

**Unauthorized Committees (PACs and Party Committees)**

Political committees not filing monthly in 2019 or 2020 are subject to special election reporting if they make previously undisclosed contributions or expenditures in connection with the Wisconsin Special Primary or Special General Elections by the close of books for the applicable report(s). (See charts below for the closing date for each report.)

Since disclosing financial activity from two different calendar years on one report would conflict with the calendar year aggregation requirements stated in the Commission's disclosure rules, unauthorized committees that trigger the filing of the consolidated Pre-General & Year-End Report will be required to file this report on two separate forms: One form to cover 2019 activity, labeled as the Year-End Report;

and the other form to cover only 2020 activity, labeled as the Pre-General Report. Both forms must be filed by January 15, 2020.

Committees filing monthly that make contributions or expenditures in connection with the Wisconsin Special Primary or Special General Elections will continue to file according to the monthly reporting schedule.

Additional disclosure information in connection with the Wisconsin Special Elections may be found on the FEC website at <https://www.fec.gov/help-candidates-and-committees/dates-and-deadlines/>.

**Disclosure of Lobbyist Bundling Activity**

Principal campaign committees, party committees and leadership PACs that are otherwise required to file reports in connection with the special elections

must simultaneously file FEC Form 3L if they receive two or more bundled contributions from lobbyists/registrants or lobbyist/registrant PACs that aggregate in excess of the lobbyist bundling disclosure threshold during the special election reporting periods. (See charts below for closing date of each period.) 11 CFR 104.22(a)(5)(v), (b), 110.17(e)(2), (f).

The lobbyist bundling disclosure threshold for calendar year 2019 is \$18,700. This threshold amount may change in 2020 based upon the annual cost of living adjustment (COLA). As soon as the adjusted threshold amount is available, the Commission will publish it in the **Federal Register** and post it on its website. 11 CFR 104.22(g) and 110.17(e)(2). For more information on these requirements, see **Federal Register** Notice 2009-03, 74 FR 7285 (February 17, 2009).

**CALENDAR OF REPORTING DATES FOR WISCONSIN SPECIAL ELECTIONS**

Report	Close of books <sup>1</sup>	Reg./cert. & overnight mailing deadline	Filing deadline
<b>Committees Involved in Only the Special Primary (12/30/19) Must File</b>			
Pre-Primary .....	12/10/19	<sup>2</sup> 12/15/19	12/18/19
Year-End .....	12/31/19	01/31/20	01/31/20
<b>Committees Involved in Both the Special Primary (12/30/19) and Special General (01/27/20) Must File</b>			
Pre-Primary .....	12/10/19	<sup>2</sup> 12/15/19	12/18/19
Pre-General & Year-End <sup>3</sup> .....	01/07/20	<sup>2</sup> 01/12/20	01/15/20
Post-General .....	02/16/20	02/26/20	02/26/20
April Quarterly .....	03/31/20	04/15/20	04/15/20
<b>Committees Involved in Only the Special General (01/27/20) Must File</b>			
Pre-General & Year-End <sup>3</sup> .....	01/07/20	<sup>2</sup> 01/12/20	01/15/20
Post-General .....	02/16/20	02/26/20	02/26/20
April Quarterly .....	03/31/20	04/15/20	04/15/20

<sup>1</sup> The reporting period always begins the day after the closing date of the last report filed. If the committee is new and has not previously filed a report, the first report must cover all activity that occurred before the committee registered as a political committee up through the close of books for the first report due.

<sup>2</sup> Notice that the registered/certified & overnight mailing deadline falls on a weekend. The report should be postmarked on or before that date.

<sup>3</sup> Committees should file a consolidated Pre-General & Year-End Report by the filing deadline of the Pre-General Report.

Dated: October 25, 2019.

On behalf of the Commission.

Ellen L. Weintraub,

Chair, Federal Election Commission.

[FR Doc. 2019-23764 Filed 10-30-19; 8:45 am]

BILLING CODE 6715-01-P

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM****FEDERAL DEPOSIT INSURANCE CORPORATION**

[Docket No. OP-1681]

RIN 3064-ZA08

**Request for Information on Application of the Uniform Financial Institutions Rating System**

**AGENCY:** Federal Deposit Insurance Corporation and Board of Governors of the Federal Reserve System

**ACTION:** Notice and request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (FRB) and the Federal Deposit Insurance Corporation (FDIC) and (collectively, the agencies) are seeking information and comments from interested parties regarding the consistency of ratings assigned by the agencies under the Uniform Financial Institutions Rating System (UFIRS). The assigned ratings are commonly known as CAMELS ratings. The agencies also are interested in receiving feedback concerning the current use of CAMELS ratings by the agencies in their bank application and enforcement action processes.

