

UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY

In the Matter of:	)	
	)	
Anchorage Digital Bank, National Association	)	AA-ENF-2022-7
Sioux Falls, South Dakota	)	
	)	

**CONSENT ORDER**

**WHEREAS**, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over Anchorage Digital Bank, National Association, Sioux Falls, South Dakota (“Bank”);

**WHEREAS**, the OCC intends to initiate cease and desist proceedings against the Bank pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for engaging in violations of law and regulation, including 12 C.F.R. § 21.21 (Bank Secrecy Act/anti-money laundering (BSA/AML) program violation);

**WHEREAS**, the Bank has begun corrective action and is committed to taking all necessary and appropriate steps to remedy the deficiencies identified by the OCC;

**WHEREAS**, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, by and through its duly elected and acting Board of Directors (“Board”), consents to the issuance of this Consent Order (“Order”), by the OCC through the duly authorized representative of the Comptroller of the Currency (“Comptroller”); and

**NOW, THEREFORE**, pursuant to the authority vested in the OCC by Section 8(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the OCC hereby orders that:

**ARTICLE I**  
**JURISDICTION**

(1) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(2) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this cease and desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

(3) By virtue of 12 U.S.C. § 1818(b)(5), all of the provisions of 12 U.S.C. § 1818 apply to the Bank.

**ARTICLE II**  
**COMPTROLLER’S FINDINGS**

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) As of 2021, the Bank failed to adopt and implement a compliance program that adequately covers the required BSA/AML program elements, including, in particular, internal controls for customer due diligence and procedures for monitoring suspicious activity, BSA officer and staff, and training.

(2) As a result of these deficiencies, the Bank engaged in violations of law and regulation, including: 12 C.F.R. § 21.21 - BSA/AML program violation; 31 C.F.R. § 1020.210(a)(2)(v) - Anti-Money Laundering Program (Customer Due Diligence); and 31 U.S.C. § 5318(i) and 31 C.F.R. § 1010.610 - Due Diligence Programs for Correspondent Accounts for Foreign Financial Institutions.

(3) Additionally, as a result of these deficiencies, the Bank violated the Operating Agreement that it entered into with the OCC on or about January 22, 2021.

## **ARTICLE III**

### **COMPLIANCE COMMITTEE**

(1) Within fifteen (15) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Order. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) Within thirty (30) days of the submission of the Action Plan pursuant to Article IV below, and thereafter within thirty (30) days after each Compliance Committee meeting, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Order, including executing the Action Plan described in Article IV, and the party or parties responsible for the completion of outstanding corrective actions;
- (b) the specific corrective actions undertaken to comply with each Article of this Order and execute the Action Plan; and
- (c) the results and status of the corrective actions, including improvements to the BSA/AML program.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

#### **ARTICLE IV**

##### **BSA/AML ACTION PLAN**

(1) Within thirty (30) days of the date of this Order, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written action plan detailing the remedial actions necessary to achieve and sustain compliance with the Bank Secrecy Act, as amended (31 U.S.C. § 5311, et seq.), the regulations promulgated thereunder and Articles V through XI of this Order, and to address all BSA/AML deficiencies, violations and corrective actions communicated to the Bank ("Action Plan"). The Action Plan, at a minimum, shall specify:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Order;
- (b) reasonable and well-supported timelines for completion of the corrective actions required by this Order; and
- (c) the person(s) responsible for completion of the corrective actions required by this Order.

(2) The timelines contained in the Action Plan shall be consistent with any deadlines set forth in this Order, including any modifications to the Order made pursuant to Article XV, Paragraph 5.

(3) In the event the Assistant Deputy Comptroller requires changes to the Action Plan, the Bank shall incorporate the required changes into the Action Plan and submit the revised

Action Plan to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) Upon receipt of a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall timely adopt the Action Plan and verify that Bank management has timely implemented all corrective actions required by this Order. Bank management, subject to Board review and ongoing monitoring, shall thereafter ensure adherence to the Action Plan, including the timelines set forth within the Action Plan.

