From:	valleyfarmsllc@gmail.com
To:	RICH BankSup Applications Comments
Subject:	[External] Merger Benefits Small business
Date:	Monday, May 20, 2024 2:07:33 PM

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As a farmer and small business owner here in Clarksburg, CA, I am excited about the potential benefits that the proposed merger between Capital One and Discover could bring to farms like mine.

Farms are the backbone of our nation's economy, and they operate much like small businesses. From managing finances and investments to navigating market fluctuations, farmers face similar challenges to other small business owners. That's why it's crucial that we support and uplift our nation's farms for the sake of food security, jobs, and local economic development.

The merger between Capital One and Discover has the potential to provide significant advantages for farmers and those living in farming communities. Capital One has shown their commitment to the Community Reinvestment Act, which has helped low and middle income urban and rural communities alike, helping us get services that we otherwise would be without. Capital One, along with Discover, have long-standing track records of Outstanding CRA performance.

In conclusion, I believe that the proposed merger between Capital One and Discover has the potential to positively impact farms and small businesses and beyond. By leveraging their combined strengths and resources, Capital One and Discover can help drive economic growth, promote financial inclusion, and create opportunities for farms to thrive.

Thanks
Kyle Anderson

From:	Cate Swinburn
To:	RICH BankSup Applications Comments
Subject:	[External] YouthForce NOLA support of Capital One
Date:	Monday, May 20, 2024 5:51:28 PM

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Hello -

I am writing on behalf of YouthForce NOLA to express the organization's support of Capital One's efforts to acquire Discover.

YouthForce NOLA serves as the engine for career-connected learning so New Orleans public school students are ready for college, career, and the future they choose. We fuel a coordinated network of education, business, and community partners who, together, equip our public school students with the skills and know-how they need to confidently pursue a wide range of opportunities after high school. To date, 1,200+ public high school students have completed a YouthForce NOLA Internship with one of our 250+ local employer partners, and 99% got a great job or enrolled in college upon graduation.

Since 2017, YouthForce NOLA has benefited from Capital One's generous partnerships with the community. Each year, YouthForce NOLA has received financial support from Capital One through their efforts to support community efforts. Further, in recent years, Capital One has increased its investment, enabling us to support many more young people here in New Orleans. The first summer of our internship program, YouthForce NOLA hosted 17 summer interns. Last summer, with the largest investment ever from Capital One, 162 rising seniors worked 13,553 hours and earned $260,400 working at a business through YouthForce NOLA's internship program.

We are grateful for Capital One's investment in expanding options and opportunity so that every young person in New Orleans is ready for the future they choose. It is our hope that, with Capital One and Discover joining forces, there will be an opportunity to grow the investment of time and talent from the company. As a result of our collective efforts, New Orleans public school graduates will thrive in meaningful, well-paying careers.

Cheers,
Cate

--
Cate Swinburn (she/her/ella)
Co-Founder, President & CEO

Cate@YouthForceNOLA.org
(504) 452-8850

From:	Denbowski, Raquel
To:	RICH BankSup Applications Comments
Subject:	[External] State representative Guzman
Date:	Tuesday, May 21, 2024 10:53:35 AM
Attachments:	image001.png 1858_001.pdf

NONCONFIDENTIAL // EXTERNAL

Raquel Ruiz Denbowski
Constituent Service Advisor
State Representative of 127th District
Manuel Guzman
645 Penn Street, 5th Floor
Reading, PA 19601
(O) 610-376-1529
rdenbowski@pahouse.net

MANUEL "MANNY" GUZMAN, JR.
127TH LEGISLATIVE DISTRICT

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(717) 787-3525

645 PENN STREET, 5TH FLOOR
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REPGUZMAN@PAHOUSE.NET

House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

LIQUOR CONTROL, SECRETARY
APPROPRIATIONS
GAMING OVERSIGHT
PROFESSIONAL LICENSURE

CENTRAL PA DELEGATION, VICE CHAIR
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SOUTHEAST DELEGATION

CAUCUSES

PA LEGISLATIVE LATINO CAUCUS, VICE CHAIR
ANIMAL PROTECTION CAUCUS
LGBTQ EQUALITY CAUCUS
PENNSYLVANIA LEGISLATIVE BLACK CAUCUS

Manuel Guzman - State Representative; Vice Chair of the PA Legislative Latino Caucus, Member of the Professional Licensure Committee

As a Pennsylvania State Representative who represents Latino communities in my district, I am committed to backing initiatives that uplift marginalized communities and uplift minority-owned small businesses. That's why I am supporting the proposed merger between Discover and Capital One, two companies known for their work of uplifting often forgotten communities.

Capital One and Discover have been leaders in their industry when it comes to serving marginalized communities. Notably, Capital One holds an "Outstanding" track record in fulfilling the mandates of the Community Reinvestment Act. With one-third of its branch locations situated in low- and moderate-income communities, Capital One leads major banks in serving the needs of these communities. Too many other banks ignore the needs to communities like the ones I represent.

Additionally, Capital One has led initiatives to help people build or rebuild their credit responsibly and was also the first of the top ten banks to eliminate overdraft fees while still providing free overdraft protection. Discover also has a track record of helping bring people without established credit histories into the fold and was one of the first card issuers to offer credit cards with no annual fees.

While some have voiced concerns that this merger will hurt competition in the credit card issuer industry, there are no signs pointing to that outcome. The credit card issuer market is highly fluid, with a recent study by the Banking Policy Institute concluding that the market is nowhere near concentrated.

It is important that regulators recognize the potential of this merger to expand credit access for marginalized groups in Pennsylvania and nationwide. Let's empower these communities and expand credit access by allowing this merger to become final.

From: Naida Henao
To: RICH BankSup Applications Comments
Subject: [External] NVRDC Comment on Capital One
Date: Tuesday, May 21, 2024 11:15:59 AM

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Network for Victim Recovery of DC (NVRDC) is a nonprofit that empowers survivors of crime through free advocacy, legal, and therapeutic services. NVRDC's goal is that survivors of any type of crime, from sexual assault, to gun violence, homicide, and more will feel supported in pursuing the path to justice that feels right to them. Since our founding in 2012, we have served over 10,000 survivors of crime.

In 2023-2024, NVRDC submitted projects for consideration to Capital One's Pro Bono Program. The projects mostly focused on a rebranding of our organization to capture our increasing transition from a local to national nonprofit. This would have been a significant and costly undertaking for NVRDC to do itself or through a paid service. Because of Capital One's team, NVRDC saved over $27,500 and is currently in the final stages of receiving a branding package that will help take our free services for survivors to the next level. By making our brand stronger, Capital One is helping us to ensure that our services are more well known to the survivors of crime that need support, thereby reducing the amount of survivors who are living in our communities with unaddressed traumas.

We are incredibly grateful for Capital One's dedication and support of our work and have felt appreciative of the level of intimacy and thoughtfulness from all the teams we have interacted with.

Thank you for your consideration of this comment.

Naida Henao, Esq. | [she/her/ella]

Head of Engagement
202.742.1727 x 1290 | [cell] 202.932.4346
*Please note: NVRDC has a 35-hour work week to promote the sustainable passion of our staff. For this reason, my work hours may differ from the usual Monday-Friday 9am-5pm work schedule. I will respond to your message as soon as I am able.

From:	Kristina Ruggerio
To:	RICH BankSup Applications Comments
Subject:	[External] Capital One Merger Will Increase Competition
Date:	Tuesday, May 21, 2024 1:18:08 PM

Today I am writing to express support for the merger between Capital One and Discover. As the owner of a salon and med spa in Wilmington, I am eagerly anticipating the merger's potential to bring about positive changes for businesses like mine, particularly in terms of payment processing and credit access.

With Capital One and Discover joining forces, I anticipate that there will be more competition in the payment network market, creating new opportunities for businesses like mine to access innovative payment solutions and better terms from payment system networks. This could include more competitive prices, faster processing times, and enhanced customer support, all of which are essential for providing a top-notch experience for our clients.

That's because the current landscape of the payment processing industry is dominated by Visa and Mastercard, who together process a staggering 80% of all transactions. This duopoly has long been a concern for policymakers and consumers, but the alliance between Capital One and Discover presents an opportunity to shake up this stagnant market, benefiting small businesses like mine

Additionally, by combining their resources and expertise, Capital One and Discover may be able to offer new credit products and services that cater to the needs of small businesses and individuals in our community, helping us to grow and thrive.

Overall, I am optimistic about the potential benefits of the proposed merger for businesses like mine in Wilmington. By fostering competition and innovation in the credit card processing market, the merger could open up new opportunities for growth and success. I look forward to it and how it will benefit my salon and med spa and the broader business community in Wilmington.

Best,
Kristina Ruggerio Borsello
Beauty Bar by Kristina Ruggerio
BBKR Med Spa
Kristina Ruggerio Cosmetics
302-658-4400
Prompt 1 Salon
Prompt 2 Med Spa

Instagram: @Beautybar_kristinaruggerio
@BBKR_medspa
@Kristinaruggeriocosmetics

Facebook:
Beauty Bar by Kristina Ruggerio
BBKR Med Spa

Website:
Www.shopkristinaruggeriocosmetics.com

From: Kate Ramstad
To: RICH BankSup Applications Comments
Subject: [External] Capital One Discover Merger Helps Small Businesses
Date: Tuesday, May 21, 2024 2:37:47 PM

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To Whom It May Concern:

As the Co-Founder of Reservoir Strategies, a firm dedicated to supporting Democratic candidates in Rhode Island, I am thrilled about the potential impact of the proposed merger between Discover and Capital One on expanding credit access for individuals, particularly those who are credit invisible.

Access to credit is not just another issue for the wealthy and well-connected—it's a matter of economic opportunity for lower and middle income communities and social justice. Too often, individuals who lack established credit histories are excluded from the financial system, hindering their ability to secure loans, purchase homes, or start businesses. This perpetuates cycles of poverty and inequality, holding back entire communities from reaching their full potential.

The merger between Discover and Capital One presents a unique opportunity to break down these barriers and empower underserved individuals to build brighter financial futures. That's because both companies have demonstrated a real commitment to improving access to credit – especially for marginalized communities. Capital One is a leader in issuing cards to first-time cardholders. They have multiple cards they offer to customers who have no credit or are rebuilding their credit – two groups often overlooked by other banks. They help these groups build credit responsibly. 69% of Capital One customers that started with a subprime credit score achieved a prime credit score of 660.

Furthermore, this merger aligns with the Biden administration's commitment to creating a more equitable financial landscape. President Biden has made it clear that promoting economic inclusion and opportunity is a top priority, and initiatives like the Discover-Capital One merger are essential for advancing these goals. By expanding credit access to underserved communities, we can create a more just and equitable society where everyone has the chance to succeed.

As someone deeply passionate about Democratic values and economic justice, I believe that supporting initiatives like the Discover-Capital One merger is crucial for building a stronger and more inclusive financial system. I urge policymakers and stakeholders to recognize the potential of this merger to uplift individuals and communities across Rhode Island and to lend their support accordingly. Together, we can create a future where everyone has access to the credit and opportunity they need to thrive.

Thank you for considering.

Best,
Kate

--

KATE RAMSTAD
Reservoir Strategies LLC
c: (401) 545-0788

w: www.reservoirstrategies.com

From: Thomas West
To: RICH BankSup Applications Comments
Subject: [External] Merger of Capital one and Discover
Date: Tuesday, May 21, 2024 2:55:19 PM

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As a former State Representative from Ohio and an advocate for underserved communities, particularly through my involvement with the Stark Urban League, I am eager to voice my support for the proposed merger between Capital One and Discover. This merger has the potential to significantly uplift underserved communities and promote economic empowerment for African American individuals and families.

One of the key benefits of this merger is its potential to expand access to credit and financial services for underserved communities. The Community Reinvestment Act (CRA) encourages banks to provide financial services to all parts of the communities they serve, including low- and moderate-income neighborhoods (LMIs). Capital One has a strong track record of serving these LMIs, with one third of its branches located in these areas.

Additionally, Capital One has demonstrated a commitment to financial inclusion by offering innovative products and services tailored to the needs of underserved consumers.
Through initiatives like offering credit cards for borrowers who are building or rebuilding credit, Capital One has helped countless individuals start on the path to financial stability.
By expanding access to credit and financial services, this merger can empower African American individuals and families to achieve their financial goals, whether it's purchasing a home, starting a business, or pursuing higher education.

Furthermore, the merger has the potential to stimulate economic growth in underserved communities by promoting investment and job creation. As a Former State Representative, I have seen firsthand the positive impact that access to credit and financial services can have on communities across Ohio. By supporting this merger, we can continue to build on these efforts and create opportunities for economic advancement for all of us here in the Buckeye State.

I'm urging regulators to recognize the potential of this merger to uplift underserved communities and promote economic empowerment for African American individuals and families. By expanding access to credit and financial services, Capital One and Discover can help build a more inclusive and equitable economy for all Ohioans.

Thomas West
Greater Stark County Urban League

From: Nancy Hoffman Vanyek
To: RICH BankSup Applications Comments
Subject: [External] Capital One Discover Merger Will Improve Competition
Date: Tuesday, May 21, 2024 3:06:02 PM

NONCONFIDENTIAL // EXTERNAL

Dear Members of the Federal Reserve Board:

As an advocate for small businesses in my community, I support the proposed merger between Discover and Capital One. This merger will significantly benefit small businesses in the San Fernando Valley by enhancing competition in the card processing industry.

Currently, Visa and Mastercard control 80% of the market, which limits consumer choice and makes it challenging for small businesses to negotiate favorable merchant rates. A merger between Discover and Capital One would create a more competitive landscape, expanding consumer choices and streamlining efficiencies for consumers and small businesses.

Granting approval for this merger would mark a significant stride in nurturing a competitive environment that favors small businesses, by amplifying competition in the card processing industry.

Nancy Hoffman
(818) 989-0300
www.sanfernandovalleychamber.com

SAVE
SMALL BUSINESS
COALITION

From:	Fisher, Lindsay (GOV)
To:	RICH BankSup Applications Comments
Cc:	Fisher, Lindsay (GOV)
Subject:	[External] Letter from Governor Youngkin, LG Earle-Sears, and AG Miyares
Date:	Tuesday, May 21, 2024 4:58:02 PM
Attachments:	Capital One Letter - 5.21.24 - FINAL.pdf

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Please see the attached letter from Virginia Governor Glenn Youngkin, Lt. Governor Winsome Earle-Sears, and Attorney General Jason Miyares.

COMMONWEALTH of VIRGINIA

May 21, 2024

Ann E. Misback
Secretary of the Board
Federal Reserve Board
20th Street and Constitution Avenue, NW
Washington, DC 20551–0001

Dear Madam Secretary:

We are writing to express our support for Capital One's acquisition of Discover Financial. The banking industry plays a critical role in the Commonwealth of Virginia's thriving economy. One hundred fifteen banks operate in Virginia, and a significant number are headquartered here. These banks employ approximately 59,000 Virginians, hold $381 billion in deposits, and support our communities.

Capital One is a homegrown Virginia success story. It was founded on an idea of leveraging the power of information and technology to disrupt and democratize the credit card industry. It has grown into one of the ten largest national banks by assets, the sixth largest public company headquartered in Virginia by revenue, and one of America's most recognizable brands.

Capital One employs over 22,000 people in the Commonwealth, with major campuses in Northern Virginia and Greater Richmond, and additional headcount throughout Hampton Roads. It is one of only five Virginia-headquartered companies named to *Fortune's* 100 Best Companies to Work For list in 2024 and hires hundreds of graduates from Virginia institutions every year.

Capital One's combination of strong and innovative product offerings provides broad access to credit and often has lower rates and fees than the alternatives. Capital One was the first of the ten largest banks to eliminate overdraft and insufficient funds fees on all of its accounts, and other institutions have followed. By helping consumers build and use credit safely, Capital One brings more people into the mainstream financial system and drives economic mobility.

After Capital One's acquisition of Discover Financial, this Virginia company will continue to use the power of technology, scale, and fair and simple products to take on Wall Street. Capital One's innovation and reputation will combine with Discover to provide access to new options in the consumer credit ecosystem, an economic segment critical to millions of consumers and businesses in communities across Virginia and the nation.

As a corporate citizen, Capital One was a leading supporter of Virginia's financial literacy law, originally passed in 2009. Under the law, Virginia added one credit hour of financial literacy and personal economics to its high school graduation requirements. Today, Virginia is consistently named one of the most financially literate states in the country.

Finally, Capital One executives and employees serve on several key governmental boards and commissions, volunteering their time and expertise on important issues. Virginia benefits from the skills and experience these Capital One employees bring to the table.

We appreciate the opportunity to provide comments on the proposed transaction and encourage you to approve it. Thank you for your time and consideration.

Sincerely,

Glenn Youngkin
Governor of Virginia

Winsome Earle-Sears
Lieutenant Governor of Virginia

Jason S. Miyares
Attorney General of Virginia

From:	Bonnie&Robert At Serritellas
To:	RICH BankSup Applications Comments
Subject:	[External] Merger Benefits Small Business
Date:	Wednesday, May 22, 2024 12:48:11 AM

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As a restaurant owner in Sacramento, California, I am encouraged about the benefits the Capital One-Discover merger could bring to small businesses like mine. This merger has the potential to address some of the challenges that small businesses face thanks to a concentrated credit card payment processing network that has made it harder for businesses like mine to thrive.

The current landscape of payment processing is dominated by Visa and Mastercard who control 80 percent of the market share and therefore get to charge merchants what they want, whether they are good options for small businesses like mine or not. The merger offers a ray of hope for small businesses by bolstering Discover position in the payments network market. With Capital One's ability to issue cards over Discover's established network, the merged entity could offer innovative solutions tailored to the needs of small businesses, forcing Visa and Mastercard to do the same as well. This could lead to better services at better terms for small businesses. Better terms for small businesses means more growth, and more jobs in communities like mine.

In conclusion, I believe that the Capital One-Discover merger holds promise for improving access to affordable and reliable payment processing solutions. By fostering competition and innovation in the payments network market, small businesses like mine will be empowered to thrive and succeed within a more competitive landscape.

Bonnie Prophet
srd95608@yahoo.com

From:	Robert Grey
To:	RICH BankSup Applications Comments
Subject:	[External] Letter in support of Capital One
Date:	Wednesday, May 22, 2024 1:28:39 PM
Attachments:	Outlook-oan4xcyy.png Capital One FRB letter - RG 5.15.24.pdf

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Mr. Hassell—Please find attached a letter in support of Capital One's acquisition of Discover.

Robert Grey
President

LEADERSHIP COUNCIL ON LEGAL DIVERSITY

Leadership Council on Legal Diversity
P.O. Box 1656
Richmond, VA 23218
804.787.8044 (office)
202.320.6909 (cell)
rgrey@lcld.com
www.lcld.com

LEADERSHIP COUNCIL ON LEGAL DIVERSITY

Brent B. Hassell
Assistant Vice President
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, Virginia 23261

Re: Capital One Financial Corporation, McLean, Virginia

Dear Mr. Hassell:

I am the President of the Leadership Council on Legal Diversity (LCLD) and I am writing to share our experience on the impact that Capital One has had on our organization and the legal community, as you review Capital One's pending application to acquire Discover. Since its founding in 2009, LCLD actively promotes diversity, equity, and inclusion in the legal profession. We have a membership of over 440 organizations. Members include managing partners of prominent U.S. law firms and general counsel of major corporations, each of whom make leadership pledges of personal commitment to diversity, equity, and inclusion as manifested through specific, meaningful, and measurable organizational change.

LCLD achieves its mission through programming designed to connect, inspire, and nurture the talent in society and within our organizations, thereby helping a new and more diverse generation of attorneys ascend to positions of leadership and influence. By producing tangible results in the lives of talented individuals, we work to promote inclusiveness in our institutions, our circles of influence, and our society, with the ultimate goal of building a more open and diverse legal profession.

Our programming includes initiatives that touch attorneys and aspiring attorneys across various stages of their career journeys. Our landmark Fellows Program takes high-potential, mid-career attorneys from diverse backgrounds at LCLD member organizations and provides a year-long professional development program focused on leadership and relationship building. Our Pathfinder Program provides high-potential, early-career diverse attorneys at LCLD member organizations with practical tools for the journey ahead through a seven-month professional development program, including foundational leadership skills, career development strategies, and tips on building relationships and professional networks. Our 1L Scholars Program bolsters the legal pipeline by providing first-year law students from diverse backgrounds with extraordinary opportunities to learn nuanced fundamentals of a legal career through joint summer internships with LCLD member law firms and corporations.

Capital One has been an LCLD member since 2016, and has steadfastly participated in all of the above noted LCLD programs. Capital One has publicly committed its organization to only add outside law firms into its preferred network of legal service providers that show a sufficient commitment to creating a culture in which lawyers of all backgrounds and identities have an opportunity to succeed and thrive.

Capital One and its Legal Department leadership have shown up as an exceptional LCLD member. Capital One has distinguished itself among the LCLD membership through consistent recognition for the highest levels of engagement. LCLD's Top Performer Award recognizes those member organizations in the top 20% of the membership for overall engagement in LCLD programs and activities. Amongst the over 440 top law firms and corporations comprising our membership, Capital One has received this prestigious award every year for the past five years. LCLD also has the Compass Award, which recognizes individuals and organizations that fulfill specific membership requirements within a single calendar year. These requirements include member attendance at critical LCLD meetings and summits, and the nomination of LCLD Fellows and Pathfinders from within the member's organization. Capital One has won the Compass Award every year for the past three years. Capital One's prioritization of LCLD's mission to achieve the ultimate goal of building a more equitable and diverse legal profession has been prodigious and longstanding. We are proud to have Capital One as a leading member.

I am thankful for the continued commitment of Capital One to LCLD and to diversity, equity, and inclusion of legal service providers, a profession that is an invaluable facilitator of justice and fairness within communities. We anticipate that Capital One's impact in this space can be even greater through its acquisition of Discover.

Thank you for the opportunity to share my observations and sentiments. Please contact me if you have any questions.

Sincerely,

Robert Grey

Robert Grey, President
Leadership Council on Legal Diversity

From:	People"s Assembly
To:	RICH BankSup Applications Comments
Subject:	[External] Da People"s Assembly Support for Merger and Credit Access for Underserved Communities
Date:	Wednesday, May 22, 2024 4:51:12 PM

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Hello, My Name is Brigette Brantley,

As the founder of Da People's Assembly, a group dedicated to empowering communities of color through mutual aid, community events, and social justice organizing is inspiring, I am excited to express my support for the proposed merger between Discover and Capital One. The merger will help underserved individuals build generational wealth thanks to the benefits it will have in the credit access space – something Da People's Assembly has seen to be a game changer for communities like the ones we serve.

Access to credit is a fundamental tool for economic empowerment. For too long, underserved communities have faced barriers that prevent them from accessing the financial resources necessary to improve their economic standing. Capital One and Discover both have a strong track record of including marginalized communities in the financial system. Capital One, for instance, is known for its innovative financial products that allow individuals without established credit histories to safely build credit. They were among the first banks to eliminate overdraft fees while maintaining overdraft protection, which helps consumers avoid costly fees and better manage their finances.

Discover, similarly, has been a pioneer in offering no-fee credit cards, making it easier for people to enter the credit system without incurring additional costs. Capital One has demonstrated a commitment to the Community Reinvestment Act (CRA), consistently achieving "Outstanding" ratings over the years. One-third of Capital One's branches are operated in low- and moderate-income neighborhoods, more than any other large bank.

The merger between the two will amplify their efforts to reach historically underserved populations. By combining their resources and expertise, they can provide more comprehensive and accessible credit options to those who have been excluded from traditional financial systems. This is especially important for communities of color, who often face systemic barriers to credit access.

With better access to credit, individuals can invest in their futures—whether through education, homeownership, or starting small businesses. This merger will enable more people in our communities to achieve financial stability and upward mobility, breaking the cycles of poverty and inequality.

As someone deeply committed to the empowerment of communities of color, I believe the Discover-Capital One merger represents a vital step toward financial inclusion and equity. I urge policymakers and stakeholders to support this merger, recognizing its potential to uplift underserved communities and foster economic prosperity. Together, we can create a more inclusive financial system that empowers every individual to achieve their full potential and build lasting generational wealth.

Brigette Brantley
Founder and CEO
Da People's Assembly

"***I am no longer accepting the things I cannot change. I am changing the things I cannot accept*." - Angela Davis**

From:	James Parker
To:	RICH BankSup Applications Comments
Subject:	[External] Northwest Native Chamber Supports Competition in the Payment Network Market
Date:	Wednesday, May 22, 2024 5:33:44 PM
Attachments:	NWNC Capital One Discover Merger Support Letter (May 2024) (1).pdf

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Attached please find our letter in support of the Capital One-Discover merger.

Thank you,

James Alan Parker (Chippewa-Cree)
4445 SW Barbur blvd, Suite 105 Portland, Oregon 97239
w:https://nwnc.org | e: jparker@nwnc.org | Main: 503.894.4525
Cell: 503.319.0287

NORTHWEST
NATIVE
CHAMBER

4445 SW BARBUR BLVD, STE. 105
PORTLAND, OR 97239
(503) 894-4525
NWNC.ORG

Board of Governors of the United States Federal Reserve System

Office of the Comptroller of the Currency

400 7th St. SW

Washington, D.C. 20219

(202) 649-6800

Federal Reserve Board of Governors;

The Northwest Native Chamber is proud to lend its voice in support of the Capital One-Discover merger because it will bring about much-needed competition in the payment network market, a victory for small and Native American-owned businesses.

As one of the largest Native American specific technical assistance providers for entrepreneurs in the United States we see this merger as an opportunity for a more diverse landscape for credit card users. Native Americans in the United States have struggled with access to capital; more competitive markets will lead to more opportunity for savings for people who struggle to secure the necessary financing for a successful business.

Right now, Visa and Mastercard control 80 percent of the payment network industry. The lack of competition empowers Visa and Mastercard to stifle competition and set terms that are not favorable to small and minority-owned businesses in the Pacific Northwest. Small and minority-owned businesses often run on tighter profit margins than large big box stores. As a result, they can't afford the consequences of the Visa-Mastercard duopoly in the same way that larger retailers can.

This merger is a solution to that problem because it will empower Discover – who has just 4 percent of the market share – to be a more robust competitor in the industry, pushing all payment networks to compete for the opportunity to work with merchants by implementing more favorable terms and improving their services. The introduction of a stronger competitor in the industry will allow merchants to negotiate more favorable terms with payment networks.

While some politicians have expressed concerns that this merger will hurt competition, the credit card issuer market is extremely fluid with thousands of options for consumers to choose from and the ability to switch between them easily. This merger will actually increase competition in the payment network market. Moreover, the financial press, including the Bloomberg Editorial Board, agrees that this merger is “likely to inject much-needed competition into the card market.”

The Biden Administration has been a champion for Native American communities in Oregon and nationwide. They should seize this unique opportunity to uplift Native American-owned businesses by bringing competition into the payment network market.

Sincerely,

James Alan Parker (Chippewa Cree)

Executive Director,

Northwest Native Chamber

From:	Herbert Ames
To:	RICH BankSup Applications Comments
Subject:	[External] RE: Capital One Discover Merger
Date:	Thursday, May 23, 2024 8:14:53 AM

NONCONFIDENTIAL // EXTERNAL

Working in business development in both the private and public sectors, I have long been an advocate for economic empowerment and entrepreneurship, particularly in underserved communities. As a financial leader, I strive to serve as a liaison between small businesses and consumers who are often overlooked. Capital One and Discover are both companies that have shown that they want to help people who have a hard time accessing credit. As someone who aims to help small businesses—in all communities— thrive in New Jersey, the spirit of competition is part of who I am. This is why I firmly believe that the proposed merger between Capital One and Discover holds immense potential to benefit businesses and level the playing field in the highly concentrated payment network market.

