

EXHIBIT A-80



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

May 30, 2023

VIA EMAIL

William R. McLucas, Esq.
Wilmer Cutler Pickering Hale and Dorr LLP

Re: *In the Matter of Binance.US (HO-13865)*

Dear Counsel:

We write to follow up on our prior communications and your May 26, 2023 letter (“Letter”) regarding fiat currency and crypto assets that are deposited, held, traded, or accrued by customers on the Binance.US trading platform (“Binance.US Platform”) or are otherwise held for the benefit of BAM Trading Services, Inc. (“BAM Trading”) customers (hereinafter referred to as “customer fiat currency” or “customer crypto assets” and, collectively, “customer assets”).

Your Letter and prior communications raise significant questions and concerns about, *inter alia*, the safety of customer assets and the unencumbered availability of funds at BAM Trading. Given our continuing questions as to the custody and control of customer assets, the large amount of customer assets at issue, their apparent control by entities and individuals who explicitly view themselves as not subject to the jurisdiction of the United States, we ask that you produce a witness to testify under oath as to these factual matters by no later than June 1, 2023 at 10:00 a.m. EST, including specifically the factual matters set forth in Attachment A.

As you know, since at least December 2022, we have been engaged with you and other counsel for BAM Trading and BAM Management US Holdings, Inc. (“BAM Management” and, together with BAM Trading, “BAM”) concerning the custody and control of BAM customer assets by Binance Holdings Limited (“Binance Holdings”) and/or its ultimate beneficial owner, Changpeng Zhao (“Zhao”). A number of the questions we have raised repeatedly to you and counsel for Binance Holdings remain unanswered, particularly those relating to Binance Holdings’ or Zhao’s custody or control of customer fiat currency and customer crypto assets. Accordingly, we remain concerned about the custody and control of customer assets and whether they are secure, segregated, unencumbered, and will remain available to them, including available for immediate withdrawal. Because the back and forth on these issues has not fully answered the Commission Staff’s questions in this regard, we seek the testimony of an individual with knowledge about these matters in an attempt to reach finality as to these issues.

May 30, 2023

Please also provide the relevant documentation or produce the relevant witness to testify as to (1) policies, procedures, and agreements, formal or informal, that govern or relate to the possession or exercise of control and authority over keys or key shards for BAM customer crypto assets, the exercise of shard authorization, and any liability for misuse or faithless transactions, and (2) written policies, procedures, and controls relating to segregation of customer fiat currency and customer crypto assets, the crypto asset ledger accounting, and verification of customer crypto assets.

Finally, please note that the questions set forth herein do not necessarily represent all of the questions and concerns raised by your Letter. In particular, your Letter raises a number of questions and concerns about the staked crypto assets. In the interest of time and given the urgency of our requests, we are limiting our requests to information necessary to ensure the safety of BAM customer assets. We reserve all rights, including up to and including seeking emergency relief from a court of competent jurisdiction.

We appreciate your immediate and prompt attention to this urgent matter. Feel free to contact us with any questions or concerns.

Respectfully,

/s/ Jennifer Farer
Senior Trial Counsel
Division of Enforcement

cc: Richard Grime, Esq., Gibson, Dunn & Crutcher, LLP
Douglas Yatter, Esq., Latham & Watkins LLP

ATTACHMENT A

REQUESTS FOR INFORMATION

A. FIAT

1. We calculate \$350,567,770 when we total the values of accounts holding customer funds set forth in BTS00833830. But your Letter states, as of May 24, 2023, BAM Trading held custody of \$377,908,434 customer fiat.
 - a. Explain the \$27 million discrepancy between these two amounts.
 - b. Identify the account(s) in which the additional funds are held, the individuals who have any control over these funds, and the individuals with any authority to transfer and/or withdraw funds.
 - c. Explain the extent to which Zhao or any individual with any agreement or other relationship with Binance Holdings, Zhao, or any Zhao-owned or –controlled entity has authority, formally or informally, directly or indirectly, to control, transfer, or withdraw these funds
2. List the institutions and account information to which the \$9,830,818.40 of customer funds that are currently held at Prime Trust are to be transferred, as referenced in your Letter.
 - a. Explain why these assets are being transferred.
 - b. Explain who will have control over those funds and/or authority to transfer or withdraw funds from the account(s).
 - c. Explain the extent to which Zhao or any individual with any agreement or other relationship with Binance Holdings, Zhao, any Zhao-owned or –controlled entity has or will have authority, formally or informally, directly or indirectly, to control, transfer, or withdraw these funds.
 - d. Confirm those funds will be segregated, unencumbered, and subject to immediate withdrawal by customers.
3. What is the role of the “payment processors” Nuvei, Orum, and BitGO referenced in response to Request 5?
 - a. Explain all agreements governing the relationships with these entities, including those that explain why they have accounts holding BAM customer fiat and the terms governing their custody or control of BAM customer fiat.

