

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

HISTORY ASSOCIATES INCORPORATED,

Plaintiff,

v.

FEDERAL DEPOSIT INSURANCE
CORPORATION,

Defendant.

Case No. 1:24-cv-1857-ACR

STATUS REPORT

Plaintiff History Associates Incorporated hereby submits the following status report.

In this FOIA case, this Court has twice ordered the FDIC to make thoughtful, good-faith redactions to the “pause letters” that the FDIC sent to financial institutions instructing them to pause crypto-related activities. The FDIC’s most recent production on January 3 contains 25 pause letters with revisions to the FDIC’s prior redactions, but those revised redactions appear (once again) not to comply with FOIA and this Court’s directions. History Associates intends to request in due course the in camera review of those letters that this Court offered to conduct.

More pressingly, however, History Associates has become deeply concerned that the FDIC’s production may have omitted additional pause letters entirely—based on the FDIC’s recent acknowledgment that it never conducted a search for all pause letters the FDIC sent to financial institutions, due to its cramped (and never-before-disclosed) reading of History Associates’ FOIA request. In addition, public whistleblower allegations have surfaced in recent weeks that the FDIC systematically thwarts FOIA requests through various policies and practices—including by refusing to search certain databases and improperly labeling documents—and that those policies and practices have resulted in the FDIC failing to produce at least 150 documents responsive to History

Associates' FOIA request. History Associates asked the FDIC's counsel to address whether such alleged failings had affected its productions relevant to this case, but the FDIC offered no answer. Meanwhile, public reporting has intensified. Just yesterday, a U.S. Senator sent a letter to the FDIC Chair stating that whistleblowers had informed her that the FDIC is destroying digital-asset-related documents and retaliating against staff to prevent them from speaking out. *See* Exhibit G. Thus, before History Associates seeks in camera review of the FDIC's redactions of the pause letters produced to date, History Associates intends to move for leave to amend its complaint to raise claims challenging both the adequacy of the FDIC's search here and the FDIC's publicly reported unlawful FOIA policies and practices more generally.

I. The FDIC Produces Highly Redacted Letters Only In Response To A Court Order

1. In this case, History Associates seeks "pause letters" that the FDIC sent to financial institutions related to their digital-asset activities. Specifically, History Associates sought "[c]opies of all 'pause letters' described in" an OIG report discussing them. Exhibit A. The FDIC denied the request, asserting that the pause letters categorically are protected by Exemption 8, such that "there was no need for the FDIC to make any attempt to segregate exempt from non-exempt portions of the Pause Letters." ECF 1 at 13.

2. At a September 18 pre-motion conference, this Court ordered the FDIC to produce a Vaughn index and to determine whether the agency could produce redacted letters, subject to in camera review by the Court. The FDIC produced a Vaughn index and, following a further Court order directing it to do so, produced redacted pause letters on November 22. Unsatisfied with the FDIC's production, History Associates requested in camera review of four letters. *See* ECF 26.

3. On December 12, following its in camera review, the Court issued a minute order expressing "concern[]" with what appears to be FDICs lack of good-faith effort in making nuanced

redactions. Defendant cannot simply blanket redact everything that is not an article or preposition.” Dec. 12, 2024 Minute Order. The Court ordered the FDIC to “re-review the documents, make more thoughtful redactions, and provide the new redactions to Plaintiff by January 3, 2025.” *Id.*

II. The FDIC Belatedly Finds New Letters And Reveals Its Search Was Incomplete

4. On January 3, the FDIC produced revised redacted versions of the pause letters to History Associates. Exhibit B. The revised production contains 25 pause letters—two more than the FDIC’s initial production. *See* Exhibit B at 76-80. According to the FDIC, the late-breaking letters were identified after the agency conducted a “second search” for additional pause letters. Exhibit C at 10. The FDIC stated that the 25 produced letters were “all the letters *shared with* the OIG and thereby responsive to” History Associates’ FOIA request. *Id.* (emphasis added).

5. The FDIC’s discovery of additional letters and the agency’s description of the set of letters—those “shared with the OIG”—prompted History Associates to inquire on January 7 whether any pause letters were *not* shared with the OIG (and thus omitted from the FDIC’s search and production). Any such letters would be responsive to History Associates’ request for copies of any pause letters “described in” the OIG report, whether or not the agency provided every letter to the OIG. History Associates’ FOIA request concerns the FDIC’s efforts to strong-arm the banking industry through pause letters—not the thoroughness of its OIG’s investigations. In response, however, the FDIC simply restated the language of History Associates’ FOIA request and asserted without explanation that the FDIC had provided History Associates “with all documents responsive to [its] request.” Exhibit C at 5.

6. On January 14, History Associates asked the FDIC to provide a direct answer to its question whether the FDIC had searched for *all* pause letters or merely those shared with the OIG.

The FDIC responded that it has never searched for pause letters beyond those it shared with the OIG. The agency reasoned that it had “reasonably interpreted” the original FOIA request as seeking only “the collection of [pause letters] reviewed by the FDIC OIG in preparing its report,” and that any other documents are “outside the scope of” the request. Exhibit C at 2. The FDIC stated that it would treat the request for other pause letters as a “new FOIA request,” *id.*, and later expedited that request. But in History Associates’ experience, even expedited processing (at this late stage) would substantially delay production. The FDIC had never before informed History Associates that the agency interpreted the request in that narrow manner or that it knowingly failed to conduct a search for *all* pause letters issued by the FDIC.

III. Whistleblowers Publicly Allege Widespread FOIA-Related Misconduct At The FDIC

7. While History Associates was seeking clarity from the FDIC about the completeness of the agency’s search and production, an anonymous whistleblower publicly alleged in widely reported statements that the FDIC has engaged in widespread FOIA misconduct and is “hiding responsive documents to” History Associates’ FOIA request. *See* Oliver Dale, *FDIC Staff Expose Internal Document Withholding Practices*, Blockonomi, (Jan. 9, 2025), <https://bit.ly/4hfHcI1>; *see also* Exhibit D. The whistleblower alleged, for example, that the FDIC does not “run a complete search” of its databases in response to FOIA requests and that it does not search within “collaboration platforms such as Microsoft Teams.” Ex. D. The whistleblower also alleged that FDIC employees: deliberately “read[] FOIA requests in the strictest fashion ... even if they knew other responsive systems or derivative terms would hold the records the requestor truly sought,” Exhibit E; “intentionally mislabel[] documents or includ[e] ‘mixed language’ that would allow FOIA suppression,” *id.*; mislabel documents as deliberative process or attorney-client privileged, Exhibit D; and have been assigned to investigate individuals critical of the FDIC—

including the Chief Legal Officer at Coinbase, Exhibit F. The whistleblower further alleged that, based on a query run by a contact at the FDIC, at least 150 documents responsive to History Associates’ request were not produced by the FDIC. Exhibit D. The whistleblower also claimed to have recordings supporting some or all of these allegations. Exhibit E.

8. In light of these allegations, History Associates asked counsel for the FDIC to respond to the allegations and to confirm whether, in responding to History Associates’ FOIA request, the FDIC conducted a complete text search of all FDIC databases, produced all responsive documents, properly labeled documents, and refrained from monitoring or investigating critics (such as Coinbase). Exhibit C at 7. Although it responded regarding other issues, the FDIC did not address History Associates’ inquiry about the alleged misconduct, including alleged misconduct that public reports had linked to the FOIA request in this very case.

9. And on January 16, Senator Cynthia Lummis sent a letter to the FDIC Chair stating that she has been informed by FDIC “whistleblowers”: that “destruction of materials is occurring with respect to the digital asset activities of your agency”; that “staff access to these materials is being closely monitored by management to prevent them from being supplied to the Senate before they can be destroyed”; and “that certain staff have been threatened with legal action to prevent them from speaking out.” Letter from Sen. Cynthia M. Lummis to Hon. Marty Gruenberg (Jan. 16, 2025), <https://bit.ly/40Cglkb> (Exhibit G). Senator Lummis directed the Chair to “cease and desist destruction of all materials and end all retaliatory actions immediately” and to “preserve all existing materials, including documents, communications, electronic information and metadata, relating to the FDIC’s digital asset activities since January 1, 2022.” *Id.*

10. The FDIC’s conduct—including its initial complete withholding of the pause letters, its failure to produce redacted letters to History Associates despite this Court’s direction, its

lack of good-faith effort in making its original redactions (as its revised redactions confirm), the failure of its original search to uncover two additional pause letters, and its most recent acknowledgment that it artificially cabined its searches in an arbitrary, Simon-says fashion—raises serious concerns. Especially viewed in light of public allegations of more widespread FOIA misconduct, which the FDIC declined to address directly, that conduct may be symptomatic of fundamental breakdowns in its FOIA process, in this case and others.

IV. History Associates Intends To Amend Its Complaint To Challenge The Adequacy Of The FDIC’s Search And The FDIC’s Alleged Unlawful FOIA Policies And Practices

11. History Associates reserves the right to request in camera review of all the pause letters that the FDIC has produced and may produce in response to History Associates’ request. But that review would be premature until the FDIC has searched for and produced the full universe of pause letters.

12. To ensure that the FDIC does so, History Associates intends to move for leave to amend its complaint to challenge the adequacy of the FDIC’s search for the pause letters, including the agency’s crabbed interpretation of History Associates’ FOIA request. In addition, History Associates’ amended complaint will challenge the alleged unlawful FDIC “polic[ies] or practice[s]” discussed above, which may have infected the agency’s treatment of History Associates’ FOIA request in this case, as well as other FOIA requests that History Associates has filed and intends to file with the FDIC. *Jud. Watch, Inc. v. United States Dep’t of Homeland Sec.*, 895 F.3d 770, 774 (D.C. Cir. 2018).

Date: January 17, 2025

Respectfully submitted,

/s/ Jonathan C. Bond

Eugene Scalia

Jonathan C. Bond

Nick Harper

Aaron Hauptman

GIBSON, DUNN & CRUTCHER LLP

1050 Connecticut Avenue, N.W.

Washington, D.C. 20036

Telephone: 202.955.8500

Facsimile: 202.467.0539

escalia@gibsondunn.com

jbond@gibsondunn.com

nharper@gibsondunn.com

ahauptman@gibsondunn.com

Attorneys for Plaintiff

Exhibit A

November 8, 2023

FOIA Officer
Federal Deposit Insurance Corporation (FDIC)
Legal Division, FOIA/PA Group
550 17th Street, N.W.
Washington, DC 20429

Via Secure Release Portal

Re: Freedom of Information Act Request

Dear Sir or Madam:

Pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. §552, I am requesting copies of the following documents, which I have reason to believe are in the possession of the Federal Deposit Insurance Corporation ("FDIC"):

Copies of all "pause letters" described in the attached October 2023 FDIC Office of Inspector General report titled "FDIC Strategies Related to Crypto-Asset Risks" (Attachment 1).

Please provide responsive information as it becomes available on a rolling basis but consistent with the prescribed timelines of the Freedom of Information Act. Please provide the requested records in electronic or paper form, whichever is faster. If this request must be forwarded to a different records custodian, we request that it be so forwarded as soon as possible.

Should you decide to invoke a FOIA exemption or withhold or redact any responsive records or parts thereof, we request that you: (1) identify each such record with specificity and/or date, author, recipient, and parties copied; (2) explain in full the basis for withholding responsive material; and (3) provide all segregable portions of the records for which you are claiming a specific exemption. Please correlate any redactions with specific exemptions under FOIA.

If you determine that portions of certain documents are exempt from production, the remainder of said documents should be produced nonetheless along with explanations justifying each exemption, including the specific FOIA provision justifying the exemption. 5 U.S.C. 552(b).

History Associates Incorporated agrees to pay all reasonable and standard processing fees that will be assessed in association with this request, up to the amount of \$100. Should the fees exceed this amount, please call me with an estimate of the total costs in order that specific expenditures beyond \$100 can be authorized.

Should you have any questions or concerns regarding this request, please contact me at (301) 279-9697 or via email to jshear@historyassociates.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Shear".

Josh Shear
Senior Historian

Attachment

Exhibit B

History Associates Inc. v. FDIC, No. 1:24-cv-1857-ACR (D.D.C.)

FDIC's Redacted Pause Letters

January 3, 2025

DOCUMENT 1



600 North Pearl Street, Suite 700, Dallas, Texas
(214) 754-0098 FAX (972) 761-2082

Division of Risk Management Supervision
Division of Depositor and Consumer Protection

SENT VIA SECURED ELECTRONIC MAIL

March 11, 2022

The Board of Directors
[REDACTED]

Subject: Proposed New FinTech Product [REDACTED]

Dear Members of the Board:

This office received President and Chief Executive Officer [REDACTED] submission on February 25, 2022, that provided high-level information relating to the subject product. The proposed product is apparently an avenue for bank customers to engage in crypto asset activity, specifically Bitcoin transactions, through a third-party arrangement. However, at this time the FDIC has not yet determined what, if any, regulatory filings will be necessary for a bank to engage in this type of activity. As a result, we respectfully ask that you pause all crypto asset-related activity. The FDIC will notify all FDIC-supervised banks at a later date when a determination has been made on the supervisory expectations for engaging in crypto asset-related activity, including the need for any regulatory filings.

You may direct questions on this matter to Case Manager [REDACTED] at [REDACTED] or me at [REDACTED]. As a reminder, written correspondence should be addressed to Kristie Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>. If there are any questions about the Secure Email process, please contact Case Manager [REDACTED] or me at [REDACTED].

Sincerely,

Eric T. Guyot (Signed)

Eric T. Guyot
Assistant Regional Director

cc: Federal Reserve Bank of Atlanta
[REDACTED]

DOCUMENT 2



FEDERAL DEPOSIT INSURANCE CORPORATION
10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

Atlanta Regional Office
Division of Risk Management Supervision
(678) 916-2200

March 15, 2022

Via Secure Email

President, [REDACTED]
[REDACTED]
[REDACTED]

Subject: [REDACTED] Internal Blockchain

Dear [REDACTED]:

Based on recent discussions with you and your management team, as well as review of documentation provided by the bank, our understanding is that [REDACTED] intends to offer bank clients an internal blockchain-based, real-time payments service provided by [REDACTED]. You indicate that [REDACTED] is intended to enable real-time payments by tokenizing U.S. dollar deposits. The platform, as presented, is a closed-loop payments system that would involve the movement of tokens between existing [REDACTED] customers. Under this platform, all transactions and activities would remain within the bank, and no transactions would involve outside parties. We further understand that the bank has entered into a two-year agreement with [REDACTED] to provide this service.

