

No, Sam Bankman-Fried and his parents didn't just shell out \$250 million for bail. Here's how it works.

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Sam Bankman-Fried appeared in federal court in Manhattan on Thursday before being released as part of a \$250 million bail agreement. David Dee Delgado/Getty Images

- A New York federal court released Sam Bankman-Fried on Thursday on a \$250 million bail.
- He didn't pay it upfront, but his parents' Palo Alto home helps secure his promise not to flee.
- Bankman-Fried said last month that he believed he had about \$100,000 in his bank account.

Sam Bankman-Fried was released on a \$250 million bail after a hearing on Thursday in New York federal court, where he is facing serious criminal charges over the collapse of his crypto exchange FTX.

In granting what a federal prosecutor in the case called the "largest-ever" pretrial bond, Judge Gabriel Gorenstein required Bankman-Fried to hand over his passport and agree to be monitored and generally confined to his parents' Palo Alto home.

There were exceptions for "medical, substance abuse, or mental health treatment," and necessary events Bankman-Fried would need to attend, like court dates, according to the bond agreement filed in court.

Such large bail amounts don't necessarily have to be paid out — but they need to be secured in some way, to provide assurance that a defendant won't violate its terms. In this case, Bankman-Fried's parents' home in Palo Alto offers such a security, along with types of collateral posted by others who weren't named in the filing.

Bankman-Fried previously said in media interviews last month that he had seen just about \$100,000 in his account at the time.

The value of the home in question doesn't necessarily need to correlate to the value of the bail amount — its function is to provide assurance that a defendant will comply with the conditions of their release.

"These amounts are often just numbers — sometimes defendants will sign bonds in the amount of hundreds of thousands of dollars when everyone knows they don't have a penny to their name," said Andrey Spektor, a white collar partner at Bryan Cave Leighton Paisner LLP, and a former federal prosecutor in Brooklyn.

A representative for Bankman-Fried declined to comment on the bail hearing.

Bankman-Fried's former associates, including ex-girlfriend and former Alameda CEO Caroline Ellison, and FTX co-founder Gary Wang, have also been released on bond after pleading guilty to their roles in the alleged schemes.

They were both each asked to submit to a \$250,000 bond — a much smaller amount than imposed on Bankman-Fried — and generally instructed to stay within the "continental United States," according to their plea agreements.

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