The Bank shall not take any action that will cause a significant deviation from, or material change to, the Action Plan. Where the Bank considers modifications to the Action Plan appropriate, the Bank shall submit a revised Action Plan containing the proposed modifications to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. Upon receipt of a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall timely adopt the revised Action Plan and verify that Bank management has timely implemented all corrective actions required by this Order. Bank management, subject to Board review and ongoing monitoring, shall thereafter ensure adherence to the revised Action Plan, including the timelines set forth within the revised Action Plan.

## **ARTICLE V**

### **BANK SECRECY ACT OFFICER AND STAFFING**

(1) Effective immediately, the Board shall ensure that the Bank has a qualified BSA Officer vested with sufficient independence, authority, and resources to fulfill the duties and responsibilities of the position and ensure compliance with the requirements of the Bank Secrecy Act (31 U.S.C. § 5311 *et seq.*) and its implementing regulations. The BSA Officer shall provide timely and accurate periodic reporting to the Board and senior management about the status of

the Bank's BSA/AML Program, including compliance with the BSA, the BSA/AML Action Plan, and this Order.

(2) In the event that the position is vacated, the Board shall promptly appoint a new BSA Officer. Prior to appointing a new BSA Officer, the Board shall submit to the Assistant Deputy Comptroller the following:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" and "Background Investigations" booklets of the Comptroller's Licensing Manual, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed officer;
- (c) a written description of the proposed officer's duties and responsibilities;  
and
- (d) a written request for no supervisory objection to the proposed new BSA Officer.

(3) The Assistant Deputy Comptroller shall have the power to object to the appointment of any proposed new BSA Officer. The requirement to submit information and the prior written no supervisory objection provisions of this paragraph are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete his review and act on any such information within ninety (90) days. The lack of supervisory objection to such individual shall not constitute an approval or endorsement of the proposed BSA Officer.

(4) The Board shall oversee the development of an appropriate staffing assessment that ensures that the Bank has sufficient staff with appropriate skills and expertise needed to

support the BSA Officer and the Bank's BSA/AML program, and that they are vested with sufficient authority to fulfill their respective duties and responsibilities.

(5) Within one hundred eighty (180) days of this Order, and no less than annually thereafter, the Board shall oversee a review of the adequacy of the Bank's BSA Officer and supporting staff, and shall ensure that the conclusions of the review are documented in writing. The review shall evaluate and consider the effectiveness of the Bank's BSA/AML program, as well as the leadership, knowledge, training, and skills of the BSA Officer and staff, appropriate oversight and governance structures for BSA/AML staff, and appropriate staffing levels for the BSA/AML compliance function consistent with the Bank's money laundering, terrorist financing and other illicit financial activity risk assessment, including anticipated risks from new or expanded lines of business, products, and services. The Board shall promptly take action to correct any deficiencies identified following each review.

(6) The Bank shall not contract with any third party to perform BSA/AML functions unless the Bank has conducted and documented an assessment of the adequacy of the skills and training of the third party for the proposed services. The Bank shall adopt, implement, and adhere to a program to provide adequate oversight of all third parties performing BSA/AML functions, including a quality control program to evaluate third parties' performance against specific standards, with consequences for failure to meet these standards (including but not limited to termination of any agreement with the third party).

## ARTICLE VI

### **CUSTOMER DUE DILIGENCE, CUSTOMER RISK IDENTIFICATION, AND HIGH RISK ACCOUNT REVIEWS**

(1) The Board shall ensure the Bank revises, adopts, and promptly implements and adheres to acceptable, appropriate risk-based policies and procedures for collecting Customer

Due Diligence (“CDD”) information when opening new accounts and renewing or modifying existing accounts, and also when events indicate information is missing or incomplete, profiles need to be updated, or activity does not match the customer profile. Such policies and procedures shall be in accordance with applicable law and regulations, including CDD and beneficial ownership, and be commensurate with the Bank’s risk assessment. At a minimum the policies and procedures, shall include:

- (a) requirements to collect, maintain, and update all information necessary to establish an accurate customer risk profile and facilitate ongoing monitoring to identify and report suspicious activity;
- (b) procedures to ensure the staff responsible for gathering CDD information have sufficient authority, training, and skills to perform their assigned responsibilities;
- (c) procedures to identify and remediate instances where required CDD information is lacking;
- (d) maintenance of an accurate and complete list of higher risk profile customers that identifies current customers and accounts exhibiting high-risk characteristics for money laundering, terrorist financing, or other illicit activity;
- (e) ongoing due diligence reviews for higher risk profile customers that provide for analysis and documentation of information, which shall, at a minimum, include:
  - (i) evidence of transactional analysis, including expected vs. actual activity, the source and use of funds, trends and activity patterns; and



(ii) critical analysis of all significant information in the file, including the identification of significant disparities, investigation and documentation of high risk indicators and potentially suspicious activity, and well-supported conclusions.

