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July 25, 2024

Richard Kim, Esq.  
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Dear Mr. Kim:

The following additional information request relates to (1) the application filed by Capital One Financial Corporation (“Capital One”), the parent of Capital One, National Association (“CONA”), both of McLean, Virginia, to acquire 100 percent of Discover Financial Services (“Discover”), Riverwoods, Illinois, and thereby indirectly acquire Discover Bank, Greenwood, Delaware, pursuant to section 3 of the Bank Holding Company Act of 1956<sup>1</sup> (“BHC Act”), and (2) the notice filed by Capital One to indirectly acquire DFS Services LLC, Riverwoods, Illinois; Discover Financial Services (Canada), Inc., Vancouver, British Columbia, Canada; PULSE Network LLC, Houston, Texas; and Diners Club International Ltd., Riverwoods, Illinois, pursuant to sections 4(c)(8) and 4(j) of the BHC Act.<sup>2</sup> Please provide responses to each of the following questions, including the questions in the Confidential Annex. Supporting documentation should be provided, as appropriate.

To the extent the information requested below is not yet available, provide a date by which the requested information is expected to be made available to the Board of Governors of the Federal Reserve System (“Board”).

**Section 4 of the BHC Act**

1. Public Exhibit C of Capital One’s Additional Information Response dated June 14, 2024 (the “June 14th Response”), states that PULSE Network LLC, Diners Club International Ltd., Discover Financial Services (Canada), Inc., and DFS Services LLC provide services involving “licensing of intellectual property, including trademarks.” Describe in detail the nature of such services for each entity engaging in licensing

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<sup>1</sup> 12 U.S.C. § 1842.

<sup>2</sup> 12 U.S.C. § 1843(c)(8) and (j).

activities involving third parties. In your response, clarify to what extent the licensing activities are incidental to data-processing or other activities that the Board has determined to be so closely related to banking as to be a proper incident thereto. Indicate whether each entity engaging in licensing activities licenses trademarks to third parties who do not otherwise receive financial services from such entity engaging in licensing activities.

2. In Public Exhibit A of the June 14th Response, Capital One states that Diners Club International Ltd. operates in South Africa. Describe the arrangement by which the “Platter’s by Diners Club International South African Wine Guide” is published.<sup>3</sup>

Provide your response via EZ-File #111944 within eight business days. Any information for which confidential treatment is desired should be so labeled and separately bound in accordance with section 261.17 of the Board’s Rules Regarding Availability of Information. The public portion of any response should be so designated. The Board will make the public portion of this request and the public portion of any response available on the Board’s website, where it will be readily accessible to the commenters and to other interested parties.<sup>4</sup> Please also send a copy of your response to the Office of the Comptroller of the Currency Senior Licensing Analyst Jenny Small at [Jenny.Small@occ.treas.gov](mailto:Jenny.Small@occ.treas.gov), the Federal Deposit Insurance Corporation Senior Case Manager Jeffrey Ralston at [jralston@fdic.gov](mailto:jralston@fdic.gov), and the Delaware Office of the State Bank Commissioner Senior Deputy Commissioner Lisa Collison at [lisa.collison@delaware.gov](mailto:lisa.collison@delaware.gov).

If you have any questions, please contact Katherine Eike of this Reserve Bank via email at [kathy.eike@rich.frb.org](mailto:kathy.eike@rich.frb.org).

Sincerely,



Brent Hassell  
Assistant Vice President

cc: Board of Governors  
Office of the Comptroller of the Currency  
Federal Deposit Insurance Corporation  
Delaware Office of the State Bank Commissioner

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<sup>3</sup> See PLATTER’S BY DINERS CLUB INTERNATIONAL SOUTH AFRICAN WINE GUIDE (Philip van Zyl ed., 44th ed. 2023); <https://www.wineonaplatter.com/>.

<sup>4</sup> See <https://www.federalreserve.gov/foia/capital-one-discover-application-materials.htm>.