MEMORANDUM TO:	File
FROM:	Case Manger b8 and b8
SUBJECT:	b4,b8 Cryptocurrency Response
On July 1, 2022 <sup>1</sup> management b4,b8  Assessment	ent provided the following information for review: b4,b8  (Policy), b4,b8  Risk  b4,b8  form b4,b8
b4,b8	BSA Risk Assessment, CDD Policy, and New Account
CDD Questionnaire.	
Additionally, on July 7, 202 Policy, befollowing concerns were no	22 Case Manager b8 spoke with Trust Specialist b4,b8 about the:  4,b8 Risk Assessment, and b4,b8 The oted.
<ol> <li>While the Risk Assessment states that "I b4,b8</li></ol>	
The following additional commentary was provided by management regarding the account:  1. The Trust account was funded with shares of Bitcoin (each share valued at b4,b8 as of July 7, 2022).  2. The Trust document is drafted with the Bank serving exclusively as Trustee, and the Trust grantor, b4,b8 as the investment manager of the Trust.  3. The Bitcoin is custodied at the b4,b8 cryptocurrency exchange.  4. The Grantor of the Trust transferred the Bitcoin from his personal "wallet" (held under private key) to the b4,b8 custody account which now holds the cryptocurrency in "vault" formation. As Trustee, and owner of the b4,b8 custody account, the Bank does	

<sup>&</sup>lt;sup>1</sup> Received July 6, 2022 since the information appears to have been mailed into the RO.

<sup>2</sup> A **b4,b8** cryptocurrency exchange and custody platform based in San Francisco, CA.

- not utilize the traditional "key" methodology associated with wallets. Instead, the Bank has a password to access the account.
- 5. The Bank has no plans for 3<sup>rd</sup> party partnerships related to cryptocurrency activity. The Bank does maintain a custody account agreement with **b4,b8** for the **b4,b8**

Below are potential questions/documentation requests to consider:

- Should the Policy outline controls over password security and testing access to the cryptocurrency account?
- It appears that the bank is acting as custodian of the Bitcoin or is it only custodian of the account holding the Bitcoin? Should a copy of the custody agreement be obtained?
- Obtain details about the Bank's access to the cryptocurrency? Ex: What does the Bank's password allow the bank to do (sell crypto or just monitor value)?
- Is **b4,b8** going to be the Bank's custodian of choice for any other Trust accounts that hold digital assets?
- Should we request the b4,b8 Risk Assessment for the b4,b8
   The b4,b8 Risk Assessment notes that for accounts with a risk factor related to b4,b8
   b4,b8 s" an additional questionnaire is necessary. Should the questionnaire be requested?

Lastly, on July 11, 2022 RMS ARD Hayes, DCP ARD Richardson, Regional Counsel Tynan, CM **b8** SE **b8** and Trust Specialist **b8** met to discuss the items provided and items outlined in this memo. The memo was updated accordingly.