Please notify us of any material change from the arrangement as described to the FDIC, including, but not limited to, expanding the service to include any clients, transactions or activities outside of the bank, such as through [REDACTED]. Thereafter, the FDIC may have additional questions to clarify the bank's proposed activities prior to expanding the service to ensure the bank is operating in safe and sound manner.¹

If you have any questions concerning this letter, please contact Case Manager [REDACTED] at [REDACTED] or by telephone at [REDACTED].

Sincerely,

Frank R. Hughes
Acting Regional Director

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

DOCUMENT 3

**Federal Deposit Insurance Corporation**

Division of Risk Management Supervision
350 5th Avenue, New York, NY 10018

New York Regional Office

March 25, 2022

Board of Directors

[REDACTED]

Subject: Activity Related to [REDACTED]

Dear Members of the Board:

On [REDACTED], the [REDACTED], a [REDACTED] association of [REDACTED] institutions, was launched to further the adoption and interoperability of a [REDACTED] to facilitate the transfer of value on a blockchain. [REDACTED] is one of the [REDACTED] members of the [REDACTED]

[REDACTED] General Counsel and Corporate Secretary [REDACTED] along with leadership of the other [REDACTED] members, participated in a February 22, 2022 conference call to discuss the [REDACTED] and its proposal with representatives from the FDIC, the Board of Governors of the Federal Reserve System, and the Office of Comptroller of the Currency (collectively, Federal regulators). The Federal regulators understand, as a result of this conference call, that the [REDACTED] is currently drafting operating rules to govern transactions on the [REDACTED] blockchain network.

The FDIC has a number of questions based on the information provided to date. We expect you to satisfactorily address them (in advance of implementation) to ensure the bank is operating in a safe and sound manner.¹ To assist the FDIC and the other Federal regulators in the [REDACTED] review process, we will be sending, under separate cover, (i) the questions regarding the [REDACTED] that have not yet been satisfactorily addressed and (ii) additional questions and document requests that will need to be addressed.

Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://secureemail.fdic.gov/>) using the following email address: NYMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

[REDACTED]
Board of Directors

Page 2 of 2

If you have any questions, please contact Assistant Regional Director Steven P. Slovinski
at [REDACTED].

Sincerely,
Jessica A. Kaemingk
Acting Regional Director

CC: [REDACTED]
Federal Reserve Bank of New York

DOCUMENT 4

**Federal Deposit Insurance Corporation**

Division of Risk Management Supervision
350 5th Avenue, New York, NY 10018

New York Regional Office

March 25, 2022

Board of Directors



Subject: Activity Related to [REDACTED] Bank Digital Deposit

Dear Board Members:

On October 12, 2021, [REDACTED] Bank met with the FDIC and notified the FDIC of a new planned product, the [REDACTED] Bank Digital Deposit ([REDACTED]) (f/k/a [REDACTED] Bank Digital Dollar).

President and Chief Executive Officer [REDACTED], along with other bank management, participated in a conference call to discuss [REDACTED] and its proposed launch with representatives from the FDIC and the [REDACTED] on October 12, 2021, with a follow-up call on November 15, 2021. The regulators understand, as a result of these discussions, that [REDACTED] represents an enhancement to the existing [REDACTED] technology. The [REDACTED] token design will also only enable transactions between qualifying [REDACTED] Bank commercial clients. [REDACTED], however, will operate on the [REDACTED] a decentralized public Blockchain, rather than on the [REDACTED], a private, permissioned Blockchain.

The FDIC has a number of questions based on the information provided to date. We expect you to satisfactorily address them (in advance of implementation) to ensure the bank will be engaging in this new activity in a safe and sound manner.¹ To assist in the [REDACTED] review process, we will be sending, under separate cover, (i) the questions regarding [REDACTED] that have not yet been satisfactorily addressed; and (ii) additional questions and document requests that will need to be addressed prior to launching [REDACTED].

Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://secureemail.fdic.gov/>) using the following email address: NYMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

[REDACTED]
Board of Directors

Page 2 of 2

If you have any questions, please contact Assistant Regional Director Steven P. Slovinski
at [REDACTED]

Sincerely,
Jessica A. Kaemingk
Acting Regional Director

CC:

[REDACTED]

DOCUMENT 5



Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

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

April 5, 2022

Board of Directors

[REDACTED]

Subject: Activity Related to [REDACTED] Bitcoin Service

Dear Board Members:

On December 17, 2021, the Federal Deposit Insurance Corporation (FDIC), the [REDACTED], and [REDACTED] management team participated in a virtual meeting to discuss crypto-asset finder services that [REDACTED] is offering to certain customers. Approximately 2,800 [REDACTED] customers can purchase, sell, and store Bitcoin using an application from [REDACTED] through the bank's online and mobile banking platform provided by [REDACTED]. Subsequent to that meeting, the FDIC and [REDACTED] requested and received additional documentation regarding the bank's agreements, risk assessment, and due diligence related to this new service.

The FDIC has a number of questions based on the information provided to date. Those include questions with respect to the permissibility of this activity, including what legal analysis the bank performed related to permissibility and to assess compliance with Part 362 of the FDIC Rules and Regulations. Those also include questions with respect to safety and soundness¹ related to this activity and consumer protection issues. The FDIC plans to perform a detailed review of this activity and will seek further information with respect to those questions at the upcoming April 25, 2022 joint examination. Until that review is completed, [REDACTED] should not expand the service to additional customers.

If you have any questions, please contact Deputy Regional Director Christopher J. Newbury at [REDACTED].

Sincerely,

**GREGORY
BOTTONE** Digitally signed by
GREGORY BOTTONE
Date: 2022.04.05
12:03:16 -04'00'
Gregory P. Bottone
Regional Director

cc: [REDACTED]

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

DOCUMENT 6



Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

April 15, 2022

The Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Proposed New FinTech Product [REDACTED]

Dear Members of the Board:

We received President and Chief Operating Officer [REDACTED] submission on February 23, 2022, that provided high-level information related to the subject [REDACTED] product. The proposed product will apparently be interfaced with the bank's online and mobile banking platforms and will offer bank customers access to Bitcoin and Ethereum through the bank's mobile app. However, at this time the FDIC has not yet determined what, if any, regulatory filings will be necessary for a bank to engage in this type of activity. As a result, we respectfully ask that you pause all crypto asset-related activity. The FDIC will notify all FDIC-supervised banks at a later date when a determination has been made on the supervisory expectations for engaging in crypto asset-related activity, including the need for any regulatory filings. Refer to the Financial Institution Letter issued on April 7, 2022, FIL-16-2022-Notification of Engaging in Crypto-Related Activities, for additional information.

Please direct questions on this matter to Case Manager [REDACTED] at [REDACTED] or [REDACTED]. As a reminder, written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>. If you prefer to send correspondence via mail, please use the Dallas Regional Office address noted in the letterhead. If there are any questions about the Secure Email process, please contact Case Manager [REDACTED].

Sincerely,

Signed by Joseph A. Meade

Joseph A. Meade
Assistant Regional Director

cc: Federal Reserve Bank of Kansas City
[REDACTED]

DOCUMENT 7

**Federal Deposit Insurance Corporation**

Division of Risk Management Supervision
350 5th Avenue, New York, NY 10018

New York Regional Office

April 22, 2022

Board of Directors

[REDACTED]

Subject: Activity Related to [REDACTED]

Dear Members of the Board:

On [REDACTED], the [REDACTED] a [REDACTED] association of [REDACTED] institutions, was launched to further the adoption and interoperability of a [REDACTED] to facilitate the transfer of value on a blockchain. [REDACTED] Bank is currently a member of the [REDACTED]. We appreciate the transparency of [REDACTED] management team over the past several months in keeping us informed as the bank has conducted due diligence and explored its entry into the digital asset space. This letter serves as a follow-up to what was discussed in regards to [REDACTED] activity during the March 25, 2022 call between the [REDACTED] management team and FDIC New York Regional Office staff.

Several key [REDACTED] members participated in a February 22, 2022 conference call to discuss the [REDACTED] and its proposal with representatives from the FDIC, the Board of Governors of the Federal Reserve System, and the Office of Comptroller of the Currency (collectively, Federal regulators). The Federal regulators understand, as a result of this conference call, that the [REDACTED] is currently drafting operating rules to govern transactions on the [REDACTED] blockchain network.

The FDIC has a number of questions based on the information provided to date. We expect the [REDACTED] to address those (in advance of implementation) to ensure member banks are operating in a safe and sound manner.¹ To assist the FDIC and the other Federal regulators in the [REDACTED] review process, we will be sending, under separate cover, (i) the questions regarding the [REDACTED] that have not yet been satisfactorily addressed and (ii) additional questions and document requests that will need to be addressed. In addition to this outreach, we may reach out directly to [REDACTED] with questions to gain an understanding of how the bank will ensure continued safe and sound operation as this activity is implemented.

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

[REDACTED]
Board of Directors

Page 2 of 2

Written correspondence should be addressed to Jessica A. Kaemingk, Acting Regional Director, FDIC, New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://secureemail.fdic.gov/>) using the following email address: NYMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

If you have any questions, please contact Assistant Regional Director Ashley M. Amicangioli at [REDACTED]

Sincerely,
Jessica A. Kaemingk
Acting Regional Director

CC: [REDACTED]
Federal Reserve Bank of New York

DOCUMENT 8



Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

April 25, 2022

Board of Directors

[REDACTED]

Via Secure Email

Members of the Board:

On February 22, 2022, the FDIC, OCC, and Federal Reserve Board met with [REDACTED] and banks that were members of [REDACTED] at the time, including [REDACTED] who is a [REDACTED] member of the [REDACTED], General Counsel at [REDACTED], participated in the meeting to discuss the [REDACTED] and its proposed launch. At that meeting, it was evident that the [REDACTED] had yet to finalize the use cases or functionality of the product and the Operating Rules by which the [REDACTED] and its members would be governed. The discussion indicated phases or versions of the product, with future solutions, and subsequently, FDIC has received revised information outlining three models under consideration for the [REDACTED] program.

In our letter to you dated March 11, 2022, the FDIC stated it has a number of questions based on the discussion and information provided to date. The initial questions are attached and we request responses by June 9, 2022. As noted in our prior letter, we expect you to satisfactorily address these and any subsequent questions (in advance of implementation) to ensure the bank is operating in a safe and sound manner.¹ This is consistent with FIL-16-2022 which requests that institutions provide information necessary to allow the agency to assess the safety and soundness, consumer protection, and financial stability implications of such activities.

Written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

Kristie Elmquist
Regional Director

Attachment

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations

1. **Governance and Structure of ██████████.**

- a. Describe the activities conducted by ██████████; the assets held by ██████████; the services ██████████ provides to ██████████ banks; and the relationship between ██████████ and ██████████ banks.
- b. Describe the governance in place for ██████████ private protocol within the ██████████ blockchain, including the processes for decision-making, key participants, and key personnel. In your response, indicate the extent to which (i) ██████████ will participate in or exercise control over governance of ██████████ private protocol within the ██████████ blockchain; and (ii) participants on the private protocol could make decisions that would have binding effect with respect to ██████████, including over ██████████ objections.
- c. Describe what role, if any, ██████████, and ██████████ will play in the governance of the ██████████.
- d. Describe what role, if any, non-member, participating banks will play in the governance of ██████████ private protocol, including whether such banks will be restricted in conducting any activities related to the public ██████████ blockchain.
- e. Provide the terms of the ██████████ smart contract, the rules of the ██████████ blockchain and the private protocol, and any documents that describe the terms of such smart contract. Identify the party responsible for creating and coding such terms into the smart contract.
- f. Explain in detail the consensus mechanism for the ██████████ blockchain. Identify all persons that control 5 percent or more of the staking assets for the blockchain and provide the percentage controlled.
- g. Explain any dispute resolution processes contemplated with respect to ██████████ members.
- h. Provide a list of the fees ██████████ has already paid to ██████████, and estimated expenses moving forward. In your response, please clarify what the fees are for and whether there are expectations of periodic payments to ██████████.
- i. Discuss the permissibility of ██████████ membership in ██████████ under section 24 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831a, and part 362 of the FDIC Rules and Regulations, 12 C.F.R. part 362.
- j. Clarify whether ██████████ operates a node or is otherwise involved in validating transactions on the ██████████ blockchain or the private protocol. Identify other entities that operate as a node or otherwise validate transactions. Explain how such nodes are assigned; the role they serve; the governance process for nodes; and whether the nodes for the ██████████ private protocol are the same or different than ██████████ nodes.
- k. Describe what involvement, if any, ██████████ may consider in ██████████ related activities of the ██████████ blockchain.
- l. Identify the steps that ██████████ would need to take if it chooses to exit the ██████████.
- m. Describe key third-party relationships that the ██████████ and the ██████████ will enter into with respect to ██████████ activities. In your response, please address any contemplated relationships with ██████████ and their affiliates.
- n. If the applications for ██████████ include business-to-business payments, merchant payments, and peer-to-peer payments, explain whether different governance protocols would be adopted to ensure privacy, confidentiality and/or data security for the different types of customers and their data.
- o. Explain any restrictions in place regarding the use of data related to ██████████ transactions. In your response identify the parties with access to such data and the type(s) of data they

can access and any controls monitoring the use of such data. Explain the rights and responsibilities with respect to privacy and/or data security violations.

- p. Explain the extent to which [REDACTED] transactions will make use of an off-chain contract execution environment.
- q. Provide a copy of the Operating Rules.
- r. Describe any insurance that is contemplated to cover loss or malfeasance at the [REDACTED] or [REDACTED] bank-level.
- s. Explain whether [REDACTED] banks or participating banks are required to sign exclusivity agreements with the [REDACTED]. In your response, clarify whether [REDACTED] banks or participating banks are allowed to join other similar [REDACTED]

2. Classifications.

- a. Explain the difference, if any, between the [REDACTED] use of the terms “[REDACTED]”, “[REDACTED]” and “[REDACTED]” (Note these questions use the term “[REDACTED]”, but should be read broadly if there is a difference in these terms.)
- b. The website [REDACTED] (last visited on 3/31/2022) uses the terms “[REDACTED]”, “[REDACTED]” and “[REDACTED]”. Clarify [REDACTED] understanding of [REDACTED]
- c. Explain whether the [REDACTED] digital markers identify the issuing bank and how, if at all, this distinction is apparent to banks and/or customers.
- d. Explain the basis for [REDACTED] determination that its participation in the [REDACTED] [REDACTED], including all the activities that it would conduct as part of the [REDACTED] is permissible under applicable law.

