
GLB Privacy Notices

A New Concept

Capital One Bank

December 4, 2001

Why GLB Privacy Notices are Complicated and Difficult to Understand--Three Reasons

- The subject matter is complicated and difficult to understand.
- The federal regulations, which prescribed the “safe harbor” language, are complicated and difficult to understand.
- Financial institutions had a lot to lose if they got the privacy notices wrong, so the language of the notices is legalistic, which is almost always complicated and difficult to understand.

Privacy Notices Used “Approved” Clauses For Legal Protection

(the shaded part of Capital One’s Privacy Notice below is “safe harbor” language--Sample Clauses from the GLB Regulation)

PRIVACY NOTICE

PRIVACY COMMITMENT: At Capital One, we are committed to providing you with financial products and services to meet your needs. That commitment includes protecting personal information we obtain about you. We want to earn your trust by providing strict safeguards to protect information about you as we continue to bring you valuable products and services. Please take a moment to read this Privacy Notice for some important information about your rights. If you would like to read more about our privacy policy, visit www.capitalone.com, and click on “Privacy”, or call us at the toll-free number given on pages 3 and 4 of this notice to receive a copy of the privacy information on our Web site.

We train our employees on their roles in protecting this personal information, and conduct regular internal audits to support our commitment. Sometimes we use other companies to provide services for us, such as credit card embossing services, and we select these companies carefully. They must keep the information we share with them safe and secure, and we do not allow them to use or share the information for any purpose other than the job they are hired to do.

Why we may collect and share information. At Capital One, we appreciate how important privacy is to our customers. We want you to understand why we collect and sometimes share information about you and how this can benefit you. Simply stated, by knowing more about our customers, we and our business partners can provide specialized products and services that may be of interest to you and your family. Also, we can protect you from identity theft, fraud, and unauthorized access to personal information about you. In addition, we can provide a greater range of products and services to more customers.

OPT-OUT NOTICE

YOUR RIGHTS: You have the right to tell us not to make some of the disclosures we described on pages 1 and 2 of the Privacy Notice by calling us at a toll-free number (see below). This is an automated, menu-driven system, which should take you about 5-10 minutes; however, you will have the option to speak to a customer service representative if you choose. As part of that process, you have the right to tell us not to share credit information about you within the Capital One family of companies. In addition, if you do not wish to be solicited by anyone, including us, you may tell us that, too. Please note the following important information about your opt-out rights:

If you have other credit card accounts or other types of accounts with us, such as certificates of deposit, money markets, car loans, or home loans, you must opt out separately for each account. You will receive a separate Opt-Out Notice for each account you have with us, but you can make your selections for each account on the same phone call (see below).

If you have a joint account, your opt-out choices will apply to each person on the account. If you have become a Capital One customer through another company, any opt-out choices you may have made with the other company will not automatically apply to your Capital One account now because we have a different privacy policy and your choices may be different now.

If your state’s privacy law provides for different rights or requires a different procedure in order for you to exercise your privacy rights under those laws, we will explain your rights to you when you call the toll-free number listed below.

Do not solicit me. If you do not wish to receive mail or telephone calls from Capital One or its business partners about products and services not directly related to your account, you may opt out, with your account number available, by calling the same automated system at (888) 817-2970. To opt out of e-mail solicitations, please go to <http://preferences.capitalone.com> and register your e-mail preferences. We may still include information about products and services in our regular communications with you, such as your monthly statement or when you call in to our customer service center.

Hearing-impaired customers. If you are hearing-impaired, please call our toll-free number (800) 206-7986 to exercise your rights to opt out as described above.

Privacy Notices Reflect the ‘Privacy Bargain’--A Contractual Approach

The GLB “privacy bargain” has been interpreted in contractual terms:

Financial institutions may disclose personally identifiable information about their customers only if the financial institutions explain their privacy practices and give their customers the prior right to withhold their consent to the sharing of such information that pertains to them.

Therefore, a customer cannot give knowing and voluntarily consent unless the financial institutions’ description of their privacy practices is presented to the consumer in sufficient legal detail, with disclaimers, exclusions, and limitations.

