### History Associates Inc. v. FDIC, No. 1:24-cv-1857-ACR (D.D.C.)

### FDIC's Redacted Pause Letters

November 22, 2024

Division of Risk Management Supervision Division of Depositor and Consumer Protection

### SENT VIA SECURED ELECTRONIC MAIL

March 11, 2022

The Board of Directors	
Subject: Proposed New FinTech Product	
Dear Members of the Board:	
This office received that provided high-level information relating	submission g to the subject product. The proposed
determined what, if any, regulatory filings will be necessary for As a result, we respectfully ask that you pause all crypto asset-FDIC-supervised banks at a later date when a determination has expectations for engaging in crypto asset-related activity, included you may direct questions on this matter to should be addressed to Kristie Elmquist, Regional Director, FD PDF document through the FDIC's Secure Email portal (https://following e-mail address: DALMailRoom@fdic.gov. Informate FAQs about the service can be found at https://www.fdic.gov/s	related activity. The FDIC will notify all s been made on the supervisory ding the need for any regulatory filings.  As a reminder, written correspondence DIC, Dallas Regional Office, and sent as a secure email. fdic.gov/) using the tion about how to use secure email and ecureemail. If there are any questions
about the Secure Email process, please contact	or me at
Sincerely,	
Eric T. Gu	yot (Signed)
Eric T. Gu Assistant F	yot Regional Director

cc: Federal Reserve Bank of Atlanta



Atlanta Regional Office Division of Risk Management Supervision (678) 916-2200

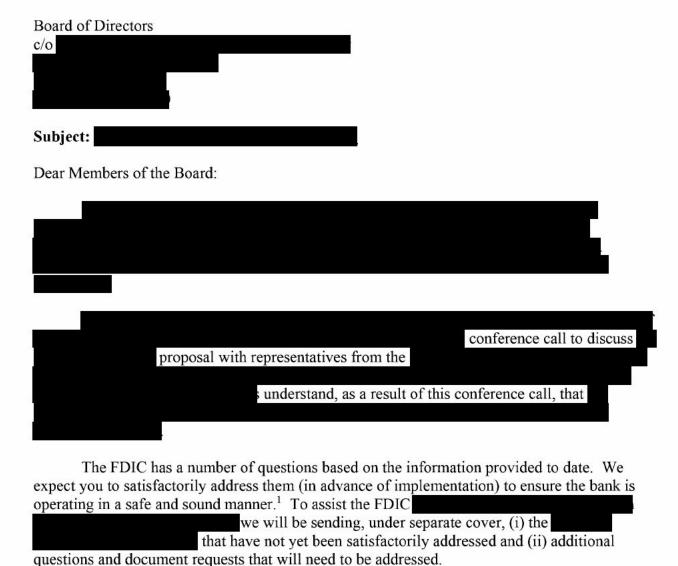
March 15, 2022 Via Secure Email Subject: Based on recent discussions with you and your management team, as well as review of documentation provided by the bank, intends to offer bank clients Please notify us of any material change from the arrangement as described to the FDIC, Thereafter, the FDIC may have additional questions to clarify the bank's proposed activities prior to expanding the service to ensure the bank is operating in safe and sound manner. 1 If you have any questions concerning this letter, please contact Sincerely,

<sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

Frank R. Hughes

Acting Regional Director

March 25, 2022



Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<a href="https://secureemail.fdic.gov/">https://secureemail.fdic.gov/</a>) using the following email address: <a href="https://secureemail.fdic.gov/">NYMailRoom@fdic.gov</a>. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

<sup>&</sup>lt;sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

Board of Directors Page 2 of 2

If you have any questions, please contact Assistant Regional Director Steven P. Slovinski at

Sincerely, Jessica A. Kaemingk Acting Regional Director

CC:

Federal Reserve Bank of New York

March 25, 2022

Board of Directors	
Subject: Activity Related to	
Dear Board Members:	
met with the FDIC and notified the FDIC of a new planned product,	V
management, participated in a conference call to discuss representatives from the FDIC with a follow-up call on understand, as a result of these discussions,	h
The FDIC has a number of questions based on the information provided to date. We expect you to satisfactorily address them (in advance of implementation) to ensure the bank will be engaging in this new activity in a safe and sound manner. To assist we will be sending, under separate cover, (i) the questions that have not yet been satisfactorily addressed; and (ii) additional questions and document requests that will need to be addressed prior to launch.	
Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal ( <a href="https://secureemail.fdic.gov/">https://secureemail.fdic.gov/</a> ) using the following email address: <a href="https://secureemail.fdic.gov/">NYMailRoom@fdic.gov</a> . Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a> .	

<sup>&</sup>lt;sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

Board of Directors Page 2 of 2

If you have any questions, please contact Assistant Regional Director Steven P. Slovinski at

Sincerely, Jessica A. Kaemingk Acting Regional Director



Chicago Regional Office Phone (312) 382-7500 Fax (312) 382-6901

April 5, 2022

Board of Directors	
Subjects Activity Poleted to	
Subject: Activity Related to	<u>.</u>
Dear Board Members:	
the Federal Deposit team participated in a virtual meeting to discuss cryp	Insurance Corporation (FDIC), management
meeting, the FDIC received a bank's agreements, risk assessment, and due diligence.  The FDIC has a number of questions based of include questions with respect to the permissibility of the bank performed related to permissibility and to a Rules and Regulations. Those also include questions related to this activity and consumer protection issued review of this activity and will seek further information upcoming the examination. Until the expand the service to additional customers.  If you have any questions, please contact Department of the permissibility of the permissibility and to a Rules and Regulations. Those also include questions are lated to this activity and will seek further information. Until perpand the service to additional customers.	on the information provided to date. Those of this activity, including what legal analysis ssess compliance with Part 362 of the FDIC with respect to safety and soundness 1 s. The FDIC plans to perform a detailed on with respect to those questions at the should not
Newbury at	
	Sincerely,  CDECORY Digitally signed by
	GREGORY Digitally signed by GREGORY BOTTONE  Date: 2022.04.05 12:03:16-04'00'
	Gregory P. Bottone Regional Director
cc:	

 $<sup>^{1}</sup>$  See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.