3. Accounting.

- a. Explain how funds exchanged for [REDACTED] digital markers are reflected on the balance sheet of [REDACTED]
- b. Explain whether and how the [REDACTED] digital markers themselves are or will be reflected on the balance sheet of [REDACTED].
- c. Explain whether reserves will be held in connection with the [REDACTED] digital marker liabilities and, if so, whether such reserves be held as cash or in the form of specific assets. If reserves are held, explain whether they serve as collateral for the [REDACTED] digital marker liabilities.
- d. Provide example general ledger entries for [REDACTED] minting; transfer of [REDACTED] to a customer of another [REDACTED] bank; burning of [REDACTED] and settlement of due-to/due-from balances among [REDACTED] banks. Please provide a chart depicting the flow of funds.

4. Exposure to Other Members of the [REDACTED].

- a. Explain how [REDACTED] mitigates the risk of intraday (or over-the-weekend) exposures to other [REDACTED] banks. In your response, describe any controls in place to protect [REDACTED] from the failure of a fellow [REDACTED] bank during the term of these exposures.
- b. Explain the liability, if any, [REDACTED] would have to holders of [REDACTED] issued by another [REDACTED] bank upon such bank’s failure.

5. Risk Management and Controls.

- a. Describe the role of the board in reviewing and approving bank participation in the [REDACTED] and [REDACTED] activities.
 - i. Explain the process by which [REDACTED] board and/or management assessed [REDACTED] authority to participate in the [REDACTED]?
 - ii. Identify the legal risks (including permissibility, if applicable) [REDACTED] board considered when deciding whether to participate in the [REDACTED]. Explain how the [REDACTED] plans to mitigate and manage those risks.
 - iii. If participation in the [REDACTED] was approved by the board, explain the basis upon which the board approved [REDACTED] participation while key questions related to liability, membership, operating rules, and use cases have not been finalized.
 - iv. If participation in the [REDACTED] was not approved by the board, explain management's authority to enter into the activity without board approval.
- b. Explain the type of risk assessment and due diligence that was performed and identify key personnel involved in such activities.
- c. Explain whether management identified relevant expertise needed to engage in this activity.
- d. Explain whether the [REDACTED] established any dollar volume-based limitations on customer activity or bank level activity (on a daily basis) (for example, to monitor total exposure/volume).
- e. Explain whether the bank will upgrade or change any systems or procedures to allow for this activity.
- f. Describe the risk management systems, processes, and controls in place or in development with respect to [REDACTED] activities, including the minting and burning of [REDACTED], maintenance of [REDACTED] wallets, and participation in the [REDACTED] blockchain.
- g. Describe the risk management systems, processes, and controls that [REDACTED] and the [REDACTED] have put in place to monitor and mitigate potential risks posed by the public [REDACTED] blockchain, including those related to blockchain governance disputes, software defects, and changes in protocol rules.
- h. Explain how [REDACTED] public, permissionless nature impacts [REDACTED] ability to mitigate risks related to security and privacy.
- i. Explain how [REDACTED] will mitigate operational risk where a step in the transfer process does not occur as expected.
- j. Provide any continuity plans if the [REDACTED] blockchain fails, including operational errors or delays in processing and system outages.
- k. Describe [REDACTED] efforts to conduct due diligence and assess the risks of engaging in the [REDACTED] smart contract.
- l. Explain how [REDACTED] will ensure that the amount of funds in the omnibus deposit account matches, at a minimum, at all times the aggregate amount of [REDACTED] in its customers' wallets.
- m. Describe any testing [REDACTED] is conducting or will conduct in relation to the [REDACTED] blockchain, [REDACTED] smart contract, or other aspects of its participation in the [REDACTED].
- n. Describe and provide documentation of vulnerability analysis that has been performed related to the smart contracts.

6. **Settlement:** Explain when the final settlement of a transaction facilitated by [REDACTED] occurs, where it is recorded, and whether there are any dependencies on the public [REDACTED] blockchain for settlement finality.
 - a. Provide a detailed account of what "[REDACTED]" is and for what it will be used. In your response, include whether it has a set price or whether its price can fluctuate.
 - b. Explain whether [REDACTED] will be paying "[REDACTED]" fees directly to update the [REDACTED] blockchain ledger and, if so, to whom such fees are paid.
 - c. Explain whether [REDACTED] plans to hold "[REDACTED]" and, if so, (i) how it will be reflected on [REDACTED] balance sheet and (ii) how much the [REDACTED] plans to hold. If its price can fluctuate, explain how [REDACTED] intends to account for variations in the price of "[REDACTED]."
 - d. Provide a description of the accounting methods and treatment used for [REDACTED] held by [REDACTED] [REDACTED] (including initial recording and any subsequent entries).
7. **Use Cases**
 - a. Provide a detailed description of planned and potential use cases for [REDACTED]
 - b. Explain how the [REDACTED] differs from other bank-offered peer-to-peer payments platforms (e.g. [REDACTED]). Explain if the [REDACTED] interacts with any such platforms.
 - c. Explain whether and how the [REDACTED] is developing an alias directory (e.g. email addresses). If so, explain (i) whether such directory will be housed by a central party, or such data will be stored in a decentralized manner; how any personal identifiable information (PII) stored in the alias directory will be protected.
 - d. Explain how customers effectuate peer-to-peer payments (e.g., in banks' own apps or via a third-party app).
 - e. Identify and describe safeguards that will be put in place to mitigate the risk that customers send funds to an unintended recipient.
 - f. Provide screen shots to show the customer's user experience.
8. **Consumer Protection.**
 - a. Identify the fees and other charges that will be imposed on [REDACTED] customers that elect to use [REDACTED] to conduct transactions.
 - b. Describe the anticipated process for managing complaints from [REDACTED] customers related to [REDACTED].
 - c. Explain any steps [REDACTED] will take to ensure consumers understand any difference in protections between [REDACTED] and traditional banking products.
 - d. Describe network rules, systems, and practices that will be put in place to protect consumers. For example, explain the rights consumers will have to dispute errors, payments mistakenly sent to the wrong party, or payments related to fraud. Describe how [REDACTED] and the [REDACTED] will ensure such disputes are resolved in a timely basis and in accordance with network rules and applicable laws and regulations.
 - e. Explain whether [REDACTED] or any other entity will indemnify customers for breaches to the wallets.
 - f. Explain whether consumers are required to enter into an agreement with [REDACTED] [REDACTED] (or another entity) to maintain a wallet.
 - g. Describe any representations that [REDACTED] is making or plans to make regarding the applicability of FDIC deposit insurance.

- h. Describe any representations that [REDACTED] is making or plans to make regarding the stability of [REDACTED], including regarding reserves.
- i. Explain whether responsibility for approval of advertising and marketing materials rests with individual [REDACTED] banks or the [REDACTED] as a whole, or if there is some other arrangement.
- j. Identify the consumer data that will be shared with the [REDACTED] and its participants, as well as any controls in place to protect PII and limit sharing. In your response, indicate whether any PII will be stored on a distributed ledger and describe any disclosures regarding data sharing that [REDACTED] intends to provide.

DOCUMENT 9



Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

SENT VIA SECURED ELECTRONIC MAIL

May 4, 2022

The Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Proposed Crypto Asset Capability

Dear Members of the Board:

This office received Senior Vice President and Compliance Officer [REDACTED] e-mail sent on April 19, 2022, that provided high-level information about the bank's intent to provide a crypto asset capability involving [REDACTED]. The relationship with [REDACTED] would provide bank customers an avenue to engage in crypto asset transactions, specifically the purchase and sale of Bitcoin, using the bank's mobile banking application. We thank you for your timely notification as requested by Financial Institution Letter (FIL-16-2022) dated April 7, 2022.

At this time the FDIC has not yet determined what, if any, regulatory filings will be necessary for a bank to engage in this type of activity. As a result, we respectfully ask that you not implement this product, while we consider this crypto asset-related activity.

As we review your proposed activity, we will continue to correspond with your institution regarding additional information requests to aid us in our assessment of the activity. In the meantime, you may direct questions on this matter to Case Manager [REDACTED] at [REDACTED]. Written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

/s/ J. Mark Love

J. Mark Love
Assistant Regional Director

cc: Federal Reserve Bank of Dallas
[REDACTED]

DOCUMENT 10



Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

May 13, 2022

Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Third-Party Bitcoin Facilitation Activity

Dear Members of the Board:

By letter dated December 30, 2021, [REDACTED] President of [REDACTED] (the Bank), advised the FDIC and the [REDACTED] of the Bank's intent to offer Bank customers the ability to buy, hold, and sell bitcoin through the Bank's online banking website and mobile application in conjunction with [REDACTED] (bitcoin trading platform) and [REDACTED] (technology provider). The relationship allows Bank customers to purchase and sell bitcoin through [REDACTED], with funds flowing through the customer's account at the Bank.

By letter dated January 19, 2022, additional information was received from President [REDACTED] regarding this service, and a brief conference call with President [REDACTED], the [REDACTED], and a representative from the FDIC was held on January 26, 2022. By letter dated February 9, 2022, the FDIC and [REDACTED] outlined certain information included in the November 23, 2021 Joint Statement on Crypto-Asset Policy Sprint Initiative and Next Steps (Joint Statement).

On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. That FIL is available here: <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>.

On April 14, 2022, President [REDACTED] verbally notified Case Manager [REDACTED] that the Bank had launched the bitcoin facilitation activity on [REDACTED]. To date, approximately 36 number of customers have executed transactions, with most transactions being bitcoin purchases.

The FDIC continues to review the bitcoin facilitation activity and various questions remain outstanding, including with respect to the legal permissibility of this activity, the potential applicability of part 362 of the FDIC Rules and Regulations, and safety and soundness and consumer protection principles. Consistent with the procedures outlined in FIL-16-2022, the FDIC will make future information requests to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service to additional customers.

[REDACTED]
Bank Acting as a Finder for Bitcoin Service

Page 2

If you have any questions, please contact Assistant Regional Director Cindy Scott at [REDACTED]. Written correspondence should be addressed to my attention at the Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

Kristie K. Elmquist
Regional Director

cc: [REDACTED]

DOCUMENT 11

**Federal Deposit Insurance Corporation**

Division of Risk Management Supervision and Division of Depositor and Consumer Protection
350 5th Avenue, New York, NY 10018

New York Regional Office

June 22, 2022

Board of Directors
[REDACTED]

Subject: [REDACTED] Notice to Engage in Digital Asset Activities under FIL-16-2022

Dear Members of the Board:

We received the subject correspondence dated May 20, 2022 from [REDACTED] (Bank), in response to Financial Institution Letter 16-2022, notifying the FDIC of the Bank's intent to engage in activities involving digital assets. New York Regional Office staff has met numerous times with Bank management over the past several months regarding these proposed activities. We appreciate management's efforts to keep us informed as the Bank has conducted due diligence and explored its entry into the digital asset space.

The FDIC has a number of questions regarding the activities based on the information provided to date. The FDIC plans to conduct a targeted review of the Bank's planned digital asset activities in July 2022 to gain an understanding of how the Bank will ensure continued safe and sound operations and consumer protections, should these activities be implemented. A document request list related to this targeted review was provided under separate cover. The Bank should address these questions, in advance of implementation of the proposed activities, in order for the FDIC to assess the safety and soundness of the proposed activities¹ and compliance with laws and regulations.

If you have any questions, please contact Assistant Regional Director Ashley M. Amicangioli at [REDACTED] or Assistant Regional Director Kara L. Ritchie at [REDACTED].

Sincerely,
Jessica A. Kaemingk
Acting Regional Director

CC: [REDACTED]

¹ See e.g., Section 39 of the Federal Deposit Insurance Act and Part 364 of the FDIC Rules and Regulations.

DOCUMENT 12



Federal Deposit Insurance Corporation
Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

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

June 27, 2022

Board of Directors
[REDACTED]

Subject: Third-Party Bitcoin Facilitation Activity

Dear Members of the Board:

By letter dated May 27, 2022, [REDACTED] Vice President/Compliance Officer of [REDACTED] (the Bank), advised the FDIC, in response to Financial Institution Letter 16-2022 (FIL-16-2022),¹ and the [REDACTED] of the Bank's intent to offer Bank customers the ability to buy, hold, and sell bitcoin through the Bank's online banking website and mobile application in conjunction with [REDACTED] and certain of its subsidiaries (collectively, [REDACTED] and [REDACTED] (technology provider). The relationship allows Bank customers to purchase and sell bitcoin through [REDACTED], with funds flowing through the customer's account at the Bank, as facilitated by the technology provider.

On June 14, 2022, Vice President/Compliance Officer [REDACTED] verbally informed Acting Case Manager [REDACTED] that the Bank would begin marketing the bitcoin facilitation activity to Bank customers on [REDACTED]. To date, the Bank has enrolled 20 customers, all employees of the bank, with transactions totaling approximately \$1,400.

The FDIC continues to review the bitcoin facilitation activity and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC will request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service.

If you have any questions, please contact Acting Case Manager [REDACTED] at [REDACTED] or Review Examiner [REDACTED] at [REDACTED]. Written correspondence should be addressed to my attention at the Chicago Regional Office, and sent as a PDF document through

¹ On April 7, 2022, the FDIC issued FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. FIL-16-2022 is available here: <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>.

the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address:
CHIMailRoom@FDIC.gov.

Sincerely,

Gregory P. Bottone
Regional Director

cc:

[REDACTED]

DOCUMENT 13

**Federal Deposit Insurance Corporation**

350 Fifth Avenue, Suite 1200, New York, NY 10118

New York Regional Office

June 30, 2022

Board of Directors
[REDACTED]**Subject: Third-Party Bitcoin Facilitation Activity**

Dear Members of the Board:

In a December 13, 2021 meeting, [REDACTED] (Bank) officers¹ advised the FDIC of the Bank's intent to offer customers the ability to buy, hold, and sell bitcoin through the online banking website and mobile application in conjunction with [REDACTED] and [REDACTED]. The relationship allows Bank customers to purchase and sell bitcoin through [REDACTED], with funds flowing through the customer's account at the Bank.

