

EXHIBIT 1

1 **UNITED STATES DISTRICT COURT**
2 **WESTERN DISTRICT OF WASHINGTON**
3 **SEATTLE DIVISION**

4 -----X
5 **SECURITIES AND EXCHANGE COMMISSION,** :

6 **Plaintiff,** :

7 **23 Civ. 580 (RSM)**

8 **- against -** :

9 **ECF Case**

10 **BITTREX, INC., BITTREX GLOBAL GMBH, and** : **CONSENT OF DEFENDANTS**
11 **WILLIAM HIROAKI SHIHARA,** :

12 **Defendants.** :
13 :
14 :
15 -----X

16 1. Defendants Bittrex, Inc. (“Bittrex”), Bittrex Global GmbH (“Bittrex Global”), and
17 William Hiroaki Shihara (“Shihara”) (collectively, “Defendants”), having been served with the
18 complaint in this action, admit the Court’s jurisdiction over Defendants and over the subject matter of
19 this action.

20 2. Without admitting or denying the allegations of the complaint (except as provided here
21 in paragraph 12 and except as to personal and subject matter jurisdiction, which Defendants admit),
22 Defendants hereby consent to the entry of the Proposed Judgment in the form attached hereto (the
23 “Judgment”) and incorporated by reference herein, which, among other things:

- 24 a. permanently restrains and enjoins Defendants Bittrex and Shihara from violation of
25 Section 5 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §
26 78e]; Section 15(a) of the Exchange Act [15 U.S.C. § 78o]; and Section 17A of the
Exchange Act [15 U.S.C. § 78q-1];
- b. permanently restrains and enjoins Defendant Bittrex Global from violation of
Section 5 of the Exchange Act;
- c. orders Defendants Bittrex and Bittrex Global to pay disgorgement in the amount of
\$14,400,000 plus prejudgment interest thereon in the amount of \$4,000,000

1 pursuant to Sections 21(d)(3), 21(d)(5) and 21(d)(7) of the Exchange Act [15 U.S.C.
2 §78u(a), 78u(d)]; and

3 d. orders Defendants Bittrex and Bittrex Global to pay a civil money penalty in the
4 amount of \$5,600,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C.
5 §78u(d)(3)].

6 e. Bittrex, Inc. and Bittrex Global shall be jointly and severally liable for the entire
7 amount of the Judgment, totaling \$24,000,000, including all disgorgement,
8 prejudgment interest thereon, and civil penalty amounts (the “Judgment”).

9 f. Defendants Bittrex, Inc. and Bittrex Global shall satisfy the obligation by paying to
10 the Securities and Exchange Commission \$24,000,000 within 60 days after the
11 Effective Date of a Chapter 11 Plan of Liquidation (the “Plan”) in the Bankruptcy
12 Case of Bittrex Inc., case no. 23-10598 (Bankr. Del. 2023) (“Bankruptcy Case”).

13 g. The Commission will not enforce the Court’s judgment for disgorgement,
14 prejudgment interest, and civil penalty in this Final Judgment against Defendant
15 Bittrex Global until 90 days after the Effective Date of the Plan and only to the
16 extent that the Judgment is not paid under the Plan, but if the Plan has not gone
17 effective by March 1, 2024, the Commission may enforce the Court’s judgment
18 against Bittrex Global at any time after March 1, 2024.
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21 3. Defendants Bittrex and Bittrex Global acknowledge that the civil penalty paid pursuant
22 to the Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the
23 Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil
24 penalty shall be treated as a penalty paid to the government for all purposes, including all tax purposes.
25 To preserve the deterrent effect of the civil penalty, Defendants Bittrex and Bittrex Global agree that
26 they shall not, after offset or reduction of any award of compensatory damages in any Related Investor

1 Action based on their payment of disgorgement in this action, argue that they are entitled to, nor shall
2 they further benefit by, offset or reduction of such compensatory damages award by the amount of any
3 part of their payment of a civil penalty in this action (“Penalty Offset”). If the court in any Related
4 Investor Action grants such a Penalty Offset, Defendants Bittrex and Bittrex Global agree that they
5 shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission’s
6 counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a
7 Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty
8 and shall not be deemed to change the amount of the civil penalty imposed in this action. For
9 purposes of this paragraph, a “Related Investor Action” means a private damages action brought
10 against Defendants Bittrex or Bittrex Global by or on behalf of one or more investors based on
11 substantially the same facts as alleged in the Complaint in this action; provided however that nothing in
12 this paragraph shall affect or supersede the terms of the confirmed Plan.
13