(2) The Board shall ensure the Bank updates due diligence information for existing moderate and high-risk customers to establish an accurate customer risk profile that provides for ongoing monitoring.

(3) The Board shall ensure the Bank revises, adopts, and promptly implements and adheres to an adequate methodology for properly risk rating customer accounts at account opening and on an ongoing basis, and ensure that customer risk ratings are incorporated into the Bank's overall risk assessment.

(4) The Board shall ensure the Bank has procedures that comply with 31 C.F.R. 1010.610 for foreign correspondent accounts and that ensure that the required due diligence information is collected and documented in the system of record. The Board shall ensure that a review of all customers is completed to determine if any qualify as foreign financial institution customers with a correspondent banking relationship under 31 C.F.R. 1010.610, and provide the results and supporting documents of the review to the Assistant Deputy Comptroller. The Bank shall thereafter perform the required due diligence for all customers who are subject to 31 C.F.R. 1010.610 requirements.

## **ARTICLE VII**

### **SUSPICIOUS ACTIVITY IDENTIFICATION, EVALUATION, AND REPORTING**

(1) Within ninety (90) days of this Order, the Board shall ensure the Bank develops, implements, and thereafter adheres to an acceptable, written suspicious activity

monitoring and reporting program to ensure the timely and appropriate review and disposition of suspicious activity alerts and case investigations, and the filing of SARs consistent with 12 C.F.R. § 21.11. At a minimum, this written program shall:

- (a) establish and implement a formal process that ensures sufficient information is collected on digital asset transactions conducted by or through the Bank to be able to effectively identify and report suspicious activity;
- (b) include procedures for identifying, evaluating, and reporting suspicious activity, known or suspected violations of Federal law, violations of the BSA, terrorist financing and other illicit financial activity, or suspicious transactions related to potential money laundering activity, including suspicious activity relating to the opening of new accounts, the monitoring of current accounts, and transactions through the Bank;
- (c) include standards for identifying, escalating and dispositioning different types of alerts and case investigations;
- (d) provide for maintenance of adequate documentation to support the disposition of alerts and case investigations;
- (e) require BSA Department staff to consider appropriate CDD information when conducting alert reviews and case investigations;
- (f) ensure the Bank has an effective SAR decision-making process and that it documents individual decisions on whether to file SARs, and the key facts and circumstances supporting each decision to not file a SAR; and
- (g) ensure that the standards in this Paragraph are communicated in writing to relevant staff and are adhered to by the staff.

(2) The Board shall ensure that the Bank's suspicious activity monitoring and reporting program provides for:

- (a) monitoring systems that apply appropriate rules, thresholds and filters for monitoring transactions, accounts, customers, products, services, and geographic areas commensurate with the Bank's BSA/AML risk profile that include, at a minimum:
  - (i) monitoring criteria that includes patterns of activity such as the size and frequency of transactions, unusual movements of funds, or transactions involving higher risk jurisdictions;
  - (ii) consideration of the customers' BSA/AML risk profile; and
  - (iii) processes to effectively identify transactions involving unhosted wallets.

(3) The Bank shall complete a transaction monitoring coverage assessment to determine if existing monitoring systems settings adequately monitor money laundering, terrorist financing and other illicit financing risks, red flags/typologies, and unhosted wallet risk. If any gaps are identified, the Bank shall then develop and implement a plan to address the gaps identified during the assessment. The plan shall then become part of the Action Plan required by Article IV of this Order.