Currently, Visa and Mastercard maintain a stranglehold on the industry, processing a staggering 80% of all transactions and stifling competition. The Department of Justice's investigation into Visa's anti-competitive practices underscores the urgent need for alternatives. The Capital One-Discover merger offers a ray of hope for minority-owned small business owners, as it positions Discover as a formidable competitor to Visa and Mastercard. With Capital One issuing its cards over the Discover network, increased competition is inevitable, leading to more competitive pricing and improved services for underserved small businesses. This, in turn, could help our small businesses concentrate on expanding their enterprises and fostering job creation within their communities.

Despite concerns raised by some regulators about potential negative impacts on competition, experts at the Banking Policy Institute assert that the merger will, in fact, enhance competition by establishing a stronger competitor in the market. This is a significant victory for minority-owned businesses in New Jersey, as it opens up new opportunities for growth and prosperity.

The Biden Administration has demonstrated a steadfast commitment to uplifting Black and Brown-owned businesses nationwide, and supporting the finalization of this merger aligns perfectly with these efforts. By fostering a more competitive landscape in the payment networks industry, the merger will empower small businesses to thrive and contribute even more significantly to our economy. This merger represents a pivotal step towards fostering competition, driving innovation, and creating a more equitable environment for minority-owned businesses in our state. I urge regulators to recognize the potential benefits of this merger and support its finalization for the betterment of our communities and our economy as a whole.

Herbert K. Ames
President and CEO, Devin Group Inc.
President and Chairman, Capital Region Minority Chamber of Commerce
Chesterfield, NJ

From:	lazeez restaurant
To:	RICH BankSup Applications Comments
Subject:	[External] Credit card merger
Date:	Thursday, May 23, 2024 1:54:28 PM

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As a restaurant owner in Toledo, Ohio, I have firsthand knowledge of what it takes to be a successful business owner. I also know that the proposed merger between Capital One and Discover will be a great victory for restaurants and other small businesses because of the competition it will inject in the payment network industry, which is currently dominated by Visa and Mastercard.

Because Visa and Mastercard control 80 percent of the payment network industry, they get to set the terms that benefit them, not small business owners or consumers. Thankfully, this merger will allow Capital One to issue its cards over Discover's payment network, empowering Discover to be a much stronger competitor in this industry.

Increased competition should be welcomed. If Discover becomes a stronger competitor in the marketplace, all payment networks will be pushed to offer better services at a better price point in order to remain competitive. Even the Bloomberg Editorial Board agrees that "[The Capital One-Discover merger is] likely to inject much-needed competition into the card market." Strengthening Discover will also give restaurant owners more leverage to negotiate more favorable terms for themselves.

It's clear that the proposed merger between Discover and Capital One will be a victory for marketplace competition, consumers, and small businesses. For the sake of restaurants and small businesses all over the country, the Biden Administration should welcome it.

Sam Salami

Lazeez Restaurant
337 N St Clair
Toledo, Oh, 43604
419-243-8485

From: Jack Trethewey
To: RICH BankSup Applications Comments
Subject: [External] Create More Competition
Date: Thursday, May 23, 2024 3:13:04 PM

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As a former Hill County Commissioner and retired firefighter in Havre, MT, I deeply value strong local economies and the vital role that small businesses play in our community. The proposed merger between Discover and Capital One holds significant promise for boosting small businesses here in Havre and strengthening our local economy.

Small businesses are the heart and soul of Havre, however, many of these businesses face significant challenges when it comes to accessing the tools they need to grow and thrive. The merger between Discover and Capital One presents a unique opportunity to improve services all around by enhancing competition in the credit card payment network market, which has long been dominated by just two major players.

By leveraging Discover's extensive payment network, Capital One can make Discover more competitive with the two big companies, creating more flexible credit options tailored to the needs of small businesses. Additionally, Capital One gaining access to Discover's network will allow it to reach more people providing our local entrepreneurs with better access to financing, allowing them to invest in their businesses, expand their operations, and create more jobs in our community.

Moreover, both Discover and Capital One have a proven track record of supporting underserved communities and promoting financial inclusion. Capital One's commitment to the Community Reinvestment Act (CRA) and its innovative financial products designed for those with limited credit histories demonstrate their dedication to helping small businesses and individuals succeed. Discover, too, has been a leader in offering no-fee credit cards and supporting first-time credit users.

For Havre's small businesses, this merger will. mean access to a broader range of financial products and services that can help them manage their finances more effectively. Improved banking options, such as no-fee, no-minimum deposit accounts and enhanced fraud protection, will provide local business owners with the tools they need to focus on growth and innovation without worrying about financial barriers.

As someone who has dedicated his life to serving and protecting the people of Havre, I believe that supporting the Discover-Capital One merger is a crucial step towards fostering a vibrant and resilient local economy. I urge policymakers and stakeholders to recognize the potential of this merger to uplift our small businesses and strengthen our community. Together, we can build a stronger, more prosperous Havre for all.

Jack Trethewey

From: Shannon Powell
To: RICH BankSup Applications Comments
Subject: [External] Capital One-Discover Merger
Date: Thursday, May 23, 2024 4:04:47 PM

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To whom it may concern:

Through my work as Chief of Staff for the City of Racine, I worked with a team to implement policies that would bring equity to Racine's Black and lower-income communities. Today, look for opportunities to advocate for proposals that I know will advance justice and equity for historically underserved communities. That is why I am pleased to lend my voice in support of the proposed Capital One and Discover merger, which will expand access to credit to Black communities, like in Racine, and all over our nation.

Discover and Capital One both demonstrated that they believe in providing every American with the opportunity to actively engage in the nation's financial system. That is exemplified by the fact that Capital One is the largest credit card issuer to first-time card holders and the fact that it has a long-standing track record of "Outstanding" Community Reinvestment Act performance– with one third of their bank branches in low or middle income communities. Discover was also one of the first banks to offer no-fee credit cards and is often people's gateway to building credit. These are policies that provide a disproportionately positive impact on Black communities who are too often left behind by other banks.

Allowing this merger to become final would empower Discover and Capital One to build on their work of expanding access to credit for Black communities who are often overlooked by other financial institutions. A combined Capital One-Discover bank can use its resources to continue providing affordable and personalized credit options to the households that need it.

Although some politicians have expressed concerns that the merger will stifle competition in the credit card issuer market, those concerns are not rooted in reality. A recent study by the Bank Policy Institute found that the credit card market is not even close to being concentrated when compared to other industries.

Access to credit is a cornerstone of American economic mobility.. Having an established credit history is how financial institutions determine whether someone can qualify for a mortgage or secure a loan to finance their education.

Regulators should welcome this merger as an opportunity to empower Black communities to build credit and eventually build wealth – spurring growth in communities that our financial system has often forgotten.

Thank you for your consideration

Shannon Stansil-Powell

Former Chief of Staff to Mayor Cory Mason in Racine, WI
Current Director of Local Policy, StriveTogether Network
262-325-9651
3701 Lindermann Ave, Racine, WI 53405

From:	Sally Swenson
To:	RICH BankSup Applications Comments
Cc:	Dane Moist
Subject:	[External] Statement of support for Capital One
Date:	Thursday, May 23, 2024 4:21:18 PM
Attachments:	Outlook-wuitjfb4.png

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Dear Sir or Madam,

On behalf of Jamaica Plain Neighborhood Development Corporation (JPNDC), I am pleased to write in support of Capital One's application to the Federal Reserve to acquire Discover.

Founded in 1977, JPNDC pursues the mission of transforming the lives and amplifying the voices of Boston residents who have been excluded from prosperity by racial and economic inequities. Over 47 years, we have developed 979 affordable homes, transformed a 19th-century brewery into a thriving small business complex, and supported the start-up and expansion of more than 300 predominantly immigrant-owned small businesses. JPNDC is one of the lead providers of family childcare and economic mobility services to Boston's Latino immigrants.

Capital One has consistently proved itself a true community-focused institution and valuable partner to JPNDC. It has been an investment partner in several of our affordable housing development projects. It has twice provided a pro bono team that spent several months helping JPNDC build its CRM database. Capital One has made nearly a dozen philanthropic grants to support our affordable housing and small business programs, making a difference in the lives of hundreds of low-income families and entrepreneurs.

Thank you for considering their application. Please don't hesitate to contact us for further details about JPNDC's partnership with Capital One.

Sincerely,
Sally Swenson
VP of Fundraising & Communications
284 Amory St., Building K
Jamaica Plain, MA 02130
617-830-5924

JPNDC

Community. Prosperity. Results.

Comunidad. Prosperidad. Resultados.

LIVE UNITED

United Way

From:	Dorri McWhorter
To:	RICH BankSup Applications Comments
Subject:	[External] Docket ID OCC-2024-0006
Date:	Thursday, May 23, 2024 6:34:47 PM
Attachments:	Discover - Captial One Merger Letter of Support_YMCA of Metro Chicago.pdf

NONCONFIDENTIAL // EXTERNAL

Hello! Please find my comment letter attached regarding Docket ID OCC-2024-006.

Best,
Dorri

--
DORRI C. MCWHORTER
President & CEO
YMCA OF METROPOLITAN CHICAGO
P 312-932-1277 **M** 773-671-0319
E dmcwhorter@ymcachicago.org **W** ymcachicago.org

Ann E. Misback
Secretary of the Board
Federal Reserve Bank
20th Street and Constitution Ave NW
Washington, DC 20551

Subject: Supporting the Discover & Capital One Merger

Dear Ms. Misback,

I'm writing to you on behalf of the YMCA of Metropolitan Chicago. Since 1840, the YMCA of Metropolitan Chicago has worked to meet the needs of families throughout Chicagoland. Our organization's founders envisioned a city where residents would be nurtured and supported. Through a multitude of services and programming including housing, health and fitness and youth violence and prevention, and economic development, the Y remains at the heart and soul of personal growth and development among Chicago residents.

I recently attended a community listening session hosted by Discover and Capital One at Discover's Shine Bright Community Center on the South Side of Chicago where they spoke about the benefits of the proposed merger your office is reviewing. I was delighted to hear about Capital One's record of community investments and how that aligns with that of Discover. Capital One remains committed to Discover's vision for bringing quality jobs to Chicago's South Side and supporting organizations like ours whose work is critical to improving the fabric of our local communities.

The proposed merger between Capital One and Discover can be positive for Chicago as Discover's customer care center in Chatham has already had a positive economic impact on Chicago's South Side since it opened three years ago. As a combined company with Capital One, we believe the merger will further benefit the community and allow non-profit organizations like the YMCA of Metropolitan Chicago and others to provide even more critical services to Chicagoans in need.

This merger has the potential to improve access to financial products and community resources for those who are just getting by in our communities. Many of whom have been denied equitable access due to historical injustices and systemic barriers that have limited economic opportunity.

We encourage the Federal Reserve to approve this merger, recognizing its potential to benefit communities like ours and its impact on improving.

Thank you for considering our perspective.

Warm regards,

Dorri C. McWhorter
President and CEO
YMCA of Metropolitan Chicago
P: 312-932-1277 E: dmcwhorter@ymcachicago.org

From:	Briana Ortega
To:	RICH BankSup Applications Comments
Subject:	[External] Capital one merger comment
Date:	Friday, May 24, 2024 2:00:32 PM

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As a small business owner, and candidate for the State House, I'm excited to voice my support for the proposed merger between Capital One and Discover. This merger isn't just about players in the financial industry making moves; it's about empowering local businesses like mine and ensuring that everyone has access to the credit they need to thrive. Small businesses are the backbone of our economy but are often challenged by the lack of competition in the credit card payment processing industry. The two big companies are able to dictate the terms to small businesses like mine since they control almost all of the market. But with Capital One gaining access to Discover's payment network through the merger, there's a real opportunity to bring competition and level the playing field. More competition could mean enhanced programs, improved services, and reduced fraud so that we can operate more efficiently and better serve our customers. But this merger isn't just about business; it's about equity and access in line with my values as a candidate for the AZ State House. Capital One's commitment to serving underserved communities, as evidenced by their participation in the White House's Economic Opportunity Coalition and their strong track record in low- and moderate-income neighborhoods as outlined by the Community Reinvestment Act, resonates deeply with me. By expanding access to credit and financial services, we can ensure that everyone has the opportunity to achieve their dreams, whether it's starting a business or buying a home. As someone who's deeply invested in my community, I believe that this merger will have a positive impact on Arizona and beyond. By supporting small businesses and promoting credit access for all, we can build a stronger, more equitable economy that works for everyone. I urge regulatory agencies to consider the potential benefits of this merger and support initiatives that empower local businesses and support economic opportunity for all. Briana Ortega Small Business owner, Advocate

From:	Nia Byas
To:	RICH BankSup Applications Comments
Subject:	[External] Merger Will Improve Competition
Date:	Friday, May 24, 2024 2:26:18 PM

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The merger between Capital One and Discover offers a unique opportunity to expand credit access to people in my community and nationwide. I've had the privilege of working as both Communications Director for the SC Senate Democratic Caucus, and Treasurer for the Young Dems of South Carolina, and in these roles, I've met so many families and hard workers in South Carolina who would stand to benefit from this merger.

Capital One has demonstrated a strong commitment to serving communities that other banks have historically left behind. The Community Reinvestment Act (CRA) encourages banks to provide financial services to all parts of the communities they serve, including low- and moderate-income (LMI) neighborhoods. Capital One ranks first among larger banks when it comes to serving these communities, with one-third of their branches located in LMI neighborhoods. Both Capital One and Discover have long-standing track records of "Outstanding" CRA performance, showcasing their dedication to financial inclusion and community support.

Over the past decade, Capital One has consistently ranked first or second in community development lending among all banks, with more than $59 billion in CRA-qualified loans. In 2023 alone, Capital One reported $4.75 billion in community development loans, the vast majority of which supported affordable housing for low-to-moderate-income households. These efforts are crucial for fostering economic stability and enabling upward mobility in underserved communities.

Critics have expressed concerns about the potential concentration of the credit card market resulting from this merger. However, it is important to note that the credit card industry remains highly competitive. On average, the typical American has between three to four credit cards issued by various providers and can switch easily between credit card products. There are over 4,000 financial institutions of varying sizes that offer credit cards, making the market less concentrated today than it was a decade ago. Both the OCC and the Fed have confirmed that the credit card market is highly competitive and will remain unconcentrated even after the merger.

I urge policymakers and stakeholders to support this merger, recognizing its potential to uplift our communities and foster economic prosperity. Together, we can create a more inclusive financial system that empowers every individual to achieve their full potential.

Nia J. Byas
Communications Specialist
Columbia, South Carolina
NiaByasTV.com | niabyastv@gmail.com | Nia Byas' LinkedIn

C: (803) 200-9343

From:	Allison Hawkins
To:	RICH BankSup Applications Comments
Cc:	Ashok Regmi; Jennifer Whatley
Subject:	[External] comments from Street Law, Inc.
Date:	Friday, May 24, 2024 3:43:34 PM
Attachments:	Capital One comment letter_May 2024.pdf

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To whom it may concern,

Please see the attached comment letter from Street Law, Inc. regarding our organization's partnership with Capital One.

Please feel free to reach out to me with any questions or requests for additional information.

Sincerely,
Allison Hawkins

Allison Hawkins (she/her/hers)
chief administrative officer
Street Law, Inc.
1010 Wayne Avenue, Suite 860 | Silver Spring, MD 20910 | U.S.A.
+1 240-821-1317

STREETLAW INC
EDUCATION. EMPOWERMENT. JUSTICE.

May 20, 2024

Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551–0001

To whom it may concern:

I am writing as a representative of Street Law, Inc. to share information about the role Capital One has played in supporting our organization and its mission.

Street Law is a global, nonpartisan, nonprofit organization. For five decades, Street Law has developed innovative programs and leveraged education for empowerment and justice across the United States and around the world.

Since 2016, Capital One has proven itself a loyal partner, supporter, and adviser to Street Law.

Capital One has actively participated in Street Law's Legal Diversity Pipeline program since 2016. Through this program, volunteers from the Capital One legal department have partnered with Armstrong High School in Richmond, VA, to expose young people to legal career opportunities and expand their understanding of the law. Street Law and Capital One also provided a virtual career academy for Richmond youth, which built their understanding of career planning and employment law.

Capital One has supported Street Law through annual sponsorship of its annual Awards Gala (2018–2023) and generated additional support from the legal community by serving on the event's Host Committee (2018–2023).

Additionally, a senior leader from Capital One has been a tireless champion for Street Law. He has served as an adviser on our Leadership Circle (2017–present), working to strengthen Street Law's partnership work with the legal community.

Street Law is deeply appreciative of its partnership with Capital One. It has enabled Street Law to empower young people in Richmond (and beyond) with the civic and legal knowledge, skills, and attitudes needed to positively transform their world.

Sincerely,

Ashok Regmi
CEO

From:	TJ Larson
To:	RICH BankSup Applications Comments
Subject:	[External] Capital One-Discover merger
Date:	Friday, May 24, 2024 4:22:15 PM

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To whom it may concern:

My experience as a customer of Capital One and Discover has been exceptional, particularly with Capital One, which has had the most impact on my business. The Capital One Spark Business unlimited 2% cash back card is a powerful payment resource that has saved our company millions of dollars over the last decade. The 2% cash back in the form of statement credits has fueled reinvestment into the business and contributed to job growth in the communities we serve. The support received by the professionals at Capital One has been invaluable to the growth of the business. Allowing the merger will allow Capital One and Discover to continue enhancing their support of small businesses and their ability to compete. Additionally, the merger can potentially increase competition within the credit card payment processing market that's currently dominated by Visa and MasterCard. Therefore, I'm writing in favor of the proposed merger between Capital One and Discover.

Thank you for considering my comments.

Sincerely,
TJ Larson

TJ Larson | President | Toys For Trucks, Inc.
3005 N Marshall Rd, Appleton, WI 54911
Ph: 920-215-4948 | toysfortrucks.com

From: Kenneth Thrasher
To: RICH BankSup Applications Comments

Subject: [External] Comment period input as requested on the merger of Discover and Capital One
Date: Saturday, May 25, 2024 12:22:01 AM

NONCONFIDENTIAL // EXTERNAL

Dear Reviewers of Public Comment:

As the retired CEO of a large western food and non-food retailer, I have seen firsthand the vital role that access to credit plays in the success of small businesses and the economic well-being of underserved individuals. That's why I am enthusiastic about the potential impact of the proposed merger between Discover and Capital One.

Small businesses are the backbone of our economy, driving innovation, creating jobs, and fostering vibrant communities. However, many small businesses face significant barriers when it comes to accessing credit, both for their company and the costs incurred by their customers in using credit cards which have over time increased the cost of goods sold and customer prices. This often limits customer traffic and therefore the small business' ability to grow and thrive. Likewise, underserved individuals often find themselves excluded from traditional credit opportunities due to limited credit history or income, along with reduced purchasing power which hurts our economy.

The merger between Discover and Capital One presents a unique opportunity to address these challenges by expanding credit access to underserved communities and empowering small businesses, while *hopefully increasing credit card competition and hopefully lowering fees and prices. By leveraging Discover's payment network, Capital One can reach a broader audience, including those who have been historically marginalized. This is especially important because of Capital One's commitment to the Community Reinvestment Act which encourages banks to serve every community. Capital One ranks first among larger banks regarding serving low and middle income communities with one third of its branches in these communities. Merging Capital One and Discover's network means more small businesses will have access to the credit they need to invest in their growth and create opportunities for themselves and their communities.*

Furthermore, this merger can help drive economic inclusion and prosperity by providing underserved individuals with the tools they need to build brighter financial futures. Whether it's financing a small business venture, purchasing a home, decreasing the costs of products purchased, or pursuing higher education, access to credit can open doors and create pathways to opportunity for all Oregonians.

As someone deeply committed to the economic well-being of our state and its residents, I believe that initiatives like the Discover-Capital One merger are essential for fostering economic growth and creating a more inclusive and equitable society. I urge policymakers and stakeholders to support this merger and its potential to uplift small businesses and expand credit access to underserved individuals across Oregon, while creating more competition on credit card fees that impact low income families the most. Together, we can build a stronger and more resilient economy that works for everyone.

Ken Thrasher, Retired Retail CEO, 1001 NW Lovejoy St, Unit 1301, Portland, OR

97209

From: Ronnie Janson
To: RICH BankSup Applications Comments
Subject: [External] Comment on Capital One Discover Merger
Date: Saturday, May 25, 2024 1:03:48 AM

NONCONFIDENTIAL // EXTERNAL

As a small business owner, I believe it is important to advocate for small businesses. I understand the vital role that access to credit plays in the success and resilience of small businesses. That's why I'm optimistic about the proposed merger between Capital One and Discover and its potential to enhance credit access, particularly for small businesses in our community.

From an insurance perspective, widespread access to credit is paramount. Adequate credit enables businesses to mitigate risks and protect themselves against potential financial losses. Whether it's obtaining business insurance policies or accessing funds to cover unexpected expenses, credit availability is a crucial component of a comprehensive risk management strategy for small businesses.

Capital One's proven commitment to serving low- and moderate-income (LMI) communities, coupled with Discover's track record of providing innovative credit solutions, positions the merged entity to significantly expand credit accessibility for small businesses. By leveraging their combined resources and expertise, Capital One and Discover can develop tailored financial products and services that meet the unique needs of small businesses, empowering them to thrive in today's competitive marketplace.

While some critics may raise concerns about market concentration, it's important to recognize that this merger will foster competition and innovation within the financial services industry. By introducing a formidable competitor to the dominant players in the credit card market, the merger will create more options and better terms for small businesses seeking credit.

In conclusion, I urge regulators to support initiatives that promote economic growth and empower small businesses. By approving the merger between Capital One and Discover, regulators can help ensure that small businesses in Roseville, CA, and across the country have the cre
dit access they need to succeed and prosper.

From: Billy <wilfrahug@cox.net>
Sent: Wednesday, May 22, 2024 3:45 PM
To: Harley Moyer; RICH BankSup Applications Comments; LicensingPublicComments@occ.treas.org
Subject: comments submitted for announced public meeting - please enter into the public record
Attachments: roberts5.odt; roberts6.odt; roberts7.odt; SCOTUS.odt

Categories: External

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Harley,

Though I have written to select Democratic Senators in the past about the abandonment of anti-trust regulation or *any* regulation interfering with the aggressive upward redistribution of wealth as a consequence of the conservative corruption of the political economy and our institutions of government for over half a century, why would the Federal Reserve be even remotely interested in *my* opinion on the massive merger of two financial behemoths? It would be a fool's errand to attempt to contest any of the institutionalized financial sector malfeasance given the conservative contamination of the courts.

Pope Francis clearly identifies the dilemma this country is facing as voters will make the choice between democracy and authoritarianism this fall. “Conservative is one who clings to something and does not want to see beyond that. It is a suicidal attitude,” he said. He warned against getting “closed up inside a dogmatic box” and the “globalization of indifference.”

This merger between Capital One and Discover is merely another example of establishing "too-big-too-fail" financial institutions to perpetuate the profit privatized, risk socialized economic agenda by E-suite inhabitants, private equity pirates, and hedge fund swine to strip-mine mountains of lightly-taxed wealth from the economy as quickly as possible, deploying their platinum parachutes of privilege for a soft landing when the system once again implodes leading to another Great Recession which has no impact on their lives while everyone else suffers.

This *wicked tuna, parasitic capitalism* is so far off the hook Democrats who went along with this "trickle-down" nonsense for decades are probably not going to be able to reel back in a flailing monster intentionally wreaking havoc and creating chaos for profit by provoking extreme political division and social dissonance using a well-oiled fascist propaganda machine. TRUTH no longer a component of a conservative media aggressively disseminating false narratives to incite fear, provoking the worst inclinations of bigotry, hatred, and intolerance to severely erode trust in democratic principles and values, tightly controlling the messaging to perpetuate minority (R) power.

https://substack.com/app-link/post?publication_id=20533&post_id=144678005&utm_source=post-email-title&utm_campaign=email-post-title&isFreemail=true&r=2hc1nn&token=eyJ1c2VyX2lkIjoxNTAwNDc4NDMsInBvc3RfaWQiOjE0NDY3ODAwNSwiaWF0IjoxNzE1ODMwNDI3LCJleHAiOjE3MTg0MjI0MjcsImlzcyI6InB1Yi0yMDUzMyIsInN1YiI6InBvc3QtcmVhY3Rpb24ifQ.6B3jZnQcv2Hc7YsnavFPMNGUm4lDRYAJWETtXtD763Y

The following paragraph sent to select Democratic Senators last year.

Manual on Fascism, Step 1 - Contaminate the courts with those committed to an extremist right-wing ideology promoting White Christian Nationalist interpretations of the Constitution and laws. Manual on Fascism, Step 2 - Have the fascist oligarchs use the power of their wealth to buy control of media. Jeff Bezos the founder of Amazon bought The Washington Post in 2013 for about $250 million. Dr. Patrick Soon-Shiong a biotechnology and start-up billionaire purchased The Los Angeles Times in 2018 for $500 million. Sinclair Broadcast group consolidating local media outlets to tightly control messaging intended to make people believe the purpose of democratic government is to destroy their lives and "replace" them with the "other." FOX?! Please give us all a break from their systematic destruction of reality. Manual on Fascism, Step 3 - Stage a multi-pronged coup following a free and fair election you clearly lost to stop the peaceful transfer of power.

In 1987 when I was working in the mountains of Central Idaho I read a month-old article in a Sunday edition of the NYT someone had left in the bar, revealing almost *every* member of the House or Senate losing an election or retiring was immediately employed as a corporate lobbyist. I went to boarding school in England where they studied *history,* do you recall Santayana's famous quote about about *history?* The Brits particularly sensitive about their *history* of being bombed relentlessly by the Luftwaffe. It was very clear to me at that time this lobbying bullshit was going to be trouble.

Even back in 1987 one could clearly see the relationships being constructed between Washington, Wall Street, and corporate America by powerful conservatives sitting at the Business Roundtable, to promote exclusively and aggressively their own narrow interests. "Drill baby drill," "cut taxes," "government *is* the problem." With the Legislative Branch controlled by special interests, conservatives could then begin aggressively targeting the Judicial and Administrative Branches.