14 4. Defendants Bittrex and Bittrex Global agree that they shall not seek or accept, directly
15 or indirectly, reimbursement or indemnification from any unaffiliated source, including but not limited
16 to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Bittrex
17 and Bittrex Global pay pursuant to the Judgment, regardless of whether such penalty amounts or any
18 part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendants
19 Bittrex and Bittrex Global further agree that they shall not claim, assert, or apply for a tax deduction or
20 tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendants Bittrex
21 and Bittrex Global pay pursuant to the Judgment, regardless of whether such penalty amounts or any
22 part thereof are added to a distribution fund or otherwise used for the benefit of investors; provided
23 however that nothing in this paragraph shall affect or supersede the terms of the confirmed Plan.
24

25 5. Defendants waive the entry of findings of fact and conclusions of law pursuant to Rule
26 52 of the Federal Rules of Civil Procedure.

1 6. Defendants waive the right, if any, to a jury trial and to appeal from the entry of the
2 Judgment.

3 7. Defendants enter into this Consent voluntarily and represent that no threats, offers,
4 promises, or inducements of any kind have been made by the Commission or any member, officer,
5 employee, agent, or representative of the Commission to induce Defendants to enter into this Consent.

6 8. Defendants agree that this Consent shall be incorporated into the Judgment with the
7 same force and effect as if fully set forth therein.

8 9. Defendants will not oppose the enforcement of the Judgment on the ground, if any
9 exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waive
10 any objection based thereon.

11 10. Defendants waive service of the Judgment and agree that entry of the Judgment by the
12 Court and filing with the Clerk of the Court will constitute notice to Defendants of its terms and
13 conditions. Defendants further agree to provide counsel for the Commission, within thirty days after
14 the Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that
15 Defendants have received and read a copy of the Judgment.

16 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted
17 against Defendants in this civil proceeding. **Defendants acknowledge that no promise or**
18 **representation has been made by the Commission** or any member, officer, employee, agent, or
19 representative of the Commission **with regard to any criminal liability that may have arisen or**
20 **may arise from the facts underlying this action or immunity from any such criminal liability.**
21 Defendants waive any claim of Double Jeopardy based upon the settlement of this proceeding,
22 including the imposition of any remedy or civil penalty herein. Defendants further acknowledge that
23 the Court's entry of a permanent injunction may have collateral consequences under federal or state law
24 and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory
25 organizations. Such collateral consequences include, but are not limited to, a statutory disqualification
26 with respect to membership or participation in, or association with a member of, a self-regulatory

1 organization. This statutory disqualification has consequences that are separate from any sanction
2 imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the
3 Commission based on the entry of the injunction in this action, Defendants understand that they shall
4 not be permitted to contest the factual allegations of the complaint in this action.

5 12. Defendants understand and agree to comply with the terms of 17 C.F.R. § 202.5(e),
6 which provides in part that it is the Commission’s policy “not to permit a defendant or respondent to
7 consent to a judgment or order that imposes a sanction while denying the allegations in the complaint
8 or order for proceedings.” As part of Defendants’ agreement to comply with the terms of Section
9 202.5(e), Defendants: (i) will not take any action or make or permit to be made any public statement
10 denying, directly or indirectly, any allegation in the complaint or creating the impression that the
11 complaint is without factual basis; (ii) will not make or permit to be made any public statement to the
12 effect that Defendants do not admit the allegations of the complaint or that this Consent contains no
13 admission of the allegations, without also stating that Defendants do not deny the allegations; and
14 (iii) upon the filing of this Consent, Defendants hereby withdraw any papers filed in this action to the
15 extent that they deny any allegation in the complaint. If Defendants breach this agreement, the
16 Commission may petition the Court to vacate the Judgment and restore this action to its active docket.
17 Nothing in this paragraph affects Defendants’: (i) testimonial obligations; or (ii) right to take legal or
18 factual positions in litigation or other legal proceedings in which the Commission is not a party.

