FDIC
Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200, New York, NY 10118 New York Regional Office

MEMORANDUM TO FILE

DATE: July 26, 2022

TO: Files

THROUGH: Catherine H. Goñi
Assistant Regional Director

b8
Case Manager

FROM: b8
Trust Examination Specialist

SUBJECT: b4,b8 **- Crypto Related Assets Conference Call - Update**

Attendees:

FDIC
b8 Trust Examination Specialist (TES)

b4,b8
b4,b8 SVP & Wealth Manager
, Operations Manager

On 7/21/2022, a conference call was held with trust department management to obtain an update on the previously reported (4/11/22 & 6/30/2022) crypto-related holdings held in client accounts. The call was intended to obtain clarification on the assets and clients reported in the 6/30/2022 letter and request the retention letters previously requested on the 6/28/2022 conference call.

Operations Manager b4,b8 stated that the 4/11/2022 and 6/30/2022 correspondence to the FDIC and subsequent discussions inadvertently excluded a client directed holding in b4,b8 b4,b8 held in the b4,b8 account. SVP b4,b8 clarified that there are currently three clients b4,b8 that hold four crypto-related holdings. The crypto-related holdings are detailed on the table below.

TES b8 requested the bank provide the FDIC with retention letters for all three clients to substantiate they were client-directed purchases and are being retained with client direction. Operations Manager b4,b8 sent TES b8 the retention letters for b4,b8 b4,b8 on 7/22/2022 and requested a signed authorization from b4,b8 on 7/21/2022. On 7/26/2022, Operations Manager b4,b8 provided the FDIC with a signed retention letter from b4,b8 although it was dated 7/27/2022. Additional email correspondence with b4,b8 confirmed that the client utilized an incorrect signature date. Supporting email communication between the bank and the client evidence a receipt date of 7/26/2022. Attached

b4,b8

to this memo is documentation supporting the retention authorization for each of the three clients, and the email chain confirming the request and receipt of information from b4,b8

b4,b8

The table below summarizes what crypto-related assets the trust department holds upon client direction in client accounts. As of 6/27/2022, all of the accounts have been negatively impacted by the recent market environment.

Crypto-Related Asset	Account Name	Number of Shares	Cost As of 4/15/2022	Market Value As of 7/21/2022
b4,b8				

b4,b8

b4,b8

b4,b8

b4,b8

b4,b8

From: b4,b8
To: b8
Cc: b4,b8
Subject: [EXTERNAL MESSAGE] RE: SECURE EMAIL: Crypto-related assets
Date: Wednesday, July 27, 2022 11:24:15 AM
Attachments: b4,b8

This message was sent securely using Zix®

b8

Sorry, I looked at the retention letter before sending and I thought the date was 7/22/22. b4,b8 actually sent the request to b4,b8 on 7/21 through e-mail. b4,b8 e-mailed back the letter on July 26, 2022. I have attached the e-mail stream as support.

Kindest Regards,
b4,b8

--- Originally sent by b8 on Jul 27, 2022 11:07 AM ---

This message was sent securely using Zix®

Good morning b4,b8

I just took a quick look at the retention letter you sent me yesterday, 7/26/2022. The date on the form is 7/27/2022 (today). Can you just send me a reply with the actual date you received the authorization from your client? We will place that notation in our files with the original copy you sent us.

Thanks!
b8

From: b4,b8
Sent: Tuesday, July 26, 2022 1:52 PM
To: b8
Cc: b4,b8
Subject: RE: [EXTERNAL MESSAGE] RE: SECURE EMAIL: Crypto-related assets

This message was sent securely using Zix®

Good afternoon b8

We have received back the signed retention from b4,b8 for the b4,b8 I have attached for your reference.

Regards,

b4,b8

--- Originally sent by b8 on Jul 22, 2022 11:00 AM ---

This message was sent securely using Zix ®

Thank you b4,b8 I will take a look at the information provided and be sure to get back to you with any questions!

I hope you have a great weekend! Stay cool!

b8

From: b4,b8
Sent: Friday, July 22, 2022 10:45 AM
To: b8
Cc: b8 ; b4,b8
Subject: [EXTERNAL MESSAGE] RE: SECURE EMAIL: Crypto-related assets

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b8

Good morning! I have attached a holders report for each of the accounts that hold the Crypto-related assets. This report will show the cost and market and last activity date for the security. I have also attached the retention letters for b4,b8 (you may already have). We do not have a retention letter in the file for the b4,b8 b4,b8 His last retention letter was November 2021 and the next would be November 2022. I have attached the 2021 letter so you can see that we actually do send one to him. I have attached the correspondence (3 e-mails) in the file related to the trade placed for b4,b8 it shows his direction for the trade. In the meantime, I have requested that a current retention letter be sent to b4,b8 to cover the Crypto-related asset, as you suggested would be best to have a current one.

It was really good meeting and speaking with you yesterday.

Please don't hesitate to contact me, should you need anything else.

Regards,

b4,b8

--- Originally sent by b8 on Jul 21, 2022 12:34 PM ---

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b4,b8

Thanks again for meeting. You should be able to respond to this email and it will remain secure. In an abundance of caution just make sure the 'SECURE EMAIL:' remains at the start of the Subject line – delete anything that may precede it if possible!

Best,

b8

b8

Trust Examination Specialist, Division of Risk Management Supervision

Federal Deposit Insurance Corporation

15 Braintree Hill Office Park, Suite 200

Braintree, MA 02184-8701

b6,b8

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