



Via Overnight Mail and Electronic Mail

Stefano Angeli, Founder  
Martin Zanella, Chief Financial Officer  
Utoppia Inc.  
399 Fremont St, #2107  
San Francisco, CA 94105  
[support@utoppia.com](mailto:support@utoppia.com)

March 24, 2023

RE: Potential Violations of Section 18(a)(4) of the Federal Deposit Insurance Act

Dear Messrs. Angeli and Zanella:

The Federal Deposit Insurance Corporation (“FDIC”) has reason to believe that Utoppia Inc. (“Utoppia”) and/or its officers have made false and misleading statements, directly or by implication, concerning Utoppia’s insured status, in violation of section 18(a)(4) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. §1828(a)(4) (“Section 18(a)(4)”), and its implementing regulation, 12 C.F.R. Part 328, Subpart B (“Part 328”). We hereby demand that you cease and desist and take immediate corrective action to address these false and misleading statements, as more fully set forth below.

Section 18(a)(4) and Part 328 prohibit any person from using the FDIC’s name or logo, or similar terms, to represent or imply that an uninsured deposit liability, obligation, certificate, or share is insured, or from knowingly misrepresenting the extent and manner in which a deposit liability, obligation, certificate or share is insured under the FDI Act. Further, Part 328 requires that whenever anyone other than an insured depository institution states that a product is insured by the FDIC, that person must identify the insured depository institution(s) where the funds will be placed, and failure to do so constitutes a material omission in violation of Section 18(a)(4) of the FDI Act and Part 328. The FDIC has the authority to enforce these provisions against any person or entity. Enforcement tools available to the FDIC include the authority to issue cease-and-desist orders and to assess civil money penalties for violations of Section 18(a)(4) and Part 328.

Utoppia claims to be a neobank that offers crypto wallets and purports to offer FDIC-insured, U.S. checking accounts to any non-resident of the United States.<sup>1</sup> No FDIC-insured depository institution (“IDI”) is identified in connection with this statement.

<sup>1</sup> See LinkedIn Post by Utoppia’s Chief Financial Officer Martin Zanella, available at [https://fr.linkedin.com/posts/martin-zanella-6087009\\_utoppia-activity-6977734952792522752-PVsb?trk](https://fr.linkedin.com/posts/martin-zanella-6087009_utoppia-activity-6977734952792522752-PVsb?trk). (“[Y]a podres abrir tu cuenta bancaria (con FDIC insurance)[.]”)

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Moreover, as recently as January 5, 2023, Utoppia’s website claimed that:

- Utoppia is “insured by the FDIC,”
- Customers “can feel like the US citizen, when protected by the Federal Deposit Insurance Corporation, for up to \$250,000. Same as any other bank in States [sic],” and
- Utoppia customers can keep their “money in a strong financial jurisdiction (FDIC protected).”<sup>2</sup>

Similarly, as recently as February 12, 2023, Utoppia has made claims on social media in Spanish, asserting that Utoppia is backed or protected by (“respaldado”) the FDIC.<sup>3</sup> Again, no FDIC-insured IDI is identified in connection with this statement.

Furthermore, on Utoppia’s “About” page, Utoppia states that account holders are “protected by the U.S. financial system. No matter if you hold \$1 or \$100,000 dollars.”<sup>4</sup> Similarly, on the main page of Utoppia’s mobile app (accessible via Google and Apple app stores), there is a prominent statement that “Your funds are FDIC protected. Up to 250,000 USD protected by the FDIC!”<sup>5</sup>

These statements appear to contain false and misleading representations regarding FDIC deposit insurance. For example, the statements that Utoppia is “insured by” or backed or protected by (“respaldado”) the FDIC and the statement that customers’ “funds are FDIC protected” could suggest or imply that Utoppia is itself FDIC-insured and/or that crypto assets held in customers’ Utoppia accounts are insured. In fact, Utoppia is not FDIC-insured, and the FDIC does not insure crypto assets. By not distinguishing between US-dollar deposits and crypto assets, the statements imply FDIC insurance coverage applies to all customer funds (including crypto assets).

