

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

and

DEPARTMENT OF THE TREASURY

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Public Meeting on the

Proposal by Capital One Financial Corporation to Acquire
Discover Financial Services and Discover Bank, and for
Discover Bank to Merge with and into Capital One, National
Association

via Webex

Friday, July 19, 2024

9:00 a.m. to 6:27 p.m. Eastern Daylight Time

PRESIDING OFFICERS AND PANELISTS FROM THE FEDERAL RESERVE AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY:

Joseph Firschein, Presiding Officer, Federal Reserve Board
Chandni Ohri, co-Presiding Officer (Morning) and Panelist
(Afternoon), Office of the Comptroller of the Currency
Vonda Eanes, co-Presiding Officer (Afternoon) and Panelist
(Morning), Office of the Comptroller of the Currency
Jason Almonte, Panelist, Office of the Comptroller of the
Currency
Lucy Chang, Panelist, Federal Reserve Board
Lisa White, Panelist, Federal Reserve Bank of Richmond
Marcie Heppner, Panelist, Office of the Comptroller of the
Currency
Vaishali Sack, Panelist, Federal Reserve Board

COORDINATORS AND ANNOUNCERS:

Amory Goldberg, Federal Reserve Board of Governors
Harley Moyer, Federal Reserve Board of Governors
Katrina Allen-Austin, Federal Reserve Board of Governors

TECHNICAL SUPPORT:

Alonzo Medcalf, Federal Reserve Bank of St. Louis
Danielle Clinton, Federal Reserve Bank of St. Louis
Den Dotson, Federal Reserve Bank of St. Louis
Jean Roark, Federal Reserve Bank of St. Louis
Meagan Banta-Lewis, Cohost, Federal Reserve Bank of St. Louis

REMARKS BY CAPITAL ONE FINANCIAL CORPORATION, DISCOVER FINANCIAL SERVICES, AND DISCOVER BANK:

Rich Fairbank, Chairman and Chief Executive Officer of
Capital One Financial Corporation
Andy Navarrete, Executive Vice President and Head of External
Affairs of Capital One Financial Corporation
Michael Shepherd, Interim Chief Executive Officer and President
of Discover Financial Services, and Interim President of
Discover Bank
Hope Mehlman, Executive Vice President, Chief Legal Officer,
General Counsel, and Corporate Secretary of Discover
Financial Services

COMMENTERS:

Group 1:

Kevin Hill, NCRC
Jesse Van Tol, NCRC
Kevin Stein, Rise Economy
Bartlett Naylor, Public Citizen
Patrick Woodall, Americans for Financial Reform
Lakesha Hancock, Foundation for Pops
Karen Speakman, NeighborGood Partners, Inc.
Clementine Deck, Housing Opportunities Made Equal of Greater
Cincinnati
Rashmi Rangan, Delaware Community Reinvestment Action Council,
Inc.
Matthew Lee, Fair Finance Watch/Inner City Press

Group 2:

Kenneth Thomas, CRA Handbook
Delegate Richard Sullivan, Virginia House of Delegates, 6th
House District
Delegate Irene Shin, Virginia House of Delegates, 8th House
District
Seth Bornstein, Queens Economic Development Corporation
Sherry Goldstein, The Fortune Society
Mike Gross, Genesys Works NYC
Richard Wintsch, Startup Virginia
Rachel Glassman, Miriam's Kitchen
Kelly Canally, Family Services of Montgomery County,
Pennsylvania

Group 3:

Bernice Edwards, First State Community Action Agency, Inc.
Moses Foster, West Cary Group
Jennifer Sanders, Dallas Innovation Alliance
Michelle Corson, On the Road Companies
Christine Powell, The Women's Resource
Christina McInnis, AgriTech Corp
Jessica Broome, Southpaw Insights
The Honorable Maxine Waters, U.S. House of Representatives,
Ranking Member of the U.S. House Financial Services
Committee

Group 4:

Laura McGinley, University Settlement
Brenda Rosen, Breaking Ground
Hershel Daniels, Friends of the African Union
Andrew Jakabovics, Enterprise Community Partners
Silky Misra, National Urban League
William Werner, BJs Wholesale Club
Marisa Calderon, Prosperity Now
Kristine (Kris) Thompson, Calvary Women's Services
Marisa Barrera, DreamSpring

Group 5:

Cassandra Morien, No organization listed
Chi-mei Lin, Chinese Community Center, Houston
Dara Duguay, Credit Builders Alliance
Victoria (Tori) McRoberts Hoffpair, YouthForce NOLA
Andrew Lubin, Delaware Technology Park
Shemik Sellars, Legacy-House Preschool
Sandra Wheeler, The Richmond Forum
Carl Dillon, Urban Restoration Enhancement Corporation
Lyndsae' Peele, Kiva Microfunds
Evan Leaphart, Kredit Academy

Group 6:

Charles McDowell, No organization listed
Leila Amirhamzeh, New Jersey Citizen Action
Cornell Crews Jr., Community Reinvestment Alliance of Florida
Peter Hainley, CASA of Oregon
Jin Sung, OASIS Center International
Ashley Nowicki, The American Economic Liberties Project

Group 7:

Ruthe Farmer, Last Mile Education Fund
Vicki Zubovic, Khan Academy
Ronald Carey, Tilt Creative + Production
Dawn Jackson, Nudawn Marketing Group, Inc.
Anjali (Ann) Ramakumaran, Ampcus Inc.
Lawrence Vein, No organization listed
Daniel (Dan) Nissenbaum, Low Income Investment Fund
Dr. Kim Carter Evans, TruFund Financial Services, Inc.

Group 8:

Providenza Rocco, Delaware Futures
Suzanne, Keeley, Communities In Schools of Richmond
Alex Forrester, Rising Tide Capital
Blanche Jackson, Stepping Stones Community Federal Credit Union
Dani Gabriel, La Cocina
Dan Cruce, United Way of Delaware
Joey Quinto, Cal. Journal for Filipino Americans / National
Diversity Coalition
Andrew Monzel, Ohio State University
Michael Minor, Central Baptist Community Development Corp.

Group 9:

Leon Walker, DL3 Realty
Carl Nagy-Koechlin, Just-A-Start
Steve Tarver, CEO (Retired) YMCA of Greater Louisville
Scott Kratz, Building Bridges Across the River
Jovan Burton, Partnership for Housing Affordability
Sean Closkey, ReBUILD Metro, Inc.
Jennifer (Jenny) Friar, St. Joseph's Villa
Eamonn O'Callaghan, No organization listed
Jennifer Wakefield, Greater Richmond Partnership

Group 10:

Aaron Miripol, Urban Land Conservancy
Sarah Habib, NeighborWorks Southern Colorado
Jacqueline Hutchinson, SLEHCRA/Consumers Council of Missouri
Kim McCarty, Community Alliance of Tenants
William Gonzalez, Ceiba
Bishop Gale, Oliver, Greater Light Family Church
Kevin Cronin, Housing Oregon
Sandra Choi, EPICENTER Foundation
Joan Brodhead, Community First Fund

Group 11:

Joseph McClary, The National Business Education Association
Jill Norcross, Northern Virginia Affordable Housing Alliance
Gabe Scheck, LIFT
Jennifer Thompkins, Metropolitan Wilmington Urban League
Nicholas Markette, No organization listed
Nicole Storm, project:HOMES
David Anderson, Working in Support of Education

Group 12:

Bill Chinn, The DEC Network
Aimée Eubanks Davis, Braven
Floyd Miller II, Metropolitan Business League
June Evans, Bowie Business Innovation Center (Bowie BIC)
Tamika Edwards, Legal Outreach, Inc.
Anne Love, Meals On Wheels Delaware (MOWD)
Antwon Brinson, Culinary Concepts AB
Timothy Henkel, Pennrose, LLC
Ami Kim, Greater Richmond Bar Foundation
Jeremy Tillman, TrainUp.com

Group 13:

Charlie Vincent, Spur Impact Association
Twana Billeaudeau, The Bank & Trust, SSB
Nicole Pasquinelli, Chicago Elite Volleyball Club, LLC
Richard Roberts, Red Stone Equity Partners
Aaron McClung, Feed More
Michael LaPidus, Ate Degrees Hospitality
Ibrahima Souare, New York Professional Advisors for Community
Entrepreneurs
Yanki Tshering, Accompany Capital
John Patton, Street Charity

Additions to Group 13

Delegate Rodney Willett, Virginia House of Delegates, 58th House
District
Delegate Anne Ferrell Tata, Virginia House of Delegates, 99th
House District
Fonta Gilliam, Wellthi Technologies
Barbara Busch, Working in Neighborhoods
Cornel Darden Jr., Greater Chicagoland Black Chamber of Commerce

Group 14:

Herbert Ames, Capital Region Minority Chamber of Commerce
Justin Richardson, Pacific Transformer
Carlos Asarta, Delaware Council on Economic Education
Rick Bialobrzeski, GreenPath Financial Wellness
Jim Kinney, Peoples Bank of Alabama
Garrett Jackson, APAH
Jan Langbein, Genesis Women's Shelter and Support
Mary-Winston Deacon, HumanKind
Terri North, Providence Community Housing
Isabelle Benditte, Branches, Inc.

Group 15:

Daniel Fernandez, TMC Community Capital
Mattison Boyer, College Tracks
Elizabeth (Beth) Myers, Girls Inc. of Metropolitan Dallas
Gabrielle Madison, Bonton Farms
Brian MacNair, Kitchen of Purpose
Jessica Butler, North Lawndale Employment Network
John Hatchell, TYDEi Health
Norma Fernandez, EveryoneOn
Todd Zywicki

Group 16:

Pamela Prince-Eason, Women's Business Enterprise National
Council
Tara Pak, PATH
Justin Nelson, National LGBT Chamber of Commerce
Ken Ampy, Astyra Corporation
Nedra Fears, Greater Chatham Initiative
Leila Finucane, Victory Housing Inc.
Jason Ilstrup, Downtown Madison, Inc. (DMI)
Greta Harris, Better Housing Coalition
Abe Schuchman, Housing Unlimited Inc.

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1 P R O C E E D I N G S

2

3 JOSEPH FIRSCHEIN: Okay. Good morning, everyone. I am
4 pleased to welcome you today, July 19th, to this important
5 public meeting on the application by Capital One Financial
6 Corporation to acquire Discover Financial Services and to
7 merge Discover Bank into Capital One, National Association.

8 Before we begin, I would like to point out that closed
9 captioning is available for this meeting. You can access
10 it by clicking on the button at the bottom left of your
11 screen. The button is labeled CC. This will provide
12 software-generated closed captioning.

13 Let me begin by introducing myself. My name is Joseph
14 Firschein, and I am the Associate Director with
15 Responsibility for Mergers and Acquisitions in the Federal
16 Reserve Board's Division of Consumer and Community Affairs
17 in Washington, D.C. I will serve as the Presiding Officer
18 for the Federal Reserve Board for the entirety of this
19 public meeting.

20 On behalf of the Office of the Comptroller of the
21 Currency, OCC, my colleagues, Chandni Ohri and Vonda Eanes,
22 will alternate serving as the Presiding Officer. Chandni
23 Ohri, the Director of Community Development, will serve as
24 the OCC's Presiding Officer for the morning session and as
25 a panelist for the afternoon session. Vonda, the Director

1 of Community Reinvestment Act and Fair Lending Policy, will
2 serve as a panelist for the morning session and then will
3 assume responsibility as the OCC's Presiding Officer for
4 the afternoon session. Chandni will introduce herself in a
5 moment.

6 Let me quickly introduce our other panelists. For the
7 Federal Reserve, we have Vaishali Sack, who is Deputy
8 Associate Director for the Federal Reserve Board's Division
9 of Supervision and Regulation, and Lucy Chang, who is
10 Assistant General Counsel in the Federal Reserve Board's
11 Legal Division, as well as Lisa White, who is Executive
12 Vice President in the Supervision, Regulation, and Credit
13 Department at the Federal Reserve Bank of Richmond.

14 For the OCC, we have Jason Almonte, the Director for
15 Large Bank Licensing, as well as Marci Heppner, National
16 Bank Examiner, who is the Examiner-in-Charge of
17 Capital One, National Association.

18 For today's meeting, I will serve as the Presiding
19 Officer on the agency panel for both the morning and the
20 afternoon sessions. For the agency panel during the
21 morning session, co-Presiding Officer Chandni Ohri, and I
22 will be joined on camera by Jason Almonte, Marci Heppner,
23 and Vaishali Sack. The remaining panelists will be
24 off-camera during the morning session.

25 Just to go over some timing, the morning session will

1 go until about 12:45 p.m. Eastern. And then for the
2 afternoon session, co-Presiding Officer Vonda Eanes and I
3 will be joined on camera by Lucy Chang, Lisa White, and
4 Jason Almonte. The other panelists will be off-camera in
5 the afternoon. This part of the meeting will begin at
6 1:25 Eastern. The agenda for the public meeting is
7 available on the Board's public website at the location
8 where people previously registered to attend this public
9 meeting under the "Public Meeting" section. The public
10 meeting agenda is also available on the OCC's public
11 website under "Public Comments on Licensing Applications."

12 If needed, in order to accommodate each member of the
13 public who registered to speak at the meeting, we will
14 extend the meeting by up to one and a half hours, and it
15 may end as late as 6:30 p.m. Eastern.

16 When our agencies consider the applications related to
17 this proposed merger, we look at a number of factors under
18 the Bank Holding Company Act, which governs the application
19 filed with the Federal Reserve, and the Bank Merger Act,
20 which governs the merger application being processed by the
21 OCC.

22 These factors include, first, the convenience and
23 needs of the communities affected by the proposal, in which
24 we consider the effects of the proposed transaction on the
25 convenience and needs of the communities to be served by

1 the resulting financial institution.

2 Additionally, we look at the parties' records of
3 performance under the Community Reinvestment Act. The
4 Community Reinvestment Act requires the Federal Reserve and
5 the OCC to take into account an institution's record of
6 helping to meet the credit needs of its entire community.

7 Second, the financial condition and future prospects
8 of the combined organization.

9 Third, the managerial resources of the combined
10 organization, including the competence, experience, and
11 integrity of the officers, directors, and principal
12 shareholders of the applicant, and their record of
13 compliance with laws and regulations.

14 Fourth, any competitive impact of the proposal.

15 Fifth, any financial stability impact of the proposal.

16 And sixth, the effectiveness of the institutions
17 involved in the transaction in combating money laundering
18 activities.

19 The purpose of today's public meeting is to receive
20 information regarding these factors related to the
21 Capital One-Discover applications.

22 In addition, because Capital One's proposal also
23 involves the acquisition of non-bank companies under
24 Section 4(c)(8) of the Bank Holding Company Act, the Board
25 must consider whether the acquisition of these companies

1 can reasonably be expected to produce public benefits that
2 outweigh possible adverse effects.

3 We are pleased that members of the public have been
4 willing to join and present their views at this public
5 meeting, and we look forward to hearing from you today.

6 With that, I am going to turn this over to Chandni for
7 her opening remarks. Thanks a lot. Chandni?

8 CHANDNI OHRI: Thank you, Joseph. As Joseph mentioned,
9 I am Chandni Ohri, and I am the Director of Community
10 Development at the OCC. I will serve as co-Presiding
11 Officer for the OCC during the first half of this meeting,
12 and then Vonda Eanes will serve as co-Presiding Officer for
13 the OCC after we break for lunch.

14 I'd like to make a few remarks about the meeting
15 procedures. The meeting today is an informal public
16 meeting. This is a forum for members of the public to
17 provide comments on the pending applications. Members of
18 the Agency Panel may ask clarifying questions of those who
19 are presenting, but we are here primarily to listen to you
20 and your comments.

21 The Panel will not be answering questions on the
22 proposal, and it does not exercise any final
23 decision-making authority related to the applications
24 before either the Federal Reserve or the OCC.

25 This is not a formal administrative hearing and is not

1 governed by the Administrative Procedures Act, the Federal
2 Rules of Evidence, the Federal Rules of Civil Procedure,
3 the Board's Rules of Practice for Hearings, or the OCC's
4 Rules of Practice and Procedure.

5 Because we have many presenters, we will endeavor to
6 adhere closely to the agenda schedule so that everyone who
7 registered to provide oral remarks will have the
8 opportunity to do so.

9 In addition, because this meeting is being held
10 virtually, it is important that we adhere to the schedule
11 as presenters may be signing on or off based on the time
12 period that their group is assigned to present.

13 However, as I will discuss in a minute, all presenters
14 have previously been provided with a start time for their
15 remarks and received instructions to be online and prepared
16 to provide oral remarks 20 minutes in advance of their
17 scheduled start time. We remind the presenters to be
18 mindful of the needs of others and appreciate your help to
19 keep us on schedule.

20 Consistent with past public meetings on merger
21 proposals, Capital One and Discover management will be
22 allotted a total of 20 minutes to make remarks, and this
23 time will be divided up amongst four presenters. After
24 their remarks, we will proceed with approximately 16 groups
25 of speakers, and each group consists of 6 to 10 speakers

1 who have requested to provide oral comments.

2 Each presenter will have a maximum of three minutes to
3 make the statement and will be expected to keep within the
4 allotted time frame. We have a timer that will be shown on
5 camera to aid with keeping track of the amount of time each
6 person has remaining for their oral remarks. If you're
7 providing remarks, you should refer to the timer to track
8 the amount of time you have left to speak and when your
9 time has expired.

10 All scheduled speakers will be elevated to a
11 "panelist" role a few minutes before their group is
12 scheduled to speak. Once you have been elevated to a
13 panelist role, you will have the ability to unmute yourself
14 and to turn on your camera. When it is your turn to speak
15 at the public meeting, a Federal Reserve Board staff member
16 will announce that you have the floor and will then ask you
17 to turn on your camera and microphone. Please make sure to
18 press both the unmute button and the video camera button to
19 turn on both audio and the camera.

20 To begin, please state your name and, if applicable,
21 what organization you are representing. At the conclusion
22 of your statement, please end with, this concludes my
23 remarks, so that the technical team will know that your
24 statement has concluded. Please mute your microphone when
25 your remarks have concluded and turn off your camera. The

1 technical team will then switch you back to an "attendee"
2 and you will be able to watch the meeting.

3 If you are scheduled to speak and experience
4 connectivity issues, please email
5 stls.cli.digital.services@stls.frb.org for technical
6 assistance. This email address will be checked
7 periodically throughout the meeting.

8 In accordance with the agenda that has been
9 distributed and is available on the Board's and OCC's
10 public websites, Groups 1 to 16 have approximate start
11 times as displayed on the agenda. Each group of speakers
12 will be announced by agency staff. Each group of speakers
13 will commence after the conclusion of the preceding group
14 or after the conclusion of a scheduled break.
15 Approximately 20 minutes before your group begins, please
16 join the Webex meeting and prepare to turn on your camera
17 and be moved to a speaker role.

18 Although we will endeavor to stay closely to the
19 agenda schedule, we understand that there are unexpected
20 absences or unexpected delays or technical difficulties,
21 which may mean someone who's listed on the agenda may be
22 moved to an earlier or to a later group.

23 If we need to move you to a different group of
24 speakers, Federal Reserve staff will send an email directly
25 to the email address you provided during registration and

1 will ask if you are able to move to an alternate time
2 period.

3 Due to copyright concerns, we ask that no artwork or
4 photography be shown in the background during your
5 presentation and that any family photos or photos of other
6 persons be removed from the camera's view because the
7 people pictured in the photograph will not have authorized
8 the Federal Reserve or the OCC to broadcast their image.

9 When you're presenting, please ensure that other
10 individuals who did not register to speak at the meeting do
11 not enter the camera area, in order to prevent the
12 inadvertent display of other individuals who have not
13 provided permission to appear in the livestream.
14 Otherwise, we may have to interrupt your presentation to
15 prevent unauthorized individuals from appearing in your
16 video feed.

17 I want to mention two additional points. First,
18 speakers and those viewing or listening to the meeting may
19 also submit written comments to the Board and OCC for
20 inclusion as part of each agency's respective public
21 records, in addition to the official transcript of the oral
22 comments provided here today.

23 We remind you that the public comment period is
24 scheduled to end at 5:00 p.m. Eastern on Wednesday,
25 July 24, 2024. Please follow the instructions for

1 submitting written comments to the OCC and the Board
2 outlined in the Federal Register Notice for this public
3 meeting.

4 It is important that we receive material for the
5 record in a timely manner. Comments, including any
6 presentations that are submitted to each agency, will be
7 made available on the Board's public website at the
8 location where people previously registered to attend this
9 public meeting under the "Public Comments" section, as well
10 as on OCC's website under "Public Comments on Licensing
11 Applications."

12 Finally, although this meeting is being livestreamed,
13 neither a video nor an audio recording of the event is
14 being retained by the Board or the OCC.

15 Instead, within a couple of weeks of today's meeting,
16 a copy of the official transcript will be prepared and made
17 available on the Board's and OCC's public websites and
18 included as part of each agency's respective public record.
19 We respectfully request that the audience, speakers, and
20 participants refrain from recording this meeting.

21 However, all participants and speakers should be aware
22 that it is possible that an audience member could use their
23 own software or recording device to record this meeting and
24 distribute the recording or images, and we cannot control
25 the actions of outside parties. The Board and OCC are not

1 responsible for the collection or distribution of any
2 photographs or recordings by outside parties.

3 With all of these instructions and legal notes
4 finished, I want to say on behalf of myself, my fellow
5 Presiding Officer, Joseph Firschein, and all of the
6 panelists that we appreciate your taking time today to
7 provide us with information regarding the pending
8 applications. We look forward to hearing and considering
9 your remarks and comments about the applications today.

10 With that, let us begin by recognizing our first
11 group, which includes representatives from Capital One
12 Financial Corporation, Discover Financial Services, and
13 Discover Bank.

14 AMORY GOLDBERG: Richard Fairbank, please turn on your
15 camera and unmute yourself. Speaker Fairbank, please begin
16 your remarks.

17 RICHARD FAIRBANK: Good morning. My name is Rich
18 Fairbank, and I am founder and CEO of Capital One. I am
19 pleased to be joined today by Michael Shepherd, CEO of
20 Discover, and members of our teams. I want to thank the
21 Federal Reserve and the OCC for hosting this important
22 meeting, and thanks to all of you who are joining today and
23 those who are sharing their perspectives and stories.

24 This transaction brings together two great companies
25 with track records of success, award-winning customer

1 experiences, and a commitment to financial inclusion and
2 community service.

3 As we have highlighted extensively in our regulatory
4 filings, we believe this acquisition advances financial
5 stability and increases competition in the industry, while
6 also providing significant new benefits in the communities
7 in which we operate.

8 We were excited this week to announce the largest
9 community benefits plan ever announced as part of a merger.
10 My colleague, Andy Navarrete, will discuss this plan in a
11 few minutes. Let me turn now to Capital One.

12 Capital One is unique among the largest banks, having
13 been created and built in the last few decades. As founder
14 of Capital One and its CEO for the entire journey, I wanted
15 to share with you some insights into why we built this
16 company and the choices we have made along the way. We
17 founded the company on a belief that banking would be
18 transformed by technology and information, so we built a
19 bank with the infrastructure of a modern technology company
20 with advanced capabilities to leverage data and analytics
21 at scale. And we have never stopped evolving.

22 Despite our success, we transformed our business from
23 a monoline credit card company to a fully diversified bank.
24 And over the past 11 years, we entirely rebuilt our
25 technology infrastructure to keep it modern.

1 It has been an enormous undertaking that no other bank
2 has done. We didn't do this because we love change. We
3 did this so we could change banking for good.

4 We knew we couldn't get there with just a
5 mission-driven philosophy alone. We needed to have the
6 technology and business model to support our quest. All
7 along the way, our goal has been to bring ingenuity,
8 simplicity, and humanity to banking, because banking is a
9 critical service at the heart of people's lives, their
10 hopes, their worries, and their aspirations.

11 Some of this innovation was targeted at the very
12 established part of the market. We brought more
13 competition and better offers to the marketplace. We also
14 took on the leading credit card rewards products. We
15 offered better rewards to more consumers and small
16 businesses than ever before, with no asterisks, no caps, no
17 expiration dates.

18 You've seen our ads on TV. We like to have fun in
19 those ads, but behind the humor is a very serious message.
20 We are bringing better solutions to consumers and
21 businesses. Our passion was to make banking products so
22 simple they could be fully explained in a 30-second TV ad.

23 The same capabilities that enabled us to take on the
24 established part of the market are also powering another
25 very important objective that we have had since our

1 founding, to democratize banking.

2 Since our founding days, we have been struck by how
3 many consumers have been unable to qualify for mainstream
4 credit card products like credit cards or even open a bank
5 account.

6 As a result, they have been left with high-cost and
7 often abusive alternative financial products, difficulty
8 securing key essentials like steady employment, an
9 apartment to rent, or even a cell phone, and no pathway to
10 the mainstream of financial services.

11 We felt we could become that pathway. Democratizing
12 banking takes more than just a big heart. This is why our
13 investment in technology and analytics is key. It helps us
14 identify consumers who will be good risks if just given a
15 chance, and it enables us to have a lower cost structure so
16 we can offer cheaper and even free services where other
17 banks can't.

18 Let me start with credit. We have always believed
19 that the credit card is the best product suited to allow a
20 consumer to establish a credit history and build a credit
21 score. However, for our entire journey, we have watched as
22 mainstream banks lived the paradox of requiring a consumer
23 to have established credit before they would give them
24 credit. That leaves a significant part of America out in
25 the cold.

1 So, at Capital One, we spent years testing a random
2 sample of America with no predetermined credit filters so
3 that we could build models to objectively identify who, if
4 given a chance, would be able to take on credit responsibly
5 and build their credit histories successfully.

6 In the 1990s, we were the first bank to offer credit
7 cards broadly to these underserved populations. Since
8 then, we have continued this program and have even
9 successfully maintained it through every recession. These
10 cards are built with a focus on simplicity, transparency,
11 and affordability.

12 But the goal isn't just to offer credit cards. The
13 goal is to help these consumers use credit wisely and to
14 graduate into the mainstream of prime credit access. Let's
15 just savor the numbers who have gone through this journey
16 with us. Since our founding, we have enabled 42 million
17 customers with subprime or no FICO scores at the time they
18 opened an account with us to achieve prime or better credit
19 scores.

20 And as a result, these customers have gained access to
21 a far broader range of financial services on better terms
22 and with better pricing.

23 We have also taken our quest to democratize banking
24 directly into the world of retail banking. We have built a
25 full-service national bank with a unique blend of digital

1 and physical delivery channels with a goal of making
2 banking services available to anyone in the United States.

3 But this is a lot more than offering a digital
4 checking account. We spent years taking the 50 services
5 that are offered in a branch and digitizing them one by one
6 to make them available online to anyone.

7 And we are also bringing banking physically to our
8 customers. For starters, we have branches covering the
9 D.C. and New York metro areas and the Gulf Coast. In
10 addition, we have iconic cafe branches in 21 of the top 25
11 MSAs. And we have over 16,000 cash deposit locations and
12 70,000 ATMs nationwide with no fees.

13 Capital One was the first large bank to completely
14 eliminate overdraft fees and remains the only large bank to
15 cover -- excuse me, the only large bank to offer overdraft
16 protection free of charge on all accounts with no minimum
17 balance requirements and no account maintenance fees.

18 Since we eliminated overdraft fees in 2021, our
19 customers have saved over \$500 million in potential fees.
20 Our flagship 360 checking product is fully Bank On
21 certified, and our bank has been ranked number one in
22 customer satisfaction in the J.D. Power rankings for four
23 years running.

24 I want to end on a note of gratitude for the work and
25 wisdom of our Community Advisory Council. Our Council

1 includes more than two dozen of the most prominent and
2 influential community advocates in the country. Every
3 year, I spend several hours with the Council sharing with
4 them why we make the products we do and hearing from them
5 what they would most like to see us do for their
6 constituents.

7 I leave these meetings filled with inspiration and
8 with my mind racing with ideas for how we can better serve
9 our community. And these conversations have helped shape
10 some of the most important decisions that we have made in
11 our journey, such as our decision to eliminate overdraft
12 fees from all of our checking accounts. We are thrilled to
13 have them play such a critical role in this process.

14 I am proud now to have Andy share more about this
15 important effort. Andy? So, this concludes my remarks.
16 Thank you.

17 AMORY GOLDBERG: Andy Navarrete, can you please
18 unmute yourself and turn on your camera? Speaker
19 Navarrete, please turn on your camera and begin speaking
20 when you're ready.

21 ANDY NAVARRETE: Thank you, Rich. I am Andy Navarrete,
22 Head of External Affairs for Capital One. I also want to
23 thank the Federal Reserve and the OCC for holding this
24 important meeting. I also want to thank the more than 120
25 organizations and individuals who took time today to

1 express their support, the hundreds more who submitted
2 supportive comment letters, and those who are here today
3 sharing their concerns. This process works best when there
4 is an opportunity for robust dialogue.

5 This week, Capital One announced a historic CBP
6 totaling more than \$265 billion in lending, investments,
7 and philanthropy over five years. It is more than twice as
8 large as any prior CBP and includes the largest commitments
9 ever made for community development lending, CDFIs, and
10 philanthropy.

11 More importantly, it will provide meaningful benefits
12 to consumers, small businesses, and communities across the
13 country.

14 It includes \$44 billion in community development
15 financing, \$600 million in support for CDFIs, \$575 million
16 in philanthropy, as well as expanded pro bono capacity
17 building for nonprofits and small businesses, \$15 billion
18 in lending to LMI consumers -- to small businesses,
19 \$5 billion in spending with diverse suppliers, and
20 unprecedented expansion of access to the banking system
21 through growth of our flagship Bank On certified checking
22 accounts, maintaining 30 percent of our branches and cafes
23 in LMI communities, and opening additional cafes in these
24 communities, \$200 billion in lending to LMI consumers, and
25 new products and programs focused on lending to underserved

1 small businesses, building savings, giving customers
2 greater control of their financial decisions, and
3 partnering with community-based organizations on
4 high-impact research and advocacy.

5 Our CBP was premised on a very simple formula, that
6 one plus one should equal more than two. It demonstrates
7 that the combination of Capital One and Discover will
8 provide more lending for, investment in, and services to
9 underserved individuals and communities, more than either
10 institution would have undertaken on a standalone basis.
11 The CBP also builds on our 10-year, \$180 billion public
12 commitment Capital One adopted as part of the acquisition
13 of ING Direct in 2012, a total we reached in just under
14 seven years, despite the challenges of exiting our
15 unsuccessful mortgage business in 2017.

16 In developing our CBP, we were fortunate to partner
17 with four of the industry's most prominent community
18 organizations, NALCAB led by Marla Bilonick, OFN led by
19 Harold Pettigrew, NeighborWorks America led by Marietta
20 Rodriguez, and the Woodstock Institute led by Horacio
21 Mendez.

22 These organizations represent over 800 nonprofits and
23 serve as industry leaders across affordable housing and
24 home ownership, counseling, asset generation, economic
25 mobility, CDFIs, and advocacy for economic justice. They

1 bring deep connections to the community and diverse new
2 perspectives on the best way to advance economic
3 opportunity for all. We feel honored and privileged to
4 have been guided by their expertise and passion.

5 Capital One also consulted with the 30 members of our
6 long-standing Community Advisory Council, over 100
7 community organizations across the country, and over 100
8 elected officials.

9 Underscoring our strong commitment to the CRA,
10 Capital One has ranked first or second among all banks in
11 CRA-qualified community development lending for nearly a
12 decade. The industry leader in serving the needs of LMI
13 credit card and auto loan consumers, and is first among the
14 largest banks in percentage of branches located in LMI
15 census tracts. This acquisition will enable us to expand
16 these offerings. The resulting institution will benefit
17 the convenience and needs of our customers, partners, and
18 employees by combining two organizations with strong
19 cultures of service and complementary business models. We
20 are proud of our long records of outstanding CRA
21 performance.

22 In conclusion, we hope our commitment to
23 accountability and transparency is reflected in our
24 decision to share our CBP with the public ahead of this
25 meeting. It will continue once the CBP is finalized. We

1 will report our progress to you on an annual basis, update
2 our CAC during regular meetings, and post a report on our
3 website.

4 We have always believed that the success of our
5 company is tied to the success of our customers and our
6 communities. Our CBP continues this legacy, and we look
7 forward to working with our community partners to make it a
8 reality.

9 This concludes my remarks, and I welcome Michael
10 Shepherd to share his thoughts.

11 AMORY GOLDBERG: Michael Shepherd, please turn on your
12 camera and unmute yourself. Speaker Shepherd, you may
13 begin.

14 MICHAEL SHEPHERD: Good morning. I am Michael
15 Shepherd, the interim CEO and President of Discover
16 Financial Services. Thank you for the opportunity to speak
17 with you about this merger, which will benefit consumers,
18 small businesses, merchants, and the communities we serve,
19 and promote economic growth, meaningful competition, and
20 financial stability.

21 I also want to add my thanks to the Federal Reserve
22 and the Office of the Comptroller of the Currency for
23 holding this hearing and to all of the commenters and
24 witnesses today. We appreciate their support and we
25 continue to listen, learn, and engage with all of the

1 participants in this important process.

2 With Capital One, we can deliver significant value
3 through a broader range of industry-leading financial
4 products and services and amplify trusted relationships
5 with our customers, merchant and bank partners, employees,
6 and our communities.

7 Our mission remains to provide customers with the
8 support they need to spend smarter, manage debt better, and
9 save more. Our outstanding service and delivery of
10 customer value has been recognized consistently throughout
11 our history by the leading independent surveys.

12 Among many other awards, we have been rated as number
13 one or two as the best credit card issuer for each of the
14 last 17 years.

15 Also, at the heart of our mission is providing a
16 stronger value proposition for merchants of all sizes
17 through lower cost of acceptance of electronic payments and
18 more customized levels of service to meet their evolving
19 needs. We serve approximately 18 million merchants, the
20 vast majority of which are small businesses.

21 We also serve approximately 3,300 community banks and
22 credit unions in the United States through our Pulse,
23 Debit, and ATM networks.

24 Discover's payments network, although relatively small
25 with a 4 percent market share, is an important contributor

1 to the payment system. With the additional financial and
2 managerial resources and the increased transaction volume
3 the merger would bring, Discover's network would be a more
4 meaningful competitor, supporting increased sales by
5 businesses, producers, service providers in the communities
6 across the country, online, and internationally.

7 Unlike the payments network market, the credit issuer
8 market is already very competitive. Ease of entry has
9 resulted in nearly 4,000 institutions providing credit
10 cards. Bringing together the different yet complementary
11 products and services offered by Capital One and Discover
12 will drive continued innovation, diversification, and
13 enhancements in security.

14 By facilitating swift, reliable, and secure payments,
15 Discover and Capital One support the growth and efficiency
16 of our economy, and our lending is as diversified as the
17 spending of the American consumer.

18 Through our product offerings, investments, and
19 philanthropy, we have helped to unlock economic potential
20 in historically underserved communities. Discover is proud
21 to be a pathway to credit for students and for low- and
22 moderate-income customers with our no-fee, cashback card
23 products. We are very impressed and inspired by
24 Capital One's extraordinary and unprecedented commitments,
25 and we look forward to being part of them.

1 Thank you. This concludes my remarks.

2 AMORY GOLDBERG: Hope Mehlman, if you can please turn
3 on your camera and unmute yourself. Speaker Mehlman, you
4 may begin speaking.

5 HOPE MEHLMAN: Good morning. My name is Hope Mehlman,
6 and I serve as the Chief Legal Officer for Discover. Thank
7 you to the Federal Reserve and the OCC for hosting this
8 hearing. I would also like to thank the community leaders
9 speaking in support of the merger today.

10 Discover's strength lies in our employees. They are
11 the backbone of our company. We take pride in cultivating
12 a cooperative and nurturing working environment that
13 deepens our ties with the local communities we serve. We
14 are also proud of the investments in our customer care and
15 community centers. These hubs support local development by
16 partnering with nonprofits to offer good local jobs,
17 educational opportunities, and employee wellness programs.

18 Discover has a long history of helping Americans
19 improve their financial futures. We collaborate with
20 community organizations to provide financial education
21 workshops, support small businesses, and invest in local
22 projects that create jobs and foster economic development.

23 We have also launched initiatives that increase access
24 to banking services in underserved areas, helping to ensure
25 that members of our community can achieve financial

1 stability. While Discover is already a strong partner for
2 our communities and customers, we recognize that a combined
3 Discover and Capital One can do even more.

4 The historic Community Benefits Plan announced this
5 week demonstrates an understanding of both institutions'
6 commitments and our readiness --

7 JOSEPH FIRSCHEIN: I'm sorry to interrupt, but we are
8 at time, so if you could please wrap up in a few seconds.

9 HOPE MEHLMAN: Sure. Our readiness to exceed them once
10 combined. I'd like to close my comments with an emphasis
11 on integration. Discover and Capital One are undertaking
12 major efforts to ensure a smooth transition that
13 prioritizes a seamless customer experience and satisfies
14 regulatory and consumer protection standards.

15 JOSEPH FIRSCHEIN: I am so sorry. In fairness to the
16 other speakers, I am so sorry, but we need to move on. But
17 I thank you very much for speaking.

18

19 G R O U P 1

20 AMORY GOLDBERG: We would like to call the first group
21 of speakers. Jesse -- excuse me, Kevin Hill, can you
22 please turn on your camera and unmute yourself? Speaker
23 Hill, please begin your remarks when you're ready.

24 KEVIN HILL: Hello, I am Kevin Hill with NCRC. The OCC
25 and the Federal Reserve must deny Capital One's application

1 to acquire Discover Bank. This merger would further
2 consolidate the credit card industry, reduce options for
3 customers with lower credit scores, and give Capital One
4 the ability and incentive to raise debit interchange fees.

5 Capital One would also become the sixth largest U.S.
6 bank by assets, greatly increasing risk for the entire
7 financial system in the event of an economic downturn given
8 their concentration in credit cards.

9 Capital One's business practices and merger history
10 also make it highly unlikely this merger will serve the
11 public's convenience and needs. Capital One is built on
12 luring people into debt that they'll struggle to pay off.

13 Half of Capital One's revenue comes from interest on
14 outstanding credit card balances, which means it comes at
15 the direct expense of people who've been unable to repay
16 what they borrowed, with Capital One charging many of their
17 customers at least \$800 annually in interest payments
18 alone.

19 Once it gets to the point where customers are unable
20 to pay Capital One back, then Capital One will gladly take
21 their customers to court. Capital One is an industry
22 leader in filing debt collection civil suits.

23 These lawsuits have grown to dominate state civil
24 courts, with data from nine states indicating that debt
25 collection lawsuits have risen to nearly one in two civil

1 court cases in 2021, compared to one in four in 2013 and
2 one in nine in 1993. These debt collection lawsuits are
3 highly predatory, with customers sued rarely having legal
4 representation or not even being aware of the lawsuit, as
5 more than 70 percent of debt collection lawsuits result in
6 default judgments where the defendant does not show up to
7 court or respond to the suit.

8 Capital One's filing of thousands of debt collection
9 lawsuits raises a serious compliance question, as lenders
10 are required to consider a customer's ability to meet
11 minimum payments before originating credit lines or
12 increasing them, and Capital One's high interest rates make
13 it more difficult for borrowers to repay, and more likely
14 to fall into persistent debt where they are charged more in
15 interest than they pay back towards the debt they
16 originally took out.

17 Furthermore, the OCC and Federal Reserve should look
18 back at what happened after previous mergers involving the
19 applicant bank. Capital One's merger with ING Direct was
20 approved on the condition that Capital One ensure
21 enterprise-wide compliance given its track record.

22 Capital One has not changed since acquiring ING
23 Direct, continuing to rack up violations suggesting they
24 are already too big to manage at their current size and
25 possibly too big to care about complying with federal and

1 state laws.

2 Since 2012, Capital One's violations include a \$390
3 million fine for failing to comply with the Bank Secrecy
4 Act. Capital One admitted to willfully failing to maintain
5 an effective anti-money laundering program that a former
6 FinCEN director noted allowed known criminals to use and
7 abuse our nation's financial system unchecked.

8 In closing, banks with Capital One's history of
9 illegal and negligent behavior should not be allowed to
10 acquire even more market power when they clearly have not
11 addressed long-standing compliance issues.

12 Thank you for the opportunity to testify. That
13 concludes my remarks.

14 AMORY GOLDBERG: Thank you. Jesse Van Tol, you can
15 turn on your camera and unmute yourself. Jesse Van Tol,
16 we're ready to begin when you are.

17 JESSE VAN TOL: Good morning. I am Jesse Van Tol,
18 President and CEO of NCRC. This merger is a terrible,
19 horrible, no good, very bad idea, and I could just end my
20 testimony there. And not just because it would create
21 another too-big-to-fail bank and not just because it would
22 undermine competition and raise prices.

23 It's also a bad idea because Capital One is a bad
24 actor with a long history of consumer abuse, as detailed by
25 my colleague.

1 As regulators, your duties with respect to mergers are
2 clear. While the agencies have evolved their merger
3 guidelines over the years, a review of the underlying
4 statutes makes it very clear that you have an obligation to
5 ensure that the public benefits when a merger is approved.
6 This is most clear with respect to antitrust, where unless
7 the public benefits clearly outweigh the adverse effects of
8 a merger, you're required to deny the merger.

9 One common way banks demonstrate that a merger will
10 benefit the public is through a community benefits plan.
11 When Capital One bought ING Direct in 2012, it made a
12 commitment that wasn't worth the paper it was printed on.
13 It was a commitment to do more of the same, mostly subprime
14 credit card lending and auto lending.

15 The one part that was good, a \$28.5 billion LMI
16 mortgage commitment, turned out to be a false promise as
17 Capital One abandoned the mortgage business just a few
18 years later and lent less than half of that amount.

19 Capital One is at it again. On Wednesday, they
20 announced a \$265 billion community benefit plan. It ought
21 to be called a corporate phony baloney plan. That's
22 because of the \$265 billion commitment, just \$4.5 billion
23 of it is new money, according to our analysis.

24 While we are still comparing it to other plans, that
25 amount of money appears to be an order of magnitude smaller

1 than any other recently announced plan, such as U.S. Bank,
2 TD, or BMO. It's only the largest because they included
3 lending not included in any other community plan.

4 For example, it includes \$200 billion of consumer
5 credit card and auto lending. Capital One makes no claim
6 that this is an increase. Take that away, and it's just a
7 \$65 billion plan.

8 And it's not even a \$65 billion plan. It includes a
9 \$44 billion community development, which it claims to be an
10 increase based on what the bank was planning to do before
11 the merger. But in fact, it's not an increase at all, as
12 the bank's past performance suggests a run rate of almost
13 exactly \$44 billion over five years.

14 There are numerous other shortcomings with this plan.
15 The plan does not create a sufficient public benefit, and
16 it does not address the biggest problems with this merger.

17 To fix that, Capital One would need to make the plan
18 an order of magnitude bigger, and consider taking
19 Discover's innovative housing and small business finance
20 programs nationwide at scale, along with many other
21 changes.

22 We know the harms and adverse effect the merger will
23 cause, higher interest rates, branch closures, and customer
24 harm.

25 In closing, NCRC and over 140 organizations that have

1 signed on to our comment letter asked the OCC and the
2 Federal Reserve to deny this merger.

3 This concludes my remarks.

4 AMORY GOLDBERG: Kevin Stein, please turn on your
5 camera and begin speaking when you're ready. You can
6 unmute yourself as well. Thank you.

7 KEVIN STEIN: Thank you. Good morning. My name is
8 Kevin Stein, and I am with Rise Economy, a California-based
9 alliance representing over 300 organizations that work to
10 create systemic change and economic justice in BIPOC and
11 low-income communities. Thank you for convening these
12 hearings.

13 The question before us should be, will communities,
14 small businesses, and consumers be better off after this
15 merger? The answer to that question is a resounding no.

16 Thirteen years ago, during the ING merger, Capital One
17 made promises that we never accepted as sufficient, and
18 that it ultimately did not keep. On Wednesday, Capital One
19 made more promises, but there is no reason to believe that
20 they will keep their promises this time.

21 And the purported benefits are not really benefits at
22 all. The proposed CBA is built mainly on credit card and
23 auto lending, which do not meet the primary credit and
24 wealth-building needs of communities. The promised
25 benefits of this merger do not outweigh the expected harm,

1 and this merger should be rejected.

2 This merger would substantially lessen competition.
3 We are concerned that with the acquisition of Discover's
4 payments network, Capital One will raise debit interchange
5 fees on small businesses. Capital One already charges
6 consumers amongst the highest credit card interest rates in
7 the country. Will Discover and other customers see their
8 rates increase as a result of this merger, and how does
9 that meet the convenience and needs test?

10 Rise Economy reviewed California-based CFPB consumer
11 complaints filed since the start of the COVID pandemic. We
12 found that Capital One and Discover combined received
13 amongst the most complaints of over 1,700 companies
14 reviewed across several categories, including receiving the
15 most credit card complaints and the fourth most debt
16 collection complaints. No amount of promises made in a CBA
17 will change this reality.

18 In addition, both companies have committed numerous
19 and significant compliance violations over the last few
20 years. Regulators must not create perverse incentives and
21 reward banks with poor compliance records by approving
22 their mergers.

23 The merger also raises financial stability concerns,
24 representing a worrying concentration of credit card and
25 auto loan risk, as well as potential climate-related

1 financial risk, as Capital One made at least \$3.5 billion
2 in loan commitments to the fossil fuel industry in recent
3 years. None of these concerns were addressed in the
4 proposed CBA.

5 Lastly, Capital One reportedly led the industry charge
6 to challenge the new CRA rules. Through such industry
7 challenges to consumer protection, civil rights, and
8 climate justice rules, we believe Capital One is on the
9 wrong side of the fight to protect consumer and community
10 interests.

11 This merger would be bad for California communities,
12 and it should be denied without substantial conditions to
13 ensure that the public is protected and will benefit.

14 Thank you. This concludes my remarks.

15 AMORY GOLDBERG: Bartlett Naylor, if you could please
16 unmute yourself and turn on your camera. Bartlett Naylor,
17 you may begin speaking.

18 BARTLETT NAYLOR: Good morning. On behalf of more than
19 500,000 members and supporters of Public Citizen, we oppose
20 the proposed merger of Capital One and Discover. With this
21 merger, Capital One, currently the ninth largest bank in
22 the United States, measured by deposits or assets, would
23 catapult to become the sixth largest. Mega banks already
24 control the majority of banking business. The nation would
25 be ill-served by greater concentration.

1 This merger would exacerbate the problem that some
2 banks are too big to fail. The bailouts of 2008
3 demonstrated this point as Congress deployed billions of
4 taxpayer dollars to stabilize the largest banks. As
5 recently as the spring of 2023, the federal government
6 found itself forced to shore up a set of regional banks
7 through the expansion of deposit insurance and government
8 subsidized mergers.

9 With \$625 billion in assets, Capital One would be
10 larger than the three regional banks that failed that
11 spring combined. Regulators should not compound our
12 too-big-to-fail problem by approving this merger. We
13 strongly believe that this merger exacerbates the problems
14 of financial stability, safety, and soundness.

15 Acting Comptroller Michael Hsu boiled the issue down
16 to a simple question. If a merger created a large regional
17 bank, how would its failure be resolved? Quote, "If the
18 answer is it would have to be sold to one of the four mega
19 banks, then I would posit that we have a financial
20 stability problem."

21 Today's cyber-attack reminds that computer-dependent
22 companies remain extremely vulnerable. For customers,
23 costs would increase. Currently, there are fewer than
24 4,300 banks in the United States. In 1994, that figure was
25 10,421.

1 The impact of this loss of banks and concentration by
2 the mega banks on consumers is measurably harmful,
3 increasing the cost of credit, escalating customer fees,
4 depressing interest paid to depositors, abandoning markets
5 that leave vulnerable demographics exposed to payday
6 lenders and high-fee check-cashing shops, frustrating small
7 businesses looking for credit.

8 This acquisition will see rising consumer costs. The
9 four largest credit card networks that include Discover
10 already command more than 80 percent of the market. Adding
11 Capital One's sales team will further concentrate the
12 market, raising costs.

13 The Consumer Financial Protection Bureau found that
14 concentration already means that credit cards have never
15 been this expensive. Many cardholders with subprime scores
16 pay 30 to 40 cents on each dollar borrowed through a credit
17 card. The CFPB found that banks charge higher credit card
18 rates than smaller banks, and Capital One was one of the
19 highest.

20 This concludes my remarks.

21 AMORY GOLDBERG: Thank you. We will now call Patrick
22 Woodall. Speaker Woodall, can you please unmute yourself
23 and turn on your camera?