19 13. Defendants hereby waive any rights under the Equal Access to Justice Act, the Small
20 Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the
21 United States, or any agency, or any official of the United States acting in his or her official capacity,
22 directly or indirectly, reimbursement of attorney’s fees or other fees, expenses, or costs expended by
23 Defendants to defend against this action. For these purposes, Defendants agree that Defendants are
24 not the prevailing party in this action since the parties have reached a good faith settlement.

25 14. In connection with this action and any related judicial or administrative proceeding or
26 investigation commenced by the Commission or to which the Commission is a party, Defendants: (i)

1 agree to appear and be interviewed by Commission staff at such times and places as the staff requests
2 upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas
3 issued by the Commission for documents or testimony at depositions, hearings, or trials, or in
4 connection with any related investigation by Commission staff; (iii) appoints Defendants' undersigned
5 attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and
6 subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil
7 Procedure and any applicable local rules, provided that the party requesting the testimony reimburses
8 Defendants' travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem
9 rates; and (v) consents to personal jurisdiction over Defendants in any United States District Court for
10 purposes of enforcing any such subpoena.

11 15. Defendants agree that the Commission may present the Judgment to the Court for
12 signature and entry without further notice.

13 16. Defendants agree that, as to Bittrex, the terms of the settlement reflected in this
14 Consent and in the Judgment are subject to approval by the Bankruptcy Court in the Bankruptcy Case
15 and shall be treated as an allowed, unsecured claim under the terms of any Plan filed by Bittrex in the
16 Bankruptcy Case.

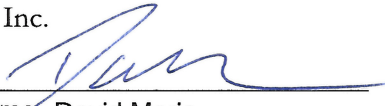
17 17. Defendants agree that this Court shall retain jurisdiction over this matter for the
18 purpose of enforcing the terms of the Judgment.

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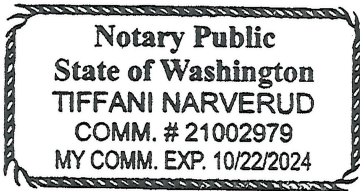
1 Dated: 9 August 2023

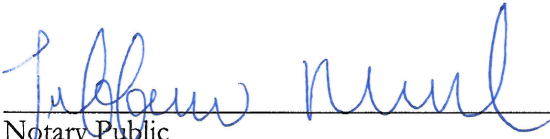
Bittrex, Inc.

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By: 
Name: David Maria
Title General Counsel
Address 701 5th Ave, Suite 4200
Seattle, WA 98104

On August 9th, 2023, David Maria, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.




Notary Public
Commission expires: October 22, 2024

Approved as to form:

MICHAEL LIFTIK

ALICIA COBB

QUINN EMANUEL URQUHART & SULLIVAN LLP

QUINN EMANUEL URQUHART & SULLIVAN LLP

Michael Liftik
1300 I Street NW, Suite 900
Washington, DC 20005
Telephone: 202-538-8141
michaelliftik@quinnemanuel.com

Alicia Cobb
1109 First Avenue, Suite 210
Seattle, Washington 98101
Telephone: 206-905-7000
aliciacobb@quinnemanuel.com

Lead Counsel for Defendant Bittrex, Inc.

Local Counsel for Defendant Bittrex, Inc.

1 Dated: _____

Bittrex, Inc.

2 By: _____

3 Name:
4 Title
5 Address

6 On _____, 2023, _____, a person known to
me, personally appeared before me and acknowledged executing the foregoing Consent.

8 _____
9 Notary Public
Commission expires:

10
11 Approved as to form:

12 

13 MICHAEL LIFTIK

14 

ALICIA COBB

15 **QUINN EMANUEL URQUHART &
16 SULLIVAN LLP**

17 Michael Liftik
18 1300 I Street NW, Suite 900
19 Washington, DC 20005
20 Telephone: 202-538-8141
21 michaeliftik@quinnemanuel.com

22 *Lead Counsel for Defendant Bittrex, Inc.*

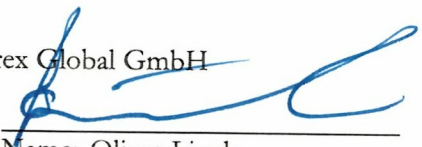
23 **QUINN EMANUEL URQUHART &
24 SULLIVAN LLP**

25 Alicia Cobb
26 1109 First Avenue, Suite 210
Seattle, Washington 98101
Telephone: 206-905-7000
aliciacobb@quinnemanuel.com

Local Counsel for Defendant Bittrex, Inc.

