

\$740M in crypto assets recovered in FTX bankruptcy so far

24 November 2022, by Ken Sweet



The FTX Arena name is still visible where the Miami Heat basketball team plays Saturday, Nov. 12, 2022, in Miami. Lawyers for FTX disclosed Tuesday that a "substantial amount" of assets have been stolen from the accounts of the collapsed cryptocurrency exchange, diminishing the odds that its millions of investors will get their money back. Credit: AP Photo/Marta Lavandier, File

The company tasked with locking down the assets of the failed cryptocurrency exchange FTX said they've managed to recover and secure \$740 million in assets so far, a fraction of the potential billions of dollars likely missing from the company's coffers.

The numbers were disclosed on Wednesday in court filings by cryptocurrency custodial company BitGo, which FTX hired in the hours after the company filed for bankruptcy on November 11.

The biggest worry for many of FTX's customers is they'll never see their money again. FTX failed because its founder and former CEO Sam Bankman-Fried and his lieutenants used customer assets to make bets in Bankman-Fried's trading firm, Alameda Research. Bankman-Fried was

reportedly looking for upwards of \$8 billion from new investors to repair the company's balance sheet.

The \$740 million figure is from Nov. 16, and since then additional assets have been steadily been recovered.

The assets recovered by BitGo are now locked in what is known as "[cold storage](#)" in South Dakota, which means they're cryptocurrencies stored on hard drives not connected to the Internet. BitGo provides what is known as "qualified custodian" services under South Dakotan state law. It's basically the crypto equivalent of financial fiduciary, offering segregated accounts and other [security services](#) to lock down [digital assets](#).



A sign for the FTX Arena, where the Miami Heat basketball team plays, is illuminated on Nov. 12, 2022, in Miami. FTX filed for bankruptcy protection Friday, Nov. 11. Credit: AP Photo/Marta Lavandier, File



Chairwoman Maxine Waters, D-Calif., right, and Ranking Member Patrick McHenry, R-N.C., left, listen to testimony from banking leaders as they appear before a House Committee on Financial Services Committee hearing on Capitol Hill in Washington, Sept. 21, 2022. Lawmakers plan to investigate the failure of FTX, the large crypto exchange that collapsed last week and filed for bankruptcy protection, leaving investors and customers staring at losses that could total in the billions of dollars. Credit: AP Photo/Andrew Harnik, File

The assets recovered include not only Bitcoin and Ethereum, but also a collection of minor cryptocurrencies that vary in popularity, such as the Shiba Inu coin.

California-based BitGo has a history of recovering and securing assets. They were tasked with securing assets after the cryptocurrency exchange Mt. Gox failed in 2014. The [company](#) is also the custodian for the assets held by the government of El Salvador.

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