



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

February 19, 2018

Mr. Raphael W. Bostic, President and Chief Executive Officer
The Federal Reserve Bank of Atlanta
1000 Peachtree St NW
Atlanta, GA 30309

Dear President Bostic:

I am writing to request your regulatory guidance on an issue affecting Florida banks. Just last week, on February 6, 2018, U.S. Treasury Secretary Steven Mnuchin said the Department is reviewing guidance issued by the Financial Crimes Enforcement Network in 2014, which gave financial institutions the ability to serve the legal medical marijuana industries in the states. Secretary Mnuchin said he did not want to go back to the era of cash-only businesses, which could have unsafe and unintended consequences for those individuals and families who are registered by the Florida Department of Health to use medical marijuana in our state.

In Florida, the First Green Bank of Orlando was previously serving licensed medical marijuana providers, which are approved by the Florida Department of Health. This bank ceased serving this industry earlier this year, and there is now no bank serving this industry in the state. While there is a significant interest from state-chartered Florida banks to work with the industry, the lack of clarity in this area has made it impossible for them to do so. This means that presently medical marijuana patients must pay only cash for their medicine in Florida.

Consider the breadth of the problem this could create if left unresolved. There are currently nearly 75,000 state-approved medical marijuana patients in Florida, with this number expected to rise to 100,000. If they each spend at least \$300 a year on their medicine, this would create an annual industry total of \$22.5 million in cash that is not able to go into a Florida bank.

I believe your written guidance on this issue would provide much-needed clarity to Florida banks who are still hesitant to service the new medical marijuana industry while it appears federal financial regulations are shifting or still developing.

Thank you sincerely for your time and attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Patronis".

Jimmy Patronis
Chief Financial Officer

AAF/sm