

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Inquiry by LETITIA JAMES,
Attorney General of the State of New York,

Petitioner,

Pursuant to article 23-A of the New York General
Business Law in regard to the acts and practices of

iFINEX INC., BFXNA INC., BFXWW INC.,
TETHER HOLDINGS LIMITED, TETHER
OPERATIONS LIMITED, TETHER LIMITED,
TETHER INTERNATIONAL LIMITED

Respondents,

in promoting the issuance, distribution, exchange,
advertisement, negotiation, purchase, investment advice
or sale of securities or commodities in or from New
York State.

At the Ex Parte Part of
the Supreme Court of the
State of New York, 60
Centre Street, City and State
of New York, on the 24th
of April 2019.

Present **HON. DEBRA A. JAM**

Index No.:

~~450527/2019~~
450545/2019

**[PROPOSED] EX PARTE
ORDER PURSUANT TO
GENERAL BUSINESS LAW
§ 354**

Date Filed:

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Upon the application in writing of Letitia James, Attorney General of the State of New
York, for an order pursuant to General Business Law ("GBL") § 354, and upon reading and filing
the ~~Affirmation~~ ^{Petition} of Brian M. Whitehurst, Assistant Attorney General, dated April 24, 2019, with
exhibits A through M thereto, and the accompanying memorandum of law, dated April 24, 2019;
it being shown that:

WHEREAS the Attorney General has determined to commence an action under Article
23-A of the GBL against the above-captioned Respondents, iFinex Inc., BFXNA Inc., BFXWW
Inc. (collectively, "Bitfinex"), Tether Holdings Limited, Tether Operations Limited, Tether
Limited, and Tether International Limited (collectively, "Tether," and together with Bitfinex,

“Respondents”), and that the production of certain documents, books and records is material and necessary to the action that the Attorney General has determined to bring; and

WHEREAS pursuant to GBL § 354, it is this Court’s duty to grant the Attorney General’s application for an order directing those mentioned in the application to produce such papers, documents, and books and records; and

WHEREAS pursuant to GBL § 354 it is expedient and proper to grant certain preliminary injunctive relief against Respondents because alleged fraudulent practices of Respondents threaten continued and immediate injury to the public and that the potential dissipation of Respondents’ assets would render a judgment directing restitution or disgorgement ineffectual; it is hereby

ORDERED that Respondents appear before the Honorable STEVEN E. LIEBMAN ^{Special} ~~Judge~~ _{Referee} of the Supreme Court, or any other Justice or Referee of this Court as may be directed at Part 86 in Room 641, at the courthouse located at 60 Center Street, New York, New York, or at any other place as this Court may direct, as follows: on the 3rd of ~~April~~ ^{May} 2019, at 10 a.m. ~~pm~~, and on any adjourned date and time thereafter, but not later than 30 days after the date of this order, to turn over originals, wherever located, whether in their possession, custody, or control, or if the originals are unavailable, copies of the following dated (unless otherwise specified) from January 1, 2015 to the present:

- i. All documents and information requested in the Subpoenas issued by the Attorney General to Respondents dated November 27, 2018;
- ii. All documents and information required by the Attorney General in a letter to Respondents dated February 26, 2019;

- iii. All documents concerning Bitfinex users, accounts, clients, or customers that reside or are believed to reside, do business, or are believed to do business, in New York;
- iv. All documents concerning holders of tether that reside, or are believed to reside, in New York;
- v. All documents and communications concerning any business relationship with any New York-based, or New York licensed, company, in whatever regard;
- vi. All documents and communications regarding any transaction, of whatever nature, to loan, extend credit, encumber, pledge, or make any other claim, of any variety or description, on the U.S. dollar reserves underlying tethers, to Bitfinex or any other entity;
- vii. All documents and communications regarding any transaction, of whatever nature, to purchase, borrow, disperse, or loan tethers to or from third parties, including between Tether and Bitfinex, wherever located;
- viii. All documents evidencing all requests, orders, or demands for U.S. dollar withdrawals from the Bitfinex trading platform, including the amount requested, date the request was received, date the request was fulfilled, date the request was cancelled, and status of still-pending requests, since January 2018;
- ix. All documents evidencing each order or request for purchase, issuance, or redemption of tethers since January 1, 2017, and which include the date of the order/request, the date on which it was executed, the amount of tether purchased/issued/redeemed, the name and wallet address of the purchasing/ordering/requesting person or entity, date any such purchase/order/request was cancelled, and status of any still-pending purchases/orders/requests;
- x. A current accounting of all Bitfinex and Tether corporate, banking, trading, and client accounts, including but not limited to those holding U.S. or foreign currency, or virtual currency, wherever located;
- xi. Identification of all New York and United States customers of Bitfinex whose funds were provided to Crypto Capital and the amount of any such outstanding funds;
- xii. Respondents' tax filings for the years 2017 and 2018;
- xiii. A report, no less often than weekly, with supporting documents and communications, evidencing any issuances or redemptions of tethers to or from Tether or Bitfinex, which shall include identification of the purchaser or redeemer of tether, the amount of tethers purchased or redeemed, how long the purchase or

redemption request took to fulfill, the wallet address the tethers were sent to/came from, and how the tethers were paid for/paid out;

- xiv. Identification of all Eligible Contract Participants (“ECPs”) controlled by U.S. persons trading, past or present, on the Bitfinex trading platform or invested in tether;
- xv. All documents and communications concerning any decision to permit any ECP to trade on the Bitfinex platform or to invest in tether, including, but not limited to, all copies of any ECP certification and evidence provided to Respondents by ECPs; and
- xvi. All other documents that may be requested by the Attorney General or a designated assistant during the course of this investigation.

ORDERED that all Respondents, their directors, officers, principles, agents, employees, contractors, assignees and all other persons acting, or having acted, in aid or furtherance of the same are hereby preliminarily restrained from violating Article 23-A of the GBL, and from engaging in fraudulent, deceptive, or illegal acts, and are further restrained and enjoined from employing any device, scheme, or artifice to defraud or to obtain money or property by means of false pretense, representation, or promise, including but not limited to:

- i. Further action by Bitfinex or Tether to access, loan, extend credit, encumber, pledge, or make any other claim, of any variety or description, on the U.S. dollar reserves held by Tether;
- ii. Making any distribution or dividend to any principle, executive, employee, agent, investor, or associate of Bitfinex and Tether from funds that have been loaned, extended, pledged, or otherwise taken from the U.S. dollar reserves held by Tether; and
- iii. Directly or indirectly tampering with, mutilating, altering, erasing, removing, destroying or otherwise altering or disposing of any and all books, records, documents, files, correspondence, assets, accounts, personnel files, cassette tapes or other recordings of any type, computers, computer or other disks and hard drives, other types of tapes and document recordings, computer records or videotapes of any type, however created, evidences of electronic transmissions or documents, produced or stored, or other tangible items, wherever located, including but not limited to places of business and home addresses, residences

and places of storage, relating to any relevant or potentially relevant documents, communications, or information called for by the subpoenas dated November 27, 2018, the letter of February 26, 2018, or in connection with the Attorney General's investigation, or this Order, including but not limited to personal communications of Bitfinex and Tether principles, employees, agents, contractors, investors, or associates on encrypted devices or from "ephemeral" or other self-deleting applications, and it is further

ORDERED that service of a copy of the Order, and the papers upon which it was granted, on counsel for Respondents, on or before the 26th day of April, 2019, be deemed sufficient service thereof.

DAED: 'APR 24 2019

[Handwritten signature]

J.S.C