Dallas Regional Office 600 North Pearl Street, Suite 700 Dallas, Texas 75201 (214) 754-0098 FAX (972) 761-2082

April 15, 2022

The Board of Directors	
Subject: Proposed	
Dear Members of the Board:	
	mission that provided posed product will
regulatory filings will be necessary for a bank to engage in this type of that you pause all crypto asset-related activity. The FDIC will notify when a determination has been made on the supervisory expectation activity, including the need for any regulatory filings. Refer to the Fit 2022, FIL-16-2022-Notification of Engaging in Crypto-Related Activitive Please direct questions on this matter to a reminder, written correspondence should be addressed to Kristie Regional Office, and sent as a PDF document through the FDIC's Section (https://securemail.fdic.gov/) using the following e-mail address: DA how to use secure email and FAQs about the service can be found at prefer to send correspondence via mail, please use the Dallas Region there are any questions about the Secure Email process, please contents.	all FDIC-supervised banks at a later date ons for engaging in crypto asset-related nancial Institution Letter issued on April 7, es, for additional information.  As K. Elmquist, Regional Director, FDIC, Dallas ure Email portal  LMailRoom@fdic.gov. Information about https://www.fdic.gov/secureemail/. If you nal Office address noted in the letterhead. If
	Sincerely,
	Signed by Joseph A. Meade
	Joseph A. Meade Assistant Regional Director

cc: Federal Reserve Bank of Kansas City

April 22, 2022

<sup>&</sup>lt;sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

Board of Directors Page 2 of 2

Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<a href="https://secureemail.fdic.gov/">https://secureemail.fdic.gov/</a>) using the following email address: <a href="https://secureemail.fdic.gov/">NYMailRoom@fdic.gov/</a>. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

If you have any questions, please contact Assistant Regional Director Ashley M. Amicangioli at

Sincerely, Jessica A. Kaemingk Acting Regional Director

CC:



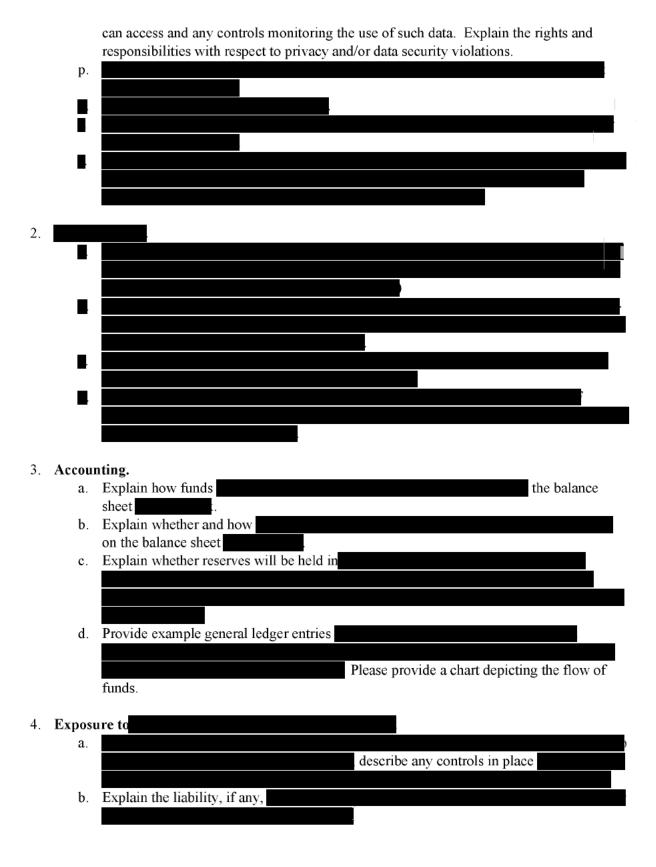
Dallas Regional Office 600 North Pearl Street, Suite 700 Dallas, Texas 75201 (214) 754-0098 FAX (972) 761-2082

