



FTX



Ted Gottself and Christian Cornella-Carlson

# Founder Sam Bankman-Fried

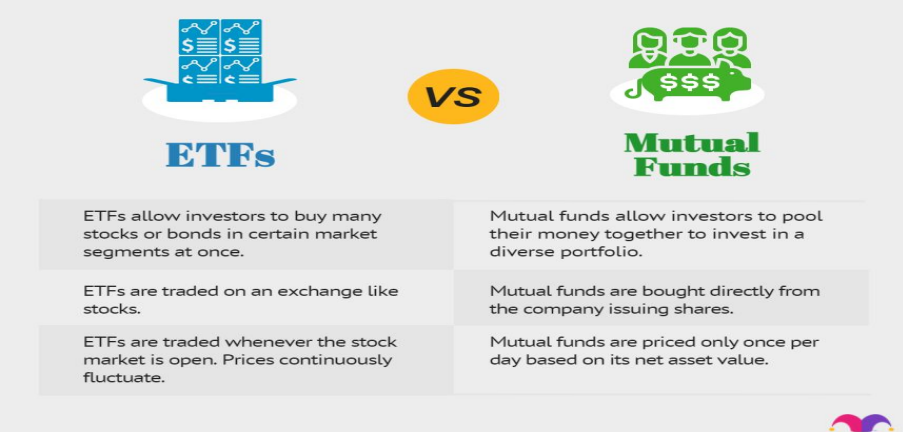
- MIT Grad
- Arbitrage Millionaire
  - Creating FTX
- Founded FTX in 2019
- His stakes in the company



# What Is FTX?

- Bankrupt Cryptocurrency company that once traded as either an ETF or a hedge fund
- Founded May 2019 by Sam Bankman-Fried and Gary Wang
- Best Economic Performance in July 2021: Generated > \$1B in 2021
- Once had over 1 Million users
- Once was 3rd largest Cryptocurrency exchange by volume

[FTX Synopsis: WSJ](#)



The graphic compares ETFs and Mutual Funds. On the left, under the heading 'ETFs' (with a blue icon of a building with dollar signs), it states: 'ETFs allow investors to buy many stocks or bonds in certain market segments at once.', 'ETFs are traded on an exchange like stocks.', and 'ETFs are traded whenever the stock market is open. Prices continuously fluctuate.' On the right, under the heading 'Mutual Funds' (with a green icon of three people and a piggy bank), it states: 'Mutual funds allow investors to pool their money together to invest in a diverse portfolio.', 'Mutual funds are bought directly from the company issuing shares.', and 'Mutual funds are priced only once per day based on its net asset value.' A yellow circle with 'VS' is between the two columns. A small logo is in the bottom right corner.

| ETFs   | VS | Mutual Funds  |
|--|----|---|
| ETFs allow investors to buy many stocks or bonds in certain market segments at once. |    | Mutual funds allow investors to pool their money together to invest in a diverse portfolio. |
| ETFs are traded on an exchange like stocks.  |    | Mutual funds are bought directly from the company issuing shares.                           |
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# What Led to Growth of Company

- User's were told they could earn much higher returns with FTX
- FTX grew by 1000% from 2020 to 2021
- Grew due to high profile acquisitions, reputable companies were investing, Famous investors, having an enormous marketing budget and promises of high returns
- Coinbase Earnings/ETFs were the “Next Big Thing”
- Behavioral Finance / Herding



# Current State of FTX

- Investors leaving the company
- FTX in 2022 filed for bankruptcy
  - 1 mil Creditors!
- New CEO John Ray III
- Sam charged with fraud
  - Dave
  - Mysten Labs
- Billions of dollars in the wind
- Cyber attack





# FTX & American Airlines Arena

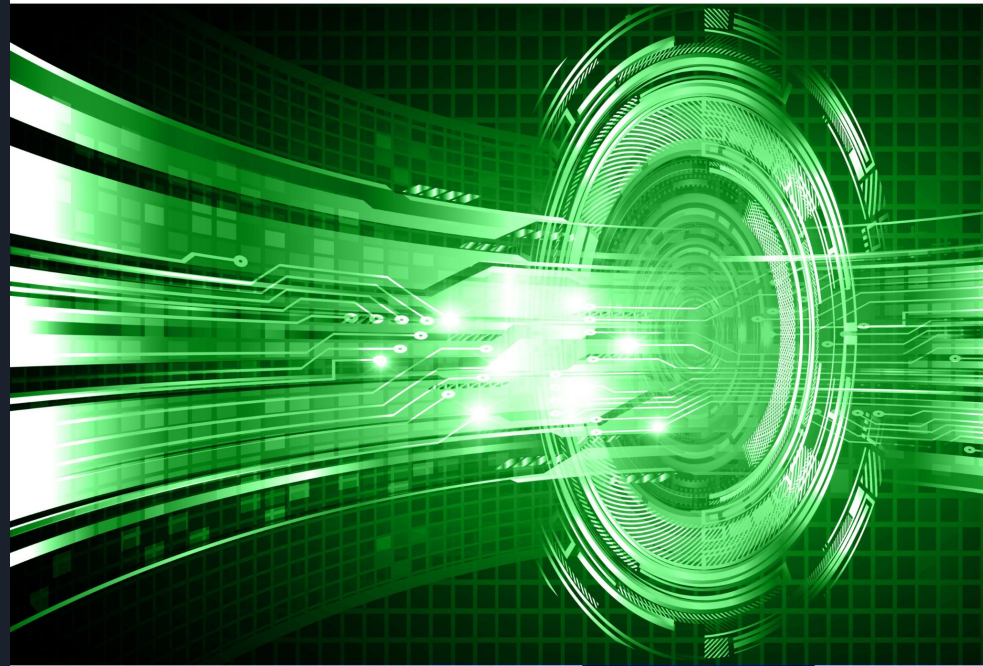
- Formerly American Airlines Arena, the home of the Miami Heat was re-named to FTX Arena
- Re-named in June 2021
- FTX Signed a Naming rights deal to their stadium in June 2021 as a 19 year \$135 Million sponsorship agreement between FTX and Miami-Dade County
- November 11, 2022: Miami Heat announced ending of naming relationship after FTX announced Bankruptcy earlier in week
- Miami-Dade County asked Federal Bankruptcy judge to terminate the deal due to FTX Bankruptcy
- Miami-Dade County and Miami Heat are looking to remove all FTX branding from stadium and sign new naming rights partner A.S.A.P.

# FTX Arena



# Hypothesized Future of FTX

- Lack of investment
- Attempt to change its image
- Not commit fraud again?
- Go out of business
- An SEC example





# Conclusion

- Sam-Bankman Fried
- What is FTX
- Initial Growth of FTX
- Current and future state of FTX
- FTX impact on Marketing/ Naming Rights /Sports industry





# Citations

- [Sam Bankman-Fried \(forbes.com\)](#)
- [FTX used \\$200 million of customer funds for two venture investments \(cnbc.com\)](#)
- [FTX says could have over 1 million creditors in new bankruptcy filing \(cnbc.com\)](#)
- [FTX Synopsis](#)
- [Investing in ETF's for Beginners](#)
- [FTX Arena](#)
- [Notable FTX Investors](#)