(4) The Board shall ensure the Bank develops and implements a system for validating the Bank's BSA/AML monitoring systems, which shall include:

- (a) validation of the data inputs for the monitoring systems, which shall include inputs from all products, services, and transactions;
- (b) development and implementation of a process for periodically assessing

the effectiveness of filters, parameters and rules used by the suspicious activity monitoring system;

- (c) sufficient management information systems and metrics to validate monitoring system settings and thresholds, and to measure the effectiveness of the monitoring system and individual scenarios and adjust the system, consistent with the Bank's money laundering, terrorist financing and other illicit financial activity risk profile and operations, as necessary;
- (d) maintenance of documentation supporting the Bank's methodology for establishing and adjusting thresholds and filters;
- (e) processes for ongoing, risk-based independent validation of alert triggers, parameters, and other settings, including factors for developing a customer risk profile; and
- (f) as applicable, processes for developing adequate documentation and prompt reporting of validation findings and prompt resolution of deficiencies identified during model validation. Refer to guidance in OCC Bulletin 2011-12, "Supervisory Guidance on Model Risk Management", OCC Bulletin 2021-19 "Bank Secrecy Act/Anti-Money Laundering: Interagency Statement on Model Risk Management for Bank Systems Supporting BSA/AML Compliance", and the Comptroller's Handbook on Model Risk Management for more information.

(5) Consistent with the timelines set forth in the Action Plan, the Bank shall complete an independent validation of the Bank's monitoring systems consistent with the requirements of paragraph (4) of this Article. The Bank shall report validation findings in

writing to the Compliance Committee and to the Assistant Deputy Comptroller within thirty (30) days of completion.

## ARTICLE VIII

### SUSPICIOUS ACTIVITY REVIEW “LOOK-BACK”

(1) Within ninety (90) days of the date of this Order, the Board shall submit to the Assistant Deputy Comptroller, for a prior written determination of no supervisory objection, the name and qualifications of a proposed independent, third-party consultant to review and provide a written report on the Bank’s suspicious activity monitoring (“SAR Look-Back”).

(2) Within sixty (60) days following receipt of the Assistant Deputy Comptroller’s written determination of no supervisory objection to the qualified independent third-party consultant to conduct the SAR Look-Back (“Look-Back Consultant”), the Board shall submit, for a prior written determination of no supervisory objection, a proposed scope and timeline for completion of the engagement that addresses the requirements of paragraphs (3) and (4) of this Article and includes a list of the customers, accounts, and alerts selected, and the methodologies, factors, and other considerations used to select the customers, account, and alerts.

(3) The purpose of the SAR Look-Back is to determine whether additional SARs should be filed for any previously unreported suspicious activity.

(4) The scope of the SAR Look-Back shall be determined in writing by the Assistant Deputy Comptroller.

(5) Within ten (10) days following receipt of the Assistant Deputy Comptroller’s written determination of no supervisory objection to the proposed consultant and proposed timeframe for completion of the review, the Board shall engage the Look-Back Consultant to perform the SAR Look-Back pursuant to the proposed terms.

(6) Within thirty (30) days of completion of the SAR Look-Back, the Look-Back Consultant shall provide the Board with a written report that contains a list of any SARs that the Look-Back Consultant recommends that the Bank should file, existing SARs that the Bank should modify to comply with the requirements of 12 C.F.R. § 21.11, a list of accounts that represent higher BSA/AML risk, and a conclusion about the effectiveness of the Bank's suspicious activity monitoring. This SAR Look-Back report should also, among other things, describe:

- (a) the methodologies and tools used in conducting the review;
- (b) the process for investigating customers and customer activities;
- (c) the number and types of customers and accounts reviewed;
- (d) the number of customers and accounts requiring additional investigation;
- (e) the number of customers the Look-Back Consultant recommended to the Bank that warranted SAR filings or modifications to existing SAR filings;
- and
- (f) the number of customers where the Bank determined not to file a SAR.

(7) When providing the written report to the Board, the Look-Back Consultant shall, at the same time, directly provide a copy of the written report of the findings and recommendations from the SAR Look-Back to the Assistant Deputy Comptroller. The supporting materials and work papers associated with the SAR Look-Back shall be made available to the OCC upon request.

(8) Based upon the results of the SAR Look-Back, the OCC, at its sole discretion, may expand the scope of the SAR Look-Back period.

(9) If the Assistant Deputy Comptroller determines in writing that an additional SAR Look-Back period is deemed appropriate, the SAR Look-Back will be completed in accordance with the requirements of this Article unless the Bank submits an alternative SAR Look-Back plan and this alternative plan receives prior determination of no supervisory objection from the Assistant Deputy Comptroller.