DocuSign Envelope ID: C3FDA63F-2F50-4999-BFA4-310B672731BE

1 Dated: 9 AUGUST 2023

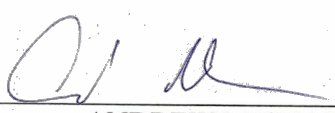
Bittrex Global GmbH
By: 

Name: Oliver Linch
Title: Chief Executive Officer
Address: Dr. Grass-strasse 12
9490 Vaduz
Liechtenstein

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5 On 9 August, 2023, Oliver J. Linch, a person known to
6 me, personally appeared before me and acknowledged executing the foregoing Consent.

7
8 
9 Notary Public
Commission expires: N/A

10
11 Approved as to form:

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13 
14 _____
15 ANDREW MICHAELSON

16 David H. Smith
17 _____
18 DAVID SMITH

19 **KING & SPALDING LLP**
20 Andrew Michaelson
Leigh Nathanson
1185 Avenue of Americas, 35th Floor
New York, NY 10036
Telephone: 212-790-5358
amichaelson@kslaw.com
lnathanson@kslaw.com

SUMMIT LAW GROUP
David Smith
315 5th Ave. South, Suite 1000
Seattle, Washington 98104
Telephone: 206-676-7000
davids@SummitLaw.com

21 *Lead Counsel for Defendant*
22 *Bittrex Global GmbH*

Local Counsel for Defendant
Bittrex Global GmbH

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26 Consent of Defendants
SEC v. Bittrex, Inc., et al.
Case No. 23-cv-580 (RSM)

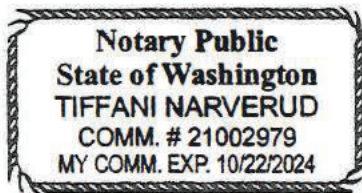
Securities and Exchange Commission
New York Regional Office
100 Pearl Street, Suite 20-100
New York, New York 10004
(212)-336-1100

1 Dated: 9 August 2023

William Hiroaki Shihara

2 By: [Signature]
3 Name: William Hiroaki Shihara
4 Title Co-Founder
5 Address

6 On August 9th, 2023, William Hiroaki Shihara, a person known to
7 me, personally appeared before me and acknowledged executing the foregoing Consent.



8 [Signature]
9 Notary Public
10 Commission expires: October 22, 2024

12 Approved as to form:

13
14
15 **WILLIAM MCGOVERN**

Gregory J. Hollon

16 **KOBRE & KIM**
17 William McGovern
18 800 3rd Ave, New York,
19 New York, NY 10022
20 Telephone: 212-488-1210
21 William.McGovern@kobrekim.com

McNAUL EBEL NAWROT & HELGREN PLLC
Gregory J. Hollon
Timothy B. Fitzgerald
600 University Street, Suite 2700
Seattle, Washington, 98101
Telephone: 206-467-1816
ghollon@mcnaul.com
tfitzgerald@mcnaul.com

22 *Lead Counsel for Defendant*
23 *William Hiroaki Shihara*

Local Counsel for Defendant
William Hiroaki Shihara

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Dated: _____

William Hiroaki Shihara

By: _____

Name:
Title
Address

On _____, 2023, _____, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

Notary Public
Commission expires:

Approved as to form:



WILLIAM MCGOVERN



Gregory J. Hollon

KOBRE & KIM
William McGovern
800 3rd Ave, New York,
New York, NY 10022
Telephone: 212-488-1210
William.McGovern@kobrekim.com

Lead Counsel for Defendant
William Hiroaki Shihara

McNAUL EBEL NAWROT & HELGREN PLLC
Gregory J. Hollon
Timothy B. Fitzgerald
600 University Street, Suite 2700
Seattle, Washington, 98101
Telephone: 206-467-1816
ghollon@mcnaul.com
tfitzgerald@mcnaul.com

Local Counsel for Defendant
William Hiroaki Shihara