**DATES:** Comments must be received by December 30, 2019

**ADDRESSES:** *Board:* You may submit comments, identified by Docket No. OP-1681, by any of the following methods:

- *Agency Website:* <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- *Email:* [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket number in the subject line of the message.

- *FAX:* (202) 452-3819 or (202) 452-3102.

- *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. All public comments are available from the Board's website at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays.

## FDIC

You may submit comments, identified by RIN 3064-ZA08, by any of the following methods:

- *Agency Website:* <http://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the Agency website.

- *Email:* [Comments@fdic.gov](mailto:Comments@fdic.gov). Include the RIN 3064-ZA08 in the subject line of the message.

- *Mail:* Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

- *Public Inspection:* All comments received must include the agency name and RIN for this rulemaking. All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/>—including any personal information provided—for public inspection. Paper copies of public comments may be ordered from the FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1002,

Arlington, VA 22226 by telephone at (877) 275-3342 or (703) 562-2200.

## FOR FURTHER INFORMATION CONTACT:

*Board:* Alex Kobulsky, Senior Financial Institution Policy Analyst II, (202) 452-2031, and Catherine Piché, Deputy Associate Director, (202) 452-3793, Division of Supervision and Regulation; or Patricia Yeh, Senior Counsel, (202) 452-3089, Legal Division, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), (202) 263-4869.

*FDIC:* Rae-Ann Miller, Associate Director, Risk Management Policy; Samuel B. Lutz, Counsel Supervision and Legislation Branch, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

## SUPPLEMENTARY INFORMATION:

### Background Information

Section 10(d) of the Federal Deposit Insurance Act (FDI Act) generally requires the appropriate federal banking agency for an insured depository institution to conduct a full-scope, on-site examination at least once every 12 months, but permits a longer cycle—at least once every 18 months—for insured depository institutions that meet certain criteria, including the requirement that the insured depository institution must have total assets below a specified size limit.<sup>1</sup> At the conclusion of an examination, examination staff develop findings and conclusions, which serve as the primary basis for assessing the condition of an insured depository institution under the UFIRS.<sup>2</sup> The UFIRS is commonly called the CAMELS rating system, which is an acronym of the six evaluation components: Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk. In addition, the CAMELS rating system contains an overall composite rating.

The Federal Financial Institutions Examination Council (FFIEC)<sup>3</sup> first

<sup>1</sup> See Section 10(b) and 10(d) of the Federal Deposit Insurance Act, 12 U.S.C. 1820(d). See also 83 FR 67033 (December 28, 2018).

<sup>2</sup> Additional details on the conduct and rationale of FDIC bank examinations can be found in the Risk Management Manual of Examination Policies and FRB examinations can be found in the *Commercial Bank Examination Manual*, which is available at: <https://www.federalreserve.gov/publications/files/cbem.pdf>.

<sup>3</sup> Federal Financial Institutions Examination Council Act of 1978 (Pub. L. 95-630) (Nov. 10, 1978). Currently, the Director of the Consumer Financial Protection Bureau, the Chair of the Board of the FDIC, a governor of the Board of Governors of the Federal Reserve System, the Chairman of the

adopted the UFIRS in 1979 to provide supervisors with a methodology for evaluating the soundness of depository institutions on a uniform basis. In addition, the UFIRS promotes uniform supervisory practices, and provides a consistent mechanism for identifying problem institutions.<sup>4</sup> In December 1996, the UFIRS was revised after public notice and comment.<sup>5</sup> The updated UFIRS added a component for rating sensitivity to market risk. The rating system was revised to clarify that the component rating assessments should consider an institution's size, the nature and complexity of its business activities, and its risk profile; increase emphasis on risk management; and address additional complexities associated with on- and off-balance sheet investments of financial institutions.

## CAMELS Rating System

The UFIRS describes each rating component, and includes a list of factors that examiners evaluate when assigning a rating to the institution. Examiners assign CAMELS components and composite ratings on a scale of “1” to “5.” A rating of “1” indicates the highest rating, strongest performance and risk management practices, and the least degree of supervisory concern, whereas a “5” indicates the lowest rating, weakest performance, inadequate risk management practices, and therefore, the highest degree of supervisory concern. Each component rating contains risk management considerations that emphasize the ability of management to respond to changing circumstances and to address the risks that may arise from changing business conditions or the initiation of new activities or products and are an important factor in evaluating a financial institution's overall risk profile and the level of supervisory attention warranted. Institutions are rated individually based on their primary Federal or state regulator's assessment of how each institution's risk profile fits the CAMELS definitions.

The agencies also conduct reviews and examinations of institutions'

National Credit Union Administration, the Comptroller of the Currency, and a representative state regulator are voting members of the FFIEC. The functions of the FFIEC Council include establishing principals and standards, making recommendations regarding supervisory matters and adequacy of supervisory tools, and developing a uniform reporting system.

