

BrokerCheck Report

FTX CAPITAL MARKETS LLC

CRD# 158816

Section Title

Page(s)

Report Summary

1

Firm Profile

2 - 5

Firm History

6

Firm Operations

7 - 13

Disclosure Events

14



Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns. For more information read our [investor alert](#) on imposters.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.



- **What is included in a BrokerCheck report?**

BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

FTX CAPITAL MARKETS LLC

CRD# 158816

SEC# 8-68924

Main Office Location

60 BROAD STREET
25TH FLOOR
NEW YORK, NY 10004
Regulated by FINRA New York Office

Mailing Address

60 BROAD STREET
25TH FLOOR
NEW YORK, NY 10004

Business Telephone Number

9082401589

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.
This firm was formed in New York on 05/12/2011.
Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations**This firm is registered with:**

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 2 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in New York on 05/12/2011.

Its fiscal year ends in December.



Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

FTX CAPITAL MARKETS LLC

Doing business as FTX CAPITAL MARKETS LLC

CRD# 158816

SEC# 8-68924

Main Office Location

60 BROAD STREET

25TH FLOOR

NEW YORK, NY 10004

Regulated by FINRA New York Office

Mailing Address

60 BROAD STREET

25TH FLOOR

NEW YORK, NY 10004

Business Telephone Number

9082401589



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): WEST REALM SHIRES FINANCIAL SERVICES INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position SHAREHOLDER

Position Start Date 12/2021

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PALAPARTHI, VENU MADHAV

2437777

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT/CCO

Position Start Date 05/2022

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): STAMOVA, ILINA S

5500851

Is this a domestic or foreign entity or an individual? Individual

Position PFO / POO

Position Start Date 07/2018

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the
management or policies of
the firm? No

Is this a public reporting
company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	WEST REALM SHIRES INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	WEST REALM SHIRES FINANCIAL SERVICES INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	01/2021
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	BANKMAN-FRIED, SAMUEL BENJAMIN 6204362
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	WEST REALM SHIRES INC.
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	02/2022
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	04/23/2012

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	04/23/2012

Firm Operations



Registrations (continued)

U.S. States & Territories	Status	Date Effective	U.S. States & Territories	Status	Date Effective
Alabama	Approved	03/28/2022	North Carolina	Approved	02/06/2014
Alaska	Approved	02/15/2022	North Dakota	Approved	03/31/2022
Arizona	Approved	04/30/2012	Ohio	Approved	02/24/2022
Arkansas	Approved	03/31/2022	Oklahoma	Approved	02/17/2022
California	Approved	04/26/2012	Oregon	Approved	02/24/2022
Colorado	Approved	05/14/2012	Pennsylvania	Approved	03/31/2022
Connecticut	Approved	11/21/2012	Puerto Rico	Approved	03/08/2022
Delaware	Approved	05/02/2022	Rhode Island	Approved	02/15/2022
District of Columbia	Approved	03/30/2022	South Carolina	Approved	03/31/2022
Florida	Approved	06/27/2012	South Dakota	Approved	03/29/2022
Georgia	Approved	05/07/2012	Tennessee	Approved	04/04/2022
Hawaii	Approved	04/19/2022	Texas	Approved	05/07/2012
Idaho	Approved	03/09/2022	Utah	Approved	02/25/2022
Illinois	Approved	04/01/2022	Vermont	Approved	02/15/2022
Indiana	Approved	02/28/2022	Virgin Islands	Approved	02/28/2022
Iowa	Approved	02/17/2022	Virginia	Approved	03/29/2022
Kansas	Approved	02/24/2022	Washington	Approved	03/31/2022
Kentucky	Approved	02/21/2022	West Virginia	Approved	03/17/2022
Louisiana	Approved	02/21/2022	Wisconsin	Approved	03/30/2022
Maine	Approved	03/04/2022	Wyoming	Approved	04/14/2022
Maryland	Approved	01/30/2019			
Massachusetts	Approved	03/08/2022			
Michigan	Approved	03/02/2022			
Minnesota	Approved	04/30/2012			
Mississippi	Approved	02/15/2022			
Missouri	Approved	03/23/2022			
Montana	Approved	02/23/2022			
Nebraska	Approved	03/03/2022			
Nevada	Approved	02/25/2022			
New Hampshire	Approved	04/18/2022			
New Jersey	Approved	04/30/2012			
New Mexico	Approved	04/18/2022			
New York	Approved	04/26/2012			

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 2 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Non-exchange member arranging for transactions in listed securities by exchange member

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name: EMBED CLEARING LLC

CRD #: 309519

Business Address: 1703 MAIN STREET
SUITE 200
VANCOUVER, WA 98660

Effective Date: 02/01/2022

Description: INTRODUCING CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: EMBED CLEARING LLC

CRD #: 309519

Business Address: 1703 MAIN STREET
SUITE 200
VANCOUVER, WA 98660

Effective Date: 01/20/2022

Description: INTRODUCING CUSTOMER ACCOUNTS ON A FULLY DISCLOSED BASIS.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations



Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
- controlled by
- or under common control with

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

EMBED CLEARING LLC is under common control with the firm.

CRD #:	309519
Business Address:	1703 MAIN STREET SUITE 200 VANCOUVER, WA 98660
Effective Date:	10/26/2022
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	EMBED CLEARING LLC COMPLETED A CMA ON 10/26/2022 THAT PUTS THEM UNDER COMMON INDIRECT OWNERSHIP WITH FTX CAPITAL MARKETS LLC.

SKYBRIDGE CAPITAL II, LLC is under common control with the firm.