24 PATRICK WOODALL: Good morning. I am Patrick Woodall,
25 the Policy Director for Americans for Financial Reform.

1 We're a coalition of over 200 civil rights, community,
2 consumer, and small business groups dedicated to creating a
3 financial system that promotes a just and sustainable
4 economy for everyone.

5 The Capital One-Discover merger would create a
6 monopolistic, complex, and risky institution that violates
7 the tenets of both antitrust and banking laws. It should
8 be blocked for many reasons, but I have only time to
9 mention a few.

10 First, the takeover would create the biggest U.S.
11 credit card lender, with nearly one-third of the credit
12 card loans to people with non-prime credit scores.
13 Capital One could flex its market power and raise prices on
14 virtually captive consumers.

15 People just can't switch to other cards in the face of
16 price gouging. More than 80 percent of subprime credit
17 card applications are rejected, and even if you can find a
18 new card, switching can be expensive and damage your credit
19 score.

20 The merger would eliminate a rivalry between
21 Capital One and Discover for middle-income consumers. This
22 would reduce choices and raise prices for those with
23 non-prime credit scores who are disproportionately Black
24 and Latino families.

25 Second, it would reduce credit card competition. It

1 would not, as Capital One promises, confront the credit
2 card duopoly. It would just rearrange the deck chairs in a
3 hyper-consolidated market. Capital One's cards are
4 overwhelmingly on MasterCard, and moving everything to
5 Discover would make Cap One the number two issuer. The
6 overall market structure would remain essentially
7 unchanged.

8 Today, Discover plays the role of maverick in the
9 market, offering better service and lower prices, about two
10 percentage points cheaper than the other cards. The merger
11 would eliminate this alternative and make the card market
12 worse for consumers and merchants, not better.

13 Finally, it would be irresponsible for the regulators
14 to approve this merger after Capital One has repeatedly
15 broken its promises made to secure previous mergers. It
16 shut down two-thirds of its branches after promising to
17 maintain its geographic footprint. It stopped making home
18 purchase and home improvement mortgages after promising to
19 maintain service levels.

20 And it promised to improve regulatory compliance to
21 secure the ING purchase after a raft of deceptive marketing
22 and aggressive debt collection settlements. But within a
23 few years, it paid nearly \$700 million in penalties and
24 settlements over new money laundering lapses and an
25 entirely preventable privacy breach.

1 Now it's promising unsubstantiated and undefined
2 improvements to the credit card market, and it's pledging a
3 new community benefits plan.

4 To date, Capital One has not fulfilled its
5 commitments. And once this merger is approved, all bets
6 are off. Don't be fooled again. We urge you to block this
7 anti-competitive, anti-consumer, and anti-community merger.

8 This concludes my remarks.

9 AMORY GOLDBERG: LaKesha Hancock, please turn on your
10 camera and unmute yourself. Speaker Hancock, you may begin
11 speaking.

12 LAKESHA HANCOCK: Good morning. My name is LaKesha
13 Hancock. I am the Executive Director of Foundation for
14 Pops, located in Metro Detroit in Michigan.

15 The OCC and the Federal Reserve must deny this merger.
16 As my colleagues have mentioned before, it would make it
17 the sixth largest bank by assets.

18 Capital One's median APR is 43 percent higher than
19 small issuers for customers in the lowest credit tier.
20 This lowest credit tier is the audience of people that our
21 organization represents.

22 A 2021 executive order called on the federal banking
23 regulators to revitalize merger oversight in order to
24 ensure Americans have choices among financial institutions
25 and to guard against excessive market power.

1 However, this merger would actually exasperate
2 excessive market power. Multiple senators have also
3 requested that regulators update the bank merger review
4 process to improve analysis of competitive factors as well
5 as impact on financial stability.

6 Former Federal Reserve Board member Daniel Tarullo
7 recently noted that competition can vary across forms of
8 lending and that customers with less-comprised submarkets
9 that could be negatively impacted by mergers, such as a
10 merger as discovered in Capital One.

11 The speaker was also talks about online access. And
12 with the rise of cybersecurity issues, customers could
13 experience the breaches that we have seen across other big
14 banks. Customers with non-prime credit scores also have
15 less access to traditional credit cards, often forcing them
16 into more expensive credit cards because of their credit
17 scores.

18 Both Capital One and Discover target credit borrowers
19 with credit scores of less than 600. Between 2019 and
20 2023, they sent more direct offers to household members
21 with credit scores below 600.

22 And as I said, I represent those households, veterans
23 and households with credit scores between 600 and lower.
24 And I have experienced and witnessed where Capital One has
25 taken these individuals to court and actually sued them and

1 garnished their bank accounts.

2 In conclusion, I stand with my colleagues and this
3 merger should be denied. Thank you.

4 AMORY GOLDBERG: Karen Speakman, can you please turn on
5 your camera and unmute yourself? Speaker Speakman, you may
6 begin your remarks.

7 KAREN SPEAKMAN: Good morning. I am Karen Speakman,
8 Executive Director of NeighborGood Partners, an affordable
9 housing and community development organization and
10 community development financial institution that is
11 committed to strengthening communities through housing,
12 lending and financial education. We work throughout the
13 Delmarva Peninsula and are based in Dover, Delaware.

14 I am speaking today to share our concerns about the
15 Capital One proposal to acquire Discover Financial Services
16 and merge Discover Bank into Capital One.

17 As a nonprofit corporation, we have received financial
18 support from both Capital One and Discover Bank and are
19 very appreciative of that support. We have met with both
20 banks and shared that Discover Bank has repeatedly provided
21 innovative community investment to nonprofits, especially
22 in southern and rural Delaware. Capital One has stated
23 that it is their intention to honor Discover's CRA
24 strategic plan goals upon completion of the merger and to
25 provide \$7 million per year to Delaware nonprofits

1 throughout through 2029.

2

3 On Wednesday, Capital One announced a five-year
4 \$265 billion community benefits plan, which we have not had
5 time to digest. We are hopeful that it includes a great
6 deal of community investment since it is developed in
7 partnership with NeighborWorks America and Opportunity
8 Finance Network, two corporations of which we are members
9 of. While this is a huge commitment, nevertheless,
10 \$200 billion of the \$265 billion is allocated for consumer
11 lending.

12 To ensure the community benefits plan is fulfilled as
13 promised, we request that the plan be included as an
14 attachment to the acquisition and merger proposal.

15 It has been our experience when two financial
16 institutions merge that community investment does not
17 increase or even remain the same, but in fact typically
18 decreases to an amount equal or less than what one of the
19 banks previously provided.

20 The larger concern we have and what we feel the
21 Federal Reserve and OCC should examine and wrestle with is
22 the fact that this merger will further consolidate the
23 credit card industry, reduce options for customers with
24 lower credit scores, and give Capital One the ability to
25 raise debit interchange fees. Capital One would also

1 become the sixth largest U.S. bank by assets, greatly
2 increasing the risk for the entire financial system, as
3 well as becoming the largest credit card company.

4 The ramifications of this merger on the banking and
5 credit card industries, and more importantly, what is the
6 impact on small businesses and low- and moderate-income
7 consumers, needs to be considered very carefully.

8 Thank you for this. Thank you, and this concludes my
9 remarks.

10 AMORY GOLDBERG: Clementine Deck, you may turn on your
11 camera and unmute yourself. Speaker Deck, you may begin
12 your remarks.

13 CLEMENTINE DECK: Good morning. My name is Clementine
14 Deck, and I am here on behalf of Housing Opportunities Made
15 Equal of Greater Cincinnati, or HOME. We would like to
16 voice our opposition to the Capital One application to
17 acquire Discover Financial Services and Discover Bank.

18 HOME, a National Community Reinvestment Coalition
19 member, is a nonprofit fair housing organization working to
20 eliminate unlawful discrimination in housing in the Greater
21 Cincinnati area. HOME advocates for and enforces fair
22 housing regulations for all protected classes and promotes
23 stable, integrated communities.

24 If approved, this merger would exacerbate many of the
25 existing challenges with building and maintaining these

1 communities by further consolidating the credit card
2 industry, reducing options for consumers with lower credit
3 scores, and providing Capital One the ability and incentive
4 to raise debit interchange fees.

5 Despite recent reports that Capital One has struck a
6 deal with other advocacy organizations, we remain concerned
7 about Capital One's willingness to meaningfully implement
8 that deal to the benefit of the communities they are meant
9 to serve. Capital One has made similar promises before.

10 In their 2012 merger with ING Direct, Capital One made
11 a \$28.5 billion commitment to mortgage lending.
12 Unfortunately, these communities were left behind when
13 Capital One reneged on their promise and exited the
14 mortgage lending industry in 2017. This failure to meet
15 mortgage lending commitments has a real and tangible impact
16 on the low- and moderate-income families who are meant to
17 be served by this program.

18 Beyond Capital One's empty promises, their predatory
19 business and lending practices actively harm communities by
20 creating persistent barriers to building wealth.
21 Vulnerable and marginalized communities are targeted by
22 this type of lending, where larger balances and easier
23 approval processes hide the true cost to the consumer in
24 the form of high interest rates and exorbitant fees.

25 Through HOME's work serving clients, we have heard and

1 seen countless examples of how predatory lending practices
2 force families to make difficult and oftentimes
3 destabilizing choices to simply make ends meet. There are
4 no winners when the choice is between paying your credit
5 card bill or paying your rent.

6 Moreover, these practices actively impede marginalized
7 borrowers' ability to qualify for other loan products, like
8 a mortgage, that would actually help them improve and
9 stabilize their housing and finances.

10 Instead of offering their consumers an opportunity to
11 build wealth through fair and equitable lending,
12 Capital One's policies prioritize their own profits at the
13 expense of their communities that they claim to be serving.

14 This concludes my remarks. Thank you.

15 AMORY GOLDBERG: Rashmi Rangan, please turn on your
16 camera and unmute yourself. Speaker Rangan, you may begin.

17 RASHMI RANGAN: Good morning, I am Rashmi Rangan,
18 long-time Executive Director of the Delaware Community
19 Reinvestment Action Council, better known as DCRAC, a
20 Delaware nonprofit that has worked to ensure equal access
21 to credit and capital since 1987. Thank you for this
22 opportunity to testify.

23 Today, I want to highlight the role Discover Bank has
24 played in the lives of Delawareans and our nonprofit
25 sector. For those of us deeply committed to community

1 reinvestment and to leveraging CRA on the ground, Discover
2 has been a uniquely dedicated and critical partner for
3 years.

4 The team, including Matthew Parks and Amy Walls, are
5 Delaware legends and intimately involved in the fabric of
6 our community. They are a part of it and know what the
7 needs are. They know who is attempting to meet those needs
8 and how. When they see sustainable solutions, they are all
9 in.

10 And not just with their dollars, Discover has long
11 offered social capital, volunteerism, and board leadership
12 where and when they are needed. They also trust that we,
13 established leaders in the community, know what we are
14 doing and enable our getting it done, exactly how
15 trust-based philanthropy should work.

16 Truly, we cannot afford to lose Discover's essential
17 brand of community reinvestment: local, thoughtful,
18 long-term, and sustainable. That's why we had initially
19 planned to oppose this merger.

20 Today, we are withdrawing it because Capital One has
21 made commitments that will maintain Discover's impact on
22 and support of our communities, most notably on our
23 Discover strategic plan, maintain Discover's branch,
24 contribute \$35 million in philanthropy to Delaware over
25 five years.

1 Should this merger be approved, we ask that it is
2 conditioned on Capital One keeping its promises to Delaware
3 and that you institute necessary protections, structures,
4 and systems to address concerns around all issues that are
5 sure to be raised today.

6 Thank you. This concludes my remarks.

7 AMORY GOLDBERG: Matthew Lee, could you please turn on
8 your camera and unmute yourself? Speaker Lee, please begin
9 your remarks.

10 MATTHEW LEE: Sure. Good morning. I am Matthew Lee of
11 InterCity Press Fair Finance Watch, and I am speaking in
12 opposition to the proposed merger of Capital One and
13 Discover. The proposal is anti-competitive, and
14 Capital One is making a mockery of the Community
15 Reinvestment Act. With an absurdly small CRA assessment
16 area, now at the 11th hour, a cynical pledge to include \$75
17 billion in subprime, often predatory auto lending.

18 How much of this last-minute pledge would in fact be
19 subprime? At what interest rates? The regulators should
20 ask today and must extend the comment period. You have and
21 will hear from colleagues about ongoing lending disparities
22 and antitrust issues.

23 I want to focus in my three minutes on the lack of
24 transparency and the regulatory agency's role in it.

25 The day the banks announced the proposed merger,

1 InterCity Press submitted a Freedom of Information Act
2 request to both the Federal Reserve and to the Office of
3 the Comptroller of the Currency.

4 The Fed, as has become a pattern, granted InterCity
5 Press' FOIA request expedited treatment, and then did not
6 provide any of the responsive documents, claiming it needed
7 more time.

8 The OCC did at least respond to the FOIA request but
9 has withheld in full 193 of 210 responsive pages. From
10 what was released, it shows three meetings with Capital One
11 and the OCC in February and March, right before the start
12 of the public comment period.

13 An OCC email says, quote, "The purpose of this meeting
14 is to get everyone on the same page out of the gate," in
15 response to an email from Capital One's lawyer. This is
16 called regulatory capture. Can you say what's in your
17 wallet?

18 We also note that Capital One is gaming the CRA
19 system. In their application, they propose a minuscule
20 expansion of their CRA assessment area to include -- they
21 brag, all census tracts in Sussex County and seven
22 contiguous tracts in Kent County.

23 Although you have just heard from Ms. Rangan, who I
24 respect, this merger should be denied, and Delaware is not
25 enough. As documented by Fair Finance Watch, Discover Bank

1 in 2022 denied mortgage loan applications from
2 African-Americans more than twice as frequently as those of
3 Whites.

4 InterCity Press and NCRC challenged Capital One's
5 acquisition of ING Direct. They made a bogus pledge then
6 and never even lived up to it. On antitrust, note that
7 this proposed merger would allow a monopolistic non-prime
8 credit card lender with one-third of the market and with a
9 market share twice as large as lenders two through four.

10 That is, according to the data, Citi, Chase, and
11 Synchrony. According to the CFPB, in 2022, there were
12 31 million consumers with non-prime credit scores with at
13 least one general purpose credit card. That is, 15 million
14 people with near-prime FICO scores between 620 and 659, and
15 14 million people with subprime scores below 620. That's
16 where Capital One lives, and that's where it will become a
17 monopolist.

18 The Philadelphia National Bank case in the Supreme
19 Court, unlike Chevron and -- relied on, and not yet
20 overruled, stated that, quote, "A merger which produces a
21 firm controlling an undue percentage share of the relevant
22 market and results in a significant increase in
23 concentration of firms should be denied." That's at
24 374 U.S. 321.

25 Here, the presumption has not been rebutted. The

1 merger should be denied.

2 That concludes my remarks, but not my FOIA requests.

3 Thank you.

4

5

G R O U P 2

6 AMORY GOLDBERG: Thank you. Ken Thomas, you may begin

7 your remarks. Ken Thomas, please turn on your camera and

8 unmute yourself.

9 KEN THOMAS: I am Ken Thomas, author of the CRA

10 Handbook and Community Reinvestment Performance, the only

11 CRA publication that Senator Proxmire, the father of CRA,

12 ever endorsed. I have taught finance at Wharton for over

13 40 years. I have served on the boards of financial

14 institutions for decades. I have consulted with numerous

15 banks, community groups, regulators, and members of

16 Congress, but I have no past or present relationship with

17 applicants.

18 My comments are my personal views. I have been

19 commenting on mega-mergers since the early 90s, always

20 recommending approvals conditioned on various CRA

21 inconvenience and needs benefits. That's because, with all

22 due respect, the Fed has never met a merger it didn't like.

23 I greatly respect my community group friends, but

24 respectfully differ on three points.

25 First, I strongly oppose the referenced CRA final

1 rule. I believe Senator Proxmire would never endorse it,
2 especially with its backward focus on loans instead of
3 deposits.

4 Second, there was no mention of web-lining when
5 branchless banks suck hundreds of billions of dollars from
6 our big cities with CRA benefits going to Wilmington, Sioux
7 Falls, and Salt Lake City.

8 Capital One and Discover harvest \$325 billion
9 nationwide with roughly \$6.5 billion of estimated benefits
10 going only to Delaware. The final rule must include the
11 5 percent deposit reinvestment rule to stop web-lining.

12 Third, I recommend approval of this merger on two
13 conditions. We must look at the bigger public policy
14 picture and ask, what's in your wallet? Of course, lots of
15 credit cards. Based on 2023 data, 61 percent of your
16 purchases are on Visa, 26 percent MasterCard, 11 percent
17 Amex, but only 2 percent with Discover.

18 The super, super profitable Visa, with its
19 co-conspirator MasterCard, a nearly 90 percent duopoly,
20 charged merchants identical 2 percent interchange fees,
21 increasingly being passed along to us, compared to only 0.3
22 to 0.4 percent in Europe. Yes. More than five times more
23 than should be charged, because they have no real
24 competition from Discover. Amex is a different animal.

25 This merger gives us a once-in-a-lifetime opportunity

1 to break the Visa and MasterCard deal that DOJ tried but
2 could not do.

3 In conclusion, Capital One should be allowed to buy
4 Discover only under the condition they charge a maximum
5 1 percent fee until Visa and MasterCard match them. This
6 is something the lawyers at DOJ, the Fed, OCC, even CFPB,
7 other agencies, they can figure out how to do it, but it's
8 got to be done.

9 The other condition is to require the \$6.5 billion of
10 CRA web lending benefits going to Delaware be reallocated
11 to the source of the deposits, including my hometown of
12 Miami.

13 Thank you. This concludes my remarks.

14 AMORY GOLDBERG: Delegate Richard Sullivan, please turn
15 on your camera. Speaker Sullivan, you may begin your
16 remarks when you're ready.

17 DELEGATE SULLIVAN: Thank you. Good morning. My name
18 is Rich Sullivan, and I represent the 6th District in the
19 Virginia House of Delegates. Four hundred Capital One
20 associates and their families live in my district, and that
21 includes Capital One's founder, chairman, and CEO, Rich
22 Fairbank, who earlier this morning spoke so eloquently
23 about his passion and vision for changing the banking
24 industry for good and how this acquisition fits into that
25 vision.

1 My district is very close to Capital One headquarters,
2 right next door, as a matter of fact, and I have lived in
3 this community for over 50 years, and I have watched as
4 Capital One has grown into one of Virginia's largest
5 private employers, one of America's most recognizable
6 brands, and a wonderful corporate citizen in our community.

7 Having a major employer based in our community is a
8 great benefit when they partner with the community. For
9 over 25 years, Capital One has called Tysons home and it is
10 a significant partner here in our community. Capital One's
11 multi-billion dollar Tysons campus includes commercial,
12 retail, cultural, and recreational facilities, and public
13 parks. It's a high-quality mixed-use development and has
14 become a destination for members of our community.

15 The campus is designed with the environment in mind.
16 It includes green roofs, pedestrian-friendly pathways,
17 renewable energy usage, water conservation, and LEED
18 certification. Capital One's products are designed with a
19 customer approach that treats the customer as you would
20 want your family member treated. These products are for
21 individual consumers and small businesses across the entire
22 credit spectrum.

23 Capital One was the first of the 10 largest banks to
24 eliminate overdraft and insufficient funds fees on all of
25 its accounts. Other institutions have followed, but

1 Capital One is the only major bank that still provides free
2 overdraft protection. By helping consumers build and use
3 credit safely, Capital One brings more people into the
4 mainstream financial system and drives economic mobility.

5 As a corporate citizen, Capital One supports
6 affordable housing development, preservation, and
7 wraparound services, including a long-standing relationship
8 with Arlington Partnership for Affordable Housing, known as
9 APAH.

10 Capital One financed seven affordable housing
11 properties with APAH, totaling more than 600 units serving
12 families and individuals.

13 This includes Terwilliger Place, Virginia's largest
14 affordable housing development for veterans, and the first
15 housing credit development with a leasing preference for
16 veterans.

17 Finally, Capital One was a lead supporter of
18 Virginia's 2009 financial literacy law, which added one
19 credit hour of financial literacy and personal economics to
20 high school graduation requirements.

21 Today, Virginia is consistently named one of the most
22 financially literate states in the country. As a
23 legislator, parent, and grandparent, I know the importance
24 of teaching financial responsibility to the next
25 generation. Capital One invests significant resources in

1 financial literacy programs all across the country.

2 I believe the proposed acquisition will benefit
3 communities, and I encourage the Fed and OCC to approve it.
4 Thank you for your opportunity to speak this
5 morning. This concludes my remarks.

6 AMORY GOLDBERG: Delegate Irene Shin, you may turn on
7 your camera and unmute yourself. Delegate Shin, please
8 begin speaking when you're ready.

9 DELEGATE SHIN: Thank you so much, and good morning.
10 My name is Irene Shin, and I represent the 8th District in
11 the Virginia House of Delegates, and I am proud that 300
12 Capital One associates and their families call our district
13 home. I am also chair of the Virginia Asian American
14 Pacific Islander Caucus, and I am acutely aware of the
15 importance of providing AAPI communities, not just with a
16 voice, but the opportunity and support to thrive in a
17 global economy.

18 Capital One has made elevating and supporting AAPI
19 associates, their families, and our communities a priority
20 in their work, and I am happy to share a few examples.

21 As a financial services provider, Capital One has been
22 helping address a common issue in the AAPI and broader
23 immigrant community, which is building and maintaining good
24 credit. Capital One partners with organizations like the
25 Chinese American Service League, a nonprofit that provides

1 comprehensive programs to connect families and individuals
2 in the Chinese community and beyond.

3 With Capital One's support, CASL leads financial
4 education workshops to help people build good credit and
5 obtain critical housing and financial education services.
6 On average, participants who have joined the program have
7 seen a 400-point jump in their credit scores over time.

8 Capital One has also partnered with the National
9 Coalition for Asian Pacific American Community Development,
10 also working to improve the lives of over 2 million AAPI
11 community members who live in poverty, not just here in
12 Virginia, but all across the nation.

13 And closer to home, the Capital One Cafe in
14 Washington, D.C.'s Chinatown neighborhood partners with the
15 Asian Liaison Unit Office to host events and support AAPI
16 small businesses.

17 As an employer, Capital One has an active AAPI
18 business resource group, which is called Origins, and they
19 serve 9,000-plus AAPI associates and allies across the
20 country, many of whom live here in my district and in the
21 adjoining districts across northern Virginia.

22 Origins empowers AAPI communities at Capital One to
23 achieve their professional and personal goals through
24 sharing lived experiences, amplifying AAPI voices, creating
25 connections through a culture of belonging and inclusion.

1 Some of Origins' highlights over the past year include
2 creating a seven-month development program for senior AAPI
3 associates led by a northern Virginia Capital One
4 executive.

5 Another Capital One division with a heavy presence
6 here in the region is called the Leadership Essentials for
7 Accelerated Progress program, which has helped AAPI
8 associates and allies navigate cultural nuances,
9 communication styles, and finding leadership pathways to
10 ensure their continued success.

11 And finally, Origins curates programming and events
12 for all associates during AAPI Heritage Month in May, which
13 includes cultural, educational, and development initiatives
14 and celebrations of the cultures.

15 I appreciate the Federal Reserve's and OCC's thorough
16 review of this proposal and hope that you will approve it.

17 And that concludes my remarks. Thank you so much.

18 AMORY GOLDBERG: Seth Bornstein, you may turn on your
19 camera and unmute yourself. Speaker Bornstein, you may
20 begin your remarks.

21 SETH BORNSTEIN: I am Seth Bornstein, Executive
22 Director of the Queens Economic Development Corporation in
23 New York City.

24 Founded in 1979, our mission is to help clients start
25 and run their small businesses and contribute to the

1 microeconomies of our neighborhoods. Queens is the most
2 diverse county in the United States, with over 160
3 languages and dialects spoken. We operate over 12
4 programs, ranging from individual to people-counseling, to
5 help these only nonprofit communities matter.

6 Our programs are open to all, and we do extensive
7 outreach for immigrant, minority, and low- and
8 moderate-income communities, as well as women, LGBT, and
9 veterans. We serve over 1,200 individuals a year. All of
10 our programs are free to clients.

11 As with many nonprofits, our primary source of funding
12 is government contracts and grants. Without exception,
13 those that clearly define what we can do and cannot do, and
14 very little room for deviation, making it hard to develop
15 and implement integrated programming.

16 Private sector funding is crucial. It allows us to be
17 creative and quickly respond to community issues. And this
18 is what Capital One Bank has been a partner for over
19 15 years. The team understands this and has focused their
20 grants on projects we would otherwise be unable to do.
21 With their early support of entrepreneurial space,
22 commercial kitchen incubator, and (inaudible) program.

23 Their support set in motion projects that have helped
24 hundreds of low- and middle-income people who have learned
25 entrepreneurial skills, built small businesses and hired

1 staff, and now contribute to their community. Their
2 commitment to our county has been steadfast.

3 I hope this merger will enable Capital One to continue
4 their support, which will lead to a stronger economy,
5 (inaudible), and such a successful acquisition.

6 Thank you for your time.

7 AMORY GOLDBERG: Sherry Goldstein, if you could please
8 turn on your camera and unmute yourself. Speaker
9 Goldstein, you may begin your remarks.

10 SHERRY GOLDSTEIN: Hello, I am Sherry Goldstein, VP of
11 Agency Operations at the Fortune Society. We are an
12 organization that helps justice-involved individuals
13 reintegrate into society.

14 Capital One first came into our framework when, in
15 2008, we were building an empty lot to do our first foray
16 into supportive and affordable housing. For our
17 participants, the most important thing they need is a house
18 over there -- a safe shelter, and this building would help
19 do that.

20 We put out an RFP for funding for that low-income
21 housing tax credits, and Hudson Capital was the syndicator,
22 and they matched the project with Capital One as the tax
23 credit investigator.

24 Some of you might remember in December 2008, markets
25 were plummeting, and we were one of the only projects to

1 close on December 18, 2008, because Capital One and Hudson
2 kept their rates. They didn't raise the rates where every
3 other project, some of them were put off because of
4 increased rates.

5 What they did require was increased guarantees, but
6 our co-developer, Jonathan Rose, and that we own the land,
7 we were able to do that, and our project went forward. We
8 were able to build Castle Gardens, which is now home to
9 over 100 -- which now has 114 permanent apartments, with 63
10 of them are set aside for individuals with criminal legal
11 history and formerly unhoused people. They have access to
12 all of our programs. The other apartments are for
13 low-income housing in the community.

14 We have had huge success in having this mix. We were
15 the first legal supportive and affordable housing project
16 in the United States. We have been replicated in Syracuse
17 by asked by the state, and we have also used our model to
18 do senior housing in the Bronx, and we're now building
19 another building in Manhattan with this model.

20 Eighty-four percent of our residents remain housed for
21 two years or more, 69 percent, five years or more, and
22 eight years is the average length of stay. We couldn't
23 have done this without Capital One. They've also supported
24 us with other community projects throughout our services,
25 so we have just known them to be an excellent partner

1 throughout.

2 Thank you.

3 AMORY GOLDBERG: Thank you. Michael Gross, please turn
4 on your camera and unmute yourself. Speaker Gross, you may
5 begin your remarks.

6 MICHAEL GROSS: Good morning. My name is Mike Gross,
7 and I am the Executive Director of Genesys Works New York
8 City. I am here to speak about the partnership between
9 Genesys Works and Capital One that has had a meaningful
10 impact on our students and communities.

11 Genesys Works is a national youth career readiness
12 program for students in underserved communities. Most of
13 our students are first-generation college students and
14 qualify for free and reduced lunch. Ninety-two percent of
15 them enroll in college. Nationally, our alumni are 2.5
16 times more likely than their peers to attain a four-year
17 degree within six years. Despite systemic barriers, our
18 young people persist. Through our program, they thrive.

19 Since 2018, Capital One has been a key partner of our
20 New York City program, helping us empower our young
21 professionals to live choice-filled lives. Capital One's
22 support was pivotal in launching our program and continues
23 to provide critical funding that enables us to technical
24 and professional skills training, paid internships, and
25 college and career coaching to young talent seeking

1 opportunities to reach their full potential, attain their
2 post-secondary education and career goals, and achieve
3 long-term economic stability.

4 Thanks in part to Capital One's support, Genesys Works
5 New York City has placed 165 high school seniors in
6 year-long internships with top New York City employers,
7 providing students invaluable real-world experiences and
8 employers a chance to cultivate early career talent to fill
9 their entry-level needs.

10 Over the last six years, Capital One's generosity has
11 also been instrumental in Genesys Works New York City
12 securing additional funding from numerous corporate and
13 foundation partners, enabling us to navigate challenges,
14 including the pandemic, and emerge stronger and better
15 positioned for growth.

16 We are grateful to Capital One for its deep investment
17 in our mission. Together, we are making a lasting impact
18 in our communities, and we at Genesys Works New York City
19 are excited about the future possibilities our continued
20 partnership will bring.

21 Thank you for your time. This concludes my remarks.

22 AMORY GOLDBERG: Thank you. Richard Wintsch, can you
23 please turn on your camera and unmute yourself? Speaker
24 Wintsch, you may begin your remarks.

25 RICHARD WINTSCH: Good morning. I am Richard Wintsch,

1 Executive Director of Startup Virginia, a nonprofit
2 high-growth business incubator and entrepreneurial hub. I
3 am here to express our strong support for Capital One
4 Financial Corporation's proposal to acquire Discover
5 Financial Services.

6 Since 2016, Startup Virginia has partnered with
7 Capital One, whose unwavering support has been instrumental
8 in nurturing and scaling startups and small businesses in
9 central Virginia and beyond.

10 Since 2018, our incubator has helped 234 companies and
11 had an economic impact of \$316 million. Capital One's
12 commitment to innovation and financial inclusion has
13 significantly contributed to the growth of our
14 entrepreneurial ecosystem.

15 Capital One and Discover are both renowned for their
16 dedication to delivering exceptional customer experiences
17 and fostering innovation. We believe this partnership will
18 enhance these qualities and drive positive outcomes for
19 consumers and businesses alike.

20 The collaboration between these two companies promises
21 to unlock new possibilities and create lasting value for
22 our communities. Personally, I am also excited to welcome
23 the Discover Financial Services team to our community.

24 Additionally, Capital One has announced a historic
25 community benefits plan totaling more than \$265 billion in

1 lending, investments, and philanthropy over five years.
2 This plan includes \$600 million support for community
3 development financial institutions, beyond their \$44
4 billion community development commitment, and \$15 billion
5 in lending to small businesses and low-and moderate-income
6 communities or businesses with \$1 million in less revenue.

7 These targeted investments will significantly enhance
8 support for the underserved communities and small
9 businesses, fostering economic growth and inclusion in our
10 own backyard.

11 At Startup Virginia, we have witnessed firsthand the
12 transformative power of entrepreneurship in driving
13 economic growth and creating opportunities for all.
14 Capital One's support has been pivotal in ensuring we can
15 serve both aspiring and current entrepreneurs in our
16 community.

17 And thanks to donors like them, Startup Virginia has
18 been able to provide \$1.3 million in scholarships over the
19 last five years to ensure our services are available to
20 all.

21 Their initiatives, such as these scholarships,
22 demonstrate their commitment to inclusivity and generating
23 wealth within our community.

24 On behalf of Startup Virginia, I extend our heartfelt
25 thanks and gratitude to Capital One for their dedication to

1 advancing innovation and financial inclusion. We are
2 confident that their partnership with Discover will bring
3 substantial benefits to our communities.

4 Thank you for considering our support for
5 Capital One's proposal. And this concludes my remarks.

6 AMORY GOLDBERG: Rachel Glassman, if you could please
7 turn on your camera and unmute yourself. Speaker Glassman,
8 you may begin your remarks.

9 RACHEL GLASSMAN: Hi, good morning. My name is Rachel
10 Glassman. I am the Director of Corporate Partnerships here
11 at Miriam's Kitchen. We are a D.C.-based nonprofit focused
12 on ending chronic homelessness in D.C. We do this by
13 supporting individuals experiencing homelessness from meals
14 to housing. I am here today to share more about our
15 partnership with Capital One.

16 At Miriam's Kitchen, we have had a 10-year partnership
17 with Capital One with a more intensive and thoughtful
18 approach over the last three years specifically.

19 In the last three years, they have invested over
20 \$140,000 in our programs in the form of grant-based
21 support, project-based support, and creating additional
22 connections to partners in the DMV area. Not only have
23 they supported financially, they have also provided many
24 hours of volunteer support by participating in meal shifts
25 that help nourish our vulnerable neighbors.

1 They have also created packs full of essential
2 supplies for those experiencing homelessness, also making
3 no-sew blankets to help keep those warm who are still
4 unhoused. All of this while also hosting events to help
5 create additional connections in the community.

6 As part of all our projects, we include an
7 educational component to help create additional awareness
8 of homelessness in D.C. and the DMV area, which has
9 allowed our partnership to create additional awareness
10 about the known solutions we can implement in our
11 communities.

12 The Capital One employees that we have worked with
13 have been incredibly thoughtful and engaged and are seen as
14 true partners within our programs. Capital One has been a
15 thoughtful, engaged partner in helping us move closer to
16 meeting our mission. We look forward to continuing to
17 partner with them and seeing how all of this plays out.

18 This concludes my remarks.

19 JOSEPH FIRSCHEIN: Do we have the next speaker?

20 HARLEY MOYER: Kelly Canally, please turn on your
21 camera and unmute yourself. Speaker Canally, please begin
22 your remarks.

23 KELLY CANALLY: I am with Family Services of Montgomery
24 County, Pennsylvania. I'd like to thank you for the
25 opportunity to share my experiences with Capital One as a

1 community partner here in Montgomery County.

2 I am testifying today on behalf of Family Services.
3 We are a community-based nonprofit organization serving
4 more than 13,000 children, seniors, and families through a
5 variety of programs and services.

6 Since 2021, Family Services has partnered with
7 Capital One to provide free tax preparation services for
8 low-income residents of Montgomery County. In these three
9 years, Capital One support has allowed us to serve more
10 than 1,200 low-income households. The households served
11 have benefited from greater financial stability through
12 increased income as well as education and connections to
13 valuable community resources.

14 In addition to direct support for programs,
15 Capital One has provided opportunities for technical
16 assistance as we develop programs to assist low-income
17 residents to achieve greater financial wellness, as well as
18 support for various projects to increase the agency's
19 capacity to serve through their corporate pro bono
20 services.

21 Specifically, they have supported our re-entry
22 initiatives and our diversion programs for minority youth
23 who have had criminal justice involvement. The benefits of
24 corporate philanthropy to the community include improved
25 quality of life for community members and a strengthened

1 nonprofit sector that is better situated to meet the
2 changing needs of our communities.

3 In my 30 years at Family Services, I have never worked
4 with a more community-oriented business. Capital One has
5 been an outstanding community partner. Our experience has
6 been that Capital One is serious about their community
7 engagement and has invested much-needed resources beyond
8 Family Services and into our community.

9 If this acquisition (inaudible.)

10 AMORY GOLDBERG: I am sorry, Ms. Canally, we cannot
11 hear you. You cut out. If you would like to submit the
12 rest of your remarks in writing to the agencies, that would
13 be great, if that's okay. Thank you so much for your time.

14

15

G R O U P 3

16

AMORY GOLDBERG: We'll now call Bernice Edwards.

17

Bernice Edwards, if you could please turn on your camera

18

and unmute yourself. You may begin your remarks.

19

BERNICE EDWARDS: Thank you for the opportunity to

20

provide comments in support of the proposed acquisition of

21

Discover Bank by Capital One.

22

I am Bernice Edwards, Executive Director for First

23

State Community Action Agency in Delaware. I have had the

24

privilege of collaborating with Discover Bank for over two

25

decades. Their commitment to Delaware extends far beyond

1 financial services. They have been a steadfast partner,
2 providing significant grant support for our program's
3 active volunteer participation and invaluable strategic
4 guidance.

5 This ongoing collaboration amplifies Discover's
6 dedication to positive community impact. First State is
7 one of over a thousand community actions nationwide
8 dedicated to empowering families and communities to achieve
9 self-sufficiency.

10 We offer a comprehensive suite of over 20 programs and
11 services, including emergency nutrition, utility and rental
12 assistance, job training, educational programs, housing
13 counseling, and community development initiatives.

14 Funding from the Community Reinvestment Act, such as
15 the resources we receive from Discover, is crucial to
16 fulfilling our mission and ensuring the continuation of
17 these valuable services.

18 Sussex County, a rural area within Discover's CRA
19 assessment area, has greatly benefited from their focused
20 attention. Discover's consistent record of outstanding CRA
21 performance is a strong demonstration of their commitment
22 to support the needs of low- and moderate-income people,
23 communities, and small businesses.

24 Their investments translate into tangible benefits for
25 Delaware's most vulnerable residents, promoting equal

1 opportunity and fostering stronger communities. While
2 initial concerns arose regarding the proposed merger,
3 Capital One's outreach to First State and their commitment
4 to Delaware's nonprofit sector, particularly those serving
5 vulnerable populations, have been encouraging.

6 Their financial commitment across the state, with a
7 focus on rural Sussex County, demonstrate a promising path
8 forward. Capital One's pledge to maintain the Greenwood,
9 Delaware branch and collaborate with Discover's current
10 Delaware CRA team, Matt Parks and Amy Walls, throughout the
11 transition is a key factor in my support for the
12 acquisition. Their expertise and deep understanding of
13 Delaware's communities are an invaluable resource.

14 We are pleased with Capital One's consistent
15 outstanding CRA credit --

16 JOSEPH FIRSCHEIN: Excuse me, we're out of time.

17 BERENICE EDWARDS: Thank you for the opportunity today.
18 Thank you.

19 JOSEPH FIRSCHEIN: Thank you.

20 HARLEY MOYER: Thank you. Moses Foster, please turn on
21 your camera and unmute yourself. Speaker Foster, please
22 begin your remarks.

23 MOSES FOSTER: My name is Moses Foster, and I am the
24 Founder and CEO of West Cary Group, a marketing
25 communications and technology firm in Richmond, Virginia.

1 I am pleased to voice my support for the proposed
2 Capital One acquisition of Discover, and I'd like to
3 provide some context for my testimony today.

4 Capital One has been a valued partner since West Cary
5 Group's inception over 17 years ago. When I say partner, I
6 mean that in the truest sense of the word. As I have grown
7 my business from two employees to over 100, Capital One has
8 been truly integral to that growth.

9 Throughout the time, my company has had the pleasure
10 of partnering with Capital One on marketing and
11 communications initiatives across many of their lines of
12 business.

13 We have provided the very best that we have had to
14 offer and Capital One has reciprocated by being fair,
15 honest, and committed to our growth and developing us as a
16 company.

17 When we have had successes, Capital One has praised
18 our work. When we have had challenges, they have engaged
19 honestly and constructively about areas of opportunity
20 throughout our relationship. They treated us not as a
21 vendor but as a seamless extension of our team.

22 I will note, in particular, Capital One's generosity
23 and empathy during the pandemic. At a time where
24 everything's very confused and unsettled, Capital One went
25 above and beyond to ensure we remained anchored and stable.

1 Capital One reduced the time between when we submitted
2 an invoice and when they paid, which was really, really
3 important at that time in terms of keeping our stability,
4 helping to protect our employees and our families.

5 We truly appreciate that, and I think their act of
6 goodwill demonstrated that there can be humanity in
7 business and industry.

8 I can't think of a better company to actually acquire
9 Discover than Capital One. Their leadership has the
10 intelligence, the vision, the compassion to make it a
11 purchase that fulfills on their mission of changing banking
12 for good.

13 And I firmly believe that the ultimate winners in the
14 transaction will be the consumers that Capital One serves.

15 Thank you for the opportunity to provide remarks.

16 HARLEY MOYER: Thank you. Jennifer Sanders, please
17 turn on your camera and unmute yourself. Speaker Sanders,
18 please begin your remarks.

19 JENNIFER SANDERS: Hi, good morning and thank you for
20 the opportunity to speak in support of Capital One's
21 acquisition.

22 My name is Jennifer Sanders. I am the Executive
23 Director and co-founder of the Dallas Innovation Alliance.
24 We're a nonprofit based in Dallas that's focused on
25 building a smart city strategy for Dallas, which really

1 means how are we solving problems with the community using
2 data and technology.

3 For the past six years, we have focused heavily on
4 digital inclusion and broadband access as our core
5 programs. Capital One has been an incredible longstanding
6 partner since our founding, both in terms of grant support,
7 but really recently in extraordinarily high value through
8 their pro bono program with their data analytics team.

9 Our organization has never been of the size to be able
10 to afford to have internal resources of this type. And so
11 the work and the ability to make data driven decisions and
12 really plan wisely where our investments for our
13 programming is most needed and makes the most impact within
14 the Dallas area has been critical.

15 In addition to that, our ability through data
16 visualization and creating this way to tell the story, not
17 just of the problem, but if the program's happening
18 throughout the Dallas ecosystem to elected officials, to
19 funders, to really understand where their dollars are
20 making the most impact and where they have not done made
21 investment yet that is most needed has really been critical
22 to the expansion of not just our nonprofit programs, but
23 also our peer programs throughout Dallas that desperately
24 need the support to continue the important on the ground
25 work.

1 We have been able to make better decisions as we move
2 forward in scale to support as many Dallasites in getting
3 connected as possible.

4 And the commitments of the team themselves, they
5 brought expertise and passion and weekend hours and having
6 calls with us. And really importantly to me with no data
7 analytics background, the patience to be able to walk me
8 through what they needed, why it was important and how I
9 can continue that work beyond when the engagement ended.

10 So, we have done three cycles with that team and are
11 just so grateful for that support and for that program as
12 it's continued to grow over the last several years.

13 And so with that, I will conclude my remarks. Thank
14 you.

15 HARLEY MOYER: Thank you. Michelle Corson, please turn
16 on your camera and unmute yourself. Speaker Corson, please
17 begin your remarks.

18 MICHELLE CORSON: Good morning. Thank you so much for
19 the opportunity to be here and share my thoughts about
20 Capital One and their proposed partnership with Discover.
21 I am very happy to speak with you and let you know that we
22 very much support that idea.

23 My name is Michelle Corson. I am the Founder and CEO
24 of seven enterprises in Dallas, Texas, but we operate in 10
25 states across the country. And all of our businesses share

1 a common mission of building prosperity for Americans
2 through financial empowerment and mobility innovation.

3 The most well-known of these enterprises is a business
4 called On the Road Lending, which helps low-income
5 consumers, people of color, single mothers and people who
6 are escaping abuse to purchase a reliable vehicle. There's
7 very few places in the United States, perhaps New York City
8 being the only one, where owning a car is actually
9 punitive. Throughout almost every other part of the
10 country, having a car, a reliable car that isn't going to
11 break down is essential to getting to good work, accessing
12 better jobs, making a better living, getting better
13 education, better food, better health care, and many, many
14 other things.

15 Capital One has been a huge partner of ours for many,
16 many years, and they have provided a lot of different
17 resources for us, not just grants and investment in our
18 fund, but perhaps more importantly, they have given us an
19 opportunity to advocate for our clients.

20 They've given us an opportunity to speak to their
21 employees and to the public generally on the importance of
22 transportation for credit-challenged consumers.
23 Eighty-three percent of our borrowers are either low-income
24 or other demographic profiles that make it difficult for
25 them to obtain better financing from the commercial

1 marketplace.

2 The average credit score of our borrowers is less than
3 500, so we're very, very grateful of the opportunity to be
4 an advocate and speak on behalf of our clients.

5 We have seen through spending a lot of time with
6 Capital One, their really true commitment to the idea of
7 changing banking for good, and we know that they truly live
8 this. It isn't just a slogan with them, and we believe
9 that the partnership between Capital One and Discover is
10 going to provide the same kind of amplified benefit to the
11 community that we have seen with Capital One directly.

12 For bankers to place the most vulnerable of our
13 neighbors at the forefront of everything that they do is
14 something to be celebrated and encouraged, and we hope that
15 the Fed and the OCC will approve this partnership.

16 Thank you so much.

17 HARLEY MOYER: Christine Powell, please turn on your
18 camera and unmute yourself. Speaker Powell, please begin
19 your remarks.

20 CHRISTINE POWELL: Thank you. Thank you for allowing
21 me to share my experience with you today. I am Christine
22 Powell, CEO of The Women's Resource, a nonprofit
23 organization dedicated to empowering women in Houston with
24 the financial knowledge --

25 JOSEPH FIRSCHEIN: Would it be possible to turn on your

1 video? We can hear you great, we just can't see you. If
2 not, that's fine, but I just wanted to try.

3 CHRISTINE POWELL: Here we go.

4 JOSEPH FIRSCHEIN: Yeah, perfect.

5 CHRISTINE POWELL: Fabulous. -- With the financial
6 knowledge, skills, and confidence they need to thrive. As
7 CEO of The Women's Resource, I have seen firsthand the
8 positive impact Capital One has on our organization and the
9 women that we serve.

10 Since 2007, Capital One Bank has been a steadfast
11 supporter of The Women's Resource, investing over \$850,000
12 to help us grow and make a meaningful impact in the
13 community.

14 But their support goes far beyond financial
15 contributions. Their support extends well beyond our
16 ability to encompass the growth that we have experienced
17 and the sustainability of our programs through board and
18 committee membership. Capital One took on a pivotal role
19 by chairing last year's capacity building campaign and
20 providing the lead gift. This campaign enabled us to
21 develop a workforce development program aimed at creating
22 pathways for women to enter the workforce with a living
23 wage and full benefits.

24 Additionally, their support allowed us to hire two
25 bilingual financial coaches, expanding our reach to the

1 growing Spanish-speaking community of women in Houston.

2 Employees of Capital One Bank have also played a
3 crucial role in amplifying our mission by volunteering to
4 teach financial education classes to the women in crisis.

5 In Houston, we teach over 300 classes a year, ensuring
6 women from outside the financial mainstream have access to
7 the knowledge they need to climb out of debt, build in
8 emergency savings, and tackle their debt. This hands-on
9 involvement not only benefits our organization, but also
10 directly impacts the lives of the women that we serve.

11 As one of the women who recently completed our classes
12 shared, the women's resource classes have truly transformed
13 my life by giving me the hope and tools I need to climb out
14 of my financial difficulties.

15 The partnership between The Women's Resource and
16 Capital One Bank is a testament to their commitment to
17 empowering women in our community. I have no doubt that a
18 merger with Discover will further enhance their ability to
19 support organizations like ours, ultimately benefiting the
20 community at large.

21 I am confident that when Capital One Bank succeeds,
22 the community succeeds. Thank you for considering my
23 support of this merger.

24 HARLEY MOYER: Christina McInnis, please turn on your
25 camera and unmute yourself. Speaker McInnis, please begin

1 your remarks.

2 CHRISTINA MCINNIS: Good morning. Can you see me?

3 HARLEY MOYER: We can see you great.

4 CHRISTINA MCINNIS: Perfect. Good morning, everyone.

5 I am the CEO and Founder of AgriTech Corp. I want to take
6 a quick moment to share my personal story with you and also
7 support my merger, support the merger of this.

8 I am a fifth-generation farmer, and I am an
9 Alabama-owned business. I assist customers with knowledge
10 for how to grow healthy through a soil test. We're notably
11 known as Soil Kit, a soil test that provides customers with
12 our software program, science-based answers for what the
13 soil needs to grow, right product, right rate, right
14 reason.

15 And this is good for the customer, this is good for
16 the crop, but it's also good for the community and the
17 environment to provide environmental steward decisions.

18 To share a personal story, two years ago as the CEO, I
19 was struggling with how to lead through a post-COVID work
20 and remote work environment. While scaling with a large
21 box retailer, formulating agreements, planning for what's
22 next on the technology platform and simply navigating
23 corporate business structures.

24 WBENC, the Women's Business Enterprise National
25 Council, emailed information about Capital One Supplier

1 Diversity Program Catapult. This is a six-month program
2 that helps diverse suppliers, business owners develop
3 solutions to the challenges. This program includes
4 instructional courses, collaborative thinking workshops and
5 one-on-one meetings with subject matter experts, dedicated
6 advisors in sessions.

7 I applied, I was awarded, and I can tell you this
8 truly, what they say about Catapult, they delivered. They
9 invested in me, my business and my team success and they
10 continue to do that today.

11 Capital One is known for banking and credit cards, but
12 I want to reiterate what they do through their Supplier
13 Diversity Program and how it impacts businesses such as me
14 in Alabama who work nationwide.