In a letter dated May 19, 2022, EVP Chief Digital Payments Officer [REDACTED] provided an overview of the program and due diligence activities in response to the FDIC Financial Institution Letter, FIL-16-2022, dated April 7, 2022 (FIL-16-2022). FIL-16-2022 explains the notification and supervisory feedback process concerning current or planned crypto-asset-related activity. On June 1, 2022, the Bank, the FDIC, and [REDACTED] discussed the program again. The program was rolled out to a select group of employees on [REDACTED].

The FDIC continues to review the bitcoin activity and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC will request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the bank refrain from expanding this service.

If you have any questions, please contact Assistant Regional Director Catherine H. Goni at [REDACTED]. Written correspondence should be addressed to my attention at the New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address: NYMailroom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,
Jessica A. Kaemingk
Acting Regional Director

cc: [REDACTED]

¹ Chief Risk Officer [REDACTED], Chief Information Officer [REDACTED], Executive Vice President Chief Digital Payments Officer [REDACTED], and Vice President Compliance Officer [REDACTED]

DOCUMENT 14



Division of Risk Management Supervision
Division of Depositor and Consumer Protection

Dallas Regional Office
600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

July 14, 2022

Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Third-Party Bitcoin Activity

Dear Members of the Board:

By letter dated July 8, 2022, [REDACTED] (Bank) provided notification pursuant to Financial Institution Letter-16-2022, *Notification of Engaging in Crypto-Related Activities* (FIL-16-2022), of its program offering customers the ability to buy, hold, and sell bitcoin through the Bank's online banking website in conjunction with [REDACTED]. This relationship allows Bank customers to purchase and sell bitcoin through [REDACTED], with funds flowing through the customer's account at the Bank.

On June 21, 2022, the FDIC held a videoconference meeting, with members of the Bank's executive team to discuss the bitcoin activity. Chief Executive Officer (CEO) [REDACTED], President [REDACTED], General Counsel [REDACTED], and Compliance Officer (CO) [REDACTED] represented the Bank. Assistant Regional Director (ARD) J. Mark Love, ARD Cynthia Scott, ARD Akhtar Khan, and Case Manager [REDACTED] represented the FDIC.

During the meeting, GC [REDACTED] informed the FDIC that the program is live as of [REDACTED], the Bank does not directly engage in bitcoin activity on behalf of customers, and the activities are transacted on a platform provided by [REDACTED] that is integrated into the Bank's online banking website by a technology service provider. GC [REDACTED] committed to provide additional information about the activity, including screenshots of the customer-facing disclosures, a risk assessment of the activity, and the vendor management due diligence of [REDACTED]. In addition, GC [REDACTED] committed to provide, by July 8, 2022, user data, including the number of current users, the number of active users, the number of transactions, and the average and total dollar amount of transactions related to the activity. Subsequent to this meeting, the Bank advised the FDIC that 70 Bank customers have established accounts, 30 of which have conducted at least one transaction. The Bank stated that the total transaction volume since inception is \$35,906, with an average balance held in each account of \$2,933.

The FDIC continues to review crypto-related activities and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC may request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service.

If you have any questions, please contact ARD Love at [REDACTED]. Written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

[REDACTED]
Third-Party Bitcoin Activity

Page 2

Sincerely,

/s/ Kristie K. Elmquist

Kristie K. Elmquist
Regional Director

cc:

[REDACTED]

DOCUMENT 15



FDIC

Federal Deposit Insurance Corporation

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Division of Risk Management Supervision
San Francisco Regional Office
(415) 546-0160

July 27, 2022

Board of Directors

[REDACTED]
[REDACTED]
[REDACTED]

Subject: Notification of Crypto-Related Activity

Dear Members of the Board:

By letter dated March 22, 2022, [REDACTED], SVP/CRO of [REDACTED], (the Bank) notified the FDIC and the [REDACTED] that the Bank will provide its customers the ability to buy, sell, and hold bitcoin through the Bank's online banking website in conjunction with [REDACTED] and [REDACTED]. The relationship will allow Bank customers to purchase, hold, and sell bitcoin through [REDACTED], with funds flowing through the customer's account at the Bank. [REDACTED] will maintain custody of the bitcoin accounts.

On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. That FIL is available here: <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>.

By email dated May 4, 2022, SVP/CRO [REDACTED] provided the FDIC and [REDACTED] with due diligence documents related to the bitcoin activities as attachments to the email. These documents include the following:

[REDACTED]
[REDACTED]
[REDACTED]

On May 31, 2022, a joint FDIC and [REDACTED] Safety and Soundness examination began. On June 15, 2022, examiners and bank management held an MS Teams Meeting to present an additional request list related to the proposed crypto activities. During the meeting, a live demonstration of the Bank's test environment was held whereby a bank employee bought and sold bitcoin. Bank management noted that the ability to buy/sell/hold bitcoin is currently limited to a test environment, and only certain employees have access to the test environment.

The FDIC continues to review the bitcoin activities and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC has requested information as part of the examination process and may request additional information to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service to its customers.

If you have any questions, please contact RMS Assistant Regional Director David Wong at [REDACTED] or DCP Assistant Regional Director Matthew Sheeren at [REDACTED]. Written correspondence should be addressed to my attention at the San Francisco Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: SFMailroom@FDIC.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

Digitally signed by
KATHY MOE
Date: 2022.07.27
15:37:45 -07'00'
KATHY MOE

Kathy L. Moe
Regional Director

[REDACTED]

DOCUMENT 16



FDIC

Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Division of Risk Management Supervision
Division of Consumer Protection
San Francisco Regional Office
(415) 546-0160

Sent via secure email to [REDACTED]

July 28, 2022

Board of Directors
[REDACTED]

Subject: Notification of Engaging in Crypto-Related Activities

Dear Members of the Board:

On May 31, 2022, [REDACTED] Chief Financial Officer (CFO) [REDACTED] submitted [REDACTED] draft three-year business plan (Plan) pursuant to FDIC's Financial Institution Letter-16-2022, *Notification of Engaging in Crypto-Related Activities* (FIL-16-2022). We also held a brief discussion with President and Chief Executive Officer [REDACTED], [REDACTED] CFO [REDACTED] and the Digital Banking Division's Chief Operating Officer [REDACTED] on June 22, 2022. As discussed during the call, the Plan represents a significant and material change in the bank's business model as it seeks to develop and implement a proposed Digital Banking Platform (DBP) strategy.

While the FDIC continues to review the bank's Plan pursuant to FIL-16-2022, in order to assess the safety and soundness and consumer protection implications of such activities, additional information is needed and questions remain outstanding. We recognize that the Plan is early in its implementation stages, and that developing the risk management framework is an ongoing process; however, it is essential for management to solidify this framework prior to implementation to ensure planned activities and strategies are consistent with current laws, rules, and regulations, as well as safety and soundness and consumer protection principles. Examples of incomplete, but essential, elements that we request the opportunity to review, when available, include the following:

- Risk assessments for DBP activities,
- Due diligence for all vendors related to the Digital Banking Division, as well as the identification of vendors to assist in customer due diligence, custodial services, exchange services, funds movement, and any other services related to DPB,
- Policies and procedures and planned products and services surrounding the Digital Banking Division,
- Project plans and cost benefit analysis for DBP activities,
- Formal succession plan for the Digital Banking Division,

Board of Directors

[REDACTED]

Page 2

- Draft contracts and legal agreements between the bank and its affiliate entities, as well as key third parties,
- Legal analysis of the permissibility of the proposed new products and services under Part 362 of the FDIC's Rules and Regulations, including the permissibility of BTC/ETH as collateral and the applicability of 12 C.F.R. § 1.7 with respect to the Digital Assets Lending Program,
- Also with respect to the Digital Assets Lending Program:
 - Identification of loan types, policies, target loan mix, and anticipated direct and indirect loan relationships,
 - Legal analysis of: (1) how [REDACTED] would perfect its security interest in BTC/ETH collateral under the [REDACTED] Uniform Commercial Code (UCC), (2) the priority of [REDACTED] security interest in BTC/ETH collateral under the [REDACTED] UCC, (3) how [REDACTED] would foreclose on BTC/ETH under [REDACTED] law, and (4) the applicability of Regulation U (12 C.F.R. Part 221) to the proposed program.
- Banking services to be offered to fintech platforms and ecosystem participants,
- Plans to expand the bank's lending outside of its existing assessment area or market area as a result of the DBP strategy, if any, and expected impacts to the Community Reinvestment Act (CRA) performance,
- Any assessment of consumer protection risk considerations; for example, any potential consumer harm or consumer confusion associated with planned products and services offered by the Digital Banking Division,
- Analysis performed with respect to SEC Staff Accounting Bulletin No. 121 and proposed new products and services, and,
- Plans for ongoing monitoring and audit of the Digital Banking Platform.

As noted throughout the Plan and during our discussion, we understand that much of the development, acquisition, and pursuit of the various DBP strategies remain in process. As a result, we expect to remain in close correspondence with the bank in the coming weeks and months. Also, please note that FIL-16-2022 does not provide for the issuance of an FDIC non-objection, as requested in the Plan. Consistent with the procedures outlined in FIL-16-2022, the FDIC may make future information requests to assist us in reviewing the activities and providing any relevant supervisory feedback to the bank. Accordingly, until we complete our review, we request that the bank not proceed with planned activities, pending FDIC supervisory feedback, and that you continue to update us on developments in the bank's risk management framework and compliance management system.

If you have any questions related to Risk Management, please contact Assistant Regional Director Jaclyn Valderrama or Case Manager [REDACTED] at [REDACTED] and [REDACTED], respectively. For questions related to Consumer Protection, please contact Assistant Regional Director Matthew Sheeren or Review Examiner [REDACTED] at [REDACTED] and [REDACTED], respectively. Written correspondence should be addressed to my attention at the San Francisco Regional Office, and sent as a PDF document through the FDIC's Secure Email

Board of Directors
[REDACTED]

Page 3

portal (<https://securemail.fdic.gov/>) using the following e-mail address: SFMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

/s/ Kathy L. Moe

Kathy L. Moe
Regional Director

cc:

[REDACTED]
Federal Reserve Bank of San Francisco

DOCUMENT 17



Federal Deposit Insurance Corporation

1100 Walnut Street, Suite 2100, Kansas City, MO 64106

Division of Risk Management Supervision

August 9, 2022

Board of Directors

[REDACTED]

Subject: Third-Party Bitcoin Facilitation Activity

Dear Members of the Board:

By letter dated May 10, 2022, [REDACTED], President and CEO of [REDACTED] (Bank), advised the FDIC of the bank's intent to offer customers the ability to buy, sell, and hold bitcoin through the Bank's digital and mobile banking platform in conjunction with [REDACTED] [REDACTED] (bitcoin facilitation activity) in response to FIL-16-2022.¹ The relationship allows Bank customers to purchase and sell bitcoin with [REDACTED] as the trade execution provider and custodian and with all customer orders and transaction confirmations flowing through the Bank (bitcoin trading platform). The Bank also plans to offer a debit card with cash rewards that [REDACTED] pays in the form of bitcoin. Furthermore, [REDACTED] advised that credit was extended in November 2021 to [REDACTED], in the amount of \$[REDACTED]. The credit is secured by bitcoin and contains a 50 percent margin requirement, updated daily.

On March 11, 2022, the Bank discussed the bitcoin facilitation activity with the FDIC Division of Depositor and Consumer Protection – Kansas City Regional Office (RO). Follow-up discussions were held on April 12, 2022, and June 2, 2022. During the course of those discussions Bank management explained that beta testing of the bitcoin trading platform had commenced, with plans to expand that beta testing to non-customers. By letter dated June 3, 2022, additional information from the Bank was forwarded to the RO documenting the Bank's due diligence regarding the bitcoin facilitation activity and the loan presentation for the credit extended to [REDACTED] in November 2021.

The FDIC continues to review the bitcoin facilitation activity and various questions remain outstanding. Consistent with the procedures outlined in FIL-16-2022, the FDIC will make future information requests to assist us in reviewing the activity and providing supervisory feedback to the Bank. Accordingly, until we complete our review, we request that the Bank refrain from expanding this service to additional customers.

¹ On April 7, 2022, the FDIC issued a Financial Institution Letter, FIL-16-2022, explaining a notification and supervisory feedback process concerning a bank's current or planned crypto-asset related activity. That FIL is available here: <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>.

If you have any questions, please contact Assistant Regional Director Michele Sharp or Case Manager [REDACTED] at [REDACTED]. Written correspondence should be addressed to my attention at the Kansas City Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: KCMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,
James D. LaPierre
Regional Director

cc: [REDACTED]

DOCUMENT 18



FEDERAL DEPOSIT INSURANCE CORPORATION
10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

Atlanta Regional Office
Division of Risk Management Supervision
Division of Depositor and Consumer Protection
(678) 916-2200

August 26, 2022

Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Notification of Crypto-Related Activity

Dear Members of the Board:

On August 5, 2022, the FDIC received [REDACTED] (Bank) notification, in response to Financial Institution Letter (FIL), [FIL-16-2022, Notification of Engaging in Crypto-Related Activities](#), of the Bank's intent to engage in crypto-asset related activity by offering customers bitcoin services through the Bank's banking platform in conjunction with [REDACTED]. 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 Bank's notification outlines that crypto-asset related activity includes offering customers the ability to buy, hold, and sell bitcoin ([REDACTED] Platform); a [REDACTED] Program; and a [REDACTED] Program.

The letter states that the Bank intends to start offering these services to customers on [REDACTED]. As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. To assess these risks, the FDIC is reviewing the notification and information provided, and is also assessing whether the proposed crypto-asset activities constitute a major deviation or material change in the business plan that the Bank must operate within during its [REDACTED] under the Deposit Insurance Order dated [REDACTED].

To assist in our review of the proposed activities, please provide the documentation referenced in the Appendix attached to this letter. We will review this documentation to assess the safety and soundness, consumer protection, and financial stability implications of such activities as it is received and in conjunction with the safety and soundness examination scheduled to commence on September 26, 2022. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the Bank refrain from providing this service to its customers.

Please submit the information requested in the Appendix to the FDIC as a PDF file to ATLMailRoom@fdic.gov using the secure message center at <https://securemail.fdic.gov>. The

information should be submitted to this office by September 9, 2022. If you foresee any issues with meeting this deadline, please contact the individuals identified below.

If you have any questions related to Risk Management, please contact Case Manager [REDACTED] at [REDACTED] or at [REDACTED]. If you have any questions related to Consumer Protection, please contact Senior Review Examiner [REDACTED] at [REDACTED] or at [REDACTED].