CRD #:	148152
Business Address:	527 MADISON AVENUE 4TH FLOOR NEW YORK, NY 10022
Effective Date:	09/07/2022
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes

Firm Operations



Organization Affiliates (continued)

Description:

THE FIRM AND SKYBRIDGE CAPITAL II, LLC ARE UNDER THE INDIRECT COMMON CONTROL AND OWNERSHIP OF SAM BANKMAN-FRIED. MR. BANKMAN-FRIED INDIRECTLY OWNS AND CONTROLS THE FIRM THROUGH HIS OWNERSHIP OF WEST REALM SHIRES FINANCIAL SERVICES, INC. MR. BANKMAN-FRIED ALSO INDIRECTLY OWNS AND CONTROLS SKYBRIDGE CAPITAL II THROUGH HIS 100% OWNERSHIP INTEREST IN PAPER BIRD INC., AND ITS WHOLLY OWNED SUBSIDIARY, ISLAND BAY VENTURES, INC. ISLAND BAY HAS A 30% OWNERSHIP INTEREST IN SKYBRIDGE CAPITAL II.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

Disclosure Events



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final

**Allegations:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT AN EFFECTIVE SUPERVISORY SYSTEM OR TO ENFORCE ITS WSPS FOR COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT THE FIRM ALSO FAILED TO SPECIFICALLY TAILOR ITS SUPERVISORY SYSTEMS TO ADDRESS CUSTOMER TRADING IN SECONDARY PUBLIC OFFERINGS (SPOS), AND FAILED TO IDENTIFY AND INVESTIGATE POTENTIAL VIOLATIONS BY ITS CUSTOMERS OF RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IDENTIFY AND INVESTIGATE RED FLAGS ASSOCIATED WITH A CUSTOMER'S TRADING IN PENNY STOCKS. CONSEQUENTLY, THE FIRM DID NOT REPORT THE CUSTOMER'S LIQUIDATIONS AS POTENTIALLY SUSPICIOUS. THE FIRM'S AML SYSTEM ALSO FAILED TO CONSIDER ITS CUSTOMERS' TRADING IN CONNECTION WITH SPOS AND THE ASSOCIATED RISKS OF POTENTIAL VIOLATIONS OF RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND THEREFORE FAILED TO DETECT AND REPORT THOSE SUSPICIOUS ACTIVITIES. THE FIRM ALSO FAILED TO IMPLEMENT AML PROCEDURES THAT COULD BE REASONABLY EXPECTED TO DETECT AND REPORT POTENTIAL VIOLATIONS.

Initiated By:

FINRA

Date Initiated:

02/11/2016

Docket/Case Number:[2013035864201](#)**Principal Product Type:**

Penny Stock(s)

Other Product Type(s):

SECONDARY PUBLIC OFFERINGS

Principal Sanction(s)/Relief Sought:

Other

Other Sanction(s)/Relief Sought:

N/A

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

02/11/2016

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Sanctions Ordered:

Censure
Monetary/Fine \$75,000.00



Other Sanctions Ordered: UNDERTAKINGS

Sanction Details: THE FIRM WAS CENSURED, FINED \$75,000, AND REQUIRED TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF ITS POLICIES, SYSTEMS, AND PROCEDURES (WRITTEN OR OTHERWISE), WITH RESPECT TO THE SUPERVISION AND DETECTING AND REPORTING OF POTENTIAL VIOLATIONS OF SECTION 5 OF THE SECURITIES ACT OF 1933 AND RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934. FINES PAID IN FULL ON SEPTEMBER 19, 2017.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT AN EFFECTIVE SUPERVISORY SYSTEM OR TO ENFORCE ITS WSPS FOR COMPLIANCE WITH SECTION 5 OF THE SECURITIES ACT OF 1933. THE FINDINGS STATED THAT THE FIRM ALSO FAILED TO SPECIFICALLY TAILOR ITS SUPERVISORY SYSTEMS TO ADDRESS CUSTOMER TRADING IN SECONDARY PUBLIC OFFERINGS (SPOS), AND FAILED TO IDENTIFY AND INVESTIGATE POTENTIAL VIOLATIONS BY ITS CUSTOMERS OF RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO IDENTIFY AND INVESTIGATE RED FLAGS ASSOCIATED WITH A CUSTOMER'S TRADING IN PENNY STOCKS. CONSEQUENTLY, THE FIRM DID NOT REPORT THE CUSTOMER'S LIQUIDATIONS AS POTENTIALLY SUSPICIOUS. THE FIRM'S AML SYSTEM ALSO FAILED TO CONSIDER ITS CUSTOMERS' TRADING IN CONNECTION WITH SPOS AND THE ASSOCIATED RISKS OF POTENTIAL VIOLATIONS OF RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND THEREFORE FAILED TO DETECT AND REPORT THOSE SUSPICIOUS ACTIVITIES. THE FIRM ALSO FAILED TO IMPLEMENT AML PROCEDURES THAT COULD BE REASONABLY EXPECTED TO DETECT AND REPORT POTENTIAL VIOLATIONS.

Initiated By: FINRA

Date Initiated: 02/11/2016

Docket/Case Number: [2013035864201](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s): SECONDARY PUBLIC OFFERINGS

Principal Sanction(s)/Relief Sought: Other



Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	02/11/2016
Sanctions Ordered:	Censure Monetary/Fine \$75,000.00
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	THE FIRM WAS CENSURED, FINED \$75,000, AND REQUIRED TO CONDUCT A COMPREHENSIVE REVIEW OF THE ADEQUACY OF ITS POLICIES, SYSTEMS, AND PROCEDURES (WRITTEN OR OTHERWISE), WITH RESPECT TO THE SUPERVISION AND DETECTING AND REPORTING OF POTENTIAL VIOLATIONS OF SECTION 5 OF THE SECURITIES ACT OF 1933 AND RULE 105 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934.

End of Report



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