15 I was able to take their mentorship, and we took our
16 product and now we have a seasonal breakdown prescription
17 nutrition program that goes all year long now with
18 preventative and curative suggestions and we even started
19 our Ask the Experts with Telehealth.

20 My takeaway from my advisor, the soil test is just
21 like a credit card, it's the catalyst that begins the whole
22 experience. I want to thank Capital One and Catapult, how
23 they continue to invest in me even after the six-month
24 program was over.

25 I need help with price optimization, I get invited to

1 roundtable discussions, and I can tell you this, with this
2 merger, their Capital One Supplier Diversity Team, Julie,
3 Johanna, Ruben and so many others that are there will
4 continue to connect and empower more businesses like
5 AgriTech and me to have those opportunities when we really
6 need it most. Thank you.

7 HARLEY MOYER: Jessica Broome, please turn on your
8 camera and unmute yourself. Speaker Broome, please begin
9 your remarks.

10 JESSICA BROOME: Good morning, my name is Jessica
11 Broome, and I am the Founder of Southpaw Insights.
12 Southpaw is a full-service primary research agency, and we
13 are proud to be a woman-owned, disability-owned small
14 business.

15 I want to talk about Capital One from the standpoint
16 of their engagement in the community and specifically
17 support of small businesses like mine.

18 In 2018, I was accepted into the SAGE program, which
19 is a collaboration between the Women's Business Enterprise
20 National Council and Capital One.

21 Our cohort had 10 women business owners. We all had
22 small businesses that were trying to get to the million
23 dollar mark and the goal of the program was to give us the
24 resources and support to get there.

25 Any business owner will tell you that, especially in

1 the beginning, you don't know what you don't know and you
2 keep finding out more things that you don't know and areas
3 where you need guidance.

4 The SAGE program was a really comprehensive and
5 thorough source of education and advice from a lot of great
6 minds throughout Capital One. I had a mentor assigned to
7 me who I am still in touch with. We had classes on
8 marketing and HR with key people from those Capital One
9 teams. We had a whole session on small business banking
10 and finance that taught me so much about getting funding
11 for my business and really set me up to be able to grow my
12 company.

13 Now, five years after finishing the SAGE program, my
14 business has gone from a one-person operation grossing
15 under a million dollars a year to now having four full-time
16 employees and working with clients like the Red Cross,
17 Macy's, General Mills, and Capital One.

18 The connections I made through the SAGE program led
19 directly to business opportunities with Capital One. Their
20 Supplier Diversity Team, who are tasked with providing
21 opportunities for small and diverse businesses like mine,
22 got to know me and my business and when an opportunity came
23 up in the organization that was a good fit, they helped us
24 get in front of the right people and we ultimately won a
25 contract.

1 We're now an approved supplier for Capital One and
2 have done several hundred thousand dollars of business for
3 them in the past few years.

4 I am just so grateful to the Supplier Diversity Team
5 as well as all of the brains behind the SAGE program. It's
6 had such a tremendous impact on my business, and I think I
7 am evidence that Capital One is an organization that really
8 walks the walk when it comes to lifting up and supporting
9 small and diverse businesses. Thank you for your time.

10 This concludes my remarks.

11 HARLEY MOYER: The Honorable Maxine Waters, please turn
12 on your camera and unmute yourself. Ranking Member Waters,
13 please begin your remarks.

14 REPRESENTATIVE WATERS: Thank you very much. Good
15 morning, everyone. I want to thank the Federal Reserve and
16 the OCC for convening this public meeting on the proposed
17 merger of Capital One and Discover.

18 As the Ranking Member of the Financial Services
19 Committee, which has oversight of the banking industry, I
20 believe that workers and consumers must have the chance to
21 voice their concerns about these mergers directly to the
22 regulators. Especially with mergers that will affect
23 millions of people.

24 Now, the law requires regulators to consider the
25 impact a merger has on competition, financial stability,

1 and the convenience and needs of affected communities. The
2 proposed merger of Capital One and Discover, creating the
3 largest credit card issuer and sixth largest commercial
4 bank, must be rejected because it fails these tests.

5 Post-merger, consumers may have to pay more for
6 Capital One's credit cards. The CFPB has shown that while
7 the largest card issuers have grown in market share, they
8 have charged consumers higher interest rates and annual
9 fees compared to those charged by smaller issuers.

10 This has resulted in consumers with cards from the big
11 issuers paying \$400 to \$500 more annually than those with
12 cards from smaller issuers.

13 Unfortunately, small issuers are community banks and
14 credit unions that serve small areas not easily accessible
15 for most consumers, and this merger will leave consumers
16 with fewer national options.

17 There are also vertical integration concerns with
18 this merger. If Capital One were to control its own credit
19 card network, it could influence multiple points of the
20 marketplace by setting prices for credit card consumers and
21 the merchants that swipe their cards.

22 Additionally, merchants would pay more as Capital One
23 would shift their debit card business to Discover's
24 network. In implementing the Durbin debit card interchange
25 fee cap, the Fed stipulated that networks like Discover's

1 are exempt since the issuer also acts as a card network
2 with no technical interchange fee being charged between the
3 two, meaning Capital One could charge merchants higher
4 swipe fees compared to those running on Visa or MasterCard
5 networks that are subject to the cap.

6 Moreover, there are serious financial stability
7 concerns. This merger would result in a \$625 billion bank
8 roughly \$100 billion larger than the combined size of the
9 three banks that failed last year requiring emergency
10 action to stabilize the banking system.

11 So, in closing, the Fed and the OCC must stop rubber
12 stamping mergers, so I urge you to follow the law and
13 reject this merger. Thank you very much.

14 JOSEPH FIRSCHEIN: Thank you so much, and thank you to
15 all the speakers for your comments. We're now going to
16 have a short break, and the meeting will resume with
17 Group 4 at 11:05 a.m. Eastern. If you're scheduled to
18 speak in Group 4, please make sure you remain logged in to
19 this Webex meeting. Thanks so much.

20 (A brief recess was taken.)

21

22 JOSEPH FIRSCHEIN: Hello everyone, and I want to
23 welcome you back from the break. And I think we're going
24 to proceed now with Group 4.

25

1 G R O U P 4

2 HARLEY MOYER: Laura McGinley, please turn on your
3 camera and unmute yourself speaker. Speaker McGinley,
4 please begin your remarks.

5 LAURA MCGINLEY: Good morning. Thank you for the
6 opportunity to speak about my organization's relationship
7 with Capital One today. My name is Laura McGinley, and I
8 am the Chief External Relations Officer of University
9 Settlement in New York City.

10 Our 138-year-old organization provides comprehensive
11 services to 40,000 individuals and families in lower
12 Manhattan and Brooklyn each year, offering everything from
13 early childhood education to support for older adults and
14 everyone in between, including youth development, community
15 arts programs, English literacy and mental health services
16 for all.

17 One important part of our work is a program called
18 Project Home, which combats homelessness by partnering with
19 over 1,000 tenants each year, who are at risk of losing
20 their homes. We work to prevent evictions by addressing
21 leasing issues, pushing back against landlord harassment,
22 advising people going through housing court proceedings and
23 supporting tenant organizing.

24 We are successful at preventing evictions in more than
25 90 percent of the cases we take on.

1 In addition, we advocate for safe and affordable
2 housing for all New Yorkers. Capital One has been a
3 critical partner in this work. Their philanthropic support
4 for the program has totaled more than \$200,000 since 2017
5 and has steadily increased throughout the years.

6 During COVID in particular, when need for housing
7 services ballooned, their support was an essential
8 stabilizing force for the program, and it was tremendously
9 important to both the program and its participants. In
10 addition to funding Project Home, Capital One provides
11 University Settlement with flexible, unrestricted
12 philanthropic support, which is the financial underpinning
13 of almost any nonprofit organization.

14 And we are fortunate to have a Capital One managing
15 director serving as treasurer of our 21-person volunteer
16 board, where he serves a critical governance and advisory
17 function for our \$60 million agency.

18 Organizations like ours rely on philanthropic partners
19 in order to carry out our important work. Capital One's
20 ambitious plans to meaningfully deepen and expand their
21 community investments in the event of a successful
22 acquisition are powerful and inspiring.

23 We're grateful to Capital One for their commitment to
24 our community and to so many of our nonprofit peers
25 working to make lives better in New York City and beyond.

1 Thank you for your time today.

2 HARLEY MOYER: Brenda Rosen, please turn on your camera
3 and unmute yourself. Speaker Rosen, please begin your
4 remarks.

5 BRENDA ROSEN: Thank you. My name is Brenda Rosen, and
6 I am the CEO and President of Breaking Ground. It's my
7 pleasure to share Breaking Ground Housing Development
8 Corporation's experience partnering with Capital One Bank,
9 a corporation committed to providing economic opportunities
10 for individuals exiting homelessness or qualifying for
11 deeply affordable housing.

12 Breaking Ground is the largest developer, operator,
13 and owner of supportive housing in New York State and among
14 the largest street outreach providers. Breaking Ground's
15 residential portfolio includes six transitional and 23
16 permanent and low-income, supportive and low-income
17 residences in New York City.

18 We manage over \$1 billion in real estate and other
19 assets. For our housing programs, we are currently
20 providing deeply affordable and supportive homes to over
21 6,000 tenants in New York. In order to expand and provide
22 greater impact, Breaking Ground maintains a robust housing
23 development pipeline and has nearly 2,200 new transitional
24 and permanent units in our pipeline this year.

25 Breaking Ground is pleased to work with Capital One.

1 Capital One is dedicated to the creation of new units of
2 affordable housing in New York City and to ensuring that
3 tenants with a range of challenges are given every
4 opportunity to succeed. Because the bank chooses to offer
5 competitive pricing, Capital One is a steady partner in
6 financing construction loans.

7 Most recently, Capital One has been instrumental to
8 enabling the development of a new 173-unit supportive
9 residence for older adults exiting homelessness or
10 qualifying for deeply supportive housing, featuring a
11 co-located, federally qualified health center in Jamaica,
12 Queens.

13 Development of this \$142 million residence currently
14 under construction would not have been possible had it not
15 been for Capital One Bank's involvement.

16 Capital One is a valued partner in providing our
17 tenants with supports to sustain effective connection to
18 benefits and services appropriate for their circumstances.
19 Recently, Capital One helped seed a Breaking Ground pilot
20 that makes case management services available to
21 individuals and families entering privately for-profit
22 developed low-income housing, some of whom are exiting
23 emergency shelters.

24 In addition, over the years, we have been fortunate to
25 partner with Capital One for philanthropic general tenant

1 support. And altogether, Capital One has supported
2 Breaking Ground's programming through over \$2 million in
3 grants.

4 Breaking Ground is committed to helping individuals
5 and families with considerable challenges find solutions to
6 long-term housing. Capital One takes the time to
7 understand our service landscape and work with us to
8 develop quality housing and programs that truly transform
9 lives. Thank you.

10 HARLEY MOYER: Hershel Daniels, please turn on your
11 camera and unmute yourself. Speaker Daniels, please begin
12 your remarks.

13 HERSHEL DANIELS: Thank you. My name is Hershel
14 Daniels. I am Chairman of Friends of the African Union.
15 Friends of the African Union is a civil society
16 organization organized for the basis of people of African
17 descent since 2012 and a member of the National Community
18 Reinvestment Coalition.

19 We understand that the National Community Reinvestment
20 Coalition, as an organization, has a problem with
21 Capital One based on its history, but we take the position
22 as an organization that, following the Black Folks Plan,
23 How Did We Get Here?, and a \$6 trillion Black Folks Plan
24 for a Just Economy, that we understand that the Capital One
25 Community Benefit Agreement can be the progenitor of a

1 whole new class of community benefit agreements that are
2 not only good for the American economic system of
3 2024-2025, but that can lead to supporting, addressing the
4 economic divide in America.

5 Because we can take advantage of this program that we
6 form our own relationship as a people-driven,
7 public- private partnership based on the values of the
8 people of Africa.

9 Capital One's commitment that said, as an
10 organization, we will service with financial instruments
11 that are part of a real-time payment system called
12 Discover, that we can then create within that partnership
13 based on their corporate card program, solutions ourselves.

14 The 700 members of the National Community Reinvestment
15 Coalition, the hundreds of members of the World Conference
16 of Mayors, and the other organizations, over 900 that have
17 come together in a permanent form on people of African
18 descent, this is a unique opportunity for us to address a
19 financial institution that says it wants to become the
20 sixth largest financial institution in America.

21 We can use this as part of the work that has been done
22 in the United Nations, bring it local here in the permanent
23 form on people of African descent, which will meet for its
24 fourth meeting in New York next year --

25 JOSEPH FIRSCHEIN: I am so sorry, we're out of time.

1 HERSHEL DANIELS: Thank you very much.

2 JOSEPH FIRSCHEIN: Thank you very much.

3 HARLEY MOYER: Andrew Jakabovics, please turn on your
4 camera and unmute yourself. Speaker Jakabovics, please
5 begin your remarks.

6 ANDREW JAKABOVICS: Good morning. My name is Andrew
7 Jakabovics. I am the Vice President for Policy Development
8 at Enterprise Community Partners. Enterprise is a national
9 nonprofit that exists to make a good home possible for the
10 millions of families without one.

11 We support community development organizations on the
12 ground, aggregate and invest capital for impact, advance
13 housing policy at every level of government, and build and
14 manage communities ourselves.

15 Since 1982, we have invested \$72 billion across all
16 50 states, the District of Columbia, Puerto Rico, and the
17 U.S. Virgin Islands, all to make home and community places
18 of pride, power, and belonging.

19 I'd also like to note a huge milestone we just
20 celebrated this past April, the creation of our one
21 millionth home. The Low-Income Housing Tax Credit, which
22 is the nation's largest and most successful tool for
23 encouraging private investment in the production and
24 preservation of affordable rental housing, is essential to
25 this work, and we could not do it without the longstanding

1 commitment from partners like Capital One.

2 Our relationship with Capital One goes back more than
3 25 years, and in that time, they have provided \$8.3 million
4 in philanthropic support of our work.

5 In recent years, the focus of their giving has been
6 to support our faith-based development initiative, a
7 program that provides houses of worship the knowledge and
8 tools to develop underutilized land into affordable homes
9 and community facilities.

10 That program, which began in the mid-Atlantic in 2006,
11 is now working with over 100 houses of worship across the
12 country, with a projected 9,000 homes in the development
13 pipeline, and is continuing to expand.

14 In addition to Capital One's direct support of
15 Enterprise's activities, they have been an incredible
16 partner in supporting the development of and preservation
17 of affordable homes through equity investment in housing
18 credit properties. That 20-plus year partnership has seen
19 a cumulative investment in 567 deals that produced or
20 preserved more than 47,000 homes.

21 Their total investment over that time frame stands at
22 \$1.088 billion, through almost \$600 million in housing
23 credit equity through 35 proprietary fund deals and another
24 nearly \$500 million into over 500 multi-investor fund
25 deals.

1 Capital One has also long recognized the value of
2 committing to doing difficult deals, innovating, and
3 supporting the needs of residents and property owners. I
4 want to highlight one example that brings all of this
5 together.

6 William Place East and West was an example of
7 24 percent and 9 percent credits, providing an example to
8 the market of how it can be done before it was more common.
9 It was an outgrowth of FBDI developed by APAH, who will be
10 testifying later, in partnership with the Arlington
11 Presbyterian Church.

12 But in addition to the LIHTC funding, Capital One also
13 provided a \$250,000 social purpose grant designed to
14 support something that the property the sponsor believes
15 was needed but otherwise could not be able to provide.

16 In this case, the funds were used to cover staff
17 support for resident services salaries, onsite community
18 events and programs, strengthening resident stability and
19 eviction prevention, and participating in Capital One's
20 financial well-being program.

21 This kind of willingness to do tough deals and support
22 community-determined needs to ensure the success of
23 residents, properties, and operators is exactly the
24 investment in communities that should be applauded and
25 encouraged by CRA evaluations.

1 I know there's considerable ambiguity around CRA, but
2 however those ambiguities resolve themselves, I urge you to
3 ensure that the impact and responsiveness, not only dollars
4 deployed, remain at the heart of the community development
5 exams. Thank you.

6 HARLEY MOYER: Silky Misra, please turn on your camera
7 and unmute yourself. Speaker Misra, please begin your
8 remarks.

9 SILKY MISRA: Thank you. I serve as the Senior
10 Director for the Housing and Community Development Division
11 at the National Urban League, the nation's largest civil
12 rights and urban advocacy organization focused on economic
13 empowerment of African Americans and other underserved
14 communities.

15 The National Urban League is committed to advancing
16 social parity, economic self-reliance, empowerment, and
17 civil rights for the communities it serves.

18 Through initiatives spanning education, job training,
19 housing, community development, workforce enhancement,
20 entrepreneurship, healthcare, and overall well-being, the
21 National Urban League fosters economic empowerment.

22 Operating through 92 affiliates across 36 states and
23 District of Columbia that serve over 2 million people each
24 year, it leads the charge in formulating impactful social
25 programs, conducting authoritative public policy research,

1 and advocating for policies and services that bridge the
2 equality gap for individuals of low to moderate income.

3 For over 40 years, enhancing the financial education
4 of individuals in our nation's most economically challenged
5 communities has been a central focus of the National Urban
6 League's economic empowerment agenda.

7 Our affiliates provide comprehensive financial
8 literacy and education programs across the country. These
9 initiatives aim to equip individuals with essential skills
10 and knowledge in savings, asset building, home ownership,
11 and maintenance. These services are delivered through
12 various channels, such as workshops, one-on-one counseling,
13 and case management.

14 They play a crucial role, particularly during crisis,
15 safeguarding financially vulnerable families from
16 exploitation by the unscrupulous actors in the financial
17 marketplace. Capital One has been a longtime supporter of
18 our financial capability work, focused on improving the
19 Urban League client's financial health through various
20 initiatives.

21 Through this partnership, we have launched initiatives
22 that have helped us integrate FinTech tools with
23 traditional financial coaching models, implement financial
24 therapy and savings initiative via digitized lending
25 circles.

1 Clients were able to receive financial therapy and
2 explore career pathways in the financial education field.

3 Additionally, through these collaborations, we focused
4 on building a narrative change to shift perceptions from
5 one of the variables of wealth gap, that is lack of
6 initiative to explaining inequities based on the larger
7 structural forces at play, while recognizing the positive
8 assets of these communities. That is changing the
9 narrative from deficit framing to asset framing.

10 We look forward to continuing this collaboration and
11 designing new products, programs, and services to bring the
12 low- to moderate-income households into the financial
13 services mainstream. Thank you.

14 HARLEY MOYER: William Werner, please turn on your
15 camera and unmute yourself. Speaker Werner, please begin
16 your remarks.

17 WILLIAM WERNER: Good morning. My name is William
18 Werner, and I serve as the Executive Vice President of
19 Strategy and Development at BJ's Wholesale Club. BJ's
20 Wholesale Club was founded in 1984 and has grown to now
21 operate 244 retail clubs across the eastern half of the
22 United States. We are proud to serve over 7 million
23 hardworking American families and provide career
24 opportunities to our 34,000 team members. These team
25 members ensure we can live our company's purpose of taking

1 care of the families that depend on us.

2 In my 11-plus years at BJ's, I have been part of the
3 team managing our credit card program. I have led the
4 conversion of our credit card program twice, most recently
5 with the transition to Capital One in February last year.

6 Having 1.7 million members carrying a credit card with
7 BJ's name on it is a tremendous responsibility, and a
8 conversion is no small event. For us, a perfect conversion
9 means no one notices, and getting the smallest detail wrong
10 can mean disruption to our team members and the members who
11 depend on us.

12 As we evaluated the issue of partners, we did a deep
13 dive into their operations, customer service, and of
14 course, their ability to successfully convert our account
15 base. During our extensive due diligence, Capital One time
16 and again stood out for its relentless focus on customer
17 service and execution.

18 Anyone who has lived through a portfolio conversion of
19 this size knows that there are make or break moments during
20 the process. When you get to those moments, you must have
21 absolute confidence that the core values of your issue or
22 partner align with yours. Most importantly for BJ's, the
23 question of will your partner always do the right thing for
24 the customers and put the BJ's members first.

25 Throughout our process, Capital One proved the

1 cardholder member experience was sacrosanct. Nothing, not
2 economics, not a major launch delay, not competing
3 priorities would stand in the way of getting it right for
4 the BJ's member.

5 Looking back, I am proud and grateful for not only the
6 work of the Capital One team, but for the values it holds.
7 While I like to think that Capital One gave us special
8 treatment, a day in the trenches demonstrates that this
9 relentless focus on the customer is embedded in the
10 Capital One DNA.

11 Fifteen months into our partnership with Capital One,
12 our net promoter score, a metric used to measure the
13 customer loyalty, is at an all-time high. I encourage you
14 to shop at BJ's Club and ask one of our team members about
15 the Capital One program.

16 To a person, it will confirm that our members and team
17 members are having a great experience. We are off to a
18 great start. Thank you.

19 HARLEY MOYER: Marisa Calderon, please turn on your
20 camera and unmute yourself. Speaker Calderon, please begin
21 your remarks.

22 MARISA CALDERON: Good morning. Thank you. I am
23 President and CEO of Prosperity Now, a national nonprofit
24 with the mission of seeking to transform our economy to
25 work for everyone.

1 I also serve as a member of Capital One's Community
2 Advisory Council alongside nearly 30 other nonprofits where
3 we provide direct and candid advice on how we believe
4 Capital One can better serve consumers, particularly LMI
5 consumers and people of color.

6 In my remarks, I will focus on three things for
7 regulators' consideration.

8 First and foremost, how will this acquisition address
9 the community needs of markets where Capital One and
10 Discover currently provide services?

11 Second, as Capital One and Discover are the largest
12 credit card companies and automobile loan lenders serving
13 the subprime market, how will the Community Benefits Plan
14 ensure subprime borrowers will continue to have access to
15 sustainable and affordable credit card and automobile
16 lending products?

17 And third, Capital One, in their Community Benefits
18 Plan, for your consideration, how will it provide equitable
19 credit card benefits, including reward points to its credit
20 card customers?

21 On the first issue, Capital One is currently the
22 largest subprime credit card lender. A sizable portion of
23 its customers have subprime credit and are more likely to
24 revolve and pay interest on their monthly balances.

25 By acquiring Discover, the second largest subprime

1 lender, Capital One has the responsibility of ensuring the
2 combined entity will equitably distribute its branch
3 locations to serve the subprime market and provide viable
4 and sustainable products both at those branches and
5 digitally.

6 I commend Capital One on its approach in engaging with
7 organizations on its CAC and numerous other nonprofits
8 across the country to inform and shape its CBP, making the
9 largest financial public commitment of its kind to
10 community development and philanthropy. It's crucial that
11 this new entity also develops and presents a thoughtful
12 plan on how the new entity will enhance community service
13 beyond the status quo.

14 Regarding interest rate charges, serving the needs of
15 community effectively means offering reasonable interest
16 rates that are appropriate based upon the risk of the
17 individual consumer rather than the location of where they
18 live or their socioeconomic grouping.

19 With this acquisition, Capital One would become the
20 sixth largest U.S. bank by assets and would be the largest
21 U.S. credit card lender. The CFPB recently found that the
22 largest credit card companies charge customers
23 significantly higher interest rates than smaller ones.

24 Capital One should additionally detail how it will
25 take steps to ensure that providing fair pricing for fair

1 credit is also part of its plan.

2 And finally, on the issue of equitably providing
3 credit card and automobile loan products, Capital One in
4 its Community Benefits Plan can demonstrate that it will
5 offer a wide array of both credit card and automobile
6 products that benefit not just its prime customers but also
7 its subprime consumers. This includes credit cards that
8 reward points and benefits scaled appropriately based upon
9 the costs paid by the consumers.

10 Regulators should evaluate the range of products and
11 pricing offered by the new entity and ensure that there are
12 sustainable and viable options available in LMI communities
13 and communities of color.

14 Thank you again for allowing me to come before you
15 today.

16 HARLEY MOYER: Kristine Thompson, please turn on your
17 camera and unmute yourself. Speaker Thompson, please begin
18 your remarks.

19 KRISTINE THOMPSON: Good morning. My name is Kris
20 Thompson. Thank you for the opportunity to participate in
21 this public hearing. Today, I will speak on the
22 relationship between Calvary Women's Services and
23 Capital One.

24 I serve as the Chief Executive Officer of Calvary
25 Women's Services. Calvary is a nonprofit organization

1 based in Washington, D.C. that provides housing, health,
2 education, and employment services to women experiencing
3 homelessness and domestic violence survivors.

4 Throughout its 40-year history, Calvary has supported
5 thousands of women in accessing the resources they need to
6 transform their lives and end their homelessness for good.

7 Capital One has been a close corporate partner,
8 supporting Calvary's work in numerous ways over the last
9 five years. They have positively impacted this
10 organization and the women that we serve. Capital One's
11 engagement with Calvary includes sponsorship for our
12 events, program-focused grant funding, engagement with our
13 employees and clients at the Capital One Cafe located in
14 our Anacostia neighborhood, pro bono support providing
15 skilled services and communications and program planning to
16 our staff team, volunteer and in-kind donations supporting
17 our program operations, and offering leadership through
18 service of a Capital One employee on Calvary's Board of
19 Directors.

20 Over the last five years, Calvary Women's Services has
21 grown its housing and services to meet the needs of more
22 women in our community. Our housing capacity has increased
23 over 250 percent and we have plans and funding to continue
24 expansion through 2025.

25 Corporate partners like Capital One have been critical

1 to Calvary's ability to grow and sustain high-quality
2 housing and services to women in the D.C. community.

3 Thank you again for the opportunity to share this
4 experience with Capital One and with all of you today.

5 HARLEY MOYER: Marisa Barrera, please turn on your
6 camera and unmute yourself. Speaker Barrera, please begin
7 your remarks.

8 MARISA BARRERA: Good morning. Thank you for this
9 opportunity to provide public comment. My name is Marisa
10 Barrera, and I serve as Chief Impact Officer for
11 DreamSpring. DreamSpring is a nonprofit community
12 development financial institution focused on expanding
13 access to business credit and capital for entrepreneurs
14 from historically underserved populations and communities.

15 Our organization is headquartered in Albuquerque, New
16 Mexico, and we provide small business credit and resources
17 across 27 states. Capital One has been a valuable partner
18 to DreamSpring's mission-driven lending for underserved
19 small business owners. In Texas and across our 27-state
20 footprint, Capital One has shown a commitment to small
21 business resources, capital access, and financial
22 education.

23 They've welcomed us into their facilities for meetings
24 and financial education programming. They've supported the
25 professional development of our staff and also served as a

1 thought leader and partner in community and economic
2 development programming and events.

3 Thank you so much for the opportunity to share those
4 comments. And have a good day.

5

6 G R O U P 5

7 HARLEY MOYER: Thank you. Cassandra Morien, please
8 turn on your camera and unmute yourself. Speaker Morien,
9 please begin your remarks.

10 CASSANDRA MORIEN: Hello, all. My name is Cassie
11 Morien. And Capital One helped me learn to manage my money
12 and give me financial independence.

13 Before stepping into a Capital One cafe back in 2020,
14 I had no idea what I was doing with money. At 33, I was
15 emotional, insecure, and uncomfortable about money. I
16 lived in a beautiful apartment in downtown Austin, working
17 at my well-paying tech job, and experiencing crippling
18 anxiety because I didn't know if I had enough money to
19 cover my groceries. I often had to text my baby brother
20 for money until my next paycheck. I was living paycheck to
21 paycheck, never having a savings account, and feeling this
22 constant, embarrassing, silent stress.

23 Capital One's cafe in downtown Austin is across the
24 street from my work. In January of 2020, I struck up a
25 conversation with an employee named Jared, who shared that

1 Capital One offers a free money and life program available
2 to everyone, regardless if you are a Capital One customer.
3 I signed up within hours and was paired with a coach named
4 Jen, who transformed my life.

5 Traditionally, I thought of banks as monolithic and
6 stuffy, but Capital One's clean, open, friendly cafe was
7 welcoming and accessible. The questions in the money and
8 life program were not about my income or investments.

9 Instead, I was asked about my values and hopes. I
10 shared my love of concerts and kayaking. Jen asked if I
11 trusted myself with a \$100 bill. I said I didn't know.
12 Over three free sessions, Capital One taught me the most
13 priceless lesson. I can trust myself.

14 2020 was a tragic year globally, but it was also a
15 year of self-discovery and growth for me. Today, I have
16 built an emergency savings account layered with a sizable
17 CD. I have an excellent credit score. I maxed out my Roth
18 IRAs, and I contribute monthly to my 401k. Oh, and I also
19 invest in the stock market. These are significant
20 achievements, but the biggest reward is the financial
21 freedom I feel in my day-to-day life.

22 I no longer worry in checkout lines. I can pick up
23 the check for friends at dinner. I eagerly discuss money
24 and future planning with my partner.

25 I attended talks with friends and family about

1 finances, and many people related to my journey and have
2 gone through the Money in Life program since. I didn't
3 need a lecture on money. I needed someone to believe in me
4 when I had no faith in myself.

5 Capital One provided kindness and courage. Today, I
6 am an empowered, confident, happy young woman. I credit
7 Capital One fully to the person you see today. Capital One
8 changed every facet of my life because money is tied to
9 every facet of our lives.

10 And with Discover, I believe Capital One will be able
11 to effectively reach and empower more individuals like
12 myself. Thank you.

13 HARLEY MOYER: Dara Duguay, please turn on your camera
14 and unmute yourself. Speaker Duguay, please begin your
15 remarks.

16 DARA DUGUAY: Hello. My name is Dara Duguay, and I am
17 the CEO of Credit Builders Alliance, which is a nonprofit
18 network consisting of approximately 640 organizations,
19 nonprofit organizations, in all 50 states.

20 CBA's members have the commonality that they are all
21 interested in helping their predominantly low- to
22 moderate-income clients of color to build a positive credit
23 history. CBA provides support in credit reporting,
24 accessing credit reports, educating practitioners through
25 our training institute, and assisting affordable housing

1 providers to implement rent reporting for their residents.

2 Capital One has been a very strong supporter and
3 funder of CBA's work over the years. They have also served
4 on CBA's board of directors for over a decade.

5 To illustrate the funding support that Capital One has
6 provided, here are a few examples listed in reverse
7 chronological order.

8 With support from Capital One, CBA has managed and
9 grown the credit building program for the last two and a
10 half years. This program helps nonprofit organizations
11 integrate credit building products into their financial
12 coaching and counseling programs. Through strengthening
13 organizations' programs, CBA increases the credit strength
14 of the low- to moderate-income income communities of color
15 that these organizations serve.

16 This year, with Capital One funding, CBA is
17 creating the Developing a Credit Building Network program
18 to strengthen the referral system between nonprofit credit
19 coaches, counselors, lenders, and service providers to
20 improve credit building efforts in several cities.

21 In 2023, CBA provided rent reporting implementation,
22 consulting, and technical assistance to two nonprofit
23 affordable housing providers who had partnered with
24 Capital One to pilot these initiatives.

25 From September 2021 through September 2022, CBA

1 convened nine times with Capital One's Community Impact,
2 and Investment Team members to support their understanding
3 of the rent reporting landscape, provide information for
4 Capital One to develop a rent reporting initiative, and
5 plan a pilot to ensure rent reporting becomes standard
6 practice across Capital One's housing portfolio.

7 In 2021, Capital One supported the growth of CBA's
8 Master Trainer Network, which led to an increase in the
9 number of nonprofit practitioners qualified to offer credit
10 training to meet the needs of underserved, low-income
11 consumers and entrepreneurs and their local communities.
12 They continue to support this program.

13 Without Capital One's funding, CBA would not have been
14 able to support our nonprofit network as robustly. Of
15 equal significance, Capital One has been a consistent
16 funder.

17 Finally, the dedication and time commitment of
18 Capital One Board members has been a great benefit to the
19 oversight and functioning of CBA as a nonprofit entity.

20 Thank you.

21 HARLEY MOYER: Victoria McRoberts, please turn on your
22 camera and unmute yourself. Speaker McRoberts, please
23 begin your remarks.

24 VICTORIA MCROBERTS: Good morning. My name is Victoria
25 McRoberts, and I am here speaking on behalf of YouthForce

1 NOLA.

2 YouthForce NOLA serves as the engine for
3 career-connected learning, so New Orleans students are
4 ready for public school and college in the future that they
5 choose. We feel a coordinated network of education,
6 business, and community partners who together equip our
7 public school students with the skills and know-how they
8 need to confidently pursue a range of opportunities after
9 high school.

10 Since 2017, when YouthForce NOLA was founded, we have
11 greatly benefited from Capital One's generous partnerships
12 with the community. Each year, YouthForce NOLA has
13 received financial support from Capital One through their
14 efforts to support our community in New Orleans. Further,
15 in recent years, Capital One has increased its investment,
16 enabling us to support many more young people right here in
17 New Orleans.

18 The first summer of our internship program, back in
19 2017, we hosted 17 interns. This summer, with the largest
20 investment ever from Capital One, 223 rising high school
21 seniors will work more than 13,000 hours here in the
22 community and earn \$280,000 through YouthForce NOLA's
23 internship program. We're grateful for Capital One's
24 investment to expand options and opportunities so that
25 every young person in New Orleans is ready for the future

1 that they choose.

2 In this next stage of growth, we understand that
3 Capital One will continue to be a force for philanthropic
4 investment and generous investment in our community here in
5 New Orleans. We're grateful for the support that
6 Capital One has shown us and express our full support for
7 their merger with Discover. Thank you.

8 HARLEY MOYER: Andrew Lubin, please turn on your camera
9 and unmute yourself. Speaker Lubin, please begin your
10 remarks.

11 ANDREW LUBIN: Thank you for allowing me to present in
12 the public hearing. I am Board Chair for the Delaware
13 Technology Park, which is a collaboration amongst the state
14 of Delaware, the University of Delaware, and the private
15 community.

16 Our experience with Discover Bank has been
17 historically positive. Discover has been a strong
18 supporter of different programs throughout the state, and
19 in particular, through the Delaware Financial Group and the
20 Small Business Development Center, a very strong advocate
21 to provide both financial literacy and other programs
22 associated.

23 Our relationship with Discover, and in particular with
24 Matt Parks and with Amy Walls, has been extraordinarily
25 healthy. They helped us develop a building down near the

1 University of Delaware's campus to provide financial
2 literacy to the community, both in terms of New Castle
3 County, which is the northernmost county of the state of
4 Delaware, but also throughout the state.

5 And Discover's relationship with the Small Business
6 Development Center helps coordinate an opportunity to
7 educate individuals for financial literacy and for
8 financial independence.

9 Recently, there has been a relationship developed
10 between Capital One and Discover for Discover to continue
11 to provide the financial necessities of the different
12 programs throughout the state that Discover has been
13 providing historically. We are in strong support of this
14 acquisition. We think it will be healthy.

15 We will remain through our incubator and accelerator
16 programs and outreach programs to provide services that
17 have been generated and originated through the Discover
18 relationship. And we are hopeful that the commitment that
19 Capital One has historically made and will be continuing to
20 honor the Discover position will be supervised, audited,
21 and will provide those respective services.

22 I'd like to thank you for providing this opportunity
23 for us to comment, and I wish you well.

24 HARLEY MOYER: Shemik Sellars, please turn on your
25 camera and unmute yourself. Speaker Sellars, please begin

1 your remarks.

2 SHEMIK SELLARS: Hi, my name is Shemik Sellars, and I
3 own and operate a licensed in-home preschool in
4 Chesterfield, Virginia --

5 JOSEPH FIRSCHEIN: Hi, so do you have a video that you
6 can turn on? If not, it's okay. But I just wanted to
7 check. I saw you had video. Yeah. Sorry. There you go.

8 SHEMIK SELLARS: I am sorry about that.

9 JOSEPH FIRSCHEIN: Thank you so much. No. No worries.
10 Thank you.

11 SHEMIK SELLARS: Thanks. I opened my home-based
12 business in September of 2020 at the height of the global
13 COVID-19 pandemic. With over 20 years of childcare and
14 early education experience, I was prepared to provide
15 children and families with an exceptional service.

16 However, the difficulties that ensued because of the
17 pandemic and my lack of adequate business administration
18 knowledge resulted in a huge learning curve that I needed
19 to overcome.

20 I was presented with the opportunity to apply for and
21 participate in the Capital One Grow at 1717 Accelerator
22 Program Fall 2022 cohort. Through that program, I was able
23 to work with a cohort of other childcare business owners.
24 We collaborated with one another, doing group lessons, and
25 expanded our business skills through amazing mentorship.

1 At the end of that program, we were awarded a \$5,000
2 grant to use towards business needs. Last year, I was also
3 offered the opportunity to participate in the Capital One
4 Pro Bono Community Impact, and Investment Program. I was
5 fortunate to work with a team of Capital One professionals
6 to help me deep dive into the financials of my business and
7 expand my scope of business financial literacy.

8 The team helped me revise my operational budget and
9 plan for the 2024 fiscal year. I was also able to create
10 and execute a plan to pay off the business debt that I had
11 incurred. Both programs that I was able to participate in
12 with Capital One were at no cost to me, which was a huge
13 blessing. As a small business owner, the experience that I
14 had elevated me as a professional and gave me the
15 additional knowledge and skills I needed to expand my scope
16 of better business practices as it pertained to finances.

17 I am grateful that Capital One offers community
18 services, such as the ones that I had the opportunity to
19 participate in. The experience with Capital One was
20 invaluable to me as a small business owner.

21 Thank you for the opportunity to share my amazing
22 experience with Capital One.

23 HARLEY MOYER: Sandra Wheeler, please turn on your
24 camera and unmute yourself. Speaker Wheeler, please begin
25 your remarks.

1 SANDRA WHEELER: Happy almost lunchtime. I hope you
2 guys get a break.

3 I am Sandra Wheeler. I currently am with the Richmond
4 Forum which is America's largest nonprofit speaker series
5 based in Richmond, Virginia. We produce five programs a
6 year to a sold-out audience of 4,500 subscribers plus 1,800
7 online subscribers. Capital One has been a sponsor for a
8 very long time for our speaker series proper.

9 My relationship personally spans two organizations
10 with Capital One. First one is our urban school district
11 in Richmond, Virginia, where they were incredibly
12 supportive and flexible to meet our volunteer engagement
13 needs with funding.

14 The second one is at the Richmond Forum where I am
15 currently. Aside from the speaker series, we have a pretty
16 robust student programs component, one of which in 2018 we
17 launched a speech and debate initiative for public middle
18 and high schools. We have always had a board member from
19 Capital One, since they have been a sponsor on our board of
20 directors.

21 The current board member or the immediate past board
22 member that we had actually after a couple years of
23 starting the speech and debate initiative dipped into their
24 own budget in the legal department to sponsor the speech
25 and debate tournament circuit for middle and high school

1 students, which the community affairs group matched.

2 And then out of that relationship grew a more robust
3 relationship with the Capital One community affairs
4 department to sponsor all of our initiative for speech and
5 debate for middle school students and high school students.

6 So for us, it's important just because speech and
7 debate develops civic engagement skills. It develops
8 opportunities to understand how to research items better,
9 which I think leads to financial security and just more a
10 greater engagement in life as an adult.

11 So, for us, Capital One started funding us when we had
12 257 students engaged in a four district partnership. We're
13 now over 950 students and growing, and we could not have
14 done this or engaged other partners for sponsorship and
15 funding had Capital One not started out as a super as a
16 partner and a seed partner for us.

17 So my experience with Capital One is that they are
18 flexible. They are committed to making sure that the
19 community needs are met and not just fulfilling their own
20 personal goals with their funding portfolio. Thank you so
21 much.

22 HARLEY MOYER: Carl Dillon, please turn on your camera
23 and unmute yourself. Speaker Dillon, please begin your
24 remarks.

25 CARL DILLON: Good morning. I am Carl Dillon

1 representing Urban Restoration Enhancement Corporation. We
2 call it UREC for short. UREC is a nonprofit community
3 development organization that has been serving Baton Rouge,
4 Louisiana, since 1992. Our mission is to transform
5 communities by investing in people and restoring
6 neighborhoods.

7 UREC's work is most evident in youth development and
8 affordable housing, areas in which Capital One has been a
9 remarkable community partner. UREC and Capital One partner
10 to provide financial literacy to high school students
11 enrolled in the after school and summer initiatives.

12 And these initiatives prepare youth for college,
13 careers, and entrepreneurship. Thanks to Capital One, more
14 than 130 youth have learned valuable lessons around
15 managing finances, banking, and credit to better prepare
16 for the future. UREC has also worked with Capital One to
17 provide homebuyer education to prospective new and
18 first-time homebuyers.

19 Most recently, Capital One served as a community
20 partner on two of our affordable housing developments.
21 These developments provided 22 new affordable single and
22 multifamily homes in North Baton Rouge. These projects
23 reflect more than \$6 million in new community development
24 for a prioritized area in Baton Rouge and will enhance the
25 quality of life for families low to moderate income who

1 reside in these new neighborhoods.

2 UREC and the families we serve are in a stronger
3 position because of Capital One's investment in our
4 organization and community.

5 UREC truly values the partnership, resources, and
6 knowledge Capital One offers to Baton Rouge and supports
7 its endeavors to become an even stronger bank and a
8 stronger banking partner and institution. Thank you for
9 your time.

10 HARLEY MOYER: Lyndsaë' Peele, please turn on your
11 camera and unmute yourself. Speaker Peele, please begin
12 your remarks.

13 LYNDSAE' PEELE: Good morning. My name is Lyndsaë'
14 Peele, and I am pleased to speak with you about my
15 organization, Kiva, and its partnership with Capital One
16 Financial.

17 Kiva is a nonprofit organization focused on expanding
18 financial access to help underserved communities thrive.
19 Founded in 2005 as the world's first personal microlending
20 platform, Kiva crowdfunds loans and unlocks capital for the
21 underserved, improving the quality and cost of financial
22 services while addressing barriers to financial access
23 around the world.

24 In the United States, Kiva uses a unique blend of
25 technology and partnerships to provide risk-tolerant

1 capital to marginalized entrepreneurs. Some small business
2 owners can apply on our website at kiva.org/borrow or
3 through our local partners for 0 percent interest, \$0 fee
4 loans of \$1,000 to \$15,000.

5 Since launching with Capital One support in 2012, we
6 have made loans to more than 10,000 entrepreneurs in
7 48 states, Washington, D.C., and Puerto Rico. I personally
8 joined Kiva in 2023 as the entrepreneurial ecosystem
9 manager, supporting a portfolio of 40-plus community-based
10 Kiva lending partners.

11 Together, we expand access to capital and drive
12 financial inclusion.

13 Before coming to Kiva, I spent several years in retail
14 banking, starting as a part-time teller while attending
15 Howard University and ending my career as a cluster branch
16 manager of two banking centers in the Inner Harbor of
17 Baltimore. After that, I became a full-time entrepreneur,
18 applying for and fully funding my own Kiva loan.

19 As a former Kiva borrower and lifelong advocate for
20 entrepreneurs from marginalized communities, I am grateful
21 for Capital One's partnership. Originally, Kiva focused on
22 supporting borrowers outside of the United States. Funding
23 from Capital One helped us to create our U.S. program,
24 first launching in Richmond and the D.C. metro area, then
25 expanding to Chicago and San Francisco.

1 Capital One also contributed meaningfully to the pool
2 of loan capital for these first-time borrowers, matching
3 crowdfunded contributions and incentivizing others to
4 support
5 small businesses in their community.

6 Last year, Capital One provided Kiva with one of the
7 most largest grants we have ever received. So far, we have
8 used these funds to provide more than \$1 million in loan
9 capital to 297 entrepreneurs in 41 states, invest in
10 translation capabilities to make our loan application
11 available in 30 languages, and to revamp our impact
12 measurement framework.

13 This program will run for an additional two and a half
14 years, reaching hundreds more small business owners and
15 strengthening Kiva's presence among financially underserved
16 communities in Texas, New Orleans, and the DMV.

17 Kiva has also received pro bono support from over 20
18 Capital One associates. Their highly specialized technical
19 expertise has helped us to improve the online presence for
20 U.S. borrowers and donors.

21 We know that expanded access to keep those
22 low-barrier, risk-tolerant loans is needed to move the
23 small business ecosystem forward.

24 Thanks to partners like Capital One, we are optimistic
25 that we can continue to grow our impact, opening up

1 economic opportunities for small businesses and communities
2 around the United States.

3 Thank you so much. We appreciate this opportunity.

4 HARLEY MOYER: Evan Leaphart, please turn on your
5 camera and unmute yourself. Speaker Leaphart, please begin
6 your remarks.

7 EVAN LEAPHART: Hello. My name is Evan Leaphart, and I
8 am the Founder of Kredit Academy. We offer a few products
9 that focus on educating younger generations about the risks
10 of credit, as well as providing a safe introductory
11 experience in partnership with Discover.

12 With over 90 million adult Americans being considered
13 credit-challenged and credit card debt surpassing
14 \$1 trillion for the first time in U.S. history, we feel
15 it's important that we start the conversation earlier.

16 So ,through our work with Discover Global Network and
17 key team members Daniel Pease, Liz Nutting, Dane James,
18 Miladys Felix, and others, we have been working closely
19 together to launch a secured credit card program on the
20 network alongside a savings account that ensures users
21 build credit and savings simultaneously.

22 As that relationship deepened, we established
23 communication with Matt Parks and Amy Walls, who lead the
24 CRA initiatives at Discover Bank.

25 And in our combined efforts, we have worked closely

1 with Stepping Stones Credit Union and their president
2 Blanche Jackson to build a solution that ensures the future
3 financial health of citizens in the community of Delaware.

4 Discover has shown a tremendous commitment to the
5 future financial health of generations. They sit currently
6 as the second largest provider of student loans and have
7 some of the best rated student and secured credit cards
8 year over year.

9 So with all that stated, I am in support of this
10 merger, as it seems Capital One shares a similar commitment
11 to LMI communities. But it is imperative that this joint
12 merger sees both the work of Discover Global Network and
13 Discover Bank's work in Delaware continue.

14 The partnership has tremendous potential, and I look
15 forward to working with all the stakeholders going forward.

16 HARLEY MOYER: Chi-mei Lin, please turn on your camera
17 and unmute yourself. Speaker Lin, please begin your
18 remarks.

19 CHI-MEI LIN: Good morning. Okay. Let me make sure I
20 don't have an echo. My name is Chi-mei Lin. I am with the
21 Chinese Community Center in Houston. On behalf of the
22 beneficiaries of the Chinese Community Center, I would like
23 to express my support for Capital One's acquisition of
24 Discover Financial.

25 Is the echo very strong?

1 JOSEPH FIRSCHEIN: Yeah, it's okay. Thank you.

2 CHI-MEI LIN: All right. We know this opportunity
3 promises to expand community resources and enhance our
4 capacity to serve Houston's diverse population, ultimately
5 aiding in the achievement of financial sustainability for
6 all.

7 The Chinese Community Center serves immigrants and
8 newcomers who often face barriers to achieving a
9 sustainable quality of life. These barriers include
10 limited English proficiency, low- to moderate-income, and
11 unfamiliarity with the American credit and financial
12 systems.

13 With Capital One's support, the center has been able
14 to provide language and culturally competent financial
15 education and building credit over the long term.

16 Capital One has played a crucial role in transforming
17 the unbanked into banked individuals.

18 Over many years of partnership, Capital One has
19 generously supported the Chinese Community Center's
20 financial literacy, credit building, and homebuyer
21 education programs. These initiatives help individuals
22 from low- to moderate-income households improve their
23 financial stability.

24 Capital One not only provides quality financial
25 services and support community growth, but also remains

1 highly responsive to the need of individuals with limited
2 resources. The center is currently participating in a
3 digital success program sponsored by Capital One to bridge
4 the digital divide and bring our more just and prosperous
5 future for all by ensuring every person can harness the
6 transformative power of the Internet.

7 Capital One has established a significant presence in
8 Houston, the fourth largest and one of the most diverse
9 cities in the United States, through their community
10 development efforts.

11 I offer my strong support for the acquisition and look
12 forward to building stronger partnerships going forward in
13 serving our community at large. Thank you.

14

15

G R O U P 6

16 AMORY GOLDBERG: Charles McDowell, you can please turn
17 on your camera and unmute yourself. Speaker McDowell, you
18 can please begin speaking.

19 CHARLES MCDOWELL: Thank you for the time here. Ladies
20 and gentlemen, my name is Charles McDowell.

21 Can you hear me?

22 JOSEPH FIRSCHEIN: Yes. We can hear you great.

23 CHARLES MCDOWELL: All right. Thank you. And I speak
24 today as a concerned citizen living in Delaware, the home
25 of Discover Bank.

