

BankDirector.

Breakout 7:
**A Multi-Pronged
Strategy for Cannabis
Banking**

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#A0BA24

A Multi-Pronged Strategy for Cannabis Banking

William Hufnagel, President & CEO, Dart Bank

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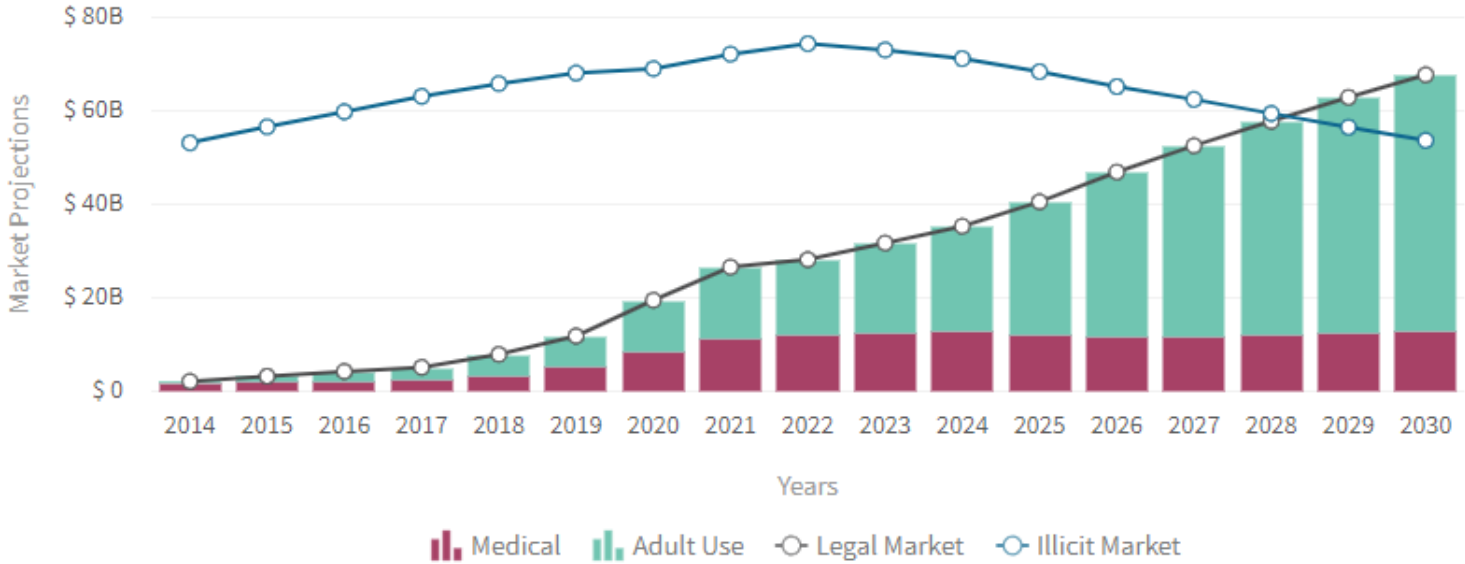
Founded 1925

Michigan State Chartered Bank

Four Branch Offices

Total Assets \$1.1 Billion

U.S. Cannabis Market



Legal and Compliance Considerations

Federal Drug Laws

- Schedule 1 drug at the federal level

Federal Banking Guidance

- Original Cole Memo
- Guidance from Treasury

Persistent BSA\AML Risk

- Core BSA\AML\KYC risk today and tomorrow



Cannabis Banking Journey



Traditional Banking

- **Deposit Services & Cash Management**
 - \$100 million in average deposit balances
 - \$1.6 million in annual projected fee income
- **Lending Services**
 - \$40 million in outstanding balances

Partnerships

Payment Processing

- USAG
- Paynetworx

Distribution

- Dutchie
- Other Bank Partners

Technology

- Shield Compliance

Direct to Business

- DAMA Financial



Action Plan



Crawl, walk, run



A playbook exists; work with experts



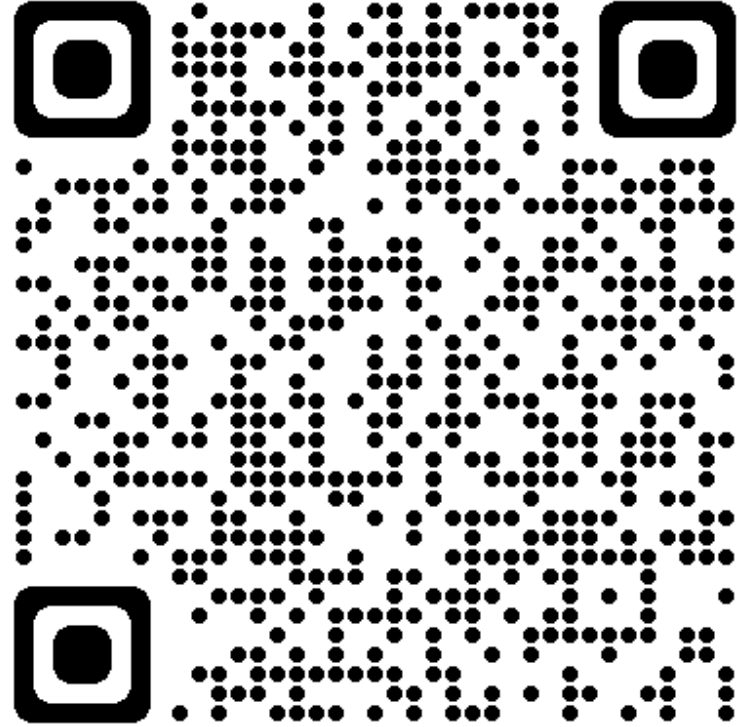
Consider the impact beyond BSA department



Build for today, plan for tomorrow



Download the
Cannabis Banking
Playbook



Contact Us

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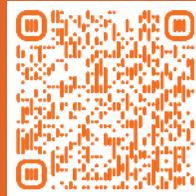
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