Sincerely,

Frank R. Hughes
Acting Regional Director

cc:

[REDACTED]

Appendix
Crypto-Related Activity Request List

Please provide the following documentation in relation to the proposed crypto-related activities:

1. All contracts (including any draft contracts that the Bank is reviewing/considering);
2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring);
3. Any contract analysis performed prior to execution;
4. Description of the transaction flows and related controls for each activity (i.e., [REDACTED] Platform, [REDACTED] Program, and [REDACTED] Program);
5. Detailed description of the settlement process for customer buy/sell transactions between the Bank, [REDACTED], and any other related parties for each activity (i.e., [REDACTED] Platform, [REDACTED] Program, and [REDACTED] Program);
6. The Bank's permissibility analysis and determination with respect to each activity;
7. The Bank's analysis of SEC SAB 121 and its applicability;
8. Any cost-benefit analysis conducted;
9. Project plan for each activity;
10. Vendor management due diligence analysis related to [REDACTED] and vendor due diligence documentation and analysis related to [REDACTED] role in this product (including audits, financials, insurance, complaints, etc.);
11. Description of what happens to customers' accounts or holdings of Bitcoin if the Bank does not continue or cancels offering the services provided by [REDACTED];
12. Details on operational aspects of the [REDACTED] and [REDACTED] Programs including, but not limited to: 1) the types of credit and debit cards or savings and money market accounts that can be enrolled in the program, 2) the process of converting [REDACTED] or USD to Bitcoin, 3) when and how transaction receipts are provided for purchase transactions, 4) and if and how customers can turn the features on or off for any given period;
13. Description of any fees charged to consumers related to the [REDACTED] Platform, [REDACTED] Program, and [REDACTED] Program, and how they will be calculated (describe if and how fees are split amongst the Bank and any third parties involved in the activities);
14. Description of any transaction limitations imposed by [REDACTED] or the Bank on the amount of Bitcoin a consumer may purchase or sell through the [REDACTED] Platform (e.g., daily, weekly, monthly). Similarly, describe any transaction limitations that exist, if any, through the [REDACTED] Program and [REDACTED] Program (including any minimum purchase amounts). Provide a description of the methodology that determines the price a consumer pays to [REDACTED] for Bitcoin through the [REDACTED] Platform, [REDACTED] Program, and [REDACTED] Program. This includes providing an explanation of how any market or benchmark price is determined and how the spread, if any, is calculated;
15. Copies of consumer agreements, disclosures, and other terms and conditions related to each of the activities provided by or through the Bank and by third parties (draft or proposed);
16. Marketing materials, press releases, internal scripts, educational materials, and any other publicly distributed information related to each of the activities (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the Bank in connection with each of the activities;

17. Strategic plan that details how crypto-asset activities achieve the objectives of the Board and any contingency plan, should the activities fail to achieve the objectives;
18. Implementation plan. For each activity, please include expected volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products;
19. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activities;
20. Internal training materials related to the activities;
21. Policies and procedures that will govern each of the crypto-related activities, including those related to consumer compliance and complaint resolution (we acknowledge receipt of the policy outline previously submitted, this request is for the policies and procedures);
22. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g., management, staff, committees (including members, frequency of meetings), and collectively, their approval authority); and
23. Description addressing the following: when a customer enrolls in the [REDACTED] Platform, [REDACTED] Program, and [REDACTED] Program, are the individual customer's Bitcoin balances purchased through each feature presented in aggregate or by program within the online banking and mobile application interface.
24. Describe how the risk assessment was developed, what policies govern the structure/process for risk assessments, and which staff performed the risk assessment. Explain how the Bank determined the risk assessment scope is appropriate for all three product types collectively [REDACTED], [REDACTED], and [REDACTED]
25. The Risk Assessment includes the following statement under [REDACTED],
 "[REDACTED]
 [REDACTED]
 [REDACTED]"
 - a. Provide any quantitative analysis including projections and stress events developed by the Bank to support this [REDACTED].
26. The Risk Assessment includes the following statement, "[REDACTED]
 [REDACTED]."
 a. Provide the Bank's legal analysis and support for that statement.
27. The Risk Assessment includes the following statement under Compliance Risk, "[REDACTED]
 [REDACTED]"
 - a. Provide the relevant audit reports that the Bank considers as the risk mitigants.
28. The Risk Assessment includes the following statement under Compliance Risk, "[REDACTED]
 [REDACTED]"
 - a. Provide a description of PII exchanged between the bank, the technology service provider, and [REDACTED].
29. The Risk Assessment includes the following statement under Operational Risk, "[REDACTED]
 [REDACTED] }."
 a. Provide a copy of these reports.
30. The Risk Assessment includes the following statement under Operational Risk, "[REDACTED]
 [REDACTED]"
 - a. Provide a copy of the general and digital asset-specific insurance policies.

31. The Risk Assessment includes the following statement under Operational Risk, "[REDACTED]"
- a. Provide a copy of the [REDACTED] the bank has considered as operational risk mitigants.
32. The Risk Assessment includes the following statement under Reputational Risk, "[REDACTED]"
- a. Provide a copy of analysis performed regarding this stated "[REDACTED]".
33. Page 15 of the Risk Assessment includes the following statement, "[REDACTED]"
- a. Provide information regarding these controls, protocols, and systems developed and implemented by the Bank.
34. Page 17 of the Risk Assessment includes the following statement, "[REDACTED]"
- a. Explain how the Bank performs this monitoring and provide copies of monitoring reports.
35. Page 17 of the Risk Assessment also includes the following statement, "[REDACTED]"
- a. Explain how management assessed the adequacy of the Bank's management information systems relative to this service.
- b. Provide a description of the controls that have been established as stated.
- c. Provide copies of the described monitoring, reporting, and exception management documentation.
36. Page 18 of the Risk Assessment also includes the following statement, "[REDACTED]"
- a. Provide any such reports or anticipated content of such reports planned for Audit Committee.

DOCUMENT 19



Federal Deposit Insurance Corporation
Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

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

September 9, 2022

Board of Directors
[REDACTED]

Subject: Third-Party Crypto-Asset Activity

Dear Members of the Board:

On June 30, 2022, Executive Vice President [REDACTED] submitted a notification of the Bank's intended crypto-asset activities in response to Financial Institution Letter-16-2022, *Notification of Engaging in Crypto-Related Activities* (FIL-16-2022). Acting Case Manager [REDACTED] also held a discussion with Head of Digital Assets [REDACTED] on July 15, 2022 regarding the proposed crypto-asset activities. As discussed during the call, [REDACTED] is developing a Digital Asset department and seeks to implement the following crypto-asset services for bank customers: custodian services (end of the third quarter 2022); facilitation of buying and selling crypto-assets (after custodian services implementation); and, allowing customers to spend/withdraw bitcoin (no timeline).

The FDIC requests insured depository institutions provide sufficient information to assist the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of crypto-asset activities. The FDIC requests the Bank provide the information in the attached list by October 18, 2022, so that the FDIC may begin those assessments. If the requested information has not yet been developed, provide the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the requested information, we will determine whether additional information is necessary to complete the review of the activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the Bank not proceed with planned activities, pending FDIC supervisory feedback.

If you have any questions, please contact Case Manager [REDACTED] at [REDACTED] or Regional Examination Specialist [REDACTED] at [REDACTED]. Written correspondence should be addressed to my attention at the Chicago 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,
Gregory P. Bottone
Regional Director

Enclosure – Crypto-Asset Activity Request List

cc: [REDACTED]
Federal Reserve Bank of Chicago

Crypto-Asset Activity Request List

1. Strategic Plan that details how crypto-related activity achieves objectives of the Bank's Board and the Contingency Plan in the event the activity fails to achieve those objectives.
2. Project/Implementation plan including, but not limited to, expected volumes of activity or contemplated activity limits, cost benefit analysis including income projections used to determine whether the services are financially feasible, and any other analysis performed to support launching the services.
3. Risk assessments for all crypto-related services. Consideration should be made to Safety and Soundness, Information Technology, Anti-Money Laundering/Combating the Financing of Terrorism, and Consumer Compliance.
4. Vendor management due diligence documentation, and analysis for all vendors that will provide crypto-related technologies or services.
5. Board and committee minutes reflecting approval, discussion, analysis, and any documentation provided on the activity.
6. Draft contracts and legal agreements between the Bank and crypto-related third party vendors.
7. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution.
8. If not outlined in policies and procedures, the framework of assigned responsibilities and qualifications for those involved in day-to-day administration of digital asset activity, including internal controls responsibilities, and a description of oversight responsibilities, for example: management; staff; committees, including committee members; frequency of meetings; and collectively, their approval authority, and expertise required to be a committee member.
9. Draft marketing plans, including press releases, educational and training materials, and any other proposed public distributions.
10. Draft consumer agreements, disclosures, or other terms and conditions related to these activities provided by, or through, the Bank and by third parties.
11. Legal analysis of the permissibility of the proposed services under part 362 of the FDIC's Rules and Regulations, and under the State of [REDACTED] banking regulations.
12. Analysis performed with respect to SEC Staff Accounting Bulletin No. 121 and proposed services.
13. Plans for ongoing monitoring and audit of crypto-related products and services.

DOCUMENT 20



FEDERAL DEPOSIT INSURANCE CORPORATION
10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

Atlanta Regional Office
Division of Risk Management Supervision
Division of Depositor and Consumer Protection
(678) 916-2200

September 13, 2022

Sent via secure email

Board of Directors
[REDACTED]
[REDACTED]
[REDACTED]

Subject: Third-Party Crypto-Asset Activity

Dear Members of the Board:

On August 17, 2022, we received [REDACTED] (the Bank) notification, in response to Financial Institution Letter (FIL), [FIL-16-2022, Notification of Engaging in Crypto-Related Activities](#), of the Bank's intent to offer customers the ability to buy, sell, and hold Bitcoin through the Bank's digital and mobile banking platform in conjunction with [REDACTED]. FIL-16-2022 requests 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.

As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. In order to begin those assessments, please provide the information in the attached list by November 14, 2022. If the requested information has not yet been developed, include the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the above-requested information, we will determine whether additional information is necessary to complete the review of the activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the Bank refrain from providing these services to its customers.

Board of Directors
[REDACTED]

Page 2 of 2

This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). If you have any questions, please contact Case Manager [REDACTED] at [REDACTED] or [REDACTED] or Review Examiner [REDACTED] at [REDACTED] or [REDACTED]. Written correspondence should be addressed to my attention at the Atlanta Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address: ATLMailRoom@fdic.gov.

Sincerely,

John F. Vogel
Acting Regional Director

JOHN
VOGEL
Digitally signed
by JOHN VOGEL
Date: 2022.09.13
16:45:08 -04'00'

cc: [REDACTED]

Enclosure

Crypto-Asset Activity Request List

Documentation (Prospective):

1. Contracts (including any draft contracts that bank is reviewing/considering);
2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring)
3. Any contract analysis performed prior to execution
4. The bank's permissibility analysis and determination with respect to the activity
5. Bank's analysis of SEC SAB 121 and its applicability
6. Cost-benefit analysis
7. Project plan
8. Vendor management due diligence documentation and analysis related to both [REDACTED] and [REDACTED] including audits, financials, insurance, complaints, etc.
9. Description of what happens to customers' accounts or holdings of Bitcoin if the bank does not continue or cancels offering the services provided by [REDACTED]
10. Description of any fees that will be charged to consumers related to the activity, and how they will be calculated. Also, describe if and how fees are split amongst the bank and any third parties involved in the activity.
11. Description of any transaction limitations imposed by [REDACTED] or the bank on the amount of Bitcoin a consumer may purchase or sell (e.g. daily, weekly, monthly).
12. Description of the methodology that determines the price a consumer pays to [REDACTED] for Bitcoin. This includes providing an explanation of how any market price is determined and how the spread, if any, is calculated.
13. Consumer agreements, disclosures, and other terms and conditions related to the activities provided by or through the bank and by third parties (draft or proposed)
14. Marketing materials, press releases, internal scripts, educational materials, and any other publicly-distributed information related to the activity (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the bank in connection with activities.
15. Any other due diligence materials.
16. Strategic plan that details how crypto-asset activity achieves objectives of the board and the contingency plan should the activity fail to achieve the objectives.
17. Implementation plan. Please include expected activity volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products.
18. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activity.
19. Risk assessment(s) related to the activity.
20. Internal training materials related to the activity.
21. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution.
22. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g. management, staff, committees (including members, frequency of meetings), and collectively, their approval authority).

DOCUMENT 21



600 North Pearl Street, Suite 700
Dallas, Texas 75201
(214) 754-0098 FAX (972) 761-2082

Dallas Regional Office
Division of Risk Management Supervision
Division of Depositor and Consumer Protection

SENT VIA SECURE ELECTRONIC EMAIL

September 14, 2022

Board of Directors
[REDACTED]

Subject: Notification of Crypto-Asset Related Activity

Dear Members of the Board:

By email dated August 17, 2022, Senior Vice President/Chief Operating Officer [REDACTED] notified us of [REDACTED] intent to provide its customers the ability to buy, sell, and hold Bitcoin through a mobile banking platform in conjunction with [REDACTED]
[REDACTED]

As stated in FIL-16-2022, *Notification of Engaging in Crypto-Related Activities*, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. In order to begin those assessments, please provide the information in the attached list **by November 14, 2022**. If the requested information has not yet been developed, please include the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the requested information, we will determine whether additional information is necessary to complete the review of the activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. Accordingly, until we complete our review, we request that the bank refrain from providing this service to its customers.

