finger at Caroline Ellison, his former girlfriend, who he had placed at the head of

Alameda.

According to Bankman-Fried, she failed to follow his suggestions to hedge against a possible slide in the cryptocurrency market.

For the prosecution, however, Bankman-Fried acts "as if he was no longer in charge of Alameda... when this is false... Ellison was merely a front."

Ellison pleaded guilty in December to seven charges and agreed to cooperate with the Manhattan federal prosecutor.

Prosecutor Rehn indicated on Wednesday that she would testify at the trial and recount how "she and the defendant stole money from FTX customers".

The trial is expected to last six weeks.

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