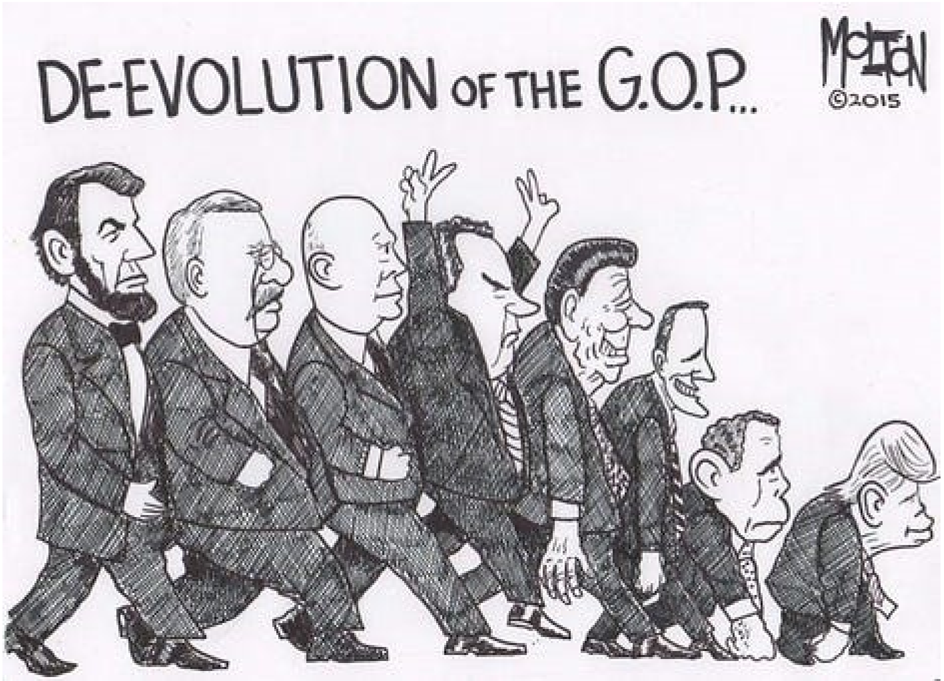
Back then I pulled out my dog-eared 1985 American Heritage Dictionary and looked up - *fascism,* "def. A system of government that exercises a dictatorship of the extreme right, typically THROUGH THE MERGING OF STATE AND BUSINESS LEADERSHIP, together with belligerent nationalism." Please Google caps. I mailed a letter to Ronald Reagan at 1600 Pennsylvania Avenue providing him that definition. Having a "General Delivery" return address I never received a response, but perhaps not for that reason.

Reagan, Bush, and Trump were all dim-witted ciphers simply operating on marching orders from the fascist oligarchs strategizing to dominate government to aggressively promote their own narrow interests and consolidate minority (R) power to produce mountains of unearned investment wealth for the economic aristocracy and while engineering the contamination of the political process with unlimited money (Citizens United), simply buying even more minority power.

The top ten percent of the population receives 90% of unearned investment wealth annually. The next ten percent believes they are in the top ten percent or soon will be. So the top twenty percent of the population is pathologically resistant to any substantive structural change as well as paying more taxes on all of that free money, old, and white, and rich, and applying a death-grip to our democracy. The next thirty percent are quite comfortable, with 401Ks and perhaps anticipating some inherited wealth at some point, so somewhat reluctant to actively endorse any of the requisite change necessary to mitigate the coming maelstrom of cascading catastrophes irreversible climate change represents. The bottom half is circling the drain, but as *survivors* perhaps best adapted and prepared for the coming shit-storm of calamity.

Ronald Reagan was a B-list Hollywood actor. Kurt Vonnegut hauntingly prescient in his novel Player Piano, portraying the president as a vacuous Hollywood actor having a nice smile, perfect teeth, and a good head of hair, unlike that mangy yellow marmot on the head of the former reality TV former president. Please, can't we at least get some basic qualifying criteria or a test of some kind for the job?! If in all this current criminal justice hullabaloo some public official, anchor, or legal pundit suggests "*the system works,*" I think I will vomit. Lawrence O'Donnell's tired reflections on the halcyon days of Reagan's Washington when he was and aide to Senator Moynihan are a complete load of regurgitated crap. The Reagan administration built the trail-head for the path toward fascism.

Reagan quickly tore down the solar panels Jimmy Carter had installed on the White House. With Treasury Secretary Don Regan's (CEO Merrill Lynch) hand up Reagan's puppet-ass, James Watt at Interior began quickly moving energy policy to the far more profitable "drill baby drill" any thoughtful consideration of alternative energy completely abandoned. Recently we learned that the first "red flags" from scientists warning of the adverse consequences attached to the burning of fossil fuels and associated rapid increase in atmospheric CO_2 were raised in 1959 when I was two years old. The oil industry continues to deliver mountains of unearned investment wealth to the economic aristocracy today, while receiving government subsidies estimated at between $10 and $50 billion last year for an industry with $200 billion in profits in 2022.



Democrats rolled over passively and took one in the ass in Bush v. Gore giving away an election they clearly won, with James Baker assisted in this litigation by John Roberts, Brett Kavanaugh, and Amy Comey Barrett. Do these names ring any bells? The fascist takeover (Federalist Society, Leonard Leo) of the courts was obviously well underway in 2000, fascist oligarchs now keeping SCOTUS Justices as pets in case they need a regulation erased or to prevail in a lawsuit delivering them a few billion dollars. My mind has difficulty grasping the normalization of a clearly fascist agenda which has completely contaminated the SCOTUS. Neil Gorsuch's career created and elevated by fascist oligarch Philip Anschutz who calls his spread in Colorado the "Eagle's Nest" in honor of Hitler's compound above Berchtesgaden. This while Toby Thomas' patron Harlan Crowe collects Nazi memorabilia. This is all frankly insane.

In 2016 DJT did not win the election, Hillary Clinton lost it with a huge assist from James Comey, as the conservative contamination DOJ is no longer a secret. Please reference Bill Maher's May 7th Real Time episode and fast forward to his final segment as you have no doubt already heard the fascist talking points aggressively spewed by Kellyanne Conway refusing to allow the other guest to say much of anything. The moral decay at DOJ? Bill Maher nails it!

Between the progression of the digital age and Covid, financial institutions have been able to cut loose hundreds of billions (trillions?) of fixed costs attached to brick and mortar bank branches and their staffs, replaced by software, funneling this windfall into the pockets of executives and wealthy investors to manufacture more billionaires who don't pay any taxes. Greed the singular motivation of this Authoritarian Movement underwritten by the fascist oligarchs and consummated with SCOTUS Justices seated through corrupted nomination and confirmation processes.

A couple of years ago I went off the rails, printing and sending letters (attached) to John Roberts and the liberal minority screaming into the bureaucratic abyss about the heinous pattern of corruption of institutions which rely the trust of the people for legitimacy. Democrats are commonly so far behind the curve they don't see what is coming until it smacks them upside the head and they spin around dizzily using focus groups to determine how they should respond.

Harley, raise interest rates or lower interest rates, I guess I don't care that much other than in being entirely risk averse I was told the T-bills I purchased offering 4.25% interest were secure and I would not lose money.

At this space and time with the economic aristocracy having all the money and associated power, while massive wealth and income inequality is the source of all this Nation's ills, hasn't money become entirely conceptual?! Just digital information in a computer somewhere?!

I have food and shelter, the top two needs in Maslow's Hierarchy. For those for whom *enough* is never *enough* to see the level of suffering in this world and want *more,* I say dust off the guillotines, donating to your favorite charities using "free money" is not sufficient. "Philanthropy is commendable but it must not allow the philanthropist to over look the circumstances of economic injustice which make philanthropy necessary." - MLK

Gandhi identified "Wealth Without Work" as one of The Seven Deadly Sins. Our financial system of parasitic capitalism is predicated on what a holy man identified as a sin.

The link below from an old email attempting to emphasize the failure of elites to be honest in admitting the global social and political turmoil we are experiencing is a consequence of the intentional engineering of *massive* wealth and income inequality. Telling the truth at Davos has earned Rutger Bregman the ire of many of these global elites, as has his comment, “No, wealth isn't created at the top. It is devoured there.”

https://twitter.com/i/status/1090045108064579584

Harley, good luck fixing everything, hope you don't find it all beyond repair!

William F. Hughes
Hailey, Idaho

Chief Justice John G. Roberts, Jr.
Supreme Court of the United States
First Street, NE
Washington, DC 20543

Dear Chief Justice Roberts,

The following diatribe assembles my observations and opinions associated with forty years of the systematic corruption by special interests of the institutions of government responsible for guiding our Democratic Republic, now apparently, off the cliff.

Gandhi identified *"Wealth Without Work"* as one of the *"Seven Deadly Sins."* Our economic paradigm has been predicated on that sin for four decades, with the exclusive objective of expanding the stream of *unearned* investment income to the economic aristocracy, every consideration subordinate to the extraction and accumulation of wealth for elites. The line on a recent graph in TIME representing income inequality over time is now vertical. Winners Take All: The Elite Charade of Changing the World, by Anand Giriharadas, should be required reading for every citizen of this country, except that nobody reads anymore, they spend all of their time attending to their mobile device.

MLK opined that *"Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary."* I encourage those reading this to once again read MLKs *"Letter from Birmingham Jail."* I am amused at the irony of individuals sitting atop mountains of *unearned* wealth who have never clocked an honest day's work in their life, loudly insisting that work requirements be a condition for poor people to receive food stamps, apparently ignorant of the history of violence hunger has written, and believing wealth somehow implies exceptionalism or divine ordination, such thinking the product of a haute bourgeoisie hangover from the Middle Ages.

In 2020, Republicans will constantly invoke *"socialism"* to exploit irrational fear of a more progressive Democratic agenda, working-class Trump voters after forty years of being repeatedly thrown under the bus by the retrograde policies of their own Republican Party leadership and Presidents they have blindly and obstinately supported, who have prioritized corporate interests and shareholder profits, are now conditioned by the right-wing propaganda machine to fear things could only get worse, never better. I live in a mountain resort area in the west that found Aussies and Kiwis in abundance in the late 80s and early 90s, overstaying their visas while working and playing in the Northern Rockies. Each and every one of them identified Rupert Murdoch, who has visited our fair valley for the annual Allen and Company event, as a *fascist propagandist*.

The following analysis from Einstein written in May of **1949**, long before *Citizens United*, here applies that massive intellectual capacity to economic systems rather than the systems and laws of physics governing our universe. It is less a promotion of socialism than an indictment of the vulnerability of capitalism to corruption. In the endless tug-of-war between labor and capital, capital has finally prevailed in the new millennium, hardly a random outcome.

"Private capital tends to become concentrated in a few hands, partly because of competition among the capitalists, and partly because technological development and the increasing division of labor encourage the formation of larger units of production at the expense of smaller ones. The result of these developments is an oligarchy of private capital the enormous power of which cannot be effectively checked even by a democratically organized political society. This is true since the members of legislative bodies are selected by political parties, largely financed or otherwise influenced by private capitalists who, for all practical purposes, separate the electorate from the legislature. The consequence is that the representatives of the people do not in fact sufficiently protect the underprivileged sections of the population. Moreover, under existing conditions, private capitalists inevitably control, directly or indirectly, the main sources of information (press, radio, education). It is thus extremely difficult, and indeed in most cases quite impossible, for the individual citizen to come to objective conclusions and to make intelligent use of his political rights."

So many officials, from both sides of the aisle, continue to deify Reagan, despite the insidious nature of Iran/Contra and policies eventually destroying the middle class and the planet's atmosphere. Perhaps he should have been held accountable, but he was just doing what he was told. Like Bush (W) he was simply a cipher, an actor assigned the theatrical role of President, as prophesied in Kurt Vonnegut's Player Piano.

A Trump Presidency was not ever seriously considered, even by Republicans, most prognosticators completely void of any awareness regarding the intensity of populist angst among rust-belt refugees wanting *only* to disrupt the establishment, Trump's abject corruption and incompetence proving to be the perfect tools for the job. With their power destined to fade in the light of increasing diversity, leadership on the right have now become unconscionable opportunists willing to drive this country's institutions of government into the ground to satiate the angry mob/base upon which any residual power they retain depends, fomenting the extreme polarization on which the survival of their retrograde agenda relies.

Reagan served as front man for an agenda prioritizing exclusively the upward redistribution of wealth through parasitic crony capitalism, the tick now much bigger than the dog, which the puppet-master, Treasury Secretary Don Regan, promoted after arriving in DC from Merrill Lynch (CEO). He firmly established the umbilical between Washington and Wall Street, *"trickle-down"* a less menacing euphemism for *"fascism,"* defined in my dog-eared, 1985 American Heritage Dictionary as, *"A system of government that exercises a dictatorship of the extreme right, typically through the merging of state and business leadership, together with belligerent nationalism."* An eerily accurate definition for these times.

I first wrote that definition to validate political opinions over 20 years ago. Being a bleeding-heart environmentalist, also pointing out at that time that objective science had concluded that it may already be too late for humanity to alter its path toward extinction as the result of climate change/CO2...good luck Greta! The following excerpt from a speech by Jimmy Carter in the late 70s is profound today, and could have saved us from ourselves if we valued the fate of the generations that follow more than money.

"One of our most urgent projects is to develop a national energy policy. The United States is the only major industrial country without a comprehensive, long-range energy policy. Our program will emphasize conservation ... solar energy and other renewable energy sources ... We must face the fact that the energy shortage is permanent. There is no way we can solve it quickly. But if we all cooperate and make modest sacrifices ... we can find ways to adjust."

"If we wait, and do not act, then ... we will feel a mounting pressure to plunder the environment. We will have a crash program to build more nuclear plants, strip-mine and burn more coal, and drill more (oil and gas) wells."

"If you will join me so that we can work together with patriotism and courage, we will again prove that our great nation can lead the world into an age of peace, independence and freedom.

"This difficult effort will be the moral equivalent of war --- except that we will be uniting our efforts to build and not destroy."

In an effort to appear less partisan, I always offer criticism for both sides. I also found Clinton's attachment to Wall Street extremely disturbing. While he takes credit for handing off a budget surplus to Bush, though my friends leaning right insist he didn't, this had nothing to do with policy, and was simply timing. This country was actively engaged in installing the fiber network and hardware for the communications systems required by the IT boom that spanned the Clinton Presidency, with software engineers the wizards of this New Age of Technology, making it an indispensable tool of government and industry. Big Tech is now a ubiquitous component of our culture and economy, for better or for worse, an industry completely immunized from anti-trust laws which have been entirely abandoned in this country, as has most other regulation/constraint on corporate greed.

After the mortgage securities meltdown in 2008, of the eight houses physically closest to mine, five went into foreclosure or short-sale. These were my neighbors. Approximately two **T**rillion of public revenue went into the *BAILOUT* (Neil Barofsky), with only four **B**illion reaching "main street," until it was way too late to matter. With Goldman Sachs pulling the strings at Treasury, the money was used to insulate Wall Street executives, wealthy investors, and corporations from any crippling losses, anointed "too big to fail," suffering and sacrifice the destiny of the masses and my neighbors, not the economic aristocracy, many of whom build and maintain mostly empty palaces here, while workers are being driven out by associated gentrification. All the money has cheapened the character of our fair valley, with local officials representing real estate industry interests at the expense/property taxes of the workers lucky enough to have purchased homes back when that was possible, fortunate not to lose their home after 2008, and hanging on for dear life.

These wealthy beneficiaries of massive quantities of public revenue also made bank on the back side of this disaster, purchasing many of the homes in foreclosure in our area as investments, listing them as short-term vacation rentals on Airbnb and VRBO, further reducing the inventory of affordable, long-term rentals for workers. Now the economic aristocracy whines on endlessly about the *servant* class during visits. There were no consequences or prosecution of the miscreants in the financial sector responsible for the Great Recession, a small Chinese bank in NYC was eventually prosecuted as a PR stunt.

Again, for four decades government has represented only money, not "We, The People," deceiving citizens to promote such waste as perpetual war with the singular objective of funneling **T**rillions of dollars into the pockets of cronies.

By the way, Dick Fuld's (Lehman Brothers) home/estate in our fair valley was listed a few years ago by Concierge Auctions at $59.5 million, with a minimum bid requirement of $20 million. No one knows what it sold for, just like no one knows what leverage Russia/Putin has over Trump. They *own* him, so it is obviously financial, which is why we *must see the tax returns* from the "most transparent President in history!" Then open the secret server, dude!

Moscow Mitch McConnell and *"Party Before Country, Constitution, Oath of Office, and Rule of Law"* Republicans, along with Trump, continue to blatantly represent Russian Federation interests rather those of our country and its citizens. As a taxpayer, I eagerly support allocating funds for the purchase of one-way tickets for all of them to be with their masters.

Briefly back to the tech thing. It is my opinion that social media is nothing more than a personal feedback loop primarily for entertainment. I own neither a cell phone nor smart phone/mobile device, though they were critical in past employment, and employer-provided. An illiterate president who governs by *tweet* should only be some bizarre, imaginary character, maybe with very unusual hair and an odd complexion, from a dystopian future confined to the pages of a science fiction novel, rather than a very real, rabid bigot, foaming at the mouth during his many Kristallnacht rallies.

My father was a career officer in the Army/Armor, and served as a liaison officer in Bovington, England, when they were developing the Chieftain Tank. I was in boarding school, but when home on break I watched the two TV stations, BBC and ITV, which late at night or very early in the morning when no programming was scheduled, showed black and white footage filmed upon entrance into the concentration camps of Germany and Eastern Europe. As an adolescent, the mountains of human bodies had a profound impact on my view of the world we live in, nurturing a righteous indignation in response to systemic injustice, social, economic, and environmental. With White Nationalism now infecting the body politic, it occurs to me that I cannot remember the last time I heard the words *"never again."* Perhaps associated with Rwanda or Bosnia, unfortunately upon reflection rather than preceding the genocide.

Though he is not to blame, Obama falsely represented hope for *real* change and affordable access to health care for citizens terrified of losing their homes to the banking industry if they were ever seriously ill, and an obviously *delusional* hope that the white, Judeo-Christian patriarchy might finally loosen its grip on the *complete domination* of government and industry which it has maintained since the very beginning of this experiment in democracy.

Given the consuming fear of demographic realities and projections experienced by the rich, old, white guys I know, and individuals of the the political class they own, that *complete domination* has now become a *death grip.* Trump and *"Party Before Country, Constitution, Oath of Office, and Rule of Law"* Senate Republicans appear perfectly willing and even eager to burn to the ground the democratic and egalitarian principles which have made our nation of immigrants great in an attempt to perpetuate this absolute monopoly on power, and of course for personal benefit. The associated agenda has somehow made overt racism acceptable, as Stephen Miller has repeatedly demonstrated.

A few years ago I read somewhere that the Senate was 80% male, 80% white, with many Senators around the age of 80. This would suggest that our *"Representative Democracy"* is anything but, hence the Republican obsession with voter suppression, gerrymandering, and open solicitation of foreign influence with the objective of prevailing in future elections. Disgustingly corrupt Republicans recently purging voter rolls, 234,000 in Wisconsin, and 313,000 in Georgia. Moscow Mitch continues to refuse to bring H.R. 2722-Safe Act to the Senate Floor, legislation and funding intended to secure/protect our elections.

McConnell and Senate Republicans are terrified of an election outcome in 2020 similar to 2018, and will implement literally *any* corrupt manipulation/measure to prevent it. McConnell, *"Everything I'm doing during this [Impeachment Trial], I'm coordinating with White House Counsel. There will be no difference between the President's position and our position on how to handle this."* Republicans rant about *"process"* while eagerly endorsing complete abandonment of precepts on the Separation of Powers identified in the Constitution. Why must *"Party Before Country, Constitution, Oath of Office, and Rule of Law"* Republicans present their incoherent babble/conspiracy theories so loudly and angrily? Because they are incapable of winning any arguments supporting their retrograde positions and opinions on their merits, and terrified of facts/evidence. *"Because we said so, that's why,"* is the best they can do. McConnell the *personification* of *corruption.*

Justice Roberts, I am just a simple, pretend, caveman lawyer. My understanding is that any *judgment* is commonly arrived at by assembling and examining the evidence to come to a reasonable conclusion/verdict which is in alignment with statute. Where and when was this new, Republican, legal paradigm-shift approved, which decided that first you come to a politically *convenient* conclusion, then fabricate fictional narratives/conspiracy theories and manufacture *false* evidence, such as Barr's summary of the Mueller Report, in a clumsy attempt to *rationalize* the preferred conclusion to which you have already arrived?

This new legal paradigm our System of Justice is now operating under appears backassward to me, a confused "Up is down and down is up" *Alice and Wonderland* approach, as long as FOX can sell it to the base. I assume this paradigm-shift is also to accommodate all the Federal Judges being appointed recently who have commonly been identified as *"unqualified"* by the American Bar Association. As inexperienced neophytes they will more easily adapt to this institutionalized, systematic corruption of our System of Justice and its courts. Hmmmm...the thought just crossed my mind that maybe it is actually AG Barr who is the *personification* of *corruption*, competing with McConnell for the *"Most Corrupt Ever"* title and perhaps a future appearance on a postage stamp acknowledging this remarkable achievement.

The Chair of the Senate Judiciary Committee is the *personification* of *hypocrisy.* Prior to his apparent conversion therapy, Senator Graham emphatically insisted Trump was *"a kook"* who was *"unfit for office."* Also, that Trump is *"not qualified to be commander in chief."* Graham offered a solution to the frightening prospect of such an individual ascending to the Presidency. *"You know how to make America great again? Tell Donald Trump to go to hell."* Included in his montage of video insults, are references to Trump as a *"threat,"* I assume he meant to our democracy, an incisively accurate and prescient evaluation at that time, along with *"completely unhinged,"* and growing more so with each passing day, *"a racist,"* check, *"a liar,"* 13,000+ to date, who would do anything, and has, to win an election, willfully violating his Oath of Office and the Constitution. These were Lindsey's honest perceptions and his passionate assessment of Donald J. Trump.

Some of Senator Graham's comments preceding the Senate trial in the Clinton impeachment, *"Please allow the facts to do the talking," "People have made up their mind in a political fashion that will hurt this country long term,"* and imploring *"Don't decide the case until the case is in."* Today, a preemptive declaration of the President's upcoming acquittal, *"I have made up my mind...I'm not trying to be a fair juror here."*

Justice Roberts, as the presiding judge in the Senate Trial, I assume you will be administering the following oath required by Senators, *"I solemnly swear (or affirm as the case may be) that in all things appertaining to the trial of the impeachment of Donald J. Trump, now pending, I will do* ***impartial*** *justice according to the Constitution and laws: So help me God."* God's response, "Hey, don't drag *me* into this mess!"

Such absolute hypocrisy expressed in Senator Graham's complete reversal from harshest critic to most ardent sycophant, is extremely uncomfortable to observe, a transformation which, once again, should only be experienced in the text of a science fiction novel describing some weird, dystopian future, where a virulent disease has somehow removed all conscience and character from many democratically elected officials in DC, primarily Republicans, along with their spine and testicles, having contracted the virus only after President Trump converted *"the swamp"* into a *"sewage lagoon"* without an EPA to monitor and remediate this contaminated milieu. The contrast between the career State Department professionals testifying before the House Intelligence Committee, and the toxic human residue now inhabiting the White House, is remarkable, as is the contrast in competence and disposition between Nunes and Schiff.

There was a Q&A in TIME with Stephen A. Schwartzman recently. *"If you talk to people running governments around the world, they'll tell you it's increasingly hard to run a liberal democracy,"* - yeah, and less profitable than the mafia state you would prefer - cryptically suggesting that strongmen like MBS, Orban, Duterte, Erdogan, Bolsonaro, Trump in his fever dreams, somehow represent a *majority* who are constantly under attack by *"small groups of people,"* conveniently ignoring the fact that Trump lost the popular vote by 3 million.

Diminishing, discounting, and attacking your opponents is the tired, worn-out strategy of those too stupid to construct a coherent case for their fascist preference for a dictatorship, attempting to install an Executive Branch wielding power that is *above the law*, with a SCOTUS now possibly constructed to participate in this malevolent corruption of Constitutional Order. Great for American Oligarchs, but not the rest of us.

Those on the right are constantly playing the *victim card* while angrily advocating the systematic disruption of our democratic institutions of government, a la *Breitbart/Bannon,* displaying behavior which is sadly pathetic, as evidenced by the abundance of crybabies at various Kristallnacht rallies who have been given license to freely express their misogynistic and racial hatreds, irresponsibly and dishonestly representing these pernicious attitudes as simply benign opposition to PC convention. That is their right, provided and protected by the very institutions they are relentlessly attacking. In the culture of fear and greed Republican leadership has intentionally created, honesty, integrity, and the truth, have no value because they cannot be monetized. *"Party Before Country, Constitution, Oath of Office, and Rule of Law"* Republicans have so blurred the line distinguishing what is legal from what is ethical, that neither of those constraints on their malicious behavior even exists anymore. *Justice? Puhlease!*

While the SCOTUS retains and exercises its statutory authority, it now has diminished *credibility* given the last two appointments which were quite obviously predicated entirely on an *ideological* litmus test regarding future consideration of Roe v. Wade and Executive Power, rather than more relevant qualifying criteria related to integrity, honoring statute and precedent, open-mindedness, *unbiased* consideration of each case brought before the court, and a disposition suitable for the gravity and serious nature of the duties/decisions assigned a Supreme Court Justice. *"I still like beer!"*

John, I just cut out a page-and-a-half on Kavanaugh, Gorsuch, and Thomas, including URLs to WAPO and ACLU articles regarding Kavanaugh's lying and his obstruction and delay tactics to prevent a 17-year-old immigrant victim of rape from receiving the abortion she requested, in an attempt to force her to bring the pregnancy to term.

John, I don't know the extent to which you ego-identify with your employment, but the critique of Kavanaugh, Gorsuch, and Thomas, which I deleted, was far more inflammatory than the previous paragraph and I didn't want you to shut down completely, sustaining the fantasy of you reading this diatribe from the Senate Floor. I hope you are at least finding it entertaining.

Suffice it to say, Kavanaugh should have been summarily rejected based solely on judicial temperament. His ranting portrayal of himself as a victim who has never done anything wrong was an embarrassment, using a shotgun approach weaponizing right-wing conspiracy tactics in blaming everyone who has ever inquired or asked uncomfortable questions about his his personal and professional history, the entire point of a Senate Hearing. He exhibits an immaturity that is a liability to your court. He remains the same preppy jerk he is in denial about ever being. Excuse my language, your honor, but I *strongly* believe AHs got to *own* their $h!t.

Just executed another deletion of excessive (half-page) analysis about the politicizing and corruption of the Federal Courts with unqualified judges, who can be counted on to legislate from the bench the right-wing agenda of corrupting elections, unlimited presidential powers as long as a Republican is in office, and restricting women's reproductive rights. Kavanaugh clerks Walker and Pitlyk have been deemed *"unqualified"* by the ABA , as have VanDyke and others, with Menashi and additional proper fascists who are now on the bench to further erode the credibility of this nation's courts. Receiving the highest rating of *"Well-Qualified"* from the ABA, centrist Merrick Garland appears to exhibit the balance and maturity that would have grown credibility rather than demolish it. Also deleted was the McConnell/David Vitter, Deripaska/RUSAL corruption, rewarded with Wendy Vitter's appointment to the bench.

The morally decaying, old, white, male dinosaurs in the Senate engineering this contamination of our courts want nothing more than to do as much damage and create as much division as humanly possible hoping that it will last until long after they are gone. That will be their legacy. Their primary objective is to convert our *liberal democracy* into an *authoritarian plutocracy* of white men, a system they will exploit ruthlessly to protect the wealth and power of the economic aristocracy/American Oligarchs...you know, like Russia/Putin, with perhaps some white nationalist purity tests sanctioned for good measure.

Tonight I will go into our county jail to work with inmates on substance abuse issues. These citizens are incarcerated for episodes of stupidity primarily motivated by an excessively altered consciousness. *"They like beer!"* If addiction fuels further such episodes, they will do more serious time. Those attempting to destroy the very fabric of our nation, when convicted of their crimes, do little or no time. Only 14 days for Papadoupolus? Really? Again, *vanishing credibility*, and statutory authority that has no real weight in the absence of reliable moral authority.

Another two paragraphs identifying stains on the SCOTUS just removed so as not to alienate the reader, if I haven't already! I have always found writing extremely therapeutic, organizing my thoughts, and lifting my often sagging self-esteem with the delusion that what I think matters. John, we are the same age. The song *Loser* by Beck resonates with me, and is sort of a personal anthem. You should find it on Youtube. It is brilliant.