1 As an active participant in community nonprofit and
2 other public life activities in Delaware, I am concerned
3 about the possible very significant negative impact of the
4 merger on Delaware nonprofit organizations. It would be a
5 huge blow to Delaware nonprofits if we were to lose the
6 terrific role that Discover, in particular led by the
7 innovative and dedicated Matt Parks and Amy Walls, has
8 played in CRA activity in our state.

9 Capital One has also provided substantial support for
10 Delaware nonprofits, but mergers typically produce
11 reductions in services and personnel, and Discover would be
12 the likely target of any such reductions in this case.

13 Thus, I am focused on the outsized role that Discover
14 has played in CRA activity in Delaware. I have been
15 involved in the leadership of several Delaware community
16 nonprofit organizations that have greatly benefited from
17 Discover's innovative and effective CRA activities in our
18 state. Very important community projects would not have
19 been accomplished without that great support from Discover.

20 I know from discussions with fellow Delawarean
21 community nonprofit leaders and from a review of Discover's
22 2022 CRA performance evaluation and its CRA strategic plan,
23 2023 to 27, that my experience has been shared many times
24 over in our community.

25 Capital One has stated that it expects the merger to

1 result in a \$2.7 billion pre-tax deal synergies. In order
2 to gain the support of the Delaware community, a meaningful
3 portion of that savings should be shared to serve the
4 convenience and needs of the Delaware community.

5 That would only be appropriate since Delaware has been
6 such a supporter of national banks and credit card
7 companies since the passage of the 1981 Delaware Financial
8 Center Development Act. Discover's CRA activity in
9 Delaware has been nothing short of monumental. These
10 activities have addressed significant needs for affordable
11 housing, small business economic development, financial
12 literacy, etc., etc.

13 Capital One is committing to various benefits going
14 forward, and I am very interested in the follow through on
15 these commitments. Delaware nonprofits eagerly look
16 forward to the benefits of the commitments Capital One has
17 made.

18 Thank you for your time. This concludes my remarks.

19 KATRINA ALLEN-AUSTIN: Hi, Leila Amirhamzeh, please
20 turn on your camera and unmute yourself. Speaker
21 Amirhamzeh, please begin your remarks.

22 LEILA AMIRHAMZEH: Good morning. Thank you so much for
23 the opportunity to testify today.

24 My name is Leila Amirhamzeh, Director of Community
25 Reinvestment for New Jersey Citizen Action, a statewide

1 coalition and progressive organization that fights for
2 social, racial, and economic justice for all.

3 On behalf of the thousands of New Jerseyans empowered
4 through our issue advocacy and free direct services each
5 year, we urge the OCC and Federal Reserve to deny
6 Capital One's application to acquire Discover.

7 If approved, this merger would pose a serious threat
8 to consumers across New Jersey and the country, as well as
9 to the competitive markets that are critical to the
10 efficient flow of capital to our communities, especially
11 low- and moderate-income and communities of color.

12 Not only would this merger lead to a loss of
13 banking and credit card competition, it would also combine
14 a credit card issuer with a payment processing network, all
15 of which will severely impact competition and likely
16 increase costs for consumers.

17 Also of great concern are the significant systemic
18 risks posed by a merger of this size, which would
19 undoubtedly create another too-big-to-fail bank.

20 In this post-pandemic environment, many New Jersey
21 families continue to struggle with the higher-than-average
22 cost of living, including one of the most cost-burdened
23 housing markets in the country and higher-than-average
24 credit card debt that has skyrocketed since 2020.

25 Each day, our housing counselors and financial coaches

1 work with families across the state who are living
2 paycheck-to-paycheck, in an effort to help them avoid
3 eviction or foreclosure, build savings, and pay down
4 overwhelming debt. If approved, this merger would result
5 in even fewer options for these and other consumers, with
6 more limited competition around credit card pricing.

7 In fact, the consolidated credit card market would
8 almost certainly lead to higher interest rates and fees, as
9 evidenced by recent data released by the CFPB, which
10 demonstrates that the larger a credit card company's market
11 share, the higher its interest rates and fees.

12 Ultimately, this would reduce the credit options for
13 all cash-strapped, financially vulnerable consumers.
14 Moreover, Capital One's practice of filing debt collection
15 civil suits would further trap these and other consumers
16 into vicious cycles of debt.

17 Citizen Action firmly believes that mergers and
18 acquisitions of this size should not be approved without a
19 clear demonstration of a significant public benefit,
20 including an analysis of how these benefits will outweigh
21 any adverse effects.

22 In this case, Capital One's track record of corporate
23 misconduct that has resulted in multiple enforcement
24 actions, its history of broken promises and a failure to
25 live up to past community benefits plans, and its pattern

1 of targeting vulnerable communities with high-cost products
2 that trap them into endless cycles of debt should
3 disqualify it from acquiring Discover.

4 For these reasons, we strongly oppose this proposed
5 merger and urge you to deny Capital One's application.
6 Thank you. This concludes my remarks.

7 KATRINA ALLEN-AUSTIN: Speaker Cornell Crews, please
8 turn on your camera and unmute yourself. Speaker Crews,
9 please begin your remarks.

10 CORNELL CREWS: Good morning, everyone, and thank you
11 for the opportunity. My name is Cornell Crews, Jr. I am
12 the Executive Director for the Community Reinvestment
13 Alliance of Florida. We are a statewide membership
14 organization providing training on the Community
15 Reinvestment Act, as well as encouraging partnerships and
16 collaborations amongst the financial institutions and the
17 nonprofits in our area.

18 Capital One has not been a serious investor in our
19 state. Talking with our members across the state, they
20 understand that Capital One is providing no support. We
21 encourage you not to approve this merger.

22 Capital One already has some of the highest interest
23 rates in the country, including higher than Discover.
24 Capital One and Discover both specialize in making credit
25 card loans to borrowers that have lower credit scores and

1 are less likely to be able to pay off those balances each
2 month, creating more interest revenue. Their actual APR is
3 29.99 percent, plus a late fee if not paid on time.

4 Florida law provides that it is unlawful for anyone to
5 reserve, charge, or take any loan, advance money, line of
6 credit, forbearance to enforce the collection of any sum or
7 debt, or other obligation at an interest rate greater than
8 18 percent per annual. Simple interest. As we constantly
9 fight against payday loaners here in our state, this, to
10 me, is in that particular neighborhood.

11 This puts the public in a forever loan cycle with no
12 hopes of paying it back, which is a cycle payday lenders
13 use as well. While granted that no person is required to
14 get a credit card loan, it is also understood that you
15 cannot build any kind of wealth in this country without
16 credit.

17 Keeping the poor, poor, with debt and manipulation of
18 credit scores, while at the same time making billions off
19 the backs of those who need it most, is something that must
20 be stopped now.

21 Debit interchange fees, no commitment from Capital One
22 to reduce or at least maintain debit interchange fees if
23 they acquire Discover's payment network. Debit interchange
24 fees are what businesses pay when customers use debit cards
25 for purchases. This merger is attractive to Capital One

1 because owning their own network would exempt them from the
2 cap on those fees established by the Durbin Amendment.

3 This loophole gives Capital One the legal ability to
4 raise debit interchange fees with American businesses, who
5 would be forced to accept its debit cards or lose access to
6 its customer base.

7 In fact, one of the many ways that Capital One will be
8 able to convince other banks to move over to the network is
9 by charging higher debit interchange fees. Small
10 businesses will be affected the most by these charges.
11 Small businesses do not have the luxury of passing along
12 these costs to the customers that big corporations have.
13 The Community Benefits Plan that Capital One announced was
14 formed with deep thought.

15 And thank you for your time, and we encourage you not
16 to approve this merger.

17 KATRINA ALLEN-AUSTIN: Thank you. Peter Hainley, could
18 you please turn on your camera and unmute yourself?
19 Speaker Hainley, please begin your remarks.

20 PETER HAINLEY: Good morning. My name is Peter
21 Hainley. I am the Executive Director of CASA of Oregon.
22 We serve mostly rural parts of Oregon, particularly the
23 needs of farmworkers and other low-income folks.

24 I would like to speak today on behalf of the folks
25 here in Oregon who will not benefit from this plan.

1 Mergers require that there be a significant benefit from
2 the two merged organizations, and the Community Benefits
3 Plan put forward does not do that. It only increases
4 benefits by \$5.7 billion out of the \$265 billion that they
5 are proposing.

6 The community development amounts are flat, and it
7 does nothing to really serve the communities that I am
8 interested in serving. I'd like to speak to the flawed
9 process of developing this Community Benefits Agreement.

10 I have participated in the development of four
11 community benefits agreements that require deep community
12 engagement and feedback from the community.

13 Given that a nondisclosure agreement was required out
14 of the four organizations that participated in putting this
15 agreement together, an opportunity was missed to solicit
16 that feedback.

17 As a NeighborWorks affiliate, I want to go on the
18 record that NeighborWorks does not represent our position
19 on this issue, did not ask for input from us during this
20 process, in the end is doing a disservice to the community.

21 We serve this community by building up the community
22 and by engaging with them. This process did not do that.
23 I have heard from fellow NeighborWorks members that the
24 numbers are not meaningful, were not developed in the
25 spirit of transparency, and lack any accountability to

1 community.

2 For this reason, I ask that the regulators deny this
3 merger request. Thank you.

4 KATRINA ALLEN-AUSTIN: Thank you so much. Jin Sung,
5 please turn on your camera and unmute yourself. Speaker
6 Sung, please begin your remarks.

7 JIN SUNG: Ladies and gentlemen, my name is Jin Sung.
8 I am the Founder and Executive Director of OASIS Center
9 International, the lead organization for Advocacy Alliance
10 for Corporate Social Responsibility.

11 We oppose the proposed acquisition of Discover
12 Financial Services by a Capital One Financial Corporation.

13 As community leaders representing over a million
14 African-American, Hispanic, and Asian-American LMI
15 constituents, our alliance contacted Capital One multiple
16 times to understand their intentions for developing a
17 community benefits plan.

18 Unfortunately, we received no acknowledgment of our
19 concerns. A bank with a history of significant fines for
20 violating consumer protection laws raises concerns about
21 their commitment to address community needs. Because of
22 their past inadequate practices and the absence of a
23 comprehensive community benefits plan, we urge the
24 regulators to deny or delay this merger as long as
25 possible, as this application fails to meet the needs of

1 the communities.

2 Over the past decade, Capital One's CRA ratings have
3 fluctuated. In 2021, '22, '23, Capital One received a
4 satisfactory rating for its CRA performance.

5 Areas of concern were the volume and distribution of
6 loans to LMI individuals, the impact of community
7 development investments, and the accessibility of services
8 in underserved areas. The U.S. credit card market is
9 already highly concentrated, and this merger would
10 significantly increase Capital One's market power. It will
11 become the largest credit card company in the U.S. by loan
12 volume, and the sixth-largest U.S. bank by asset size,
13 increasing systemic risk.

14 This merger will enable Capital One to raise interest
15 rates and debit interchange fees, and significantly
16 affecting merchants, consumers, and small businesses from
17 LMI communities.

18 However, if the merger proceeds, it must include a
19 robust community plan committed by the CEO with an
20 accountability framework and legally binding agreement.

21 Here are a few suggestions. Allocate 2 percent of the
22 new bank's net income to philanthropic efforts. Cap
23 interest rates and fees to ensure that the current subprime
24 credit products remain accessible and affordable for LMI
25 individuals.

1 Develop comprehensive financial literacy programs that
2 meet the needs of young people of color by collaborating
3 with community-based organizations.

4 Refresh community advisory board for community
5 benefits plan implementation. A comprehensive community
6 benefits plan should include Mr. Richard Fairbank's
7 personal commitment to diversity, equity, and inclusion in
8 the board and C-suite, meaningful numbers in supplier
9 diversity, economic empowerment, and environmental
10 stewardship.

11 Only with such safeguards can we ensure this merger
12 serves a broader public interest.

13 This concludes my remarks. Thank you.

14 KATRINA ALLEN-AUSTIN: Thank you so much. Ashley
15 Nowicki, please turn on your camera and unmute yourself.
16 Speaker Nowicki, please begin your remarks.

17 ASHLEY NOWICKI: Hi. Thank you for the opportunity to
18 speak today regarding the proposed Capital One Financial
19 Corporation and Discover Financial Services merger.

20 My name is Ashley Nowicki, and I am a Policy Analyst
21 at the American Economic Liberties Project, a nonpartisan
22 organization focused on addressing concentrated economic
23 power across the economy, including the financial services
24 sector.

25 We have previously raised alarms about banking

1 concentration and Visa and MasterCard's anti-competitive
2 duopoly in the payment network market. The proposed
3 Capital One-Discover merger would further exacerbate
4 existing concentration issues, reducing competition, and
5 harming consumers, small businesses, workers, and
6 marginalized communities nationwide.

7 We urge you to block this illegal deal. This deal
8 would boost Capital One's footprint and market power in the
9 banking and credit card markets, creating the sixth-largest
10 bank and single-largest credit card issuer.

11 This would allow the company to increase bank and
12 credit card fees, interest rates, and reduce access to
13 credit. It will also likely lead to a layoff of over 1,000
14 Discover jobs, upending lives, and communities.

15 It would also allow Capital One to own every part of
16 the ecosystem, circumventing the 2010 Dodd-Frank Act's
17 Durbin Amendment, which caps debit card interchange fees
18 and requires issuers to offer multiple competing networks
19 to incentivize price competition.

20 Capital One intends to shift its entire debit volume
21 from MasterCard to Discover to exploit this loophole while
22 leaving its credit card volume untouched. This will allow
23 Capital One to hike swipe fees to pad the company's
24 profits.

25 Capital One and its supporters of this deal claim that

1 the absorption of Discover is pro-competitive, as it will
2 allegedly allow the company to scale up to compete with
3 Visa and MasterCard in the payment network market.

4 However, this argument defies reality and legality.
5 As we have seen with the airline and telecommunications
6 industries, as markets become more consolidated, the public
7 pays the price. Capital One has alternative options for
8 competing with Visa and MasterCard, including simple
9 contractual arrangements with Discover.

10 Instead, Capital One is using the payment network
11 duopoly as an excuse to further its monopoly power. Recent
12 decisions by the Fed and OCC have furthered concentration
13 in these markets and threatened economic stabilities,
14 including rubber stamping JPMorgan Chase's acquisition of
15 First Republic and New York Community Bank's acquisition of
16 Signature Bank. The asset value of the
17 Capital One-Discover merger is also over 13 times larger
18 than OCC guidelines say is reasonable. We urge you not to
19 repeat past mistakes.

20 This topic is personal for me, as regulators'
21 decisions to bail out Wall Street at the expense of
22 everyday Americans during the 2008 financial crisis
23 resulted in my parents' home being foreclosed on,
24 completely altering our lives.

25 Because of this experience, I want to emphasize that

1 this is not just a policy decision. Whether the regulators
2 allow for further bank consolidation or not will impact
3 millions of people, and Americans cannot afford to live
4 with the consequences of your agencies getting it wrong yet
5 again. Thank you.

6 G R O U P 7

7 KATRINA ALLEN-AUSTIN: Ruthe Farmer, please turn on
8 your camera and unmute yourself. Speaker Farmer, please
9 begin your remarks.

10 RUTHE FARMER: Good morning or good afternoon. My name
11 is Ruthe Farmer, and I am the Founder and CEO of the Last
12 Mile Education Fund. We are a national organization that
13 acts as a safety net for low-income striving students who
14 are in their last four semesters of a degree in a
15 high-demand field like computer science or engineering.

16 We leverage the over half a million dollars of sunk
17 costs that have gone into getting those students that far
18 into college and into a STEM field. And when they
19 graduate, they earn on average \$43,375 a year more than if
20 they don't graduate.

21 Capital One has been a partner of ours since 2020. We
22 launched just before the COVID shutdown, and they stepped
23 up immediately funding a completely brand-new organization
24 to help us rescue hundreds of students who were stranded
25 and left without food or housing because their institutions

1 had shut down.

2 We have been scaled up as an organization since that
3 time. We have now, to date, served over 8,000 students to
4 a total of \$8.7 million and are working to ensure that
5 every low-income student in the United States who is
6 striving towards a degree in a high-demand field is able to
7 graduate.

8 Capital One has been an ongoing partner, investing in
9 our ability to support young women and non-binary students
10 graduating with degrees in computer science, and then more
11 recently helped us launch a fellowship to support
12 Indigenous women in computer science, which is the most
13 underrepresented group of technologists that exist. Just
14 89 Indigenous women received a degree in computer science
15 in 2022.

16 So, we look forward to continuing to work with
17 Capital One.

18 Most recently, you may have heard about the FAFSA
19 failures and how that has affected students' ability to go
20 to college this fall.

21 They stepped up and leveraged their Capital One Cafe
22 network last year to host FAFSA workshops to make sure
23 students could get through that FAFSA application. So,
24 from our perspective, they have been a really positive
25 community partner, and we anticipate that that partnership

1 will continue if this merger goes through and look forward
2 to a continued partnership long-term. Thank you.

3 KATRINA ALLEN-AUSTIN: Vicki Zubovic, please turn on
4 your camera and unmute yourself. Speaker Zubovic, please
5 begin your remarks.

6 VICKI ZUBOVIC: Good afternoon. My name is Vicki
7 Zubovic, and I am the Chief External Relations Officer at
8 Khan Academy. Our mission is to provide a free,
9 world-class education for anyone, anywhere. Our free
10 academic content and learning software are available to
11 anyone with an internet connection.

12 Today, I want to share with you how Capital One's
13 support of Khan Academy is helping people across America
14 access high-quality financial literacy education.

15 As part of our mission, we want to make sure everyone
16 has access to financial literacy education and to build the
17 knowledge they need to make informed financial decisions.
18 As a nonprofit, Khan Academy is funded primarily through
19 donations. Capital One has been a partner since 2022 and
20 is one of the donors whose support makes our financial
21 literacy content possible.

22 In addition to their philanthropic support, they have
23 used their marketing capacity, much larger than our own
24 small team, to promote these resources widely.

25 Since the financial literacy course launched in

1 December 2023, our 800,000 users have accessed the course,
2 and they have spent 20 million minutes learning financial
3 literacy concepts. Many of these are teachers and students
4 in classrooms.

5 As financial literacy is increasingly a required
6 subject in schools, there is a great need for high-quality
7 resources like this course to support students in learning
8 these critical life skills.

9 Beyond the numbers, we have heard stories from across
10 people from all backgrounds about how they are finding
11 value in this course.

12 One teacher told us, quote, "I love this course. All
13 students should have exposure in learning this material,
14 very useful life skills in their toolkit," end quote. And
15 from a student, quote, "Thank you so much. I learned way
16 more on the free Khan Academy app about finance than on
17 other courses on the internet for hundreds of dollars."

18 We are grateful that Capital One's support helps make
19 this course possible.

20 This concludes my remarks. Thank you.

21 KATRINA ALLEN-AUSTIN: Ronald Carey, please turn on
22 your camera and unmute yourself. Speaker Carey, you may
23 begin your remarks.

24 RONALD CAREY: Hi, I am Ron Carey, Founder and CEO for
25 Tilt Creative + Production, a Richmond, Virginia-based,

1 diverse-owned creative studio that creates branded content
2 for some of the largest companies in the world. Our
3 company employs over 50 people, most of whom are based in
4 Richmond.

5 These are 50-plus folks that are truly good people that are
6 doing good work that makes a difference.

7 We started this business with the primary goal of
8 creating a better way for brands to create. From there, we
9 wanted a place where people could do good work, make a good
10 living to care for themselves and their families, as well
11 as impact the communities that they live and work in. We
12 have been able to achieve that primary goal for nearly the
13 last seven years. That's because of many great partners,
14 Capital One being one of our larger clients.

15 When you're an entrepreneur, you have an idea, lots of
16 energy, and a desire to grow. You dream of seeing your
17 idea come to life fully formed with employees and
18 successful clients that see the value in what you do for
19 them and the community.

20 Our relationship with Capital One started with an
21 \$80,000 project nearly seven years ago. We were thrilled
22 to get that project. We knew that it could be the
23 beginning of something great, and it has been. We have
24 become a trusted partner and our relationship with
25 Capital One has grown tremendously.

1 They know that a dollar spent with Tilt stays in the
2 Richmond, Virginia community and benefits our employees,
3 the video production community, the not-for-profits, and
4 local business. Their investment isn't only good for the
5 bank, it's good for its partners and the community.

6 I have the good fortune to serve as a speaker
7 participant in several of Capital One's programs to help
8 develop both women and diverse owned businesses. I can
9 absolutely confirm that they are invested in meaningfully
10 working to help entrepreneurs grow. They recognize that it
11 is a big economy, and they want to be part of helping to
12 create future opportunities for all.

13 I believe that a bank can do multiple things at the
14 same time. They can be profitable and good. Tilt would not
15 be where it is today without the partnership of
16 Capital One. They are a bank that wants to have a positive
17 impact on their partners and their customers.

18 Thank you for the opportunity to share my comments.

19 KATRINA ALLEN-AUSTIN: Dawn Jackson, please turn on
20 your camera and unmute yourself. Speaker Jackson, you may
21 begin your remarks.

22 DAWN JACKSON: Good afternoon. Thank you for the
23 opportunity to address you today. My name is Dawn P.
24 Jackson, President and CEO of the Nudawn Marketing Group.
25 Nudawn Marketing is a community-centered organization and

1 we're dedicated to fostering long-term relationships,
2 having those be integral to our now 24-year success. Our
3 relationship with Capital One is a prime example of this
4 synergy. Over the last several years, Capital One has been
5 a steadfast partner, providing financial support,
6 invaluable guidance, and resources.

7 Nudawn Marketing has played an active role in our
8 community. We have spearheaded numerous initiatives for
9 local business development and economic growth in the
10 Prince Georges County, Maryland community. Through our
11 involvement and execution of various programs and events,
12 we have helped local businesses thrive, creating a more
13 vibrant and dynamic business environment.

14 Our long-term business relationship with Capital One
15 has significantly impacted our ability to pursue and
16 achieve our business plans and goals. Through my
17 relationship as a participant and then later an advisor
18 through the Supplier Diversity-Centered SAGE Advice
19 Program, we have expanded our services, invested in
20 innovative marketing solutions, and enhanced our
21 operational capabilities.

22 Our first line of credit came from Capital One when
23 many others said no. This partnership has allowed us to
24 consistently deliver high-quality marketing strategies to
25 our clients, drive our growth, and the success of our

1 business in the community that we serve.

2 Nudawn Marketing's collaboration with Capital One has
3 strengthened our business foundation, empowering us to make
4 a positive impact while sustaining the growth and
5 development. We support the approval of this merger where
6 it will commit to and benefit diverse-owned businesses.

7 Thank you again for your time and the ability to
8 communicate our position with you.

9 KATRINA ALLEN-AUSTIN: Ann Ramakumaran, please turn on
10 your camera and unmute yourself. Speaker Ramakumaran,
11 please begin your remarks.

12 ANJALI RAMAKUMARAN: Thank you and greetings to all.
13 My name is Ann Ramakumaran, and I am the Founder and CEO of
14 Ampcus and the CEO of Ampcus-Owned Subsidiaries. I want to
15 take this opportunity of saying thank you to FRB as well as
16 OCC for hosting this session.

17 Ampcus is a global business and a technology
18 consulting and a services firm headquartered in Chantilly,
19 Virginia. Today, as a group, we employ over 2,300
20 employees globally and must say in this region from
21 Baltimore to Richmond, we're the largest privately held
22 women and minority-owned business and technology consulting
23 and staff augmentation services company.

24 We were brought in as a supplier to Capital One three
25 years ago. They are an amazing client, and I say that with

1 confidence because they have not only positioned us for
2 success internally, but they have also positioned us for
3 success externally. And when I say internally, they have
4 got us introduced to key decision makers across business
5 units, and today we support Capital One across business
6 units.

7 And when I say they support us externally, they have
8 gone that extra mile to go ahead and get us introduced to
9 other key corporate members so that we could continue to
10 bring positive impact in their lives as well.

11 Capital One strongly believes in and intentionally
12 does business with diverse suppliers. We have seen them
13 take a very important role in different programs like SAGE,
14 Catapult, and VBank for several other events so that they
15 could go ahead and support all those diverse businesses so
16 that those diverse businesses would continue to grow,
17 thrive, and succeed.

18 Through those mentorship programs, they have gone
19 ahead and helped those companies so that those companies
20 could focus on leadership, communication, operations, HR,
21 financial management, and so on. And you all know those
22 are some key ingredients for success.

23 Capital One truly believes in doing well by doing
24 good. I serve on several nonprofit boards, and I have seen
25 them in action. I have seen them go ahead and support all

1 those businesses as well as those nonprofits so that they
2 could continue to grow, thrive, and succeed.

3 We strongly believe and support Capital One Financial
4 Corp. and Discover Financial Services Partnership. Two
5 amazing companies are going to come together for better
6 good. Thank you, and thank you very much for giving us
7 this opportunity to present.

8 KATRINA ALLEN-AUSTIN: Lawrence Vein, please turn on
9 your camera and unmute yourself. Speaker Vein, please
10 begin your remarks.

11 LAWRENCE VEIN: Hi, this is Lawrence Vein from Los
12 Angeles. I value Capital One as a company that has been
13 good for me and my family. I have been a single father.

14 JOSEPH FIRSCHEIN: I am sorry, I am sorry to interrupt
15 you. Is it possible to turn on your video?

16 LAWRENCE VEIN: Start my video. There you go. Can you
17 see me?

18 JOSEPH FIRSCHEIN: Let's see. Yes. I can see you.
19 Thank you.

20 LAWRENCE VEIN: Okay. Hi, this is Lawrence Vein from
21 Los Angeles. I value Capital One as a company that has
22 been valuable for me and my company and my daughter and my
23 family.

24 I have been a single father since my daughter was one,
25 and we have always been involved in charity. She's a great

1 kid.

2 Years ago, I faced a severe financial challenge. All
3 of my credit cards were canceled, and my credit scores
4 plummeted from the 800s all the way down to the 400s. I
5 have long known the importance of having good credit, and
6 this was deeply disturbing for me. I often feared at days
7 whether or not I could make ends meet, yet it was really
8 important and challenging to maintain a strong sense of
9 confidence for my daughter. While being a full-time parent
10 and working and a full-time business owner, being strong
11 for her was not very easy, and I knew it was very
12 important. As I look back on those days, I felt that I was
13 in a quiet depression.

14 In 2013, I saw an ad by Capital One offering credit
15 cards to people like me who had bad credit, and at that
16 time, all the other companies were completely unsympathetic
17 to my situation. I applied for a small loan, and I got it,
18 and it was a big step for me with my life having been
19 turned upside down. When the card arrived, I felt like it
20 was Charlie getting the golden ticket. It boosted my
21 confidence. I was thrilled, and I believe Amelie can sense
22 the earlier distress, but now I knew she noticed that Daddy
23 was doing okay.

24 From the beginning when I applied for the card and up
25 through today, the customer service and the people at

1 Capital One have been exemplary. They are always positive,
2 they are always helpful, and they treat you like family.

3 My credit score continued to increase, and my life
4 with my daughter continued to get better. Eventually, I
5 applied for a business card, which they approved kindly,
6 and they treated me like a valued customer. To me,
7 integrity is everything in business, and they have always
8 maintained the highest level of integrity.

9 Over the past 10 years, they have grown, but in my
10 experience, they have maintained that small-town feel.
11 Life isn't easy, yet for Capital One to support me has
12 always been important for me and Amelie, and we are doing
13 great, and she now carries a Capital One card.

14 Important to all of this is as I now prepare for the
15 future with the woman I love, we have a baby due on August
16 30. Yikes, diaper changes again. I feel more comfortable
17 than ever with having a company like Capital One behind us
18 to support us. They have significantly improved our lives,
19 and always I believe go by the motto, we are all in this
20 together, everyone matters.

21 I am 100 percent in support of this deal, as I truly
22 believe it will enable Capital One to support people like
23 me and my family. Thank you all for your time, your
24 service to the country. I appreciate it, and that ends my
25 comments. Thank you so much. God bless.

1 KATRINA ALLEN-AUSTIN: Dan Nissenbaum, please turn on
2 your camera and unmute yourself. Speaker Nissenbaum,
3 please begin your remarks.

4 DAN NISSENBAUM: Can you see me or hear me?

5 AMORY GOLDBERG: We can hear you, but it's very light.

6 DAN NISSENBAUM: I will try to start talking, and
7 hopefully the video will show up. I have clicked the
8 button.

9 I am Dan Nissenbaum, CEO of the Low Income Investment
10 Fund, a national CDFI funding community development
11 projects across 32 states with a cumulative investment of
12 \$3.5 billion.

13 Our partnership with Capital One spans a decade. In
14 that time, they provided a total of \$3.5 million to support
15 our work. That includes \$2 million in grant funding, a
16 \$1 million line of credit, and a grant of \$500,000 for our
17 Black Developer Capital Initiative, a special purpose
18 credit program, providing access to credit for a
19 historically disadvantaged group.

20 While that total number is not large, I emphasize
21 this, reflecting their willingness to support. Their
22 annual grant funding is among the largest operating grants
23 we receive. The working capital line is long-term with a
24 below market rate and flexible in use.

25 Parenthetically, we have been offered a small increase

1 in that line. Their support for a special purpose credit
2 program focused on reducing racial disparities was
3 catalytic, unqualified, and stands at a time when other
4 banks step back from similar support. Having said that,
5 LIIF and other CDFIs, large and small, need significantly
6 increased funding in order to meet the overwhelming need in
7 the current market.

8 So for a lending portfolio that has not been an
9 emphasis, we urge stronger consideration of CDFI lending
10 than what is proposed, one that meets levels provided by
11 similarly situated peer banks.

12 CDFIs have been enlisted and invested in by the
13 federal administration more than ever before to deliver
14 more capital to underserved communities. The banking
15 regulators see the critical value of working with CDFIs and
16 have designated expanded credit opportunities in the
17 proposed CRA regulations.

18 Other banks know well that working with CDFIs allows
19 them to reach communities they cannot serve on their own
20 beyond their physical branch system. So working more
21 intensively with CDFIs will support Capital One's community
22 development goals in alignment with their national business
23 activities and ambitions.

24 Now, in contrast to expanded credit for CDFIs, the
25 proposed CRA regulation effectively eliminates a bank's

1 formal obligation for community development investing and
2 has incentives and guidance for CD investing that are not
3 yet clear and do not yet seem compelling.

4 So, we applaud Capital One's commitment to the LIHTC
5 investment market, hoping that other banks will follow
6 suit. To make this connection clear, CDFIs provide
7 pre-development and acquisition loans on critically needed
8 affordable housing projects when banks can't or won't,
9 which in turn provides a deal pipeline that affords banks
10 significant community development and LIHTC investment
11 opportunities.

12 Finally, to remind everybody, grants to nonprofits are
13 part of the CD investing test, also crucial. In closing,
14 it's incumbent upon the bank and the regulators in any
15 approval to ensure that new levels of activity are
16 reflective of the size, strength, and market power and
17 reach of the combined institutions.

18 We look forward to working with Capital One on an
19 expanded basis. And this concludes my remarks. And I
20 wanted to just briefly thank the staff of the agencies
21 who've helped us all prepare to be able to make these
22 remarks. Thank you so much.

23 KATRINA ALLEN-AUSTIN: Dr. Kim Carter Evans, please
24 turn on your camera and unmute yourself. Speaker Carter
25 Evans, begin your remarks.

1 DR. KIM CARTER EVANS: Hello, and thank you so much
2 for the opportunity to address you. I am Dr. Kim Carter
3 Evans. I am the Senior Vice President of Operations for
4 TruFund Financial Services. And we are here to express
5 our support for the proposed merger between Capital One
6 Bank and Discover Financial Services. It's an honor to
7 address this distinguished body and share our perspective.

8 TruFund is a community development financial
9 institution dedicated to providing economic development and
10 opportunities for underserved communities. Over the past
11 three years, we have had the privilege to work alongside
12 Capital One with a significant investment through Community
13 Reinvestment Act investments to support the work that we
14 do. This partnership has been instrumental in helping us
15 empower small businesses, create jobs, and foster economic
16 resilience in communities that we serve.

17 To date, TruFund has deployed over \$271 million in
18 affordable financing to over 4,000 small business owners
19 through loan capital. This combined with training and
20 advisory services, we could not do this great work without
21 Capital One Bank.

22 Capital One's commitment to TruFund and our mission
23 has been unwavering. Their investments have enabled us to
24 provide much needed capital and technical assistance to
25 small businesses and entrepreneurs who might not otherwise

1 have received those resources.

2 The impact of their support is evident in the success
3 stories of countless business owners who have been able to
4 grow and thrive thanks to our collaboration.

5 The proposed merger between Capital One and Discover
6 provides a unique opportunity to build similar commitment
7 across community investment and responsible lending.

8 Together, these two institutions will be able to
9 leverage their combined resources and expertise to enhance
10 financial inclusion and expand access to capital for even
11 more underserved communities across the nation.

12 We understand the importance of maintaining a
13 competitive and fair financial landscape, but we believe
14 that this merger will not only create a stronger, more
15 resilient financial institution, but will also amplify the
16 impact across communities and across community development
17 initiatives.

18 With the combined strengths of Capital One and
19 Discover, we can look forward to continued and expanded
20 support for organizations like ours, enabling us to reach
21 more business owners and create greater economic
22 opportunity.

23 In conclusion, on behalf of TruFund, our board, our
24 staff, and the over 15,000 business owners that we have
25 served, we fully are in support of between Capital One Bank

1 and Discover Financial Services.

2 We believe that this merger will bring about
3 significant benefits for the communities we serve by
4 expanding and fostering economic development, and we
5 respectfully ask for your support and approval of this
6 merger. Thank you.

7 CHANDNI OHRI: Thank you, everyone, for your comments.
8 We will now take a break for lunch until 1:25 p.m.
9 Eastern. If you are scheduled to speak in Group 8, please
10 make sure you remain logged into this Webex meeting, as you
11 will be elevated to a panelist a few minutes before
12 1:25 p.m. Eastern.

13 My role as the OCC's co-Presiding Officer has
14 concluded, and my co-Presiding Officer at the OCC, Vonda
15 Eanes, will join the Board's Presiding Officer, Joseph
16 Firschein, for the afternoon session.

17 For the remainder of the meeting, I will be a
18 panelist. Thank you.

19 (Whereupon, at 12:38 p.m., a luncheon recess was
20 taken.)

21

22 A F T E R N O O N S E S S I O N

23

24 VONDA EANES: Okay. Welcome back to today's public
25 meeting. I am Vonda Eanes and earlier today I served as a

1 panelist for the morning session. I have now assumed
2 responsibility as the OCC's co-Presiding Officer for this
3 afternoon session. I am joined by Joseph Firschein, the
4 Board's Presiding Officer, as well as the other panelists
5 from the Federal Reserve and the OCC. We will now begin
6 with Group 8.

7

8

G R O U P 8

9 KATRINA ALLEN-AUSTIN: Providenza Rocco, please turn on
10 your camera and unmute yourself. Speaker Rocco, please
11 begin your remarks.

12 PROVIDENZA ROCCO: Hello, thank you. I am Enza, the
13 Executive Director of Delaware Futures. Delaware Futures
14 empowers promise.

15 AMORY GOLDBERG: Someone else has their line unmuted
16 and so there's an echo. One of the other speakers, if
17 everyone else who's not speaking can just mute themselves,
18 there won't be an echo anymore. Thank you.

19 PROVIDENZA ROCCO: All right. I am Enza, Executive
20 Director of Delaware Futures. Thank you for that.

21 Delaware Futures empowers at-promise high school youth
22 and middle school youth across the state of Delaware by
23 providing year-round trauma-informed curricula tailored to
24 students at each grade level. 100 percent of Delaware
25 Futures students graduate from high school, college and are

1 employment ready, and are performing at grade level.

2 All of our services are free. Equity and dignity are
3 at the core of our mission, and we have over 350 students
4 across the state. But we definitely don't do our work
5 alone.

6 We have been so thankful for Capital One through
7 financial contributions, board presence, coding programs,
8 and their help addressing food and nutritional insecurity
9 with our students and families.

10 The Capital One pro bono team, I wish I could shout
11 out everybody's name on those teams, but I know I have a
12 time limit. But they have been assisting us for nearly a
13 year with our data management. They have been instrumental
14 to our growth and our ability to serve students and survey
15 our students and families to know what they really need.

16 They have also really helped us capture the amount of
17 time and work that our staff are doing, and we would not be
18 there without their help, guidance, kindness, and great
19 ideas.

20 And I have to give a shout out to Chris Gunter, who
21 heads Community Impact and Investment. He's been
22 supportive, present, helpful, and consistent in his care
23 about our mission. We're thankful for Capital One's
24 employees who have stepped up to help us and who have
25 joined together to support Delaware's future.

1 KATRINA ALLEN-AUSTIN: Suzanne Keeley, can you please
2 unmute yourself and turn on your camera? Speaker Keeley,
3 you may begin your remarks.

4 SUZANNE KEELEY: Great. Thank you all so much. Good
5 afternoon. My name is Suzanne Keeley, and I represent
6 Communities in Schools of Richmond, and I thank you for the
7 opportunity to speak today --

8 VONDA EANES: Pardon me, Ms. Keeley. Are you able to
9 turn on your video?

10 SUZANNE KEELEY: I am clicking start video, but it's
11 not starting. Let's see. Let's see more access. Let's
12 try this again.

13 VONDA EANES: Thanks for trying.

14 SUZANNE KEELEY: You got it?

15 VONDA EANES: Yes.

16 SUZANNE KEELEY: Okay. Fantastic. I am going to start
17 at the top. Okay? So, I represent Communities in Schools
18 of Richmond. And since 1996, CIS of Richmond has
19 surrounded K-through-12 students attending Title One
20 schools in the city of Richmond and Henrico County with the
21 community of support, empowering them to stay in school and
22 achieve in life.

23 Our model fosters student achievement by garnering
24 community supports and bringing them inside schools to
25 address individual and whole school academic and social

1 service needs. Capital One has long been our community
2 partner, engaging with CIS as a financial investor, as well
3 as making significant investments of human capital.

4 Over the years, Capital One associates have been part
5 of the fabric of every aspect of our organization. They
6 have served as board members, thought partners, and
7 collaborators on community projects.

8 They've engaged as volunteers for over two decades,
9 participating in done-in-a-day activities, but also
10 committing to multi-year mentoring roles that require
11 showing up consistently for kids every week. They have
12 sponsored skills-based pro bono projects that have
13 supported a financial forecasting model for CIS, the
14 facilitation of a fund development database, HR processes,
15 and tools to support both evaluation and marketing.

16 Capital One has invited staff to participate in
17 leadership programs that foster stewardship of our
18 nonprofit sector, and they have extended leadership
19 opportunities to our students, as well as engaging them in
20 workforce development activities on their campus, as well
21 as in our schools.

22 In the city of Richmond, just over 73 percent of the
23 class of 2023 graduated on time, as compared to 92 percent
24 of students in the Commonwealth. The majority of
25 Richmond's middle school students move on to high schools

1 where their chance of graduating in four years can be as
2 low as 47 percent.

3 It's critical that we work together as a community to
4 offer Richmond's youth the same opportunities afforded to
5 students across Virginia. Working with Capital One, CIS
6 can make an impact on the lives of thousands of individual
7 students, but we can also shift the way our communities
8 approach a collaboration and harness resources to support
9 our children.

10 This focus and community work adds up to outcomes for
11 kids showing up as improved school attendance, positive
12 behaviors, and academic achievement. CIS offers a pathway
13 of engagement for corporate partners, civic organizations,
14 local government, philanthropists, and volunteers to pool
15 their resources to help our students stay in school,
16 graduate, and have a plan toward a career.

17 Capital One has led the way as a model for engagement,
18 and we are pleased to stand alongside them to ensure that
19 kids get access to the resources they need, whether it's a
20 reading buddy, a mentor, or a job-shadowing opportunity, so
21 that all students can move closer to realizing their
22 potential.

23 Thank you for inviting me to come and speak on behalf
24 of communities and schools today.

25 KATRINA ALLEN-AUSTIN: Alex Forrester, please turn on

1 your camera, unmute yourself, and you may begin your
2 remarks. Speaker Forrester.

3 ALEX FORRESTER: Thank you. My name is Alex Forrester,
4 co-Founder and COO of Rising Tide Capital.

5 In the early 1980s, as civil war broke out in her
6 homeland, a young woman named Genet faced a heart-wrenching
7 decision. She had to flee the growing violence, but it
8 would be too dangerous to bring her two-year-old daughter
9 on the journey. Arriving in the U.S. as a refugee, Genet
10 had only one goal, to be reunited with her daughter.

11 But her job as a waitress was never going to provide
12 enough, so she turned to a skill she had learned back home
13 and began to design and sew beautiful gowns and dresses.
14 She didn't think of herself this way, but Genet was an
15 entrepreneur, and her business began to grow. It took
16 years of long hours and late nights, but she succeeded, and
17 the day she greeted her daughter at the airport was the
18 happiest day of her life.

19 I know this story well because I met and fell in love
20 with Genet's daughter, Alfa, in college. Alfa and I now
21 have two young children of our own, and our family is
22 living proof that even the humblest of businesses can have
23 an impact that spans generations.

24 We were led by this conviction in 2004 to co-found a
25 nonprofit organization together called Rising Tide Capital.

1 Our mission has been dedicated to finding and supporting
2 other entrepreneurs like Genet who are turning to a talent
3 or a skill as a way to make a better life for themselves
4 and their families.

5 We know the ripple effects that are possible when you
6 invest in the creativity, courage, and talent of people,
7 even when the world dismisses them as too small to count.

8 Over the past 20 years, Rising Tide Capital has grown
9 significantly. Our award-winning model has been
10 replicated across the country, and we now work with
11 thousands of entrepreneurs every year in 17 states and
12 multiple languages.

13 I am grateful to say that Capital One has been an
14 important part of the Rising Tide story from the very
15 beginning. They've been active partners, providing
16 hundreds of thousands of dollars in philanthropic and
17 volunteer support, helping us to build, design, and expand
18 our programming and capacity so that these services can be
19 made available in all communities.

20 Thanks to their support, on average, we see a new
21 Rising Tide business open every three days. Our
22 entrepreneurs see an average 77 percent increase in
23 business revenue and a 56 percent increase in household
24 income after two years.

25 Capital One has engaged thoughtfully and consistently

1 in our mission for all these years as part of a vision for
2 themselves as a company. Their consistent, proactive, and
3 values-driven approach is a testament to a company culture
4 that embraces purpose from the very top, and we are
5 grateful for it.

6 Thank you. This concludes my remarks.

7 KATRINA ALLEN-AUSTIN: Blanche Jackson, please turn on
8 your camera and unmute yourself. Speaker Jackson, please
9 begin your remarks.

10 BLANCHE JACKSON: Good afternoon. I am Blanche
11 Jackson, the CEO of Stepping Stones Community Federal
12 Credit Union in Wilmington, Delaware. We are a low-income
13 designated minority depository institution and a CDFI.
14 Thank you for the opportunity to share my comments.

15 In my role, I have witnessed the struggles of our
16 community in accessing financial products, services, and
17 resources. Matt Parks and Amy Walls from Discover Bank saw
18 these struggles as well and dedicated time and resources to
19 help LMI communities have access to the necessary financial
20 tools to help bridge the racial wealth divide.

21 Since our inception in 2011, Discover Bank has
22 supported the credit union in providing access to financial
23 products, services, and loans for affordable housing and
24 reliable automobiles. This has allowed the credit to serve
25 many Delawareans in LMI communities by providing financial

1 services that they may not have been able to access.

2 Their support allowed us to create a special savings
3 program, partner with the Department of Corrections for the
4 residents of Delaware prisons, and to serve the
5 justice-impacted community.

6 During the pandemic, their support guided us as we
7 provided PPP loans to several nonprofits, small businesses,
8 and self-employed individuals who were having challenges
9 accessing the funding.

10 The news of the proposed merger initially caused some
11 concern. However, after learning about Capital One's
12 commitment to a \$265 billion community benefits plan, the
13 worries subsided. If approved and adhered to, this plan
14 will be groundbreaking for LMI communities and will
15 continue and expand the philanthropic support that Discover
16 has given to Delaware.

17 The \$35 million specifically allocated to continue
18 philanthropic support of nonprofits in Delaware and
19 retaining the Discover Bank branch in Greenwood shows the
20 commitment Capital One is making to Discover's current
21 community benefits plan in our state.

22 We also implore that the Discover team be retained to
23 continue the work they are doing in our LMI communities.
24 No one knows the needs of our state better than they do.
25 We are grateful for the support that Mark Parks, Matt

1 Parks, Amy Walls, and Discover Bank has given to Stepping
2 Stones over the last 13 years.

3 Without their support, our LMI communities would
4 have continued to be under-resourced in financial services
5 in Delaware. We look forward to the additional support
6 this proposed merger can bring. This concludes my remarks.

7 KATRINA ALLEN-AUSTIN: Dani Gabriel, please unmute
8 yourself and turn on your camera. Speaker Gabriel, you may
9 begin your remarks.

10 DANI GABRIEL: Thank you. My name is Dani Gabriel, and
11 I am the development manager at La Cocina in San Francisco.
12 I'd like to share some of the ways in which Capital One has
13 been a crucial partner.

14 VONDA EANES: Pardon me. Ms. Gabriel, can you turn on
15 your camera? Thank you.

16 DANI GABRIEL: Does that work? Great, thank you. Hi,
17 my name is Dani Gabriel, and I am the Development Manager
18 at La Cocina in San Francisco. I'd like to share some of
19 the ways in which Capital One has been a crucial partner to
20 La Cocina since they began supporting our work 10 years
21 ago.

22 As a business incubator for food businesses started by
23 low-income BIPOC and immigrant entrepreneurs, most of whom
24 are women, we welcome the investment of individual and
25 institutional supporters in the form of grants,

1 contributions, and earned income.

2 Capital One has been a generous partner on all counts.
3 Including the bank's first \$5,000 grant in 2014, grants
4 totaling over \$300,000 from Capital One have helped fund
5 the backbone of the support La Cocina provides to
6 entrepreneurs, affordable commercial kitchen space,
7 industry-specific technical assistance, and brokered sales
8 opportunities.

9 In addition, Capital One has offered La Cocina's
10 entrepreneurs sales opportunities worth more than \$60,000
11 through catering engagements for 15 different businesses,
12 including the bank's employees and clients, introducing the
13 bank's employees and clients to the delicious results of
14 our work together.

15 We're proud of our decade-long association with
16 Capital One and look forward to their continued community
17 engagement. Thank you.

18 KATRINA ALLEN-AUSTIN: Dan Cruce, please turn on your
19 camera and unmute yourself. Speaker Cruce, you may begin
20 your remarks.

21 DAN CRUCE: Thank you. Good afternoon. I am Dan
22 Cruce, COO of the United Way of Delaware.

23 Discover Bank has a history of providing responsive
24 and innovative investments, loans, grants, and services to
25 the community under its CRA program. This is particularly

1 impactful and important to Sussex County, Delaware, a rural
2 county where the bank's assessment area is located.

3 The county has multiple large bank branches but does
4 not receive significant funding or support under the CRA
5 from any, except Discover. Nor does it have the benefit of
6 being a center for corporate or foundational grants.

7 As the Chair of the Sussex County Health Coalition, a
8 nonprofit that networks, supports, convenes, and represents
9 the vast majority of nonprofits in Sussex County, and as
10 the COO of the United Way of Delaware, which has
11 significant partnerships, investments, and social political
12 capital in Sussex County, I speak today to underscore the
13 unanimity from all corners, in the respectfully, but clear
14 and supported, request that Capital One use this merger as
15 an opportunity to quickly show its intent, not only to
16 continue the deep investments in Sussex County, but to
17 dramatically expand them, particularly for our LMI and
18 ALICE, which stands for Asset Limited, Income Constrained,
19 Employed populations.

20 While this would be clearly good for Sussex County,
21 it's also a smart strategic move for Capital One as it
22 enters a geography where Discover's physical staff,
23 leadership, and presence has created tremendous impact.

24 To that end, community responsiveness and Capital One
25 representation in Sussex is paramount to the merger so that

1 Capital One can remain as responsive to emerging needs and
2 the needs of smaller, less resourced nonprofit
3 organizations, as Discover is now.

