

OFFICE OF THRIFT SUPERVISION

Approval of Application to Modify a Business Plan

Order No.: 2004-43
Date: August 31, 2004
OTS No. 15044

GE Capital Consumer Card Co., Mason, Ohio (Applicant), has applied for approval of the Office of Thrift Supervision (OTS) pursuant to Condition 9 of OTS Order No. 2001-37 (May 31, 2001), for permission to modify its business plan to engage in certain activities in cooperation with its operating subsidiary, CashWorks, Inc. (CashWorks).

OTS has previously approved, in OTS Order No. 2004-39, July 30, 2004 (July Order) an application for the Applicant to establish CashWorks as an operating subsidiary, and to engage in certain check-cashing-related activities in coordination with CashWorks, with CashWorks providing the program and staff that will be used to determine whether customers' checks will be accepted.

In the July Order, OTS approved the Applicant engaging in several different activities, and among other things, opening deposit accounts through three types of fully automated facilities. This Order addresses two additional means of opening deposit accounts through two types of partially automated means, both involving employees of independent third parties, at locations operated by those third parties, as described in more detail in the application.

OTS has reviewed the business plan and has concluded that the additional means of opening deposit accounts do not raise supervisory concerns. OTS has evaluated plans to limit relevant risks and concludes that those plans are adequate. Furthermore, OTS is familiar with the management and capital of the Applicant and concludes that the Applicant is able to effectuate the modified business plan safely and soundly.

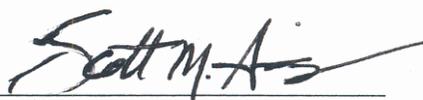
OTS has considered the nature of the proposed additional circumstances in which deposit accounts would be opened and concludes that the locations at which accounts would be opened using partially automated means (retail facilities) would not be branch offices under OTS regulations involving federal savings associations, at 12 C.F.R. § 545.92. The Applicant will neither own nor rent any part of the retail facilities where the deposit customers will bring their deposits and the Applicant will not control the operations of any such facility. To the limited extent that a retailer's personnel are involved in the deposit transactions, they will be confined to ministerial functions and all decisions regarding the propriety of opening deposit accounts will be made by the Applicant at offices of the Applicant or its operating subsidiary and not at any retail facility. Moreover, approval of the application will be conditioned on the Applicant not using signage on the exterior of any retail facility that contains the Applicant's name or

the Federal Deposit Insurance Corporation's official signs or otherwise indicates that federally insured deposit accounts are offered on the premises. Accordingly, we conclude that the retailers are acting as couriers, merely transmitting deposits to or payments from the Applicant. Therefore, the retail facilities utilized for that function do not constitute offices or facilities of the Applicant.¹

Based on the foregoing analysis, OTS concludes that the application satisfies the applicable approval criteria, and therefore, the application is hereby approved, provided the activities are conducted in a manner consistent with this Order, the commitments described in the application, and the Applicant complies with the following conditions:

1. The Applicant must not own or rent any portion of the retail facilities utilized for offering deposit accounts;
2. Third parties that are independent of the Applicant must control the operations of the retail facilities, including the time periods when those facilities are open for business, the merchandise and services offered at those facilities and the decisions concerning the employment of the personnel who work at those facilities;
3. Exterior signage on the retail facilities must not include the Applicant's name, any of the Federal Deposit Insurance Corporation's official signs or otherwise indicate that federally insured deposit accounts are offered on the premises;
4. The retailer's personnel who are involved in deposit transactions with the Applicant will be confined to ministerial functions and all decisions regarding the propriety of opening deposit accounts will be made by the Applicant at offices of the Applicant or its operating subsidiary and not at any retail facility; and
5. Any material or significant modification to the manner in which deposit accounts are opened at retail facilities will require prior OTS approval.

By order of the Director of the Office of Thrift Supervision, or his designee, effective August **31**, 2004.



Scott M. Albinson
Managing Director
Office of Examinations, Supervision
and Consumer Protection

¹ For the same reasons, we conclude that the retail facilities utilized in the District of Columbia are not branches under 12 U.S.C. § 1464(m).