This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). If you have any questions, please contact Case Manager [REDACTED] at [REDACTED]. Written correspondence should be addressed to Kristie K. Elmquist, Regional Director, FDIC, Dallas Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: DALMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

[REDACTED]

Page 2

Sincerely,

Kristie K. Elmquist
Regional Director

Attachment

cc: Federal Reserve Bank of Dallas
[REDACTED]

Crypto-Asset Activity Request List – [REDACTED]

Documentation:

1. Contracts (including any draft contracts that bank is reviewing/considering)
2. Overview of the contracting process (e.g., who is/was involved in the review, analysis, and structuring)
3. Any contract analysis performed prior to execution
4. Description of the transaction flows and related controls
5. Detailed description of the settlement process for customer buy/sell transactions between the bank, [REDACTED], and any other related parties
6. The bank's permissibility analysis and determination with respect to the activity
7. Bank's analysis of SEC SAB 121 and its applicability
8. Cost-benefit analysis
9. Project plan
10. Vendor management due diligence documentation and analysis related to both [REDACTED] and [REDACTED], including audits, financials, insurance, complaints, etc.
11. Description of what happens to customers' accounts or holdings of Bitcoin, if the bank does not continue or cancels offering the services provided by [REDACTED]
12. Description of any fees that will be charged to consumers related to the activity, and how they will be calculated. Also, describe if and how fees are split amongst the bank and any third-parties involved in the activity.
13. Description of any transaction limitations imposed by [REDACTED] or the bank on the amount of Bitcoin a consumer may purchase or sell (e.g. daily, weekly, monthly)
14. Description of the methodology that determines the price consumer pays to [REDACTED] for bitcoin. This includes providing an explanation of how any market price is determined and how the spread, if any, is calculated.
15. Consumer agreements, disclosures, sample account statement, sample transaction receipt, and other terms and conditions related to the activities provided by or through the bank and by third parties (draft or proposed)
16. Marketing materials, press releases, internal scripts, educational materials, and any other publicly-distributed information related to the activity (draft or proposed). This includes screen shots/screen recordings of any online banking or mobile application user interfaces (including hidden text that must be clicked) that will be made visible to consumers by, or through, the bank in connection with activities.
17. Any other due diligence materials
18. Strategic plan that details how crypto-asset activity achieves objectives of the board and the contingency plan should the activity fail to achieve the objectives
19. Implementation plan. Please include expected activity volumes, income projections used to determine whether the products are financially feasible, and any other analysis performed to support launching the products.
20. Board and committee minutes reflecting discussion, analysis, approval, and any documentation provided on the activity
21. Risk assessment(s) related to the activity
22. Internal training materials related to the activity

23. Policies and procedures that will govern the crypto-related activity, including those related to consumer compliance and complaint resolution
24. If not outlined in policies and procedures, framework of assigned responsibilities and qualifications for those involved in day-to-day administration of crypto-related activity, including internal controls responsibilities. Description of oversight responsibilities (e.g. management, staff, committees (including members, frequency of meetings), and collectively, their approval authority).

DOCUMENT 22



[REDACTED]

Transmitted by Electronic Correspondence

October 17, 2022

[REDACTED]
President & COO

RE: Notification of Crypto-Related Activities

Dear [REDACTED]:

On July 8, 2022, we received your letter notifying the FDIC and [REDACTED] of your institution's involvement in crypto-related activities, in response 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.

We understand that in 2021, the Bank began exploring crypto-related activities and has decided to not offer crypto-asset products or services to Bank customers. The notification letter also stated that the Bank acquired three types of crypto-assets and subsequently exchanged less than \$25,000 in crypto-assets for Non-Fungible Tokens (NFT). Further, the notification letter says the Bank currently holds approximately \$1,300 worth of crypto-assets with a custodian. After a review of the Bank's notification letter, we have determined that additional information is needed to further clarify the crypto-related activities being conducted and crypto-related assets held by the Bank.

As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. To assist in the review of the Bank's crypto-related activities, please provide the documentation listed below within 30 days of the date of this letter.

- Provide the Bank's most recent internal [REDACTED] Report reflecting crypto-assets and purchased NFTs, including volumes and values.

[REDACTED]

[REDACTED]

- [REDACTED]
- Explain the methods used to report and value (e.g., cost or fair value) the crypto-assets and NFTs on the Call Report. Provide supporting documentation and analysis. Include financial statement disclosures concerning these activities.
 - The Bank's 12/31/2021 [REDACTED] Report shows \$98,900 "[REDACTED]" held at [REDACTED]. Clarify whether that "[REDACTED]" is U.S. Dollars or [REDACTED] dollars. If U.S. Dollars, what is the purpose for holding this amount at [REDACTED] and for what purpose are the funds intended to be used? If [REDACTED] dollars, please clarify the discrepancy in the amount because the Bank reports \$1,300 in crypto-assets in the notification letter.
 - Please clarify whether the Bank owns any other crypto-assets or NFTs, other than what has already been disclosed.
 - Explain how the Bank uses the NFTs currently owned for promotional purposes and provide internal employee training material.
 - Please provide details about whether Directors and/or Officers of the Bank have a financial or other interest in the acquired NFTs.
 - Provide an independent legal analysis of the permissibility of the Bank acquiring and holding crypto-assets and NFTs under part 362 of the FDIC Regulations (12 CFR part 362) and other relevant state and federal laws.

Until we complete our review, we request the Bank refrain from purchasing additional crypto-assets and NFTs. When we have completed our review, we will provide the institution with relevant supervisory feedback, as appropriate.

Please notify us of any material changes in these activities or intent to engage in other crypto-related activities. This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). Questions should be directed to FDIC Case Manager [REDACTED] at [REDACTED] and [REDACTED] at [REDACTED].

Sincerely,

/s/ Kathy L. Moe

Kathy L. Moe
Regional Director
Federal Deposit Insurance Corporation

[REDACTED]
[REDACTED]
[REDACTED]

DOCUMENT 23



FDIC

Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Division of Risk Management Supervision
Division of Consumer Protection
San Francisco Regional Office
(415) 546-0160

Sent via secure email

October 21, 2022

Board of Directors
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]

Subject: Notification of Engaging in Crypto-Related Activities

Dear Members of the Board:

During a virtual meeting held on May 6, 2021, President [REDACTED], Executive Vice President (EVP) and Chief Financial Officer [REDACTED], EVP and Chief Operating Officer [REDACTED], and other bank personnel presented and discussed the bank's then-newly announced partnership with [REDACTED] with staff of the FDIC and the [REDACTED]. During the meeting, bank management presented an overview of the relationship and planned activity to offer bank customers the ability to buy, hold, and sell Bitcoin through a mobile application. They also discussed management's risk assessment; the extent of contractual agreements; contemplated structure of the arrangements with [REDACTED] and the bank's core service provider [REDACTED]; planned timeframe for implementation; the extent of planned crypto asset offerings; and the holding company's investment in [REDACTED].

On April 4, 2022, during a virtual meeting, bank management provided an update to FDIC and [REDACTED] staff on the project and their ongoing due diligence. Bank management also provided additional documents and information on April 5, 2022, and June 8, 2022, in response to follow-up requests from the FDIC. On August 2, 2022, Chief Executive Officer [REDACTED] notified FDIC Field Supervisor [REDACTED] that the project had moved from a development phase to a testing phase as part of the bank's ongoing due diligence.

On April 7, 2022, the FDIC issued Financial Institution Letter (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 and outlined a supervisory feedback process concerning a bank's current or planned crypto-asset related activity. The FIL is available at <https://www.fdic.gov/news/financial-institution-letters/2022/fil22016.html>. As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. On October 6, 2022, the FDIC submitted a list of requested information to the bank,

Board of Directors
[REDACTED]

Page 2

which is currently under review as part of the examination that began on October 11, 2022. When we have completed our review, the FDIC will provide the bank with relevant supervisory feedback, as appropriate. Until we complete our review, we request that the bank refrain from providing this service to its customers.

Please notify us during our review period if there are any material changes in the planned service, the status of this project, or its planned implementation, to ensure that the bank is operating in a safe and sound manner and in compliance with consumer protection regulations.

This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations (12 CFR part 309). If you have any questions related to Risk Management, please contact Assistant Regional Director Jaclyn Valderrama at [REDACTED] or Case Manager [REDACTED] at [REDACTED]. For questions related to Consumer Protection, please contact Assistant Regional Director Matthew Sheeren at [REDACTED] or Review Examiner [REDACTED] at [REDACTED]. Written correspondence should be addressed to my attention at the San Francisco Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (<https://securemail.fdic.gov/>) using the following e-mail address: SFMailRoom@fdic.gov. Information about how to use secure email and FAQs about the service can be found at <https://www.fdic.gov/secureemail/>.

Sincerely,

/s/ *Kathy L. Moe*

Kathy L. Moe
Regional Director

cc: [REDACTED]

Federal Reserve Bank of San Francisco

DOCUMENT 24



Federal Deposit Insurance Corporation
Division of Risk Management Supervision
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

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

February 17, 2023

Board of Directors

[REDACTED]

Subject: Notification of Engagement in Blockchain Technology

Dear Members of the Board:

On September 28, 2022, the FDIC received notification of the bank's intent to partner with the [REDACTED] to offer [REDACTED]. The notification was provided pursuant to Financial Institution Letter (FIL)-16-2022, *Notification of Engaging in Crypto-Related Activities*. The FDIC requested additional information on December 13, 2022, to evaluate the safety and soundness, consumer protection, and financial stability considerations of the proposed activities.

The FDIC received the requested information from the bank on January 31, 2023. We will review the documents to determine whether subsequent information is necessary to evaluate the proposed activities. When we have completed our review, the FDIC will provide the bank with relevant supervisory feedback, as appropriate. Until we complete our review, we request that the bank refrain from providing the [REDACTED] and [REDACTED] to its customers.

Please notify us if there are any material changes in the planned service, the status of this project, or its planned implementation, to ensure that the bank is operating in a safe and sound manner and in compliance with consumer protection regulations.

This letter is confidential and may not be disclosed or made public in any manner under part 309 of the FDIC Rules and Regulations. If you have any questions, please contact Case Manager [REDACTED] at [REDACTED] or Senior Review Examiner [REDACTED] at [REDACTED].

Sincerely,
Gregory P. Bottone
Regional Director

cc: [REDACTED]
Federal Reserve Bank of Chicago

DOCUMENT 25



Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

New York Regional Office

May 5, 2023

Board of Directors
[REDACTED]

Subject: Information Request – Proposed Crypto-Asset Banking Activity

Dear Board Members:

On March 13, 2023, we received [REDACTED] (the Bank) notification of its intent to provide a bank account to [REDACTED] for the purpose of holding deposit reserves corresponding to [REDACTED] issuance of a stablecoin, [REDACTED] as requested in Financial Institution Letter (FIL), [FIL-16-2022, Notification of Engaging in Crypto-Related Activities](#).

As stated in FIL-16-2022, the FDIC may request that institutions provide information necessary to allow the FDIC to assess the safety and soundness, consumer protection, and financial stability implications of such activities. In order to begin those assessments, please provide the information in the attached list by May 15, 2023. If the requested information has not yet been developed, please include the status and timeline for developing each item in the response, as applicable. Once the FDIC has completed its review of the requested information, we will determine whether additional information is necessary to complete the review of the proposed activity. When we have completed our review, the FDIC will provide the institution with relevant supervisory feedback, as appropriate. [REDACTED] should not proceed with any crypto-asset activity until such time that the FDIC has determined [REDACTED] ability to implement the activity in a safe and sound manner.

This letter is confidential and may not be disclosed or made public in any manner under Part 309 of the FDIC Rules and Regulations (12 C.F.R. 309). If you have any questions, please contact Senior Case Manager [REDACTED] at [REDACTED] or Senior Review Examiner [REDACTED] at [REDACTED]. Written correspondence should be addressed to my attention at the New York Regional Office, and sent as a PDF document through the FDIC's Secure Email portal (securemail.fdic.gov) using the following e-mail address: NYMailroom@fdic.gov.

Sincerely,
Frank R. Hughes
Regional Director

Attachment: Crypto-Asset Activity Request List

cc: [REDACTED]

Crypto-Asset Activity Request List

1. Product and Key Initiative Risk Assessment, including considerations regarding applicable consumer compliance and Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT)-related laws and regulations.
2. Due Diligence Memo and supporting documentation, including the [REDACTED] SOC1 report.
3. Board of Directors materials and minutes evidencing approval of the proposed activity.
4. Legal opinion on permissibility.
5. Brokered deposit applicability analysis.
6. Deposit volatility analysis.
7. Revisions to the contingency funding plan and other elements of liquidity risk management.
8. Liquidity stress testing analysis, both bank-wide and [REDACTED].
9. Wind down plan should [REDACTED] withdraw the [REDACTED] relationship from the Bank and a description of how a withdrawal has been incorporated into the contingency funding planning and liquidity stress testing.
10. Capital analysis, including a description of scenarios developed, assumptions, and methodology.
11. An updated description and information on the Bank's deployment of deposit funds received from [REDACTED] customers.
12. A description of any transactions between the proposed [REDACTED] reserve deposit account and the existing [REDACTED] payments account.
13. A description of procedures to monitor compliance with AML/CFT requirements, including customer identification and beneficial owner verification requirements at account opening.
14. Applicable client disclosures to end-users.
15. [REDACTED] marketing materials, including planned advertising, press releases, or other public statements, including any planned, drafted, or issued materials or media that contain the FDIC name or logo.
16. Describe any existing or expected statements or representations made regarding FDIC deposit insurance, including pass thru insurance, in association with any [REDACTED] deposits or any [REDACTED] customer deposits held at the Bank.
17. All (including drafts if not final) term sheets, binding commitments, and other agreements between the Bank and [REDACTED] including deposit account agreements (collectively, the Agreements).
18. If not addressed in the Agreements, describe any Bank responsibilities or obligations related to collateral requirements, balancing, verification, or attestation requirements (i.e. who is responsible for verifying the reserves are in place), and if [REDACTED] has any investment criteria.
19. A description of the timing of funds flowing from [REDACTED] to the Bank, and in reverse, the deposit and redemption of funds from purchases and redemptions of [REDACTED].
20. Describe whether or not the Bank has any explicit or implicit redemption obligations or there is a presumption that the Bank could be or is a redemption agent for [REDACTED] on either a wholesale or retail basis.
21. What percentage of [REDACTED] reserves could be held at the Bank? Is there a minimum or maximum?
22. Describe the Bank's expectations of future business relationship expansion with [REDACTED] given the partnership between [REDACTED].
23. Describe any expectations of [REDACTED] wallet integration/connection for the purpose of direct [REDACTED] redemptions by the Bank.

Exhibit C

From: [Kurtenbach, Daniel](#)
To: [Harper, Nick](#); [Bond, Jonathan C.](#); [Scalia, Eugene](#); [Hauptman, Aaron](#); [Nestor, Branton](#)
Cc: [Soni, Lina D.](#); [Dober, Andrew J.](#)
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR
Date: Wednesday, January 15, 2025 2:56:01 PM
Attachments: [image001.png](#)
[FOIA - History Associates - Draft JSR - FDIC Response 2025.01.15 1445.docx](#)

This Message Is From an External Sender
This message came from outside your organization.

Nick –

The FDIC's insert to the draft Joint Status Report is attached.

