

FTX Founder Sam Bankman-Fried Had Former Stanford Law Dean as Bond Guarantor



Two individuals associated with Stanford University have been revealed as the mystery guarantors who helped ensure a \$250 million bond for FTX Trading founder Samuel Bankman-Fried. The guarantors were identified after U.S. District Judge Lewis A. Kaplan ordered their names to be unsealed. Former Stanford Law School dean Larry Kramer signed a \$500,000 unsecured bond to guarantee Bankman-Fried's return to court. Meanwhile, Stanford University research scientist Andreas Paepcke signed a \$200,000 unsecured bond. Kramer served as dean of Stanford Law School from 2004 to 2012.

Bankman-Fried's parents, Stanford law professors Joe Bankman and Barbara Fried, put up their home as collateral to guarantee the bond. Bankman-Fried is currently facing criminal charges for an alleged \$1.8 billion fraud in connection with the collapse of FTX Trading. Prosecutors allege that he promoted FTX as a safe platform for crypto asset trading while diverting investor money to his privately held hedge fund.

Kramer had stated that he and his wife have been long-time close friends with Bankman and Fried, who were by his family's side when they "faced a harrowing battle with cancer." Kramer said that he and his wife have sought to support Bankman and Fried as they face their own crisis.

On Thursday, Judge Kaplan expressed concern over Bankman-Fried's bail restrictions, stating that he needs tougher ones. Kaplan expressed dismay over Bankman-Fried's violation of restrictions on his internet and encryption use, which prosecutors say could be considered witness tampering. Pointing out that while in his parents' house, Bankman-Fried had access to many computers and phones, Kaplan asked, "Why am I being asked to turn him loose in this garden of electronic devices?"

The judge has asked both sides to come back with proposals for tighter restrictions for Bankman-Fried. He hinted that he could remand Bankman-Fried to jail, saying, "There is a solution, but it's not one anyone has proposed yet."

The case against Bankman-Fried is still ongoing, and it is unclear what the outcome will be. However, the involvement of two individuals associated with Stanford University in the case has raised questions about the relationship between the university and the cryptocurrency industry. We will likely see more cases like this as the crypto industry grows.

REFERENCES:

Former Stanford law dean was among bond guarantors for FTX founder Sam Bankman-Fried