4 Delaware is a small state with strong alliances with
5 those who support our most vulnerable Delawareans.
6 Discover's bank's team over this work is well known and
7 very well respected from the top of Delaware's political
8 chain to the grassroots Delaware neighbors they impact.

9 They have specifically used their leadership and
10 political capital to drive new resources outside of
11 Discover to Sussex County.

12 We are optimistic to read of the investment identified
13 for Delaware and appreciate the broader commitment.

14 We look forward to seeing how the proposed
15 investments, philanthropy, and credit facilities will
16 further positively impact our state and Sussex County in
17 particular. We want to see that commitment as a positive
18 launch point for investments in our LMI and ALICE neighbors
19 and communities in Delaware. Thank you.

20 VONDA EANES: Speaker Quinto?

21 KATRINA ALLEN-AUSTIN: Joey Quinto, please turn on your
22 camera and unmute yourself. Speaker Quinto, please begin
23 your remarks. Speaker Quinto?

24 JOEY QUINTO: Yeah. Is this okay now?

25 VONDA EANES: Yes. It's great. Thank you.

1 JOEY QUINTO: Okay. I am Joey Quinto, Publisher of
2 California Journal for Filipino Americans and a member of
3 the National Diversity Coalition.

4 I have been a credit card customer of Capital One for
5 decades. I support the merger of Capital One and
6 Discover --

7 VONDA EANES: Speaker Quinto?

8 JOEY QUINTO: Yes.

9 VONDA EANES: We have lost your video.

10 JOEY QUINTO: Okay. Okay. Is this okay?

11 VONDA EANES: Yes. Thank you.

12 JOEY QUINTO: Okay. Do you want me to start all over?

13 VONDA EANES: Just pick up where you were. Thank you.

14 JOEY QUINTO: Okay. I support the merger of
15 Capital One and Discover. Capital One and Discover
16 definitely care about reaching out and marketing their
17 banking products and services to all Americans.

18 Therefore, their merger would enable them to expand
19 more their services to various communities. Also,
20 Capital One and Discover merger committing \$5 billion in
21 spend with diverse suppliers and additional spend with
22 diverse media outlets, which is part of that, is
23 remarkable. Capital One's Community Benefit Plan is indeed
24 a vivid plan that shows Capital One truly cares about
25 diverse communities.

1 I am therefore looking forward to see Asian media,
2 especially Filipino American media, would get its
3 advertising budget based on population.

4 Additionally, Faith Bautista, the CEO of National
5 Diversity Coalition, as well as the board members of the
6 NDC, unanimously support Capital One's acquisition of
7 Discover Financial Services.

8 Our organization's support for this acquisition
9 emanates from Capital One's longstanding commitment to
10 community development in disadvantaged and underserved
11 communities. Since 2001, Capital One has been receiving an
12 outstanding rating in CRA, and also has invested more than
13 \$59 billion in CRA-qualified loans since 2015. More
14 importantly, Capital One was one of the few banks that had
15 eliminated charging overdraft fees from its customers in
16 December of 2021, which had undoubtedly benefited LMI and
17 minority communities. NDC support this merger mainly
18 because of the following reasons:

19 Firstly, we strongly believe that Capital One will
20 only increase its scale and scope of CRA initiatives in
21 affordable housing, workforce development, small business
22 creation, financial well-being, digital access through its
23 \$200 million impact initiatives.

24 Secondly, NDC internal analysis of Capital One's
25 Community Benefit Plan suggests that the proposed merger

1 would satisfy --

2 VONDA EANES: Speaker, I have to apologize, but we're
3 at time. You're welcome to send your comments and your
4 written comments if there's anything you weren't able to
5 cover.

6 JOEY QUINTO: Sure, sure.

7 KATRINA ALLEN-AUSTIN: Thank you. Andrew Monzel,
8 please turn on your camera and unmute yourself. Speaker
9 Monzel, please begin your comments.

10 ANDREW MONZEL: Good afternoon, everyone. I am here
11 before you today to urge you to block the proposed merger
12 between Discover and Capital One. Capital One markets
13 themselves as a bank for small businesses, marginalized
14 consumers, and young adults looking to build credit.

15 Unfortunately, the company's actions speak much louder
16 than their words. Capital One is no longer in a healthy
17 financial situation to make outrageous profits and support
18 their lending habits, such as those seen in 2021.

19 From 2010 to 2019, Capital One's average yield
20 percentage on their credit card was 14.82 percent. In
21 2021, their yield percentage was just 14.6 percent, yet
22 they were able to make 100 percent more than any other year
23 from 2010 to 2019.

24 This increase in income is primarily driven by their
25 transaction volume growing by 27 percent from 2020 to 2021,

1 the highest year-over-year growth in company history.

2 The increase in their transaction volume came along
3 with massive increases in their credit card loan
4 receivables balance. With more balances than ever being
5 written off as uncollectible in the past few quarters,
6 Capital One has turned to higher yields than ever on their
7 credit cards, 18.84 percent, 33 percent higher than 2020,
8 to try and maintain the profit levels seen in previous
9 years.

10 This has placed a massive burden on their card users
11 and led to the highest delinquency rates and net charge-off
12 rates since the great financial crisis.

13 Capital One and Discover have two of the highest
14 interest yield percentages in the credit card market.
15 Credit card debt is often the last priority for consumers,
16 overshadowed by mortgage, car, and insurance payments.
17 This was exasperated by the buy-now-pay-later trend in the
18 early 2023, which has driven American credit card debt to
19 unprecedented levels.

20 As interest rates rise, the burden of credit card debt
21 becomes unsustainable, evidenced by the top 10 banks'
22 credit card loan receivable balances. Capital One holds a
23 significant market share at 12.45 percent, with Discover at
24 8.92 percent. The Consumer Financial Protection Bureau has
25 raised concerns about the high concentration in market

1 share among credit card issuers, which limits competition
2 and drives up rates.

3 If Capital One acquires Discover, it will become the
4 largest receiver of credit card debt, intensifying market
5 concentration and potentially harming consumers.

6 The merger would create a dominant entity with
7 substantial financial instability, making it imperative to
8 block this merger to maintain a competitive and fair
9 market.

10 Blocking this merger is not only necessary to prevent
11 further financial harm to consumers, but also to ensure a
12 stable, competitive, and fair credit card market. The
13 Federal Reserve has a responsibility to protect the
14 financial well-being of American consumers, and approving
15 this merger would be a step in the wrong direction.

16 I implore you to consider the substantial evidence
17 against this merger. The financial instability of Discover
18 and Capital One, coupled with the broader market
19 vulnerabilities, makes this merger a significant threat to
20 consumer welfare and market stability.

21 Blocking this merger is the prudent and responsible
22 course of action.

23 Thank you for your time and consideration.

24 KATRINA ALLEN-AUSTIN: Michael Minor, please turn on
25 your camera and unmute yourself. Speaker Minor, begin your

1 remarks.

2 MICHAEL MINOR: Yes. My name is Michael Minor. I
3 don't know, can you see me?

4 VONDA EANES: No, sir. There we have you, on video.
5 Yes. Thank you.

6 MICHAEL MINOR: My name is Michael Minor. I am the
7 Vice President of Central Baptist Community Development
8 Corporation. The Central Baptist CDC is located on the
9 east side of Wilmington, Delaware. The communities we
10 serve are in the low-income brackets according to the
11 recent census tract data.

12 I am testifying today in opposition to the
13 Capital One-Discover Bank merger. To understand why we
14 oppose this merger, allow me to tell you a little bit about
15 what we do Central Baptist CDC.

16 Our mission is to provide a setting for community
17 members to engage in the process of change, which will
18 result in the overall transformation of their lives and the
19 community that we're called to serve. We have three main
20 programs. Our Eastside Career Development Center,
21 Inter-Neighborhood Community Builders, and our Urban Acres
22 Produce.

23 Our Eastside Career Development Center addresses
24 barriers in our community. We have developed a
25 high-quality, rigorous workforce training program designed

1 and committed to educate, equip, engage, encourage, and
2 empower learners for their overall success.

3 Our second program is our Inter-Neighborhood Community
4 Builders. It is a housing stabilization program that
5 exists to create a mixed-income community of homeowners and
6 renters on the east side of Wilmington, Delaware.

7 Our third program is our Urban Acres Produce. This
8 program's mission is to provide a safe gathering place for
9 community members and the ability to grow their own
10 healthy, fresh produce in areas designated as food deserts.

11 This effort is also addressing the problems of health
12 disparities in our low-income communities.

13 The low-income communities that we serve are under
14 financial duress and subject to predatory lending on a
15 daily basis. Knowing credit card company history in
16 Delaware, Capital One should not be allowed to get even
17 bigger.

18 Capital One had a CBA with ING Direct a decade ago in
19 Delaware, and they walked away from their mortgage lending
20 commitments. Capital One is also involved in the federal
21 lawsuit challenging the legality of the Community
22 Reinvestment Act.

23 And finally, we're afraid that this merger will mean
24 more credit card consolidations, and studies show that
25 bigger and fewer credit card companies just lead to higher

1 interest rates.

2 For these reasons, we urge the OCC and Federal Reserve
3 to deny Capital One's merger application. Thank you.

4

5 G R O U P 9

6 AMORY GOLDBERG: Leon Walker, please turn on your
7 camera and unmute yourself. Speaker Walker, you may begin
8 your remarks.

9 We see you, but we can't hear you yet. Speaker
10 Walker, we can't hear you. Would you like to try again?
11 You just need to unmute yourself. If not, we can move you.

12 LEON WALKER: There we go. Okay. Good afternoon.
13 Can you hear me? Okay. Terrific.

14 My name is Leon Walker. I am the Founder and CEO of
15 DL3 Realty Advisors, a Chicago-based commercial real estate
16 investment and advisory firm that focuses on revitalizing
17 underserved communities through high-impact commercial,
18 residential, and industrial projects, as we like to say,
19 connecting capital and community.

20 One of the projects about which we are most proud is
21 the redevelopment of a vacant 127,000-square-foot big box
22 store in the Chatham neighborhood on Chicago's South Side
23 into a flagship call center for Discover Financial
24 Services.

25 Today, this call center employs 1,000 team members in

1 this high-unemployment area that was once home to the
2 nation's largest Black-owned bank. Together, Discover and
3 DL3 created a national model to provide workforce
4 opportunities and spur development in a historically
5 disinvested area.

6 I am pleased to share that Capital One is committed to
7 maintaining the investment in this job-creating call center
8 in the associated Shine Bright Community Center.

9 I support the Capital One-Discover Financial Services
10 merger, and we are excited to continue our partnership that
11 is leading a new wave of corporate investment in the
12 neighborhoods of Chicago.

13 The Chatham call center exemplifies what happens when
14 a corporation prioritizes community in its business
15 expansion.

16 This investment is anchoring community and local
17 businesses. Discover has retained and promoted employees
18 who have advanced their skills. The Chatham call center is
19 providing critical entry-level jobs that will allow
20 thousands of aspiring workers on the South Side of Chicago
21 to build professional careers and support their families
22 for many years to come.

23 When large companies invest in places like Chatham,
24 you not only create new career paths, but you build hope
25 that encourages residents in long-disinvested communities

1 to take an extra class, enroll in college, and pursue a
2 professional career. This seed of hope is critical to
3 reversing urban deficit investment and building a stronger
4 local economy for all.

5 This impact investment, Discover and now Capital One,
6 has gained access to a robust talent pipeline and improved
7 employee retention.

8 Further, they have increased access to critical
9 financial services, enhanced their brand loyalty, and
10 demonstrated to a new generation of corporate leaders what
11 is possible and what it means to be a true impact investor,
12 an agent for change in communities that for far too long
13 have been starved for investment.

14 We see the partnership between Capital One and
15 Discover as an opportunity for two esteemed brands, united
16 by shared values of collaboration and community service, to
17 supersize their impact right here in Chicago. As
18 Chicagoans, we place a premium on job growth --

19 VONDA EANES: Speaker Walker --

20 LEON WALKER: -- and long hours. I ask that you
21 approve this --

22 VONDA EANES: Speaker Walker --

23 LEON WALKER: -- merger so that the good work that has
24 just begun is justly extended for the long term. Thank
25 you.

1 AMORY GOLDBERG: Carl Nagy, please turn on your camera
2 and unmute yourself. Speaker Nagy-Koechlin, please turn on
3 your camera and unmute yourself.

4 Carl Nagy-Koechlin, if you're able to unmute yourself
5 and start your camera, you're able to join your remarks.
6 We will come back to that person.

7 Steve Tarver, if you're able to unmute yourself and
8 turn on your camera. Steve Tarver --

9 CARL NAGY-KOECHLIN: Hi, I am sorry. I was just --
10 this is Carl.

11 AMORY GOLDBERG: Okay.

12 CARL NAGY-KOECHLIN: Is it possible for me to?

13 AMORY GOLDBERG: Yes, of course. That would be great.
14 Thanks.

15 CARL NAGY-KOECHLIN: Okay. Sorry about that. Can you
16 see me? You're ready. Okay. great. Sorry about that.
17 My name is Carl Nagy-Koechlin. Thank you for this
18 opportunity to testify today on behalf of Just-A-Start, a
19 nonprofit community development corporation in Cambridge,
20 Massachusetts. We were founded in 1968 with a mission to
21 promote equity by creating access to stable housing and
22 building pathways to economic opportunity.

23 Annually, Just-A-Start serves over 3,500 people with a
24 variety of services. 2,000 low- and moderate-income people
25 live in the 770 units that Just-A-Start owns around the

1 city, with another 1,000 receiving services around housing
2 stabilization. Just-A-Start also provides training to over
3 130 residents annually for jobs in the biomedical, I.T.,
4 construction, retail, and green job sectors.

5 Finally, each year, more than 300 people receive
6 financial coaching services through our financial
7 empowerment programs. Taken together, Just-A-Start builds
8 homes, careers, and futures.

9 We don't do it alone. And among the many partners
10 that are instrumental to our success, Capital One stands
11 out. Since 2016, Capital One has been our partner in
12 supporting success for the low- and moderate-income people
13 that we serve, including by awarding us \$383,000 in grant
14 funding to support our economic mobility and financial
15 opportunity programs.

16 In 2017, Capital One's Blueprints to Buildings program
17 provided a \$100,000 pre-development line of credit to
18 support our plans to develop new Rindge Commons Economic
19 Mobility Hub, a 70,000 square foot, \$36 million project
20 that now houses our integrated services under one roof,
21 including career training, financial opportunity, housing
22 services, 24 new affordable apartments, and a city-operated
23 universal pre-kindergarten program for 68 children.

24 Through Blueprints to Buildings and then its
25 subsequent New Market Tax Credit Investment, Capital One

1 was in on the ground floor for this game-changing project.

2 Capital One also supported our work through a pro-bono
3 marketing project to help us develop an external
4 communication strategy related to our successful Rindge
5 Commons capital campaign.

6 Finally, Capital One has hosted graduations for our
7 job training programs at their nearby Capital One cafes.

8 In short, Capital One has been an exemplary partner in
9 promoting economic mobility for the communities that we
10 serve and as a model for corporate community leadership.
11 Thanks for this opportunity to share this information and
12 thank you for considering these comments as you deliberate
13 about Capital One's proposal. Thank you.

14 AMORY GOLDBERG: Thank you. Steve Tarver, please turn
15 on your camera and unmute yourself. Speaker Tarver, you
16 may now begin your remarks.

17 STEVE TARVER: Thank you. I am Steve Tarver. I am
18 recently retired from the YMCA after 51 years of full-time
19 service, the last 23 of which I served as the CEO of the
20 YMCA of Louisville, Kentucky, which will be my highlight
21 with Capital One.

22 Our Y was founded in 1853. We have a broad array of
23 services, including an African American legacy YMCA, a safe
24 place network for shelter and help for teens that are
25 runaway, homeless, or trafficked. We have the largest

1 childcare program in the state of Kentucky.

2 But in 2008, we began a transformational journey
3 thanks to a health department director that mentored us in
4 the concept of health equity. So we learned about equity
5 versus equality. We learned about the social determinants
6 of health that drive 80 percent of health outcomes. And we
7 learned that the choices people make are the choices people
8 have, and everyone does not enjoy the same access to
9 healthy choices.

10 So with that, we started a simple vision of the
11 development of a community-integrated health facility that
12 would increase choice, reduce barriers, and add to
13 collaboration with a focus on West Louisville, a historic
14 but highly disinvested community for a number of decades.

15 So, we found out about New Market Tax Credit financing
16 and the value of that, and also the strenuous nature of
17 that, which we learned also was a rather understated
18 strenuous journey for us.

19 But in any case, we met the Capital One New Markets
20 team, and we learned about the but-for test, where we
21 attract projects.

22 But, in hindsight, I can tell you that but-for
23 Capital One's facilitation and support of a \$28 million New
24 Market Tax Credit project, the first major investment in
25 West Louisville in 50 years would not have been made. And

1 a brownfield site previously devoted to making cigarettes
2 would not have been cleaned and transformed into a place
3 for health and education.

4 But for Capital One, in December of 2019, we would not
5 have opened the YMCA with five additional partners under
6 roof and with now the Y plus nine partners in one building,
7 the most recent of which is an elementary school, that but
8 for Capital One, would not have been able to open.

9 And we would not have been able to deliver 30,000
10 COVID vaccines during the height of the pandemic or add a
11 \$1 million payroll, but for Capital One's support and
12 facilitation of that.

13 So, I would say that we were the first of six projects
14 to be announced. We were the first of only two that have
15 actually taken place. We're very proud of that and very
16 grateful to Capital One.

17 And encourage the support of this transaction to
18 hopefully continue this kind of work. Thank you so much.

19 AMORY GOLDBERG: Scott Kratz, please turn on your
20 camera and unmute yourself. Speaker Kratz, you may begin
21 your remarks.

22 SCOTT KRATZ: Good afternoon. Can you see me?

23 AMORY GOLDBERG: Yes. Yes.

24 SCOTT KRATZ: Okay. Great. Good afternoon. My name
25 is Scott Kratz, and I am speaking today in support of

1 Capital One and in recognition of their relationship with
2 the nonprofit that it's my honor to serve as the Senior
3 Vice President of, Building Bridges Across the River.

4 We have been partnering with Capital One for over a
5 decade to build a more inclusive and equitable
6 Washington, D.C. Our nonprofit, Building Bridges Across the
7 River, provides residents east of the Anacostia River
8 access to the best-in-class facilities, programs, and
9 partnerships in arts and culture, economic opportunity,
10 education, recreation, health, and well-being.

11 Our core constituencies are Black and Brown
12 communities, low-income people, and families and children
13 who reside in Ward 8 in Washington, D.C. We specifically
14 aim to reach Black families living at or below 50 percent
15 of the area median income.

16 We lead a collaboration among 14 nonprofits and
17 permanent residents at the Town Hall Education Arts
18 Recreation Campus, along with a network of seven urban
19 farms in Southeast D.C., the Skyland Workforce Center, and
20 the 11th Street Bridge Park.

21 Together with our partners, we reduce barriers to
22 social and economic mobility for Black and low- and
23 moderate-income families in three intersecting areas,
24 economic opportunity, health and well-being, and arts and
25 culture.

1 Capital One has been a proud and consistent supporter
2 of this work, for instance, funding our Skyland Workforce
3 Center's efforts providing training and employment
4 opportunities for harder-to-employ east of the river
5 residents, our ICAN Internship Program, a paid internship
6 for teens learning back-of-house audiovisual skills, our
7 THRIVE East of the River Program, giving critical funds to
8 over 650 Ward 8 residents in the midst of the pandemic, the
9 design, construction, and operation of a mobile small
10 business kiosk serving Ward 8 entrepreneurs, and supporting
11 our annual Anacostia River Festival, sponsoring a Ward 8
12 artist market at one of the largest events in the region.

13 We value Capital One's commitment to the District of
14 Columbia, Building Bridges Across The River, and the
15 communities that we serve.

16 On behalf of Building Bridges Across The River, we
17 are honored to support Capital One and their application to
18 receive approval to acquire Discover. We are confident
19 that they will continue their work in our community and
20 partner with us to build a more resilient Ward 8.

21 The Capital One team truly embodies their mission to
22 change banking for good. Please let me know if I can
23 answer any questions or provide any additional details.
24 Thank you for your time.

25 AMORY GOLDBERG: Jovan Burton, please turn on your

1 camera and unmute yourself. Speaker Burton, we're ready to
2 begin your remarks when you are.

3 JOVAN BURTON: Good afternoon, everyone. My name is
4 Jovan Burton, the Executive Director with the Partnership
5 for Housing Affordability in Richmond, Virginia. We're a
6 nonprofit that works with local governments and many other
7 housing stakeholders to address the affordable housing
8 crisis in our community.

9 There's about a 40,000-unit gap in the Richmond region
10 currently when it comes to affordable housing. Nonprofits
11 serve the majority of this need, but it's very evident to
12 us that we're not able to do this alone.

13 We need more corporate partners and stakeholders like
14 Capital One who can help enhance the delivery system of
15 affordable housing and increase the capacity of
16 organizations who are meeting this tremendous need that
17 continues to grow each day.

18 Capital One has increased their involvement in this
19 issue, not just financially, but also in human capital and
20 personnel in recent years in Richmond. And we believe that
21 this acquisition would enable them to further that
22 investment and support in the housing ecosystem, which is
23 so incredibly important to the future sustainability of
24 Richmond as a community, to affordability, to ensuring that
25 folks have greater opportunities to become homebuyers, to

1 ensuring that nonprofit organizations can continue to
2 deliver the essential services that they do to our region's
3 most vulnerable residents.

4 So, thank you all for the time today, and again,
5 speaking on behalf of the Partnership for Housing
6 Affordability, we support Capital One's pursuit to acquire
7 Discover. Thank you.

8 AMORY GOLDBERG: Sean Closkey, you may turn on your
9 camera and unmute yourself. Speaker Closkey, you may begin
10 your remarks.

11 SEAN CLOSKEY: Good afternoon. I am Sean Closkey, the
12 President of ReBUILD Metro. We're a Baltimore-based
13 community development organization, and we're supporting
14 the merger based on Capital One's strong commitment to
15 community development, and we would cite our relationship
16 with Capital One as the example.

17 Last week, ReBUILD Metro and Capital One led a
18 groundbreaking of an innovative 109-unit multifamily
19 building that will provide affordable housing to folks as
20 low as 30 percent AMI and as high as 80 percent.

21 In addition, the building will also house a new public
22 library in a community that is beset by over 500 abandoned
23 properties. This project itself will take out over 150 of
24 those formerly abandoned properties. This is a really
25 important project for us, and Capital One has been a

1 long-standing partner.

2 So, although this project seems to be groundbreaking,
3 it is not the first time that ReBUILD has partnered with
4 Capital One.

5 About eight years ago, we partnered with Capital One
6 in Jersey City, New Jersey, where we took five sites in the
7 Jackson Hill neighborhood that had been abandoned for over
8 50 years with chromium environmental contaminants. We
9 redeveloped those sites, and Capital One was the lead
10 mortgage lender.

11 So, in the case of Baltimore, they were the lead
12 lender investing over \$14 million in this project that
13 we're doing. In that case, they were the lead lender on 22
14 first-time homeownership opportunities for low- and
15 moderate-income people. Those two things are really
16 signature investments that we think Capital One has made in
17 community development.

18 Unless you just think this is transactional,
19 Capital One's foundation or philanthropic arm has been
20 working with us for the better part of a decade.

21 And during COVID, when housing was not really the
22 dominant issue for our community, hunger was, Capital One
23 helped us stand up -- we're a housing organization, but
24 they helped us stand up a food delivery service.

25 And during the two years of COVID, we delivered over

1 150,000 weekly meals to families, feeding about 13
2 (inaudible) during that period in terms of meals.

3 So, we feel like they have consistently listened to
4 the community, created opportunities to ensure that
5 investment in places that others have long forgotten are
6 not forgotten. And they also have the flexibility to
7 understand when things like pandemics come in, whatever was
8 on the plate, may be, pardon me on that, may be realigned
9 to some other need.

10 So, we would support that type of organization. I
11 think it's consistent with the Community Reinvestment Act
12 and its goals. Thank you.

13 AMORY GOLDBERG: Thank you. Jennifer Friar, can you
14 please turn on your camera and unmute yourself? Speaker
15 Friar, you may begin your remarks.

16 JENNIFER FRIAR: Good afternoon. My name is Jennifer
17 Friar. I serve as the Chief Executive Officer for St.
18 Joseph's Villa in Richmond, Virginia. And I am happy to
19 speak with you today to support and endorse the
20 collaboration between Capital One and Discover.

21 Capital One I do think is truly committed to investing
22 in better communities. St. Joseph's Villa provides nearly
23 20 social services to more than 3,000 children and families
24 throughout central Virginia each year. And for more than
25 two decades, Capital One has supported us with their time,

1 talent, and treasure.

2 We have employees on our Board of Trustees and
3 Advancement Committees, as well as more than 600 hours of
4 employee volunteerism annually. Capital One has been
5 leaders in supporting our annual Season of Hope campaign,
6 providing food, household essentials, and holiday gifts.

7 They have provided invaluable pro bono improvements to
8 our systems by streamlining our admissions process for all
9 of our education programs, supporting and developing budget
10 software for our finance department, enhancing our
11 onboarding process for our HR team, creating online forms
12 for our housing and homeless services.

13 And last, but not least, they have donated nearly a
14 million dollars in grants and employee-designated gifts
15 over 25 years, supporting all of our programs across
16 education, mental health, and housing and homeless
17 services.

18 Their support, both through volunteers and
19 financially, has been critical to our ability to provide
20 life-changing and sometimes life-saving services to the
21 community. This concludes my remarks.

22 AMORY GOLDBERG: Eamonn O'Callaghan, please turn on
23 your camera and unmute yourself. Speaker O'Callaghan, you
24 may begin your remarks.

25 EAMONN O'CALLAGHAN: Hey, good morning. This is Eamonn

1 O'Callaghan from the Mojave Desert in California. I want
2 to talk in support of Capital One and tell you a little bit
3 about my experience with Capital One.

4 So, one lucky day, I applied to Capital One for a
5 credit card, and to my shock, I was accepted. And the
6 reason I was shocked was my credit was horrible. So, in my
7 life prior, I lived the golden life. I had great credit,
8 over 800, a great job, you know, a house; all was great in
9 the world and then one day while I was at work, I got
10 attacked. I was carjacked, I was hit over the head, and I
11 was left for dead on the street.

12 And in the aftermath of that, I woke up at the
13 hospital, they had done surgery on my head. And in the
14 weeks that followed, I learned I had seizure disorder, I
15 had very bad PTSD. And the former golden life went through
16 my hands.

17 I lost my job, I lost my house, my relationship fell
18 apart. And I went through many dark years trying to get
19 myself back together.

20 When I started working again, I applied for the
21 Capital One credit card. And that was a real turning point
22 for me, not only financially, but also when you have bad
23 credit, there's a lot of shame, the shame of you can't get
24 a cell phone contract, you can't get -- rent a car, and you
25 feel invisible in society.

1 And Capital One made me feel visible again, they gave
2 me confidence again I built my life up again. I built my
3 credit up again.

4 Today, I sit in a little house that I bought myself.
5 And I wouldn't be here today without that kindness and
6 whatever algorithm giving me a chance. And I have great,
7 great gratitude for Capital One, great, great gratitude
8 that they saw -- the algorithm saw something in me that
9 hey, maybe I was worthwhile, maybe I was worth a second
10 chance. And I have such sincere gratitude for that.

11 And I can only hope that this merger goes through
12 because I think Capital One can bring my experience to more
13 people, more people kind of down in their luck, hopefully
14 you'll have a chance to have a second chance in a country
15 where credit is everything. You can't do a whole lot
16 without credit.

17 So thanks a million for your time today. And thanks
18 to Capital One.

19 AMORY GOLDBERG: Thank you so much. Jennifer
20 Wakefield, can you please turn on your camera and unmute
21 yourself? Speaker Wakefield.

22 JENNIFER WAKEFIELD: Yes. Thank you so much. My name
23 is Jennifer Wakefield. I am the President and CEO of the
24 Greater Richmond Partnership, which is the lead regional
25 economic development organization for the Richmond,

1 Virginia region. Thank you for allowing me to comment on
2 the potential Capital One acquisition of Discover.

3 Since its founding in Richmond, Virginia, 30 years
4 ago, Capital One has grown into our region's largest
5 private sector employer. But more importantly, it is our
6 region's, one of our best corporate citizens.

7 When Capital One started its massive growth in the
8 1990s, my organization helped retain Capital One's
9 operations in the area and expand its footprint multiple
10 times over the years with its eventual eight building
11 corporate campus. While Capital One's official
12 headquarters is now in Northern Virginia, the company
13 employs more than 13,000 workers throughout the Richmond
14 area.

15 Capital One's major presence in our region has helped
16 raise the profile and the perception of the Richmond region
17 among corporate executives as a strong business destination
18 and has helped to attract other financial and technology
19 companies to the region.

20 Their presence has also made our region a destination
21 for talent across the globe to locate, which has boosted
22 our population's highly educated workforce, helping make
23 Virginia the number one place to do business, according to
24 CNBC, and Richmond the number one place to visit, according
25 to CNN.

1 Capital One contributes to a vibrant business
2 community in multiple ways. It helps across the region's
3 entrepreneurial community, including sponsoring the Michael
4 Wassmer Innovation Center, which is home to small business
5 support organizations, including Startup Virginia,
6 Metropolitan Business League, and Lighthouse Labs.

7 Capital One has helped guide the Greater Richmond
8 Partnership's mission to bring quality jobs and capital
9 investment to the region. Executives from Capital One have
10 provided invaluable time and insight on our board of
11 directors and various committees, including serving as our
12 board chair twice in the last 15 years.

13 Their pro bono teams have redesigned brochures and
14 presentations to help with economic development growth,
15 witnessed by our successful attraction of the Lego Group,
16 CoStar Group, and Amazon facilities in our region. They
17 have helped us to push new innovations in our own work and
18 have worked to support diversity and inclusion efforts
19 throughout the region.

20 Their actions prove that the company is not only a
21 financial contributor to our region's prosperity, but they
22 are an incredible impact on all regions where they have a
23 significant presence. Thank you.

24

25

1 AMORY GOLDBERG: Aaron Miripol, please turn on your
2 camera and unmute yourself. Speaker Miripol, you may begin
3 your remarks.

4 AARON MIRIPOL: Good afternoon. I am Aaron Miripol. I
5 am President and CEO of Urban Land Conservancy in Colorado,
6 and I am also an NCRC Board member, and I am speaking in
7 opposition to the proposed merger of Capital One and
8 Discover.

9 As a practitioner of 30-plus years doing real estate
10 development for nonprofits, small businesses, and
11 affordable housing providers, I have seen firsthand the
12 lack of investment by Capital One in the communities we
13 work in.

14 Urban Land Conservancy has made over \$200 million in
15 direct real estate investment. That includes purchasing a
16 university campus, a two-generational school serving high
17 school students and their infant children, and a commercial
18 mixed-use development that includes a state-of-the-art
19 nonprofit health clinic and 150 permanently affordable
20 apartments, which are all in a 99-year ground lease with
21 Urban Land Conservancy.

22 Our direct investment has leveraged over \$1.3 million
23 in reinvestment with our nonprofit partners and for-profit
24 partners.

25 Capital One has made some token commitments of a few

1 grants, but when it comes to financing a nonprofit school
2 for \$7 million or a \$50 million mixed-use development,
3 Capital One is nowhere to be seen.

4 This proposed merger will increase the financial
5 challenges in the communities we serve as Capital One is
6 making a joke of the core values of the Community
7 Reinvestment Act.

8 For example, their pledge of \$75 billion in subprime
9 debt is often predatory car lending, hurting the people we
10 work with. As you know, Capital One has faced enforcement
11 actions previously for violating consumer rights for years,
12 including the \$390 million fine for undermining anti-money
13 laundering laws.

14 In addition, when Capital One merged with ING back in
15 2012, they made a major commitment to increase their
16 mortgage lending, but only a few years later, they dumped
17 their commitment to mortgage lending, again, hurting the
18 people we serve in Colorado.

19 This proposed merger is monopolistic, and as you have
20 heard from my colleagues across the country, it will
21 increase the financial challenges in the communities we
22 serve with more subprime debt.

23 Capital One's proposed settlement will continue to
24 hurt, not help, the people we serve.

25 Capital One is continuing to game the Community

1 Reinvestment Act and the system it adheres to in good
2 lending, and as regulators, you need to say no to their
3 merger. Thank you.

4 AMORY GOLDBERG: Sarah Habib, please turn on your
5 camera and unmute yourself. Speaker Habib, you may begin
6 your remarks.

7 SARAH HABIB: Good afternoon. My name is Sarah Habib,
8 and I am the COO of NeighborWorks Southern Colorado, and I
9 am speaking in opposition of the merger between Capital One
10 and Discover.

11 NeighborWorks Southern Colorado is a leader in
12 first-time homebuyer and financial literacy classes, and we
13 also do affordable down payment assistance loans as well as
14 small business lending.

15 Working in affordable housing for the last 13 years, I
16 have seen firsthand the struggles of low- to
17 moderate-income families, and throughout my career in
18 championing for attainable homeownership, I saw that the
19 biggest struggle of families to become credit ready is
20 credit card debt.

21 As the CEO here, overseeing homebuyer education and
22 down payment assistance lending and small business lending,
23 I have only seen that continue to become a greater burden.

24 I have seen families and business owners work for a
25 year or more to overcome that credit card debt that tends

1 to be the biggest barriers to an acceptable debt-to-income
2 ratio.

3 Because research indicates that the bigger the bank,
4 the more likely that the bank will charge a higher interest
5 rate, it indicates that this merger would create the
6 largest credit card lender by balance owed and will only
7 create steeper barriers for low- to moderate-income
8 families and marginalized populations.

9 Additionally, because this merger creates a threat of
10 increasing merchant fees, the proposal could create further
11 hardships for small business owners who are already
12 struggling with increasing rising costs of doing business.

13 Credit card merchant fees are already among one of the
14 highest costs that small business owners face, and
15 increasing them could likely end up being the thing that
16 causes an already struggling business to go under.

17 This merger is a threat to low- and moderate-income
18 families as well as small businesses and should be
19 rejected.

20 Thank you for allowing me to speak today.

21 AMORY GOLDBERG: Thank you. For the next speaker, we
22 will have Jacqueline Hutchinson. Can you please turn on
23 your camera and unmute yourself? Speaker Hutchinson, you
24 may begin your remarks.

25 JACQUELINE HUTCHINSON: Thank you. I am Jackie

1 Hutchinson, and I am Director of Advocacy for Consumers
2 Council of Missouri, and co-Chair, along with Rose
3 Eichelberger of the St. Louis Equal Housing and Community
4 Reinvestment Alliance. We are a membership coalition of
5 community partners in the St. Louis region who work to
6 provide equitable access to banking investments in
7 low-income communities and communities of Black and Brown
8 consumers.

9 We oppose the merger between Capital One and Discover.
10 As NCRC members, we concur with their comments today and
11 those that they have submitted in writing.

12 Given Capital One's current business practices and
13 history, approving this merger would not serve the public
14 interest and would have serious implications for consumers,
15 small businesses, and the overall financial market.

16 It could potentially raise costs for consumers and
17 small businesses.

18 We believe the credit vulnerable customers, including
19 low- and moderate-income consumers, Black and Brown
20 consumers, communities still suffering from the impact of
21 historical redlining and continued discrimination in
22 lending, still experiencing lack of equitable access to
23 credit and high levels of predatory credit are most likely
24 to bear the brunt of any negative impact of this merger.

25 Capital One's high interest rates and aggressive debt

1 collection practices paint a troubling picture of how this
2 merger would not serve the public's interests and needs.

3 The facts show that the lowest income and lowest
4 credit scores customers have been targeted with high
5 interest credit and other tactics they can least afford
6 that increase debt and hold them hostage to high interest
7 rates.

8 We are concerned that Capital One would be able to
9 raise Discover's existing interest rates to match
10 Capital One's high interest rates for all new purchases,
11 and their leadership in debt collection lawsuits and
12 predatory lending practices would likely plague existing
13 Discover card consumers.

14 We believe the merger, if approved, would consolidate
15 the credit card industry further, further severely limiting
16 choices for consumers, particularly those with low credit
17 scores.

18 Capital One's potential dominance would likely lead to
19 increased interest rates, increasing financial burden on
20 vulnerable individuals.

21 Additionally, we are concerned that the merger would
22 enable Capital One to raise debit interchange fees,
23 affecting small businesses and potentially costing American
24 consumers hundreds of millions of dollars in additional
25 costs.

1 In conclusion, we urge you to disapprove this merger.

2 Thank you for the opportunity to make these comments.

3 AMORY GOLDBERG: Kim McCarty, can you please turn on
4 your camera and unmute yourself? Speaker McCarty, you may
5 begin your remarks.

6 KIM MCCARTY: Apologies. I am Kim McCarty, Executive
7 Director of Community Alliance of Tenants. I represent a
8 statewide tenant advocacy organization that serves
9 thousands of low-income tenants in Oregon.

10 I oppose this merger because it will not help your
11 average American, in fact, will be harmful.

12 The question today is whether a merger should be
13 granted. If granted, will the community be better off?
14 And will Capital One and Discover honor the expectations of
15 community reinvestment?

16 I care because low-income tenants are especially
17 vulnerable to predatory lending. If someone loses their
18 income because they are sick or they lose their job, they
19 often cannot afford rent.

20 Within days of not paying rent, tenants can find
21 themselves evicted and homeless. Unfortunately, there's
22 not a safety net to help most people pay rent. Access to
23 credit is one of the ways that Americans protect themselves
24 from a temporary loss of income.

25 In my opinion, this merger will reduce, not widen the

1 needed access to affordable credit. The interest rates
2 charged by Capital One are predatory and have the same
3 consequences as turning to a payday lender. Capital One's
4 business practices and merger history also call into
5 question how this merger would serve the public's
6 convenience and fair financial need.

7 Capital One has been bad for consumers. And if we
8 reduce the competition, they will likely have no pressure
9 to not raise their prices. Capital One has also shown
10 itself to be a bad actor.

11 You have ample evidence of repeated violations and
12 unethical debt collection practices that lead vulnerable
13 people into deeper debt. Capital One has also already
14 shown that they make false promises. Look at the unkept
15 promises in the ING merger.

16 Given the evidence of Capital One not meeting the
17 conditions necessary for a merger, this merger must be
18 denied. Thank you for your time.

19 AMORY GOLDBERG: William Gonzalez, can you please turn
20 on your camera and unmute yourself? Speaker Gonzalez, you
21 may begin your remarks.

22 WILLIAM GONZALEZ: Thank you for giving us an
23 opportunity to testify today. We respectfully request that
24 you stop the merger of Capital One with Discover Bank.

25 An empirical, data-driven look at this proposed merger

1 makes it clear that it should not happen.

2 I am speaking to you from Philadelphia, so it is
3 apropos that I refer to U.S. versus Philadelphia National
4 Bank, the U.S. Supreme Court standard to follow when
5 evaluating bank mergers.

6 The Philadelphia National Bank case acknowledged that
7 certain mergers are so clearly likened to lessened
8 competition that they must be prohibited in the clear
9 absence of evidence to the contrary. The
10 Capital One-Discover merger is bad for business.

11 The lack of price competition means higher interest
12 rates for consumers. It portends more predatory credit
13 card interest rates and junk fees. It generates an
14 anti-competitive effect in the credit card market.

15 The Capital One-Discover merger is also bad, bad for
16 small businesses. It will increase debit card and
17 interchange fees.

18 Listening to today's testimony reminds me of the quote
19 by Carl Sandburg. "If the law is against you, argue the
20 facts."

21 We have heard a stream of testimonies today regarding
22 Capital One's charitable giving. That is not the issue
23 here.

24 As a publicly chartered financial institution,
25 Capital One has a duty to provide support to

1 community-based organizations. It is part of their CRA
2 responsibilities.

3 The question here is not whether they do philanthropy.
4 All American corporations do that. The question is whether
5 this merger is good for all of us, not just few of us.

6 Capital One is using a weak, flawed CBA to lull CBOs,
7 community-based organizations, into accepting this merger.
8 Only \$4.5 billion of the \$265 billion is new money.

9 The plan also doesn't address two of the main concerns
10 with the merger, Capital One's high interest rates and its
11 ability to raise debit interchange fees.

12 Furthermore, the CBA that Capital One announced was
13 formed through a sneaky process with little transparency or
14 community accountability.

15 Most community benefit plans are reviewed with
16 hundreds of community groups prior to the announcement.
17 This is nothing new for a company with a long history of
18 abuse towards consumers and over \$960 million in fines
19 since 2000.

20 We urge you to use data, empirical evidence, not
21 anecdotal testimonies of corporate giving to judge the
22 benefits of this merger.

23 It is ironic that a business that is making huge
24 profits from low-income households is using profits to try
25 to skew your view of this merger. They have no shame in

1 robbing Peter to give a little to Paul.

2 Please look at the forest, not just some of the trees.

3 Muchas gracias.

4 AMORY GOLDBERG: Bishop Gale Oliver, you may turn on
5 your camera and unmute yourself. Bishop Gale Oliver, you
6 may begin your remarks.

7 BISHOP OLIVER: Hello and good morning. My name is
8 Gale Oliver. I am the Bishop Overseer for the Greater
9 Light Family Church.

10 VONDA EANES: Pardon me. Speaker, could you turn on
11 your video, please?

12 BISHOP OLIVER: Okay. And we're good to go. Okay.
13 Thank you so very much. I am Gale Oliver. I am the Bishop
14 and Overseer of the Greater Light Family Church also a
15 member of the Advocacy Alliance of Corporate Social
16 Responsibility.

17 And my concerns are higher fees, fewer choices for
18 consumers, low- to moderate-income small businesses, as
19 well as antitrust issues. So, we are in opposition to the
20 Capital One and Discover merger.

21 Thank you so very much for the opportunity to speak
22 before you. This concludes my remarks.

23 AMORY GOLDBERG: Thank you. Kevin Cronin, you may turn
24 on your camera and unmute yourself. Speaker Cronin, you
25 may begin your remarks

1 KEVIN CRONIN: Members of the Board of Governors and
2 the Office of the Comptroller, thank you for the
3 opportunity to testify today. My name is Kevin Cronin. I
4 am the Director of Policy and Advocacy representing Housing
5 Oregon. We're a mission-based, member-driven, affordable
6 housing trade association composed of community development
7 organizations, housing authorities, homeless service
8 organizations, and their allies, all united in fostering
9 affordable housing and community development across the
10 great state of Oregon.

11 Housing Oregon respectfully opposes the merger between
12 Capital One and Discover for many reasons. We firmly
13 believe that the merger application should be denied. The
14 issues inherent in this merger are too severe to be
15 effectively addressed through conditional approvals or
16 community benefit plans, given Capital One's troubling
17 business practices and history.

18 This merger would exasperate the already high
19 concentration in the credit card industry, reducing options
20 for customers, particularly those with lower credit scores.

21 Furthermore, it would grant Capital One the ability to
22 raise debit interchange fees, negatively impacting
23 consumers and small businesses.

24 Capital One's business model and practices are
25 concerning. There is a history of unfair and abusive debt

1 collection, as well as repeated violations of consumer
2 protection and discrimination laws, and it calls into
3 question their commitment to serving the public interests.

4 The merger would make Capital One the sixth largest
5 U.S. bank by assets, heightening the risk to our financial
6 system and an economic downturn due to their vulnerability
7 and limited business model heavily focused on non-prime
8 credit card and auto lending.

9 From a competition standpoint, this merger is
10 detrimental to working class consumers. The U.S. credit
11 card market is already highly concentrated with the top
12 10 issuers controlling 83 percent of outstanding credit
13 card debt.

14 Capital One's median APRs are significantly higher
15 than those of smaller issuers, particularly for customers
16 with lower credit scores.

17 Allowing this merger could likely lead to a higher
18 interest rate for Discover's existing customers,
19 furthering, burdening financial vulnerable populations.

20 This merger would undermine efforts to a fair and
21 competitive financial market. Capital One's claim that the
22 merger would enhance competition against Visa and
23 MasterCard is dubious at best.

24 Instead, it would likely cement Visa's dominance,
25 potentially sparking a wave of future consolidations in the

1 payment network sector, which would ultimately harm working
2 people.

3 In conclusion, this merger poses financial risks to
4 consumers and the U.S. credit card market. In addition to
5 the risks of the merger, competition and the stability of
6 our financial system, we strongly urge the regulators to
7 deny this merger application. Thank you for your time and
8 consideration.

9 AMORY GOLDBERG: Sandra Choi, please turn on your
10 camera and unmute yourself. Speaker Choi, you may begin
11 your remarks.

12 SANDRA CHOI: Hello, my name is Sandra Choi. I serve
13 as the Board Chair of EPICENTER Foundation and a member of
14 the Advocacy Alliance for Corporate Social Responsibility.

15 EPICENTER Foundation is a nonprofit organization
16 dedicated to positively impact underserved communities and
17 small minority-owned businesses, like me. We provide
18 programs that empower development, healing, and innovation
19 of community members and help build generation wealth
20 through homeownership.

21 We provide financial education, business development
22 assistance, access to affordable housing resources and
23 advocacy for corporate social responsibility and strive to
24 create sustainable economic opportunities.

25 I oppose the proposed acquisition of Discover

1 Financial Services and Bank by Capital One, and I request
2 the Federal Reserve and the Comptroller to deny their
3 merger application. I have witnessed firsthand the
4 struggles our communities face.

5 At the EPICENTER Foundation, we work with many small
6 businesses and families who already struggle to access fair
7 financial services. I, myself, as a minority small
8 business owner and an immigrant from South Korea to South
9 America and to the United States, I have experienced how
10 critical and many times so difficult it is to have access
11 to capital at an affordable interest rate.

12 However, this merger could lead to even higher
13 borrowing costs and increased debt for our communities.
14 Capital One is known for having some of the highest
15 interest rates among credit card companies.

16 If they acquire Discover, they could raise interest
17 rates for existing Discover customers, making it harder for
18 people to afford loans and manage their debt. Many of our
19 clients at EPICENTER Foundation struggle with securing
20 affordable housing due to low credit scores and high
21 borrowing costs.

22 This merger would likely increase these costs, making
23 it even harder for them to buy homes and achieve financial
24 security. The merger would also significantly reduce
25 competition in the financial service industry, leading to

1 fewer choices for consumers.

2 Capital One's acquisition of Discover Financial
3 Services will create a dominant player in the market,
4 potentially leading to higher fees and reduce benefits for
5 consumers.

6 Thank you for the opportunity to speak and this closes
7 my remarks. Thank you.

8 AMORY GOLDBERG: Joan Brodhead, please turn on your
9 camera and unmute yourself. Speaker Brodhead, you may
10 begin your remarks.

11 JOAN BRODHEAD: Good afternoon. I apologize, that --
12 that is the wrong camera. Here we go. Thank you for the
13 opportunity to provide remarks today. My name is Joan
14 Brodhead, and I am the Chief Strategic Initiative Officer
15 at Community First Fund.

16 Community First Fund is a Community Development
17 Financial Institution serving South Central and
18 Southeastern Pennsylvania, including the greater
19 Philadelphia market. Our organization has been in
20 operation since 1992. And during that time, we have made
21 over \$500 million in loans and investments benefiting
22 low- and moderate-income communities and people of color.

23 Historically, these communities and individuals have
24 been barred from accessing responsible banking services.
25 We are concerned about the merger since as we have heard

1 today, history shows that Capital One has not fully met its
2 prior community agreements.

3 And as a CDFI, we have had limited experience in
4 working with Capital One and only recently collaborated
5 with them in our lending and New Markets Tax Credits
6 programs.

7 With the new announcement of the Community Benefits
8 Agreement negotiated in part by our longstanding partners
9 of Opportunity Finance Network, NALCAB and NeighborWorks,
10 we're eager to learn more about how the funding outlined in
11 the agreement will result in providing meaningful and
12 responsible investments into underserved communities.

13 However, based on the timing of this CBA announcement,
14 we have not had the ability to assess how these benefits
15 will truly support increased financial wellbeing for the
16 communities we serve.

17 We are encouraged that the CBA highlights the role of
18 CDFIs because, as we all know, CDFIs have a long history of
19 ensuring that responsible capital is provided in these
20 communities that have been underserved and by the
21 individuals harmed by predatory financial players.

22 We recommend that the resources provided to CDFIs in
23 this agreement are highly flexible, favorable, and very
24 low-cost, which will allow us to pass on similar benefits
25 to the small businesses, community organizations and

1 affordable housing developers that we finance.

