

August 17, 2022

Via Electronic Mail

b4,b8

Subject: Determination of Financial Institution Letter (FIL) 16-2022 Applicability

Dear b4,b8

Thank you for contacting us regarding a prospective banking relationship with crypto-asset exchange company. b4,b8 If management intends to further pursue the activities discussed with Case Manager b8 on June 21, 2022, please provide the FDIC with a formal notification as requested in Financial Institution Letter (FIL) 16-2022.

In anticipation of such notification, we request that management provide the following information as part of the notification:

- Describe how the proposed relationship fits into the bank's strategic plan. Provide any
  change in the bank's strategy as a result of the contemplated relationship, including
  liquidity and capital management plans, contingency plans, and stress testing and/or
  scenario analyses.
- If management anticipates entering into legal contracts with **b4,b8** please provide the draft contract(s).
- If **b4,b8** plans to provide customers with disclosures related to the bank holding of funds, please provide the disclosure (or draft, if it has not been finalized).
- Provide more details regarding the anticipated structure and functionality of the proposed omnibus for-benefit-of (FBO) account, including the rationale for the three account structure mentioned on the June 21, 2021 call with Case Manager | **b8**
- Provide the anticipated titling on the account signature card.
- Describe whether subledgers reflecting balances and transaction of underlying end-users will be maintained, which entity will maintain such records, and expertise of such entity in such recordkeeping.
- Provide the anticipated overall size and daily activity of the proposed FBO account in both dollars and number of b4,b8 accounts or wallets.

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

b4,1	<b>8</b> c				
S Satares in Stives	es f	87.88	1	6.70	7

Determination of FIL 16-2022 Applicability

Page 2

- Describe how management may limit the size of the account(s) or raise additional capital
  if, for example, deposits exceed projections.
- Describe how management will evaluate the staffing capacity (number and expertise) needed to oversee the proposed depositor relationship.
- Explain the perceived change in the bank's Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) profile, including the volume of domestic and/or foreign transactions and planned enhancements to the institution's AML/CFT infrastructure to handle the volume.
- Describe the perceived change in information security profile and resulting controls within the technology environment.
- Explain how **b4,b8** discloses the limited applicability of federal deposit insurance to U.S. dollar (USD) funds. Indicate who will be responsible for reviewing all public statements, marketing materials, or consumer disclosures that include the bank's name.
- Identify who will be responsible for researching and resolving customer disputes covered by Electronic Fund Transfers (Regulation E).
- Identify who will provide customer support for customer inquiries or complaints involving the b4,b8 USD deposit accounts.
- Describe how the bank will monitor advertisements, marketing, and disclosures related to the b4,b8 deposit accounts.

Provide the bank's due diligence for activities related to	o b4,	8	including the
prospective offering of merchant processing services. (	Given	that	b4,b8 reports itself a
b4,b8			<u></u>
b4,b8	d	escr	ibe additional perceived
risks and additional risk management controls contemp	lated t	om	itigate such risks.

 Provide draft or finalized scope of work and engagement letter(s) for any current or anticipated consulting work performed by outside counsel regarding the prospective relationship with b4,b8

If you	have any	questions	regarding	this co	rrespondence, please contact Cas	se Manager	<b>b</b> 8
b8	at	b8	or	<b>b</b> 8	or Acting Case Manager	b8	at
   	b8	or	b8	······································			

Sincerely,

/S/ #3000 SSEE ARE CREEK

Perissa Ali Clark Assistant Regional Director

· • i	nx	
· i		