Dan Kurtenbach

From: Kurtenbach, Daniel
Sent: Wednesday, January 15, 2025 12:57 PM
To: Harper, Nick [REDACTED]; Bond, Jonathan C. [REDACTED];
Scalia, Eugene [REDACTED] Hauptman, Aaron [REDACTED];
Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED]; Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Nick –

We plan to have our JSR insert to you shortly and will transmit that via separate email.

In response to your question below, the FDIC reasonably interpreted HAI's FOIA request as seeking the collection of documents referenced and discussed in the FDIC OIG report and collectively identified in the report as "pause letters," sent during time range in the report and sent to certain supervised financial institutions totaling a specific number that is redacted in the public report. See FDIC OIG Report at pp. ii, 5, 8, 11, 15. Because your FOIA request seeks only "Copies of all 'pause letters' described in the attached October 2023 FDIC Office of Inspector General report titled 'FDIC Strategies Related to Crypto-Asset Risks,'" the FDIC had no reasonable basis to search for documents outside the collection reviewed by the FDIC OIG in preparing its report. Any such documents outside that collection are outside the scope of HAI's FOIA request. However, the FDIC is treating your request for any letters of the same kind not provided to the FDIC OIG as a new FOIA request. We will search for and produce documents responsive to this request, subject to any applicable exemptions.

Please let us know at your earliest convenience if you intend to address this issue in the joint status report. If you want to do that, my suggestion is that it be a new section of the JSR so that the document is easier for the court to follow and that way both parties can

just add on to the end of the JSR. I would envision the following structure:

Section I - Redactions

- HAI Position re Adequacy of Redaction
- FDIC Position re Adequacy of Redactions

Section II – Scope of Search

- HAI Position re Adequacy of Search
- FDIC Position re Adequacy of Search

Also, we have some medical and travel out-of-office time coming up. I have surgery on January 22nd that will have me out for two weeks. Andrew has a surgery on January 27th and Lina will be out of the country from the 23rd through the 28th. In light of that, we intend to ask the court to schedule any hearing it feels is warranted, *ex parte* or otherwise, after February 5th.

Regards,

Dan Kurtenbach

Daniel H. Kurtenbach
Counsel
Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, VA 22226



From: Harper, Nick [REDACTED]
Sent: Tuesday, January 14, 2025 10:22 AM
To: Kurtenbach, Daniel [REDACTED]; Bond, Jonathan C. [REDACTED]
Scalia, Eugene [REDACTED] Hauptman, Aaron [REDACTED]
Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED]; Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

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

Thanks Dan. We look forward to receiving your edits on Wednesday, in addition to your responses to the allegations we flagged for you on Friday.

As for your statement below about the completeness of the FDIC's production, we would appreciate a direct answer to the following question: In response to our FOIA request, did the FDIC search for and produce only the pause letters that the FDIC provided to the OIG, or did the FDIC search for and produce *all* pause letters, regardless whether the FDIC provided them to the OIG. Quoting the text of our FOIA request is insufficient because our question concerns how the FDIC interpreted that request when it conducted the search. As we explained below, our request seeks all pause letters the OIG described, regardless whether the FDIC provided them all to the OIG. But our question is whether *the FDIC* searched for all such letters or, instead—and as your earlier email suggested—searched only for letters that were “*shared* with the OIG.” Please let us know when you send your insert on the JSR.

Best,
Nick

Nick Harper
Partner

T: +1 202.887.3534 | [REDACTED]
[REDACTED]

GIBSON DUNN
Gibson, Dunn & Crutcher LLP
1700 M Street, N.W., Washington, D.C. 20036-4504

From: Kurtenbach, Daniel [REDACTED]
Sent: Monday, January 13, 2025 5:25 PM
To: Harper, Nick [REDACTED]; Bond, Jonathan C. [REDACTED]
Scalia, Eugene [REDACTED]; Hauptman, Aaron [REDACTED]
Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED]; Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Nick –

Thanks for your message. We will provide you with our proposed insert for the Joint Status Report by midday Wednesday.

With respect to the completeness of the FDIC's production, your FOIA request was as follows:

Pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. §552, I am requesting copies of the following documents, which I have reason to believe are in the possession of the Federal Deposit Insurance Corporation ("FDIC"):

Copies of all "pause letters" described in the attached October 2023 FDIC Office of Inspector General report titled "FDIC Strategies Related to Crypto-Asset Risks" (Attachment 1).

The FDIC has provided you with all documents responsive to your request.

Regards,

Dan Kurtenbach

Daniel H. Kurtenbach
Counsel
Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, VA 22226



From: Harper, Nick [REDACTED]
Sent: Friday, January 10, 2025 6:46 PM
To: Kurtenbach, Daniel [REDACTED] Bond, Jonathan C. [REDACTED]
Scalia, Eugene [REDACTED] Hauptman, Aaron [REDACTED]
Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED] Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

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

Thanks Dan. We would appreciate responses by Monday to the questions we asked earlier this week—that is, any edits you might have to the joint status report and an answer whether there are additional pause letters not provided to the OIG. As for our more recent questions, we understand if you need a little more time to respond, but these are allegations that have been public for a few days and should be straightforward for you to confirm or deny. If we do not hear back from you by Thursday of next week, we plan to file a solo status report raising these issues

with the Court and seeking appropriate relief.

Nick Harper
Partner

T: +1 202.887.3534 | [REDACTED]
[REDACTED]

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
1700 M Street, N.W., Washington, D.C. 20036-4504

From: Kurtenbach, Daniel [REDACTED]
Sent: Friday, January 10, 2025 3:30 PM
To: Harper, Nick [REDACTED] Bond, Jonathan C. [REDACTED]
Scalia, Eugene [REDACTED] Hauptman, Aaron
[REDACTED] Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED] Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Nick –

Given the expansion of your requests we will take the time necessary to consider your communication and respond.

Regards,

Dan Kurtenbach

Daniel H. Kurtenbach
Counsel
Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, VA 22226
[REDACTED]
[REDACTED]



From: Harper, Nick [REDACTED]
Sent: Friday, January 10, 2025 12:30 PM

To: Kurtenbach, Daniel [REDACTED]; Bond, Jonathan C.
[REDACTED] Scalia, Eugene [REDACTED] Hauptman, Aaron
[REDACTED] Nestor, Branton [REDACTED]
Cc: Soni, Lina D. [REDACTED] Dober, Andrew J. [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

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

Dan,

I am writing to follow up on my email below to reiterate our requests that by today you: (1) let us know of any proposed revisions to the draft status report, and (2) confirm that the FDIC's prior production included any pause letters not shared with OIG, or if it did not, to produce any such letters.

In connection with the second request, we have become deeply concerned by recent public reporting that the FDIC has systematically thwarted FOIA requests through various forms of misconduct, including in response to the FOIA request in this case. I am attaching some pertinent articles and social media posts (also linked [here](#) and [here](#)). Among other things, it has been reported that:

1. The FDIC does not run complete text searches of all documents within its Regional Automated Document Distribution (RADD) database
2. The FDIC does not search or produce records in collaboration platforms such as Microsoft Teams
3. The FDIC instructs individuals to inaccurately label documents as deliberative and attorney-client privileged to avoid FOIA disclosure
4. The FDIC has used agency resources to monitor and investigate individuals critical of the agency's practices, including at least one individual at Coinbase
5. With respect to the FOIA request at issue in this case, the FDIC has failed to produce at least 150 responsive documents

In responding today to our request, we expect you to respond to the publicly alleged misconduct mentioned above, including confirming that you have conducted a complete text search of all FDIC databases in response to our FOIA request, have produced all responsive documents, have not wrongly labeled documents, and have not monitored/investigated critics, including those at Coinbase. As noted in my earlier email, we reserve the right to modify the JSR in light of your response.

Best,
Nick

Nick Harper
Partner

T: +1 202.887.3534 | [REDACTED]
[REDACTED]

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
1700 M Street, N.W., Washington, D.C. 20036-4504

From: Harper, Nick
Sent: Tuesday, January 7, 2025 6:11 PM
To: 'Kurtenbach, Daniel' [REDACTED] Bond, Jonathan C.
[REDACTED] Scalia, Eugene [REDACTED] Hauptman, Aaron
[REDACTED] Nestor, Branton [REDACTED]
Cc: 'Soni, Lina D.' [REDACTED] 'Dober, Andrew J.' [REDACTED]
Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Dan,

After reviewing the revised pause letters, we would like to proceed with in camera review for the reasons explained in the attached draft joint status report. We would like to file this report by Monday, January 13, so if you could provide any edits you may have by this Friday, that would be much appreciated.

Additionally, your email below states that the FDIC believes that its most recent production contains “all the [pause] letters shared with the OIG and thereby responsive to your November 8, 2023 FOIA request.” Are there any pause letters that were *not* shared with the OIG? If so, those letters also should be produced because they are responsive to our FOIA request. Our request (reattached here) sought “[c]opies of all ‘pause letters’ described in” the OIG report. That encompasses all documents fitting the OIG’s description of the pause letters—not merely the particular letters that the FDIC happened to provide to the OIG. If there are additional pause letters, please supplement the production to include them by no later than this Friday. We reserve the right to revise the draft JSR to raise this issue with Judge Reyes.

Thanks very much,
Nick

Nick Harper

Partner

T: +1 202.887.3534 | [REDACTED]
[REDACTED]

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

1700 M Street, N.W., Washington, D.C. 20036-4504

From: Harper, Nick

Sent: Friday, January 3, 2025 1:06 PM

To: 'Kurtenbach, Daniel' [REDACTED] Bond, Jonathan C.

[REDACTED] Scalia, Eugene [REDACTED] Hauptman, Aaron

[REDACTED] Nestor, Branton [REDACTED]

Cc: Soni, Lina D. [REDACTED] Dober, Andrew J. [REDACTED]

Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Thanks Dan – I hope you enjoyed the holidays as well. Confirming receipt of the letters. We will be in touch soon regarding next steps.

Nick Harper

Partner

T: +1 202.887.3534 | [REDACTED]
[REDACTED]

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

1700 M Street, N.W., Washington, D.C. 20036-4504

From: Kurtenbach, Daniel [REDACTED]

Sent: Friday, January 3, 2025 10:02 AM

To: Harper, Nick [REDACTED] Bond, Jonathan C. [REDACTED]

Scalia, Eugene [REDACTED]; Hauptman, Aaron

[REDACTED] Nestor, Branton [REDACTED]

Cc: Soni, Lina D. [REDACTED] Dober, Andrew J. [REDACTED]

Subject: RE: [EXTERNAL MESSAGE] RE: History Associates v. FDIC, No. 1:24-cv-1857-ACR

Nick, we hope you had a nice holiday.

Per the Court's December 12, 2024 Minute Order, attached are the 23 re-reviewed and re-redacted pause letters, together with two additional letters (Documents 24 and 25 in this collection) recently provided to us.

As you recall, on October 21, following FDIC's submission of the Vaughn index, you asked two questions. We responded to one question and updated the Vaughn index accordingly. Your other question asked: "Were any pause letters sent after October 21, 2022? The [October 2023 FDIC Office of Inspector General] report says the pause letters were sent between March 2022 and May 2023." Our investigation resulted in a second search and, ultimately, identification of two more letters, dated February 17, 2023 and May 25, 2023. . We believe these to be all the letters shared with the OIG and thereby responsive to your November 8, 2023 FOIA request.

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552(a)(8)(A)(ii)(I), the FDIC has "consider[ed] whether partial disclosure of information is possible whenever the agency determines that a full disclosure of a requested record is not possible." The FDIC finds that in the particular circumstances of this case, Judge Reyes's pre-motion conference mediation process and the public interest would be advanced through the disclosure of the contents of the pause letters provided today.

The remaining redactions in these letters reflect bank names, addresses, or other unique identifiers (e.g., the names of its directors and officers, current or future clients, customers, products, services, platforms or networks). Also redacted are direct quotes taken from information submitted by a bank to the FDIC, launch dates of products or programs unique to the bank and details of potential or current business relationships between banks and third parties submitted by a bank to the FDIC. Likewise, the FDIC has redacted the names of state regulators because the letters together with the state in which the bank resides could identify the bank outright or significantly narrow the list of possible banks receiving the letter(s). The FDIC has also redacted the names of FDIC case managers and examiners involved with day-to-day supervision of the banks, and the contact information for FDIC employees.

We look forward to hearing from you.

Regards,

Dan Kurtenbach

Daniel H. Kurtenbach
Counsel
Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, VA 22226

[REDACTED]
[REDACTED]

<image001.png>

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This message may contain confidential and privileged information for the sole use of the intended recipient. Any review, disclosure, distribution by others or forwarding without express permission is strictly prohibited. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message.

Please see our website at <https://www.gibsondunn.com/> for information regarding the firm and/or our privacy policy.

Exhibit D

[Settings](#)[← Post](#)**FDIC Exposed**
@FDIC_Exposed

At the direction of senior executive management (sent through MS Teams only to avoid FOIA), @FDICgov is hiding responsive documents to the FOIA request.

FDIC instructs individuals to label documents as a deliberative process or attorney-client privilege. Moreover, they conveniently do not run a complete search in Regional Automated Document Distribution (RADD) - usually citing technical issues. Documents in collaboration platforms such as Microsoft Teams are also missed. In meetings, FDIC attorneys brief participants on how to avoid creating FOIA-able records. Disgusting lack of oversight.

We had a contact internally run a query and said at least 150 responsive documents were not submitted as part of the FOIA request. The situation at @FDICgov is far worse than you can imagine. We must fire these individuals immediately: x.com/FDIC_Exposed/s...



We finally got the unredacted OCP 2.0 letters from @FDICgov. It took a Court order but you can now read them for yourself below. They show a coordinated effort to stop a wide variety of crypto activity — everything from basic BTC transactions to more complex offerings. 1/3

8:36 AM · Jan 7, 2025 · **113.5K** Views

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Exhibit E



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FDIC Exposed
@FDIC_Exposed

🚨 **FDIC Scandal EXPOSED!** 🚨 Whistleblowers leak damning recordings revealing corruption, abuse, & cover-ups at the highest levels! 🤖 From sex scandals to insider trading & crushing whistleblowers—FDIC's darkest secrets are out! #FDICLeaks 🙌🏻 (a thread 🧵)

Preface: None of the below should implicate the hard-working line-level employees who want nothing more than to do their jobs. This thread focuses on executive management at the agency, with 1-2 exceptions for middle managers. FDIC has an important job; eliminating it will not solve these issues.