<sup>4</sup> See <https://www.gao.gov/assets/100/98389.pdf>.

<sup>5</sup> See 61 FR 37472 (July, 18, 1996) and 61 FR 67021 (Dec. 19, 1996). See also SR letter 96-38, “Uniform Financial Institutions Rating System,” available at: <https://www.federalreserve.gov/boarddocs/srletters/1996/sr9638.htm>.

compliance with laws and regulations related to anti-money laundering and consumer protection. Examiners consider the results and findings from these and other types of examinations and reviews, as appropriate, when assigning component and composite ratings under CAMELS.

The composite CAMELS rating bears a close relationship to the assigned component ratings. However, examiners do not assign a composite rating by computing an arithmetic average of the component ratings. When assigning a composite rating, examiners may give some components more weight than others depending on the situation and risk of the institution. Assignment of a composite rating may incorporate any factor that bears significantly on the overall condition and soundness of the institution.

The agencies also conduct examinations and reviews of certain specialty areas, outside of the CAMELS ratings, such as information technology,<sup>6</sup> asset management/trust,<sup>7</sup> and government securities dealers or clearing agencies.<sup>8</sup> For the aforementioned specialty areas, agencies assign unique ratings to institutions. These rating systems are excluded from this RFI.

In addition to the regularly scheduled examinations, the agencies conduct off-site institution surveillance and monitoring that rely on relevant financial regulatory reports (for example, the Call Report) and supervisory information. The purpose of this monitoring is to identify institutions exhibiting increased risk profiles or financial deterioration between examinations. The surveillance process promotes timely supervisory attention to these institutions and directs examination resources to them.

### Communication and Confidentiality of CAMELS Ratings

Agencies typically communicate the CAMELS ratings to an institution through a formal, written report of examination or other official agency correspondence. The CAMELS ratings and the report of examination or other official agency correspondence are property of the agencies and are provided to the institution's board of directors and management for their confidential use. The report of examination and official correspondence are strictly privileged and confidential under applicable law, and the agencies prohibit disclosure of

an institution's CAMELS rating or report of examination in any manner without the primary federal regulator's permission, except in limited circumstances specified in the law (12 U.S.C. 1817(a) and 1831m) and in the agencies' regulations.<sup>9</sup>

### Implications of CAMELS Ratings

The CAMELS ratings have a number of supervisory implications for institutions. For instance, the agencies increase supervisory activities, which may include targeted examinations between regularly scheduled examinations, if an institution's CAMELS ratings are less than satisfactory.

The agencies take CAMELS ratings into account when evaluating institutions' filings, such as merging with or acquiring another institution, opening new branches, or engaging in new activities.<sup>10</sup> The agencies generally expect an institution to be in satisfactory condition, as reflected in its CAMELS ratings, before effecting expansion plans. The agencies expect an institution in less-than-satisfactory condition, or that has a less-than-satisfactory record of consumer compliance or performance under the Community Reinvestment Act to concentrate their managerial and financial resources on remediating their deficiencies. An institution in less-than-satisfactory condition may seek approval for an expansionary proposal; however the agencies would consider whether any proposed expansion would compromise management's efforts to address the current deficiencies of the institution.

Supervisors issue formal enforcement actions to institutions to address practices that the supervisors believe to be unlawful, unsafe, or unsound.<sup>11</sup> The initial determination of whether formal action is required usually results from examination findings. As such, composite and component ratings

assigned under CAMELS are significant indicators of the need for heightened supervisory attention including enforcement actions for more problematic issues.<sup>12</sup> The UFIRS states that with respect to an institution with a "4" composite rating, "close supervisory attention is required, which means, in most cases, formal enforcement action is necessary to address the problems." The agencies also utilize ratings in the implementation of certain laws and regulations.<sup>13</sup>

### Request for Comments From Interested Parties

The agencies are issuing this RFI to seek public input regarding how CAMELS ratings are assigned to supervised institutions, and the implications of such ratings in the application and enforcement action processes. This effort to seek comments and information is consistent with the agencies' commitment to increase transparency, improve efficiency, support innovation, and provide opportunities for public feedback. This request for information is not a proposal to modify the CAMELS rating definitions. Such definitions were issued through the FFIEC.

The agencies encourage comments from interested members of the public, including, but not limited to, insured depository institutions, other financial institutions or companies, individual depositors and consumers, consumer groups, trade associations, and other members of the financial services industry. Given confidentiality requirements<sup>14</sup> applicable to financial institutions' CAMELS ratings and other report of examination findings and conclusions, the agencies realize there are limitations on responses regarding the consistency of how CAMELS ratings are assigned. The agencies, however, welcome general comments that do not breach these confidentiality requirements.

