

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

COMENITY BANK)

WILMINGTON, DELAWARE)

(Insured State Nonmember Bank))

ORDER TO PAY

FDIC-24-0051k

Comenity Bank, Wilmington, Delaware (**Bank**) was advised of the Bank’s right to receive a *Notice of Assessment of Civil Money Penalty, Findings of Fact and Conclusions of Law, Order to Pay and Notice Of Hearing (Notice)* issued by the Federal Deposit Insurance Corporation (**FDIC**) detailing the violations of law and/or regulation for which a civil money penalty (**CMP**) may be assessed against the Bank pursuant to section 8(i)(2) of the Federal Deposit Insurance Act (**Act**), 12 U.S.C. § 1818(i)(2), and was further advised of the right to a hearing on the Notice under section 8(i) of the Act, 12 U.S.C. § 1818(i), and the FDIC’s Rules of Practice and Procedure, 12 C.F.R. Part 308, subparts A and B. The Bank, by and through its duly elected board of directors, having waived these and certain other rights under those provisions entered into a *Stipulation and Consent to the Issuance of an Order to Pay (Consent Agreement)* with counsel for the FDIC on July 24, 2024.

The FDIC determined and the Bank neither admits nor denies that the Bank engaged in unfair acts and practices in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), related to reward programs and the processing of automatic payments matters resulting from the conversion from an internal core system platform to an external core system platform.

The FDIC accepts the Consent Agreement and issues the following:

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By reason of the Bank's actions outlined above and after taking into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the Bank, the gravity of the violations, the history of previous violations by the Bank, and such other matters as justice may require, a CMP of \$1,000,000 is assessed against the Bank under 12 U.S.C. § 1818(i)(2) and is effective on issuance of this *Order To Pay (Order)*. The Bank's payment of \$1,000,000 to the Treasury of the United States is acknowledged.

The Bank may not seek or accept indemnification for the CMP assessed in this matter.

This Order does not waive any right, power, or authority of the United States; federal or state, or local agencies; or the FDIC as Receiver with respect to the Bank or any of the Bank's current or former institution-affiliated parties, as that term is defined in Section 3(u) of the Act, 12 U.S.C. § 1813(u).

Issued under delegated authority.

/s/ _____ Date: 8/22/2024
G. Chris Finnegan
Senior Deputy Director
Division of Depositor and Consumer Protection