I could never imagine the pressure of being an accomplished jurist like you. Listening to a Buddhist monk speaking to spiritual matters, I embraced the suggestion that one attempt *"To be small without fear."* Humility appears in short supply in the nation's capitol. Your Catholicism is referenced in bios I have seen. I no longer attempt to define *it* or draw a picture of *it,* but I have discovered that without spiritual context I do not have the ability to be at peace or experience joy. The *Witnesses* who come to my door once presented their Bible's translation of Matthew, Chapter 5, Verse 3, of the Hebrew from the Beatitudes in Christ's Sermon on the Mount, "Happy is the man conscious of his spiritual needs." I always liked that.

I appreciated the softening of John Paul Stevens' conservatism over time. Our perceptions and perspective change dramatically when we transition from having more than half our lives in front of us, to having more than half our life behind us, cognitive acuity hopefully morphing into profound wisdom.

As a child, when my Father was stationed at Fort Knox and Fort Leavenworth, at 5:00 PM Taps would play over loud speakers and everyone would stop what they were doing, and stop and get out of their cars, and put their right hand over their heart, representing love of country and respect for its institutions and freedoms...of Religion, of Speech, of the Press, to assemble Peaceably, to Petition the Government for a Redress of Grievances. It has gotten much more complicated as people have exploited superficial expressions of patriotism for political purposes, wrapping themselves in the flag, both metaphorically and literally, in furtherance of self-serving agendas, unfettered greed, and unchecked power...even further debasing patriotism by weaponizing it to divide.

Real patriots are those with the courage to call out systemic injustice and insist that our laws matter, demanding those laws be administered *impartially* with sufficient consideration of personal, civil, and human rights, thereby separating that which is *just* from that which is not. Those who continue to attempt to intentionally muddle that which is *just* from that which is not, cannot hold themselves above the laws written to make that distinction. Government demands transparency. Government demands accountability. A system that abandons honesty, integrity, and the truth, simply because they cannot be monetized, will crumble into moral decay and chaos, the effects we are experiencing today. I cannot imagine a higher crime or one more in violation of concerns expressed by the architects of our Democratic Republic, than the extortion of a foreign government through solicitation of help in smearing the reputation of a political opponent in exchange for military aid.

In the age of fear and greed, *hubris* is the cancer infecting the rich, old, white, male, patriarchy, whose aggressive flailing and refusal to let go of their *complete domination* of government and industry in this country for two-and-a-half centuries, has created damage and inequities that won't be remedied in my lifetime...well done gentlemen. Has all the money and power really made you happy and content? It doesn't appear so.

Women are *vastly* superior at policy and governance. Their *expanded awareness*, and associated aptitude for multi-tasking, more effectively accommodate collaboration and compromise in finding solutions and making decisions that produce results, with far less conflict. If you want to get something done, provide an empty-nest mother with an assignment and get out of the way. The *focused awareness* of men, primarily on self and associated agendas, wastes far too much time and invites conflict and division, obsessed with *winning*, it doesn't really matter what. Elections come to mind. Atavistically speaking, men killed the mastodon and protected the tribe, women did everything else. It is now *their* time.

Thanks to Trump and Neil Gorsuch on his FOX and Friends book tour rescuing *"Merry Christmas,"* I will wish you one, and will add *"Best Wishes for the Coming Year!"*

Respectfully,

William F. Hughes P.O.
Box 2651 Hailey,
Idaho 83333

CC: RBG

Chief Justice Roberts,

Yeah, that was really a good look, Gorsuch and Kavanaugh hamming it up with Bill Barr preceding the State of the Union Address.

Interesting that the white nationalists on the SCOTUS chose Holocaust Remembrance Day to grant a bogus emergency stay to a completely corrupted Executive, bypassing the lower courts with a decision sympathetic to xenophobic "public charge" hysteria fed by white supremacist Stephen Miller. Questions will continue to persist around the *weaponizing* of the SCOTUS through the appointment of two right-wing ideologues by a completely corrupted Republican Senate, who also approved a reprobate AG at Justice to actively promote the conversion of our democracy into a banana republic, mafia state, Fascist Dictatorship. When the *Rule of Law* is being systematically circumvented to remove any accountability for the crimes of political allies and the high crimes and misdemeanors of the president, and exploited to aggressively attack political rivals, *it ceases to exist.*

Ironic that recent votes from the token African American on the court aggressively support the intentions of his conservative brethren on the SCOTUS to further institutionalize *discrimination,* particularly as it relates to voter suppression and gerrymandering, an expression of the fear of declining power by a decadent, white patriarchy in the face of rapidly changing demographic realities. The resulting *death grip* of conservative corruption this country is now suffering as a symptom of that fear, anathema to the democratic and egalitarian principles long guiding this nation of immigrants.

Similarly ironic that this token African American is in a position to sit in judgment over affirmative action lawsuits, and will no doubt take an unfavorable position on a policy that delivered his seat on the bench, if not by statute/quota, through residual white guilt, conservatives excited back in 1991 that they had finally found their *"Stephen,"* see Django Unchained." Another really good look for the court that Ginni Thomas is compiling lists of those disloyal to Trump, targeting them for removal from their government jobs. Fitting that in appearance she is a doppelganger for Joseph McCarthy in his later years.

Another *massive* irony is that the same right-wing, corporate interests that inspired Reagan to take down the Air Traffic Controllers Union to prove to American Workers they have no value, and to ignore border security to allow a wave of cheap labor across our southern border, now feel inclined demonize, abuse, and cage those same brown folks who assisted them in destroying the unions in their effort to achieve the objective expanding the stream of *unearned* investment income to the economic aristocracy, for forty years the sole objective pursued through **the merging of state and business leadership.** Please Google the bold script before continuing.

After four decades, our corrupt economic paradigm of parasitic crony capitalism now finds the tick bigger than the dog, the scale of welfare directed to corporations and the economic aristocracy dwarfing any benefits to the underprivileged, a graph representing income inequality over time now a vertical line. Pleanty of diamonds and caviar for wealthy, white *"public charges."* For the past forty years a political class owned by special interests has been encouraged to systematically change the rules governing the tug-of-war between labor and capital until capital finally prevailed, and anti-trust, SEC, and all other regulation were summarily abandoned.

Public charges? Yeah, don't want to have to pay to feed this generation's slaves. Better to find a way to funnel any associated revenue into the pockets of comrades, Putin engineering the model now being employed by Republicans. *"Trickle-down"* is simply a less menacing euphemism for *"fascism,"* defined in my American Heritage Dictionary as *"A system of government that exercises a dictatorship of the extreme right, typically through the merging of state and business leadership, together with belligerent nationalism."*

As a bleeding-heart environmentalist I first wrote this definition in a letter to Ronald Reagan in 1987 when James Watt arrived at the Interior Department and the construction of an umbilical between Washington and Wall Street became obvious to anyone paying attention. Hard to believe things have only gotten worse, for four decades the only consideration of a government owned by corporate interests, the upward redistribution of wealth.

I was sad when Lou Reed passed, often amused by his politically charged lyrics, one offering an alternative to the inscription on Ms. Liberty, *"Your poor, huddled masses, let's piss on them, that's what the statue of bigotry says."* Stephen Miller should ask the President to implement this change of wording through Executive Order, the SCOTUS will no doubt have his back if anyone objects.

The local library now has Deadwood available on DVD. I just finished the first season, at first unequivocally despising evil Al Swearengen. But as episodes progressed, Ian McShane further developed the depth of character and personality of the individual he was portraying, in response my opinion of that character also evolved. I began to appreciate the brutal honesty and dark sense of humor expressed in rather colorful language. I can just sense him brooding as I am about conservatives on the USSC representing as possessing moral character and taking themselves very seriously, Al responding emotionally in his blunt manner to his own honest conclusion, *"racist cocksuckers!"*

The three most recently appointed justices are *political hacks* with all the moral character of something stuck to the bottom of your shoe.

"At a time when large majorities of Americans have lost faith in government, does the fact that the Chief Justice is presiding over an impeachment trial in which Republican Senators have thus far refused to allow witnesses or evidence contribute to the loss of legitimacy of the Chief Justice, the Supreme Court, and the the Constitution?"

John, I was pleased that Senator Warren asked the same question I did, though a little more delicately, in the eight-page scream into the abyss I sent you on 12/19/2019, using *credibility* instead of *legitimacy*. I'm sure that you never read these comments, just as you will not read this inflammatory letter, it will just be thrown in the trash by some clerk, a destiny similar to comments in emails I send to the Idaho Congressional delegation. My concern was that the Impeachment Trial would accurately reflect my fears as to the extent to which the institutions of government have been corrupted by the right/Republicans. The answer is completely. Thank you for your contributions! *Citizens United!*

Justice Roberts, you advised counsel in the Impeachment Trial *"to remember they are addressing the world's greatest deliberative body."* You should have replaced *"greatest"* with *"most corrupt."* You also offered a weak attempt at humor trying to be just a little too cute, or maybe simply trying to represent as human, with the irrelevant *"pettyfogging"* nonsense. All just as disingenuous as any suggestion that you, personally, somehow represent without prejudice the moral principles implied in the word *"justice."* The following is an email sent to Jim Risch and Mike Crapo following the Impeachment Trial.

Senators Crapo and Risch,

You have shit all over the United States of America for Trump, okay.
You have shit all over the Constitution for Trump, okay.
You have shit all over your Oath of Office promising to uphold that Constitution for Trump, okay.
You have shit all over this country's Rule of Law for Trump, okay.

But your Impeachment Oath sworn to deliver *"impartial justice," "So help me God,"* is a serious problem, because now you have shit all over God for Trump, something Mitt Romney was wisely unwilling to do, and that is *not* okay. *"Right Matters?!"* Like ethics, not to McConnell's Republican Senate miscreants.

Also, worshiping with such blind devotion your rabid, orange idol, is a violation of a Commandment carved in stone, *"Thou shalt have no other Gods before me."* I would request, once again, that you Republicans please stop shitting all over God for Trump. Many evangelicals are also now making this same request.

Jim and Mike, as Adam Schiff indicated to Senate Republicans, *"your legacy is tied with a steel cable to Trump,"* and you are both headed for perdition, defined as *"a state of eternal punishment and damnation, into which a sinful and unpenitent person passes after death,"* falling past Larry Craig sitting in an airport bathroom stall with his pants around his ankles...waiting, on your way down. The sooner, the better.

William F. Hughes
Hailey, Idaho

John Roberts, like it or not, your legacy is now also tied with a steel cable to Donald J. Trump. Is perdition a component of Catholic Doctrine? Anyway, best of luck with that!

My father was a career officer in the U.S. Army. As an adolescent I smoked cigarettes in an attempt to be cool. Returning from Vietnam, he gave me his Zippo lighter inscribed with *"For those who have fought and died for it, life has a meaning the protected will never know."*

All I can think about lately are the men and women who have given their lives for this country, this grand experiment in democracy. The country and principles they were willing to risk such sacrifice for is being destroyed by those whose obsessive love of money and associated power has them willing to turn our elections over to our greatest enemy, and to betray those with whom we have shared important historical alliances through turbulent times of global conflict, our soldiers buried in their soil.

Thanks to Republicans I am embarrassed of the country I have loved since childhood, instructed long ago to stop and put my hand over my heart when taps was played over loudspeakers on base each evening. The emotions associated with such expressions of patriotism were real and still persist. When I see a disgusting individual hatched from a gilded Manhattan penthouse, who purchased a diagnosis of *"bone spurs"* to avoid military service, literally hugging the flag in a depraved effort to represent himself as patriotic, while he is actively engaged in destroying everything that flag represents, the bile rises in my throat. My disbelief that such malfeasance can manifest and metastasize with apparently no treatment other than an election for which a corrupt Republican Senate refuses to provide security, is why I am now pounding away on my keyboard, medicating my fury.

Justice Roberts, you appear to be mildly obsessed with decorum. But conceptually, decorum implies some measure of respect for the individuals and institutions involved. I have none for you John, Justice Thomas, Justice Alito, Justice Gorsuch, or Justice Kavanaugh, and would suggest that all four of you take a flying fuck at a rolling doughnut. The orange stains with which you are contaminating the SCOTUS return us to the question, "At a time when large majorities of Americans have lost faith in government, does the fact that the Chief Justice is presiding over an impeachment trial in which Republican Senators have thus far refused to allow witnesses or evidence contribute to the loss of legitimacy of the Chief Justice, the Supreme Court, and the Constitution?" I guess Elizabeth Warren, like me, believes assholes got to own their shit!

Disrespectfully,
William F. Hughes
Hailey, Idaho

Senator,

I exchange emails with an ex-pat friend of mine now living in Thailand, a decision he made in response to W. Bush's re-election to a second term. I hope you had the opportunity to read William Rivers Pitt's obituary of Donald Rumsfeld, RUMSFELD WAS NOT "CONTROVERSIAL." HE PLAYED A LEADING ROLE IN MASS MURDER.

Yesterday, in an email to my friend with the subject line reading "democracy v tyranny" regarding recent events in Thailand and Hong Kong, not yet to abandoning all hope I wrote, "Democracy is fluid, like water, tyranny rigid like rock. Through the inexorable will of the people, eventually the rock is turned to sand."

Today, in The WAPO, there was a link to Ken Burns with his discussion of his documentary on the Statue of Liberty, including clips of commentary from James Baldwin. In the second clip Mr. Baldwin differentiates my "water v rock" description of democracy v authoritarianism more clearly, "Will of the People v. Will of the State."

President Biden was "deeply disappointed" with the SCOTUS decision in Brnovich v DNC, basically endorsing discrimination against minority voters in the continuing assault on voting rights by Republicans. Instead I was PISSED at this continuing assault on our democracy and the conservative contamination of the courts by The Federalist Society and the fascist oligarchs funding this malfeasance with the ultimate objective of perpetuating forty years of institutionalized corruption engineered exclusively to deliver massive unearned investment wealth to the economic aristocracy. This 'MERGING OF STATE AND BUSINESS LEADERSHIP' (please Google caps!) is the primary characteristic of fascism.

Below is the letter I mailed to John Roberts, Elena Kagan, and Sonya Sotomayor last Saturday.

Chief Justice Roberts,

John, you have weaponized the Court in service of the fascist oligarchs funding The Federalist Society, the Heritage Foundation, and ALEC to codify a tyrant's menu of corruption of democratic principles primarily in red states. My past two letters called you out on your abuse of your authority to assist in perpetuating the corrupt economic paradigm intentionally engineered by the Lords of Mammon, which for forty years has been about nothing other than the extraction and accumulation of unearned investment wealth for the economic aristocracy. I have been screaming into the abyss about this systemic economic injustice since idiot-cipher Reagan's second term.

I was so pleased that Kurt Anderson provided such a comprehensive, detailed account of this conservative malfeasance in EVIL GENIUSES. Everyone is now reading about how and by who such severe damage has been inflicted on this Nation and its working citizens, the why (?) unfettered greed and lust for power. These reprobate, conservative engineers of this disaster are now engaged in an attempt to destroy our democracy to preserve the agenda and corrupt economic paradigm responsible for the most massive income and wealth inequality in human history. You have now sealed your legacy as one of those servants of greed and evil. Jesus Christ would probably backhand you in disgust.

The right-wing Catholic bishops of your church who are apparently a part of this fascist cabal, eighty years after 6 million dead, followed by serial pedophilia all somehow providing insufficient shame, three Hail Mary's and you're absolved, did a rapid about-face after having cravenly politicized their Church, as you are doing with the Court, John the Fascist.

"The decision of right-wing Catholic bishops to begin drafting a statement that many of them said was aimed at President Biden and his reception of Communion was not just a rebuke to him and to other Catholic Democrats. It was also an attack on Pope Francis, who had made clear that he did not want them to go down this divisive road.
It's the anti-Francis majority of American bishops, not liberals or Francis defenders, who would put politics ahead of faith, ideology ahead of theology, and partisanship ahead of fellowship. The 75 percent of bishops who voted on June 17th to prepare the statement are importing the worst aspects of American politics into the life of the church.
The U.S. Conference of Catholic Bishops (USCCB) seemed to have second thoughts about how all this was coming across, so it issued a statement last week, four days after the vote, that "there will be no national policy on withholding Communion from politicians" and that the document would not be "targeted at any one individual or class of persons."
But much harm had already been done, as pro-Francis bishops pointed out during the debate. "The Eucharist itself will be a tool in vicious partisan turmoil," Bishop Robert McElroy of San Diego warned. It will be impossible to prevent its weaponization, even if everyone wants to do so."
--WAPO

The political agenda of the right manifested by this recent, dark, unpleasant episode in the Catholic Church having nothing to do with God or faith, mirrors perfectly the political agenda of the right to disenfranchise voters of color manifesting in decisions by a Supreme Court now having absolutely nothing to do with administering justice. The SCOTUS now comprised of right-wing political hacks running an fascist agenda to completely eliminate the rule of law and destroy our democracy.

The egalitarian and democratic principles of the Constitution are being contaminated by the conservative justices on the court in an attempt to perpetuate minority rule and construct a system of economic apartheid constructed primarily along racial lines consistently condemned by the global community including the Catholic Church for decades.

John, you have sold your soul and are now operating as a Caporegime in the criminal enterprise AKA the Republican Party, Senate Republicans repeatedly voting to acquit a career criminal of serial crimes committed while POTUS, Republicans quite comfortable with entirely abandoning rule of law to accommodate a Fascist Dictatorship. Bill Barr another a rat in the kitchen for whom a decade in prison would be insufficient, zero accountability for right-wing malfeasance. John, your participation in this shit-show will be your eternal legacy, and I would love to be a fly on the Pearly Gates when you are making your case to St. Peter. His decision will find you in an exalted position very close to the furnace!

My Father fought in three wars to protect our democracy. Now the fascist oligarchs and the conservative tools they own in the SCOTUS, along with the Republican tools they own in the senate are engaged in destroying that democracy to preserve wealthy, white, minority dominion and privilege, and preserve a completely corrupted, insidious economic paradigm systematically engineered by right-wing oligarchs over four decades to promote the upward redistribution of wealth. Again, brilliantly and comprehensively exposed in EVIL GENIUSES by Kurt Anderson, which should be mandatory reading for every American Citizen including elected officials.

The propaganda machine of these fascist oligarchs has aggressively promoted division along racial and geographic lines deceitfully representing the conflict as left to right ideologically, when it is the division up to down economically which is destroying our democracy. If "We the People" ever discover the extent to which they have been exploited and played for fools, there will be a backlash. Unfortunate that Democrats are so useless at messaging. They should try the following in opposition to Justice Robert's assault on democracy.

"We must make our choice. We may have democracy, or we may have wealth concentrated in the hands of a few, but we can't have both." – Louis Brandeis

The concluding paragraph was originally the first, but words representing the voice of the people just get tossed in the wastebasket, a perfect metaphor of the right-wing objective for the working class. For the Chief Justice to insist on decorum and the subjugation of truth to effete, elite protocols is simply "pettyfoggery," as his deceitful, pretentious Honor commonly uses to accommodate his lies and obfuscation in subordinating anything resembling justice. John, there is a bench in Russia for which your tired ass would be a perfect fit until Judgment Day.

Chief Justice Roberts, an overwhelming majority of Americans do not appreciate your support of the ideological war against democracy you racist, fascist cocksucker, assisted by the three most recent racist, fascist, cocksucking appointees nominated by the racist, fascist, criminal, cocksucking former president who is now the golden calf of racist, fascist cocksuckers on the right, those racist, fascist cocksucking nominees subsequently confirmed by the racist, fascist, cocksucking Republicans in the senate to a politically contaminated SCOTUS, and don't forget Toby the Token, the personification of Samuel L. Jackson's "Stephen" in Quentin Tarantino's 'Django Unchained,' perhaps the most racist, fascist, cocksucking piece of human garbage of the bunch of you right-wing extremist, racist, fascist, cocksucking pieces of human garbage.

Respectfully,

William F. Hughes
Hailey, Idaho

Dear John,

An appropriate salutation for an individual I am dumping. *"Most historians say that the black robe tradition in England started with the multiple-year mourning of the death of Queen Mary II in 1694. Other historians point to the scholarly tradition of wearing togas, and then robes, as the source of judicial wear."*

In the case of Justices Thomas, Alito, Gorsuch, Kavanaugh, you, and now perhaps Amy Coney Barrett, the black robes are simply Federalist Society *garbage* bags.

The systematic corruption and contamination of this nation's federal benches by hypocritical, reprobate, Republican Senators, with unqualified, right-wing idealogues is reprehensible and an affront to democratic principles. The level of hypocrisy McConnell, Graham, et al have achieved with this rushed attempt to fill RBG's seat, along with past screams of *"activist judges"* by those on the right, reveals them completely redefining the word *hypocrisy.*

Now a politically engineered SCOTUS promoting an extreme, conservative political agenda has lost any *legitimacy* it may have once had. Today's Supreme Court is a dark stain on the Constitution being about nothing other than the perpetuation of a completely corrupted economic paradigm benefiting the Fascist Oligarchs for whom the SCOTUS is now simply a blunt tool to bludgeon the majority into submission to their masters in an attempt to perpetuate minority power. John, please have your clerks print you a copy of the following from a guy way smarter than you and I.

https://www.theguardian.com/books/2016/apr/15/neoliberalism-ideology-problem-george-monbiot

Rich, old, white guys are useless cowards unable to accept change, terrified of inevitable demographic realities, responding to their fear by attempting to further exert and extend their political and economic dominance and codify their fading power as far into the future as they are able...*Citizens United.* Fortunately they will all be dead soon, with you and I, John, following them shortly thereafter. Man, Jesus Christ is going to look at your record and not appreciate the corrupt intentions and motivations behind what you have done. God has the receipts!

This Republican death grip manifesting as fear and greed is destroying our country and the Republican Party. One election is not going to repair the damage, but we have to at least put away the fascist sledgehammer. That's why voters will render the Republican Party in Washington completely irrelevant in a couple of weeks if early voter turnout is any indication. Perhaps it is too late.

https://www.rollingstone.com/author/wade-davis/

Like all the other Republican assholes, Amy Coney Barrett is refusing to own her shit in the *bogus* confirmation hearings, even her attacks on your opinions regarding the ACA. Dude, in a country prioritizing the manufacture of billionaires, citizens should at least have affordable access to health care. It should be a moral imperative.

A dozen justices? I prefer a rounder number, like twenty, with some of them young and fearless. I get why AOC is terrifying to the right! *"Good Trouble,"* disturbs the corrupted order! I am a sixty-three-year-old, white guy who is on her side. Despite all the evidence to the contrary regarding the intentions and motivations represented by a contaminated SCOTUS and Senate Republicans, like Alexander Vindman I still believe *"right matters."*

William F. Hughes
Hailey, Idaho

From:	Billy
To:	Moyer, Harley (Board); RICH BankSup Applications Comments; LicensingPublicComments@occ.treas.org
Subject:	[External] Harley, I found it, from a few years back!
Date:	Thursday, May 23, 2024 2:08:35 AM

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PLEASE NOTE: This email is not from a Federal Reserve address.
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THIS IS THE *CRUX*. TO RESOLVE THE INCOMPATIBILITY ISSUES BETWEEN DEMOCRACY AND CAPITALISM. THE REPUBLICAN ALTERNATIVE TO SIMPLY DESTROY DEMOCRACY *IS NOT* ACCEPTABLE!

The following analysis from Einstein written in **May of 1949** applies that massive intellect to economic systems rather than systems and laws of physics governing our universe. It is less a promotion of socialism than an indictment of the *vulnerability of capitalism to corruption.* Aggressive conservative promotion for over forty years of the corruption which I identify as Parasitic Capitalism have landed us in the current ditch in which we find ourselves. Parasitic Capitalism doesn't work when the **tick** gets bigger than the **dog!**

"Private capital tends to become concentrated in few hands, partly because of competition among the capitalists, and partly because technological development and the increasing division of labor encourage the formation of larger units of production at the expense of smaller ones. The result of these developments is an oligarchy of private capital the enormous power of which cannot be effectively checked even by a democratically organized political society. This is true since the members of legislative bodies are selected by political parties, largely financed or otherwise influenced by private capitalists who, for all practical purposes, separate the electorate from the legislature. The consequence is that the representatives of the people do not in fact sufficiently protect the interests of the underprivileged sections of the population. Moreover, under existing conditions, private capitalists inevitably control, directly or indirectly, the main sources of information (press, radio, education). It is thus extremely difficult, and indeed in most cases quite impossible, for the individual citizen to come to objective conclusions and to make intelligent use of his political rights."* - Albert Einstein.

Prophetic indeed!

* monopolization - As anti-trust laws have been entirely abandoned.

William F. Hughes
Hailey, Idaho

From: Caryn Cowin <noreply@adv.actionnetwork.org>
To: Jerome Powell
Subject: Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 22, 2024 11:38:11 PM

NONCONFIDENTIAL // EXTERNAL

Jerome Powell,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The Federal Reserve must stop this mega-merger immediately.

Sincerely,

Caryn Cowin
caryn_cowin@yahoo.com
6860 Santa Lucia Rd
Atascadero, California 93422

From:	James J. Lombardi III Esq CPA
To:	RICH BankSup Applications Comments
Subject:	[External] Merger is good for competition
Date:	Tuesday, May 28, 2024 8:12:43 AM

NONCONFIDENTIAL // EXTERNAL

Dear Sir/Madam,

Through my service as City Treasurer, Senior Advisor, and Chief of Staff to City Council for the City of Providence, I've come to know Rhode Island's business landscape well. It is for that reason that I am eager to express my support for the proposed merger between Capital One and Discover. I believe it holds tremendous potential to benefit small businesses and Municipalities in our state and beyond.

Small businesses are the backbone of our economy, driving innovation, creating jobs, and fostering community resilience. However, small businesses often face challenges that larger companies do not because of the economies of scale. Capital One and Discover will be able to combine resources and expertise to offer even more innovative products and services designed specifically for small businesses. This will help Discover become a more serious challenger in the credit card processing space where they only account for about 4% of all credit card transactions. Capital One will be able to issue credit cards to millions of their customers over the Discover network, positioning them better against the duopoly between Mastercard and Visa. More competition could help ensure small businesses get better deals from all payment processing companies on goods and services. This includes access to affordable credit options, cash management tools, and digital banking solutions that can help small businesses manage their finances more effectively and seize new opportunities for growth.

Furthermore, the merger has the potential to stimulate competition in the financial services market, which can lead to better terms and pricing for small businesses and smaller municapilities. As a result, small businesses in Rhode Island and across the country stand to benefit from a more competitive marketplace.

The merger between Capital One and Discover presents an opportunity to address some of these challenges and empower small businesses to thrive. Both companies have a strong track record of supporting small businesses, with initiatives aimed at providing tailored financial solutions and resources to help them succeed. For example, Capital One was a founding member of the White House's Economic Opportunity Coalition, a group that works to strengthen communities of color through financial empowerment.

All in all, I believe that the proposed merger between Capital One and Discover is a positive development for small businesses and municipalities in Rhode Island. By expanding access to credit and financial services and promoting competition in the marketplace, this merger can help small businesses thrive and contribute to the economic prosperity of our state.