The Contractual Approach Makes the Privacy Bargain Adversarial in Nature

- **A financial institution must be formal and cautious with its own customers, and the customers will be wary of their own financial institutions.**
- **The purpose of the Privacy Notice, which should be to educate and empower the consumer, has become to insulate the financial institution from legal liability.**

Privacy Notices Should Be More Informative and Empowering For The Consumer

When the consumer feels the Privacy Notice is informative and empowering,

- the consumer can take further action (to opt out)**
- the consumer's trust will be increased, and the level of anxiety and frustration that surrounds the current privacy notice will be reduced**

The Value of Informative, Empowering Notices

- Provides Market Information
 - Allows informed buying decisions
 - Cautions consumers about the risk assumed
- Improves Business Credibility
 - Increases consumer confidence in product/company
- Supports Regulatory Expectations
 - Instructs companies in their privacy duties
- Enhances Consumer Experience
 - Permits comparisons of similar products/services

Informative, Empowering Notices Are Familiar

- Notices must be recognizable to consumers over time
- Notices must allow consumers to readily compare the contents or risk characteristics of similar products or services

There Are Familiar Examples of Notices Used To Inform and Empower Consumer

➤ Great detail, full disclosure

- Stock prospectus (investment risks)**
- Foreclosure notices (real estate sales)**
- Pharmaceutical notices (drug properties)**

➤ Practical, cautionary warnings

- Nutrition facts (food labeling)**
- Warning labels (product safety)**

Note the
 “warning
 label”
 notice →
 within the
 “food
 label”
 notice

INGREDIENTS: ENRICHED FLOUR (WHEAT FLOUR, NIACIN, REDUCED IRON, THIAMINE MONONITRATE (VITAMIN B1), RIBOFLAVIN (VITAMIN B2), FOLIC ACID), SEMISWEET CHOCOLATE (SUGAR, CHOCOLATE, COCOA BUTTER, SOY LECITHIN, NATURAL FLAVOR), SUGAR, VEGETABLE SHORTENING (PARTIALLY HYDROGENATED SOYBEAN AND/OR COTTONSEED OIL), CONTAINS TWO PERCENT OR LESS OF EGGS, MOLASSES, SALT, SODIUM BICARBONATE, NATURAL AND ARTIFICIAL FLAVOR.

MAY CONTAIN TRACES OF TREE NUTS.

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 MANUFACTURED FOR:

FAMOUS AMOS
 CHOCOLATE CHIP
 COOKIE COMPANY, L.L.C.
 ELMHURST, IL 60126

MADE IN U.S.A.

Questions or comments? Call toll free
 1-877-453-7643, 8 a.m. – 6 p.m. CT, M-F.
 When writing to us, please enclose the UPC
 and stamped-on codes from this package
 and mail them to Famous Amos Chocolate
 Chip Cookie Company, L.L.C., P.O. Box
 CAMB, Battle Creek, MI 49016-1996.
 Visit our website @ www.famous-amos.com

Nutrition Facts

Serving Size 4 cookies (29g)
 Servings Per Container about 2

Amount Per Serving	
Calories 150	Calories from Fat 60
% Daily Value*	
Total Fat 7g	11%
Saturated Fat 2.5g	13%
Cholesterol less than 5mg	1%
Sodium 100mg	4%
Total Carbohydrate 20g	7%
Dietary Fiber less than 1g	3%
Sugars 10g	
Protein 2g	
Vitamin A 0% • Vitamin C 0%	
Calcium 0% • Iron 4%	
* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:	
Calories: 2,000 2,500	
Total Fat	Less than 65g 80g
Sat Fat	Less than 20g 25g
Cholesterol	Less than 300mg 300mg
Sodium	Less than 2,400mg 2,400mg
Total Carbohydrate	300g 375g
Dietary Fiber	25g 30g

PROOF OF PURCHASE



FAMOUS AMOS® CHOC CHIP 2 OZ

Famous Amos®
 Chocolate Chip Cookies

The Schumer Box Is Familiar Now To Financial Institutions and Consumers

ANNUAL PERCENTAGE RATE (APR) for purchases *	A fixed introductory rate of 0.0% (0.0% daily periodic rate) through your June 20021 billing period. After that, a fixed rate of 8.9% (0.02438% daily periodic rate), beginning with your July 2002 billing period.
Other ANNUAL PERCENTAGE RATES (APRs)	Balance transfer APR: Same as for purchases. Cash advance APR: Same as for purchases. Penalty APR: A fixed rate of 19.8% (0.05425% daily periodic rate). See explanation below. ⇨
Grace period for repayment of the balance for purchases	You will have a minimum of 25 days without a finance charge on new purchases if the New Balance is paid in full each month by the following statement closing date.
Method of computing the balance used in calculating finance charges for purchases	Average daily balance (including new purchases).
Minimum finance charge	For each billing period that your Account is subject to a finance charge, a minimum total FINANCE CHARGE of \$0.50 will be imposed.
Annual Membership fee	None.
Miscellaneous fees	Cash advance fee: None. Late payment fee: \$29. Over-the-credit-limit fee: \$29. Balance transfer fee: None.

