

## 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

December 29, 2022

President & COO

RE: Notification of Crypto-Related Activities

Dear

On November 2, 2022, we received your response to the FDIC and letter, dated October 17, 2022, requesting additional information regarding your institution's involvement with crypto-related activities (request letter). The last item in our request letter, which was only partially addressed in your response, stated "Provide an independent legal analysis of the permissibility of the Bank acquiring and holding crypto-assets and NFTs under part 362 of the FDIC Regulations (12 CFR part 362) and other relevant state and federal laws." Your response to this item explained the purpose for purchasing NFTs but did not provide the requested independent legal analysis of the permissibility of the Bank acquiring and holding crypto-assets or the NFTs.

Consistent with our request, in the event the Bank believes the activity to be permissible, appropriate documentation should be established and maintained as described in Financial Institution Letter (FIL), FIL-54-2014, Filing and Documentation Procedures for State Banks Engaging, Directly or Indirectly, in Activities or Investments That Are Permissible for National Banks. Therefore, we are again requesting such documentation.

Please provide the Bank's legal analysis and supporting documentation of the permissibility of the Bank acquiring and holding crypto-assets and NFTs within 30 days of the date of this letter.

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 Case

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Manager and Division Chief Director

Sincerely,

/s/ Kathy L. Moe

Kathy L. Moe Regional Director Federal Deposit Insurance Corporation