Respectfully Submitted,

/s/ James J Lombardi III
James J Lombardi III
Attorney at Law
Certified Public Accountant

From:	Janet Todd
To:	RICH BankSup Applications Comments
Cc:	licensingpubliccomments@occ.treas.gov
Subject:	[External] Discover Bank Greenwood branch
Date:	Tuesday, May 28, 2024 12:58:51 PM

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PLEASE NOTE: This email is not from a Federal Reserve address.
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Good afternoon,

I am sending this email pertaining to the merger of Capital One and Discover bank, particularly the branch of Discover bank in Greenwood Delaware. As a small town we appreciate all businesses that we have and in particular we appreciate Discover Bank. This branch supports and participates in all Town events and is a bank that is very important to our community. There are no other banks in Greenwood or the nearest town of Bridgeville and as our town begins to grow it is important to keep the branch open. Our town is slowly growing and will be adding a Wawa soon that is in the planning stages and that will bring more growth to the Town. Discover is and has been a vital part of the Greenwood community and the residents are treated like family by the current staff and that is something that is very appreciated in todays world. Thank you for letting me express my comments.

Janet Todd, Town Manager
Town of Greenwood
Ph#302-349-4534
Cell#302-382-5415

From:	ferdinand ruplin
To:	RICH BankSup Applications Comments
Subject:	[External] Merger will help small businesses
Date:	Tuesday, May 28, 2024 7:02:58 PM

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The proposed Capital One-Discover merger will be a great opportunity to help small businesses by injecting much needed competition into the credit card payment processing market.

Right now, Visa and Mastercard have a tight grip on the industry and process 80 percent of all transactions. Their market share allows them to stifle competition and set the rules of the game with little input from merchants and consumers.

This merger is an opportunity to change that. If Capital One and Discover are allowed to merge, Capital One can begin issuing its cards over Discover's payment network. This will position Discover as a much stronger competitor in the payment network industry and push all networks to compete for the opportunity to work with merchants. This increased competition will yield more favorable terms for small businesses, who currently lack the profit margins to afford the consequences of the Visa-Mastercard duopoly.

Although some lawmakers have qualms about the merger's potential to limit competition in the banking industry, experts say otherwise. Fred Ashton, a competition economist, said "combining the overlapping banking and credit card businesses of Capital One and Discover would likely position the firm to better compete with the largest national banks while giving the newly formed bank little market power to harm consumers."

It is clear that this merger will bring about competition in the payment network space and disrupt the Visa-Mastercard duopoly. I urge regulators to allow the merger to become final.

From:	Brendan Tebben
To:	RICH BankSup Applications Comments
Subject:	[External] Capital One/Discover
Date:	Wednesday, May 29, 2024 11:47:52 AM

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PLEASE NOTE: This email is not from a Federal Reserve address.
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Good morning. My name is Brendan Tebben and I am the Chief Financial Officer for Ryan Fireprotection, Inc. We are a fire/life safety contractor that serves the Midwest. We have been a customer of Capital One since 2019 and we have benefited greatly from this partnership. We feel that the Capital One/ Discover merger will strengthen them even more.

Thank you,

Brendan Tebben
Chief Financial Officer
Ryan Fireprotection Logo

O: 800-409-7606 | D: 317-439-2907

From:	Jonathan Parramore
To:	RICH BankSup Applications Comments
Subject:	[External] Capital One-Discover Merger Comment
Date:	Wednesday, May 29, 2024 2:01:06 PM

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Good Morning,

Through my work as both a Data Scientist and former tax attorney with experience working for Senator Patty Murray, I am keenly aware of the significant impact financial services can have on individuals and communities. The proposed merger between Capital One and Discover presents a unique opportunity to expand credit access and promote financial inclusion nationwide.

Capital One has consistently demonstrated a strong commitment to serving communities that other banks have historically neglected. This is evident through their outstanding performance under the Community Reinvestment Act (CRA), with one-third of their branches located in low- and moderate-income (LMI) neighborhoods. Over the past decade, Capital One has ranked first or second in community development lending among all banks, with more than $59 billion in CRA-qualified loans. In 2023 alone, Capital One reported $4.75 billion in community development loans, the majority of which supported affordable housing for low-to-moderate-income households.

As a data scientist, I appreciate the quantitative evidence showing Capital One's impact. For instance, Capital One pioneered credit cards for borrowers who are building or rebuilding credit, offering significantly lower rates and fewer fees compared to other providers. As of March 2024, 69% of Capital One customers who started with subprime credit scores have achieved a prime credit score of 660 or higher. This is a testament to their effective strategies in improving financial stability for underserved populations.

Moreover, Capital One was the first among the top ten banks to eliminate overdraft and insufficient funds fees from all their products, while still providing free overdraft protection. This policy benefits working-class individuals who are striving to make ends meet.

In light of these points, I urge policymakers and stakeholders to support the Capital One-Discover merger. This merger has the potential to uplift communities, foster economic stability, and create a more inclusive financial system that empowers all Americans to achieve financial security.

Thank you,

Jonathan Parramore

From: Lily Weiner
To: RICH BankSup Applications Comments
Subject: [External] Small Businesses will Benefit from Capital One-Discover Merger
Date: Wednesday, May 29, 2024 2:26:43 PM

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Hollywood, California is home to countless small businesses who would be better off with a competitive credit payment processing industry. As the Director of Business Development at the Hollywood Chamber of Commerce from 2020 to 2023 I worked closely with so many small business owners that were burdened by the lack of competition among payment processing companies. That is why I am proud to support the proposed Capital One-Discover merger.

This proposed merger will bring much needed competition to the payment processing industry, 80 percent of which is currently controlled by Visa and Mastercard. The lack of competition in the industry means that Visa and Mastercard are allowed to set terms that small businesses and other merchants are forced to accept.

Thankfully, this merger holds the promise of empowering Discover's payment network as a stronger competitor in the industry. If this merger becomes final, Capital One can begin issuing its cards over Discover's payment network. This will expand Discover's availability and push all payment networks to adopt more competitive pricing and improve their services. This merger will also empower small businesses in Hollywood and all over the country to negotiate with payment networks and reach terms that are more favorable to them.

Even the financial press like the Bloomberg Editorial Board agrees that "the Capital One-Discover merger is likely to inject much-needed competition into the card market," representing a win for small businesses.

I share the President's commitment to ensuring markets are free and fair. This is an opportunity for the Administration to show that commitment by empowering Discover to compete with Visa and Mastercard.

Lily Weiner

From:	jaheemmclaurin1@gmail.com
To:	RICH BankSup Applications Comments
Subject:	[External] Merger will Improve Competition
Date:	Wednesday, May 29, 2024 2:43:22 PM

NONCONFIDENTIAL // EXTERNAL

Hello,

I am a proud advocate for South Carolina's marginalized and rural communities because I believe they deserve to have access to the tools needed to build wealth in America. I know that the Capital One-Discover merger will be a step forward in that direction because it will further expand credit access to our communities in South Carolina and nationwide.

Unlike many of their peers, Capital One and Discover have a long history of finding ways to include people into the financial system. Capital One has a long-standing track record of "Outstanding" CRA performance and ranks first among larger banks when it comes to serving low- and moderate-income (LMI) communities, with one third of their branches being located in LMI neighborhoods. Capital One was also a trailblazer in offering credit cards to borrowers who are establishing or repairing their credit. They provided these cards at much lower rates and with significantly fewer and lower fees than any other company focused on this market. In addition, Discover is often people's first credit cards, helping people without an established credit history build credit and work toward their financial goals.

Through this merger, both banks can further expand their services to underserved communities. They can leverage their combined resources to further expand their reach in communities often overlooked by other financial institutions. This will empower Marlboro County residents to build or repair credit so they can eventually qualify for a mortgage or secure a small business loan.

Although some lawmakers are concerned about this merger stifling competition in the card issuer market, the credit card issuer market is highly fluid. There are thousands of issuers from top banks to smaller regional and community banks, and many offer similar products that are easy for consumers to switch between. A recent study from the Banking Policy Institute also concluded that the card issuer market is not anywhere near concentrated.

This merger holds the promise of expanding credit access in often overlooked communities. President Biden and I have a shared goal of uplifting Americans, regardless of the color of their skin. That is why I urge the Biden Administration to allow this merger to become final.

Regards,
Jaheem McLaurin

From:	Shannon Hanson
To:	RICH BankSup Applications Comments
Subject:	[External] Support More Competition
Date:	Wednesday, May 29, 2024 4:15:52 PM

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Access to credit is a fundamental tool for economic empowerment. From my time working to elect Democrats as a member of the Montana Democratic Party Executive Board, I know that it is also a quintessential tool for community building. For this reason, I am excited to express my support for the proposed merger between Discover and Capital One. It holds significant promise for expanding credit access and uplifting small businesses across Montana, especially for underserved communities and those historically left behind by traditional financial institutions.

For too long, many individuals in Montana, especially those in low- and moderate-income neighborhoods, have faced barriers that prevent them from accessing the financial resources necessary to build wealth. Capital One and Discover both have a strong track record of including marginalized communities in the financial system. Capital One, for instance, reported $4.75 billion in community development loans in 2023, and a large portion of this lending supports affordable housing for low-to-moderate-income households.

Both companies have consistently achieved "Outstanding" ratings in their Community Reinvestment Act (CRA) performance. Capital One ranks first among larger banks in serving low- and moderate-income communities, with one-third of their branches located in these neighborhoods. Their commitment to community development is evident with more than $59 billion in CRA-qualified loans and significant support for affordable housing for low-to-moderate-income households.

This is especially important for communities of color, who often face systemic barriers to credit access. With better access to credit, individuals can invest in their futures—whether through education, homeownership, or starting small businesses.

I believe the Discover-Capital One merger represents a vital step towards financial inclusion and equity. I urge policymakers and stakeholders to support this merger, recognizing each institution's good-faith acting in underserved communities. Together, we can create a more inclusive financial system that empowers all individuals to build lasting generational wealth.

Shannon Hanson

From: Steve Fowler
To: RICH BankSup Applications Comments
Subject: [External] Capital One and Discover merger
Date: Wednesday, May 29, 2024 5:12:27 PM

NONCONFIDENTIAL // EXTERNAL

To whom it may concern,

As the proud owner of Fowler Heating and Cooling here in Illinois, I'm eagerly anticipating the merger between Capital One and Discover, as it will drive innovation in the payment systems market. I'm particularly excited about how this merger could revolutionize the way small businesses like mine handle transactions and interact with customers. Because the market is currently dominated by Visa and Mastercard, small businesses have little negotiating power. This can impact efficiency and customer satisfaction. Visa is even getting investigated by the Department of Justice for anti competitive practices. However, Capital One and Discover, who are known for their commitment to innovation and customer-centric solutions, can combine their cards over Discover's network positioning Discover as a stronger competitor to the two giant companies. By fostering competition in the payment systems market, the merger can incentivize other players to innovate and improve their offerings. This healthy competition benefits businesses and consumers alike, driving down costs and raising the bar for quality and service across the industry.

Furthermore, the companies' joint expertise could lead them to develop cutting-edge payment technologies that empower small businesses to offer more convenient and secure payment options to their customers. As a small business owner, I understand the importance of staying ahead of the curve and embracing new technologies to better serve our customers. The potential for this merger to drive innovation in the payment systems market is truly exciting, and I believe it will open up new opportunities for small businesses like mine to thrive and succeed in today's age. In conclusion, I urge regulatory agencies to support initiatives that encourage innovation and competition in the payment systems market. By approving the Capital One-Discover merger, we can unlock the potential for groundbreaking advancements that will benefit small businesses, consumers, and the economy as a whole.

Thanks,
Steve Fowler

BROTHERHOOD
Crusade
Sowing Seeds and Growing a Strong Community

April 26, 2024

Secretary of the Board
Federal Reserve Bank
20th Street & Constitution Avenue NW
Washington, DC. 20551-0001

Dear Federal Reserve Bank,

We are writing to support the pending Capital One and Discover merger.

Brotherhood Crusade is a 56 year old nonprofit grassroots organization with a vision of improving quality of life and the unmet needs of low-income, underserved, under-represented and disenfranchised individuals. Both Brotherhood Crusade and Capital One believe Los Angles can be a safe, thriving, culturally relevant and inclusive community that provides all residents equitable access to human and social services and continually improves their quality of life.

Capital One has been a supportive partner of Brotherhood Crusade since 2018. Capital One has supported our YouthSource Center and it's Jr. Executive Leadership Program. This program prepares teens for college, career and entrepreneurship through hands-on experiences and vocational life skills development including college credit workshops, financial literacy, job readiness and job placement workshops.

We believe that the proposed merger between Capital One and Discover will bring together two companies with long standing track records of delivering award-winning customer experiences, breakthrough innovation and financial inclusion. It's our hope that this proposed merger flies through the regulatory approval process.

Thanks in advance for your consideration.

Sincerely,

Charisse Bremond Weaver
President & CEO
Los Angeles Brotherhood Crusade

cc: Federal Reserve Bank of Richmond

Phone:323.846.1649 / Fax:323.235.5536 / 200 East Slauson Avenue / Los Angeles, California 90011 / www.brotherhoodcrusade.org

From: George Hamblen
To: RICH BankSup Applications Comments
Subject: [External] Discover Capital One Merger
Date: Thursday, May 30, 2024 10:08:28 AM

To Whom It May Concern,

The role that small businesses play in driving our local economy and fostering community growth can never be understated, especially here in New Hampshire. The proposed merger between Discover and Capital One presents a remarkable opportunity to bolster these small businesses in New Hampshire, and provide them with the essential support they need to thrive.

Small businesses are the lifeblood of our economy, driving innovation, creating jobs, and enriching our communities. The merger between Discover and Capital One can help address this issue by increasing competition in the credit card payment network market, traditionally dominated by a few major players.

Both Discover and Capital One have a strong track record of serving marginalized communities. Capital One's commitment to economic inclusion is evident through their foundational membership in the White House's Economic Opportunity Coalition. This coalition is dedicated to purchasing over $6 billion in products from diverse suppliers and investing more than $500 million in Black and Hispanic-owned and led equity funds. Such initiatives demonstrate Capital One's dedication to supporting underserved communities and fostering financial inclusion.

Concerns about market consolidation are understandable, but the credit card industry is highly competitive, with over 4,000 financial institutions offering credit cards and consumers typically holding multiple cards from various issuers. The Federal Reserve has affirmed that the credit card market remains highly competitive. Capital One, currently the third-largest credit issuer by purchase volume, will remain in this position post-merger, behind Chase and American Express.

Moreover, the merger will contribute to the overall economic health of our state. By expanding credit access and providing better financial services, more individuals in New Hampshire will have the opportunity to start their own businesses, purchase homes, and invest in their futures. This will lead to greater economic stability and prosperity for everyone in our community.

I believe that supporting the Discover-Capital One merger is a crucial step towards fostering a vibrant and resilient local economy. I'm now calling to you, and your fellow policymakers to recognize the potential of this merger to uplift our small businesses and strengthen our community.

George Hamblen
Financial Services
Former Chair of the Plaistow, NH Democrats
Plaistow, NH Resident

From:	Patrick Woodall
To:	RICH BankSup Applications Comments
Subject:	[External] AFREF Comment on Capital One-Discover Bank Merger Act Considerations
Date:	Wednesday, May 29, 2024 3:57:09 PM
Attachments:	AFREF Capital One-Discover Bank Merger Act Comment 5-2024.pdf

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Patrick Woodall *(he / him)*
Senior Fellow
Americans for Financial Reform and
Americans for Financial Reform Education Fund

http://ourfinancialsecurity.org/

Bank Merger Act Requires Rejection of Capital One-Discover Merger

May 2024

Americans for Financial Reform Education Fund

Americans for Financial Reform Education Fund (AFREF) is a nonpartisan, nonprofit coalition of more than 200 civil rights, community-based, consumer, labor, business, investor, faith-based and civic groups, along with individual experts. Our mission is to fight to create a financial system that deconstructs systemic racism and inequality and promotes a just and sustainable economy. Learn more at www.ourfinancialsecurity.org.

I. Introduction

The proposed Capital One Financial Corporation acquisition of Discover Financial Services would substantially erode competition and disadvantage consumers and merchants. The size and complexity of the transaction would create a combined company that raises antitrust concerns that justify enjoining this merger.[1] But the transaction also fails to meet critical considerations under the Bank Merger Act and Bank Holding Company Act that direct banking regulators to reject mergers that fail to further the convenience and needs of communities, have sufficient managerial resources and solid financial future prospects, or that pose risks to the stability of the banking or financial system.

The $35.3 billion Capital One Financial Corporation (Capital One)-Discover Financial Services (Discover) merger would be a significant banking and financial services combination.[2] It would create the nation's biggest credit card lender, one of the biggest banks, and a powerful vertically integrated payments network combined with a branch bank and credit card issuer. It would create the sixth largest banking company in the country by assets with $624 billion in consolidated domestic assets by combining the ninth place Capital One Financial Corporation (Capital One) with the 27th largest Discover Financial Services (Discover).[3] The merger will affect millions of households with deposit accounts or credit cards, including 300 million Discover cardholders and 100 million Capital One cardholders.[4]

Both parties are large banks with important retail banking business lines. The merged firm would be the fifth largest bank holding company by deposits with nearly $470 billion in deposits (currently Capital One ranks 8th with $367.8 billion in deposits and Discover ranks 26th with $101.2 billion in deposits).[5] Discover is a digital national direct savings bank that competes with the nation's largest banks and it has been accelerating its banking growth.[6] Discover's digital banking includes credit card lending, online banking, personal loans, and mortgage lending.[7] Capital One also operates as a full-service digital bank but it also has 259 branches in 21 of the 25 largest metropolitan areas, 80,000 fee-free ATMS, and 16,000 cash deposit

[1] Americans for Financial Reform Education Fund (AFREF) filed a separate brief on the significant harms to competition posed by the proposed merger. AFREF. "The Anticompetitive Effects of the Capital One-Discover Merger." April 2024.
[2] Capital One. [Press release]. (Capital One press release). "Capital One to acquire Discover." February 19, 2024.
[3] Federal Reserve Board (FRB). "Insured U.S.-Chartered Commercial Banks That Have Consolidated Assets of $300 Million Or More, Ranked by Consolidated Assets." December 31, 2023.
[4] Hirsch, Lauren and Emma Goldberg. "Capital One to acquire Discover, creating a consumer lending colossus." *New York Times*. February 19, 2024; Capital One Financial Corporation and Discover Financial Services. (Capital One-Discover Investor Presentation), Investor Presentation. February 20, 2024 at 9.
[5] The combination would be sixth largest in terms of consolidated domestic assets. Federal Deposit Insurance Corporation (FDIC). Summaries of Deposits—Market Share Reports. Holding Companies with Subsidiaries. December 31, 2023.
[6] Capital One press release. 2024.
[7] Son, Hugh. "Here's why Capital One is buying Discover in biggest proposed merger of 2024." *CNBC*. February 21, 2024; Capital One-Discover Investor Presentation. 2024 at 6.

locations.[8] Capital One offers deposits (checking and savings), credit cards, small business loans, and automobile loans.[9]

Banking regulators must evaluate bank merger applications not only to prevent anticompetitive mergers but also to carefully assess whether the combination will satisfy the public interest because of the unique economic role of chartered banks. Banks play a critical function in the monetary system, in providing credit to households and businesses, and in providing a utility-like service to retail customers connecting households to the financial system. Federal banking laws recognize this uniqueness by chartering banking institutions, delineating permissible banking activities, supervising the safety and soundness of banks, and requiring banks to serve the credit needs of all communities, including lower-income areas and communities of color, under the Community Reinvestment Act.

Moreover, the federal government provides direct and implicit subsidies to chartered banks that justify increased merger scrutiny. Federal deposit insurance subsidizes the banking industry from the costs of risk-taking, stabilizes the banking industry, and provides confidence and a sense of security for depositors.[10] Merger-driven consolidation grants larger banks other financial subsidy benefits, such as paying less for funds.[11] Banks are able to borrow from the Federal Reserve at highly-discounted rates that can be at or below 1 percent that are far cheaper than the credit terms other firms can access and this borrowing also receives significant tax subsidies that encourages excess borrowing and leverage that can further incentivize risk-taking.[12]

Banks that are perceived to be so large, interconnected, or complex that the government would act to prevent their failure and the resulting economic disruption to their customers, creditors, shareholders, and the economy. Before the financial crisis, the Federal Reserve Bank of San Francisco warned that that merging megabanks could "earn a 'too-big-to-fail' subsidy due to the market's perception of a de facto government backing of a megabank in times of crisis."[13] The federal backstop of the financial industry included $900 billion in direct support and rescue financing as well as $1.3 trillion in Federal Reserve purchases of corporate debts and bonds.[14] The explicit and implicit government subsidies create a moral hazard for banks that encourages greater risk-taking that could imperil the institution because of the

[8] Capital One press release. 2024.
[9] Huffman, Lee. (Huffman). "Capital One Deal for Discover Could affect what's in your wallet." *US News and World Report*. February 20, 2024.
[10] Ellis, Diane. FDIC. "Deposit Insurance Funding: Assuring Confidence." November 2013.
[11] Kim, JinAh and Katja Seim. University of Pennsylvania. Wharton School of Business. "Effects of Bank mergers on risk leading up to the 2007-2008 financial crisis." 2016 at 7.
[12] Admati, Anat and Martin Hellwig. (Admati and Hellwig). *The Bankers' New Clothes: What's Wrong with Banking and What to Do About It*. Princeton University Press: Princeton, New Jersey. 2024 at 137 to 140.
[13] Kwan, Simon. (Kwan). Federal Reserve Bank of San Francisco. "Banking Consolidation." *FRBSF Economic Letter*. No. 2004-15. June 18, 2004 at 2
[14] Admati and Hellwig. 2024 at 137.

knowledge that the federal government will backstop depositors and prevent too-big-to-fail institutions from failure.[15]

Federal banking laws recognize the important public interest in seriously evaluating bank merger applications. The Bank Merger Act and the Bank Holding Company Act direct banking regulators to reject mergers that are anticompetitive or that fail to meet three critical considerations: serving the convenience and needs of the community, adequate managerial resources and future prospects, or excessive risk to financial stability. The statute reads:

> In every case, the responsible agency shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, the convenience and needs of the community to be served, and the risk to the stability of the United States banking or financial system.[16]

The banking regulators must independently assess the three public interest considerations under the Bank Merger Act and Bank Holding Company Act. The "convenience and needs" consideration incorporates the provision of quality and equitable banking services to consumers, lending records to lower-income and Black and Latine households and communities and other communities of color, and performance and prospective performance under the Community Reinvestment Act. The "managerial resources and future prospects" consideration encompasses compliance with supervisory regulations, including consumer protection and safety and soundness regulations. The "future prospects" element includes not only whether the applicants and combination would be well capitalized but also whether the combination can pose risks to the future viability of the merged institution. The "financial stability" consideration includes an evaluation of whether the merged bank poses a greater concentration of risk that could be transmitted to the banking or financial system in times of economic stress.

Banking regulators should reject proposed bank mergers that raise significant concerns under any one of these considerations. Senator A. Willis Robertson (Virginia), Chairman of the Senate Committee on Banking and Currency and sponsor of the Bank Holding Company Act amendments that aligned its language with the Bank Merger Act, stated that adverse findings on any of the constituent statutory considerations would provide ample authorization to deny bank mergers:

> Of course, if there are no substantial anticompetitive effects and no tendency to create a monopoly and no suggestion of restraint of trade, the banking agency will proceed to consider the merger on the basis of the financial and managerial resources and future prospects of the existing and proposed institutions and the convenience and needs of the community to be served.

[15] Moch, Nils. "The contribution of large banking institutions to systemic risk: What do we know? A literature review." *Review of Economics*. Vol. 69, No. 3. 2018 at 232.

[16] 12 USC §1828(c)(5)(B); 12 USC §1842(c)(2) and (7).

> The banking agency may approve the merger it thinks the merger will be beneficial from these points of view, or it can turn the merger down if it thinks the merger undesirable or objectionable in any respects from these points of view.[17]

The Congressional intent of the statutory considerations under both the Bank Merger Act and the Bank Holding Company Act is for the banking agencies to consider each of the constituent elements — convenience and needs, managerial resources and future prospects, and financial stability — independently and that the agencies should deny merger applications that fail "in any respects" to achieve these public interest objectives.

The proposed Capital One-Discover merger fails to meet the convenience and needs, managerial resources and future prospects, and financial stability conditions. The transaction creates significant harms to competition that justify enjoining the merger on antitrust grounds, but the banking regulators also should reject the proposed acquisition for failing to meet the conditions under the Bank Merger Act and Bank Holding Company Act.

II. Merger would harm the convenience and needs of consumers and communities

The proposed merger will not meet the statutory convenience and needs condition. The banks' credit card offerings target lower-income, Black, and Latine consumers, have been marketed deceptively, and use aggressive and unlawful collection practices. And Capital One has pursued a strategy of branch closures that has reduced its total branches by more than two-thirds and had disproportionate impact on lower-income, Black, and Latine communities.

The Bank Merger Act and the Bank Holding Act both require mergers to meet the convenience and needs of the community. The banking regulators have not given this consideration the weight that it deserves. Banks are institutions deeply rooted in the economic fabric of communities and the banking regulators should make a meaningful assessment of the merging parties past records and prospective plans to meet the convenience and needs of communities and consumers. In practice, the regulators have primarily considered the Community Reinvestment Act (CRA) performance ratings.[18] CRA ratings are a poor metric for the convenience and needs

[17] Congressional Record. Vol. 112, Part 2. February 9, 1966 at 2656.

[18] Compliance with the Community Reinvestment Act is covered in a different section of the Bank Holding Company Act than the convenience and needs test. 12 USC §1842(d)(3). Nonetheless, the regulations governing the convenience and needs provision of the statute states that the Federal Reserve Board "considers the following factors ... the convenience and needs of the communities to be served, including the record of performance under the Community Reinvestment Act." 12 CFR §255.13(b)(3). The proposed Office of the Comptroller of the Currency (OCC) revision of its merger policy statement would discourage approving transactions if the parties had one of the two lowest CRA ratings. OCC. Notice of Proposed Rulemaking on Business Combinations Under the Bank Merger Act. 89 Fed. Reg. 30. February 13, 2024 at 10016.

consideration because nearly all banks have "satisfactory" or "outstanding ratings," making this approach totally inadequate and one that virtually all banks would satisfy.[19]

Congress intended the evaluation of the convenience and needs consideration to assess whether the merger would enhance the quality of banking services offered to consumers and communities, not merely continue the banks' current business-as-usual practices. Representative Thomas Ashley stated that proposed bank mergers "must be shown to be sufficiently beneficial in meeting the convenience and needs of the community to be served that, on balance, it may properly be regarded as in the public interest."[20]

Banking regulators need to carefully consider the convenience and needs of communities because bank mergers historically have raised prices and reduced the quality of banking services. Bank mergers have driven higher bank fees and higher costs to maintain accounts, which has an especially harmful impact on lower-income households.[21] Merging banks reduce the volume, increase the cost, and lower the access to affordable mortgage credit and these detrimental effects are more pronounced for families of color, lower-income families, lower-income areas, and communities of color.[22] Bank consolidation can reduce small business lending and have a disproportionately negative impact on the ability of businesses owned by people of color and women as well as all very small businesses to access credit.[23]

The banking regulators should assess the convenience and needs consideration to determine whether the proposed Capital One-Discover merger will improve the

[19] Since 2019, more than 98 percent of the 1,062 OCC-regulated institutions have satisfactory or outstanding CRA ratings, only one has had a substantial non-compliance rating and 17 have needs to improve ratings that combined amount to 1.7 percent of OCC-regulated banks. AFREF analysis of OCC CRA Performance Evaluations. 2019-2023. Accessed April 2024.

[20] United States v. Third Nat'l Bank in Nashville. 390 U.S. 171, 184 (1968).