- b. Describe BAM Trading's, BAM Management's, Binance Holdings', and Zhao's access to and control over these accounts and customer funds held in these accounts, either directly or indirectly.
4. Provide account information for those accounts at Cross River Bank, Customers Bank, Fresno First Bank, and Silicon Valley Bank referenced in BTS00833830 that are holding customer fiat currency, including account number, account holder, identity of signatory and/or anyone with control and/or authority to transfer or withdraw funds, and all terms relating to the authorization to transfer or withdraw funds.
5. What is B.US Securities and its role for Binance.US or Binance.com trading or other services provided to customers?
 - a. Does the B.US Securities account hold any BAM customer assets?
 - b. Identify the company(ies) with whom Sara Andres and David Martin have any employment or other agreement and their respective roles with those company(ies).
 - c. Explain the extent to which Zhao or any individual with any agreement or other relationship with Binance Holdings, Zhao, BAM Trading, BAM Management, or any Zhao-owned or controlled entity has authority to control, transfer, or withdraw assets from B.US Securities accounts.
6. Explain why Paxos Trust Company transferred \$183M to BAM Trading in January 2023.
7. Provide account information for all accounts holding any funds identified in the "Restricted Cash" section of the Financial Statements and Independent Auditor's Report ("FGMK Report") at BTS00833810.

B. CRYPTO ASSETS

8. Provide documentation as to and otherwise explain the referenced December 2022 termination of the Wallet Custody agreement.
9. Provide customer deposit wallet addresses for Zhao and any Binance or BAM-affiliated entity, including, but not limited to, Merit Peak, and Sigma Chain.
10. Explain what it means to be "associated with BHL" in your Letter's response to Request 4 & 7, stating, "The AWS account holding these wallets is associated with BHL."
11. Provide the name, contact information, employment history, and any agreement with Zhao, BAM Trading, BAM Management, Binance Holdings, or any Zhao-owned or – controlled entity for all individuals who have possession and/or any access, authority, or control over BAM Trading and BAM Management accounts, crypto asset wallets, and/or any customer fiat or customer crypto assets. This response should include the date when

any key or key shard holder who was a former Binance Holdings employee ended employment with Binance Holdings and started employment with BAM Trading or BAM Management.

12. Explain the policies or procedures, formal or informal, that govern or relate to the control of key shards for BAM customer assets, including but not limited policies for contingencies in the event any key or key shard is lost or stolen.
13. Explain the insurance or other protections in place if a key or key shard holder violates his or her duties or responsibilities with respect to customer crypto assets.
14. Identify all communication channels associated with all wallets governed a TSS protocol.
15. Identify all preapproved wallets to which assets from the cold wallets and TSS-enabled staking wallets may be transferred and whether any of these wallets are held or controlled by Binance Holdings, Zhao, or any Zhao-owned or affiliated entity, or any other individual.
16. Provide records of all votes or authorization by shard holders for white listing, approving, or decommissioning wallets to which assets from the cold wallets and TSS-enabled staking wallets may be transferred.
17. Define “staking operation” on page 4 of your Letter for which two key shards are required to authorize, including whether two shards can authorize transfers or withdrawals from staking wallets.
18. For all unstaked assets:
 - a. Identify the Amazon Web Services account holder(s) for BAM unstaked crypto assets.
 - b. Identify all key shard holders, both past and present.
 - c. Identify all key shard holder keys, addresses, and attribution for each key shard.
 - d. Identify how the key shards are held.
 - e. Explain why Binance Holdings holds key shards for purposes of “disaster recovery.”
 - f. Identify any agreement and/or relationship between each key shard holder and Binance Holdings, Zhao, or any Zhao-owned or controlled entity.
 - g. Identify all threshold consensus or approval requirements, whether formal or informal, direct or indirect. For example, you have stated that 4 out of 7 shards are required to approve transfers from the cold wallet, but we want to know

whether there are other requirements to authorize a transfer (including informal requirements), such as a Binance Holdings shard holder must be one of the 4, a Binance Holdings shard holder must sign first to indicate approval of a transfer, or Zhao or any individual with an agreement or other relationships with Binance Holdings, Zhao, or Zhao-owned or –controlled entity directs (or can direct) shard holders to transfer assets.

- h. Provide records of all key shard holder authorizations for transfers of crypto assets made in the last two years, including, but not limited to, the time windows when requests for authorization are made.
 - i. Confirm no individual holds multiple key shards.
19. For the wallet addresses you provided with your recent submission, identify all assets held in each wallet and the volume and value of each asset held in each wallet.
20. Identify all wallet addresses that were shared, co-hosted, or used to transfer assets between Binance Holdings, BAM Trading, BAM Management, Zhao, and any Zhao or Binance-affiliated individual or entity, including Merit Peak and Sigma Chain. The response to this request should include external wallets that are not accounts on either trading platform, deposit addresses, and transfers directly between storage wallets.
21. Explain why wallet [REDACTED]0d8693DCb30019c has direct transactions with Binance.com wallets.
22. Explain why almost all of the BUSD transferred to wallet [REDACTED]0d8693DCb30019c from the wallet you provided [REDACTED]edb19df1938c1, in early 2023.

C. GENERAL

23. Identify the number of BAM Trading or BAM Management employees located outside of the United States and the city and country where they are located, including those BAM employees located in Singapore.
24. Identify the names, job titles, and time period of employment for all BAM Trading or BAM Management employees who were formally Binance Holdings employees.
25. The FGMK Report indicates BAM Trading’s lease expires at the end of May 2023. *See* BTS00833819. Provide information on BAM’s place(s) of business from the date of lease termination.
26. Explain why certain fiat and crypto assets are identified as “off-balance” in the FGMK Report. *See* BTS00833817-18.