

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	TEMPORARY ORDER TO
)	CEASE AND DESIST
FIRST BANK OF DELAWARE)	
WILMINGTON, DELAWARE)	FDIC-08-151c&b
)	FDIC-07-256b
)	
(Insured State Nonmember Bank))	
_____)	

The Federal Deposit Insurance Corporation (FDIC) has determined that the unsafe or unsound banking practices involving subprime lending that the First Bank of Delaware, Wilmington, Delaware (Bank), is alleged to have engaged in or that the FDIC has reason to believe the Bank is about to engage in, as specified in the NOTICE OF CHARGES FOR AN ORDER TO CEASE AND DESIST AND FOR RESTITUTION; ORDER TO PAY; AND NOTICE OF HEARING (collectively, NOTICE), issued on June 10, 2008, attached hereto and incorporated herein by reference, and/or the continuation thereof by the Bank, are likely to cause insolvency or significant dissipation of the assets or earnings of the Bank, or are likely to weaken the condition of the Bank or otherwise prejudice the interests of the depositors of the Bank prior to the completion of the proceedings against the Bank conducted pursuant to section 8(b) of the Federal Deposit Insurance Act (Act), 12 U.S.C. § 1818(b).

In particular, the FDIC has determined that the Bank's imminent intention to acquire one or more portfolios of credit card accounts, given the unsafe and unsound practices evidenced in its subprime lending, including ineffective oversight of third-party vendors, is likely to weaken the condition of the Bank.

Therefore, the FDIC hereby issues this TEMPORARY ORDER TO CEASE AND DESIST (TEMPORARY ORDER) and hereby gives notice pursuant to section 8(c)(1) of the Act, 12 U.S.C. §1818(c)(1), that the Bank and its institution-affiliated parties, successors and assigns, be and hereby are ORDERED to cease and desist from and take affirmative action as follows:

1. The Bank shall not acquire any portfolios of consumer credit card accounts from Columbus Bank and Trust Company, Columbus, Georgia; CompuCredit Corporation, Atlanta, Georgia, or any other insured depository institution or other entity until such time as:

- (a) the Bank submits to the Regional Director of the FDIC's New York Regional Office (Regional Director) for non-objection, an operating and capital plan that:
 - (i) assesses all risks associated with the credit card accounts to be acquired;
 - (ii) addresses the unsafe or unsound banking practices involving subprime lending that the Bank is alleged to have engaged in as specified in the Notice, including but not limited to, ineffective oversight by the Bank's board of directors and the lack of adequate supervision by the Bank's senior management, inadequate Bank policies and procedures, inadequate internal controls and audit system, inadequate and inappropriately trained number of staff, inadequate management information system, and an inadequate compliance management system, as more fully set forth in paragraphs 114 – 122 of the NOTICE;
 - (iii) mitigates all risks identified by the plan, including but not limited to, funding risk, by identifying satisfactory sources of additional capital to meet the Bank's current and future needs resulting from the subprime credit card

accounts to be acquired, and the sources of said capital, including a contingency plan that identifies alternative sources should the primary sources of capital be unavailable;

(iv) complies with the *Interagency Expanded Guidance for Subprime Lending Programs*, FIL-9-2001 (January 31, 2001); and

- (b) the Regional Director has provided the Bank with written notice of her non-objection to such plan.

This TEMPORARY ORDER shall be effective immediately upon service on the Bank and shall remain in full force and effect, pending the completion of the administrative proceedings instituted pursuant to the foregoing NOTICE.

Pursuant to delegated authority.

Dated this 3rd day of July 2008.

Christopher J. Spoth
Senior Deputy Director
Division of Supervision and Consumer Protection