[21] Bord, Vitay M. Harvard University. "Bank Consolidation and Financial Inclusion: The Adverse Effects of Bank Mergers on Depositors." December 1, 2018; Kahn, Charles, George Pennacchi, and Ben Sprанzetti. "Bank consolidation and the dynamics of consumer loan interest rates." *Journal of Business*. Vol. 78, No. 1. 2005; Carletti, Elena, Philipp Hartmann, and Giancarlo Spagnolo. (Carletti, Hartmann, and Spagnolo). "Implications of the bank merger wave for competition and stability." *Risk Measurement and Systemic Risk, Proceedings of the Third Joint Central Bank Research Conference*. January 2002; Weinberg, Matthew. University of Georgia, Center for Economic Policy Studies. "The Price Effects of Horizontal Merges: A Survey." CEPS Working Paper No. 140. January 2007.

[22] Ratnadiwakara, Dimuthu and Vijay Yerramilli. Louisiana State University and University of Houston. "Effect of Bank Mergers on the Price and Availability of Mortgage Credit." September 2020; Gam, Yong Kyu and Yunqi Zhang. Southwestern University of Finance and Economics and Nankai University. "Dismembered Giants: Bank Divestitures, Local Lending, and Housing Markets." *55th* American Real Estate and Urban Economics Association. San Diego. January 3-5, 2019; Scharfstein, David and Adi Sunderam. Harvard University and National Bureau of Economic Research. "Concentration in Mortgage Lending, Refinancing Activity, and Mortgage Rates." NBER Working Paper No. 19156. June 2013.

[23] Samolyk, Katherine and Christopher A. Richardson. FDIC. Working Paper 2003-02. "Bank consolidation and small business lending within local markets." April 2003; Carletti, Hartmann, and Spagnolo. 2002; Nguyen, Hoai-Luu. Massachusetts Institute of Technology. "Do Bank Branches Still Matter? The Effect of Closing on Local Economic Outcomes." December 2014; Minton, Bernadette A., Alvaro G. Taboada, and Rohan Williamson. Ohio State University, Mississippi State University, and Georgetown University. "Bank Mergers and Small Business Lending: Implications for Community Development." Paper presented at Financial Management Association 2019 Conference, New Orleans. October 23 to 26, 2019.

quality and price of banking service offerings to consumers and communities, especially for lower-income, Black, and Latine consumers and communities. Capital One and Discover have records of deceptive marketing, aggressive marketing, and unlawful collection practices for its credit cards, which disproportionately harms lower-income, Black, and Latine consumers with lower credit scores. Capital One has closed 71 percent of the bank branches it acquired in mergers with Hibernia National Bank, North Fork Bancorp, and Chevy Chase Bank. The strategic shift away from retail branches has harmed communities — especially lower-income, Black, and Latine areas — that have lost access to retail banking services. It also stopped making home purchase and home improvement loans in 2017, sharply contracting the services that were offered by the banks it had acquired.[24]

The regulators should consider other impacts the merger is likely to have on communities. For example, the proposed OCC merger policy statement appropriately includes prospective job losses in its convenience and needs evaluation.[25] The proposed merger is likely to reduce jobs, as has happened when Capital One acquired another monoline credit card bank. After Capital One acquired HSBC in 2012, it fired 880 workers one day after hosting a merger welcome party, eliminating the biggest employer in Salinas, California.[26] It laid off another 79 workers at an HSBC facility in Tigard, Oregon.[27] It continued to shed jobs from HSBC operations for years, including eliminating 750 jobs in Sioux Falls, South Dakota in 2015.[28]

The proposed merger is likely to include significant layoffs as Capital One eliminates duplicative credit card underwriting, servicing, and marketing operations. Capital One estimated that the merger would generate $1.4 billion in operating and marketing synergies,[29] which really means eliminating redundant operations and jobs. These job losses are likely to be focused in the greater Chicago area, where Discover is headquartered. Discover operates 24-hour customer service call centers based in the United States.[30] Capital One already eliminated 400 call center workers in 2017 at its own call center in the Chicago area.[31] The *Chicago Tribune* noted that the region could lose a "hefty number of good-paying jobs," including at the recently opened call center in Chicago's South Side that employed hundreds of local workers in the lower-income, predominantly Black area.[32]

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[24] Saxena, Aparajita. "Capital One exits mortgage loans business, cuts 1,100 jobs." *Reuters*. November 8, 2017.
[25] 89 Fed. Reg. 30. February 13, 2024 at 10018.
[26] Larson, Amy. "Capital One throws welcome party day before Salinas layoffs announced." *KSBW-TV Channel 8 Action News* (Monterrey, California). May 3, 2012.
[27] Njus, Elliot. "Capital One to lay off 79 at former HSBC in Tigard." *Portland Oregonian*. May 4, 2012.
[28] Schwan, Jodi and Steve Young. "Capital One leaving Sioux Falls; 750 losing jobs." *Sioux Falls Argus Leader*. July 23, 2015;
[29] Capital One-Discover Investor Presentation. 2024 at 5.
[30] Discover Financial Services. (Discover SEC Form 10-K). U.S. Securities and Exchange Commission. Form 10-K. 2023 at 7.
[31] Marotti, Ally. "Capital One eliminates 400 call center jobs from Rolling Meadows office." *Chicago Tribune*. August 10, 2017.
[32] Editorial. "Sale of Discover is another blow to Chicagoland's business community." *Chicago Tribune*. February 20, 2024.

A. High-priced credit card products, misleading marketing, and collections do not meet the convenience and needs of consumers and communities

Capital One's credit card products and practices disadvantage consumers — especially lower-income, Black, and Latine consumers — and do not meet the convenience and needs of the community of credit cardholders it serves. The proposed acquisition will likely raise interest rates on the 50 million Discover credit cardholders who will be moved to Capital One's higher interest rates. The impacts are likely to be most damaging for the large number of cardholders with near-prime and subprime credit scores that pay more in fees and interest rates and are disproportionately Black and Latine. Capital One's pattern of predatory marketing and collection practices have compromised the household finances of credit card borrowers.

The banking regulators evaluate the products and practices that banks offer under the convenience and needs consideration of the Bank Merger Act. The Federal Reserve considered Capital One's credit card marketing and lending practices in previous acquisitions. The OCC Bank Merger Act regulations include relevant factors in the convenience and needs consideration including the applicants' willingness to "provide expanded or less costly services."[33] The proposed OCC bank merger policy statement includes increasing costs of banking services and credit availability in the convenience and needs consideration.[34]

Banking regulators should carefully evaluate Capital One's record of serving its credit card customers because credit cards are the primary product that the bank offers and Capital One's credit card products and practices reflect its commitment to the convenience and needs of the communities it serves. Capital One has a long record of consumer dissatisfaction with its credit card offerings. Consumers complain about Capital One more than about any other credit card lender. Capital One has one of the highest levels of credit card complaints at the CFPB. Capital One credit cards received the largest number of consumer complaints in the first two years of the CFPB complaint database from 2011 to 2013, representing more than one-fifth of all consumer complaints about credit cards.[35] In the past decade between 2014 and 2023, the CFPB recorded over 36,700 complaints about Capital One's credit cards or prepaid cards.[36] The number of complaints exceeds those for all other major issuers except Citibank (with over 38,000 credit card complaints) and is the highest number of complaints per $1 billion in outstanding credit card debt with nearly 250 complaints per $1 billion in credit card loans (see Figure 1.[37]

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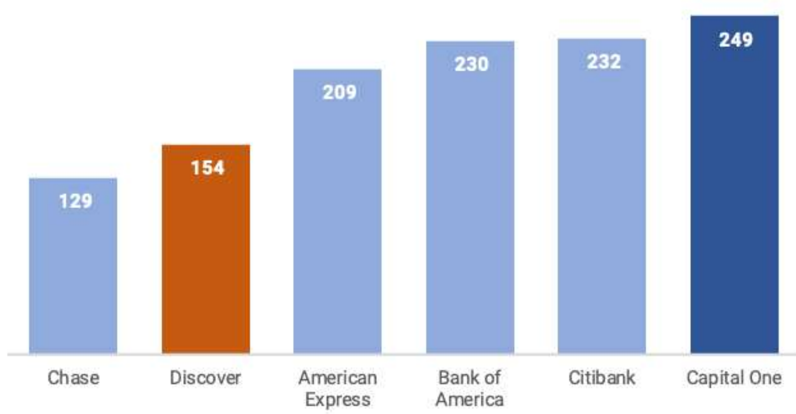
[33] 12 CFR §5.33(e)(ii)(C).
[34] 89 Fed. Reg. 30. February 13, 2024 at 10018.
[35] Ellis, Blake. "Most complained-about credit card companies." *CNN*. January 14, 2014.
[36] AFREF analysis of CFPB complaint database between January 1, 2014 and January 1, 2024. Complaint categories "credit card" and "credit card or prepaid card." Company searches were narrowed by using quotations, i.e. "Capital One." CFPB. Consumer Complaints Database. Accessed April 2023.
[37] Outstanding loans from SEC filings and FDIC Call Reports. JPMorgan Chase & Co. SEC Form 10-K. 2023 at 70Citigroup, Inc. SEC Form 10-K. 2023 at 214 and 216; Capital One Financial Corp. SEC Form 10-K. 2023 at 90;

Consumers use credit cards to make secure, convenient purchases that are effectively short-term loans and many families use credit cards to finance larger purchases or as loans during financial emergencies, such as car repair needs. Many transactions require a credit card, such as car rentals, airplane tickets, or hotel reservations. But opaque terms and high costs from multiple kinds of fees and interest charges can burden lower-income consumers. The Consumer Financial Protection Bureau reported that consumers were charged $25 billion in fees and $105 billion in interest on credit cards in 2022 (largely before recent interest rate increases).[38]

High interest rates and fees can burden families and lead to larger outstanding credit card debts that are hard to repay and compromise household economic stability. Half of cardholders carry an outstanding balance from month to month, and these borrowers are carrying these revolving debts longer and are struggling to repay them.[39] Black and Latine consumers are far more likely to carry an outstanding balance as compared to white consumers (78 percent, 62 percent, and 42 percent respectively).[40] Households in the lowest three income deciles had credit card debt that exceeded 70 percent of their incomes — households in the lowest income decile had credit card debt that was more than 90 percent of their monthly income in 2022.[41] Credit card debts can undermine household finances. High levels of credit card debt are

Fig. 1: Credit card complaints per $1 billion in outstanding credit card loans



Soure: AFREF analysis of CFPB complaint database

Discover Financial Services. SEC Form 10-K. 2023 at 64; Bank of America Corporation. SEC Form 10-K. 2023 at 58; American Express National Bank. FDIC Call Report Cert. No. 27471. 2023

[38] Consumer Financial Protection Bureau (CFPB). [Press release]. "CFPB Report Finds Credit Card Companies Charged Consumers Record-High $130 Billion in Interest and Fees in 2022." October 25, 2023.

[39] Cerullo, Megan. "Americans owe a record $1.1 trillion in credit card debt, straining budgets." *CBS News*. February 6, 2024.

[40] FRB. "Report on the Economic Well Being of U.S. Households 2022." May 2023 at Table 22.

[41] Chiang, Yu-Ting and Mick Dueholm. Federal Reserve Bank of St. Louis. "Which U.S. Households Have Credit Card Debt?" May 20, 2024.

associated with an increase in insolvency and household bankruptcy filings.[42] The rising credit card debt in 2023 reflects that "lower income families in the U.S. are facing additional financial strain," according to Citibank's global economist.[43]

Credit card debt burdens disproportionately harm Black and Latine families and communities. Although it is harder for Black and Latine consumers to be approved for credit cards, they are more likely to carry outstanding balances, are more likely to use a large share of their credit limit, and be severely delinquent on their debt. Black and Latine cardholders were far more likely to carry outstanding credit card debt than white cardholders (73 percent, 64 percent, and 44 percent, respectively) and the outstanding balance represented a far greater share of their available resources in transaction accounts (86 percent, 97 percent, and 39 percent, respectively).[44]

These are community-wide impacts that undermine the economic vitality of Black and Latine neighborhoods. A 2023 GAO study found that credit card accounts in predominantly Black and Latine zip codes paid higher interest rates and had lower credit limits even when controlling for credit scores and incomes in the zip code and whether the cardholders carried a balance.[45] In 2023, the Federal Reserve Bank of Philadelphia reported that borrowers in Black and Latine communities are more likely to use over 75 percent of their credit limit than borrowers in white communities (41 percent, 34 percent, and 21 percent, respectively) and more likely to be severely delinquent (25 percent, 16 percent, and 9 percent, respectively).[46] The higher delinquency and credit utilization levels in turn have significant negative impacts on credit scores, creating a vicious cycle of higher credit card burdens disproportionately harming the credit scores of Black and Latine consumers.

Merger would enable Capital One to raise interest rates and fees: Capital One has some of the highest interest rate credit cards and the proposed merger would give the combined company the market power to raise credit card prices further. In 2023, the CFPB found that Capital One was among the biggest credit card issuers with interest rates over 30 percent on some card products.[47] Currently, Capital One charges about 2 percentage points higher interest rates than Discover charges for consumers with similar credit scores (see Figure 2).[48] Capital One's application does not state how it would treat Discover cardholders after the merger, but it would have the ability and incentive to increase the interest rates on the 50 million Discover

[42] Xiao, J.J. and R. Yao. "Good debt, bad debt: Family debt portfolios and financial burdens." *International Journal of Bank Marketing*. Vol. 40, No. 4. 2022; Evans, David and Jonathan Bauchet. "Bankruptcy determinants among U.S. households during the peak of the Great Recession." *Consumer Interests Journal*. Vol. 63. 2017.
[43] Gandel, Stephen and Patrick Mathurin. "How credit card debt has become a burden for Americans — and Joe Biden." *Financial Times*. March 20, 2024.
[44] Tescher, Jennifer and Corey Stone. Brookings Institution. "Revolving Debt's Challenge to Financial Health and One Way to Help." June 7, 2022.
[45] Government Accountability Office (GAO). "Credit Cards: Pandemic Assistance Likely Helped Reduce Balances, and Credit Terms Varied Among Demographic Groups." GAO-23-105269. September 2023 at 26.
[46] Federal Reserve Bank of Philadelphia. Consumer Credit Explorer. 2023.
[47] CFPB. "Credit Card Data: Small Issuers Offer Lower Rates." February 16, 2024.
[48] AFREF analysis of average interest rates of all general-purpose credit cards. CFPB. (CFBP Credit Card Survey) "Terms of Credit Card Plans Survey Results." November 2023.

cardholders. Capital One could raise the interest rates on subsequent purchases (but not on existing outstanding debts) in a forward repricing scheme to move Discover customers to Capital One's higher prevailing interest rates.[49] Discover credit cardholders could face a nearly 9 percent price hike for cardholders with near-prime credit scores and a 13 percent increase for those with prime scores.

The merged firm would have the market power to raise prices (fees and interest rates) on all consumers. The combined Capital One-Discover would become the biggest credit card lender with 22 percent of outstanding credit card debt.[50] The merger would create a more concentrated market where the top four firms would hold nearly two-thirds (64.5 percent) of outstanding credit card debt, making it easier for dominant issuers to pursue coordinated pricing strategies to raise prices and capture excess profits. A 2020 National Bureau of Economic Research paper found that the limited competition allowed credit card lenders to charge interest rates that are far above the costs of funds that amounted to a markup of over 44 percent.[51] The CFPB found that the lack of credit card interest rate competition contributed to the widening spread between credit card interest rates and the prime rate that rose by 2 percentage points from 2015 to 2022).[52]

Consumers could not easily avoid price hikes because it is difficult or impossible for consumers to switch cards. More than half (56 percent) of credit card applications are rejected; more than four-fifths (83 percent) of applications by consumers with subprime credit scores are rejected.[53] Lower income consumers aer less likely to get

Fig. 2: Comparison of Capital One and Discover APR
(average purchase APR)

Source: AFREF analysis of CFPB data

[49] Botella, Elena. "A Capital One-Discover merger could raise credit card interest rates." *Forbes*. March 16, 2024.
[50] Market share for total loans calculated from total outstanding credit card loans from Federal Reserve Bank of New York. Center for Microeconomic Data. Household Debt and Credit Report. Q4 2023; Capital One Financial Corp. SEC Form 10-K. 2023 at 90 and 94; Discover SEC Form 10-K. 2023 at 64 and 102.
[51] Herkenhoff and Raveendranathan. 2021 at 14 to 15.
[52] CFPB Consumer Credit Card Market. 2023 at 54.
[53] *Ibid.* at 80.

approved for credit cards and more likely to receive lower credit limits and higher interest rates.[54]

Merger disadvantages non-prime cardholders, disproportionately harming Black and Latine consumers: Capital One and Discover are major credit card lenders to consumers with non-prime credit, with a combined $67 billion in loans to consumers with non-prime credit scores in 2023 representing 32 percent and 20 percent of their outstanding credit card loans, respectively.[55] The proposed merger would create the largest non-prime credit card lender that would hold nearly one-third (30.6 percent) of the outstanding credit card loans to consumers with non-prime credit scores.[56] Consumers with non-prime credit scores — who are disproportionately Black and Latine — have fewer credit card options, have more difficulty securing credit cards, are more susceptible to receiving higher fees and penalty interest rates, and are more likely to be financially burdened by credit card debt. The merger would concentrate market power in the non-prime credit card market and the top four firms would hold 72 percent of the outstanding non-prime credit card debt and have a negative impact on economically vulnerable consumers.

Capital One targets non-prime borrowers and routinely increases the credit cap of cardholders with subprime credit scores without their permission, effectively encouraging borrowers that had neared their credit limit to take on additional debt.[57] Capital One uses advanced data analytics and statistical modeling that combined credit and demographic data to pitch a specific credit card product at a specific price and credit limit.[58] The company performs over 80,000 big data marketing experiments annually.[59] Understanding and predicting customers' willingness to pay (that is: what are the limits in credit lines, terms, interest rates, and fees a borrower would accept) allows Capital One to impose higher prices on consumers who are price takers.[60] A *Quarterly Journal of Economics* paper found that "Increases in credit limits generate an immediate and significant rise in debt."[61]

[54] Raveendranathan, Gajendran. McMaster University. "Revolving Credit Lines and Targeted Search." February 24, 2020.
[55] Capital One SEC Form 10-K. 2023 at 94, 90, 91, Discover SEC Form 10-K. 2023 at 64 and 102.
[56] AFREF estimate based on issuers' disclosure of higher-risk loans (typically reported as under 660 credit score, although some report under 680 or under 650). Capital One Financial Corp. SEC Form 10-K. 2023 at 90 and 94 (<660); Discover Financial Services. SEC Form 10-K. 2023 at 64 and 102 (<660). Analysis of 30 largest credit card lenders (see AFREF. "The Anticompetitive Effects of the Capital One-Discover Merger." April 2024 at Appendix). Eighteen of the 30 issuers reported non-prime lending breakdown on their SEC reports. The 19 percent non-prime lending share total credit card lending from these 18 lenders was applied to the total FRB NY Household Debt and Credit Report outstanding credit card debt to determine market shares.
[57] Botella, Elana. "I worked at Capital One for five years. this is how we justified piling debt on poor customers." *The New Republic*. October 2, 2019.
[58] Buvat, Jerome and Subrahmanyam KVJ. (Buvat and KVG). Capgemini Consulting. "Doing Business, the Digital Way: How Capital One Fundamentally Disrupted the Financial Services Industry." 2014 at 3.
[59] *Ibid.* at 2.
[60] Kechelek, Douglas M. "Data mining and antitrust." *Harvard Journal of Law & Technology*. Vol. 22, No. 2. Spring 2009 at 518 to 522
[61] Gross, David B. and Nicholas S. Souleles. "Do liquidity constraints and interest rates matter for consumer behavior? Evidence from credit card data." *Quarterly Journal of Economics*. Vol. 117, Iss. 1. February 2002.

Concentrated credit card lending markets especially disadvantage lower-income and disproportionately Black and Latine consumers because of the stark credit score disparities that determine their access and terms for credit card loans. Black and Latine consumers who have credit scores tend to have lower average credit scores than white consumers (8 percent and 5 percent lower, respectively).[62] A 2022 Urban Institute study found that there were far more people with subprime credit scores in Black, indigenous, and Latine communities than in white communities (41 percent, 43 percent, 29 percent, and 17 percent, respectively).[63] These consumers are more likely to carry balances and make smaller monthly payments that add to their household debt. About 80 percent of cardholders with non-prime credit scores revolve (carry outstanding debt) and pay off less than 15 percent of their balances every month.[64]

Capital One has a pattern of deceptive and abusive credit card marketing: Capital One has been the subject of multiple investigations, settlements, and consent decrees over its credit card marketing practices for more than a decade. In the previous Capital One mergers with Hibernia, North Fork, and ING, federal regulators have acknowledged the bank's problematic pattern of deceptive marketing but nonetheless approved the mergers.[65] In 2012, the Federal Reserve required Capital One to submit and implement a plan to strengthen consumer compliance as a condition of approving the ING acquisition.[66] Since 2006 Capital One has paid $225 million and Discover has paid $200 million to settle deceptive credit card marketing cases.

- ***2006 Minnesota $750,000 consent decree for deceptive marketing:*** Capital One entered a consent decree with Minnesota and paid a $749,999 fine and agreed to suspend certain advertising promotions for 18 months.[67]

- ***2012 Capital One paid $13.5 to settle West Virginia deceptive adverting case:*** Capital One paid $13.5 million in 2012 to settle the West Virginia lawsuit in which the state attorney general alleged that Capital One deceptively advertised credit cards but offered such low limits and such high fees that consumers effectively did not receive access to credit.[68]

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[62] Sandberg, Erica. "How race affects your credit score." *US News and World Report.* August 9, 2022.
[63] Urban Institute. "Credit Health During the COVID-19 Pandemic." March 8, 2022.
[64] CFPB. "The Consumer Credit Card Market." October 2023 at 44 and 38.
[65] Federal Reserve System (FRS). (FRS Capital One-Hibernia order). "Capital One Financial Corporation: Order Approving the Merger of Bank Holding Companies." August 16, 2005 at 6; FRS. (FRS Capital One-North Fork order). "Capital One Financial Corporation: Order Approving the Merger of Bank Holding Companies." November 8, 2006 at note 13 at 6; FRS. (FRS Capital One-ING order). Capital One Financial Corporation. Order Approving the Acquisition of a Savings Association and Nonbanking Subsidiaries. FRB Order No. 2012-2. February 14, 2012 at 12 to 13.
[66] FRS Capital One-ING order 2012 at 13.
[67] FRS Capital One-Hibernia order 2005 at 6; FRS Capital One-North Fork order 2006 at note 13 at 6;
[68] "AG reaches $13.5 million settlement with Capital One." *Charleston Gazette.* January 17, 2012.

- ***2012 CFPB issues first fine — $210 million — to Capital One for deceptive credit card marketing:*** Capital One agreed to pay $210 million to settle a CFPB enforcement case for deceptively pushing or enrolling customers without their consent in expensive and unnecessary services, like credit monitoring, when they applied for credit cards.[69] Consumers with lower credit scores were misled into believing the add-on products could improve their credit scores.[70] CFPB director Richard Cordray stated that "customers were pressured or misled into buying credit card products they didn't understand, didn't want, or in some cases, couldn't even use."[71]

- ***2012 Discover pays CFPB $200 million to settle misleading marketing charges:*** In 2012, Discover agreed to pay $200 million to settle charges stemming from its misleading marketing of credit card add-on products — such as payment protection and credit score tracking — that misled consumers about the costs of these products, enrolled consumers without their consent, and misled consumers about eligibility restrictions.[72]

- ***2015 Capital One pays $740,000 to settle Missouri deceptive marketing case:*** Capital One paid a $740,000 fine to Missouri in 2015 for selling credit protection plans that purportedly allowed cardholders that became unemployed or disabled to suspend payments without penalty, but most who tried to claim were told they were ineligible.[73]

Capital One's persistent pattern of aggressive debt collection: Capital One has a history of aggressive credit card debt collection practices, including paying settlements to resolve allegations of unlawful debt collection. Capital One aggressively and often illegally pursued customers for credit card debt. A 2015 *ProPublica* analysis found that "no lender sues more of its customers than Capital One" (Discover ranked number 2) and during the 2008 recession Capital One brought more than half a million suits against its customers annually.[74] These debt judgments were nearly twice as likely to be obtained in predominantly Black neighborhoods as in white neighborhoods, a larger disparity than other major credit card lenders.[75] Five years later, *ProPublica* found that Capital One was still aggressively pursuing cardholders. In 2019, Capital One recovered $1.4 billion that had already been charged-off by pursuing cardholders in civil courts, hundreds of millions of dollars more than any other credit card issuer, even the larger Chase.[76]

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[69] Douglas, Danielle. "Capital One to pay $210 million for deceptive credit card practices." *Washington Post*. July 13, 2012.
[70] Fox, Emily Jane. "Capital One to pay $210 million in fines, consumer refunds." *CNN*. July 18, 2012.
[71] "Capital One fined for misleading millions of consumers." *BBC*. July 18, 2012.
[72] CFPB and FDIC. [Press release]. "Federal Deposit Insurance Corporation and Consumer Financial Protection Bureau order Discover to pay $200 million consumer refund for deceptive marketing." September 24, 2012.
[73] "Discover, Capital One and HSBC will pay $2.2M over protection plans." *Pymnts*. January 21, 2015.
[74] Kiel, Paul. "At Capital One, easy credit and abundant lawsuits." *ProPublica*. December 28, 2015.
[75] *Ibid.*
[76] Kiel, Paul and Jeff Ernsthausen. "Capital One and other debt collectors are still coming for millions of Americans." *ProPublica*. June 8, 2020.

Capital One has paid more than $87 million to settle several cases that alleged it had unlawfully pursued or collected debts that were discharged in bankruptcy, foreclosed or repossessed vehicles from servicemembers in violation of the Servicemembers Civil Relief Act, or used aggressive collection practices that violated state and federal laws. The Federal Reserve was aware of at least one of these unfair debt collection problems and stated that the regulator would "use the supervisory and examination process to ensure the effectiveness of [Capital One's] debt collection practices and programs" as part of the 2012 order approving the ING merger,[77] but other cases emerged after that merger was approved.

- ***2008 Capital One $2.3 million settlement for unlawful pursuit of debts discharged in bankruptcy:*** In 2008, Capital One settled a case with the Department of Justice's U.S. Trustee Program for allegedly collecting credit card debts from 5,600 people whose debts had been discharged in violation of bankruptcy law.[78] The Justice Department mandated post-settlement audit found that Capital One had actually pursued collections and collected $2.35 million from 15,500 people who had discharged their debts in bankruptcy.[79]

- ***2012 Department of Justice $12 million settlement with Capital One over unlawful pursuit of servicemembers:*** In 2012, Capital One paid $12 million to settle a lawsuit with the Justice Department over its violation of the Servicemembers Civil Relief Act dating back to 2006 by initiating wrongful foreclosures, improper auto repossessions, wrongful court judgments on debt, and improperly denying requests for interest rate reductions.[80]

- ***2015 Capital One pays $73 million to settle California debt collection case:*** In 2015, Capital One agreed to pay $73 million to settle charges that it illegally used automated dialers for debt collection without consumers prior consent in violation of the Telephone Consumer Protection Act.[81] The same year, Southern California's Debt Collection Task Force found that Capital One had been excessively and unreasonably harassing consumers with debt collection calls in violation of state law and the Federal Debt Protection Act.[82] Capital One paid $2 million to settle the charges and was ordered to implement and maintain

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[77] FRS Capital One-ING order 2012 at note 32 at 13.