## **ARTICLE IX**

### **BSA/AML INDEPENDENT TESTING**

(1) The Board shall ensure the Bank adheres to an acceptable, effective BSA/AML independent testing program (“Audit Program”) commensurate with the Bank’s money laundering, terrorist financing and other illicit financial activity risk profile. The Audit Program shall be independent and include an annual audit plan to evaluate compliance with the BSA. Through execution of the audit plan, the Audit Program must:

- (a) test the adequacy of internal controls and evaluate compliance with applicable laws, rules, and regulations;
- (b) evaluate the Bank’s adherence to established policies and procedures;
- (c) provide adequate audit coverage and audit frequency using a risk-based approach;
- (d) perform sufficient transaction testing to support audit findings, particularly in areas of higher risk or concern;
- (e) validate the Bank’s corrective actions pursuant to this Order and the Action Plan required by Article IV, determine whether the corrective actions effectively resolve all BSA/AML concerns communicated to the Bank, and assess whether the corrective actions are sustainable; and

(f) maintain sufficient documentation to support audit findings and conclusions.

(2) The Board shall ensure the Audit Program is adequately staffed, with respect to experience level, specialty expertise regarding BSA/AML compliance and digital assets, and number of individuals employed, to execute the annual audit plan fully and promptly.

(3) The Audit Program shall require prompt reporting of all deficiencies in BSA/AML processes and controls identified through the Audit Program to the Bank's Board or Audit Committee and to senior management. The reports shall indicate the severity of the deficiencies, the risks, and the required corrective actions. The Board or Audit Committee shall ensure that management takes prompt action to remedy deficiencies cited in audit reports and that the Audit Program reviews and validates corrective action promptly.

## **ARTICLE X**

### **BSA/AML TRAINING**

(1) The Board shall ensure the Bank develops, implements, and adheres to an acceptable written training program for all appropriate Bank employees and Board members to ensure their awareness of their responsibility for compliance with the requirements of the BSA and the Bank's BSA/AML Program. This training program shall:

(a) provide for relevant and appropriate periodic training for operational and supervisory personnel assigned to the Bank's BSA compliance function, which shall specifically address changes to regulatory requirements, supervisory guidance, and the Bank's money laundering, terrorist



financing and other illicit financial activity risk profile; high risk customers; suspicious activity monitoring and reporting; and development of appropriate controls to address higher risk activities;

- (b) provide for targeted training for other personnel focusing on the individual's specific duties and responsibilities; and
- (c) include the frequency of training, procedures, and timing for updating the training program and materials, the method for delivering training, and procedures to ensure employee training completion is tracked and documented.

(2) The training program shall require the Bank to confirm that third parties performing BSA/AML functions receive sufficient and ongoing training to perform their tasks effectively.

(3) The Board shall ensure the Bank develops and implements tailored training for personnel performing all BSA/AML-related functions.

(4) The Bank shall perform an independent assessment of the Bank's BSA/AML training to include its operational effectiveness and promptly provide a written report to the Compliance Committee and the Assistant Deputy Comptroller.

## **ARTICLE XI**

### **DATA GOVERNANCE AND RECORDKEEPING REQUIREMENTS**

(1) The Board shall ensure the Bank develops, implements, and adheres to an acceptable written data governance program for BSA/AML-related management information systems. This data governance program shall include effective data governance processes to help ensure that risk management related management information systems are reliable, including

information such as transaction volumes, customer risk ratings, customer business types, and suspicious activity monitoring data including alert volumes.

(2) The data governance program shall be reviewed at least annually and updated if necessary.

(3) The Board shall ensure compliance with recordkeeping and reporting requirements of the BSA, including the Travel Rule (31 CFR 1010.410).

## **ARTICLE XII**

### **GENERAL BOARD RESPONSIBILITIES**

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Order, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Order.

(2) In each instance in which this Order imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Order;
- (b) ensure the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Order;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Order;

- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Order;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Order; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

### **ARTICLE XIII**

#### **WAIVERS**

- (1) The Bank, by executing and consenting to this Order, waives:
  - (a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;
  - (b) any and all procedural rights available in connection with the issuance of this Order;
  - (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
  - (d) any and all rights to seek any type of administrative or judicial review of this Order;
  - (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;

- (f) any and all rights to assert these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings brought by the United States Department of Justice or any other governmental entity; and
- (g) any and all rights to challenge or contest the validity of this Order.