2 We believe CDFIs have a key role as well in holding
3 all parties to this CBA accountable for execution of
4 delivering the benefits. We include that both OFN, NALCAB,
5 other partners and Capital One see that all commitments are
6 fully met.

7 This concludes my remarks. Thank you very much.

8

9 G R O U P 11

10 AMORY GOLDBERG: Joseph McClary, please turn on your
11 camera and unmute yourself. Speaker McClary, you may begin
12 your remarks.

13 JOSEPH MCCLARY: Good afternoon, members of the Federal
14 Reserve Board of Governors and those in the Office of
15 Comptroller of the Currency.

16 I am Joe McClary, and I am the Executive Director of
17 the National Business Education Association. I represent
18 over 14,000 business educators throughout the United States
19 who substantially and directly impact millions of students.

20 Our organization here is not here today to oppose or
21 support the merger of Capital One and Discover.

22 However, we're here to evaluate the potential impacts
23 of this merger.

24 It's imperative to consider the continuation and
25 impact of the Pathway to Financial Success program. This

1 program provides teachers with high free, high quality,
2 research-based educational resources to bring critical
3 financial literacy education to underserved students and
4 their parents.

5 The Pathway to Financial Success program was funded by
6 Discover with more than \$7.5 million over five years. The
7 Pathway to Financial Success, that program has been
8 essential in promoting financial literacy nationwide.
9 Since its inception, the program has reached an estimated
10 6.1 million students, including 487,000 in 2023 alone.

11 The program's website, pathwayinschools.com provides
12 teachers with free, high quality instructional tools for
13 teaching financial literacy.

14 Again, these resources are made available free with no
15 obligation to teachers, students or their families. The
16 program has made significant inroads in Title I schools
17 with 63 percent of the 2,600 schools using the resources in
18 2023 being Title I schools. This indicates that the
19 program is reaching students who need financial education
20 the most.

21 Additionally, 31 percent of schools are in urban areas
22 highlighting the program's inclusive reach. The impact of
23 the Pathway to Financial Success program is evident in
24 testimonials from educators, from parents, and from
25 teachers. These emphasize the importance of early

1 financial education covering topics such as budgeting,
2 investing, debt management and career planning.

3 One parent highlighted the fear of student debt and
4 the necessity of teaching students to manage finances
5 effectively from a young age and we couldn't agree more.
6 Educators echoed this sentiment, stressing the need for
7 age-appropriate materials starting in the fourth grade to
8 build a stronger financial foundation.

9 Approving this merger without ensuring the
10 continuation of this program would be a disservice to
11 millions of students who benefit from these invaluable
12 resources.

13 It's crucial that Capital One Discover remain
14 committed to this program, ensuring not only it continues,
15 but it expands. I urge you to consider the positive impact
16 of this program. Thank you for your time and consideration
17 today.

18 AMORY GOLDBERG: Amanda Kennedy, please turn on your
19 camera and unmute yourself. Speaker Kennedy, you may begin
20 your remarks. Speaker Kennedy, are you able to turn on
21 your camera and unmute yourself? If not, we can move to
22 the next person and come right back to you.

23 Jill Norcross, if you're able to turn on your camera
24 and unmute yourself, Speaker Norcross, you may begin your
25 remarks.

1 JILL NORCROSS: Thank you, good afternoon. Thank you
2 so much for this opportunity.

3 My name is Jill Norcross, and I am the Executive
4 Director of the Northern Virginia Affordable Housing
5 Alliance, a nonprofit organization whose mission is to
6 promote healthy, sustainable and equitable communities that
7 meet the diverse housing needs of Northern Virginia
8 residents. We are in support of the merger with Discover.

9 NVAHA has been a partner of Capital One since 2018.
10 We have been fortunate to receive critical operating
11 support on an annual basis through their impact initiative.

12 We view Capital One not only as a funder of our work,
13 but as a true partner in our mutual goals to advance
14 socioeconomic mobility by advocating for an inclusive
15 society.

16 Our work primarily intersects with Capital One in
17 low- and moderate-income communities as we support the
18 development and preservation of affordable housing in the
19 five major jurisdictions NVAHA serves: Arlington County,
20 City of Alexandria, Fairfax County, Loudoun County, and
21 Prince William County in Virginia.

22 Our organization is in a period of growth and
23 Capital One has supported us as we work together to further
24 affordable housing production along with supportive
25 services as we are aligned in our mission to close gaps in

1 equity and opportunity.

2 In addition, our organization has been invited to
3 participate in Capital One's extensive pro bono program as
4 they are leveraging their human resources and expertise in
5 helping us evaluate a new customer relationship management
6 program, helping us to build critical capacity within our
7 organization.

8 We are proud to share with our community that
9 Capital One is also a sponsor for our fundraising events
10 and Capital One staff also recently joined our
11 organization's leadership council, which is a coalition of
12 industry professionals engaged in affordable housing
13 development, finance, policy and supportive services who
14 serve as advisors for the Northern Virginia Affordable
15 Housing Alliances programs and activities.

16 Finally, Capital One makes it easier for nonprofits to
17 participate as a partner. Their streamlined grants
18 application process is easy to access, and we appreciate
19 our work with the community impact and investment manager
20 as well as our valuable relationships with the senior
21 director of community finance and his team who are so
22 important to our regional work in the affordable housing
23 development field.

24 We are excited to see the impacts of the community
25 benefits agreement we'll have on crucial affordable housing

1 production in our region.

2 Thank you for this opportunity to provide comments
3 about our organization's true and impactful benefits of
4 being one of Capital One's many community partners.

5 We know their commitment to advancing socioeconomic
6 mobility moves beyond words to collective action across the
7 corporation. Thank you.

8 AMORY GOLDBERG: Gabe Scheck, please turn on your
9 camera and unmute yourself. Speaker Scheck, you may begin
10 your remarks.

11 GABE SCHECK: Good afternoon. My name is Gabe Scheck.
12 I am the Chief Advancement and Cities Officer at LIFT. I
13 am here to share more background on longstanding and
14 positive relationship with Capital One.

15 LIFT is a national nonprofit organization that brings
16 economic equity to marginalized communities at scale by
17 redesigning social service systems to treat parents with
18 dignity and trust.

19 Our model breaks the cycle of poverty by investing in
20 families through integrated financial, educational and
21 employment coaching along with direct cash support. It's
22 an investment of hope, money and love reflected in both our
23 program design and our call to action.

24 Our parents set and achieve goals of their own design
25 such as improving credit, eliminating debt or going back to

1 school for a degree or certification that leads to
2 sustained increased income. This direct service model in
3 Chicago, L.A., New York, and D.C. changes lives. It's also
4 an action tank to change systems. We're growing our scale
5 dramatically through capacity building partnerships and
6 advocacy efforts.

7 Generous and sustained philanthropic support from
8 Capital One since 2006 has enabled LIFT to continue to
9 provide our holistic coaching program along with wraparound
10 support to families across the four cities in which we
11 operate.

12 In addition, Capital One support has expanded our
13 model to new partners in Richmond, Virginia and Dallas,
14 Texas. Capital One support was instrumental to ensuring
15 that LIFT was able to transition from an in-person coaching
16 model before the COVID-19 pandemic to a new hybrid model
17 that gives parents more control and agency over their
18 engagement with LIFT.

19 And as a result, we have been able to provide our
20 families with consistent support amid these volatile times.
21 We applaud Capital One's philanthropic commitment to
22 advancing social economic mobility in underserved
23 communities and have strong faith that they'll continue to
24 support Lift and other mission-driven nonprofit
25 organizations to continue their progress post-merger.

1 Thank you so much for the opportunity to share
2 comments.

3 AMORY GOLDBERG: Jennifer Thompkins, can you please
4 turn on your camera and unmute yourself? Speaker Tompkins,
5 you may begin your remarks.

6 JENNIFER THOMPCKINS: Good afternoon. I am Jennifer
7 Thompkins, President and Chief Executive Officer of the
8 Metropolitan Wilmington Urban League, better known as MWUL,
9 an affiliate of the National Urban League working in the
10 state of Delaware to empower people of color for economic
11 self-reliance, parity in civil rights since 1999. Thank
12 you for the opportunity to testify and give comments on the
13 impact Discover Bank has had on our organization and the
14 community.

15 And for the record, these comments are on behalf of
16 the Metropolitan Wilmington Urban League only.

17 I would like to highlight the role Discover Bank has
18 played in the empowerment of many Delawareans, particularly
19 in the area of housing equality.

20 Discover Bank has been a critical partner in advancing
21 our housing programming and ensuring Black and Brown people
22 have equal access to obtain generational wealth through
23 home ownership.

24 The Discover team leading the charge, including Matt
25 Parks, who serves as a member of the Metropolitan

1 Wilmington Urban League Board of Directors, and Amy Walls
2 are all dedicated to the success of Black and Brown
3 communities and have made an indelible impact in the state
4 of Delaware.

5 In the Urban League, we are an organization, but we
6 are also a movement. Oftentimes we see those on the
7 frontline of the movement and often overlook the
8 organizations and champions who supply resources to
9 strengthen the work.

10 In a respected partnership, the Discover team has
11 looked to community organizations like the Urban League to
12 be experts in direct service while they supply financial
13 resources to support the work.

14 If you have studied any movements across the world, it
15 is imperative that mutually respected relationships between
16 frontline organizations and funding partners are key to
17 transform any community. In Delaware, we know the needs
18 are great and Discover Bank's commitment has been
19 unwavering. We also know the impact can be greater when
20 strategic funding partnerships are formed.

21 This is why we stand hopeful if this merger is
22 approved, as it would widen the reach and investment while
23 keeping Discover's community reinvestment brand.

24 In Delaware, Capital One's commitments include to
25 honor Discover Bank's strategic plan through 2029, to

1 contribute \$35 million in philanthropic dollars over five
2 years to Delaware nonprofits, and also a commitment to work
3 with Discover's current CRA team.

4 If this merger is approved, we hope the concerns and
5 voices raised on this call would be considered to create
6 the proper parameters and accountability, and that
7 Capital One upholds its commitment in Delaware and across
8 this country. Thank you.

9 AMORY GOLDBERG: Thank you. We will now have Nicholas
10 Markette. If you can turn on your camera and unmute
11 yourself, Speaker Markette, you may begin your remarks.

12 NICHOLAS MARKETTE: Good afternoon, everyone. I am
13 Nicholas Marquette, a business professional and an
14 education leader and COO of a nonprofit youth soccer club
15 in Phoenix serving over 10,000 youth. I am also a Discover
16 card holder.

17 I'd like to discuss the potential merger between
18 Discover and Capital One and why it's a positive step for
19 the financial industry and for consumers and the people we
20 serve, namely, it will address creating a stronger payment
21 network, increased competition and consumer benefits.

22 Specifically, the merger will strengthen the Discover
23 network through new investment, fostering innovation and
24 merchant services.

25 This means more efficiency and cost-effective

1 transactions for businesses, potentially leading to
2 consumer savings. For my business, this translates to the
3 ability to serve my members more effectively.

4 In regard to increased competition, this bolsters the
5 Discover payment network. This merger will significantly
6 increase market competition. Capital One's large credit
7 card base will give Discover greater transaction volume,
8 challenging major players like Visa and MasterCard.

9 This competition will drive better deals and more
10 innovative products for consumers. As a nonprofit, that
11 means better service for our families. In regard to
12 consumer benefits, the combined resources and technology
13 will result in improved credit card rewards greater access
14 to financial products and enhanced customer service.

15 This synergy will create a more robust
16 customer-centric financial institution, which once again
17 allows us to do what we do more effectively.

18 So finally, this merger promises a more competitive
19 market, expanded payment capabilities and enhanced consumer
20 benefits. It helps the people we serve. So, I urge you to
21 support this merger for the betterment of the financial
22 industry and the consumers and specifically the consumers
23 we serve.

24 As a longtime Phoenix resident, I can attest that both
25 companies are committed to their frontline workers.

1 Specifically, Discover has been one of our major local
2 employers for years and it has a great reputation here.

3 I appreciate your time and your consideration in my
4 comments.

5 AMORY GOLDBERG: Nicole Storm, please turn on your
6 camera and unmute yourself. Speaker Storm, you may begin
7 your remarks.

8 NICHOLE STORM: Hi, my name is Nicole Storm, and I am
9 the Director of Fund Development and Mission Advancement
10 with project:HOMES.

11 Project:HOMES has served more than 40,000 low-income
12 households across Central Virginia with home repair and
13 energy conservation programs. And we count Capital One as
14 a high-impact partner in our mission of improving lives by
15 improving homes. Capital One has been a supporter of ours
16 for more than 15 years.

17 Assuming that our record keeping is accurate, we have
18 received almost \$900,000 in financial support for our
19 programs through Capital One's community investments.

20 At today's average materials cost, that means they
21 have helped us to provide more than 400 of our neighbors
22 with wheelchair ramps so they can safely enter and exit
23 their homes. Capital One's support for our program extends
24 beyond these monetary contributions to improve home safety
25 and accessibility.

1 We estimate that Capital One has provided us with more
2 than 1,500 volunteers engaged in building and installing
3 wheelchair ramps for our community members and providing
4 minor home repairs.

5 One story I'd like to share is about another benefit
6 we have experienced as a Capital One partner. Through
7 their pro bono program, they pair Capital One subject
8 matter experts with nonprofits like us to work on projects
9 and provide us with access to expertise that we could
10 probably not afford on our own. I was able to pair up my
11 data impact analyst with some experts from Capital One to
12 work on a project and my staff member really counts that as
13 one of his favorite experiences with us. That's something
14 that would have been really difficult for us to provide to
15 him without Capital One's partnership.

16 In summary, we greatly value our partnership with
17 Capital One and we hope to have many more opportunities to
18 work with them.

19 Thank you for letting us speak.

20 AMORY GOLDBERG David Anderson, you may turn on your
21 camera and unmute yourself. Speaker Anderson, you may
22 begin your remarks.

23 DAVID ANDERSON: Good afternoon and thank you. My name
24 is David Anderson. I am the President and CEO of Working
25 in Support of Education.

1 We're an educational nonprofit based in New York City
2 and our primary mission is to develop the financial
3 literacy of young Americans and at-risk adults across the
4 country. We have a suite of programs, financial education
5 programs that we deliver to middle high schools and through
6 partnerships with community-based organizations.

7 I am asked to testify today by Discover, and I am
8 delighted to do so. We're a grantee of Discover, a large
9 and grateful grantee. But I will note that in past years
10 we have also been a grantee of Capital One and so I have
11 firsthand experience with both organizations and know that
12 they are very strongly committed both to financial
13 education.

14 It's not an overstatement to say that Discover
15 transformed one of our most important financial literacy
16 programs called MoneyWise. MoneyWise is an initiative that
17 we created in 2009 to provide a pathway to financial
18 independence for domestic violence victims and survivors.

19 Ninety-eight percent of DV victims are victims of
20 financial abuse, and they don't leave an abusive
21 relationship because they lack knowledge and confidence
22 about managing their money. And Discover recognizes that
23 and through the program, we have reached thousands through
24 the program of financial education to DV survivors we have
25 reached thousands of people.

1 The program started, as I said, in 2009 and our
2 strategy was to grow very slowly. Discover was not a
3 funder of ours at that time but then in 2019, we were
4 introduced to them, and they said, how can you really
5 expand this program, and can we help do that? It's an
6 amazing initiative.

7 And so, with a large multi-year funding, they have
8 enabled us to grow the program from four cities and eight
9 partners to 15 cities and 28 partners, and we have just
10 received a new multi-year grant that's going to enable us
11 to grow even further and faster.

12 And it's not just the money they provide, Discover and
13 Capital One before did that as well offer volunteerism,
14 they help us secure partners, they help us with publicity,
15 they are truly committed to financial education and to
16 helping the at-risk segment of the country that we serve.

17 It's a cherished relationship, it's an admirable
18 organization, and I am sure that together Capital One and
19 Discover will continue their commitment to financial
20 education. Thank you very much.

21 VONDA EANES: So I'd like to thank all of our speakers
22 for your comments. We'll now have a short break, and the
23 meeting will resume with group 12 at 3:30 p.m. Eastern.
24 If you are scheduled to speak in Group 12, please make sure
25 you remain logged in to this Webex meeting as you will be

1 elevated to a panelist a few minutes before 3:30.

2 (A brief recess was taken.)

3

4 VONDA EANES: We wish to welcome you back from the
5 break, and we will now begin with Group 12.

6

7

G R O U P 12

8 HARLEY MOYER: Bill Chinn, please turn on your camera
9 and unmute yourself. Speaker Chinn, please begin your
10 remarks.

11 BILL CHINN: Yes. Good afternoon. My name is Bill
12 Chinn, I am the CEO of the DEC Network. We're a 501(c)(3)
13 that works with entrepreneurs. We specialize in
14 entrepreneurs of color and women entrepreneurs.

15 We have been in existence for 11 years, for really all
16 of those 11 years, Capital One has been one of our main
17 sponsors. And while they have really gave us the
18 opportunity to grow into a much larger organization because
19 of their financial contributions, they have always been
20 very significant in helping us with our strategy.

21 They've done numerous pro bono projects to give us an
22 idea of how to grow, and we have certainly grown a lot, and
23 how to focus on entrepreneurs of color and women
24 entrepreneurs.

25 Of particular note was during the pandemic, and we

1 have a large number of different sponsors, but Capital One
2 has been the most persistent and really the most strategic.

3 So, when the pandemic hit, we are an events-based
4 fundraiser. So frankly, our source of income was
5 significantly diminished by the pandemic.

6 And we have become a larger organization, but
7 certainly not with the resources of someone like
8 Capital One. So, in those moments, we were likely a little
9 bit optimistic and did not have the resources to really
10 examine the data.

11 So, we had essentially thought that we should continue
12 with our live events, because that was so integral to our
13 ability to support our entrepreneurs of color and women
14 entrepreneurs. Capital One did a great job of just helping
15 us through that process. They recommended that we switch
16 to virtual events. They thought our timelines were
17 optimistic on how long the pandemic could last.

18 And frankly, every observation they made turned out to
19 be accurate. And again, I think that they are a very
20 thoughtful company, but also with a lot of resources.

21 So not only did they support us as a nonprofit, but
22 really helped shape our plan to support our constituents
23 during that very difficult time.

24 And as you might imagine, Capital One being a bank,
25 dealing with the PPP and the many other things banks had to

1 deal with, I was a little bit surprised that they were able
2 to devote that many resources to a nonprofit.

3 And I will admit, as the CEO, I was a little
4 skeptical. And what they did was sort of elegantly
5 introduce me to other CEOs of nonprofits they supported,
6 who perhaps had a little more experience. And so, they
7 pretty artfully convinced us to change our strategy.

8 We're really grateful for that. I think as an
9 organization, we in fact had a 27 percent increase over the
10 last five years. And certainly, during that period, we had
11 a pandemic. I think that was largely thanks to
12 Capital One.

13 And yes, certainly the dollars are helpful.

14 VONDA EANES: I am sorry. We're at time. If you have
15 additional comments, you're welcome to submit them in
16 writing.

17 BILL CHINN: Thank you.

18 VONDA EANES: Thank you.

19 HARLEY MOYER: Aimée Eubanks Davis , please turn on
20 your camera and unmute yourself. Speaker Eubanks Davis,
21 please begin your remarks when ready.

22 AIMÉE EUBANKS DAVIS: Hello. Can you hear me? Okay.

23 All right. Capital One has been a critical partner to
24 us since 2021. They've been a catalytic partner in helping
25 our organization grow and scale. Braven is an organization

1 that's focused on helping students who are the first in
2 their family to go to college, often with a Pell Grant,
3 which means they come from lower income families, come out
4 of college, and get a job that's worthy of their bachelor's
5 degree, and helps earn them an entire dollar instead of
6 66 cents on the dollar.

7 We have had incredible results over the years, but
8 because of this partnership, they have helped us work now
9 with upwards of 10,000 students across 8 school sites, from
10 New York City to Delaware, to Chicago, to California, to
11 Georgia, and also to Newark.

12 We have been able to work with Hispanic serving
13 institutions and HBCU, so historically Black colleges and
14 universities, as well as schools that are serving students
15 like Northern Illinois University that also has students
16 not only coming from a place like Chicago, but also from
17 rural Illinois.

18 Because of the donations that they have given us over
19 the years, our impact has been catalytic together, and we
20 have been able to watch many students reach the American
21 dream. Without them, there is absolutely no way we would
22 have been able to go into Delaware, and into Delaware State
23 University in particular, which is an HBCU.

24 And because of them, every single Hornet is able to go
25 through the Braven experience, which is a course that leads

1 into a two-and-a-half-year experience after that, where we
2 partner with the school and with students individually to
3 help them either come out of school and get a strong first
4 job worthy of their degree, or they are able to go into
5 graduate school.

6 And so, CAP One has been an absolutely critical and
7 catalytic partner to that, as well as our growth in New
8 York City and Newark and many other places.

9 To date, 315 Capital One employees have engaged with
10 Braven Fellows, so they have provided a really, really
11 critical over 1,300 hours of service, because our model
12 really depends on volunteers as well.

13 So, thanks to them, we have really been able to bridge
14 a gap that was there between colleges and universities, our
15 higher education partners and the world of work, and they
16 have benefited and we have benefited and the country will
17 benefit from this shared value model.

18 And so, I just couldn't be more appreciative of all
19 their support, and I believe that their merger with
20 Discover will just create even more catalytic opportunity
21 and change for the hardworking students that we work with,
22 and for our hardworking university partners that happen to
23 supply some of the most incredible students that have the
24 total potential of reaching the American dream.

25 Thank you so much.

1 HARLEY MOYER: Floyd Miller, please turn on your camera
2 and unmute yourself. Speaker Miller, please begin your
3 remarks.

4 FLOYD MILLER: Yes, sir. Good afternoon. My name is
5 Floyd E. Miller, II. I am the President and CEO of the
6 Metropolitan Business League. The Metropolitan Business
7 League is a nonprofit membership-based organization
8 dedicated to supporting small women and minority-owned
9 businesses through education, training, advocacy, building
10 relationships and providing financial resources.

11 We have been in existence for over 50 years, and we
12 focus mainly on three pillars, one being education, the
13 second being increased procurement opportunities, and the
14 third being access to capital.

15 We are very thrilled to offer our support for this
16 merger between Capital One and Discover. Capital One's
17 contributions have been instrumental in advancing our
18 mission and they are a valuable partner to our mission.
19 Examples of that, during the pandemic, we were able to
20 provide over \$1.5 million in capital to small businesses
21 impacted by COVID as well as social justice demonstrations
22 in the city of Richmond.

23 And because of Capital One, we were able to do that.
24 They've provided pro bono programs to help us with our
25 website. We have a youth entrepreneurship program that

1 they have been able to provide over 40 iPads to the
2 students that participated in that program.

3 And they continue to provide subject matter experts
4 doing our education and curriculums. And so again, we are
5 in support of this merger, and I just want to thank you
6 guys for allowing me the opportunity to share my
7 perspective. Thank you.

8 HARLEY MOYER: June Evans, please turn on your camera
9 and unmute yourself. Speaker Evans, please begin your
10 remarks.

11 JUNE EVANS: Greetings from the Bowie Business
12 Innovation Center. My name is June Evans. I am the
13 Executive Director.

14 I want to thank Capital One and the Federal Reserve
15 Board for an opportunity to express my full support of
16 Capital One's application to acquire Discover. Capital One
17 has provided financial support and strategic engagement to
18 the Bowie Business Innovation Center since 2019. Together,
19 we have launched an award-winning business accelerator
20 called the 8(a) Accelerator. The 8(a) Accelerator assists
21 8(a) certified firms with leveraging their 8(a)
22 certification to grow while participating in the program.

23 The 8(a) Accelerator has been recognized by Congress.
24 It serves as the foundation for the new center of
25 excellence for 8(a) government contracting, a partnership

1 between the Bowie Business Innovation Center and Bowie
2 State University.

3 With Capital One's financial support, we have helped
4 195 socially and economically disadvantaged businesses grow
5 and generate over \$45 million annually in federal
6 contracting and employ over 800 employees throughout the
7 Washington metropolitan area since inception.

8 The Bowie Business Innovation Center is a testament to
9 Capital One's commitment to the communities they serve.
10 They are more than our funder, they are our strategic
11 partner, providing us with pro bono consulting services,
12 funding, and resources to help the 8(a) companies we serve
13 grow. And that concludes my presentation.

14 HARLEY MOYER: Tamika Edwards, please turn on your
15 camera and unmute yourself. Speaker Edwards, please begin
16 your remarks.

17 TAMIKA EDWARDS: Thank you. My name is Tamika Edwards,
18 and I am the Executive Director of Legal Outreach.
19 I speak with enthusiasm. Honored for the opportunity to
20 testify about Legal Outreach's relationship with
21 Capital One and in support of the proposed
22 Capital One-Discover merger.

23 Legal Outreach is a nonprofit college preparatory
24 organization that serves minority, low income, and
25 first-generation youth from underserved communities in New

1 York City.

2 Our mission is to use legal and academic programs to
3 change the educational and career trajectories of these
4 populations. For four years, Capital One has been a major
5 sponsor of Legal Outreach's programs and has helped us
6 advance our mission primarily by helping us to fill the
7 gaps that exist in the lives of the populations we serve.

8 Specifically, we seek to fill the outlook, academic
9 achievement, exposure, support, and college matching gaps,
10 to name a few.

11 Since 2020, Capital One has been a true sponsor in
12 name and deed. Capital One has hosted a number of
13 professional exposure workshops where several of their
14 volunteers share educational and professional journeys with
15 our students, after which they give our students an
16 opportunity to experience a day in the life of a
17 professional at Capital One by allowing them to work on a
18 case study and receive feedback. Capital One attorneys
19 have also led speed networking events for ninth graders in
20 our Summer Law Institute.

21 Students learn how to engage professionals and were
22 introduced to college and career opportunities that align
23 with their interests.

24 In addition, some of the Capital One attorneys have
25 also made longer term commitments by becoming mentors in

1 our debate and mentoring program, which is a three-year
2 commitment. Capital One's engagement with our students has
3 undoubtedly resulted in their matriculating and thriving at
4 some of the nation's most competitive colleges and
5 universities, including Yale, Columbia, Brown, and
6 Swarthmore, to name a few.

7 Capital One has proven to be an exemplary financial
8 institution that is committed to excellence in the industry
9 and that cares deeply about the communities it serves. It
10 was even a pleasure to meet and speak to Andy Navarrete,
11 Executive Vice President and Head of External Affairs at
12 Capital One's networking event, where he listened to the
13 needs of the community-based organizations that were
14 present.

15 We hope that the Fed and OCC will also recognize the
16 critical role that Capital One plays in the financial
17 industry and community and approve the proposed Capital One
18 Discover merger.

19 Thank you. This concludes my remarks. Thank you.

20 HARLEY MOYER: Anne Love, please turn on your camera
21 and unmute yourself. Speaker Love, please begin your
22 remarks.

23 ANNE LOVE: Good afternoon. Thank you so much for
24 having us all here today. My name is Anne Love. I am the
25 Executive Director of Meals on Wheels Delaware. We're a

1 501(c) not-for-profit in the state of Delaware who raises
2 funds and awareness for the Meals on Wheels programs that
3 deliver across the state.

4 Delaware is proud to say that they are one of the few
5 states that actually don't have a waiting list for a
6 home-delivered meal, and that's really due to a very robust
7 public-private partnership and strong community commitment.
8 Meals on Wheels Delaware is proud of our record over the
9 past 25 years in raising funds and awareness for the Meals
10 programs.

11 This would not be possible without contributions from
12 all sectors of the community, including corporate
13 citizenship. Capital One, who we are talking about here
14 today, has consistently been one of the largest supporters
15 of Meals on Wheels over the years. We have a strong
16 relationship as trusted partners with numerous points of
17 engagement.

18 Prior to the pandemic, Capital One had a strong
19 volunteer presence as meal delivery volunteers.
20 Post-pandemic, they continue to volunteer with us with pro
21 bono consulting and help with data management. Grants from
22 the Capital One Impact Initiative have directly supported
23 homebound meals and essential equipment to prepare,
24 package, and deliver those meals.

25 They are also one of the organizations that are

1 comfortable to support technology upgrades, and we all know
2 right now how important technology is in remaining
3 efficient and responsive to the communities that we serve.

4 Funds raised through events are a key income stream
5 for our organization, and corporate sponsorships anchor
6 those events and enable additional revenue to be generated
7 from attendee contributions, and we are grateful to
8 Capital One for their long commitment to us through
9 sponsoring our events.

10 We do understand that Capital One has made a
11 commitment to continue corporate philanthropy at a level of
12 the combined total of the individual organization's
13 pre-merger. We currently have support from both
14 Capital One and Discover at event sponsorships in different
15 parts of the states with different events, so we are urging
16 Capital One to honor the commitment to remain at the same
17 level of philanthropy between Capital One and Discover and
18 all the communities they serve.

19 We ask them to remember that for the most vulnerable
20 members in our society and those with the least resilience,
21 some of them low-income seniors that we serve personally,
22 any decrease is a large impact to their life and quality of
23 life.

24 Given that, we thank both Capital One and Discover for
25 their record of community engagement and support, and we

1 support the merger. I look forward to a continued strong
2 relationship with Capital One. Thank you for hearing us
3 today.

4 HARLEY MOYER: Antwon Brinson, please turn on your
5 camera and unmute yourself. Speaker Brinson, please begin
6 your remarks.

7 ANTWON BRINSON: Hi, my name is Antwon Brinson. I am
8 the CEO and Founder of Culinary Concepts AB. I have had
9 the pleasure --

10 VONDA EANES: Pardon me, Speaker Brinson, could you
11 turn on your video, please?

12 ANTWON BRINSON: Oh, I am sorry.

13 VONDA EANES: Thank you.

14 ANTWON BRINSON: Yes. Okay. All right. Hi, my name
15 is Antwon Brinson. I am the Owner and Founder of Culinary
16 Concepts AB, which is a social entrepreneurship located in
17 Charlottesville, Virginia.

18 For the last two years, my organization has had the
19 pleasure of working with Capital One through our
20 Entrepreneur Empowerment Program. This program gives
21 entrepreneurs the opportunity to go through a hospitality
22 training program that connects them to low-interest loans
23 once they complete the program.

24 This program would not be possible without partners.
25 This program is in partnership with an organization called

1 Hatch, which provides entrepreneurs a space to be able to
2 produce their goods.

3 And working with a nonprofit called Bridging Virginia,
4 they are able to connect to loanships for loans between
5 1 percent to 3 percent and up to \$100,000 to be able to
6 grow their business.

7 Because of Capital One, entrepreneurs are able to do
8 the program and not just go through our program, but also
9 connect to resources such as media, resources such as other
10 business resources that allow them to be able to scale over
11 time. Capital One is an intricate part of the ecosystem,
12 the entrepreneur ecosystem here in Richmond.

13 And I am in full support of this merger. Thank you.

14 HARLEY MOYER: Timothy Henkel, please turn on your
15 camera and unmute yourself. Speaker Henkel, please begin
16 your remarks.

17 TIMOTHY HENKEL: Good afternoon. My name is Timothy
18 Henkel. I am the President of Pennrose, LLC. Pennrose is
19 a for-profit affordable housing owner, manager, and
20 developer of affordable housing developments across the
21 country. We maintain a footprint of our portfolio that
22 ranges from regional offices in Boston, New York,
23 Philadelphia, Atlanta, Baltimore, Houston, and Denver.

24 As an affordable housing developer and owner, we
25 partner with a plethora of nonprofit supportive services

1 partners and community active groups. We own a portfolio
2 of approximately 15,000 units serving a lower income
3 population and continue to execute developments on the
4 order of 15 to 20 properties and 2,000 units per year. In
5 total, we estimate that we house over 50,000 people across
6 the country.

7 We engage with Capital One through the Low-Income
8 Housing Tax Credit Program, the Federal Low -Income Housing
9 Tax Credit Program, which is the most prolific affordable
10 housing production program that our country offers.
11 Capital One is a frequent investor in our projects, having
12 done over 10 projects a year and typically one to two in
13 each particular calendar year.

14 Those investments range from 10 to \$20 million on
15 average and are the lifeblood of our ability to produce
16 affordable housing within the industry. The intersection
17 of the underserved populations that they seek to serve
18 through their community benefits plan and our resident
19 population in the lower income populations is pretty much
20 direct.

21 Capital One will continue to be an investor and lender
22 in our projects in the future. We view the merger with
23 Discover as an opportunity to expand that relationship to
24 continue to benefit from their meaningful execution of
25 transactions of great complexity on behalf of a very worthy

1 goal.

2 So, we are both in favor and grateful to Capital One
3 for their past, present and future involvement in very
4 important projects across the country with Pennrose and
5 others within our industry. Thank you for the opportunity
6 to provide remarks.

7 HARLEY MOYER: Amy Kim, please turn on your camera and
8 unmute yourself. Speaker Kim, please begin your remarks.

9 AMY KIM: Good afternoon. Thank you for the
10 opportunity to speak before this group. My name is Amy
11 Kim, and I am the Executive Director for the Greater
12 Richmond Bar Foundation based in Richmond, Virginia.

13 The Greater Richmond Bar Foundation is a small
14 nonprofit with annual revenues of about \$350,000 and three
15 steps. Our mission is to help attorneys do pro bono or
16 free legal service. And our vision is for all Virginia
17 attorneys to perform pro bono so that people and
18 organizations that can't afford to pay for legal services
19 can still access assistance for their basic legal needs.

20 Capital One has been at the forefront of legal pro
21 bono enrichment for many years. It was a founding member
22 of firms in service and made a public commitment to support
23 pro bono service both financially and with donated service
24 hours.

25 And the company has fulfilled this commitment many

1 times over. In addition to substantial financial support,
2 Capital One staff helped to design and build Justice
3 Server, a technology platform that provides statewide case
4 management for legal aid as well as a portal for pro bono
5 volunteers. Capital One staff is also deeply engaged in
6 direct service to low-income clients.

7 Attorneys and other staff members volunteer hundreds
8 of hours every year, assisting with legal matters, ranging
9 from preparing wills for cancer patients to facilitating no
10 fault divorces to advising homeless clients about their
11 legal rights. They've assisted legal aid offices with
12 triage efforts and provide legal support to artists and
13 nonprofits. They have also argued pro bono appeals on
14 behalf of prisoners about prison conditions.

15 Not only do Capital One legal staff do the work of
16 directly serving low-income clients, the company constantly
17 looks for opportunities to innovate and improve systems and
18 increase the impact of legal aid programs.

19 In fact, Capital One recently awarded my organization
20 a grant of \$200,000 for our eviction diversion program in
21 Richmond with the goal of supporting efforts to modernize
22 and innovate eviction reduction efforts and support
23 affordable housing. Given our size, the grant has the
24 potential to transform our efforts to reduce evictions in
25 Richmond.

1 Our partnership constantly pushes us to think bigger
2 and look for ways to make our programs better.
3 Capital One's support of pro bono and pro-social behavior
4 and investment in local communities models good corporate
5 citizenship. We're delighted to work with such an
6 excellent and collaborative partner.

7 And if the merger is approved, I have no doubt that
8 Capital One will continue its support of and commitment to
9 the community. Thank you for the opportunity to provide
10 input. That concludes my remarks.

11 HARLEY MOYER: Jeremy Tillman, please turn on your
12 camera and unmute yourself. Speaker Tillman, please begin
13 your remarks.

14 JEREMY TILLMAN: I am Jeremy Tillman, Founder and CEO
15 of TrainUp.com and KnowledgeFlo. We focus on learning and
16 development and training solutions. More than 50,000
17 companies have purchased training from us, including 95
18 percent of the Fortune 500.

19 I really believe that learning is the one thing that
20 can take someone from where they are today and help them
21 get to where they want to be tomorrow.

22 That's definitely been my story. As a kid who grew up
23 in public housing, my dad passed away early, my mom
24 struggled with substance abuse. We lived on welfare, food
25 stamps, and about \$600 a month in child support.

1 And when less than 5 percent of the people in my
2 neighborhood went to college, all of my household did. And
3 that's because my mom valued education. It wasn't because
4 of lower interest rates.

5 I am all for keeping the combined organization
6 accountable and hopefully it will be easier to do that when
7 you have one versus two.

8 But two things that I think are important is education
9 and innovation. There are very few banks that are more
10 tech focused than Capital One.

11 TrainUp.com is committed to equitable learning
12 solutions that scale in impact. And Capital One has been a
13 part of our growth with their Catapult program, was a
14 training program I was a part of 10 years ago. And we have
15 been working with them for years to continue that.

16 Also, they have this Capital One Business Deals,
17 which is basically giving small businesses scalability.
18 Think about a small business that has to go to FedEx or UPS
19 to print things out or ship things. Because small
20 businesses don't have that much scale, they may be paying a
21 lot more.

22 Capital One's program allows them to get discounts at
23 the scale that Capital One would get. So that alone saved
24 our business more than what we would -- on interest. And
25 it was originally for Spark credit card holders and now

1 it's for every business scale.

2 If we continue to have banks operate under the same
3 systems of banking, what will change? I mean, most of the
4 top five or six banks were founded at a time in this
5 country where someone like me was viewed based on the color
6 of my skin. Technology is shaping our world.

7 I have been to more than 30 countries, blessed to do
8 that. And I am experiencing innovations in finance and
9 payments all over the world, including India, that far
10 surpassed the United States.

11 So, a larger, more innovative tech-focused bank held
12 accountable with the track record of impacting and
13 partnering with local communities, I am fully in favor of
14 that. We need a bank that's willing to innovate and
15 partner and place resourceful local organizations that are
16 on the ground doing great work to impact those who are
17 often overlooked.

18 And again, for me, if we don't innovate in learning
19 and education, we're not going to reach all the people
20 we're worried about being impacted by debit in their
21 exchanges. So, I am all for it. Thanks again.

22

23

G R O U P 13

24

25

HARLEY MOYER: Herbert Ames, please turn on your camera
and unmute yourself. Speaker Ames, please begin your

1 remarks.

2 VONDA EANES: Speaker, we're unable to hear you at this
3 point.

4 AMORY GOLDBERG: There's a little unmute button next to
5 the start video button. And if you just click on that,
6 unmute should work. We're still unable to hear you. So,
7 what we'll do is we'll have our technical team contact you
8 during the break at approximately 4:40 p.m., and we can
9 work with you to get your audio working at that time. If
10 you can email me, Amory Goldberg, your phone number, we'll
11 make sure someone reaches out. Thank you. And I will
12 locate your email as well.

13 HARLEY MOYER: We'll move on to Charlie Vincent.
14 Charlie Vincent, please turn on your camera and unmute
15 yourself. Speaker Vincent, please begin your remarks.

16 CHARLIE VINCENT: May it please the panel. My name is
17 Charlie Vincent, and I am Executive Director of Spur
18 Impact, a 501(c)(3) nonprofit organization based in
19 Wilmington, Delaware.

20 Our mission at Spur Impact is to foster connections
21 for emerging leaders to spur community involvement. We
22 envision becoming the premier hub for developing, engaging,
23 and inspiring tomorrow's leaders by fostering connections
24 with individuals, nonprofits, and businesses to promote
25 growth.

1 Each year, Spur Impact's programs help raise millions
2 of dollars for Delaware's nonprofits and strengthen the
3 talent pipeline of future leaders in our state. I speak
4 today on behalf of Spur Impact and from our extensive
5 experience working with both Capital One and Discover over
6 the past eight years.

7 In the last four years alone, this collaboration has
8 enabled Spur Impact to engage tens of thousands of
9 individual donors, raising more than \$10 million in
10 unrestricted funding for over 800 nonprofits across
11 Delaware.

12 Unrestricted funding is critical to ensure that
13 nonprofits have the resources necessary to be innovative
14 and responsive to community needs, and the support received
15 from Capital One and Discover has enabled us to grow our
16 capacity to support nonprofits that are meeting the needs
17 of Delaware's most vulnerable.

18 We are grateful for the partnerships with Capital One
19 and Discover and appreciate how their contributions of
20 time, talent, and funding have enhanced the culture of
21 philanthropy and individual giving in our state.

22 Spur Impact supports the proposed merger between
23 Capital One and Discover. Our support stems from our
24 positive experiences with both financial institutions and
25 the benefits seen by other nonprofits that have received

1 funding from these entities.

2 The longstanding and robust commitment of both
3 organizations to the Delaware nonprofit community is
4 significant, and we are pleased for the commitment that
5 Capital One has published that demonstrates their support
6 for Delaware and other markets.

7 Both financial institutions share common philanthropic
8 goals, focusing on financial health, food insecurity,
9 workforce development, affordable housing, small business
10 development, and entrepreneurship, all of which are
11 important needs in the state.

12 We are optimistic about the potential of a combined
13 Capital One and Discover entity and look forward to the
14 enhanced support and resources it can provide to the
15 nonprofit sector and the communities that we serve in
16 Delaware. Thank you. This concludes my remarks.

17 HARLEY MOYER: Twana Billeaudeau, please turn on your
18 camera and unmute yourself. Speaker Billeaudeau, please
19 begin your remarks.

20 TWANA BILLEAUDEAU: Good afternoon. I am Twana
21 Billeaudeau, Chief Operations Officer for the Bank and
22 Trust, which is headquartered in Del Rio, Texas, which sits
23 along the Texas-Mexico border.

24 Our bank opened its doors in 1910, and I have been
25 fortunate enough to be part of the team for the last 31

1 years. We are a \$530 million community bank with locations
2 in six markets across Southwest Texas, two of which -- two
3 of our markets house United States Air Force bases, and we
4 currently offer consumer and commercial Discover debit
5 cards.

6 As a community bank and a longtime Discover debit card
7 issuer, we support the merger of Discover and Capital One.
8 We believe the merger will strengthen Discover's ability to
9 better support the needs of our local business customers.
10 It will improve competition within the card sector, and we
11 believe the outcome will overall be favorable for our
12 customers.

13 Over the past 10 years, acceptance internationally and
14 on U.S. Air Force bases has been a challenge. We believe
15 the introduction of Capital One's Discover cards into the
16 market will dramatically improve merchant acceptance for
17 our cardholders, specifically those that travel from our
18 sister city, Ciudad Acuña, Mexico, daily, and for our
19 active duty and retired military personnel.

20 Additionally, technology providers will be compelled
21 to support the Discover network, just like Visa and
22 MasterCard are supported today, providing our cardholders
23 equal treatment.

24 We believe the merger of these two companies will
25 provide consistent software and hardware upgrades, making

1 for a smoother cardholder experience for our customers.
2 When I see our customers out in the community, I call them
3 by name because I know who they are.

4 We chose to do business with Discover because that's
5 how they treat us. They know who we are. We are not just
6 another number to them. Discover understands customer
7 service, and this merger allows us to provide a greater
8 level of service to our customers.

9 For all of these reasons, we again support the
10 Discover Capital One merger. This deal is a win for our
11 bank, for our customers, and all the communities that we
12 serve.

13 And I thank you for the opportunity to speak today,
14 and I truly appreciate your time. Thank you.

15 HARLEY MOYER: Nicole Pasquinelli, please turn on your
16 camera and unmute yourself. Speaker Pasquinelli, please
17 begin your remarks.

18 NICOLE PASQUINELLI: Hello, my name is Nicole Kacor
19 Pasquinelli, and I am an entrepreneur and the CEO of
20 Chicago Elite Volleyball Club, LLC. We have been in
21 existence for just shy of 20 years. I am a Chicago native,
22 and my husband, and I are also Discover card members.

23 Chicago Elite Volleyball Club is one of the leading
24 private volleyball organizations in the Chicagoland area,
25 fielding over 100 teams, a year-round youth academy, summer

1 camps, clinics, lessons, a beach volleyball program, and we
2 have over 2,500 unique child athletes ranging in ages six
3 to 18. We also employ a staff of over 110 coaches and
4 administrators.

5 Our organization is dedicated to promoting and
6 facilitating the growth of volleyball. Chicago Elite's
7 goal is to train each of their players to play at the next
8 level, and establish our core values of discipline, hard
9 work, teamwork, and commitment.

10 We recognize that, to an extent, cost constrains the
11 growth, as the parents of our players must consider the
12 investment in their child's volleyball experience in the
13 context of the family's overall budget. Most of our
14 parents pay their club dues and other expenses with a
15 credit card, while some pay with debit cards, the vast
16 majority use credit cards.

17 Discover Network has a very competitive fee structure.
18 When I look at my customers' statements and our statements
19 as our business as a whole, my sense is that their cost of
20 credit card acceptance is approximately 10 percent lower
21 for dues paid with the Discover card versus other credit
22 cards. Those savings help our customers and families
23 tremendously.

24 I think the merger will directly benefit my business
25 and ultimately benefit our players and their families,

1 because as Capital One moves more credit cards into
2 Discover's network, more of our credit card transaction
3 will process at Discover's competitive rates.

4 Ultimately, this merger will help our mission to
5 expand the reach and popularity of volleyball, as well as
6 continue to provide a screen-free, healthy environment for
7 young players to focus on and improve their physical and
8 mental health.

9 Furthermore, as the Discover Network becomes more of a
10 competitor on the market, I expect that the increased
11 competition will result in lower fees for all of our credit
12 card payments.

13 In addition, as I mentioned previously, my family is
14 also a Discover cardholder. We absolutely love the
15 product, and the U.S.-based customer service is without
16 comparison. I am hopeful that this merger will result in
17 great U.S.-based customer service culture that Discover has
18 already built.

19 Finally, I am a Chicago native and grew up on the
20 south side of Chicago. I followed the press around
21 Discover's investments in the Chatham area, and was very
22 pleased to hear that Capital One remains committed to
23 Chicago and the south side of Chicago in Chatham.

24 The Discover Customer Care Center, located at
25 8600 South Cottage Grove, is just a mere seven miles from

1 when I grew up.

2 In summary, I am very supportive of the merger between
3 Discover and Capital One.

4 In general, mergers help drive innovation and
5 competition in the economy, and it will also hopefully help
6 small businesses like myself. Thank you.

7 HARLEY MOYER: Richard Roberts, please turn on your
8 camera and unmute yourself. Speaker Roberts, please begin
9 your remarks.

10 RICHARD ROBERTS: Hello, my name is Richard Roberts. I
11 am trying to turn my camera on. Well, I am Richard
12 Roberts. I am a Principal Managing Director at Red Stone
13 Equity Partners. We are a LIHTC syndicator with over
14 \$10 billion of LIHTC equity under management, featuring
15 projects in 48 states, the District of Columbia, and
16 Puerto Rico.

17 Our relationship with Capital One goes back to 2008.
18 And since that time, we, along with Capital One, have
19 invested in 263 properties consisting of over 20,500 units
20 of housing.

21 And the principal states in which we have been active
22 have included California, North Carolina, New York, Texas,
23 and Virginia. And in those states, they have combined for
24 116 of those 263 properties. Of our 65 investors,
25 Capital One is our third largest investor by volume, and we

1 have invested almost \$800 million with Capital One in a
2 variety of different formats.

3 One notable project that I will mention is a project
4 that we did in New York City, a project called Landing Road
5 in the South Bronx. That project closed its financing in
6 2015 and was completed in 2018. It was the new
7 construction of 136 units of permanent housing alongside
8 and in the same building as a 200-bed transitional shelter
9 for working homeless adults.

10 This was the first deal created under the New York
11 City Homestretch Housing Pilot Program that co-locates and
12 co-finances permanent housing and shelter facilities,
13 creating a true housing continuum for people moving from
14 homelessness to permanent housing in a single location.
15 The project was very innovative.

16 We continue to look at those types of projects with
17 Capital One, and we wholeheartedly support this merger
18 because we believe the combined entities will continue to
19 be committed to this important work. Thank you very much.

20 HARLEY MOYER: Aaron McClung, please turn on your
21 camera and unmute yourself. Speaker McClung, please begin
22 your remarks.

23 AARON MCCLUNG: Good afternoon. My name is Aaron
24 McClung, Chief Development Officer of Feed More in
25 Richmond, Virginia. Feed More is the region's largest

1 hunger relief organization, serving 29 counties and five
2 cities.

3 Today, I will be sharing the remarkably positive
4 impact that Capital One has had on our community through
5 their partnership with Feed More.

6 As one of the region's largest employers, thousands of
7 Capital One associates have volunteered with Feed More.
8 In fact, they volunteer more than any other corporate
9 partner in our area.

10 So far this year, over 1,000 hours have been invested
11 by Capital One associates in food preparation, packaging,
12 and distribution for weekend backpacks, kids' cafes, as
13 well as taking care of our seniors through our Meals on
14 Wheels program. Since Feed More only has 100 employees, we
15 rely on over 200 volunteers a day. So simply, we would not
16 be able to function without the help of Capital One.