April 25, 2022

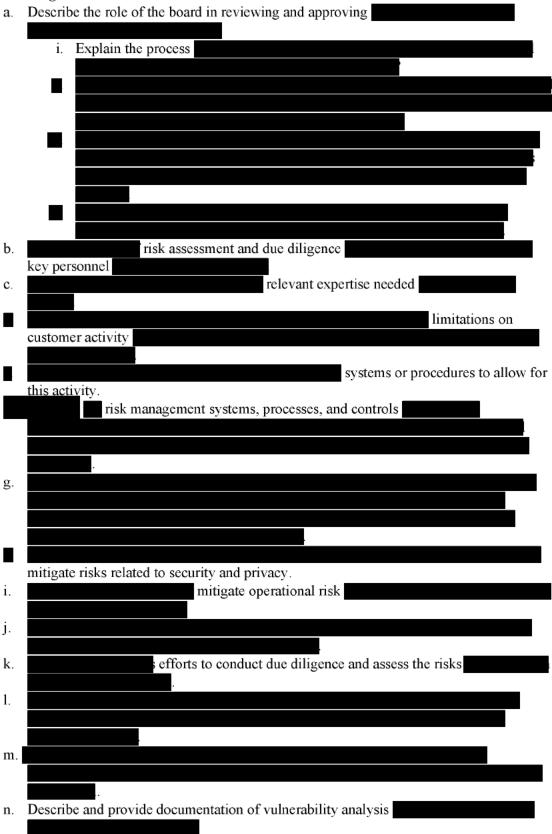
Board of Directors	
Via Secure Email	
Members of the Board:	
the FDIC,	met with
, participated in the meeting to discus	as the
functionality of the product	rsions of the product,
, and subsequently, FDIC has received revised inf	
<u>.</u>	
	it has a number of questions based on
the discussion and information provided to date. The initial request responses  As noted in our prior leads to the discussion and information provided to date.	etter, we expect you to satisfactorily
address these and any subsequent questions (in advance of	implementation) to ensure the bank is
operating in a safe and sound manner. This is consistent institutions provide information necessary to allow the age	
soundness, consumer protection, and financial stability imp	
Written correspondence should be addressed to Kristie K. I	
Dallas Regional Office, and sent as a PDF document through (https://securemail.fdic.gov/) using the following e-mail ad	
Information about how to use secure email and FAQs abou	
https://www.fdic.gov/secureemail/.	
	Sincerely,
	Kristie Elmquist Regional Director
	Regional Director
Attachment	

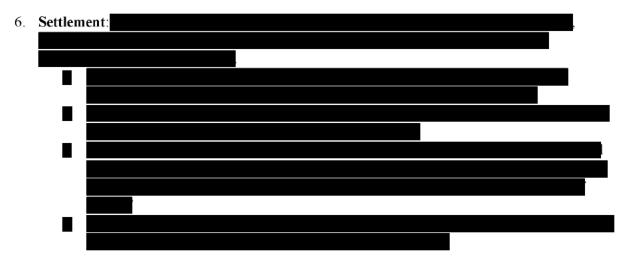
<sup>&</sup>lt;sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations

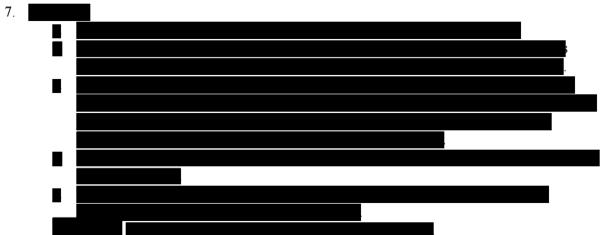
1.	Structure
a.	
	the relationship
h	Describe the
U.	processes for decision-making, key participants, and key
	personnel. In your response, indicate
0	Describe what role
C.	Describe what role,
d.	Describe what role,
	Total et Hause et al. : Stillied et colle in let?
e.	Provide the terms of
	documents that describe the terms
	Identify the party responsible for
f.	Explain in detail Identify all
	persons that control 5 percent or more and
	provide the percentage controlled.
g.	Explain any dispute resolution processes
	P : 1 - 1 : - C :
n.	Provide a list of the fees and estimated expenses moving forward. In your response, please clarify what the fees are for
	moving forward. In your response, piease claimy what the fees are for
i.	Discuss the permissibility under section
	Federal Deposit Insurance Act, the FDIC Rules and
	Regulations,
j.	Clarify whether
k.	Describe what involvement, if any,
趔	
1.	Identify the steps
m	Describe key third-party relationships
	business-to-business payments, merchant payments,
<u> </u>	
	to ensure privacy, confidentiality and/or data security for the different types of
520	customers and their data.
0.	Explain any restrictions in place regarding the use of data  In your response identify the parties with access to such data and the type(s) of data they



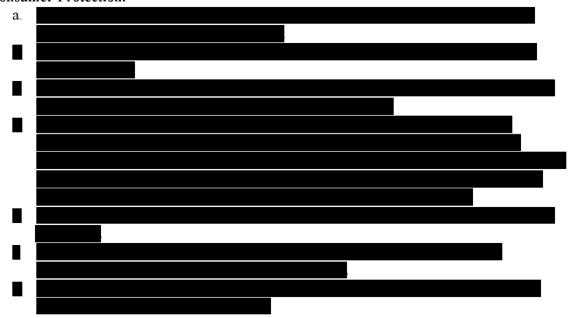
#### 5. Risk Management and Controls.







### 8. Consumer Protection.



h.	Describe any representations that	
i.		
J.	Identify the consumer data that will be shared with	as
	well as any controls in place to protect PII and limit snaring. In your response, indicate	Э
	whether any PII will be stored	

Dallas Regional Office 600 North Pearl Street, Suite 700 Dallas, Texas 75201 (214) 754-0098 FAX (972) 761-2082

#### SENT VIA SECURED ELECTRONIC MAIL

May 4, 2022

The Board of Directors	
Subject: Proposed Crypto Asset Capability	
Dear Members of the Board:	
This office received	
that provided high-level information about the bank's intent to p	rovide a crypto asset capability
	. We
thank you for your timely notification as requested by Financial   2022.	nstitution Letter (FIL-16-2022) dated April 7,
At this time the FDIC has not yet determined what, if any, regulat engage in this type of activity. As a result, we respectfully ask that consider this crypto asset-related activity.	일어가 하는 그리스 회에 대통령이 전기로 내려가 되었다면 가장 하면 된 생일이 있었던 아이들이 생각하다는 것을 받아 가장이 되었다면 되었다면 하다.
consider this crypto asset-retated activity.	
As we review your proposed activity, we will continue to correspond information requests to aid us in our assessment of the activity. this matter to	5 5/4 1/5
be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dalla	
through the FDIC's Secure Email portal ( <a href="https://securemail.fdic.gov">https://securemail.fdic.gov</a> . Information about how to use secure e <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a> .	
nteps//www.tale.gov/secureentally.	
	Sincerely,
	/s/ J. Mark Love
	J. Mark Love
	Assistant Regional Director
cc: Federal Reserve Bank of Dallas	

