



FEDERAL RESERVE BANK *of* KANSAS CITY

February 2, 2018

Ms. Deirdra O’Gorman  
Mr. Christopher E. Nevitt  
The Fourth Corner Credit Union  
2367 East Kentucky Ave.  
Denver, CO 80209

Dear Ms. O’Gorman and Mr. Nevitt:

This letter is intended to evidence the decision of the Federal Reserve Bank of Kansas City (“FRBKC”) to conditionally grant The Fourth Corner Credit Union (“TFCCU”) a master account with FRBKC upon fulfillment of stated conditions, and to summarize the conditions precedent before FRBKC will open an account at FRBKC for use by TFCCU. Since the *per curiam* opinion in *Fourth Corner Credit Union v. Federal Reserve Bank of Kansas City*, 861 F.3d 1052 (10<sup>th</sup> Cir. 2017), FRBKC has received binding assurances that TFCCU will not serve or service Marijuana-Related Businesses (“MRBs”) unless and until it becomes lawful under federal law to provide banking or financial services to MRBs.

The issuance of a master account to TFCCU is subject to the following conditions precedent, and the master account shall be issued and made effective only on fulfillment of the following conditions. The approval of the account shall occur within five (5) business days after fulfillment of these conditions, with the account opening date aligning with the date TFCCU officially opens to the public:

- TFCCU shall satisfy all requirements imposed by the Colorado Division of Financial Services (“Colorado DFS”) and Colorado law necessary to commence business operations, including obtaining share deposit insurance satisfactory to the Colorado DFS, which requirements shall be determined in the sole discretion of Colorado DFS.
- TFCCU shall provide FRBKC with a letter from the Colorado DFS stating that TFCCU has satisfied all requirements and is permitted to commence providing banking services to TFCCU’s field of membership, as limited pursuant to the Settlement Agreement (“Agreement”).



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- TFCCU shall also provide to FRBKC a letter evidencing that it has obtained share deposit insurance from the National Credit Union Administration, or primary share deposit insurance from a private deposit insurance provider in a manner acceptable to the Colorado DFS.
- TFCCU shall duly adopt the Board Resolution and amendment to bylaws referenced in the Agreement, stating that (1) TFCCU will not provide any service to Marijuana-Related Businesses (“MRBs”) unless and until it becomes lawful under federal law to provide banking or financial services to MRBs and (2) TFCCU will adopt and implement appropriate controls and enhanced due diligence measures prior to commencing operations which in the judgment of Colorado DFS are sufficient to ensure that TFCCU is not providing banking or financial services to MRBs.
- TFCCU has provided FRBKC with an amendment to its bylaws to be filed of record with Colorado DFS. The amendment of TFCCU’s bylaws prohibits TFCCU from providing services to MRBs unless and until it becomes lawful under federal law to provide banking or financial services to MRBs and that the MRB component of TFCCU’s Field of Membership shall remain dormant until said change in the law. TFCCU covenants that it shall not thereafter seek to subsequently amend its Bylaws to permit providing services to MRBs unless and until it becomes lawful under federal law to provide banking or financial services to MRBs and that the MRB component of TFCCU’s field of membership shall remain dormant until said change in the law.

The use of the master account issued to TFCCU and FRBKC’s continued provision of Federal Reserve Bank services will be subject to the same processes and rules applicable to other master accounts and account holders, including (but not limited to) applicable account agreements, guides, and forms; Operating Circulars; federal and state laws and regulations pertaining to banking and financial activities; and the policies and procedures of FRBKC and the Federal Reserve System, including the Federal Reserve Policy on Payment System Risk.



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This letter does not express the policy views of FRBKC or the Board of Governors of the Federal Reserve System, nor does it contain any supervisory, regulatory, or enforcement guidance or precedent. This letter is applicable only to TFCCU’s current application for a master account.

Sincerely,

Handwritten signature of Susan E. Zubradt in blue ink.

Susan E. Zubradt  
Senior Vice President

cc: Patty Salazar, Colorado State Financial Services Interim Commissioner  
Gail Laster, NCUA Director of the Office of Consumer Financial Protection and Access  
Mark A. Mason, Attorney for The Fourth Corner Credit Union