

Federal Deposit Insurance Corporation

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

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

November 19, 2024

Board of Directors

b4,b8

Dear Members of the Board:

The FDIC acknowledges the notification provided by **b4,b8** the Bank) dated February 8, 2023, regarding the Bank's intent to offer a third-party authorization verification service for customer transactions in crypto-assets ("TPS Service"). The notification was provided pursuant to Financial Institution Letter (FIL), FIL-16-2022 Notification of Engaging in Crypto-Related Activities. 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.

The FDIC reviewed the documents provided by the Bank on June 5, 2023, in response to the FDIC's April 19, 2023 information request. The FDIC also reviewed the documents provided by the Bank on October 13, 2023, in response to the FDIC's August 30, 2023 information request. On January 2, 2024, the FDIC sent an additional letter to the Board requesting further information necessary to allow the FDIC to assess the safety and soundness and consumer protection implications of the TPS Service proposal. On March 18, 2024, the FDIC commenced a full-scope examination of the Bank. As the Bank had not responded to the FDIC's January 2, 2024 letter, examiners held meetings with President **b4,b8** and Chief Operating Officer **b4,b8** to discuss the status of the proposal. The discussions concluded that management had only completed due diligence on potential customers/vendors and that the Bank had not commenced crypto-related activities.

During a September 26, 2024 meeting with the Board of Directors, FDIC officials asked for an update on the status of the TPS Service proposal. In summary, Chief Executive Officer and Chairman of the Board b4,b8 indicated that management is not actively pursuing the proposal at this time. By email to the FDIC on November 6, 2024, President b4,b8 confirmed the same. The FDIC acknowledges the Bank's updated status related to this activity. Accordingly, with regard to the Bank's February 8, 2023, notification pursuant to FIL-16-2022, the FDIC's review of this matter is complete. We request that the Bank notify this office if the status of this activity, or other crypto-related activity, changes in the future, including when the bank starts to re-consider and pursue the TPS Service.

This letter i	s confidential a	nd may n	ot be discl	osed or made public in	any manner	under	
Part 309 of the F	DIC Rules and l	Regulatic	nsIf you	have any questions, p	ease contact	FDIC	
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Regional Office and sent as a PDF document through the FDIC's Secure Email portal							
(securemail.fdic.gov) using the following e-mail address: CHIMailroom@fdic.gov.							
				Sincerely			

Sincerely, Gregory P. Bottone Regional Director

CC:	Federal Reserve Bank of Chicago
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