Dallas Regional Office 600 North Pearl Street, Suite 700 Dallas, Texas 75201 (214) 754-0098 FAX (972) 761-2082

May 13, 2022

Board of Directors	
Subject:	
Dear Members of the Board:	
By letter dated of the Bank's intent of the Bank's	to
By letter dated additional information was received this service, and a brief conference call	
By letter dated , the FDI outlined certain information	C
On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. That FIL is available here: <a href="https://www.fdic.gov/news/financial-institution-etters/2022/fil22016.html">https://www.fdic.gov/news/financial-institution-etters/2022/fil22016.html</a> .	
The FDIC continues to review	
outstanding, including with respect to the legal permissibility of this activity, the potential applicability of part 362 of the FDIC Rules and Regulations, and safety and soundness and consumer protection principles. Consistent with the procedures outlined in FIL-16-2022, the FDIC will make atture information requests to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service to additional customers.	

If you have any questions, please contact Assistant Regional Director Cindy Scott at Written correspondence should be addressed to my attention at the Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a>) using the following e-mail address: <a href="mailto:DALMailRoom@fdic.gov">DALMailRoom@fdic.gov</a>. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

Sincerely,

Kristie K. Elmquist Regional Director

New York Regional Office

Division of Risk Management Supervision and Division of Depositor and Consumer Protection 350 5th Avenue, New York, NY 10018

June 22, 2022

Board of Directors	
Subject: Notice to Engage in	Digital Asset Activities under FIL-16-2022
Dear Members of the Board:	
We received the subject correspondence in response to Financial Institution Letter 1 intent to engage in activities involving digital assets numerous times with Bank management over the paractivities. We appreciate management's efforts to I due diligence and explored its entry into the digital	s. New York Regional Office staff has met ast several months regarding these proposed keep us informed as the Bank has conducted
The FDIC has a number of questions regard provided to date. The FDIC plans to conduct a targ asset activities to gain an understandin and sound operations and consumer protections, she document request list related to this targeted review Bank should address these questions, in advance of order for the FDIC to assess the safety and soundness with laws and regulations.	geted review of the Bank's planned digital g of how the Bank will ensure continued safe ould these activities be implemented. A was provided under separate cover. The implementation of the proposed activities, in
If you have any questions, please contact As Amicangioli at or Assistant Region	ssistant Regional Director Ashley M. al Director Kara L. Ritchie at
	Sincerely, Jessica A. Kaemingk Acting Regional Director
CC:	

<sup>1</sup> See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.



#### **Federal Deposit Insurance Corporation**

Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

#### Chicago Regional Office

Phone (312) 382-7500

Fax (312) 382-6901

June 27, 2022

Board of Directors
Subject:
Members of the Board:
By letter dated advised the FDIC, in response to Financial Institution Letter 16-2022 (FIL-16-2022), and of the Bank's
intent to offer Bank cus omers
The FDIC continues to review and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC will request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service.
If you have any questions, please contact
Written correspondence should be addressed to my attention at the Chicago Regional Office, and sent as a PDF document through

<sup>&</sup>lt;sup>1</sup> On April 7, 2022, the FDIC issued FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. FIL-16-2022 is available here: https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html.

the FDIC's Secure Email portal	(securemail.fdic.gov)	using the	following e-mai	address:
CHIMailRoom@FDIC.gov.				

Sincerely,

Gregory P. Bottone Regional Director

June 30, 2022

Board of Directors
Subject:
Dear Members of the Board:
In a letter dated provided an overview of the program and due diligence activities in response to the FDIC Financial Institution Letter, FIL-16-2022, dated April 7, 2022 (FIL-16-2022). FIL-16-2022 explains the notification and supervisory feedback process concerning current or planned crypto-asset-related activity. On June 1, 2022, the Bank, the FDIC, and discussed the program again.
The FDIC continues to review and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC will request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the bank refrain from expanding this service.
If you have any questions, please contact Assistant Regional Director Catherine H. Goni at Written correspondence should be addressed to my attention at the New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address: <a href="https://www.fdic.gov/secureemail/">NYMailroom@fdic.gov</a> . Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a> .
Sincerely, Jessica A. Kaemingk Acting Regional Director

Dallas Regional Office 600 North Pearl Street, Suite 700 Dallas, Texas 75201 (214) 754-0098 FAX (972) 761-2082

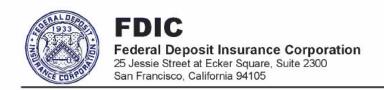
July 14, 2022

Board of Directors
Subject:
Members of the Board:
By letter dated provided notification pursuant to Financial Institution Letter-16-2022, Notification of Engaging in Crypto-Related Activities (FIL-16-2022), of its program offering customers
On the FDIC held a videoconference meeting, with members of the Bank's executive team to discuss
represented the Bank. Assistant Regional Director (ARD) J. Mark Love, ARD Cynthia Scott, ARD Akhtar Khan, and Case Manager (represented the FDIC.
During the meeting, informed the FDIC that the program is live as of
The FDIC continues to review crypto-related activities and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC may request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service.
If you have any questions, please contact ARD Love at addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal ( <a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a> ) using the following e-mail address: <a href="mailto:DALMailRoom@fdic.gov">DALMailRoom@fdic.gov</a> . Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a> .