#### **ARTICLE XIV**

##### **OTHER PROVISIONS**

- (1) As a result of this Order, the Bank is not:
  - (a) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 5, unless the Bank fails to meet any of the requirements contained in subparagraphs (1) – (4) of 12 C.F.R. § 5.3, Definitions, *Eligible bank or eligible savings association*, or is otherwise informed in writing by the OCC;
  - (b) subject to the restrictions in 12 C.F.R. § 5.51 requiring prior notice to the OCC of changes in directors and senior executive officers or the limitations on golden parachute payments set forth in 12 C.F.R. Part 359, unless the Bank is otherwise subject to such requirements pursuant to 12 C.F.R. § 5.51(c)(7)(i), (iii); and
  - (c) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 24, unless the Bank fails to meet any of the requirements contained in 12 C.F.R. § 24.2(e)(1)-(3) or is otherwise informed in writing by the OCC.

(2) This Order supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

## **ARTICLE XV**

### **CLOSING**

(1) This Order is a settlement of the cease and desist proceedings against the Bank contemplated by the OCC, based on the violations of law and regulation described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on violations described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. Notwithstanding this release, the OCC expects the Bank to expeditiously undertake all necessary and appropriate actions to achieve compliance with this Order. The OCC expressly reserves its right to assess future civil money penalties, or take other supervisory and/or enforcement actions, including in circumstances where the OCC determines that the Bank is not making sufficient and sustainable progress towards achieving compliance with this Order. Such actions could include issuing a cease and desist order pursuant to 12 U.S.C. § 1818(b)(6) that imposes additional business restrictions, including possible limitations on the declaration or payment of dividends, and/or requires the Bank to make changes to its senior executive officers or any and/or all members of the Board. Nothing in this Order, however, shall prevent the OCC from:

- (a) instituting enforcement actions other than a cease and desist order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;

- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or
- (d) utilizing the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(2) Nothing in this Order is a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) This Order is:

- (a) a "cease-and-desist order issued upon consent" within the meaning of 12 U.S.C. § 1818(b);
- (b) a "cease-and-desist order which has become final" within the meaning of 12 U.S.C. § 1818(e);
- (c) an "order issued with the consent of the depository institution" within the meaning of 12 U.S.C. § 1818(h)(2);
- (d) an "effective and outstanding . . . order" within the meaning of 12 U.S.C. § 1818(i)(1); and
- (e) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(4) This Order is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Order shall mean calendar days and the computation of any period of time imposed by this Order shall not include the date of the act or event that commences the period of time.

(5) The provisions of this Order shall remain effective except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Order, the Board or a Board-designee shall submit a written request to the Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Order, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(6) The Bank will not be deemed to be in compliance with this Order until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Order; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time for the Bank to demonstrate the sustained effectiveness of the corrective actions.

(7) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

(8) Each citation, issuance, or guidance referenced in this Order includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(9) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of this Order.

(10) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded, via email, to the following:

Assistant Deputy Comptroller

(11) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.



IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

//s// Digitally Signed, Dated: 2022.04.21

\_\_\_\_\_  
Aaron Liechenstein  
Assistant Deputy Comptroller, Other Specialty  
Supervision

\_\_\_\_\_  
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of Anchorage Digital Bank, National Association have hereunto set their signatures on behalf of the Bank.

/s/

4/21/2022

\_\_\_\_\_  
Nathan McCauley

\_\_\_\_\_  
Date

/s/

4/21/2022

\_\_\_\_\_  
Georgia Quinn

\_\_\_\_\_  
Date

/s/

4/21/2022

\_\_\_\_\_  
Julie Veltman

\_\_\_\_\_  
Date

/s/

4/21/2022

\_\_\_\_\_  
Walter Mix

\_\_\_\_\_  
Date

/s/

4/21/2022

\_\_\_\_\_  
Christopher Prendergast

\_\_\_\_\_  
Date

/s/

4/21/2022

\_\_\_\_\_  
Sarah Elliott

\_\_\_\_\_  
Date