Warning: The post below contains accounts of sexual assault and agency coverup, which may invoke emotions. Please be mindful if reading.

We have been working closely with whistleblowers who have secretly recorded and intercepted hundreds of hours of communications, including private calls, agency telephone conversations, and mainly Microsoft Teams meetings at @FDICgov over the past seven years. The findings are nothing short of astonishing. They show signs that the FDIC is the most corrupt, disgruntled, and defunct organization ever.

We cannot discuss how these recordings were obtained; we can only say we have them. Some of the information below has been integrated into previous posts, but we provide an initial look at some of the cohesive findings. Astute observers will note we've been hinting at the below from our first post.

As discussed in the preface, we are only commenting on recordings obtained from mid-level to senior executives, not line-level employees who mostly follow directions and policy.

We are working closely with several attorneys and intend to approach media outlets once we have a strategy. However, given the current environment, especially with VC Hill taking office soon, we believe it's the right time to reveal some key findings. We debated not providing a summary until we could publish the recordings themselves but decided the truth must come out, especially with a changing of the guard. We might not need to publish these recordings if the people involved do the right thing: **resign** and VC Hill opens up the FDIC's records.

The allegations below are alleged to be true but remain unverified as we are not releasing the recordings. Moreover, we delayed releasing these facts as if we had released them earlier; we were concerned that the FDIC would enact new restrictions or entirely change their posture to prevent us from getting new recordings. Because of their knowledge of some of our recordings, the FDIC has already passed a new directive regarding employee recording and has taken disciplinary action against several employees intending to chill future recordings.

We believe the time is right as we can no longer sit idly by allowing FDIC to control the narrative with inaccurate and patently false assertions using friendly journalists to amplify their reach.

Among the content in the recordings:

1. FDIC senior managers laughed at "crypto" supporters' attempts to hold them accountable online, suggesting they'd never be organized enough to hold @FDICgov accountable, especially with the FDIC's disinformation campaign. The FDIC specifically discussed how they'd win, as they have a dedicated media relations team that pays more than most individuals make. One employee bragged that his annual salary is probably more than @nic_carter makes in a decade. Nic is not the only target, but we feel secure disclosing his name.
2. FDIC discussing intentionally mislabeling documents or including "mixed language" that would allow for FOIA suppression. An attorney says, "As long as you're able to include something in the document that would give rise to a FOIA exception, chances are we can withhold the entire thing." Others suggested reading FOIA requests in the strictest fashion, only doing the exact search the requestor asked even if they knew other responsive systems or derivative terms would hold the records the requestor truly sought.
3. Discussions around including FDIC attorneys in meetings to meet the minimum standard to claim attorney-client exemptions on topics that might be targeted for FOIA. "If we've got an attorney in the meeting and they are giving legal advice, even if it's about FOIA, it's still enough for us to claim attorney-client privilege over the entire meeting and its derivative products."
4. An organized coverup to suppress and minimize the rapes and sexual assaults occurring at the FDIC hotel and office buildings, including going so far as to secretly release suggestive photos and videos to suggest that rape victims "asked for it." Specifically, one Division of Administration (DOA) official said, "We've got the CCTV of her walking back in looking like that. I don't think anyone will second guess what she was looking for."
5. Discussions on whether FDIC chairman Martin Gruenberg's hands-

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down-his-pants scandal threatened his chairmanship and provided a verbal playbook such as instructing executives to "claim it's like having your grandpa tuck his hands inside his belt, just a natural reaction."

6. Concerns about whether revelations that Chairman Gruenberg physically abused his wife would end his tenure and essentially make it impossible for the agency to recover from the WSJ reporting. "We're concerned [the media] has become close as we've seen they FOIAed the local police department at Marty's house for any police records." They were concerned about FOIAs submitted to Mr Gruenberg's local police department.

7. Office of Communications Director Amy Thompson, Senior Media Affairs Officer Brian Sullivan, and others discussed with several reporters the possibility of providing the agency with "less harsh" coverage of specific topics, including Chairman Gruenberg's antics and Operation Choke Point 2.0, in exchange for further information about other "higher value" issues in a quid quo pro arrangement (we may name these individuals personally in a subsequent post).

8. Communications on how to stop sources from corresponding with journalists by "making an example" out of employees publicly within the agency and then spreading the truth via rumors that conversations around @rebeccaballhaus reporting and how to stop it. FDIC went as far as potentially having employees contact Rebecca and provide alternative accounts of what occurred to discredit the honest whistleblowers who contacted her.

9. How to disrupt @JelenaMcW leadership to and after she left strategies to blame any issues on her. Specifically, RMS Director Doreen Eberley and DCP Director Mark Pearce were involved in conversations about how McWilliams had no idea what she was doing and suggested it'd be easy to blame her for issues arising outside her tenure. Executive employees talked about fighting McWilliams at every turn because she was "not one of us." They laughed at her cooking book, one executive saying he had a video of himself burning it in his fireplace.

10. Specific meetings about this very account @FDICExposed talking about how to minimize its impact and a 10-point action plan to feed to journalists or others questioning the accusations raised by stating it's an account run by fed-up employees with nothing better to do and a chip on their shoulder. After-day events conversing about a whiskey party where some executives poked fun at 'online detractors' saying they would never prove anything going so far to say (in an indirect reference to Signal) 'good luck even subpoenaing records that don't exist.

11. Conversations including employees airing personal vendettas against organizations such as @custodiabank, @coinbase, and others because they would not give into FDIC demands, and some FDIC execs thought the employees of these organizations were "assholes who think they know how to regulate themselves." There are at least eight other named organizations, but we want to discuss this with them before naming them.

12. Discussions about the sustainability of regulatory institutions if blockchain and Web3 take off. Specifically, concerns about what might become of the 5,000+ permanent employees should Web3 and blockchain companies prove that finance is stable and viable without banks.

13. Concerns have been raised that the US government may lack the ability to restrict, control, and monitor citizens' financial transactions if Web3 and decentralized finance continue to advance at their current pace. "Who needs deposit insurance when you can't lose money on the blockchain?"

14. Concerns by Senior Deputy Director Jenny Traillie in a conversation with Brian Sullivan that reporters were close to releasing articles about her trades and profits on Silicon Valley Bank (SVB) and Signature Bank (SBNY). You heard it right: a senior FDIC executive responsible for supervising and overseeing SIFIs owned, traded, and profited from two failed FDIC banks. Moreover, they discussed active methods to explain away how she actively supervised and held stocks of (these were not individually named in the recordings, but we have records from her own ethics filings):

- (a) Morgan Stanley Private Bank NA (BDPS),
- (b) Morgan Stanley Bank NA,
- (c) Signature Bank New York (SBNY),
- (d) SVB Financial Group (SIVB),
- (e) JP Morgan Chase & Co (JPM),
- (f) Charles Schwab NEW (SCHW),
- (g) East West Bancorp (EWBC),
- (h) Citizens Financial Group Inc (CFG),
- (i) American Express Co (AMEX),
- (j) Synchrony Financial (SYF),
- (k) Bank of America Corp (BAC),
- (l) California Bancorp Common Stock (CALB)

15. General Counsel Harrel Pettway called FDIC whistleblower Michael Williams a piece of trash for reporting Harrels' intentionally misfiled ethics forms. Harrel tried to previously fire the same FDIC employee for not disclosing a subsidiary company on his ethics forms whilst he did not disclose numerous holdings, including his own business, which he dissolved after being confronted.

16. Conversations with Office of Communications Director Amy Thompson with several reporters trying to explain away her actively trading bank stocks, saying her financial advisor did it and she did not know anything about her profiting on bank stock trades, including on Synchrony Financial, State Street Corporation, Citizens Financial Group, Inc., Bank of America Corporation, JPMorgan Chase & Co., and Citigroup Inc.

Moreover, we have recordings of Amy discussing concerns that reporters were close to exposing kickback agreements that reciprocal organizations gave to her husband, Brian Thompson because she awarded them contracts under the guise and preference of "helping veterans."

Further communications discuss concerns from FDIC attorneys that Amy was hiding and deleting internet content critical of the FDIC, including suppressing posts on X (by hiding the responses to the FDICgov official account) that she did not like. They verbally told her she could not suppress communications she did not like as it was against the law. Amy rebuffed the suggestion but agreed not to further delete or hide communications with which she disagreed.

17. Discussions by OCISO Deputy Director Rami Dillon concerned that reporters were getting close to exposing her awarding contracts to companies who privately agreed to provide derivative kickback hiring to her relatives. Essentially, Rami would award a contract to a company, and that same company would hire her relative, specifically Manpreet Dillon, for another contract at a fantastic wage.

18. Agency infighting, including Doreen Eberley's personal campaign to attack another FDIC division, CISR, and reclaim their supervisory authority. She talks about discrediting fellow employees and personally attacks other employees in CISR, claiming they are incompetent to do their jobs to merge CISR back to RMS.

19. Division of Information Technology Deputy Director Jyotsna Jame (who is likely now gone) discussed concerns about her trading numerous stocks and holding bank stocks and her wilful ethics nondisclosure being exposed after a whistleblower reported it to the agency.

20. Human Resources Specialist (Labor/Employee Relations) Lisa Lander discusses how to fire whistleblowers and ensure they do not return because they are bad people. The recordings include her forcing managers to use certain words in their reports and counseling others on following a process that makes it nearly impossible for the employee to appeal the findings.

21. Agency supervisor Jennifer Lucas (now in Chief of Training Section I in Risk Management Supervision) discussed how she had sex with another employee who she knew was a whistleblower to gain leverage over him, then reported him to FDIC's ethics department using disparaging remarks in an attempt to get him fired. She disclosed this to two other executives in an attempt to advance her career.

This is just the beginning. We've summarized previously disclosed facts and distilled them into a cohesive narrative; there's far more to come.

As discussed in this narrative, the following employees must be fired and jailed:

1. Legal General Counsel, Harrel Mychal Pettway
2. Office of Communications (OCOM), Director Amy Thompson
3. Office of Communications (OCOM), Senior Media Relations Officer Brian Sullivan
4. Office of the Chief Information Security Officer (OCISO), Deputy Director Rami Dillon
5. Division of Complex Institution Supervision and Resolution (CISR) Senior Deputy Director Jenny G. Traille
6. Division of Administration (DOA) Human Resources Specialist (Labor/Employee Relations), Lisa Lander
8. Risk Management Supervision (RMS) Training Section I, Chief, Jennifer Lucas
9. Risk Management Supervision (RMS), Director Doreen Eberley
10. Division of Consumer Protection (DCP), Director Mark Pearce

We have a comprehensive list coming of other employees who must go, but this is the start.

- From your friends at FDIC Exposed

9:41 AM · Jan 11, 2025 · **385.9K** Views

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Exhibit F

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@FDIC_Exposed

After the recent blowup of our post, we've received credible information that @FDICgov is engaged in a disinformation campaign behind the scenes against numerous PR adversaries, including @Iampaulgrewal, @CampbellJAustin, @nic_carter, @CaitlinLong, @vronirwin.

This individual claims he and several others have been personally assigned to investigate detractors of the FDIC online to determine if they threaten the FDIC and the deposit insurance fund...

We must FOIA FDIC's social media monitoring contracts, and its cyber investigation teams have been investigating these individuals. You'll see that FDIC will claim Exemption 7(C), which protects personal information in law enforcement records.

Why does the FDIC open investigations on these individuals using computer forensics tools? Why should FDIC-corporate funds be used to investigate individuals who hold them accountable?

Thank you for the warrior who sent us these details.

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Exhibit G

16 January 2025

Hon. Marty Gruenberg
Chair, Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Document Preservation

Chair Gruenberg,

I have been contacted by Federal Deposit Insurance Corporation (FDIC) whistleblowers who allege that destruction of materials is occurring with respect to the digital asset activities of your agency. I have also been informed by whistleblowers that staff access to these materials is being closely monitored by management to prevent them from being supplied to the Senate before they can be destroyed, and that certain staff have been threatened with legal action to prevent them from speaking out.

This is illegal and unacceptable. You are directed to ensure your staff cease and desist destruction of all materials and end all retaliatory actions immediately.

You are further directed to preserve all existing materials, including documents, communications, electronic information and metadata, relating to the FDIC's digital asset activities since January 1, 2022 that may be responsive to the Senate Banking Committee's oversight prerogatives in the coming months.

As used above, "digital asset activities" includes all materials relating to:

- (1) Supervision and resolution of Signature Bank;
- (2) Supervision and liquidation of Silvergate Bank;
- (3) Supervision of all insured depository institutions which have provided or sought to provide services to the digital asset industry;
- (4) Coordination and communications with other Federal and State banking agencies relating to digital assets;
- (5) Development of rules, guidance and policies relating to digital assets by both the FDIC and in coordination with other Federal banking agencies;
- (6) Records relating to deposit insurance applications relating to digital assets;
- (7) Pending and executed enforcement actions relating to digital assets; and
- (8) Assertions of attorney-client privilege and the classification of documents that could be responsive under the Freedom of Information Act.

All materials whatsoever containing the term "crypto," "crypto asset," "crypto-asset," "cryptocurrency," "virtual currency," "virtual asset," "bitcoin," "ethereum" and "digital asset" should be considered to be within the meaning of the term "digital asset" for these purposes.

Classification by the FDIC or another Federal banking agency of these materials as confidential supervisory information or other assertions of privilege whatsoever or claims of non-preservation for failure to qualify as "records" by the FDIC are immaterial to the Senate's Article I oversight powers and shall be preserved.

For purposes of this letter, “preserve” means securing and maintaining the integrity of all relevant materials, documents, communications, and other information, including electronic information and metadata, by taking all reasonable steps to prevent the partial or full destruction, alteration, testing, deletion, shredding, incineration, wiping, relocation, migration, theft, mutation or negligent or reckless handling that could render the information incomplete or inaccessible.

If it is uncovered that you or your staff have knowingly destroyed materials or sought to obstruct the oversight functions of the Senate, it will result in swift criminal referrals¹ to the U.S. Department of Justice.

Respectfully,



Senator Cynthia M. Lummis

cc: Harrel M. Pettway, General Counsel
Jennifer L. Fain, Inspector General

¹ See, e.g., 18 U.S.C. § 1505 (obstruction of inquiries by Congress); 18 U.S.C. § 1512(c) (destruction of documents); 18 U.S.C. § 371 (conspiracy to defraud the lawful functions of the United States).