Sincerely,

/s/ Kristie K. Elmquist

Kristie K. Elmquist Regional Director



July 27, 2022

Board of Directors	
Subject: Notification of Crypto-Related Activity	
Dear Members of the Board:	
By letter dated FDIC and Bank will provide its customers	notified the that the
On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explanotification and supervisory feedback process concerning a bank's current or planner asset related activity. That FIL is available here: <a href="https://www.fdic.gov/news/financianstitution-letters/2022/fil22016.html">https://www.fdic.gov/news/financianstitution-letters/2022/fil22016.html</a> .	ed crypto-
On Safety and Soundness examination began examiners and bank management held an MS Teams Meeting to present a request list related to the proposed crypto activities. During the meeting,	

The FDIC continues to review	and various questions remain outstanding.
Consistent with the procedures outlined in F	IL-16-2022, the FDIC has requested information as
part of the examination process and may req	uest additional information to assist us in reviewing
the activity and providing supervisory feedb	ack to the Bank. Accordingly, until we complete our
review, we request that the Bank refrain from	n expanding this service to its customers.

If you have any questions, please contact RMS Assistant Regional Director David Wong at or DCP Assistant Regional Director Matthew Sheeren at Written correspondence should be addressed to my attention at the San Francisco Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a>) using the following e-mail address: SFMailroom@FDIC.gov. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

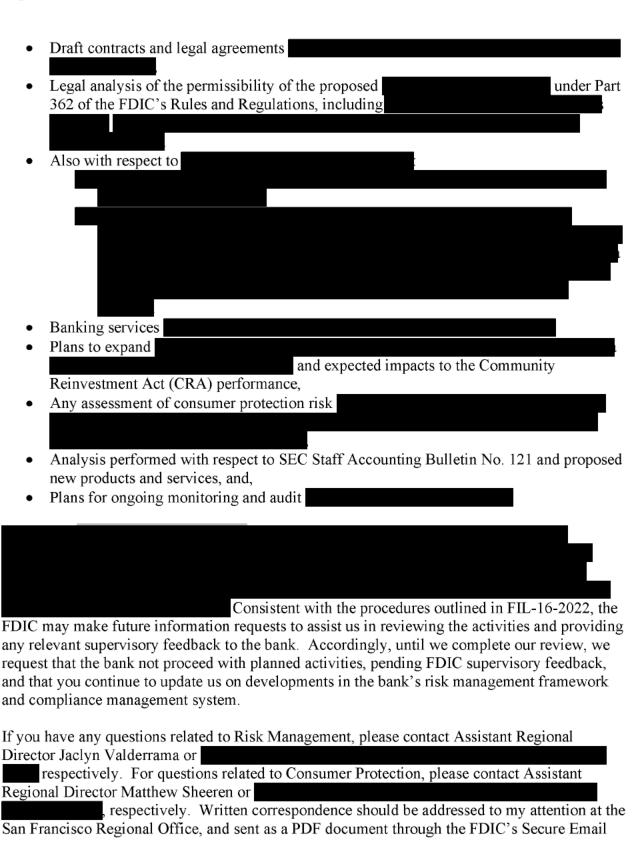
Sincerely,

KATHY MOE Digitally signed by KATHY MOE Date: 2022.07.27 15:37:45-07'00'

Kathy L. Moe Regional Director

Division of Risk Management Supervision Division of Consumer Protection San Francisco Regional Office (415) 546-0160

Sent via secure email to
July 28, 2022
Board of Directors
Subject: Notification of Engaging in Crypto-Related Activities
Dear Members of the Board:
On
and regulations, as well as safety and soundness and consumer protection principles. Examples of incomplete, but essential, elements that we request the opportunity to review, when available include the following:
<ul> <li>Risk assessments</li> <li>Due diligence</li> </ul>
Policies and procedures
Project plans and cost benefit analysis ,  Formula proposition plan ,
<ul> <li>Formal succession plan</li> </ul>



### Board of Directors

Page 3

portal (<a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a>) using the following e-mail address: <a href="mailto:SFMailRoom@fdic.gov">SFMailRoom@fdic.gov</a>. Information about how to use secure email and FAQs about the service can be found at <a href="https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

Sincerely,

/s/ Kathy L. Moe

Kathy L. Moe Regional Director

CC:



August 9, 2022

Board of Directors	
	_
Subject:	
Dear Members of the Board:	
By letter dated	
advised the FDIC of the bank's intent to offer cu	istomers
	in response to EU 16
2022.1	in response to FIL-16-
	ı
On the Bank discussed the	with the FDIC Division
of Depositor and Consumer Protection – Kansas	<u>, , , , , , , , , , , , , , , , , , , </u>
discussions were held on discussions Bank management explained	During the course of those
	By letter
, additional information from the Bank was	forwarded to the RO documenting
The FDIC continues to review outstanding. Consistent with the procedures out	and various questions remain
future information requests to assist us in review	
feedback to the Bank. Accordingly, until we consider the service to additional	
refrain from expanding this service to additional	customers.

<sup>&</sup>lt;sup>1</sup> On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. That FIL is available here: https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html.

If you have any questions, please contact.	Assistant Regional Director Michele Sharp or Case
Manager Nick Ellwanger at	Written correspondence should be addressed to
my attention at the Kansas City Regional	Office, and sent as a PDF document through the
FDIC's Secure Email portal (https://secure	email.fdic.gov/) using the following e-mail address:
KCMailRoom@fdic.gov. Information about	out how to use secure email and FAQs about the
service can be found at https://www.fdic.g	gov/secureemail/.