17 And while I am not only representing Feed More, I know
18 that many of our nonprofits in our community feel the same
19 way. In addition to direct volunteering in our food
20 operations, Capital One has provided significant pro bono
21 consulting free of charge.

22 Recently, a team of Capital One associates comprised
23 of business analysts and data scientists volunteered to
24 assist us.

25 The collaboration on exploring data sets that could

1 better predict food insecurity at a zip code level,
2 something that we had not previously been able to do.
3 Capital One associates working alongside our team built a
4 model that better assesses food insecurity based on a
5 variety of disparate data sets, many of which were under
6 leveraged in a national meal gap model. Feed More now has
7 the tools and visualization techniques to better understand
8 geo-specific client need.

9 Since Feed More distributes over 37 million pounds of
10 food and works with approximately 400 distribution
11 organizations serving over 200,000 people, this work has
12 had a significant impact on our organization. These
13 advancements are reshaping our operational strategy, saving
14 us hundreds of thousands of dollars annually, advancing our
15 understanding of food insecurity and help us more equitably
16 serve individuals struggling with hunger.

17 In regards to contributions, Capital One has provided
18 grants to Feed More over the years totaling hundreds of
19 thousands of dollars and routinely host food drives to
20 benefit local food pantries.

21 These funds have been used to expand our reach within
22 our service area, expand our facilities and launch new
23 programs.

24 In short, Capital One's commitment to the community
25 and innovation is profound and positive, and we are in

1 favor and happy to support this bank merger. Thank you for
2 your time.

3 HARLEY MOYER: Michael LaPidus, please turn on your
4 camera and unmute yourself. Speaker LaPidus, please begin
5 your remarks.

6 MICHAEL LAPIDUS: Hello. My name is --

7 VONDA EANES: Speaker LaPidus?

8 MICHAEL LAPIDUS: Okay. Hello, my name is Michael
9 LaPidus, and I am an entrepreneur and longtime restaurant
10 owner. I built my career on disrupting the norms in the
11 restaurant industry and pride myself on delivering
12 excellent customer service and experiences to my customers.

13 Thanks for giving me the opportunity to speak about
14 why I believe the merger between Discover and Capital One
15 is beneficial for small businesses like me.

16 I came into the restaurant industry at 24 as a
17 franchisee with a rolled sandwich place. I had no idea
18 what I was doing. I was told which merchant system to use
19 and how to operate it.

20 But over time, I found and expanded more restaurants
21 taking with me the mantra that challenging the status quo
22 and innovating is the only way to succeed.

23 The bottom line for me is that valuing relationships,
24 loyalty, and strong partnerships can pay dividends over
25 time.

1 Discover has been one of my key partners on this
2 journey. They made me feel valued and provided real
3 support unlike the old guard in the industry who often feel
4 out of touch, slow to adapt, and impersonal.

5 It's no secret that in the restaurant industry,
6 margins are tight. Credit card fees can make or break a
7 restaurant. And it's also no secret that processing fees
8 can eat up profits for an individual restaurant. Merchants
9 have to treat processing fees as a potentially huge expense
10 and the lack of competition in the space can hurt
11 merchants.

12 With Discover, their lower fees mean a world of
13 difference for us. Discover's been a disruptor in the
14 payments industry and they have always emphasized excellent
15 customer service and innovation.

16 I have tried to do the same in my businesses and they
17 have given me the support all along the way. This merger
18 with Capital One represents a significant leap forward.
19 Together, they can scale their operations and challenge the
20 dominance of the two major players in the space, creating
21 better terms and conditions for small businesses.

22 By adding more material volume to their network, they
23 can offer better terms, lower costs, and superior service.
24 This isn't just about merging two companies. It's about
25 creating a powerhouse that can challenge the status quo and

1 bring more innovation and better support to small
2 businesses.

3 I have always believed that you must love your
4 customers more than your product and your staff more than
5 your customers. This philosophy trickles down into better
6 sales and overall experience to Discover and Capital One
7 share this mentality. It is -- they understand that
8 supporting small business means more than just --

9 VONDA EANES: Speaker LaPidus?

10 MICHAEL LAPIDUS: Yes?

11 VONDA EANES: I am afraid we're at time. If you have
12 additional comments, you're more than welcome to submit
13 them.

14 MICHAEL LAPIDUS: Thank you for your time.

15 VONDA EANES: Thank you.

16 HARLEY MOYER: Ibrahima Souare, please turn on your
17 camera and unmute yourself. Speaker Souare, please begin
18 your remarks.

19 IBRAHIMA SOUARE: Well, thank you and good afternoon.
20 My name is Ibrahima Souare, and I am the Executive Director
21 of New York Professional Advisors for Community
22 Entrepreneurs, commonly known as NYPACE.

23 Today, I virtually stand before you all to express our
24 steadfast support for proposed merger between Capital One
25 and Discover.

1 Over the last decade, NYPACE has been dedicated to
2 empowering growth-ready under-resourced entrepreneurs from
3 underserved communities through business mentoring,
4 education, and development.

5 Over the years, we have supported over 400
6 entrepreneurs, pairing them with over 1,000 volunteer
7 professionals from top corporations across the New York
8 City metro area in finance, accounting, legal, tech,
9 management, consulting sectors.

10 These partners have been instrumental in helping our
11 entrepreneurs overcome market barriers and access to
12 economic opportunities that paved the way for success.

13 Corporate funding is crucial to our mission, and we
14 have been fortunate to receive significant support from
15 Capital One.

16 This partnership has allowed NYPACE to expand our
17 reach and impact, enabling us to deliver our premier
18 programs such as the eight-week Entrepreneur Flagship,
19 Sprint's Day of Service, and various learning workshops.
20 Thanks to Capital One's backing, we have empowered
21 entrepreneurs to scale their business, generate jobs, and
22 build generational wealth within their communities.

23 The merger that is proposed between Capital One and
24 Discover holds immense promise. We believe in the union
25 will enhance Capital One's capacities to further invest in

1 impactful organizations like NYPACE, driving transformative
2 benefits for consumers, communities, and stakeholders
3 alike.

4 Both institutions have a proven track record of
5 positive customer service, innovation, and financial
6 inclusion, particularly among underfunded and underserved
7 audiences. Their combined resources will significantly
8 bolster support for entrepreneurs seeking financial aid and
9 guidance, marking a game changer for communities and
10 stakeholders, including us here at NYPACE.

11 On behalf of my entire board and staff team of NYPACE,
12 we unequivocally support this merger. We are confident
13 that it will further the mission of both organizations,
14 fostering greater economic inclusion and prosperity for
15 all. Thank you for your time and attention.

16 HARLEY MOYER: Yanki Tshering, please turn on your
17 camera and unmute yourself. Speaker Tshering, please begin
18 your remarks.

19 VONDA EANES: Speaker Tshering, are you able to turn on
20 your video and your audio? We're unable to hear you.

21 AMORY GOLDBERG: I will reach out to you with my email.
22 Yeah, I think --

23 YANKI TSHERING: Can you hear me now?

24 AMORY GOLDBERG: Yes. That's fine.

25 YANKI TSHERING: Can you hear me now? Sorry about

1 that.

2 AMORY GOLDBERG: We can hear you. We can hear you.

3 YANKI TSHERING: Okay. And I think, yes, and I did
4 turn on my video. Thank you. Normally, I am in my office,
5 but I am on vacation here in beautiful Santa Fe.

6 I am Yanki Tshering, Executive Director of Accompany
7 Capital, a New York-based CDFI that works with micro and
8 small businesses. And it's my pleasure today to speak on
9 behalf of support of Capital One's acquisition of Discover.

10 So, Accompany Capital, we create pathways to
11 prosperity for New York area immigrant refugee, underserved
12 entrepreneurs, supporting them with access to affordable
13 credit. And we make loans that range as small as \$1,000 to
14 up to \$350,000, provide financial education, training in
15 technology, and best business practices.

16 We could not provide these much-needed services
17 without the support of funders like Capital One who have
18 been a steadfast partner for over 15 years. You know, I am
19 thinking back to the fall of 2008 when we went through a
20 very -- we had a crisis period when our umbrella
21 organization had closed down very suddenly.

22 Capital One's Vice President of Community Development
23 then helped us to organize board of directors, raise the
24 funds to keep our organization solvent.

25 And then during this time and since then, Capital One

1 has continued to provide grants and time so that we can
2 strategize, leverage resources, and continue to serve our
3 clients.

4 Just as an example of what we have been able to do
5 since we could continue to be in existence, in fiscal year
6 2023, we worked with over 15,000 businesses, made loans of
7 \$9 million, created 189 full-time jobs, saved over
8 1,107 jobs, and provided 5,500 hours of advisory services
9 to over 700 entrepreneurs.

10 So, I am really grateful to be able to testify in
11 support of Capital One's acquisition of Discover, and thank
12 you for your time.

13 HARLEY MOYER: John Patton, please turn on your camera
14 and unmute yourself. Speaker Patton, please begin your
15 remarks.

16 JOHN PATTON: Thank you. My name is John Patton, and I
17 am the CEO and Founder of StreetCharity.org.
18 StreetCharity.org is a nonprofit organization based in
19 Atlanta, Georgia that addresses hunger and food insecurity
20 all across the United States.

21 It's a completely unique prepaid solution that allows
22 charitable individuals to hand out \$5 preloaded cards to
23 homeless and hungry people who approach asking for food.

24 These cards can be redeemed at any fast-food
25 restaurant that accepts Discover, and only at such

1 restaurants, so they cannot be misused for purchases other
2 than food.

3 Our program brings food along with dignity to the
4 homeless and the hungry by allowing them the power of
5 choice. They can decide what they want to eat, where they
6 want to eat it, and when they want to eat.

7 If the card is lost for any reason or is somehow not
8 redeemed, the funds on the card expire and are sent to food
9 banks across the country, so when people hand them out,
10 they have confidence that somebody is going to get fed.

11 There has absolutely never been a prepaid solution
12 like this before, and it was made possible in very large
13 part because of our partnership with Discover. They are an
14 innovative company, period. They have supported our work
15 financially with donations, as well as critical network
16 partners in the fintech industry.

17 I strongly support the merger of Capital One and
18 Discover because of how they embrace innovation and support
19 their nonprofit partners. I believe that this merger will
20 bring a greater selection of products and services to our
21 donors and to the greater public. Our country and the
22 world need solutions like Discover brings.

23 Lastly, I'd just like to say that we are going to
24 continue to grow and have innovation needs, evolving
25 payment solutions, and together, I believe these companies

1 will provide those to us and expand our services to hungry
2 people everywhere. Thank you for allowing me these
3 remarks.

4 HARLEY MOYER: Delegate Rodney Willett, please turn on
5 your camera and unmute yourself. Delegate Willett, please
6 begin your remarks.

7 DELEGATE WILLETT: Good afternoon. Thank you for the
8 opportunity to speak today. My name is Rodney Willett, and
9 I represent the 58th District in the Virginia House of
10 Delegates. There are 900 Capital One associates and their
11 families who live in my district. My district is very
12 close to Capital One's West Creek campus -- is a longtime
13 community resident. I have watched Capital One grow into
14 one of the largest private employers. There were 13,000
15 associates in Central Virginia.

16 Capital One's growth and success are intertwined with
17 our community's growth and success. I have spent many
18 years working in the innovation and venture capital
19 sectors, and I found Capital One's story unique and
20 remarkable.

21 Capital One is a homegrown Virginia success story.
22 It was founded on the idea of leveraging the power of
23 information and technology to disrupt and democratize the
24 credit card industry.

25 In 30 short years, they have grown into a leading

1 financial institution built on serving all communities.

2 Even more impressive is they are still founder-led.
3 Driven by their startup roots and commitment to innovation,
4 Capital One established the 1717 Innovation Center in
5 Richmond in 2016 under the leadership of Card president,
6 Mike Wassmer, my constituent.

7 Capital One transformed a vacant warehouse into a
8 collaborative workspace for multidisciplinary experts,
9 community organizations, and entrepreneurs to share ideas,
10 learn from each other, and achieve their goals. The
11 innovative facility houses Startup Virginia, a business
12 incubator and entrepreneurial hub, which provides
13 entrepreneurs with accelerator programs, mentorship, and
14 training. Capital One associates provide pro bono
15 consulting to Startup Virginia members.

16 After Mike's untimely passing in 2022, the building
17 was renamed after him in his honor and memory.
18 Additionally, Mike's family launched and leads the Mike
19 Wassmer Foundation, which grants significant need-based
20 scholarships to outstanding high school seniors in our
21 region. The Wassmer family, Capital One, and many
22 Capital One associates are major donors to the foundation.

23 In Charlottesville, nearby, the University of Virginia
24 School of Data Science recently opened a new building,
25 which includes the Capital One Hub, funded by a \$2 million

1 gift from Capital One. The Hub is a central collaborative
2 space that serves as a gathering place for students,
3 faculty, and data science leaders to collaborate and learn
4 from each other.

5 Collaboration and innovation are core parts of
6 Capital One's culture, and they have exported and shared
7 these values with our communities for three decades.

8 I am grateful for Capital One's presence and
9 commitment to my community and others. I believe this
10 acquisition will benefit consumers, businesses, and
11 communities. I hope the Federal Reserve and OCC will act
12 favorably on it. Thank you again.

13 HARLEY MOYER: Delegate Anne Ferrell Tata, please turn
14 on your camera and unmute yourself. Delegate Tata, please
15 begin your remarks.

16 DELEGATE TATA: Thank you for the opportunity to speak
17 today. My name is Anne Ferrell Tata, and I represent the
18 99th District in the Virginia House of Delegates. My
19 district is anchored in Virginia Beach, and over 1,100
20 Capital One associates and their families live in the
21 Hampton Roads region.

22 I come from a military family, as do many of my
23 constituents. Capital One prioritizes elevating and
24 supporting veterans and their families, and I will share
25 some examples.

1 Capital One's military service-focused employee
2 business resource group, known as Salute, was established
3 over a decade ago and now has over 5,000 members.

4 Salute enables military, military families and veteran
5 associates to thrive through associate and community
6 engagement, active-duty transition, recruiting, and reserve
7 support. Capital One is an inaugural founder and active
8 member of the Hiring Our Heroes program, which helps find
9 meaningful employment for veterans and military spouses.

10 Capital One provides veterans, transitioning service
11 members, military spouses, and caregivers with professional
12 training and hands-on experience in the civilian workforce
13 and fields, including project management, cybersecurity,
14 and analytics.

15 Capital One offers robust recruiting and professional
16 development programs to help service members transition
17 into civilian jobs. Their partnership with the Bob
18 Woodruff Foundation helps create career pathways for
19 veterans. Capital One has a silver designation on Military
20 Friendly's employer list.

21 This organization measures an employer's commitment,
22 effort, and success in creating sustainable and meaningful
23 benefits for the military community. Capital One is also a
24 member of the Military Spouse Employment Program, which
25 recognizes companies committed to hiring and supporting

1 military spouses.

2 Capital One's Serve the Reserve program provides
3 personal and professional support to associates and
4 families during military separation. The community helps
5 with care packages, communication, social activities,
6 navigating the military organization, and job placement
7 support.

8 Capital One also helps veterans pursue business
9 ownership. Their pro bono efforts teach veterans the
10 basics of owning a business, and they provide grants to
11 veteran-owned small business incubators. They partner with
12 Bunker Labs to help military veterans and spouses start and
13 grow businesses.

14 Finally, Capital One provides skills-based support
15 through its growth consulting engagement model.
16 Since 2020, Capital One has supported the National Veteran-
17 Owned Business Association, which provides a direct link
18 for contracting between corporate America and veteran-owned
19 businesses.

20 Capital One is a strong supporter of military families
21 and communities, which is very important in my district and
22 the Commonwealth. I hope the Federal Reserve and the OCC
23 will act favorably on this acquisition. Thank you again.

24 HARLEY MOYER: Fonta Gilliam, please turn on your
25 camera and unmute yourself. Speaker Gilliam, please begin

1 your remarks.

2 FONTA GILLIAM: Good afternoon, everyone. Thank you
3 for the opportunity to speak with you here today. My name
4 is Fonta Gilliam, and I am the CEO and Founder of Wellthi
5 Technologies, Inc.

6 Wellthi is a fintech social enterprise that partners
7 with financial institutions to reimagine retail branch
8 banking for the next generation, which is millennial, it's
9 Gen Z, and it's multicultural. And our mission is to help
10 people build wealth better together. Today, I want to
11 share my experiences working with Discover Bank and
12 Discover Global Network.

13 Our partnership has been invaluable. Over the past
14 two years, my company has worked closely with the Discover
15 team to modernize credit unions' payments, prepaid card,
16 and mobile banking capabilities.

17 Discover Bank and Discover Global Network believed in
18 Wellthi's mission and technology at an early stage. Moving
19 far beyond mere words and mandates, they backed that
20 support with funding, payment expertise, mentorship, and
21 industry recognition.

22 Their investment in Wellthi is a testament to our
23 commitment, to their commitment to supporting small
24 businesses and communities at the grassroots level.

25 For example, Discover Bank and Discover Global Network

1 facilitated client opportunities, provided hands-on support
2 to help us curate the ecosystem of partners that we need to
3 launch card programs, sponsored prominent speaking
4 opportunities for me in a national stage at places like
5 TechCrunch and the United Nations 11th anniversary of
6 Women's Entrepreneurship Day this summer, this November.

7 Discover also funded and facilitated Wellthi's
8 partnership with Stepping Stones Community Federal Credit
9 Union, one of Wilmington, Delaware's most dedicated
10 financial institutions, which focuses on the low- to
11 moderate-income communities.

12 With Discover, our goal is to help Stepping Stones
13 offer best-in-class payments and card solutions at scale
14 and support 5,000 residents in the city of Wilmington,
15 Delaware over the next year. None of this would have been
16 possible without the support and commitment and dedication
17 of not only Discover, but the visionaries that work there.

18 For example, Matt Parks, Miladys Felix, Amy Walls, Liz
19 Nutting, and Anna Blissick. Discover's commitment to
20 grassroots economic development, small businesses, and
21 diverse partnerships is real, and its impact has benefited
22 my company in ways that we would have never gotten
23 opportunities to otherwise.

24 In conclusion, I highly support the Discover
25 Capital One merger because it presents an opportunity for

1 us to scale the legacy of economic impact and development
2 for small businesses like Wellthi.

3 And with this endorsement, I ask for your help to
4 ensure that this merger continues to support the great work
5 that the Discover team has provided over the years,
6 particularly for projects like the Center for Accelerating
7 Financial Equity, CAFE, which scales fintechs that are
8 dedicated to financial health, ensure network access,
9 program management, agent banking support, and guarantees
10 funding for the next generation of companies like Wellthi.

11 Thank you, and that concludes my remarks.

12 HARLEY MOYER: Barbara Busch, please turn on your
13 camera and unmute yourself. Speaker Busch, please begin
14 your remarks.

15 BARBARA BUSCH: So my name is Sister Barbara Busch, and
16 I am the Executive Director of Working in Neighborhoods,
17 and we are a housing counseling agency that serves the
18 metropolitan area of Cincinnati, including northern
19 Kentucky and western Indiana. We are particularly -- have
20 worked particularly in low- to moderate-income communities
21 over the years.

22 We have -- we built and rehabbed and sold to
23 first-time homebuyers as well as worked in every community
24 to help them to grow their potential. Our work has led me
25 over the years to be involved in a number of mergers.

1 What we have discovered in all of those mergers is
2 that in many cases, the bigger the company, the less
3 capacity to serve local communities. And this happens, we
4 believe, because in the scaling of size, many of the people
5 who work on projects are not the same people, and they
6 don't have the same amount of time.

7 Our biggest concern, however, is also that they, that
8 they really are the non-prime credit card market. And
9 those of us who were involved in the non-prime mortgage
10 market know what that can do to communities. They solicit
11 that market, and so to capitalize and make it larger for
12 one large company to be in charge of all of the subprime
13 lending credit card business, we don't believe is to the
14 benefit of the people we serve.

15 I encourage you to, if you follow up on this, that you
16 really look at those issues that relate to low-income
17 borrowers, and because what these credit cards do is put
18 them into permanent, lifelong debt. And we see that day in
19 and day out here at Working in Neighborhoods.

20 I don't doubt that they all do good things, and I
21 don't doubt that they all have good families who run their
22 companies. What I do doubt is larger is better, especially
23 when it comes to the financial industry.

24 Thank you so much for your time. This concludes my
25 remarks.

1 HARLEY MOYER: Cornel Darden, Jr., please turn on your
2 camera and unmute yourself. Speaker Darden, please begin
3 your remarks.

4 CORNEL DARDEN: Good evening. Good afternoon,
5 everyone. My name is Dr. Cornel Darden, Jr., Chairman of
6 the Chicagoland Black Chamber of Commerce.

7 Members of the Board, as the President of the Chicago
8 Southland Black Chamber of Commerce, I have a deep
9 understanding of the challenges faced by Black and Brown
10 communities, especially regarding their participation in
11 our nation's financial system.

12 Historically, these communities have been excluded due
13 to systemic barriers, leaving many individuals credit
14 invisible. This means they lack the long credit histories
15 that traditional lenders require to determine
16 creditworthiness.

17 Moreover, Black entrepreneurs who are vital for job
18 creation and economic growth in communities like Chicago
19 and nationwide often struggle to secure business loans due
20 to existing disparities in the financial system.

21 However, there is promising development on the
22 horizon. The recent decision by Capital One to acquire
23 Discover, this merger presents a unique opportunity to
24 address these longstanding disparities and bring
25 historically excluded communities into the financial fold.

1 The union between these two entities has the potential
2 to significantly expand credit access across all
3 communities, which is a crucial step in qualifying for
4 small business loans and financing significant purchases
5 like cars or homes.

6 Both Discover and Capital One have demonstrated a
7 strong commitment to ensuring that more people have access
8 to credit, regardless of their income level, background, or
9 credit history. Capital One has been an innovator in the
10 credit industry, creating products and services tailored to
11 those who do not fit the traditional mold that other
12 lenders seek.

13 Capital One is also the largest credit card issuer to
14 first-time credit card holders, providing many people from
15 minority communities the chance to build or repair their
16 credit. By combining their resources, the merge of
17 Capital One and Discover can continue driving innovation by
18 creating financial products that will help minority
19 communities and small businesses, also significantly
20 benefit small businesses by increasing competition in the
21 payment network space.

22 By merging with Capital One, Discover's payment
23 network will be better positioned as a legitimate
24 competitor to Visa and MasterCard, which currently process
25 80 percent of all transactions.

1 Introducing a new competitor in this space will push
2 all payment networks to improve their price points and
3 service offerings, making them more competitive.

4 I know this Board wants to make the industries more
5 competitive, and this is an opportunity to do just that. I
6 understand that some critics are concerned that this merger
7 might harm competition in the banking industry, but these
8 fears are unfounded.

9 A combined Capital One Discover entity will have about
10 \$625 billion in assets, placing it well behind the big four
11 banks, each of which have has over a trillion dollars in
12 assets. Even the Bloomberg editorial board --

13 VONDA EANES: Speaker Darden, I am afraid we're at
14 time. If you have additional comments, you're welcome to
15 submit them in writing.

16 CORNEL DARDEN: Thank you.

17 VONDA EANES: Thank you. I'd like to thank all of the
18 speakers for your comments. We'll now have a short break
19 and the meeting will resume with Group 14 at 5:00 p.m.
20 Eastern. If you are scheduled to speak in Group 14, please
21 make sure you remain logged in to this Webex meeting, as
22 you will be elevated to a panelist a few minutes before
23 5:00 p.m. Thank you.

24 (A brief recess was taken.)

25

1 VONDA EANES: We wish to welcome you back from the
2 break and we will now begin with Group 14.

3

4 G R O U P 14

5 KATRINA ALLEN-AUSTIN: Herbert Ames, please unmute your
6 sound and turn on your video. Speaker Ames, please begin
7 your comments.

8 HERBERT AMES: Good afternoon to the members of the
9 Board. I appear before you today as a dedicated advocate
10 for the economic empowerment and entrepreneurship of the
11 African-American community in our great state of
12 New Jersey.

13 As the former Founder of First Choice Bank, a local
14 community bank, I know a thing or two about the importance
15 of access to capital.

16 It is important that we bridge the gap between small
17 businesses and consumers who are often overlooked in our
18 society. Capital One and Discover are two companies that
19 have shown a genuine commitment to helping those who have
20 historically been invisible and struggled to access credit.

21 It is important that we help African-American
22 businesses thrive in New Jersey and all across the country
23 by fostering a spirit of competition that is woven into a
24 fabric of who we are.

25 That is why I firmly believe that the proposed merger

1 between Capital One and Discover holds immense potential to
2 benefit businesses in our community and level the playing
3 field in the highly concentrated payment network market.

4 Currently, Visa and MasterCard dominate the industry,
5 processing a staggering four-fifths of all transactions.
6 This is not a competitive market. The Department of
7 Justice's investigation into Visa's anti-competitive
8 practices underscores the urgent need for alternatives.

9 The Capital One-Discover merger offers a ray of hope
10 for small business owners. It positions Discover as a
11 formidable competitor to Visa and MasterCard.

12 With Capital One issuing its cards over the Discover
13 network, increased competition is inevitable, leading to
14 more competitive pricing and improved services for
15 Black-owned small businesses.

16 This, in turn, could help our small businesses
17 concentrate on expanding their own enterprises and
18 fostering job creation within their communities.

19 Despite concerns raised by some lawmakers about
20 potential negative impacts on competition, some experts
21 assert that the merger will, in fact, enhance competition
22 by establishing a stronger competitor in the market. This
23 will be a significant victory for Black-owned businesses in
24 New Jersey, opening up new opportunities for growth and
25 prosperity.

1 The Biden Administration has demonstrated a steadfast
2 commitment to uplifting Black-owned businesses nationwide.
3 Supporting the finalization of this merger aligns perfectly
4 with those efforts.

5 By fostering a more competitive landscape in the
6 payment networks industry, the merger will empower
7 Black-owned businesses to thrive and contribute more
8 significantly to our community. Thank you for your time
9 and consideration.

10 KATRINA ALLEN-AUSTIN: Justin Richardson, please turn
11 on your camera and unmute your microphone. Speaker
12 Richardson, you may begin your comments.

13 JUSTIN RICHARDSON: Thank you. Ladies and gentlemen of
14 the panel, thank you very much for taking the time to
15 listen to myself, as well as many others before me today.
16 I know it's been a long day, so I will make it as short and
17 to the point as possible.

18 I believe the merger between Capital One and Discover
19 will create a more vibrant and dynamic marketplace that
20 will ultimately benefit businesses and consumers alike.

21 Our company, Pacific Transformer, is a family-owned
22 manufacturing company based in Anaheim, California. We
23 began our relationship with Capital One just before 2020,
24 and they proved to be one of, if not the, most important
25 partners we had during the next four years.

1 During COVID and the tumultuous times that followed,
2 our company actually had the opportunity to grow our
3 customer base. That said, we needed equipment, raw
4 material, and other capital expenditures to do so.

5 Capital One did not hesitate to invest in our small
6 business and help catapult us to one of the largest
7 manufacturers of custom electronics in the industry. Like
8 any good financial service company, the credit and
9 underwriting team at Capital One obviously asked the
10 appropriate questions prior to extending credit to our
11 company.

12 That said, every individual we have worked with has
13 made it a priority to help make sure that our company is
14 not only satisfied, but that we are given every opportunity
15 to excel. With the resources Capital One was able to
16 provide, we were able to do just that.

17 Regarding the added services and tools that
18 Capital One will be able to offer with the pending
19 acquisition of Discover, nothing in their past profile nor
20 behavioral tendencies has led me to believe this
21 integration would be counterproductive.

22 In fact, I believe it will lead to even more success
23 for companies like ours. If the Capital One culture is
24 integrated with the tools at Discover, I fully expect small
25 businesses just like ours to benefit. Thank you very much.

1 KATRINA ALLEN-AUSTIN: Carlos Asarta, please unmute
2 your microphone and turn on your camera. Speaker Asarta,
3 you may start your remarks.

4 CARLOS ASARTA: Thank you. Good afternoon and thank
5 you for the opportunity to participate in this joint public
6 meeting. My name is Carlos Asarta, and I serve as
7 President of the Delaware Council on Economic Education, a
8 not-for-profit organization that provides economic,
9 personal finance, and entrepreneurship education support
10 for the purpose of promoting an economically and
11 financially literate society.

12 The Council was founded over 55 years ago and its main
13 source of revenue is contributions from supporters like
14 Discover Bank and Capital One.

15 For decades, the Council has enjoyed a strong
16 partnership with both institutions. Discover Bank supports
17 our statewide financial literacy efforts in Delaware. They
18 also support our communities via Delaware.money, a
19 web-based portal managed by our Council that provides
20 financial education, resources, and assistance to our
21 communities from a number of vetted agencies.

22 As for Capital One, and just as an example, it helped
23 us create the Teach Children to Save Day website at no cost
24 and also provides yearly technical assistance to make sure
25 that more than 5,000 third and fourth graders from over 200

1 different Delaware classrooms participate in an engaging
2 personal finance lesson delivered by members of our banking
3 community.

4 Without the website, we would not be able to
5 coordinate this statewide effort, which we offer in
6 partnership with the Delaware Bankers Association.

7 Finally, both Discover Bank and Capital One have had
8 engaged representatives on our board. When we heard the
9 news of the potential acquisition, we were at first a bit
10 anxious. Thankfully, our trusted partners at
11 Discover Bank, Matt Parks and Amy Walls, assured us that
12 continuing their commitment to our communities was a
13 critical priority to them.

14 We were then delighted to see the public announcement
15 sent by Kiran Patel of Capital One on June 25th, informing
16 us in writing that, upon the successful completion of the
17 merger of the two organizations, Capital One will make
18 \$35 million available for Delaware's nonprofits through
19 2029, or \$7 million per year.

20 The commitment will continue Capital One's investment
21 in the state and will extend Discover's current CRA
22 strategic plan grant requirements, which is slated to end
23 in 2027 for an additional two years.

24 Additionally, we received another written
25 communication from Capital One on July 17th announcing a

1 historic community benefits plan that includes \$575 million
2 in philanthropy, as well as pro bono engagement center on
3 capacity building for nonprofits, including CDFIs and small
4 businesses.

5 I would like to take this opportunity to thank both
6 Discover Bank and Capital One for their past contributions
7 to the state of Delaware and for their future commitment to
8 supporting nonprofit organizations like the Delaware
9 Council on Economic Education. Thank you.

10 KATRINA ALLEN-AUSTIN: Rick Bialobrzkeski.
11 Bialobrzkeski, please turn on your camera, and Speaker, you
12 may start your comments.

13 RICK BIALOBRZESKI: Hi, my name is Rick Bialobrzkeski,
14 and for 28 years, I have been on the executive leadership
15 team at GreenPath Financial Wellness.

16 GreenPath is a national 501(c)(3) nonprofit
17 organization based in Detroit, Michigan. Since 1961, we
18 have provided free one-on-one financial counseling,
19 financial education, and low-cost debt management services
20 to people across the United States.

21 Our focus is helping people manage their debt, and we
22 do it at scale. In 2023, we served more than 130,000
23 families in all 50 states, and more than 75 percent of
24 those families qualify as low- to moderate-income.

25 As credit card debt and delinquency continues to grow,

1 our service is needed more than ever. We rely on a mix of
2 funding from grants, financial institutions, and
3 individuals we serve.

4 Unfortunately, over the years, support from the credit
5 card companies has diminished dramatically. That's because
6 financial contributions in our industry are voluntary and
7 not contractually mandated.

8 Capital One, however, has been a strong, longtime
9 supporter of nonprofit financial counseling. They
10 contribute significant funding to support this work and
11 provide additional grant funding for work related to
12 innovation and diversity and inclusion. Capital One's
13 acquisition of Discover should tangibly increase support
14 for our nonprofit service, directly benefiting Discover
15 cardholders who need help managing their debt.

16 GreenPath participates as a member of Capital One's
17 Community Advisory Council, so we see firsthand how the
18 company is authentically committed to community needs.
19 They aren't checking the box and going through the motions.
20 They truly care.

21 As members of the Council, we see that Capital One
22 management is committed to improving financial wellness for
23 all with a focus on the underserved.

24 On a product level, there are no-fee accounts,
25 overdraft protections, access to no fee ATMs, special

1 depository services for cash-based entrepreneurs. All this
2 is aligned with our nonprofit mission.

3 They seek to innovate and create products that solve
4 unmet needs in the community.

5 This commitment to community and underserved markets
6 is not something assigned to one department. We see it as
7 part of Capital One's business strategy. We see this in
8 how they work with us and other nonprofits to expand and
9 strengthen our impact. It's also illustrated in the
10 community benefits agreement they have created with their
11 nonprofit partners.

12 Bottom line, GreenPath believes the acquisition of
13 Discover will improve financial wellness for more people in
14 the U.S. It will increase support for nonprofits like us
15 and the low- to moderate-income families we serve.

16 GreenPath strongly urges approval of this acquisition.

17 KATRINA ALLEN-AUSTIN: Jim Kinney, please unmute your
18 microphone. Turn on your camera. Speaker Kinney, you may
19 start your remarks.

20 JIM KINNEY: Hello. My name is Jim Kinney, Executive
21 Vice President, as well as the CIO and COO for People's
22 Bank of Alabama. Thank you for the opportunity to speak
23 today.

24 People's Bank of Alabama is a local community bank
25 with multiple branches, including serving many rural

1 communities across northern and central Alabama. This
2 gives our bank a unique perspective to share.

3 We're in support of the proposed merger because we
4 believe it will have a positive consumer impact on debit
5 card services and networks. I have worked at this bank
6 serving customers for 21 years. I see this deal as a win
7 for folks in rural communities. Why?

8 Because I believe it means better access to a full
9 range of financial services and modern digital banking
10 tools. These are game changers for those living miles away
11 from the nearest banking branch.

12 Serving rural populations is absolutely critical
13 because limiting banking options can hold back the progress
14 community banks are making in serving the unbanked. Having
15 partners like Discover helps bring community banks like
16 ours, the financial systems that help avoid costs for them
17 and economic exclusion.

18 As a long-term issuer of Discover Debit, we understand
19 the critical role in ensuring efficient, reliable, secure,
20 and competitive payment processing for both consumers and
21 businesses alike. Our Discover Pulse partnership is a
22 result of seeking a more competitive debit partner.
23 Historically Visa and MasterCard have dominated the space
24 and likewise the technology service providers have always
25 shown preference in supporting them.

1 In our experience, this dominance also yielded
2 complicated, confusing, and often undesirable partnership
3 agreements.

4 By contrast, in seeking a better experience, it
5 resulted in a Discover Pulse partnership that's defined by
6 more simplified, more equitable agreements allowing us to
7 be more competitive to our consumers. This competition has
8 potential to lead to the economies of scale that could
9 lower processing operational costs, translating into better
10 pricing and improved service offerings for community banks
11 like ours.

12 Clearly having more Discover cards on the network will
13 encourage merchants to fully accept the Discover network.
14 Greater volume of transactions will in turn lead to better
15 service provider support.

16 That'll reduce the technical issues, fraud, and other
17 issues that may have held back the Discover network in the
18 past. More cards on the network leads to greater
19 exception. It leads to greater competition in the
20 marketplace.

21 We believe this is a good deal. It's a good deal for
22 our customers, it is a good deal for the rural communities,
23 and it is a market-based solution which creates better
24 financial landscape for everyone.

25 Thank you for the opportunity to speak.

1 KATRINA ALLEN-AUSTIN: Garrett Jackson, please turn on
2 your camera and unmute your microphone. Speaker Jackson,
3 please begin your remarks.

4 GARRETT JACKSON: Good afternoon and thank you to the
5 board for the opportunity to speak before you. My name is
6 Garrett Jackson, and I am with the Arlington Partnership
7 for Affordable Housing.

8 I am excited about and happy to support on behalf of
9 my organization, Capital One's acquisition of Discover
10 Financial Services. As a nonprofit affordable housing
11 developer, Arlington Partnership for Affordable Housing,
12 known as APAH, owns and operates 23 multi-family properties
13 across the Washington metropolitan area serving 5,000
14 residents with incomes at or below 60 percent of the area
15 median income.

16 During more than the 14 years that Capital One has
17 partnered with APAH, they have provided over \$130 million
18 in low-income housing tax credit equity, financing for
19 678 units of housing across four properties in our existing
20 portfolio and growing.

21 An additional \$1.1 million has been gifted in
22 philanthropic support through grants that deliver critical
23 resident services programming. Capital One's substantial
24 investment through the years has undoubtedly played a
25 crucial role in advancing our mission providing safe

1 affordable housing options for individuals and families
2 within our community whom we call neighbors.

3 Capital One understands the need for affordable
4 housing and it's not just a regional crisis, but it is a
5 national one. They understood how developments like our
6 project Terwilliger Place in Arlington bring a former site
7 of an American Legion, Post 139, that could serve as a
8 national model for how to transform an aging asset into a
9 thriving community resource.

10 While the team provided tax credit equity for
11 Terwilliger Place when the project had a \$4 million capital
12 gap, they helped us start a capital campaign, stepped in
13 with philanthropic dollars to help oversee the project and
14 get to the finish line, naming the apartment's business
15 center in honor of one of their beloved colleagues.

16 In addition, Terwilliger Place was an excellent
17 example of Capital One's steadfast commitment to APAH by
18 moving forward to closing in the transition of May of 2020,
19 just a few weeks into the COVID pandemic.

20 Senior leadership worked alongside APAH to ensure that
21 the project approvals and contingencies were appropriate
22 during and including the bank pointing out potential supply
23 chain disruptions and advising APAH to take a different
24 approach to construction procurement accordingly.

25 When the building was prepared to open, the

1 Capital One team also worked with APAH's communications
2 team to develop a compelling video sharing our story in a
3 national scale and that project has a 50 percent veterans'
4 preference.

5 On the resident services side, their ongoing
6 commitment is more than present and in 2022, they became
7 one of the first organizations to provide seed funding for
8 our individual development account, which is building
9 financial stability and fostering mobility.

10 Beyond the numbers and the data are the people that
11 moved the organization forward and we believe that our
12 relationship with Capital One is one that defines their
13 ability to be able to make this acquisition work and so
14 we're very excited to see it come to fruition. Thank you
15 so much.

16 KATRINA ALLEN-AUSTIN: Jan Langbein, please unmute your
17 microphone and turn on your camera. Speaker Langbein,
18 please start your remarks.

19 JAN LANGBEIN: Good afternoon. My name is Jan
20 Langbein, and I am the Chief Executive Officer of Genesis
21 Women's Shelter and Support in Dallas, Texas.

22 Genesis is a full-service response to women and
23 children who are survivors of domestic violence and
24 although our name says shelter, the majority of the work
25 that we do is through our non-residential services where

1 our clients receive counseling, advocacy, access to civil
2 legal representation at no cost and no strings attached.

3 Outgrowing our lease space in 2019, we purchased land
4 to design and build a 28,000 square foot non-residential
5 center.

6 However, as we launched our capital campaign, COVID
7 hit our country and many donors and rightfully so, diverted
8 critical funds to human need.

9 What truly saved this campaign was that it turns out
10 we qualified as an active low-income community business,
11 making us eligible to receive New Markets Tax Credit
12 investments.

13 Capital One stepped up and became our bank investor,
14 making possible our ability to begin and complete
15 construction of a new non-residential counseling center for
16 women and children that now is serving thousands of clients
17 every year.

18 Capital One is one of the country's largest providers
19 of New Markets Tax Credit financing, driving and energizing
20 low-income communities like ours. Their experienced
21 professionals, we found, had the knowledge and the
22 expertise to understand what our goals were, what the need
23 in the city was, and what we were trying to do.

24 They worked tirelessly with our community development
25 partners during that process. I know that Capital One is a

1 global giant, but I am here to share my experience of
2 Capital One's recognition of critical human need in this
3 community.

4 We found that Capital One is committed to supporting
5 communities in which we live and in which we work, and the
6 partnership between Genesis Women's Shelter and Capital One
7 increased access to shelter for those in need while
8 creating jobs in our neighborhoods.

9 They have helped give help and hope to children and
10 their families, and so we're very grateful for this
11 partnership and the community investment of Capital One.

12 And I want to thank you for the opportunity to be able
13 to recognize this community commitment and the investment
14 of Capital One and to speak on behalf of the merger with
15 Discover. It will only expand services to nonprofit
16 communities. I am sorry.

17 KATRINA ALLEN-AUSTIN: Mary-Winston Deacon, please turn
18 on your camera and unmute your microphone. Speaker Deacon,
19 we're ready for your remarks.

20 MARY-WINSTON DEACON: Good afternoon. My name is
21 Mary-Winston Deacon, and I have the honor of representing
22 HumanKind, a nonprofit organization dedicated to
23 strengthening individuals and families and communities
24 across Virginia.

25 I have been leading economic opportunity programs for

1 more than 25 years, developing and delivering programs such
2 as our Ways to Work program, which combines accessible
3 vehicle loans with financial coaching to help families
4 repair credit and access employment and other daily
5 activities we often take for granted.

6 Over the years, we have expanded our offerings to
7 include employment coaching, digital literacy training,
8 community resource navigation, and a host of other
9 activities that promote financial and community wellness.

10 Today, I stand before you to express our sincere
11 support for Capital One's application to acquire Discover.

12 Over the past 11 years, Capital One has been more than
13 a financial supporter to HumanKind. They have been a true
14 partner in our mission. Their steady commitment has
15 infused over \$300,000 into our economic opportunity
16 programming, enabling transformative services that uplift
17 our most vulnerable populations.

18 They have also contributed their expertise to our
19 educational offerings, working side by side with our
20 clients to provide feedback for resumes and guidance to
21 build personal finances.

22 During the many disruptions of the COVID pandemic,
23 Capital One provided monitors to aid remote meetings and
24 classes.

25 Additionally, Capital One's support demonstrates the

1 value and quality of our programming in the wider
2 community.

3 Through this partnership, we have not only met but
4 exceeded our goals. Just this year, we have expanded our
5 reach, providing essential financial education to a greater
6 number of individuals than ever before.

7 Capital One's contributions have directly impacted our
8 ability to equip people with the skills and resources
9 necessary to navigate financial challenges and seize
10 opportunities for economic advancement.

11 I would also like to highlight the exceptional
12 dedication of individuals like Jamie Seagraves,
13 Capital One's Central Virginia Grants Manager. Jamie's
14 proactive engagement has been instrumental in enhancing our
15 service delivery, providing us with valuable insights,
16 contacts, and continuous encouragement. His involvement
17 exemplifies Capital One's commitment to not just funding
18 but actively fostering community growth.

19 The potential acquisition of Discover by Capital One
20 holds promising opportunities to scale and combine efforts.
21 We envision a future where this partnership can bring even
22 more innovative solutions and deeper financial inclusion to
23 the communities we serve.

24 In conclusion --

25 VONDA EANES: Speaker Deacon?

1 MARY-WINSTON DEACON: Oh, sorry. Thank you very much.

2 VONDA EANES: Go ahead and finish if you're at the very
3 end.

4 MARY-WINSTON DEACON: I just was just going to say we
5 wholeheartedly support the acquisition and that we are
6 excited about the avenues this merger could open for
7 further impactful collaboration.

8 VONDA EANES: Thank you.

9 MARY-WINSTON DEACON: No. Thank you all.

10 KATRINA ALLEN-AUSTIN: Terri North, please turn on your
11 camera and unmute your microphone. Speaker North, we're
12 ready for your remarks.

13 TERRI NORTH: Good afternoon. My name is Terri North,
14 and I am President and CEO of Providence Community Housing
15 in New Orleans, and I am here to speak in favor of the
16 Capital One Discover transaction.

17 Providence is a 501(c)(3) community housing
18 development organization founded in 2006 in the greater New
19 Orleans area. We provided over 1,700 units of affordable
20 rental housing, sold 100 homes to low- to moderate-income
21 families, and administered soft second mortgages for state
22 and local agencies, resulting in an additional 500
23 homeowners in our area.

24 Capital One has been a vital and key partner.

25 In particular, Capital One has invested over \$15

1 million in low-income housing tax credit equity in two of
2 our projects, resulting in 102 affordable rental units.

3 In addition, Capital One has provided over \$200,000 in
4 grants supporting our resident services programming over
5 the last five years.

6 This has been particularly impactful for our senior
7 communities where we offer we provide homes to 636
8 low-income seniors.

9 Capital One was also our most active lender in
10 providing first mortgages to our low- to moderate-income
11 homebuyers in the soft second program that we administered
12 and in the homes we developed.

13 The proposed community benefits plan related to the
14 Discover transaction contains a continued and expanded
15 commitment to community development financing and
16 philanthropic support.

17 Such funding is a welcome opportunity for
18 organizations like Providence that are seeking to meet --
19 to meeting the ever-increasing need for affordable housing
20 and to continue to help our residents access additional
21 services and resources to make them stable and successful.
22 Capital One's commitment in this area is unmatched.

23 My only concern is to make sure that Capital One will
24 continue to focus on the Greater New Orleans area with
25 these resources.

1 The CBA is largely related to consumer focus and the
2 merger is related to consumer focus, but Capital One is a
3 commercial bank with a large presence in this community,
4 and what they have been doing and what they are committing
5 to do is support that is not filled by any other national
6 institution.

7 In closing, I want to express my gratitude for the
8 support of Capital One for Providence and the Greater New
9 304 Orleans community. We have come a long way together,
10 and I look forward to that continued support growing and
11 continuing through this CBA. Thank you.

12 KATRINA ALLEN-AUSTIN: Isabelle Benditte, please turn
13 on your camera and unmute your microphone. Speaker
14 Benditte, we're ready for your comments.

15 ISABELLE BENDITTE: Hi, good afternoon. I hope you can
16 see me. Good afternoon. My name is Isabelle Benditte, and
17 I am speaking in favor of Capital One today.

18 I am the Senior Vice President of Branches located
19 here in Miami, Florida, and Capital One has been an
20 absolutely incredible partner over these many years. I
21 have served at Branches now for over 15 years, and since
22 2011, Capital One has provided over \$250,000 in grant
23 funding for Branches Achieve programs.

24 Branches Achieve programs focus on financial wellness
25 and offer personal one-on-one financial coaching, VITA tax

1 prep services, in-depth micro-business coaching, emergency
2 assistance, and more.

3 All of these services are free to our participants
4 here in Miami-Dade County, thanks to funders like
5 Capital One. Capital One has also provided Branches with
6 an unexpected \$30,000 grant during COVID, since we found
7 creative and safe ways to provide services virtually,
8 primarily financial coaching and tax prep, and we never had
9 to close our doors during the pandemic.

10 Besides funding, which is crucial, Capital One has
11 also supported us in the program arena.

12 A few years ago, they introduced us to the Save to
13 Build Credit Building loan program, which we still promote
14 to this day. It's really a fantastic financial product,
15 which helps our participants build or improve their credit.

16 And Branches staff has also had the opportunity to
17 take part in the Capital One pro bono program to discuss
18 the possibility of creating a Branches financial wellness
19 app, which would also include our financial wellness
20 resource library.

21 Capital One staff has been amazing to work with.
22 They seem to really care about the people that we serve
23 here in Miami. You know, costs are ever-increasing, and
24 people are struggling. And I really believe that
25 Capital One, again, cares about the families and their

1 children that we serve.

2 Branches is really all about providing life-changing
3 opportunities to hard-working families and their children
4 to help them break that cycle of poverty.

5 We provide two-generational programming. We serve
6 about 500 children and youth every day at all three of our
7 Branches sites and their families, and we provide the
8 families and the community at large really crucial
9 financial wellness programming.

10 Again, Capital One has been incredible, a steadfast
11 partner, and I can only say great things about them.

12 Most recently, for I believe three times now, they
13 have hosted Branches and our Speed Networking Career Night
14 as well, where we bring in 25 volunteer speakers and 60 of
15 our oldest students, and they rotate every four minutes and
16 talk to one of the professionals.

17 Capital One Cafe on Miracle Mile and Coral Gables has
18 hosted us, and they are a wonderful partner. So again, I
19 just want to say thank you to Capital One. And again, I do
20 hope that they'll continue to support our work in the
21 financial wellness area.

22 So, thank you so much for this opportunity.

23

24

G R O U P 15

25

KATRINA ALLEN-AUSTIN: Daniel Fernandez, please unmute

1 your microphone. Turn on your camera. Speaker Fernandez,
2 we're ready for your remarks.

