

## **EXHIBIT B**

**FTX Distributions – Executive Summary for the USAO**

1. Assuming that remission proceeds received from the USAO or other governmental authorities (“SDNY Remission Proceeds”) are made available to the Debtors on or prior to the effective date of the chapter 11 plan (earliest August 1, 2024), the Debtors propose to apply 100% of the SDNY Remission Proceeds to make distributions to FTX.com customers and Alameda lenders, who rank senior to shareholders under applicable chapter 11 priorities.
  - a. 100% of the SDNY Remission Proceeds would be paid to FTX.com customers and Alameda lenders. No SDNY Remission Proceeds would be used to pay trade or other general unsecured creditors, administrative expenses or taxes.
  - b. Amounts paid to Alameda lenders from SDNY Remission Proceeds would include BlockFi. The Debtors have a settlement with BlockFi that contemplates mutual support for the release of the HOOD stock proceeds to the Debtors for distribution pursuant to the plan, the payment of \$275 million to BlockFi immediately upon plan effectiveness, and the payment of the remaining portion of BlockFi’s loan claim pro rata with claims by other Alameda lenders.<sup>1</sup>
  - c. If the USAO is not comfortable with 100% of the SDNY Remission Proceeds being applied to pay FTX.com customers and Alameda lenders, a portion of the SDNY Remission Proceeds could be set aside in a separate fund and used by the Debtors solely to pay shareholders. However, the Debtors prefer that all funds are paid in accordance with chapter 11 priorities (see point 5 below).
2. After administrative expenses and any provision for priority or administrative taxes, the Debtors will apply all other property of their estates to pay allowed non-governmental creditor claims until all non-governmental creditors receive petition time value (“Petition Time Value”) *plus* interest to the date of distribution at a rate to be determined (the “Consensus Rate”). The Consensus Rate will not be less than the Federal Judgment Rate (approx. 5.5%) nor more than the pre-judgment interest rate in Delaware at the petition time (9.0%).
  - a. With respect to Petition Time Value, customers will continue to benefit from the intercompany priority over other creditors set forth in the current plan. Once Petition Time Value is paid in full to customers and all non-governmental creditors, customers and non-governmental creditors will be paid interest at the Consensus Rate on a *pari passu* basis.
3. After all non-governmental creditors receive Petition Time Value and interest at the Consensus Rate, the Debtors will apply remaining distributable value to pay governmental creditors as follows:<sup>2</sup>

---

<sup>1</sup> The BlockFi settlement remains subject to Bankruptcy Court approval, and a hearing on the settlement is expected for mid-March.

<sup>2</sup> Waterfall issues are under discussion with IRS and CFTC, but not agreed.

Confidential Draft of 2/28/2024—Subject to Material Change

- a. up to 25% (but not more than 25%) of remaining distributable value shall be available to pay allowed claims for U.S. Federal income taxes not previously paid (“U.S. Tax Claims”);
  - b. all remaining distributable value not used to pay U.S. Tax Claims shall be used to pay allowed claims by the CFTC and other consenting governmental authorities (“Governmental Claims”), with payment of Governmental Claims to be made solely by deposit to a segregated fund maintained by the Debtors (the “Civil Remission Fund”).
4. The Debtors will apply 100% of the proceeds in the Civil Remission Fund to make payments on “Supplemental Appreciation Claims”. These Supplemental Appreciation Claims will include only claims held by FTX.com customers, FTX.US customers and Alameda lenders who have a contractual right to receive digital assets that have appreciated in value from the petition time to a measurement date immediately prior to the approval of the Chapter 11 Disclosure Statement by the Bankruptcy Court. The amount of each eligible creditor’s Supplemental Appreciation Claim will equal the USD equivalent of such appreciation, and the USD amount shall not change once fixed at the time of approval of the Disclosure Statement (i.e., no investor shall be entitled to make a claim for appreciation in value subsequent to approval of the Disclosure Statement). All Supplemental Appreciation Claims shall be in USD and fungible.
  5. The total amount of Governmental Claims is expected to be \$3-5 billion, subject to negotiation with the applicable authorities. The total amount of U.S. Tax Claims is uncertain. Once all Governmental Claims and U.S. Tax Claims are paid in full, the Debtors will apply the remaining proceeds in their estates to make distributions to shareholder constituencies in accordance with chapter 11 priorities.