Sincerely, James D. LaPierre Regional Director



Atlanta Regional Office Division of Risk Management Supervision Division of Depositor and Consumer Protection (678) 916-2200

August 26, 2022

Board of Directors
Subject: Notification of Crypto-Related Activity
Dear Members of the Board:
On the FDIC received \ notification, in response to Financial Institution Letter (FIL), FIL-16-2022, Notification of Engaging in Crypto-Related Activities, of the Bank's intent to engage in crypto-asset related activity by offering customers  FIL-16-2022
requested that all FDIC-supervised institutions that intend to engage in, or that are currently engaged in, any activities involving or related to crypto-assets (also referred to as "digital assets") promptly notify the appropriate FDIC Regional Director.
As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. To assess these risks, the FDIC is reviewing the notification and information provided, and is also assessing whether
To assist in our review of the proposed activities, please provide the documentation referenced in the Appendix attached to this letter. We will review this documentation to assess the safety and soundness, consumer protection, and stability implications of such activities as it is received and in conjunction with the safety and soundness examination.  When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the Bank refrain from providing this service to its customers.
Please submit the information requested in the Appendix to the FDIC as a PDF file to

ATLMailRoom@fdic.gov using the secure message center at https://securemail.fdic.gov. The

information should be submitted to this office by meeting this deadline, please contact the individu	. If you foresee any issues with rals identified below.
If you have any questions related to Risk Managen	nent, please contact
	If you have any questions related to Consumer
Protection, please contact	
e ·	
	Sincerely,
	Frank R. Hughes
	Acting Regional Director
cc:	

### Appendix Crypto-Related Activity Request List

Please provide the following documentation in relation to the proposed crypto-related activities:

1. All contracts (including any draft contracts that the Bank is reviewing/considering);

3. Any contract analysis performed prior to execution:

2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring);

4.	
6. 7.	The Bank's permissibility analysis and determination with respect to each activity; The Bank's analysis of <u>SEC SAB 121</u> and its applicability;
8.	Any cost-benefit analysis conducted;
9.	Project plan for each activity;
10.	
	<u> </u>
14.	
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- 15. Copies of consumer agreements, disclosures, and other terms and conditions related to each of the activities provided by or through the Bank and by third parties (draft or proposed);
- 16. Marketing materials, press releases, internal scripts, educational materials, and any other publicly distributed information related to each of the activities (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the Bank in connection with each of the activities;

- 17. Strategic plan that details how crypto-asset activities achieve the objectives of the Board and any contingency plan, should the activities fail to achieve the objectives;
- 18. Implementation plan. For each activity, please include expected volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products;
- 19. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activities;
- 20. Internal training materials related to the activities;
- 21. Policies and procedures that will govern each of the crypto-related activities, including those related to consumer compliance and complaint resolution (we acknowledge receipt of the policy outline previously submitted, this request is for the policies and procedures);
- 22. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g., management, staff, committees (including members, frequency of meetings), and collectively, their approval authority); and

23.		,
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24.	Describe how the risk assessment was developed, what policies govern the structure/productions and the structure of the struc	ess f

24. Describe how the risk assessment was developed, what policies govern the structure/process for risk assessments, and which staff performed the risk assessment. Explain how the Bank determined the risk assessment scope is appropriate for all three product types collectively (trading, interest enhancement, and rewards).

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Federal Reserve Bank of Chicago

Federal Deposit Insurance Corporation Division of Risk Management Supervision Division of Depositor and Consumer Protection 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606 Chicago Regional Office

Phone (312) 382-7500

Fax (312) 382-6901

	September 9, 2022
Board of Directors	
Subject: Third-Party Crypto-Asset Activity	
Dear Members of the Board:	
On Bank's intended crypto-asset activities in response to F. Engaging in Crypto-Related Activities (FIL-16-2022). discussion with asset activities. As discussed during the call,	submitted a notification of the inancial Institution Letter-16-2022, Notification of also held a regarding the proposed crypto-
The FDIC requests insured depository institutions prassess the safety and soundness, consumer protection, a activities. The FDIC requests the Bank provide the infethat the FDIC may begin those assessments. If the required provide the status and timeline for developing each item completed its review of the requested information, we were necessary to complete the review of the activity. When provide the institution with relevant supervisory feedback our review, we request that the Bank not proceed with prededback.	ormation in the attached list by set of the state of the
If you have any questions, please contact my attention at the Chicago Regional Office, and sent a portal (securemail.fdic.gov) using the following e-mail	
	Sincerely, Gregory P. Bottone Regional Director
Enclosure - Crypto-Asset Activity Request List	
cc:	

#### Crypto-Asset Activity Request List

- 1. Strategic Plan that details how crypto-related activity achieves objectives of the Bank's Board and the Contingency Plan in the event the activity fails to achieve those objectives.
- 2. Project/Implementation plan including, but not limited to, expected volumes of activity or contemplated activity limits, cost benefit analysis including income projections used to determine whether the services are financially feasible, and any other analysis performed to support launching the services.
- 3. Risk assessments for all crypto-related services. Consideration should be made to Safety and Soundness, Information Technology, Anti-Money Laundering/Combating the Financing of Terrorism, and Consumer Compliance.
- 4. Vendor management due diligence documentation, and analysis for all vendors that will provide crypto-related technologies or services.
- 5. Board and committee minutes reflecting approval, discussion, analysis, and any documentation provided on the activity.
- 6. Draft contracts and legal agreements between the Bank and crypto-related third party vendors.
- 7. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution.
- 8. If not outlined in policies and procedures, the framework of assigned responsibilities and qualifications for those involved in day-to-day administration of digital asset activity, including internal controls responsibilities, and a description of oversight responsibilities, for example: management; staff; committees, including committee members; frequency of meetings; and collectively, their approval authority, and expertise required to be a committee member.
- 9. Draft marketing plans, including press releases, educational and training materials, and any other proposed public distributions.
- 10. Draft consumer agreements, disclosures, or other terms and conditions related to these activities provided by, or through, the Bank and by third parties.
- 11. Legal analysis of the permissibility of the proposed services under part 362 of the FDIC's Rules and Regulations, and
- 12. Analysis performed with respect to SEC Staff Accounting Bulletin No. 121 and proposed services.
- 13. Plans for ongoing monitoring and audit of crypto-related products and services.

