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U.S. law in order to distract U.S. regulators and law enforcement and (2) feign independence from Binance and Zhao. But an essential component of this plan was that Zhao and Binance would secretly continue to control the new U.S. platform and the assets of U.S. investors, while remaining outside of the United States. That control continues. As set forth below, the SEC has a reasonable likelihood of success on the merits of its claims based on its detailed allegations that Defendants violated, and continue to violate, numerous securities laws, and has set forth more than sufficient evidence from which an inference can be drawn that a violation has occurred.

When the SEC seeks equitable emergency relief, it understands that such relief must be carefully calibrated to ensure that the remedy protects the interests of investors and maintains the status quo. At present BAM Trading states that it holds $2.2 billion in crypto assets (as well as hundreds of millions more in fiat currency) belonging to investors who have entrusted BAM Trading to custody those assets on the Binance.US platform. Prior to filing this action, the SEC made extensive efforts to try to ensure that during the pendency of this litigation, those investors’ assets would be custodied in the United States and under the exclusive control of BAM Trading, rather than under the control of Binance and Zhao, who have flouted U.S. regulatory oversight.

Because Defendants have repeatedly failed to provide sufficient assurances, the SEC now seeks the Court’s assistance in ensuring the safety and availability of investor assets and that Defendants do not dissipate assets that may become due should the SEC prevail in this action

# STATEMENT OF FACTS

**I.** **Defendants and the Binance Platforms**

Defendant Binance is a Cayman Islands limited liability company founded and owned by Defendant Changpeng Zhao. *See* Exhibit A, Declaration of Colby Steele (“Steele Dec.”), at Ex. A-1. Since at least July 2017, it has operated an internet-based crypto asset platform available at

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