3 DANIEL FERNANDEZ: Good afternoon. My name is Daniel
4 Fernandez, and I have the privilege of leading TMC
5 Community Capital as their Chief Executive Officer. At TMC
6 Community Capital, we are dedicated to empowering
7 women-owned, low-income, and under-resourced small
8 businesses in California through our work as a nonprofit
9 CDFI.

10 We know that entrepreneurship has the potential to
11 build generational wealth and foster economic mobility, but
12 this can only happen if communities have access to safe,
13 responsible, and affordable capital.

14 Unfortunately, underserved communities often face
15 predatory lending practices or lack capital access
16 entirely. This creates significant barriers to
17 entrepreneurship and economic growth.

18 We strive to overcome these barriers by offering not
19 only a financial lifeline to lower-income communities via
20 our lending, but also fostering a culture of knowledge,
21 sharing, and support.

22 This holistic approach helps us navigate the
23 challenges of business ownership and enables our business
24 owners to contribute significantly to their local economy.

25 Now, risk management is a crucial aspect of our work,

1 and it's not lost on me why we're all here today. The
2 proposed acquisition of Discover by Capital One raises
3 important questions about market share and the potential
4 impact on consumer and financial stability.

5 It's natural to feel some concern, but I'd like to
6 share a bit why we at TMC Community Capital are cautiously
7 optimistic about this development.

8 Capital One's commitment to our mission has been
9 instrumental in advancing our work. With their backing, we
10 have been able to scale our operation 2X for three years in
11 a row with more access to resources and amplifying our
12 impact as an upstart CDFI organization.

13 Our support is rooted in Capital One's demonstrated
14 alignment with our goals of enhancing user experience,
15 embracing forward-thinking approaches, and building for the
16 overall betterment of underserved families.

17 This partnership represents a commitment to
18 challenging existing paradigms and creating new solutions
19 within the financial sector.

20 We are no strangers to innovation. We understand that
21 fostering this innovation is critical to expanding the
22 reach of financial empowerment and creating a more
23 inclusive economy.

24 We view this collaboration as a critical step towards
25 fostering such innovation and expanding the reach of

1 financial empowerment. With a significant increase to the
2 investment pool for CDFIs, we see the potential to create a
3 more robust and inclusive financial ecosystem that can
4 better serve the needs of underserved communities.

5 In conclusion, while we acknowledge the concerns
6 surrounding this acquisition, we are hopeful and ultimately
7 supportive of it.

8 We believe that with the right safeguards and
9 commitments that this merger can lead to a more inclusive
10 and innovative financial landscape, benefiting not only our
11 communities but the economy as a whole.

12 Thank you for your time and consideration.

13 KATRINA ALLEN-AUSTIN: Mattison Boyer, please unmute
14 your microphone and turn on your camera. Speaker Boyer,
15 we're ready for your remarks.

16 MATTISON BOYER: Sorry about that. Thank you so much
17 for the opportunity to speak briefly on behalf of College
18 Tracks regarding the Capital One Discover acquisition,
19 specifically about our years of very positive experiences
20 as a community partner of Capital One and our belief that
21 the community benefits plan associated with this
22 acquisition would be an incredibly beneficial investment in
23 communities around the globe.

24 I am Mattison Boyer, the Chief Development Officer of
25 College Tracks, a Montgomery County, Maryland-based

1 nonprofit organization.

2 Our mission is to empower first generation to college
3 students and students from low-income and immigrant
4 households in Montgomery County, Maryland by helping them
5 bridge opportunity gaps with enough support to get to and
6 through post-secondary education and onto a career pathway.

7 Since our founding in 2003, we have served over 10,000
8 scholars, helping them on their way to prosperous
9 adulthoods.

10 Financial success and security depend on education
11 after high school, and we work to make that a reality for
12 students and families who need our help the most.

13 Capital One has been a generous supporter and a
14 committed partner to College Tracks in this work, and they
15 have demonstrated repeatedly their commitment to opening
16 post-secondary education and socioeconomic mobility for
17 all.

18 Our partnership began in 2019, when Capital One
19 Foundation staff found College Tracks proactively in their
20 research and reached out to us to learn more.

21 Since then, Capital One has been a deeply committed
22 and valued partner for College Tracks, and their support
23 has been especially critical as a pandemic fell in that
24 time range. Capital One not only stuck with College Tracks
25 during that time, but actually increased their support when

1 our scholars needed it the most.

2 During that time, with Capital One's support, College

3 Tracks has served almost 5,000 high school scholars.

4 Ninety-eight percent of them have applied to some type of

5 post-secondary education. Ninety-eight percent were

6 accepted. Ninety-five percent and higher applied for

7 financial aid, and they enrolled, persisted, and graduated

8 at rates that dramatically surpassed their peers, and we

9 owe a deep debt of gratitude to Capital One for helping us

10 make that happen.

11 But we have also taken a hard look at our program's

12 economic impact. Based off a third-party evaluation and

13 311 industry-accepted standards or figures, we have been

14 able to figure that Capital One's investment has helped us

15 to add about \$14 million to the local economy and lifetime

16 consumer spending and state and local taxes, and almost

17 \$5 billion in projected lifetime earnings for Montgomery

18 County students.

19 We are a small regional organization with a very

20 limited brand and communications presence. Capital One

21 hasn't provided us the support and partnership that they

22 have in order to enhance their brand/or to benefit in any

23 way. They did so because they share our values and our

24 commitment to community, and they wanted to help us succeed

25 in our mission.

1 They believe in the importance of education for all.
2 They believe that everyone should have the opportunity to
3 prosper, and they take concrete steps to work with us to
4 make it happen. I have seen the recently announced plan,
5 community benefits plan, that would result from this
6 acquisition, and we have a strong interest in seeing it
7 implemented.

8 We hope that this acquisition will be approved, and
9 we're confident that it will result in an entity that is
10 stronger, more committed, and more able than ever to make a
11 positive impact on the prosperity and economic security of
12 those around it. Thank you.

13 KATRINA ALLEN-AUSTIN: Beth Myers, please turn on your
14 camera and unmute your microphone. Speaker Myers, we're
15 ready for your remarks.

16 ELIZABETH MYERS: Thank you. Good afternoon. My name
17 is Elizabeth Myers, and I serve as the CEO of Girls, Inc.,
18 of Metropolitan Dallas. I support the Capital One
19 acquisition of Discover and want to highlight what a great
20 partner Capital One has been for us and in our community.

21 Girls, Inc. is an independent nonprofit affiliate of a
22 national network, and our mission is to inspire all girls
23 to be strong, smart, and bold. Our focus is on girls ages
24 6 to 24 who are primarily from low-income, under-resourced
25 neighborhoods.

1 We help put these girls on a path to achieve strong
2 educational outcomes, sustain mental and physical
3 well-being, and pursue college and careers. The impact our
4 programming has on girls truly changes the trajectory of
5 their lives and impacts their family, their future family,
6 and the community.

7 We cannot do this important work without volunteer and
8 philanthropic support. Capital One has been the largest
9 corporate partner for Girls, Inc. of Metropolitan Dallas,
10 supporting us annually for over 20 years. They've been
11 unwavering in their support to help us achieve growth,
12 expanding our reach across Dallas County.

13 We have received over \$2.5 million in funding over the
14 years and a lot of volunteer support. An executive member
15 has volunteered on our board for many years. Another team
16 member serves on our diversity, equity, and inclusion task
17 force. The social innovation team of Capital One meets
18 with us annually to determine their plan of support, which
19 often includes needed training and development for our
20 staff.

21 Capital One also hosts for its nonprofit (inaudible)
22 inspirational and something I look forward to attending
23 each year. They also host our girls every year for a
24 program on their campus focused on STEM-related activities
25 and math and coding, and this is an incredibly rich

1 experience for our girls.

2 Honestly, no other partner does as much for us as
3 Capital One, who's been committed year after year to
4 helping us achieve our mission, grow the number of girls
5 that we serve, and pour into our community. They truly are
6 helping us equip girls to be a new generation of leaders
7 and advocates who will build a better equitable community
8 and world.

9 Thank you for this opportunity to speak today.

10 KATRINA ALLEN-AUSTIN: Gabrielle Madison, please turn
11 on your camera and unmute your microphone. Speaker
12 Madison, we're ready for your remarks.

13 GABRIELLE MADISON: Can you all hear me? Okay.

14 AMORY GOLDBERG: Yes.

15 GABRIELLE MADISON: Okay. Hi, I am Gabe Madison. I am
16 the President of Bonton Farms. I am very excited about the
17 opportunity to help you understand the impact that
18 Capital One has had on our organization and the community
19 of Bonton, which is located in South Dallas.

20 The community of Bonton has been labeled a food
21 desert, an economic desert, a healthcare desert, a housing
22 desert, but an oasis for predatory lending. Our
23 organization has designed all types of programs to help
24 address all of these challenges and dismantle the systems
25 of inequity.

1 The ability for us to do that would not have been
2 possible without great partners like Capital One. Their
3 partnership has helped us to address, in particular, the
4 housing desert as they have invested in Bonton Farms to
5 build the only apartment complex in the community that is
6 not tied to government funding.

7 This 36-unit apartment complex is a multi-income
8 housing option, not only for our low-income community
9 members, but also as the real estate in Dallas really soars
10 to new heights, the need to have more safe and affordable
11 housing for others that want to live near where they work
12 has skyrocketed. The apartment complex provides housing
13 for teachers, police officers, and more that serve in the
14 Bonton community.

15 We are thankful for Capital One and believing in our
16 ability to do this and seeing the need. Capital One has
17 also invested in our workforce development program, which
18 is called our Seed Time to Harvest Apprenticeship.

19 Our approach combines urban farm workforce development
20 and a holistic support for trauma-based community members
21 in order for transformation and stronger communities to be
22 built.

23 The ability to help the whole person was what
24 attracted Capital One to our place-based organization. We
25 help not only address deep-seated issues within the

1 community that prevent them from retaining a job and
2 building a career, as well as retaining other human
3 essentials that we all know are necessary for thriving
4 communities.

5 They believe that our approach was innovative, but
6 deep-rooted in assisting all aspects of the person, their
7 families, and the communities.

8 The Capital One team has also engaged with us in
9 various other areas that have been outside of just the
10 financial investment. As they have volunteered at our
11 farms, they have provided expertise to our team in matters
12 of executive leadership coaching, and they have had us as a
13 speaker and attendee at their Reimagined Community Summit.

14 This should go to show their true partnership with us
15 and others that you have heard from today.

16 As we at Bonton Farms continue to dismantle systems
17 like predatory lending, our hope is that we continue to
18 deepen our partnership with Capital One. We think with the
19 right safeguards and regulatory practices, the acquisition
20 of Capital One -- discovered by Capital One, will be a true
21 benefit. Thank you.

22 KATRINA ALLEN-AUSTIN: Brian MacNair, please turn on
23 your camera and unmute your microphone. Speaker MacNair,
24 we're ready for your result, your comments.

25 BRIAN MACNAIR: Thank you. Hi, I am Brian MacNair, and

1 I am the CEO of Kitchen of Purpose. We are a 501(c)(3) in
2 Arlington, Virginia that uses the power of food to change
3 lives.

4 I am here to speak on behalf of Capital One and their
5 commitment to community.

6 In 2012, I helped start this organization, formerly
7 known as La Cocina, with the main goal of providing
8 culinary training and food assistance for the Latino
9 community in Arlington, Virginia.

10 Then I served on the board for many years and helped
11 with Capital campaign for this new facility, working with
12 Capital One throughout that time.

13 Today, I have taken the reins at Kitchen of Purpose,
14 again, formerly known as La Cocina.

15 Today, we're the only bilingual training for chefs in
16 the D.C. area.

17 In fact, we provide free training for low-income and
18 unemployed new Americans in both back-of-house and
19 front-of-house roles for good-paying jobs in the food and
20 beverage industry.

21 Additionally, we provide classes in our food lab, our
22 small business incubator, guiding our students to start
23 their own food businesses and use our shared kitchen space
24 to launch that business.

25 Capital One has ultimately supported our job creation

1 and economic development from the inception with more than
2 half a million dollars in financial support and pro bono
3 services that help capacity building with our organization
4 and financial literacy training for our students.

5 Capital One has helped us create hundreds of good-paying
6 jobs in the food service industry here in the Washington,
7 D.C. area.

8 And without the support of Capital One, we would not
9 have been able to move to this new facility complete with a
10 cafe and a shared kitchen to help grow our small business
11 incubator.

12 In particular, we're excited to partner with
13 Capital One and Discover Financial Services to continue to
14 help us create good-paying jobs and new food businesses
15 through our small business incubator. Thank you.

16 KATRINA ALLEN-AUSTIN: Jessica Butler, please turn on
17 your camera and unmute your microphone. Speaker Butler,
18 we're ready for your remarks.

19 JESSICA BUTLER: Good afternoon. Thank you for this
20 opportunity to share my public testimony. My name is
21 Jessica Butler, and I am the Chief Development and External
22 Relations Officer at the North Lawndale Employment Network.

23 And I am here to express our profound gratitude and
24 unwavering support to Capital One and really to voice our
25 support for the merger between Capital One and Discover.

1 NLEN is dedicated to improving the earning potential
2 of the North Lawndale community through innovative
3 employment initiatives that lead to economic advancement
4 and an improved quality of life.

5 We are all about reducing the unemployment rate in
6 North Lawndale and Chicago's West Side, where unemployment
7 really staggers two to three times higher than the city's
8 average.

9 Over the years, Capital One has been an invaluable
10 ally, offering support that extends far beyond financial
11 contributions and impacts various aspects of our operations
12 and workforce development programming.

13 Capital One's backing of our Craft Your Path
14 initiative highlights their commitment to empowering
15 opportunity youth and those most at risk of poverty and,
16 really, gun violence.

17 Their support of our Financial Opportunity Center has
18 really been crucial in enhancing the financial stability
19 and economic mobilities for individuals and families in
20 North Lawndale.

21 Additionally, Capital One's financial education
22 workshops have empowered countless Black and Brown
23 individuals with essential financial management skills.
24 Capital One's hands-on engagement with employees actively
25 participating in our financial literacy workshops really

1 does bring real-world experience and personal connections
2 to our work.

3 You know, one of the things that I am most excited
4 about with this merger between Capital One and Discover is
5 their joint commitment to bringing jobs to the community.
6 I live in Chicago, so I think that, you know, Discover's
7 Customer Care Center that's located in the Chatham
8 neighborhood is really proof that investing and equity is
9 good for business.

10 Large companies have really a unique ability to bring
11 jobs at scale directly to communities that have suffered
12 from underinvestment. And addressing the challenges facing
13 our city, including the racial wealth gap, exaggerated by
14 years of biased economic policies and practices, is
15 crucial.

16 Regarding the proposed merger of Capital One and
17 Discover, we believe this acquisition will enhance Capital
18 One's ability to serve communities like North Lawndale more
19 effectively.

20 The merger promises to increase convenience,
21 competition, and efficiency, ultimately benefiting
22 underserved communities.

23 Capital One's proven commitment to community
24 development and financial inclusion aligns perfectly with
25 the goals of this acquisition.

1 As we continue to provide comprehensive support to our
2 community, partners like Capital One are vital to our
3 success.

4 VONDA EANES: Speaker Butler, we're at time. If you
5 have --

6 JESSICA BUTLER: Wow. That was quick.

7 VONDA EANES: -- additional comments --

8 JESSICA BUTLER: That went way quick.

9 VONDA EANES: It did. Please submit them in writing.
10 Thank you.

11 KATRINA ALLEN-AUSTIN: John Hatchell, please unmute
12 your microphone, turn on your camera. Speaker Hatchell,
13 we're ready for your remarks.

14 JOHN HATCHELL: Good afternoon. My name is John
15 Hatchell, and I am the co-Founder and CEO of TYDEi Health.

16 We have the honor of calling ourselves Discover's
17 first-ever payments network partner in healthcare.

18 It's no secret that, in the U.S., healthcare costs are
19 spiraling out of control today. A large contributor to
20 these rising costs are the inefficiencies and complexities
21 in our administrative processes around payments. And this
22 is to the detriment of all of us, because unfortunately,
23 whether we like it or not, we are all going to find
24 ourselves on the other side of the physician-patient
25 relationship at one point or another.

1 Right now, we have over 80 percent of our healthcare
2 economy transacting on paper. There is an incredible
3 opportunity here for improvement.

4 Unfortunately, though, there are incredibly tight
5 margins right now across most of these business-to-business
6 relationships supporting healthcare. And this leaves
7 little incentive for the utilization of card payments, and
8 especially with the likes of Visa or MasterCard. I still
9 remember the day that we first got engaged with the folks
10 at Discover.

11 From the moment we approached them with this
12 particular use case, there was really just a heads-down
13 commitment from their team working with us to find a
14 solution for the unique dynamics of the healthcare
15 industry.

16 I really have to tip my hat to folks like Mark
17 Mischke, Micah Kerr, and Bill Dolan from Discover's Global
18 Network, because they really made it their mission to see
19 this succeed.

20 And not for opportunity costs, but truly a personal
21 duty of really improving the status quo. They sought out
22 to find a way to improve healthcare and wanted a Payments
23 Network partner in healthcare, and they really believed in
24 what we were doing in our mission. And so, we're forever
25 grateful for that.

1 And honestly, if not for the effort of the folks at
2 Discover, we would never have been able to successfully
3 develop, launch, and execute on this solution, which really
4 has the potential to save healthcare millions and millions
5 of dollars through faster remittance cycles in critical
6 supply chain areas that are crucial to patient care.

7 So, I say this wholeheartedly, on behalf of TYDEi
8 Health, we are in full support of the Capital One Discover
9 acquisition and look forward to continued partnership.

10 This union not only creates access to new products and
11 services that can help accelerate payment innovation across
12 countless industries that are in need, just like the U.S.
13 healthcare economy, but I am sure countless others around
14 the globe that are in similar situations.

15 So, I thank you for your time today, and that's all.

16 KATRINA ALLEN-AUSTIN: Norma Fernandez, please turn on
17 your camera and unmute your microphone. Speaker Fernandez,
18 we're ready for your comments.

19

20 E V E N I N G S E S S I O N

21 NORMA FERNANDEZ: Thank you. Good afternoon. My name
22 is Norma Fernandez, and I am the CEO of EveryoneOn. I am
23 here today to express my support for Capital One's
24 acquisition of Discover.

25 For some context, EveryoneOn is a national

1 organization based in Los Angeles with roots in Washington,
2 D.C. Since 2012, we have been addressing the digital divide
3 across the country. Specifically, EveryoneOn connects
4 people to affordable internet service, computers, and
5 offers digital skills trainings to diverse communities.
6 I'd like to share a few reasons why Capital One's
7 acquisition makes sense for all communities, and in
8 particular, underserved communities, at least from our
9 perspective.

10 One, well before the COVID-19 pandemic shed light on
11 the digital divide, Capital One has been investing in
12 helping people access the digital tools and skills they
13 need to thrive in our digital society and economy.

14 For example, since 2018, Capital One has granted our
15 organization over \$700,000 to foster digital equity in Los
16 Angeles, the Bay Area in California, rural Wisconsin, New
17 York City, and most recently in Dallas and Houston,
18 allowing us to help connect thousands of families to the
19 globe's most important tool, the internet, donate more than
20 10,000 computers, and provide training to more than 10,000
21 people.

22 Capital One understands that in today's environment,
23 people need the skills and the tools to feel safe and
24 access digital services, and EveryoneOn is just one of many
25 organizations that Capital One has partnered with to foster

1 digital inclusion and equity.

2 Number two, Capital One hasn't just invested funding
3 over the years or money. Over the years, they have
4 invested in, A, multi-sector initiatives that build the
5 capacity of other organizations, like equipping libraries
6 and librarians to be digital navigators.

7 B, they have provided online banking training
8 platforms like Ready, Set, Bank, that provides on-demand,
9 easy-to-use instructional videos. And they have also
10 invested in research, important research to really
11 understand the digital divide and how to support
12 communities. All this aimed at expanding economic
13 opportunity for underserved communities. And, last but not
14 least, and I want to really drive home this message,
15 Capital One is made up of intelligent, dedicated customer
16 and community-focused people.

17 I have had the pleasure of collaborating with various
18 team members since 2018, folks from the research lab, the
19 community and government affairs department, and the
20 community impact and investment teams. These folks have
21 been thoughtful in building trust with organizations like
22 EveryoneOn.

23 They've demonstrated their general commitment --
24 genuine commitment to expanding access and opportunities,
25 and they have also been thought partners to EveryoneOn.

1 When I reviewed the Community Benefits Plan Agreement
2 dedicating over \$200 billion, I was not surprised at the
3 commitment because Capital One has over the years
4 demonstrated its dedication to expanding opportunity for
5 all.

6 Thank you for your time.

7 KATRINA ALLEN-AUSTIN: Paula Grieco, please turn on
8 your camera and unmute your microphone. Speaker Grieco,
9 you may begin your comments.

10 PAULA GRIECO: Good afternoon. My name is Paula
11 Grieco, and I am representing Commonwealth where I am a
12 Senior Vice President and member of the executive team.
13 Commonwealth is a national nonprofit driving systemic
14 changes to enable financial security and opportunity for
15 underserved households through innovation and partnerships.

16 Thank you for the opportunity to offer our perspective
17 and support on the proposed acquisition of Discover by
18 Capital One, which we think holds important potential to
19 advance our mission and will be good for low- and
20 moderate-income households that are our focus.

21 Our perspective is informed by our work with
22 Capital One for 15 years across research, social impact,
23 and community-based projects and our participation in
24 Capital One's Community Advisory Council. Through these
25 experiences, we have seen that first, Capital One continues

1 to offer leading, low-cost, widely accessible, easy-to-use
2 banking products, their 360 checking and savings account in
3 particular that address an essential need in the market,
4 especially for those living on modest incomes who do not
5 always feel well served by traditional banks.

6 Capital One's decision in January 2022 to eliminate
7 overdraft fees is an example of how they continue to refine
8 these projects to work for all customers.

9 Second, Capital One has been a leader on well-
10 designed mobile and web-based banking, a fact that is
11 especially important for those who work irregular
12 schedules, perhaps multiple jobs who do not have convenient
13 access to bank branch.

14 Third, Capital One is a responsible innovator driving
15 positive change in the banking industry with practical
16 impacts for consumers. Research we are undertaking
17 together right now illustrates the point as we understand
18 how AI can best enable financial security for underserved
19 households. Our first step is consumer research, listening
20 to and understanding the needs, aspirations, and concerns
21 of those living on modest incomes.

22 And finally, Capital One has made clear in both public
23 and private statements their commitment to maintain, 327
24 expand these and other efforts through proposed acquisition
25 guided by their clearly stated purpose to change banking

1 for good.

2 In sum, based on our experience of over 15 years with
3 Capital One, Capital One has been a responsible leading
4 bank guided by a clear purpose that reflects an
5 understanding that one of their responsibilities is to
6 serve all their communities well. This gives us confidence
7 that the larger Capital One, which this acquisition will
8 enable, will continue to contribute to broader financial
9 security and opportunity for underserved households.

10 We support this acquisition and thank you for your
11 time.

12 KATRINA ALLEN-AUSTIN: Todd Zywicki, please turn on
13 your camera and unmute your microphone. We're ready for
14 your comments.

15 TODD ZYWICKI: Thank you. I am Todd Zywicki. I am a
16 law professor at Antonin Scalia Law School, and I am here
17 testifying on behalf of myself.

18 I have a co-authored white paper coming out next week
19 analyzing the law and economics of this merger, and I'd
20 like to make five points, which is that under the general
21 heading that this merger I think will be a very
22 pro-competitive merger and very beneficial for consumers,
23 and could really transform the competitive landscape of the
24 banking and consumer financial services in the United
25 States.

1 First, and I think most important, this would really
2 address a major question with respect to network
3 competition. There's been a lot of complaints and
4 legislation introduced, such as the Credit Card Competition
5 Act, that says we need more competition in the network
6 space.

7 Discover has its own network, but it's been stuck at
8 about 4 percent of all network traffic for about 20 years.
9 This merger with Capital One will take that relatively
10 stagnant network, and I think energize it with the
11 innovation and the history that Capital One has shown with
12 its entry into the market.

13 Second, it will increase issuer competition as well in
14 both the credit card and the debit card market. That is a
15 very fragmented market. While this would create a very
16 strong credit card competitor, it would still preserve a
17 great deal of competition, would still be less than 25
18 percent of all credit card accounts, which is far below any
19 standards that usually raise any sort of antitrust
20 concerns.

21 And in the debit card market, it would allow this
22 company to continue to issue free debit cards and the like
23 to consumers, which has been hampered a great deal,
24 especially for low-income consumers, since the enactment of
25 the Durbin Amendment.

1 Fourth, we would see an impact on bank accounts. Both
2 of these accounts, as you just heard from Ms. Grieco, both
3 these companies, but particularly Capital One, has been an
4 expert in reaching out to middle-class customers and
5 creating bank services for middle-class customers. They
6 have great synergies in that both of them have relatively
7 small physical footprints. And I think that this would
8 really allow them to expand further and offer free checking
9 accounts to a lot of customers.

10 Finally, and I think something that's been largely
11 ignored in the commentary, is that by increasing traffic
12 and by increasing purchase volume on this network, this
13 will create great synergies for improvements in customer
14 data security.

15 As we know, Discover particularly has had some
16 problems with this. Putting that together with
17 Capital One's innovative data security tradition, I think
18 will make the company much stronger. Thank you.

19

20

G R O U P 16

21 AMORY GOLDBERG: Thank you. Pamela Prince-Eason,
22 please unmute your microphone and turn on your camera.
23 Speaker Prince-Eason, we are ready for your remarks.

24 PAMELA PRINCE-EASON: Good afternoon. Pamela
25 Prince-Eason. In my role as President and CEO of the

1 Women's Business Enterprise National Council, I will refer
2 to that as WBENC, it's vitally important to me for
3 government and large corporations to use their size and
4 scale to support the communities they serve, as well as
5 small businesses, which are the heart and soul of our
6 economy.

7 As you consider mergers in general, it is my hope that
8 approval comes with the expectation that the larger entity
9 should provide more good to society than the previous
10 organizations have done individually. I believe this
11 merger will do that. WBENC identifies and prepares
12 women-owned businesses to provide products and services to
13 corporate and government supply chains. This could not be
14 done without commitment from organizations like
15 Capital One, who understand and accept the responsibility
16 to be a partner with the communities that they serve.

17 Today, more than ever, it is vital we take actions
18 that will sustain America as the powerhouse it should
19 always be on the world stage.

20 For this reason, I wish to share a few recent examples
21 from what has been a long history of Capital One using
22 their size and scale to achieve company goals while also
23 creating lasting and sustainable impact on communities.
24 This is true evidence of their mission to change banking
25 for good.

1 Many corporations provide annual sponsorships, exhibit
2 at annual events, participate in opportunity workshops and
3 forums, and Capital One certainly does all of that. Some
4 serve on boards, committees. Capital One also does that.

5 But what makes a lasting impact is providing time,
6 thoughtful input, and strategic insight regarding solutions
7 that can reduce barriers for small business and following
8 that work up with resources that make those solutions
9 possible. WBENC has partnered with Capital One to support
10 their Diverse Supplier Catapult Program since 2017.

11 Catapult is a six-month program designed to help
12 diverse business owners develop a solution to a critical
13 business challenge. Through either solving a complex
14 business problem or creating a new product or service, they
15 leverage these concepts and skills that they learn from the
16 program.

17 Capital One also partners with one of my regional
18 affiliates, WBEC New York DMV, to provide SAGE, a six-month
19 developmental program designed to support WBE's with
20 instruction on several topics and ultimately draft a
21 business plan to enable them to articulate their business
22 succinctly.

23 In these examples, Capital One employees engage in the
24 community directly as mentors through investments of their
25 time and sharing their experiences.

1 I have an additional strong example of commitment
2 Capital One has that is yielding economic benefit for small
3 businesses which are now more capable due to their
4 investments. Through the Capital One Impact Initiative,
5 WBENC launched Thriving with Capital One in March of 2022
6 to provide women-owned and small businesses with the
7 education and resources needed to prosper in today's
8 competitive marketplace.

9 The program focused on providing education and
10 resources in five different areas. It included mentoring
11 from Capital One associates and it led to over 2,000
12 attendees commenting.

13 VONDA EANES: Speaker Prince-Eason, I am afraid we have
14 hit time.

15 PAMELA PRINCE-EASON: Thank you.

16 VONDA EANES: If you have additional comments, please
17 submit them in writing. Thank you.

18 AMORY GOLDBERG: Tara Pak, you may turn on your camera
19 and unmute yourself. Speaker Pak, you may begin speaking
20 your remarks.

21 TARA PAK: Hi, my name is Tara Pak, and I am the Senior
22 Director of Strategic Partnerships at PATH. Founded in
23 1983, our mission is to end homelessness for individuals,
24 families, and communities in California. We provide
25 person-centered supportive services, develop permanent

1 supportive housing, and serve 26,000 individuals annually.

2 I am pleased to be here today to express PATH's
3 gratitude for Capital One. They have demonstrated a strong
4 and targeted commitment to serving our unhoused neighbors.
5 Homelessness, as you may know, is growing at an
6 unprecedented rate in California. Significant government
7 funding is invested in solutions.

8 However, by the time nonprofits receive contracts,
9 there are many restrictions that limit operations.
10 Partners like Capital One are critical to our work,
11 providing flexible funds that fill in the gaps left by
12 contracts.

13 In the last 10 years, Capital One's support has helped
14 PATH provide affordable homes to thousands. Capital One
15 has also supported our mission through financial workshops.

16 Income is a core factor in maintaining housing, with a
17 high cost of rent being one of many reasons people enter
18 and/or re-enter the cycle of homelessness. The financial
19 skills individuals have strengthened in Capital One's
20 workshops are important to increasing housing retention,
21 which in turn is essential to ending homelessness
22 permanently.

23 Over the last decade, we have helped more than 20,000
24 people move into permanent homes.

25 Capital One's support of PATH's work has made all the

1 difference. Thank you so much.

2 AMORY GOLDBERG: Justin Nelson, can you please turn on
3 your camera and unmute yourself? Speaker Nelson, please
4 begin your remarks.

5 JUSTIN NELSON: Good evening. I am Justin Nelson. I
6 am the co-Founder and President of the National LGBT
7 Chamber of Commerce, also known as NGLCC. We are the
8 business voice of LGBTQ plus-owned businesses and the
9 largest advocacy organization dedicated to expanding
10 economic opportunities for LGBTQ plus people.

11 Through connecting our businesses with major
12 corporations and government entities via certification,
13 networking, and strategic alliances, NGLCC fosters the
14 growth of an inclusive and vibrant business community.

15 And I am here today to express my organization's
16 strong support for Capital One's acquisition of Discover
17 Financial.

18 This acquisition represents a monumental step forward
19 in the ongoing commitment to equity, inclusion, and
20 economic empowerment that both esteemed organizations
21 embody.

22 Capital One has been a long-standing and dedicated
23 partner of my organization and a true ally to the LGBTQ
24 plus business community.

25 In fact, for over a decade, their support has been

1 instrumental in advancing our mission to foster economic
2 opportunities and inclusion for LGBTQ plus entrepreneurs.

3 Capital One's dedication to inclusion extends far
4 beyond our community, encompassing a wide array of diverse
5 business communities. Their efforts have consistently
6 demonstrated a deep commitment to creating equitable
7 opportunities for all, whether it be for their customers,
8 their employees, or in their supply base.

9 One of the cornerstone initiatives that showcase
10 Capital One's dedication is their exemplary Catapult
11 program. This program has been pivotal in educating and
12 empowering diverse owned businesses, equipping them with
13 the knowledge, skills, and resources necessary to thrive in
14 today's competitive marketplace.

15 Through Catapult, Capital One has not only provided
16 invaluable business education, but has also fostered an
17 environment where diverse entrepreneurs can connect, grow,
18 and excel.

19 Moreover, Capital One's supplier diversity program is
20 a testament to their commitment to fostering and developing
21 diverse enterprises. This strong record of contracting
22 with certified companies by LGBTQ people, women, ethnic
23 minorities, veterans, and persons with disabilities has
24 created countless opportunities for those enterprises to
25 expand.

1 Capital One's commitment extends beyond their business
2 practices. They are obviously dedicated to the well-being
3 of their employees and actively work to create an inclusive
4 workplace where everyone can thrive.

5 In conclusion, the National LGBT Chamber of Commerce
6 fully supports Capital One's acquisition of Discover
7 Financial, and we're confident that this merger will
8 amplify the positive impact that Capital One has already
9 made. We look forward to witnessing the continued growth
10 and success of diverse businesses under this inclusive and
11 visionary partnership. Thank you.

12 AMORY GOLDBERG: Ken Ampy, can you please turn on your
13 camera and unmute your microphone? Speaker Ampy, you may
14 begin your remarks.

15 KEN AMPY: Good evening. I am speaking today in total
16 support of Capital One's application to acquire Discover
17 Financial Services. My name is Ken Ampy, and I am the CEO
18 of Astyra Corporation.

19 One of the core principles of our organization is our
20 commitment to the communities we serve. That philosophy is
21 keenly aligned with that of Capital One, which is why we
22 are so willing to offer our support to this deal. We first
23 became a vendor to Capital One in 1998. This long-standing
24 relationship has benefited our organization in numerous
25 ways. Our firm only had four employees when we first began

1 the engagement.

2 However, Capital One allowed us the runway to mature
3 and grow. We will go on to staff over 1,000 Astyra
4 associates on various Capital One projects over the years.
5 Our growth also included geographic expansion beyond
6 Virginia to states including Texas, California, Illinois,
7 Washington, Louisiana, and others, making us a national
8 organization.

9 Their success has meant our success. Their growth has
10 meant our growth. With Capital One as a cornerstone
11 client, Astyra has appeared in Inc. Magazine's
12 fastest-growing companies in America seven times.

13 However, the focus of my comments today are intended
14 to highlight Capital One's commitment to the community and
15 their support of small and minority-sized businesses.

16 Early in our evolution, both myself and fellow
17 co-founder Sam Young were participants in Capital One's
18 first-ever mentor-protégé program. This multi-year
19 connection to a Capital One executive would lay the
20 foundation for our development as executives in our own
21 right.

22 Additionally, I was personally sponsored by
23 Capital One to attend the Kellogg School of Management's
24 advanced management education program for minority-owned
25 businesses. Their assistance has also included 15-day

1 payment terms for minority-owned businesses, and their
2 annual supplier summit continues to assist businesses in
3 their development and education.

4 By acquiring Discover, Capital One has the opportunity
5 to leverage its expertise and resources to further support
6 communities and businesses across the country. The
7 combined strengths of Capital One and Discover will create
8 a powerhouse in the financial services industry, capable of
9 driving meaningful change and making a positive impact on
10 millions of lives.

11 In conclusion, I wholeheartedly support Capital One's
12 application for the acquisition of Discover. I am
13 confident that Capital One's commitment to the community
14 and small business growth will only be strengthened by this
15 acquisition, and I look forward to witnessing the positive
16 impact it will have. Thank you so much.

17 AMORY GOLDBERG: Nedra Fears, please turn on your
18 camera and unmute your microphone. Nedra Fears, you may
19 begin your remarks.

20 NEDRA FEARS: Hi, I am Nedra Sims Fears, the Executive
21 Director of the Greater Chatham Initiative, which is an
22 eight-year-old place-based community development nonprofit
23 that advances four Chicago Black South Side neighborhoods:
24 Avalon Park, Auburn Gresham, Chatham, and Greater Grand
25 Crossing.

1 The Greater Chatham Initiative worked with World
2 Business Chicago to bring Discover to Chatham so our mid-
3 career neighbors could have high-quality jobs where they
4 lived. A local school principal quipped that, you can tell
5 Discover families because they are less stressed and are
6 present.

7 I was not able to attend a community listening session
8 hosted by Discover and Capital One at Discover's Shine
9 Bright Community Center where they spoke about the benefits
10 of the proposed merger your office is reviewing.

11 After the fact, colleagues shared with me that they
12 were very encouraged to learn, like me, that Capital One
13 has a record of community investments and how that aligns
14 with that of Discover. Capital One remains committed to
15 Discover's vision for bringing quality jobs to Chicago's
16 South Side and supporting organizations like ours whose
17 work is critical to bring other businesses to Greater
18 Chatham.

19 I believe that the proposed merger between Capital One
20 and Discover can be beneficial to Chicago as Discover's
21 \$30 million Customer Care Center in Chatham has already had
22 a positive economic impact on Chicago's South Side since it
23 opened three years ago.

24 Moreover, the very presence of a Fortune 300 call
25 center on the South Side of Chicago that continues even

1 after Discover's change in leadership and a merger with
2 Capital One attests that the banking community will leave
3 in place an important place-based employer in a Black
4 neighborhood.

5 As a combined company with Capital One, we believe the
6 merger will further demonstrate to other Fortune 300
7 companies that place-based investments in BIPOC
8 neighborhoods make sense both for the company and community
9 members and we hope others will follow.

10 We encourage the Federal Reserve to approve this
11 merger recognizing its potential to benefit communities
12 like ours and its impact on stabilizing and growing Black
13 middle neighborhoods. Thank you.

14 AMORY GOLDBERG: Leila Finucane, can you please turn on
15 your camera and unmute your microphone? Speaker Finucane,
16 can you please start your remarks?

17 LEILA FINUCANE: (Inaudible) the regional nonprofit
18 providing affordable and senior housing in the District of
19 Columbia and Maryland to low- and moderate-income seniors
20 and families as well as related services.

21 Thank you for this opportunity to testify in support
22 of Capital One. We have been engaged with Capital One as
23 our lender and investor as well as participating in
24 Capital One grants with volunteer programs for over
25 15 years now. This access to capital and loans, as well as

1 the expertise and experience of Capital One volunteers, has
2 significantly and positively impacted our success.

3 This has demonstrated a multiple innovatively financed
4 affordable senior communities that we have been able to
5 deliver in partnership with Capital One and also in the
6 high-quality grant volunteer and in-kind services they have
7 provided as a strong community partner.

8 We have over 2,800 housing units across 36 properties
9 in the DMV and Capital One has partnered with us on seven
10 of those projects. Since 2011, they have helped us to
11 finance five communities in Montgomery County, Maryland,
12 and in St. Mary's County, Maryland. All affordable
13 independent senior communities serving a broad range of
14 incomes.

15 They have also supported us with community-related
16 grants at The Summit at St. Martin's, in the Eckington
17 neighborhood in D.C., and our Spring Flats redevelopment
18 for three-acre district site in the Petworth neighborhood
19 in D.C. helping us to absorb some of the impacts of COVID.

20 Capital One has also provided innovative pre-
21 development support in particular to pipeline projects like
22 our Viva White Oak senior affordable community in Silver
23 Spring. This financing support along with the grants that
24 Capital One has consistently provided has been a critical
25 part of our success, and we especially appreciate the

1 expertise and insights that the team continues to provide.

2 AMORY GOLDBERG: I am sorry we have lost audio and
3 we're not able to hear you and it's been very faint this
4 time. You may wish to submit written comments just to
5 ensure that we have gotten everything you have said. You
6 can try to continue, but it has been hard to hear you.

7 LEILA FINUCANE: I apologize. Okay. Well, thank you.
8 Essentially, our long-standing partnership with Capital One
9 we feel demonstrates their commitment to community
10 development, banking, and lending.

11 In addition, their role as a community partner has
12 been demonstrated in efforts like digital access programs,
13 donations, and most recently, a volunteer project currently
14 underway where the tech team is helping us on a data
15 visualization and reporting efficiency project. All
16 efforts that have helped us to scale our own efforts.

17 On behalf of Victory Housing, I am pleased to voice
18 our support for Capital One in their application to receive
19 approval to acquire Discover. We know they will continue
20 their work to change banking for good, and we look forward
21 to continuing to work with them on additional efforts in
22 the future. Thank you.

23 AMORY GOLDBERG: Jason Ilstrup, if you can please turn
24 on your camera and unmute your microphone. Speaker
25 Ilstrup, you may begin your remarks.

1 JASON ILSTRUP: Good afternoon, everyone, members of
2 the Board. I am Jason Ilstrup, President of Downtown
3 Madison, Inc., a downtown management organization based
4 here in Madison, Wisconsin, and I am here to express my
5 strong support for the proposed merger between Discover and
6 Capital One.

7 This merger holds the potential to bring significant
8 benefits to our vibrant small business community here in
9 Madison, Wisconsin and as President of Downtown Madison, I
10 know what it takes to help small businesses thrive and be a
11 pivotal part of our community.

12 Small businesses are the lifeblood of any downtown
13 area. They contribute to the unique charm, the economic
14 vitality and the sense of community.

15 However, these businesses often face challenges in a
16 highly concentrated payment network market dominated by
17 Visa and MasterCard. The control exerted by these two
18 dominant players has led to arrangements that don't always
19 favor the merchants, ultimately impacting their bottom line
20 and ability to thrive. The merger between Discover and
21 Capital One offers a ray of hope for small businesses in
22 Madison and beyond.

23 With Capital One leveraging Discover's network,
24 Discover would become a stronger competitor to Visa and
25 MasterCard. This increased competition would provide small

1 businesses with more affordable and efficient payment
2 processing solutions, freeing up resources that can be
3 reinvested into their operations and into their
4 communities.

5 By creating a more competitive environment in the
6 credit card payment network market, this merger has the
7 potential to ramp up competition and increase choice for
8 merchants.

9 Moreover, increased competition fosters innovation.
10 This can lead to the development of tailored solutions
11 specifically designed to meet the needs of small
12 businesses.

13 If current market duopoly is broken up, we will see a
14 more competitive market that encourages providers to go the
15 extra mile in serving their merchant customers. This means
16 better service, more options and ultimately a stronger
17 foundation for our small businesses to grow and succeed.

18 As we strive to revitalize our downtown area and
19 support the entrepreneurs who call it home, initiatives
20 like the Discover Capital One merger are crucial. By
21 advocating for policies that promote competition and
22 empower small businesses, we can create a more inclusive
23 and prosperous community for all.

24 The merger represents a pivotal step towards fostering
25 competition, driving innovation and creating an equitable

1 environment for small businesses in our city and beyond. I
2 urge you to here recognize the potential of this merger to
3 benefit our small business ecosystem and lend their support
4 accordingly.

5 By supporting this merger, we can ensure that our
6 small businesses have the tools and opportunities they need
7 to thrive and help the small businesses of Madison and
8 across the country. Thank you for your time and
9 consideration.

10 AMORY GOLDBERG: Greta Harris, can you please turn on
11 345 your camera and unmute your microphone? Speaker
12 Harris, you may begin your remarks.

13 GRETA HARRIS: Good evening and thank you for the
14 opportunity to share my support about the proposed
15 acquisition of Discover Capital One.

16 My name is Greta Harris, and I have the pleasure of
17 serving the Better Housing Coalition in Central Virginia as
18 their President and CEO. I have been in this role for
19 11 years and have been working in the community development
20 industry across the country for 35.

21 After being involved in a billion dollars of community
22 investments that have served more than 40,000 modest income
23 citizens, many of whom are people of color, I can say that
24 the only way this type of really hard work gets done is
25 through strategic cross-sector partnerships.

1 Whether it's creating daycare centers, health clinics,
2 business incubators or building good places to call home,
3 community development requires investment of resources,
4 time and passion. I have been fortunate to work with
5 Capital One leadership across all of these avenues to make
6 a tangible difference in communities I have served.

7 Just a couple of examples of their commitment to
8 creating a more equitable society include in the early days
9 when Capital One was still a special purpose bank, we were
10 able to craft a 501(c)(3) bond product that met the CRA
11 346 investment test. A modest initial investment of
12 \$2 million created a model that eventually attracted more
13 than \$150 million that was replicated by other
14 institutions.

15 Another example includes when the Better Housing
16 Coalition was completing a 500-unit mixed-income mixed-use
17 community and a global pandemic occurred, Capital One
18 helped us bridge a critical digital divide for nearly
19 1,500 residents by giving us a large grant to provide free
20 Wi-Fi across our 40-acre campus.

21 Most importantly, I want to touch on the time and
22 passion that Capital One associates from the c-suite to
23 those just starting their careers possess and generously
24 share in the many communities they serve. We have enjoyed
25 Capital One leadership on our corporate board, our young

1 professional board, various board committees, and even
2 large groups of volunteers to enhance the quality of life
3 of our modest income residents.

4 Every company says they have great values, but few
5 live them out in real life like I have experienced with
6 Capital One. Some advocates are critical of the proposed
7 size of the institution if you approve this transaction.

8 Our belief is that scale matters in a complex and
9 connected global marketplace. The new company, supported
10 by inclusive and equitable values that support associates,
11 customers and shareholders, can bring new resources,
12 technology and opportunity to a hyper-connected world. We
13 stand in favor of the proposed new company and look forward
14 to working with leadership to continue making a tangible
15 difference in the lives of people and places.

16 Thank you so much and happy Friday.

17 AMORY GOLDBERG: Thank you. Abe Schuchman, can you
18 please turn on your camera and unmute your microphone.
19 Speaker Schuchman, you may begin your remarks.

20 ABE SCHUCHMAN: Good afternoon and thank you for the
21 opportunity to convey my support for Capital One's merger
22 with Discover. I believe I am the last speaker, so I know
23 I have a special responsibility to be brief, so I will do
24 my best. I am the founding CEO of Housing Unlimited. I
25 have been very impressed with Capital One's philanthropic

1 commitment to my organization and other community-based
2 nonprofits in my region.

3 For the past 30 years, Housing Unlimited, a 501(c)(3)
4 charity, has provided affordable independent housing for
5 adults in mental health recovery in Montgomery County,
6 Maryland. Four out of every 10 of our tenants are formerly
7 homeless individuals. We promote independence and recovery
8 by providing a quality and comfortable home. Knowing that
9 their housing is secure, our tenants focus on becoming
10 valued and integrated members of the community.

11 For many years now, Capital One has been a generous
12 348 financial supporter of Housing Unlimited. We have been
13 very impressed with Dane Moist and his team at Capital One
14 for going the extra mile to get to know us.

15 The charitable grants that we have received from
16 Capital One have played a pivotal role in our ability to
17 expand and grow. Starting with our acquisition of one home
18 in 1995, we now own 90 homes throughout Montgomery County
19 and serve 247 very low-income individuals in mental health
20 recovery.

21 Beyond its critically important financial support,
22 Capital One has also provided pro bono technical assistance
23 to us.

24 For example, four caring Capital One communications
25 professionals came together this past spring to provide

1 comprehensive pro bono marketing, messaging, and media
2 strategy to us.

3 As we celebrate our 30th year in the community this
4 year, we're grateful that Capital One has provided us with
5 ongoing financial support, as well as their top-tier
6 technical expertise.

7 Finally, as a small nonprofit business, we are hopeful
8 this merger will bring needed competition to the credit
9 card space currently dominated by Visa and MasterCard, and
10 that this competition will result in financial benefits for
11 small businesses and individuals.

12 For all these reasons, we encourage you to approve
13 Capital One's merger with Discover. Thank you very much.

14 VONDA EANES: Thank you very much, everyone. On behalf
15 of my co-Presiding Officers, Joseph Firschein and Chandni
16 Ohri, and all of the panelists from the Federal Reserve
17 Board and the Office of the Comptroller of the Currency, we
18 want to thank all of you who have presented today, as well
19 as everyone who listened in and attended the public
20 meeting.

21 We particularly want to thank all of the presenters
22 for cooperating within fairly strict time limits in order
23 to allow everyone the opportunity to speak. I also want to
24 personally thank all of the Federal Reserve Bank of
25 St. Louis staff who worked so hard behind the scenes to

1 facilitate today's meeting. The virtual format increased
2 transparency and made attendance at the meeting much easier
3 for those who wanted to watch the or provide oral comments.

4 We had presenters from all over the country, and we
5 appreciate all the remarks that were made today.

6 Today's remarks will be considered by both the OCC and
7 the Federal Reserve Board. We also encourage anyone who is
8 interested in submitting written comments to the OCC and
9 the Board to follow the instructions outlined in the
10 Federal Register Notice for this public meeting.

11 Public comments can be submitted between now and the
12 deadline of 5:00 p.m. Eastern on Wednesday, July 24th.

13 In addition, a reminder, the copy of the official
14 transcript will be made available on the Board's and OCC's
15 public websites within a couple of weeks of today's
16 meeting.

17 With that, we will close today's public meeting. I
18 wish everyone a good evening, and thank you all for
19 attending our public meeting and for providing us with so
20 much heartfelt and thoughtful commentary. Thank you.

21 (Whereupon, at 6:27 p.m. Eastern, the meeting was
22 adjourned.)

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