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Atlanta Regional Office Division of Risk Management Supervision Division of Depositor and Consumer Protection (678) 916-2200

September 13, 2022

Sent via secure email
Board of Directors
Subject: Third-Party Crypto-Asset Activity
Dear Members of the Board:
On we received notification, in response to Financial Institution Letter (FIL), <u>FIL-16-2022</u> , <u>Notification of Engaging in Crypto-Related Activities</u> , of the Bank's intent to offer customers
FIL-16-2022 requests that all FDIC-supervised institutions that intend to engage in, or that are currently engaged in, any activities involving or related to crypto-assets (also referred to as "digital")

As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. In order to begin those assessments, please provide the information in the attached list by November 14, 2022. If the requested information has not yet been developed, include the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the above-requested information, we will determine whether additional information is necessary to complete the review of the activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the Bank refrain from providing these services to its customers.

assets") promptly notify the appropriate FDIC Regional Director.

Board of Directors			
Page 2 of 2			
This letter is confidential and may not be disclosed or the FDIC Rules and Regulations (12 CFR part 309). If you written correspon	ou have any ques	stions, plea	24 - 1905 - Caracia Caracia (1907)
the Atlanta Regional Office, and sent as a PDF docume (securemail.fdic.gov) using the following e-mail addresses	nt through the F	DIC's Secu	re Email portal
	Sincerely,	JOHN	Digitally signed by JOHN VOGEL
		Date: 2022.09.13 _ 16:45:08 -04'00'	
cc: Y			

Enclosure

#### **Crypto-Asset Activity Request List**

Documentation (Prospective):

- 1. Contracts (including any draft contracts that bank is reviewing/considering);
- 2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring)
- 3. Any contract analysis performed prior to execution
- 4. The bank's permissibility analysis and determination with respect to the activity
- 5. Bank's analysis of SEC SAB 121 and its applicability
- 6. Cost-benefit analysis

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 Description of any fees that will be charged to consumers related to the activity, and how they will be calculated. Also, describe if and how fees are split amongst the bank and any third parties involved in the activity.

11.

This includes providing an explanation of how any market price is determined and how the spread, if any, is calculated.

- 13. Consumer agreements, disclosures, and other terms and conditions related to the activities provided by or through the bank and by third parties (draft or proposed)
- 14. Marketing materials, press releases, internal scripts, educational materials, and any other publicly-distributed information related to the activity (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the bank in connection with activities.
- 15. Any other due diligence materials.
- 16. Strategic plan that details how crypto-asset activity achieves objectives of the board and the contingency plan should the activity fail to achieve the objectives.
- 17. Implementation plan. Please include expected activity volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products.
- 18. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activity.
- 19. Risk assessment(s) related to the activity.
- 20. Internal training materials related to the activity.
- 21. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution.
- 22. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g. management, staff, committees (including members, frequency of meetings), and collectively, their approval authority).



Dallas Regional Office Division of Risk Management Supervision Division of Depositor and Consumer Protection

#### SENT VIA SECURE ELECTRONIC EMAIL

September 14, 2022

Board of Directors

Subject: Notification of Crypto-Asset Related Activity

Dear Members of the Board:

By email dated notified us of intent to provide its customers

As stated in FIL-16-2022, *Notification of Engaging in Crypto-Related Activities*, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. In order to begin those assessments, please provide the information in the attached list **by**November 14, 2022. If the requested information has not yet been developed, please include the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the requested information, we will determine whether additional information is necessary to complete the review of the activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the bank refrain from providing this service to its customers.

This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). If you have any questions, please contac Written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a>) using the following e-mail address: <a href="mailto:DALMailRoom@fdic.gov">DALMailRoom@fdic.gov</a>. Information about how to use secure email and FAQs about the service can be found at <a href="mailto:https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a>.

Sincerely,

Kristie K. Elmquist Regional Director

Attachment

cc: Federal Reserve Bank of Dallas

#### Crypto-Asset Activity Request List

#### Documentation:

- 1. Contracts (including any draft contracts that bank is reviewing/considering)
- 2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring)
- 3. Any contract analysis performed prior to execution
- 4. Description of the transaction flows and related controls

5.

- The bank's permissibility analysis and determination with respect to the activity
- 7. Bank's analysis of SEC SAB 121 and its applicability
- 8. Cost-benefit analysis
- 9. Project plan

10. The state of t

12. Description of any fees that will be charged to consumers related to the activity, and how they will be calculated. Also, describe if and how fees are split amongst the bank and any third-parties involved in the activity.

14.

- 15. Consumer agreements, disclosures, sample account statement, sample transaction receipt, and other terms and conditions related to the activities provided by or through the bank and by third parties (draft or proposed)
- 16. Marketing materials, press releases, internal scripts, educational materials, and any other publicly-distributed information related to the activity (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the bank in connection with activities.
- 17. Any other due diligence materials
- 18. Strategic plan that details how crypto-asset activity achieves objectives of the board and the contingency plan should the activity fail to achieve the objectives
- 19. Implementation plan. Please include expected activity volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products.
- 20. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activity
- 21. Risk assessment(s) related to the activity
- 22. Internal training materials related to the activity

- 23. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution
- 24. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g. management, staff, committees (including members, frequency of meetings), and collectively, their approval authority).