### Topics for Commenters

#### CAMELS Rating System

1. To what extent does each agency assign composite and component ratings

<sup>12</sup> Enforcement actions may be informal, such as a Memorandum of Understanding, or formal, such as an Order issued under Section 8(b) of the Federal Deposit Insurance Act (FDI Act).

<sup>13</sup> See, for example, section 10(d) of the FDI Act, 12 U.S.C. 1820(d); 12 CFR 337.12.

<sup>14</sup> For the FRB, see 12 CFR 261 subpart C—Confidential Information Made Available to Supervised Financial Institutions and Financial Institution Supervisory Agencies, Law Enforcement Agencies, and Others in Certain Circumstances. For the FDIC, see 12 CFR part 309—Disclosure of Information.

<sup>6</sup> 64 FR 3109 (Jan. 20, 1999).

<sup>7</sup> 63 FR 54704 (Oct. 13, 1998).

<sup>8</sup> 17 CFR 450.3.

<sup>9</sup> See 12 CFR part 261. Any unauthorized disclosure of the report may subject the person or persons disclosing or receiving such information to the penalties of Section 641 of the U.S. Criminal Code (18 U.S.C. 641).

<sup>10</sup> For the FRB see 12 CFR 208.3(b). See also SR letter 14–2/CA letter 14–1, "Enhancing Transparency in the Federal Reserve's Applications Process," available at: <https://www.federalreserve.gov/supervisionreg/srletters/sr1402.htm>, and SR letter 13–7 CA letter 13–4, "State Member Bank Branching Considerations," available at <https://www.federalreserve.gov/supervisionreg/srletters/sr1307.htm>. For the FDIC, see 12 CFR part 303 of the FDIC Rules and Regulations—Filing Procedures and the FDIC Statement of Policy on Bank Merger Transactions.

<sup>11</sup> The Interagency Guidelines Establishing Standards for Safety and Soundness are found in 12 CFR 208 appendix D–1 for the FRB and in 12 CFR part 364 of the FDIC Rules and Regulations.

in a manner that is consistent with the CAMELS rating system?

2. To what extent do the agencies appropriately communicate and support each rating after an on-site examination or at the end of an examination cycle, including communicating the effect of each rating or finding on the composite rating?

3. Does the agencies' use of the CAMELS rating system vary from one examination, or examination cycle, to the next? Please explain.

4. Are the agencies generally consistent in their approach to assigning CAMELS ratings to institutions when compared to each other and across other supervisory agencies? What practices, if any, should the agencies consider implementing to enhance the consistent assignment of CAMELS ratings?

5. To what extent do the agencies apply the CAMELS rating system in a manner that is sufficiently flexible to reflect differences between financial institutions such as size, business models, risks, and internal and external operating environments, as well as overall technological developments and emerging risks?

6. To what extent does the scope of supervisory work performed during an examination cycle align with the components of the CAMELS rating system? Which areas, if any, should receive more or less emphasis in order to assign a CAMELS rating appropriately?

7. What steps, if any, should the agencies take to promote the consistent application of the CAMELS framework in the supervisory process?

#### Implications of CAMELS Ratings

8. To what extent does an institution's condition, as reflected in its CAMELS ratings, affect the agencies' actions on applications, particularly for new or expanded business activities? To what extent, if any, should the agencies modify or clarify their approach?

9. To what extent do the CAMELS ratings impact the issuance of enforcement actions? To what extent does the issuance of enforcement actions impact CAMELS ratings? To what extent, if any, should the agencies modify or clarify their approach?

10. What steps, if any, should the agencies take to promote the consistent use of CAMELS ratings in applications and enforcement matters?

By order of the Board of Governors of the Federal Reserve System, October 17, 2019.

**Ann E. Mishback,**

*Secretary of the Board.*

Dated at Washington, DC on October 17, 2019.

Federal Deposit Insurance Corporation.

**Annmarié Boyd,**

*Assistant Executive Secretary.*

[FR Doc. 2019-23739 Filed 10-30-19; 8:45 am]

**BILLING CODE P**

## FEDERAL TRADE COMMISSION

[File No. 172 3118]

### Retina-X Studios, LLC; Analysis To Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed consent agreement; request for comment.

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before December 2, 2019.

**ADDRESSES:** Interested parties may file comments online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write: "Retina-X Studios, LLC; File No. 172 3118" on your comment, and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline Connor (202-326-2844), Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following

Analysis to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for October 22, 2019), on the World Wide Web, at <https://www.ftc.gov/news-events/commission-actions>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before December 2, 2019. Write "Retina-X Studios, LLC; File No. 172 3118" on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online through the <https://www.regulations.gov> website.

If you prefer to file your comment on paper, write "Retina-X Studios, LLC; File No. 172 3118" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex D), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on the publicly accessible website at <https://www.regulations.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential"—as provided by Section