Additionally, as noted above, in some instances, Utoppia has made claims about FDIC deposit insurance without identifying an IDI with which it has a direct or indirect relationship for the placement of deposits and into which such consumers’ funds may be deposited. Failure to identify the IDIs into which customers’ funds will be deposited is deemed a material omission pursuant to 12 C.F.R. § 328.102(b)(5). In other instances, Utoppia has disclosed (in smaller print and/or at the bottom of the webpages or app) an IDI with which it has a relationship for the placement of deposits; however, such disclosures are not clear and conspicuous and are not in close proximity to the relevant representations about FDIC insurance, which further implies that Utoppia is FDIC-insured.

Based on the information available to the FDIC, it appears that these statements regarding deposit insurance violate Section 18(a)(4) of the FDI Act and Part 328. Consequently, the FDIC hereby demands the following corrective action:

<sup>2</sup> See <https://web.archive.org/web/20230105183139/https://www.utoppia.com/>.

<sup>3</sup> See [https://twitter.com/Utoppia\\_US/status/1624930000960122880?cxt=HHwWgMDTwcDO9lwtAAAA](https://twitter.com/Utoppia_US/status/1624930000960122880?cxt=HHwWgMDTwcDO9lwtAAAA) (“Te cuento que Utoppia es un neobank perfectamente legal respaldado por el FDIC, Federal Deposit Insurance Corporation (https://fdic.gov)...”)

<sup>4</sup> See <https://www.utoppia.com/about.html> (last visited March 6, 2023).

<sup>5</sup> See <https://play.google.com/store/apps/details?id=com.utoppia> and <https://apps.apple.com/us/app/utoppia-global-neobank/id1603840223>.

1. You shall immediately remove any and all statements, representations, or references that suggest in any way, explicitly or implicitly, that (1) Utoppia is FDIC-insured, (2) FDIC insurance applies to non-deposit products, or (3) FDIC insurance provides protection or coverage in any manner or extent other than those set forth in the FDI Act. Such statements shall be removed from Utoppia's app and website pages (including any pop-ups, hyperlinks, or chatbots), Twitter, LinkedIn, Instagram, and any other social media platforms (including both corporate accounts and personal accounts of individuals associated with Utoppia, mobile app, online outlet, and any other form (electronic or hard copy) of marketing, advertising or other consumer-facing publication or materials of any kind that you control, including any publication or materials in any other languages or in any of the other countries in which Utoppia purports to operate in.
2. You shall cease and desist from making any statements, representations, or references, directly or through your owners, officers, directors, or employees, that suggest in any way, explicitly or implicitly, that: (1) Utoppia is FDIC-insured, (2) FDIC insurance applies to non-deposit products, or (3) FDIC insurance provides protection or coverage in any manner or extent other than those set forth in the FDI Act. To address the misrepresentations that Utoppia is itself is an FDIC-insured entity, you should identify the IDI with which you have a relationship for the placement of deposits in close proximity to the misrepresentations identified above.
3. Within fifteen (15) business days of receipt of this letter, you shall provide written confirmation to the FDIC that it has fully complied with the requests set forth above. Such confirmation shall detail all efforts that you took to comply with this letter, including all efforts to identify and locate all misrepresentations and the scope of your removal.

If you believe that the statements identified above regarding the availability of FDIC deposit insurance are true and accurate, please provide a full listing of all such statements together with information and documentation supporting the accuracy of all such statements, not later than fifteen (15) days from the date of this letter.

Failure to respond to this letter may result in the FDIC taking appropriate action as authorized by the FDI Act and any other applicable law or regulation.

This letter constitutes an advisory letter within the meaning of 12 C.F.R. § 328.106. Accordingly, pursuant to 12 C.F.R. § 328.102(b)(6), future false or misleading representations regarding deposit insurance may be deemed to have been knowingly made.

Should you have any questions about the contents of this letter, please contact [REDACTED], at [REDACTED].

Sincerely,

/s/ \_\_\_\_\_  
Seth P. Rosebrock  
Assistant General Counsel, Enforcement  
Federal Deposit Insurance Corporation