b8

From: b8
Sent: Monday, April 24, 2023 5:56 PM
To: FDIC San Francisco Regional Office
Subject: RADD Room

a. Include email: Yes
b. Institution Name:
c. City:
d. State:
b4,b8
e. Division: RMS
f. Folder: Correspondence
g. Source: RO
h. Doc Name: Miscellaneous
i. Description: Update on crypto firm b4,b8

From: Muraywid, Sumaya A. <SMuraywid@FDIC.gov>
Sent: Tuesday, March 21, 2023 4:46 PM
To: b8
Cc: b8 Macias, Sandra <SMacias@FDIC.gov>; Ties, Nicholas F. <nties@FDIC.gov>; b8
b8
Subject: RE: b4,b8 Update

Thank you b8 That's very helpful. It looks like there is a DCP exam in May, which will be a good opportunity for follow-up.

Thank you for all of your collaboration and follow-up on the crypto-asset related activity. Much appreciated.

From: b8
Sent: Tuesday, March 21, 2023 11:44 AM
To: Muraywid, Sumaya A. <SMuraywid@FDIC.gov> b8
Cc: b8 Macias, Sandra <SMacias@FDIC.gov>; Ties, Nicholas F. <nties@FDIC.gov>; b8
b8
Subject: RE: b4,b8 Update

Good Morning Sumaya b8 Please see my answers in red below.

Best,

b8
Senior Risk Management Examiner
Federal Deposit Insurance Corporation
b8
b6
fdic.gov

REL0000042463

FDIC

From: Muraywid, Sumaya A. <SMuraywid@FDIC.gov>
Sent: Monday, March 20, 2023 4:16 PM
To: b8
Cc: b8 Macias, Sandra <SMacias@FDIC.gov>; Ties, Nicholas F. <nties@FDIC.gov> b8
b8
Subject: RE: b4,b8 Update

Hi b8

1. Thank you for sending this. To clarify, the retail working group was not involved, sorry for the confusion. To reflect collaboration with the WO, it would be RMS PPD and RMAS, as well as DCP. Thank you for the clarification, I will reflect the change in the A-Page Comment.

2. In terms of b4,b8 I'm uncertain what 'cryptocurrency activity' would mean for the proposed A-page comment. Do you mean that the examination identified that b4,b8 is engaged in crypto-asset activity, however, the funds held at the bank as of the exam represent capital raises, and that bank management provided information on the last day of the exam that indicated b4,b8 customers will send funds to b4,b8 account at the bank, so that b4,b8 can purchase bitcoin on behalf of their users? If that is the case, did the bank provide copies of the end user agreement/disclosure? I think crypto currency activity may be expected in the future. Currently most of b4,b8 money at b4,b8 (see table below) is in CDs from capital raises. Our understanding was/is that b4,b8 (cryptocurrency) has not actually started yet. Yesterday, I followed up with the BSA Officer and this is his email response: "Based on our most recent conversations with b4,b8 b4,b8

b4,b8

3.

Thanks
Sumaya b8

From: b8
Sent: Friday, March 17, 2023 8:10 PM
To: b8
b8
b8

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b8

b8 Muraywid, Sumaya A. <SMuraywid@FDIC.gov>; b8

b8

Subject: RE: b4,b8 Update

Hello, The open section of the exam will note that b4,b8 accounts closed on or before b4,b8 I have the following A-page comment to provide continuity to future visits/exams:

Crypto Customers

Given that b4,b8 serves as a custodian of crypto customers, the FDIC's Retail Emerging Technology Working Group requested that certain documents be uploaded to a b7(E) b4,b8 Chief, Emerging Technology Section Sumaya Muraywid is the Point of Contact.

The latest information fo b4,b8 was uploaded to the aforementioned b7(E) The deposit accounts reflects capital raised, but at this time, there does not appear to be cryptocurrency activity - yet. However, this relationship should be reviewed at the next visitation or examination.

Best,

b8

Senior Risk Management Examiner

Federal Deposit Insurance Corporation

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FDIC

From b8

Sent: Tuesday, March 07, 2023 5:51 PM

To: b8 b8 b8

b8 b8 b8

b8 b8 b8

b8

b8 Muraywid, Sumaya A. <SMuraywid@FDIC.gov> b8

b8 Sheeren, Matthew L. <MSheeren@FDIC.gov> b8

Subject: RE: b4,b8 Update

Hi All,

As there were several questions about b4,b8 I wanted to provide closure and some assurances that the DDA accounts are small relative to b4,b8 footings b4,b8 As of 2/28/23 b4,b8 DDAs total b4,b8 down from b4,b8 at 9/30/22. There are also CDs As of 2/28/23 they total b4,b8 up from b4,b8 at 9/30/22. As of I don't have much to add from a paragraph that I provided before and some notes that CM b8 and CM b8 took based on a call with CEO b4,b8 **I don't have much more to add** than what is below as our focus was b4,b8 footings and wire flows.

b4,b8

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b4,b8

b4,b8 **Relationship (Source FDIC Examiner** b8 **Draft Conclusion Memo)**

At the 8/22/22 Visitation, the b4,b8 elationship was reviewed by DFPI El b8 b4,b8 is considered a b4,b8 involved in cryptocurrency transactions. However, the accounts were not being utilized for crypto-asset activity b4,b8 b4,b8

However, management provided information on the last day of the on-site portion of the examination (2/10) indicating that the accounts are or will be utilized for cryptocurrency activity. Below is an excerpt from a document provided by management relating to recent discussions with b4,b8 management:

b4,b8

Upon request for an updated review of this relationship and recent transactional activity, management had not provided this information as of the writing of this memo.

b4,b8 **Relationship (Source FDIC Case Managers** b8 **based on phone call with CEO** b4,b8

b4,b8

Best,

b8

Senior Risk Management Examiner

Federal Deposit Insurance Corporation

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