From: b8
Sent: Tuesday, August 13, 2024 8:28 AM
To: FDIC Kansas City Regional Office
Subject: RADD - b4,b8

CONTROLLED//FDIC INTERNAL ONLY

Please put this in RADD as note to file for followup at the next compliance examination.

b8
Review Examiner
Kansas City Region
Cell: b6,b8

From: b8
Sent: Monday, August 12, 2024 4:16 PM
To: b8
Cc: Gowlovech, Edward J. <EGowlovech@FDIC.gov>; b8; b8
M. b8
Subject: b4,b8 - Consultation Has Been Closed

CONTROLLED//FDIC INTERNAL ONLY

b8

I agree that following up during the exam makes the most sense.

Would be able to send this email chain to RADD as a follow-up note to file to assist in recordkeeping for the review?

Thanks!

b8
Field Supervisor, DCP
Federal Deposit Insurance Corporation
b6,b8 103
fdic.gov
FDIC

From: b8
Sent: Thursday, August 8, 2024 7:17 AM

REL0000042526

To: b8

b8

Cc: Gowlovech, Edward J. <EGowlovech@FDIC.gov>

Subject: FW b4,b8 - Consultation Has Been Closed

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WO finally closed out the b4,b8 crypto consult but it includes the following statement: ***. If the region has determined that the bank has sufficiently corrected the deficiencies in the DCP ROE related to the crypto-activity review, please notify the appropriate WO points of contact in DCP. If this determination has not yet been made, please contact the WO points of contact in DCP when such an assessment is in progress.***

I suggest we add this as a follow up item to the upcoming exam – if no concerns are noted at the time, we can notify WO that the issues have been addressed. Everyone ok with that?

b8

Review Examiner

Kansas City Region

Cell: b6,b8

From: iBPMS_Appian@fdic.gov <iBPMS_Appian@fdic.gov> **On Behalf Of** FOCUS

Sent: Wednesday, August 7, 2024 7:09 PM

To: b8 b8 b8 Gowlovech, Edward J. <EGowlovech@FDIC.gov>; Baker, Sherry L. <shbaker@FDIC.gov>; Ball, Jennifer A. <JBall@FDIC.gov>; b8; Thurman, Jessica L. <jthurman@FDIC.gov>; Hollifield, Ardie <ahollifield@FDIC.gov>; Sagatelian, Marguerite <MSagatelian@FDIC.gov>; Ziegler, Cheryl L. <cziegler@FDIC.gov>; Popick, Stephen J. <spopick@FDIC.gov>; Cornell, Steven E. <scornell@FDIC.gov>; Johnston, Peter H. <PeJohnston@FDIC.gov>; b8 Salamone, Frank C. <fsalamone@fdic.gov>; Troutt-Towns, Amy T. <atroutttowns@fdic.gov>

Cc: Finnegan, G. Chris <GFinnegan@FDIC.gov>

Subject: FOCUS - b4,b8 - Consultation Has Been Closed

CAUTION: External email. Do not click links or open attachments unless you recognize the sender and know the content is safe.

b4,b8

Consultation Has Been Closed

REL0000042526

This is to notify you that the following consultation has been closed. Please log in to FOCUS to view details for the consultation.

b4,b8

Exam Date: ---
Consultation #: 8
Consultation Subject: General
Consultation Issue: New Product Review
Consultation Initiated: 6/22/2022
Consultation Closed: 8/7/2024
Consultation Action: No Concurrence Required
EIC: ---
Field Office Assigned: b4,b8
Review Examiner: b8
RO Lead: b8
WO Lead: b8

On May 10, 2022, (b4,b8 (the Bank) notified the FDIC of Bank's intent to offer crypto-asset products and services available in conjunction with the BaaS deposit accounts offered through an agreement with b4,b8 b4,b8 Subsequently, in b4,b8 began offering all eligible users the ability to self -direct purchases and sales of crypto-assets (e.g. Bitcoin and Ethereum) using its mobile application, through an agreement with b4,b8 b4,b8 The notification was provided pursuant to Financial Institution Letter (FIL), FIL-16-2022, Notification of Engaging in Crypto-Related Activities. The FDIC requested additional information to assess the safety and soundness, consumer protection, and financial stability implications of such activities. The FDIC provided the bank with supervisory feedback in the DCP ROE for the examination dated September 14, 2022, which was mailed on April 10, 2023. The ROE included a Level 2 Medium Severity Violations of FDIC Part 328.102(a) for advertisements of deposit products provided by the bank alongside nondeposit crypto-asset products provided by b4,b8 without a clear, conspicuous, and prominent disclaimer that the nondeposit product is not insured by the FDIC. The FDIC also provided additional supervisory feedback in the RMS ROE for the examination dated June 5, 2023, which was mailed on August 20, 2023. If the region has determined that the bank has sufficiently corrected the deficiencies in the DCP ROE related to the crypto-activity review, please notify the appropriate WO points of contact in DCP. If this determination has not yet been made, please contact the WO points of contact in DCP when such an assessment is in progress.

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