[78] GAO. "Credit Cards: Fair Debt Collection Practices Act Could Better Reflect the Evolving Debt Collection Marketplace and Use of Technology." GAO-09-748. September 2009 at 33.

[79] U.S. Department of Justice (DOJ). Executive Office for United States Trustees. [Press release]. "U.S. Trustee program announces successful conclusion of nationwide settlement with Capital One bank." June 5, 2013.

[80] DOJ. [Press release]. "Justice Department reaches $12 million settlement to resolve violations of the Servicemembers Civil Relief Act by Capital One." July 26, 2012.

[81] *In re: Capital One Telephone Consumer Protection Act Litigation*. No. 1:2012cv10064 - Document 329 3-5, 43 (N.D. Ill. 2015).

[82] Los Angeles District Attorney's Office. [Press Release]. "Capital One to Pay $2 Million to Settle Debt Collection Lawsuit." December 15, 2022.

procedures to prevent incorrect collection efforts, limit the number of collection calls, and honor consumer requests to end collection calls.[83]

B. Capital One has closed large numbers of branches, reducing access to branch banking services

Capital One has severely reduced the geographic footprint of its retail branches over the past fifteen years, reducing depositors' access to retail banking services. Capital One has acquired the retail branch banking businesses of Hibernia National Bank (Louisiana and Texas), North Fork Bank (New York, New Jersey, and Connecticut), and Chevy Chase Bank (Maryland, Virginia, and Washington, DC). But since 2009, Capital One has reduced its branch network by 71 percent and now has 700 fewer branches.[84]

Shuttering banks is part of Capital One's business strategy. CEO Fairbank stated that "over the years, [Capital One] sort of leaned into the closing of branches" to focus on its national digital banking."[85] In 2023, 60 percent of Capital One's deposits were reported in Delaware, where its digital banking business is headquartered (although its Delaware "branch" does not offer retail branch banking).

The Bank Merger Act's convenience and needs assessment includes the merging parties' records on maintaining, expanding, or closing retail branches.[86] This assessment should be especially skeptical of reductions of branching services in lower-income, Black, and Latine communities that have inequitable access to banking services because there are fewer banks in these geographies. Nearly 6 million U.S. households are unbanked and Black and Latine families are four times more likely to be unbanked than white families (8 percent, 8 percent, and 2 percent, respectively).[87]

Capital One's wave of branch closures came after it committed to maintaining a geographic presence in connection with prior merger approvals. The Federal Reserve noted in approving the 2006 Hibernia merger that "Capital One has indicated that it intends [...] to expand the services and products offered to customers in the communities served by Capital One and Hibernia National Bank."[88] Since 2009, Capital One has closed 267 branches in Louisiana and Texas, a 72 percent drop. Texan depositors saw an acute drop in many areas. The number of branches dropped more than 80 percent in Austin, Beaumont, and Tyler and Capital One

[83] County of Santa Clara Office of the District Attorney. [Press Release]. "Capital One to pay $2 million to settle suit for harassing calls." December 15, 2022; *State of California v. Capital One N.A.* 8, 5. (CA 2022).
[84] AFREF analysis of FDIC data on Capital One branches from December 31, 2009 and December 31, 2023. FDIC. BankFind Suite: Summary of Deposits—Branch Office Deposits. Accessed March 2024.
[85] Navera, Tristan. "Greater Washington's bank branch count hits 23-year low even as deposits surge." *Washington Business Journal.* September 14, 2021.
[86] OCC. Comptroller's Licensing Manual: Business Combinations. January 2021 at 7.
[87] FDIC. "2021 FDIC National Survey of Unbanked and Underbanked Households." October 2022 at 1 and 2.
[88] FRS Capital One-Hibernia order 2005 at 8

closed all branches in greater Brownsville, Corpus Christi, Longview, McAllen, San Antonio, and Victoria.[89]

The Federal Reserve made a similar assessment in the Capital One-North Fork merger. In 2006, the Federal Reserve noted in approving the Capital One-North Fork merger that "Capital One represented its national presence and managerial resources will enhance the ability of North Fork Bank and Superior Savings to serve their customers and broaden their geographic reach and that the branch networks of NF Bank and Superior Savings will allow Capital One to offer a broader variety of products and services to its customers."[90] Capital One did not broaden the geographic reach of North Fork, it narrowed it, shuttering 265 North Fork branches (72 percent of branches in Connecticut, New Jersey, and New York) between 2009 and 2023.[91]

Capital One's wave of branch closures affected all customers and depositors, but the elimination of branches especially affected access to banking services in lower-income, Black, and Latine communities.[92] The number of branches in low-income areas (zip codes where the median household income was below half the metropolitan area median household income) dropped by half, from 19 in 2009 to 9 in 2023. There are now only 9 branches (3.2 percent of all branches) in low-income areas and no branches in low-income areas in Texas or Virginia.

The number of branches in predominantly Black and Latine zip codes dropped by more than half (63 percent and 58 percent, respectively). This is especially concerning because Capital One operates in communities with high percentages of Black and Latine residents, including Louisiana, Texas, the New York City metropolitan area, and greater Washington, DC. By 2023, Capital One had 19 branches (6.7 percent) in predominantly Latine zip codes, and 27 branches (9.5 percent) in predominantly Black zip codes. This dramatic contraction that disproportionately harmed communities of color effectively shunted Black and Latine customers to digital banking by eliminating full-service retail branches. In 2018, the Houston NAACP and the League of United Latin American Citizens sued Capital One for allegedly steering Black and Latine customers to debit card banking through affinity marketing while denying them access to other banking products by closing branches in communities of color in violation of the Fair Housing Act, Equal Credit Opportunity Act, and Community Reinvestment Act.[93]

The elimination of these branches demonstrates Capital One's minimal interest in meeting the convenience and needs of the community. Despite Capital One's statements in connection with merger applications and approvals that it would

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[89] The number of branches declined 72 percent in the Dallas and 65 percent in the Houston metropolitan area.
[90] FRS Capital One-North Fork order 2006 at 20.
[91] AFREF analysis of FDIC data on Capital One branches from December 31, 2009 and December 31, 2023. FDIC. BankFind Suite: Summary of Deposits—Branch Office Deposits. Accessed March 2024.
[92] AFREF analysis of branch data and Census Bureau ZCTA zip code demographic data from the American Community Survey (for median household income) and Decennial 2020 Census (for race).
[93] Alix, Laura. "Capital One marketing oversold, underdelivered to minorities, lawsuit says." *American Banker*. March 1, 2018.

maintain its geographic footprint, the OCC approved the closure of the Capital One branches, effectively endorsing Capital One's rapid reduction in meeting the convenience and needs of the community.[94] Depositors and customer may have lost access to a local bank branch altogether or faced greater travel time and inconvenience. Capital One's strategy of closing branches demonstrates not only that it has little interest in serving the convenience and needs of the communities where it is chartered and takes deposits but also that it may not follow through on the other commitments it may make to secure the approval of mergers.

III. Merger would not fulfill managerial resources consideration because of spotty records of regulatory compliance

The proposed merger would combine two banks with persistent and significant problems with regulatory compliance and, as a result, warrants rejection under the managerial resources consideration. Capital One continues to have a checkered record of regulatory compliance with significant shortcomings — money laundering, exposing customers to a privacy breach, spotty consumer compliance — despite its commitments and expressed intent in prior merger approval orders. Discover recently entered into a major consent decree with the FDIC to address safety and soundness and consumer protection compliance issues that have festered for years.

The Bank Merger Act and Bank Holding Company Act statutes and regulations require agencies to consider the "financial and managerial resources" of the merging banks.[95] These statutory and regulatory provisions require banking regulators to evaluate not only the financial condition of the merging parties but also the history of regulatory compliance with banking laws and the assessment of banks' records from other publicly reported information.[96] The OCC merger application evaluation includes the applicants' conformity with law, regulation, and supervisory policies.[97] The OCC Licensing Manual on mergers includes an assessment of the "compliance records of all merging institutions, including their record of compliance" as well as "present concerns relating to unfair, deceptive, or abusive acts or practices, fair lending, or other discriminatory or illegal practices."[98] The statutes also specifically direct regulators to consider compliance with the Community Reinvestment Act and effectiveness addressing money laundering.[99]

[94] Banks must receive approval for branch closing and the banking regulators are required to consult with community leaders if a local resident raises concerns about the impact of the closure on the availability of local banking services under 12 USC §1831r-1. It is unclear what the OCC might have done in any of the Capital One branch closures, but the closure approvals are listed on the OCC's Corporate Applications Search portal. The OCC approved 120 branch closures between 2006 (when Hibernia and North Fork were acquired) and 2014, five years after Chevy Chase was acquired.

[95] 12 USC §1828(c)(5)(B); 12 USC §1842(c)(2); 12 CFR §5.33(e)(1)(ii)(B); and 12 CFR §225.13(b)(1).

[96] 12 CFR §225.13(b)(2); FRS Capital One-ING order 2012 at 10 and 12.

[97] 12 CFR §5.33(e)(i).

[98] OCC. Comptroller's Licensing Manual: Business Combinations. January 2021 at 3.

[99] 12 USC §1842(d)(3); 12 CFR §5.33(e)(1)(iii); 12 USC §1828(c)(11); and 12USC1842(c)(6); and 12 CFR §5.33(e)(1)(ii)(D).

Over the past two decades, the Federal Reserve approved Capital One mergers with Hibernia National Bank, North Fork Bancorp, Chevy Chase Bank, and ING while also noting ongoing regulatory compliance issues. The Federal Reserve nonetheless approved these transactions, sometimes with directives to improve internal policies, practices, and governance to improve the institution's compliance with banking and consumer protection rules. But Capital One's compliance has not dramatically improved, and perhaps the fact that earlier problems had not hindered its acquisitions has been a contributing factor to its continued compliance shortcomings. The 2006 order approving the North Fork merger notes that the Federal Reserve was "concerned" that the Home Mortgage Disclosure Act data showed patterns of racial disparities in mortgage lending and pricing, but that the banks had "taken steps to help ensure compliance with fair lending laws and other consumer protection laws."[100] In 2012, the Federal Reserve order approving the acquisition of ING noted that Capital One's spotty compliance record suggested that the bank's "processes and procedures for enterprise-wide compliance transaction testing could be improved" and conditioned approval of the merger on Capital One implementing a plan to improve compliance.[101]

Both Capital One and Discover have had ongoing and serious regulatory compliance issues and at least two were settled only months before the proposed merger was announced, possibly suggesting that the companies were willing to make short-term commitments to remedy their shortcomings to pave the way for a profitable transaction. Last month Discover paid nearly $1 million settle a lawsuit brought by Mexican American Legal Defense and Educational Fund that contended that Deferred Action for Childhood Arrivals (DACA) recipients were unlawfully denied student, personal, and home equity loans because of their immigration status.[102] The regulatory issues have included the multiple issues with credit card marketing, lending, and collections, described above, but also have included:

- **Capital One data breach exposed personal information of 100 million people:** Capital One governance lapses led to one of the biggest data breaches in history. In 2019, Capital One exposed its customers to one of the largest bank cyber-breaches in history. The breach exposed the personal data of 100 million credit cardholders and credit card applicants, including 140,000 Social Security numbers, 80,000 bank account numbers, birth dates, addresses, phone numbers, transactions, and credit scores and balances.[103] A 2022 study by Massachusetts Institute of Technology researchers found that although Capital One was viewed as among the "most cloud-savvy enterprises at the time of the breach," a series of "control failures at various levels" allowed the cyber attacker to exploit well-

[100] FRS Capital One-North Fork order 2006 at 18 and 19.
[101] FRS Capital One-ING order 2012 at 14.
[102] Mexican American Legal Defense and Educational Fund. [Press release]. "Discover agrees to settle class action lending discrimination suit brough by DACA recipients." March 11, 2024.
[103] Flitter, Emily and Karen Weise. "Capital One data breach compromises data of over 100 million." *New York Times*. July 29, 2019; Avery, Dan. (Avery). "Capital One $190 million data breach settlement: Today is the last day to claim money." *CNET*. September 30, 2022.

known vulnerabilities and decrypt the cardholders data.[104] The Office of the Comptroller of the Currency found that Capital One had insufficient security provisions for its cloud storage and the bank agreed to pay $80 million to settle the federal claims.[105] Capital One also agreed to a rigorous Federal Reserve consent order to improve internal governance and risk-management.[106] Capital One agreed to pay $190 million to settle a class action suit by cardholders that contended that the bank "knew of the particular security vulnerabilities that permitted the data breach" but did not fix them.[107] In 2023, the Federal Reserve released Capital One from its consent order that required stronger privacy protection measures,[108] seven months before it announced the Discover merger.

- **Capital One's problems complying with anti-money laundering laws:** Capital One has repeatedly had shortcomings in ensuring compliance with anti-money laundering laws that are designed to prevent criminal proceeds and terrorism financing from flowing through banks and businesses and to prevent criminals from continuing to profit from illegal activity. In 2015, the OCC filed a consent order against Capital One, charging that the bank "had failed to adopt and implement a compliance program" that met the requirements under the Anti-Money Laundering and Bank Secrecy Act.[109] The order noted that the bank's internal controls were insufficient to prevent money-laundering through the bank and that it could not even effectively test for compliance with anti-money laundering rules.[110] The OCC stated that Capital One failed to uncover and record suspicious activities, implement bank-wide anti-money laundering risk assessments, execute its customer due diligence processes, and monitor transaction and quality assurance programs for its remote deposit capture services.[111] Capital One was required to pay $100 million in civil monetary penalties in 2018.[112] Three years later, Treasury's FinCEN fined Capital One an additional $390 million for "willful and negligent violations of the Bank Secrecy Act" that allowed millions of dollars of "proceeds connected to organized crime, tax evasion, fraud, and other financial crimes laundered through the bank into the U.S. financial system."[113] Capital One settled the charge by agreeing to pay a reduced $290 million in fines after regulators released new evidence

[104] Khan, Shaharya et al. "A systemic analysis of the Capital One data breach: Critical lessons learned." *ACM Transactions on Privacy and Security*. Vol. 26, No. 1. November 2022.
[105] Flitter, Emily. "Capital One will pay $89 million over hack." *New York Times*. August 6, 2020.
[106] In the matter of Capital One Financial Corporation. FRS. Cease and Desist Order Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as Amended. Docket N. 20-014-B-HC. August 20, 2020.
[107] Avery 2022.
[108] Pape, Carter. "Federal Reserve ends consent order regarding 2019 Capital One breach." *American Banker*. July 11, 2023.
[109] OCC. Department of the Treasury. (OCC-Treasury consent order). Consent Order – Capital One, N.A. Docket No. AA-EC-2018-62. October 23, 2018 at 2-4.
[110] OCC-Treasury consent order 2018 at 2-4.
[111] Lang, Hannah. "Capital One hit with $100M fine over AML deficiencies." *American Banker*. October 23, 2018.
[112] *Ibid.*
[113] U.S. Treasury. Financial Crimes Enforcement Network. [Press release]. "FinCEN announces $390,000,000 enforcement action against Capital One, National Association for violations of the Bank Secrecy Act." January 15, 2021.

documenting the bank's admission that it failed to report suspicious activity, despite knowing about criminal charges against specific customers.[114]

- **Discover 2023 FDIC consent decree addresses a host of long-standing consumer compliance and safety and soundness issues:** In 2023, Discover entered into a consent decree with the FDIC to address safety and soundness issues related to persistent failures to implement effective policies and procedures to ensure compliance with consumer protection laws and regulations as well as violations of the FTC Act, Truth-in-Lending Act, Servicemembers Civil relief Act, and Electronic Records and Signatures in Commerce Act.[115] The consent order terminated an ongoing probe of Discover Bank and did not impose any financial penalty, but Discover committed to "improve its consumer compliance management system and enhance related corporate governance and enterprise risk management practices."[116] This consent order was signed five months before the Capital One takeover was announced.

  The consent decree was rooted in persistent problems with compliance controls at Discover. CFPB had pursued Discover's repeated unfair treatment of its student loan borrowers for years. In 2015, CFPB fined Discover $18.5 million for illegal student loan servicing practices including illegal debt collection techniques, overstating the minimum payment amounts, and failing to provide information necessary to receive tax benefits.[117] In 2020, CFPB fined Discover $35 million for withdrawing 17,000 accounts without authorization, canceling 14,000 payments without notification, misrepresenting minimum payments for over 100,000 borrowers, and misrepresenting the amount of interest paid by 8,000 borrowers.[118] As the consent decree was being negotiated in 2023, Discover acknowledged that it had improperly charged merchants and merchant banks excessive fees dating back to 2007 and that it was setting aside at least $375 million to repay merchants for excessive payments.[119] The FDIC included the merchant misclassification complaint in the consent decree.[120]

The serious and ongoing regulatory compliance failures at Capital One and Discover demonstrate governance failures that do not fulfill the managerial resources consideration in the Bank Merger Act and the Bank Holding Company Act. It appears that the merging parties sought to close regulatory matters — the breach for

[114] Wack, Kevin. "Capital One fined $290M for 'willful' anti-money-laundering failures." *American Banker*. January 15, 2021.
[115] FDIC. In the Matter of Discover Bank. FDIC Consent Order No. FDIC-23-0014b. September 25, 2023.
[116] Mullen, Caitlin. "Discover, FDIC reach consent agreement." *Payments Dive*. October 2, 2023.
[117] CFPB. [Press release]. "CFPB orders Discover Bank to pay $1.5 million for illegal student loan servicing practices." July 22, 2015.
[118] CFPB. [Press Release]. "Consumer Financial Protection Bureau Settles with Student Loan Servicers Discover Bank, The Student Loan Corporation, and Discover Products, Inc. for Violating a Bureau Consent Order and Other Unlawful Practices." December 22, 2020.
[119] Fitzgerald, Kate. "Discover admits it overcharged merchants for 16 years." *American Banker*. July 20, 2023; Mullen, Caitlin. "Discover discloses SEC probe." *Payments Dive*. October 27, 2023.
[120] Foley, John. "Discover dabbles with two types of delinquency." *Reuters*. July 21, 2023.

Capital One and the consent order for Discover — to pave the way for the proposed merger.

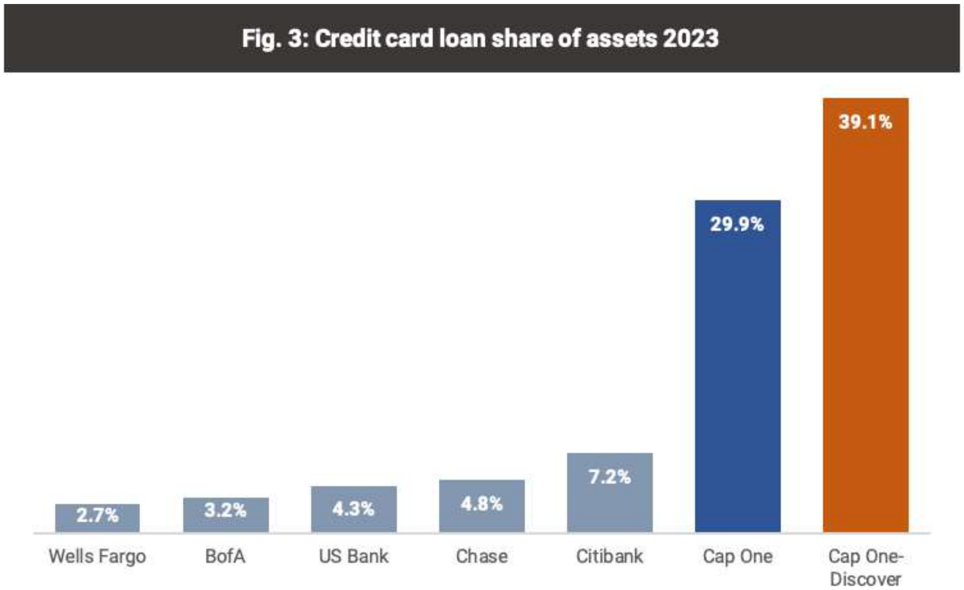
These regulatory shortcomings also demonstrate the bank's failure to keep the commitments it made in prior merger approvals. The Federal Reserve regulations implementing the Bank Holding Company Act includes a consideration of "the record of the applicant and its affiliates of fulfilling any commitments to, and any conditions imposed by, the Board in connection with prior applications" as part of its assessment of "managerial resources."[121] Capital One's regulatory compliance record has not improved after the Federal Reserve approved four bank mergers between 2006 and 2012 (Hibernia, North Fork, Chevy Chase, and ING). Capital One did not follow through on its commitment to maintain it geographic presence after taking over Hibernia and North Fork, instead it shuttered the majority of the branches acquired in those transactions. Capital One's ongoing and significant regulatory compliance lapses on money laundering and privacy protection demonstrate an unwillingness or inability to follow through on the commitments it made to secure approval for prior mergers. The banking regulators should be extremely skeptical of any regulatory compliance assurances Capital One might make in trying to finalize the Discover merger.

IV. Merger concentrates credit card risk and could compromise future prospects of combined bank as a result

The proposed merger would undermine the future prospects of the combined firm by creating a substantially larger bank that would be heavily lopsided in credit card loan assets, leaving the firm vulnerable to financial distress in the event of a broad economic downturn. Credit card loans would make up nearly 40 percent of the assets of the combined firm; an outsize portion of those loans are to borrowers with near-prime and subprime credit scores that may be even more susceptible to delinquency and default.

The Bank Merger Act and the Bank Holding Company Act both require banking regulators to consider the "future prospects of the existing and proposed institutions."[122] This statutory requirement directs agencies to evaluate the resiliency of the combined firm, including under economic stress. The OCC's licensing manual on mergers states that the agency "closely scrutinizes combinations that raise issues about management's ability to address increased risk to bank earnings and capital," including from credit risk.[123] FDIC Chairman Marty Gruenberg stated that "The evaluation of future prospects assesses whether the resulting insured depository institution will be able to operate in a safe and sound manner and maintain an

[121] 12 CFR §225.13(b)(2).
[122] 12 USC §1828(c)(5)(B); the Bank Holding Company Act 12 USC §1842(c)(2) has nearly identical language, "future prospects of the company or companies."
[123] OCC. Comptroller's Licensing Manual: Business Combinations. January 2021 at 6.



acceptable risk profile on a sustained basis following consummation of the merger."[124] The OCC states that it "does not approve a combination that would result in [...] poor earnings prospects."[125]

The merger essentially adds Discover's monoline credit card bank to Capital One's business which already reliant on credit cards. The transaction would make Capital One even more heavily tilted towards credit card assets and earnings. Capital One is already very dependent on credit card earnings. Credit card net interest income represents about 80 percent of Capital One's total net revenue.[126] A macroeconomic shock that impacted its borrowers' ability to repay their loans would significantly erode revenues and economic viability.

The merger would also significantly increase concentrated risks from credit card loans in the combined bank. At the end of 2023, credit card loans made up 29.9 percent of Capital One's assets and 68.3 percent of Discover's assets.[127] The merger would add $102 billion credit card loans to Capital One's $142 billion, a 72 percent increase, and these outstanding credit card loans would make up 39 percent of the combined firm's assets. This level of credit card concentration is far in excess of other major credit card lenders, according to Capital One's own application (see Figure 3).[128] The Federal Reserve recognized the additional risk posed by absorbing a monoline credit card bank in the 2012 ING acquisition and directed Capital One to

[124] Gruenberg, Martin J. Chairman, FDIC. "Statement by Martin J. Greunberg, Chairman, FDIC, on proposed statement of policy on bank transactions." March 21, 2024.
[125] 89 Fed. Reg. 30. February 13, 2024 at 10017.
[126] Capital One Financial Corp. SEC Form 10-K 2023 at 50 and 56.
[127] Capital One, National Association. FDIC Cert. No. 4297. Call Report. December 31, 2023; Discover Bank. FDIC Cert. No 5649. Call Report. December 31, 2023.
[128] Capital One, NA. Application to the Office of the Comptroller of the Currency for prior approval to merge with Discover Bank. Public Exhibits Volume. March 20, 2024. Exhibit A. Form of Bank. Merger Agreement. February 19, 2024 at Exhibit 21. Memorandum on Competitive Considerations at Annex 3 (419 in the application).

"enhance its risk-management systems and policies to account for the size, complexity, and diversification of the business lines that would result from the acquisition."[129]

Capital One and Discover have a higher-than-average credit card delinquency and charge off rates compared to other big banks. At the end of 2023, 4.61 percent of Capital One's and 3.87 percent of Discover's credit card loans were delinquent 30-days or more, compared to the 2.97 percent credit card delinquency rate at the 100 largest banks.[130] The combined banks held $11.4 billion in delinquent credit card loans, an amount comparable to the $12.2 billion *total* outstanding credit card loans held by PNC and Truist *combined*.[131] The merging banks are also charging off an increasing share of non-performing credit card loans. In 2023, Capital One's credit card charge off rate was 4.57 percent (more than double the 1.90 percent in 2020 and higher than the average 3.96 percent for the top 100 banks) and Discover's charge off rate was 3.90 percent (almost double the 2.09 percent in 2020).[132] Capital One and Discover both have a larger pool of lower-income and middle-income consumers that are struggling to maintain payments on their credit card debts.[133]

The concentration of credit card loans with higher delinquency rates and higher charge off rates could present a risk to continued earnings and profitability. Total household credit card debt has reached a high of over $1.1 trillion at the end of 2023 and more consumers are falling behind as prices and interest rates have both risen.[134] Average credit card debt rose from $6,320 in 2022 to $7,930 in 2023, but the average payments on that debt dropped from $430 to $360 in 2023, meaning credit card borrowers are falling further behind.[135] The share of consumers that are seriously delinquent on their credit card debts was higher in 2023 than during the 2008-2009 financial crisis.[136] Mark Zandi of Moody's Analytics stated that "the increase in credit card debt and delinquencies reflects in part the increased financial stress on lower-income households."[137]

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[129] FRS Capital One-ING order 2012 at 13.
[130] Capital One Financial Corp. SEC Form 10-K 2023 at 95; Discover SEC Form 10-K 2023 at 67; FRB. "Charge-Off and Delinquency Rates on Loans and Leases at Commercial Banks." February 23, 2024.
[131] Capital One. FDIC Cert. No. 4297. Call Report. December 31, 2023; Discover Bank. FDIC Cert. No 5649. Call Report. December 31, 2023; PNC Financial Services Group. SEC 10-K. Year End 2023 at 112; Truist Financial Corporation. SEC 10-K. Year end 2023 at 114.
[132] Capital One Financial Corp. SEC Form 10-K 2023 at 64; Discover SEC Form 10-K 2023 at 66; FRB. "Charge-Off and Delinquency Rates on Loans and Leases at Commercial Banks." February 23, 2024.
[133] Sweet, Ken. "Some Americans have become saddled with credit card debt as rent and everyday prices remain high." *Associated Press*. February 5, 2024.
[134] Zahn, Max. "Credit card debt has reached a record high. Here's what it means for the economy." *ABC News*. November 8, 2023.
[135] New York Life. [Press release]. "New York Life Wealth Watch 2024 outlook: Financial confidence grows, while credit card debt looms." January 23, 2024.
[136] Sánchez, Juan M. and Masataka Mori. Federal Reserve Bank of St. Louis. "Share of Americans in financial distress reaches high levels." December 26, 2023.
[137] Zahn, Max. "Credit card debt has reached a record high. Here's what it means for the economy." *ABC News*. November 8, 2023.