#### **Federal Deposit Insurance Corporation**

Division of Risk Management Supervision 25 Jessie Street at Ecker Square, Suite 2300 San Francisco, CA 94105



#### Transmitted by Electronic Correspondence

October 17, 2022



#### RE: Notification of Crypto-Related Activities

Dear :

of your institution's involvement in crypto-related activities, in response to Financial Institution Letter (FIL), <u>FIL-16-2022</u>, <u>Notification of Engaging in Crypto-Related Activities</u>. FIL-16-2022 requested that all FDIC-supervised institutions that intend to engage in, or that are currently engaged in, any activities involving or related to crypto-assets (also referred to as "digital assets") promptly notify the appropriate FDIC Regional Director.

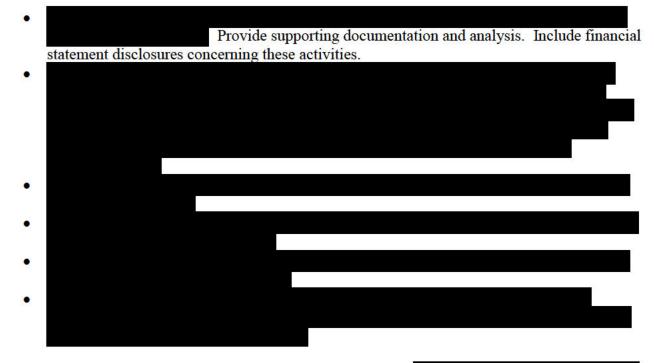
After a review of the Bank's notification letter, we have determined that additional information is needed to further clarify the crypto-related activities being conducted by the Bank.

As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. To assist in the review of the Bank's crypto-related activities, please provide the documentation listed below within 30 days of the date of this letter.

•

This letter is confidential and may not be disclosed or made public in any manner. Additional information regarding these confidentiality restrictions may be found both in Part 309 of the FDIC Rules and Regulations and Chapter 167 Section 2 of Massachusetts General Law. Please notify regulators immediately if you receive a subpoena or other legal process calling for the production of this letter or a description of its content.





Until we complete our review, we request the Bank refrain from When we have completed our review, we will provide the institution with relevant supervisory feedback, as appropriate.

Please notify us of any material changes in these activities or intent to engage in other cryptorelated activities. This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). Questions should be directed to FDIC

Sincerely,

/s/ Kathy L. Moe

Kathy L. Moe Regional Director Federal Deposit Insurance Corporation



Division of Risk Management Supervision
Division of Consumer Protection
San Francisco Regional Office
(415) 546-0160

Sent via secure email

**Board of Directors** 

October 21, 2022

Subject: Notification of Engaging in Crypto-Related Act	ivities
Dear Members of the Board:	
During a virtual meeting held on	
and other bank personnel presented and discuss	with staff of the FDIC and
bank management presented an overview of the customers	During the meeting, activity to offer bank  They also
discussed management's risk assessment; the extent of con	
planned timeframe for implementation; the extent of	
On, during a virtual meeting, bank managem staff on the project and their ongoing due diligence. additional documents and information on up requests from the FDIC. On that the project as part of the bank's ongoing due of	Bank management also provided in response to follow-roject had
2, the FDIC issued Financial Institution Le Engaging in Crypto-Related Activities"). FIL-16-2022 reginstitutions that intend to engage in, or that are currently er related to crypto-assets (also referred to as "digital assets") Regional Director and outlined a supervisory feedback proplanned crypto-asset related activity. The FIL is available <a href="https://www.fdic.gov/news/financial-institution-letters/202">https://www.fdic.gov/news/financial-institution-letters/202</a> 2022, the FDIC may request that institutions provide informassess the safety and soundness, consumer protection, and activities. On	quested that all FDIC-supervised ngaged in, any activities involving or promptly notify the appropriate FDIC cess concerning a bank's current or at 22/fil22016.html. As stated in FIL-16-mation necessary to allow the FDIC to

Board of Directors Page 2
which is currently under review as part of the examination that began on When we have completed our review, the FDIC will provide the bank with relevant supervisory feedback, as appropriate. Until we complete our review, we request that the bank refrain from providing this service to its customers.
Please notify us during our review period if there are any material changes in the planned service, the status of this project, or its planned implementation, to ensure that the bank is operating in a safe and sound manner and in compliance with consumer protection regulations.
This letter is confidential and may not be disclosed or made public in any manner under part 30 of the FDIC Rules and Regulations (12 CFR part 309). If you have any questions related to Ris Management, please contact Assistant Regional Director Jaclyn Valderrama at or For questions related to Consumer Protection, please contact Assistant Regional Director Matthew Sheeren at or Review Examiner Rolin Thomas at Written correspondence should be addressed to my attention at the San Francisco Regional Office, and sent as a PDF document through the FDIC's Secure Email portal ( <a href="https://securemail.fdic.gov/">https://securemail.fdic.gov/</a> ) using the following e-mataddress: <a href="mailto:SFMailRoom@fdic.gov">SFMailRoom@fdic.gov</a> . Information about how to use secure email and FAQs about the service can be found at <a href="mailto:https://www.fdic.gov/secureemail/">https://www.fdic.gov/secureemail/</a> .
Sincerely,
/s/ Kathy L. Moe
Kathy L. Moe Regional Director
cc:

Federal Reserve Bank of San Francisco