

Ryan Reinert Discusses Disclosure Statement in FTX Bankruptcy Case with the Daily Business Review

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In a recent *Daily Business Review* article examining issues raised by multidistrict litigation plaintiffs ("MDL Plaintiffs") in the bankruptcy cases of FTX pending in the United States Bankruptcy Court in Delaware, Tampa partner [Ryan Reinert](#) discusses the objection of the MDL Plaintiffs to the proposed Disclosure Statement of the FTX bankruptcy debtors in light of the developing case law on cryptocurrency under the Bankruptcy Code.

According to the DBR article, the MDL Plaintiffs argued that the disclosure statement filed by the bankruptcy debtors in the case of FTX Trading Ltd. case neglected the inclusion of key information regarding the value of customer recoveries. The MDL Plaintiffs raised that the proposal of FTX to pay full value as of the petition date of the bankruptcy cases failed to state that the value of the cryptocurrency purportedly belonging to the customers increased significantly since that date. At its crux, the issue raised by the MDL Plaintiffs relates to whether further disclosure is required by the FTX bankruptcy debtors on its proposal to pay the value at a date certain, here the petition date as proposed by FTX, or the value of the actual asset, here the cryptocurrency that increased in value during the bankruptcy proceedings. The issue is now pending before the Delaware bankruptcy court.

Ryan spoke to the *DBR* about the 200-page disclosure statement and 21-page objection filing from the MDL Plaintiffs, citing the complexity of the large creditor body cited by FTX as being in quintillions of dollars.

"The MDL plaintiffs have a great argument because you should be holding this specific asset and that specific asset, according to your terms, has increased in value and the limited case law supports that," Reinert said. "But the practicality is there is not enough money to support that with \$11.2 billion in administration costs and other fees."

To read the full article, please click [here](#).

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About Ryan C. Reinert

Ryan C. Reinert is a partner in Shutts & Bowen's Tampa office, where he is a member of the Creditors' Rights/Bankruptcy Practice Group. Ryan is a business bankruptcy practitioner board certified by the American Board of Certification, representing lenders, trustees and creditor committees in Chapter 11 bankruptcy cases. He has represented commercial and individual lenders in federal and state courts, including traditional, pooled, joint venture and CMBS loans. Ryan has also represented asset purchasers, landlords, trade creditors and contractors in business bankruptcy and liquidation cases. Ryan currently serves as Vice President of the Tampa Bay Bankruptcy Bar Association.

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