Rising credit card delinquencies and charge offs can affect the stability of banks under severe economic stresses, which would be especially acute for a combined Capital One-Discover that would have a high concentration of credit card loans. The Federal Reserve's 2023 stress test report found that under a severely adverse scenario, credit card portfolio losses could reach 17.4 percent because of the sensitivity of these loans to macroeconomic shocks and unemployment rates.[138] The negative impacts are even higher for banks with higher concentrations of vulnerable credit card assets, like Capital One *before* the proposed merger. The Federal Reserve estimates that under a severe adverse scenario, Capital One could see credit card portfolio loan balances decline by 22.2 percent, which would amount to a $54 billion loss for the combined credit card outstanding loan balances of Capital One and Discover.[139] The rise in losses and decline in revenues could negatively impact the future prospects of Capital One-Discover more significantly than for Capital One alone because of the higher concentration of credit card assets. The negative impact on the future prospects of the combined firm could ultimately pose risks to the broader economy and banking system.

V. Merger would increase risks to stability of economy and banking system

The proposed Capital One-Discover merger would increase risks to the stability of the economy and banking system and contravene the Bank Merger Act and Bank Holding Company Act. Following the 2008 financial crisis, Congress added financial stability considerations to the Bank Merger Act and Bank Holding Company Act that required regulators to consider a merger's potential risk to the stability of the financial and banking system.[140] The proposed merger would increase the risk to the financial system by creating a significantly larger institution with a. high concentration of risky credit card assets that could threaten the viability of the merged firm and that could ultimately spread to other firms in the event of macroeconomic stress. Moreover, Capital One-Discover's critical functions of credit card lending and debit network services could not easily be absorbed by other firms, increasing the likelihood of contagion that could pose risks to the banking and financial systems.

The statutes prohibit banking agencies from approving mergers that do not meet the financial stability consideration. The Bank Merger Act states that "in every case, the responsible agency shall take into consideration [...] the risk to the stability of the United States banking or financial system."[141] The Bank Holding Company Act is more explicit on the financial stability consideration, stating that "in every case, the Board shall take into consideration the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the

[138] FRB. "2023 Federal Reserve Stress Test Results." June 2023 at 18
[139] *Ibid.* a 19.
[140] Dodd-Frank Wall Street Reform and Consumer Protection Act. Pub. L. 111-113 §604(d) and (f). July 21, 2010.
[141] 12 USC 1828(c)(5)(B).

stability of the United States banking or financial system."[142] The proposed merger does not meet this consideration that Congress added in 2010 because the mergers of the prior fifteen years contributed to the financial crisis by accumulating risks in larger, more complex institutions that were then more easily propagated across the financial system. The proposed merger would pose an unlawful risk to the stability of the banking or financial system.

A. Mergers can exacerbate risks to the financial system and economy

Bank mergers can contribute to the fragility of the financial system. Banking regulators recognize that mergers can pose risks to the stability of banking system and the economy by increasing bank size, accumulating concentrated asset risk, increasing institutional complexity, and magnifying other dimensions of risk that can easily propagate a financial contagion that can cascade across the financial system and the economy. The Congress amended the Bank Merger Act and Bank Holding Company Act to include a systemic risk consideration in merger review because the wave of bank mergers after 1995 contributed to the scale and depth of the financial crisis as some banks that grew from mergers collapsed.[143] This lesson was learned at great economic cost, and these costs disproportionately harmed lower-income, Black, and Latine households and communities.

These results were not unforeseen. In 2004, the Federal Reserve Bank of San Francisco warned that mergers that lead to "the creation of megabanks also heightens concerns about systemic risk. When banking activities are concentrated in a few very large banking companies, shocks to these individual companies could have repercussions to the financial system and the real economy."[144] A 2003 International Monetary Fund paper analyzed the 1990s banking mergers and found that larger financial firms took on more risk than smaller firms and that "the moral hazard induced incentives appear to have outweighed the risk reductions potentially available through scale or scope economies."[145]

These risks were magnified for the acquisitive banks that grew through mergers to become too-big-to-fail. Too-big-to-fail institutions can be deemed to be "so large and interconnected with other financial institutions or so important in one or more financial markets that their failure would have caused losses and failures to spread to other institutions," according to the Financial Crisis Inquiry Commission.[146] When too-big-to-fail banks face economic stresses, the government has a substantial incentive to intervene and prevent their failure to prevent economic fallout.[147] The

[142] 12 USC §1842(c)(7).
[143] The number and size of bank mergers accelerated after the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 and the 1995 bank merger guidelines went into effect that facilitated interstate mergers and the merger approval process.
[144] Kwan 2004 at 3.
[145] De Nicoló, Gianni. International Monetary Fund. "Bank Consolidation, Internationalization, and Conglomeration: Trends and Implications for Financial Risk." IMF Working Paper WP/03/158. July 2003 at 5.
[146] Financial Crisis Inquiry Commission. "The Financial Crisis Inquiry Report." January 2011 at 386.
[147] AFREF. Letter to the Financial Stability Oversight Council. May 13, 2019 at 6.

implicit too-big-to-fail rescue subsidy increases the fragility of the system because it shields very large banks from the negative consequences of their risk-taking and creates an incentive to take greater risks than they otherwise would.[148] The implicit subsidy also confers an anticompetitive advantage on too-big-to-fail banks that can pursue outsized risks and profits as compared to their smaller rivals.

The bigger banks that rapidly grew through acquisitions, like Wachovia and Washington Mutual (WaMu), were more likely to fail during the financial crisis than other banks.[149] First Union ballooned in size from a medium-sized North Carolina bank to one of the biggest institutions in the country through more than 90 acquisitions from 1985 to 2000 (see Figure 4).[150] First Union's 1995 takeover of First Fidelity and 1998 acquisition of CoreStates were each in their time the biggest bank merger in history.[151] In 2001, First Union bought Wachovia (and kept the Wachovia name) before buying SouthTrust in 2004 and Golden West Financial in 2006.[152] In late 2007, Wachovia reported steep losses in subprime mortgage backed securities and its subprime mortgage portfolio, but it still bought World Savings Bank and its large pool of subprime payment-option adjustable rate mortgages in 2008.[153] The OCC approved the World Savings acquisition with a single 120-word paragraph describing the agencies evaluation of the Bank Merger Act requirements and stated "The OCC considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served [...] and found them consistent with approval."[154]

By mid 2008, Wachovia was the third largest bank in the country by deposits, but its concentrated pool of crumbling subprime mortgage assets — fueled by its acquisitions — were dragging down the bank.[155] The day after WaMu failed (also because of a concentration in high-risk subprime mortgage assets), Wachovia told its regulators it could not pay its creditors and the federal regulators invoked a systemic risk exemption for the first time in history to backstop not just insured depositors but also Wachovia debtholders and shareholders. This too-big-to-fail federal intervention was averted when Wells Fargo agreed to purchase Wachovia without FDIC assistance,

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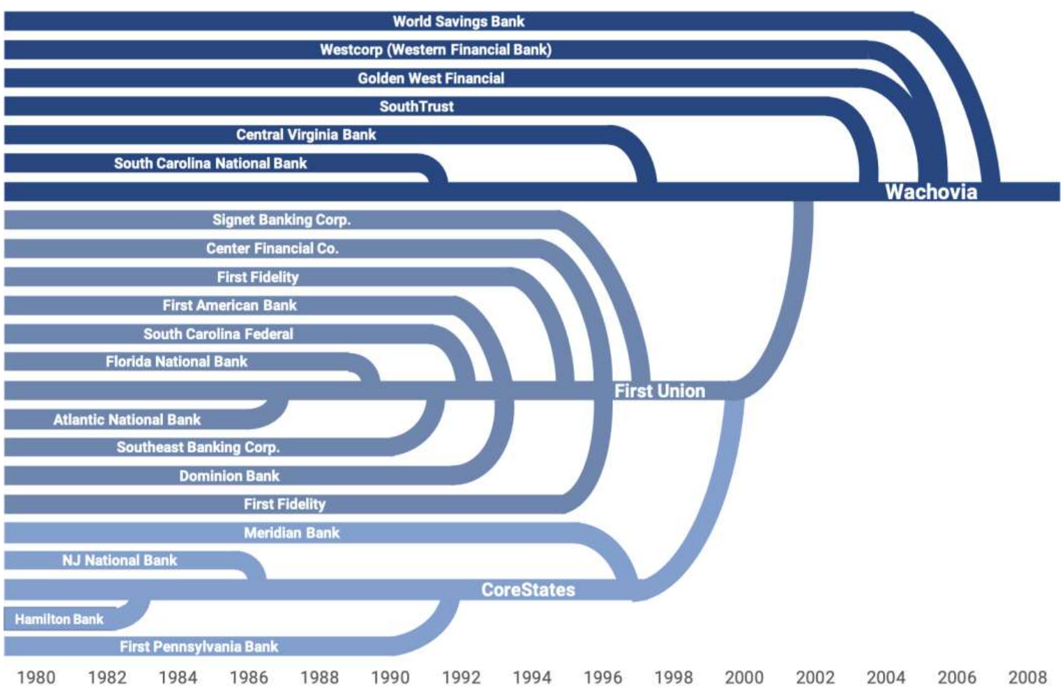
[148] Omarova, Saule T. Cornell University Law School. "The 'Too Big To Fail' Problem" *Minnesota Law Review*. Vol. 103. January 2019.
[149] Kim and Seim 2016 at 2.
[150] Cowley, Stacey. "Edward E. Crutchfield, 82, dies; Banker's deals reshaped the industry." *New York Times*. January 25, 2024.
[151] Knight, Jerry. "First Union to buy First Fidelity of N.J." *Washington Post*. June 19, 1995; "First Union merger is final." *CNN*. April 28, 1998.
[152] Singletary, Michelle. "Acquisition will make Wachovia top Va. Bank." *Washington Post*. June 25, 1997; Day, Kathleen. "First Union to acquire Wachovia." *Washington Post*. April 17, 2001; "Wachovia buys SouthTrust." *CNN*. June 21, 2004; "Wachovia acquires Golden West Financial." *NBC News*. May 8, 2006
[153] White, Ben. "Wachovia subprime valuation falls." *Financial Times*. November 8, 2007; "Wachovia finally completes acquisition of World Savings." *Sarasota Herald-Tribune*. February 18, 2008; Craver, Richard. "Wachovia collapse: 10 years later." *Winston-Salem Journal*. October 6, 2018.
[154] OCC. Re: Application by Wachovia Bank, NA, to Acquire the Branches of World Savings Bank, FSB. Conditional Approval No. 826. December 2007 at 8.
[155] FDIC. Summary of Deposits—Market Share Reports. June 30, 2008; Stempel, Jonathan. "Wachovia has $23.9 billion loss on writeoff, mortgages." *Reuters*. October 22, 2008.

Fig. 4: First Union-Wachovia selected mergers 1980-2008



but it demonstrated how merger-driven fragility could create systemic risks that force the government to "take action to avert systemic problems in the banking industry."[156]

After the crisis, multiple academic studies identified bank mergers as a substantial cause of the financial meltdown. A 2016 University of Pennsylvania paper found that the bank mergers and rising concentration led to higher leverage levels and lower levels of capitalization.[157] A 2017 Harvard University paper noted that deregulation that led to accelerated bank mergers and consolidation increased interconnectedness that "increased the chances of a large shock occurring."[158] A 2014 *Journal of Banking & Finance* study of 440 bank acquisitions between 1991 and 2009 found that "mergers coincide with statistically and economically significant increase in the contribution of the acquirer to the systemic risk of the financial sector."[159]

B. Proposed merger would amplify risks to financial stability

The proposed Capital One-Discover merger would create a firm that would increase risks to the stability of the financial and banking system. The considerable concentration in credit card loan assets would create a combined firm that is more susceptible to macroeconomic stresses that could undermine the stability of the firm (described above). The size of the combined firm increases the chances that an

[156] FDIC. "Crisis and Response: An FDIC History, 2008—2013." 2017 at xx to xxi
[157] Kim and Seim 2016 at 14.
[158] Zhang, Jeffery Y. Harvard University. John M. Olin Center for Law, Economics, and Business. Discussion Paper No. 69. "The Costs and Benefits of Banking Deregulation." April 25, 2017 at 38.
[159] Weiss, Gregor N.F., Sascha Neumann, and Denefa Bostandzic. "Systemic risk and bank consolidation: International evidence." *Journal of Banking & Finance*. Vol. 40. 2014 at 166.

economic stress that compromises the viability of the firm could create a financial contagion that could be transmitted to other similarly situated banks, as happened in the 2023 banking crisis and during the 2008 financial crisis with much smaller troubled banks. Additionally, if a combined Capital One-Discover were to become distressed, its withdrawal from credit card lending and debit payment network would compromise the provision of these critical functions because it would be difficult to find substitutes for such a large share of the market.

Banks considerably smaller than merged Capital One-Discover have precipitated broader failures: The proposed merger would create a much larger bank whose financial distress or failure could precipitate a contagion that could compromise the viability of other banking institutions. The OCC merger licensing manual recognizes that a merger can "result in a material increase in risks to financial system stability due to an increase in size" that "in the event of financial distress of the combined entity, would cause significant risks to other institutions."[160]

The combined Capital One-Discover would become the sixth largest bank with $624 billion in consolidated domestic assets.[161] A 2018 Federal Reserve paper found that stress at banks with over $250 billion in assets has a statistically significant effect on the real economy.[162] A 2018 *Review of Economics* assessment of academic literature after the financial crisis concluded that "bank size is a key predictor for systemic risk and that the largest banks disproportionately contribute to overall risk."[163] The combined institution would be considerably larger than other failed institutions that grew from mergers and whose failures contributed to the collapse of other banks.

The 2023 failure of Silicon Valley Bank (SVB) contributed to the failures at Signature Bank and First Republic Bank as contagion spread and instigated deposit runs.[164] All three institutions were far smaller than the combined Capital One-Discover would be — SVB and First Republic had about $200 billion in assets, about one-third the size of the proposed merger.[165] SVB had grown through a significant merger in 2021 when it acquired Boston Private Bank & Trust, accelerating its rapid growth; it failed than two years after the Federal Reserve approved the merger.[166] As Federal Reserve Vice-Chair Michael Barr noted, "A firm's distress may have systemic consequences through contagion — where concerns about one firm spread to other firms — even if

[160] OCC. Comptroller's Licensing Manual: Business Combinations. January 2021 at 8.
[161] FRB. "Insured U.S.-Chartered Commercial Banks That Have Consolidated Assets of $300 Million Or More, Ranked by Consolidated Assets." December 31, 2023.
[162] Lorenc, Amy G. and Jeffery Y. Zhang. Federal Reserve Board. "The Differential Impact of Bank Size on Systemic Risk." Finance and Economics Discussion Series No. 2018-066. 2018.
[163] Moch, Nils. "The contribution of large banking institutions to systemic risk: What do we know? A literature review." *Review of Economics*. Vol. 69, No. 3. 2018 at 231.
[164] "Why First Republic Failed. Are other banks to follow?" *Associated Press*. May 1, 2023; Lopez, German. "Another bank failure." *New York Times*. May 2, 2023.
[165] Russel, Kari and Christine Zhang. (Russel and Zhang). "3 failed banks this year were bigger than 25 that crumbled in 2008." *New York Times*. May 1, 2023.
[166] FRS. SVB Financial Group Order Approving the Merger of Bank Holding Companies, the Merger of Banks, and the Establishment of Branches. FRB Order No. 2021-08. June 10, 2021; FRB. Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank. April 2023

the firm is not extremely large, highly connected to other financial counterparties, or involved in critical financial services."[167]

Merger increases failure risk that could impair critical functions that threaten financial stability: The Capital One-Discover merger could heighten the risk to financial stability if it became unable to provide its critical functions to customers and the economy under financial stress. As the Federal Reserve noted in the order approving the Capital One-ING acquisition, mergers can threaten financial stability "if the failure of the resulting firm, or its inability to conduct regular-course-of-business transactions, would likely impair financial intermediation or financial market functioning so as to inflict material damage on the broader economy."[168]

The scale of Capital One's role in credit card lending and debit payments would be hard for other financial firms to easily replace as substitute providers in the event of economic stress that could impair the economy. The OCC merger licensing manual states that a merger that reduces "the availability of substitute providers for the services" of critical functions can pose a risk to financial stability that could be unlawful under the Bank Merger Act.[169]

The merged firm would control a substantial volume and share of critical functions to the financial system that would be too large to easily replace with substitutes. In the Capital One-ING order, the Federal Reserve stated that the merger would be unlikely to cause significant disruptions to credit card loans because Capital One would be the fourth biggest lender with 11 percent market share and be far smaller than the top three issuers.[170] The Capital One-Discover merger is far larger. Capital One-Discover would be the largest credit card lender with $250 billion (22 percent) of outstanding credit card loans and $380 billion (20 percent) of e-commerce debit transactions from 4,100 bank debit card issuers.[171] There are probably not firms or even combinations of firms that could easily absorb these critical functions. It would be difficult to service a quarter trillion dollars in credit card loans or provide debit transaction payments service for 4,100 banks. In the event of a severe stress or shock, there could be substantial disruption in service for hundreds of millions of customers — both the estimated 300-plus million cardholders of Discover and Capital One but also depositors at the banks that rely on the Discover Pulse debit network.

[167] Russel and Zhang 2023.
[168] FRS Capital One-ING order 2012 at 28.
[169] OCC. Comptroller's Licensing Manual: Business Combinations. January 2021 at 8.
[170] FRS Capital One-ING order 2012 at 33.
[171] Market share for total loans calculated from total outstanding credit card loans from Federal Reserve Bank of New York. Center for Microeconomic Data. Household Debt and Credit Report. Q4 2023; Capital One Financial Corp. SEC Form 10-K. 2023 at 90 and 94; Discover Financial Services. SEC Form 10-K. 2023 at 64 and 102; AFREF debit calculation based on Discover's Pulse network share of card-not-present transactions, which is likely an underestimate because it does not account for Discover's signature debit transactions. FRB Payments Study. 2023 at Table 1; Redbridge. "Are Visa's debit routing practices making PIN and PINless debit transactions better or worse for merchants?" November 11, 2021; Discover SEC Form 10-K. 2023 at 4.

VI. Conclusion

The proposed Capital One-Discover merger would have anti-competitive impacts that would harm consumers and communities. It also fails to meet the further requirements and conditions of the Bank Merger Act and Bank Holding Company Act regarding convenience and needs of communities, managerial resources and future prospects, or financial stability.

In addition, the Federal Reserve appropriately evaluates "the record of the applicant and its affiliates of fulfilling any commitments to, and any conditions imposed by, the Board in connection with prior applications" when it considers subsequent transactions.[172] Capital One has a demonstrated record of failing to fulfill the commitments it made to secure previous merger approvals. It severely shrank its geographic footprint by closing more than two-thirds its branches after committing to maintain its services in the Hibernia and North Fork mergers. The Federal Reserve Board required Capital One to implement a plan the Board approved to redress regulatory compliance shortcomings as a condition of approving the ING merger approval, but Capital One has continued to have a checkered compliance and consumer protection record with a massive data breach and flawed anti-money laundering guardrails.

The Federal Reserve and OCC should deny the Capital One-Discover merger application because it fails to meet the statutory and regulatory requirements under the Bank Merger Act and Bank Holding Company Act.

[172] 12 CFR §225.13(b)(2).

From:	Eric Madar
To:	RICH BankSup Applications Comments
Subject:	[External] Don"t let Capital One and Discover merge.
Date:	Wednesday, May 29, 2024 2:35:44 AM

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,
~Eric Madar

Eric Madar
eric.d.madar@gmail.com
2004 10th Ave
Oakland, California 94606

From:	Steve Wendt
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 3:03:26 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

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The federal regulators must stop this mega-merger immediately.

Sincerely,

Steve Wendt
stevew@shocking.com
6 New Dawn Cir
Chico, California 95928

From:	Herbert Elwell
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 6:27:13 AM

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Do not click on suspicious links. Do not give out personal or bank information to unknown senders.

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Herbert Elwell
hjamese3@gmail.com
350 Button Hill Rd
Lawrenceville, Pennsylvania 16929

From:	Sara Lerner
To:	RICH BankSup Applications Comments
Subject:	[External] please stop the Credit One/Discover mega-merger
Date:	Wednesday, May 29, 2024 7:11:22 AM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

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A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Sara Lerner
sara_lerner@press.princeton.edu
70 Bonnell St.
Flemington, New Jersey 08822

From:	Nancy Foster
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 8:20:38 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Nancy Foster
fost458@bellsouth.net
154 Westhaven Dr
Myrtle Beach, South Carolina 29579

From: Dustin Turner
To: RICH BankSup Applications Comments
Subject: [External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 29, 2024 9:06:49 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Dustin Turner
thechinamanisnottheissue45@gmail.com
1209 Edison boulevard, Front
Port Huron, Michigan 48060

From:	Louis Pate
To:	RICH BankSup Applications Comments
Subject:	[External] The American public is already doomed with credit cards, why should we make it harder to use them?
Date:	Wednesday, May 29, 2024 10:12:14 AM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately. We cannot continue to allow massive companies to turn our financial futures into their playgrounds. These companies already have so much power over us, why are we making it easier for them to control us?

Sincerely,
Louis Pate

Louis Pate
louispate@gmail.com
2941 McDowell Road
Las Cruces, New Mexico 88005

From:	Melanie Sharif
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 11:35:30 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately. It is YOUR JOB to protect healthy competition and protect consumer interests. The government is meant to serve the people, not corporations.

Sincerely,
Melanie Sharif

Melanie Sharif
sharifmelanie@gmail.com
3250 Oneal Circle Apt G14
Boulder, Colorado 80301

From:	craig mckerley
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 11:45:32 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

craig mckerley
craig.mckerley@okstate.edu
7230 east 130th st s
bixby, Oklahoma 74008

From:	Martin Carrillo
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 11:54:19 AM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

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If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Martin Carrillo
rosimartin626@gmail.com
3672 San Pasqual St
Pasadena, California 91107

From: Patricia Harris
To: RICH BankSup Applications Comments
Subject: [External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 29, 2024 12:39:50 PM

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Patricia Harris
pscharris284@gmail.com
8425 Elpis Rd
Cleveland, New York 13042-2172

From:	Karen Brickey
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 12:51:26 PM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

Accountability and transparency are vital in a democracy. The federal regulators must stop this mega-merger immediately.

Sincerely,

Karen Brickey
karenlbrickey@gmail.com
3015 Haden Dr
Columbia , Missouri 65202

From: Scott Dorn
To: RICH BankSup Applications Comments
Subject: [External] Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 29, 2024 1:00:43 PM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

Sincerely,

Scott Dorn
scottlivingwell@gmail.com
912 East Main
Arcadia, Wisconsin 54612

From: Ronald Spies
To: RICH BankSup Applications Comments
Subject: [External] I say NO! Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 29, 2024 1:22:21 PM

NONCONFIDENTIAL // EXTERNAL

PLEASE NOTE: This email is not from a Federal Reserve address.
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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Ronald Spies
bassmanron57@yahoo.com
3640 Rocky Creek Ave.
Depoe Bay, Oregon 97341

From:	Summer Stevens
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 4:05:21 PM

NONCONFIDENTIAL // EXTERNAL

PLEASE NOTE: This email is not from a Federal Reserve address.
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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Summer Stevens
kabocha404@gmail.com
PO Box 177, 712 Gregor St, 712 Gregor St
Colton, Washington 99113

From:	David Cotner
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 4:51:06 PM

NONCONFIDENTIAL // EXTERNAL

PLEASE NOTE: This email is not from a Federal Reserve address.
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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

David Cotner
hertzlion@gmail.com
675 E Santa Clara Street
Ventura, California 93001

From:	Ellen Rozek
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) The Capital One/Discover mega-merger must be stopped
Date:	Wednesday, May 29, 2024 5:34:09 PM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank and massively impacting the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable to their customers while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Ellen Rozek
erozek10@gmail.com
1406 Osceola Ave
Saint Paul, Minnesota 55105

From:	Berenice Moog
To:	RICH BankSup Applications Comments
Subject:	[External] STOP MONOPOLIES- Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 5:59:47 PM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

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A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Berenice

Berenice Moog
bcmoog@gmail.com
49-17 39th Ave
Sunnyside, New York 11104

From:	Katharine Molnar
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 6:26:43 PM

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Federal Trade Commission PUBLIC MEETING,

It's time to stop the creation of monopolies!!!

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Katharine Molnar
kjmggl3@gmail.com
49 Bank Street
Winsted, Connecticut 06098

From:	Sy Nashiro
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 8:33:34 PM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Sy Nashiro
snashiro@cyrcahealth.com
1505 Dillingham Blvd, Suite 215
Honolulu, Hawaii 96817

From:	Liz Cooper
To:	RICH BankSup Applications Comments
Subject:	[External] 34+ year customer: Stop the Discover-Capital One merger!
Date:	Wednesday, May 29, 2024 9:16:04 PM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

As a 34+ year customer of Discover services, and a few years less customer of Capital One, I am strongly against the merger of these 2 companies. This will definitely lead to a more monopolistic environment for consumers. This will not provide any benefit from consumer standpoint.

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,
Liz Cooper
Millbrae, CA

Liz Cooper
cooper_ea@hotmail.com
616 Santa Florita Ave
Millbrae, California 94030

From: Ellen DeMoor
To: RICH BankSup Applications Comments
Subject: [External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date: Wednesday, May 29, 2024 8:54:05 PM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Ellen DeMoor
quiltalotmo@yahoo.com
112 Seven Springs Ct.
Lonedell, Missouri 63060

From:	Heather Stuhlmann
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 9:40:35 PM

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Heather Stuhlmann
heatherstuhlmann@gmail.com
36289 Maplewood Ave
Prairieville, Louisiana 70769

From:	Constantina Hanse
To:	RICH BankSup Applications Comments
Subject:	[External] Stop the Credit One/Discover mega-merger.
Date:	Wednesday, May 29, 2024 9:42:36 PM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation's sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Constantina Hanse
dinaki13@gmail.com
101 Lloyd Ave. Apt. 1
Pittsburgh, Pennsylvania 15218

From: Carolyn Davis
To: RICH BankSup Applications Comments
Subject: [External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date: Thursday, May 30, 2024 9:23:25 AM

NONCONFIDENTIAL // EXTERNAL

Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Carolyn Davis
cbdavis250@gmail.com
30556 Greenland St
Livonia , Michigan 48154

From:	Jeff Rupert
To:	RICH BankSup Applications Comments
Subject:	[External] (PUBLIC MEETING) Stop the Credit One/Discover mega-merger.
Date:	Thursday, May 30, 2024 9:34:13 AM

NONCONFIDENTIAL // EXTERNAL

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Federal Trade Commission PUBLIC MEETING,

Capital One, one of the largest banks in the U.S, announced a 35.3 billion dollar deal to acquire Discover Financial Services. This merger would add Discover's 305 million cardholder network to Capital One's existing 100 million customers, creating the nation’s sixth largest bank with a massive impact on the credit card industry.

If approved, this mega-merger would lead to further consolidation of power and influence in the lending market. This concentration would make it harder to hold banks accountable while limiting competition and reducing banking options for consumers nationwide.

A healthy economy relies on robust competition, and a successful democracy requires an economy that benefits all. This proposed merger poses a threat to both, hindering competition and economic inclusivity.

The federal regulators must stop this mega-merger immediately.

Sincerely,

Jeff Rupert
jeff275@yahoo.com
7738 Davenport Rd
Princeton, Minnesota 55371