The GLB Privacy Notice Could be Like the Schumer Box

**The Privacy Notice can be practical and informative,
while still complying with the GLB Regulations:**

- less legalistic in its approach**
- less detailed; simpler to read**
- more recognizable to consumers**
- easier to compare with other Privacy Notices**

OUR PRIVACY PRACTICES

Our Privacy Practices Described In This Privacy Notice Apply To:

- Applicants
- Customers
- Former Customers

We May Collect Information From:

- Applications and other forms you submit
- Your transactions and experience with us
- Credit bureaus
- List vendors; membership lists

We May Disclose Information From:

- Applications and other forms you submit
- Your transactions and experience with us
- Credit bureaus (only within our corporate group of companies)
- List vendors; membership lists

We May Disclose Information To:

- Companies in our corporate group
- Other financial services providers, such as credit bureaus, insurance companies, and business partners in joint marketing agreements
- Non-financial service providers, such as retailers, online and offline advertisers, airlines, and companies who help market our products
- Others, such as non-profit organizations, and third parties when you direct us to share information about you

OUR SECURITY PRACTICES

We Have Safeguards To Keep Information Confidential and Secure:

- We have up-to-date physical safeguards (like secure areas in buildings), electronic safeguards (like passwords and encryption), and procedural safeguards (like customer authentication procedures to prevent ID theft).
- We restrict access to information about you to employees who need to know that information to provide products or services to you.
- We carefully select and monitor outside service providers (like mail vendors) who have access to customer information, and we require them to keep it safe and secure. We do not allow them to use or share the information for any purpose other than the job they are hired to do.
- We train our employees and conduct regular audits on these security procedures.

OPT-OUT CHOICES

Your Rights:

You may tell us not to:

- Disclose information about you outside our corporate group of companies, except we may disclose information as required or permitted by law. (Required disclosures are made, for example, to outside auditors and banking regulators. Permitted disclosures are usually made to vendors assisting us in opening, maintaining, or servicing your account.)
- Disclose *credit* information about you within our corporate group of companies (we do not disclose credit information outside our corporate group of companies).
- Solicit you by mail, telephone, or e-mail for products and services that are not directly related to your account and that are outside our regular communications with you (such as your monthly statement, customer service e-mails, or when you call our customer service center).

How To Opt Out:

You may opt out of one or more of the three choices described above:

- Call us toll-free at 1-888-XXX-XXX; Hearing impaired: 1-800-XXX-XXX
- Internet (e-mail) opt-out: <http://XXXXXX.capitalone.com>

Please have your *account number available*. For each Capital One Account you have, if you have previously opted out and would like to keep the same preferences, you do not need to opt out again. If you have become a Capital One customer through another company (e.g., balance transfer), any opt-out choices you may have made with the other company will not automatically apply to your Capital One account because we have a different privacy policy and your choices may be different now.

If your state's privacy laws provide for different rights or require a different procedure in order for you to exercise your privacy rights under those laws, we will explain your rights to you when you call the toll-free number listed above. [VT Residents: The first two bullets of **Your Rights** above are replaced by the following: We will not disclose 1) information about you outside our corporate group of companies, other than as required or permitted by law, or 2) credit information about you within our corporate group of companies, unless you authorize us to do so by calling the toll-free number listed above.]

Joint/Multiple Accounts:

- If you have a joint account, your opt-out applies to every person on the account.
- If you have multiple accounts with us (e.g., another credit card account, car loan, money market), you must opt out separately for each account.

Privacy Notices May Need to Incorporate the P3P Vocabulary (shaded words indicate concepts NOT required by GLB)

- Who is collecting data?
- What data is collected?
- For what purposes will data be used?
 - Cookies
- Is there an ability to opt-in or opt-out of some data uses?
- Who are the data recipients (anyone beyond the data collector)?
- To what information does the data collector provide access?
- What is the data retention policy?
- How will disputes about the policy be resolved?
- Where is the human readable privacy policy?

The Annual Privacy Notice Can Be Empowering With A Different Format

If a financial institution's privacy practices have not changed since sending its Initial Privacy Notice, then its Annual Privacy Notice could have a different format:

- Why is notice being sent?
- What actions must customer take?
- How does customer get access to the financial institution's full privacy notice?
 - Access must be easy and at no cost to consumers
- How does customer opt out or opt back in?

[Financial Institution]
Annual Privacy Notice

1. **Purpose of Notice**

This Privacy Notice is sent to you in accordance with the federal privacy law to remind you that we have in place a privacy policy to protect customer information. Our privacy policy has not changed since we sent you our Privacy Notice last year.

2. **No Action Necessary**

If you have opted out, you are still on our opt-out list: you need not take any action at this time. We retain your privacy choices.

3. **How to Opt-Out or Opt In**

You may opt-out at any time by [how to opt out]. You may choose to opt back in by contacting us in writing at the address listed below.

4. **Privacy Message**

Date: _____

Companies Sending This Notice: _____

For more information about our privacy practices write to us
at _____

or call us toll free at _____

or visit our Website at _____