

Discover Financial Services  
Form 8-K  
November 19, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 19, 2014**

**DISCOVER FINANCIAL SERVICES**

**(Exact name of registrant as specified in its charter)**

**Commission File Number: 001-33378**

**Delaware**  
**(State or other jurisdiction**  
  
**of incorporation)**

**36-2517428**  
**(IRS Employer**  
  
**Identification No.)**

Edgar Filing: Discover Financial Services - Form 8-K

**2500 Lake Cook Road, Riverwoods, Illinois 60015**

**(Address of principal executive offices, including zip code)**

**(224) 405-0900**

**(Registrant's telephone number, including area code)**

**N/A**

**(Former name or former address, if changed since last report)**

**Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:**

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**

**Item 7.01 Regulation FD Disclosure.**

Discover Financial Services ( Company ) today announced that it has made cashback rewards program changes which will further simplify rewards access for customers by removing redemption thresholds for statement credits, charitable contributions and electronic deposits in bank accounts and forfeiture of rewards due to delinquency, inactivity or account closure. Due to these planned changes the Company will take a charge of approximately \$178 million in the fourth quarter. These actions will eliminate the Company's total rewards forfeiture reserve. Based on these changes we expect the 2014 full year rewards rate, defined as rewards costs divided by Discover card sales volume, to be approximately 117 basis points including the rewards changes and approximately 102 basis points excluding the one-time impacts. The full year 2015 rewards rate including these changes is expected to be approximately 105 to 106 basis points.

This document contains forward-looking statements that speak only as of the date on which they are made and are subject to risks and uncertainties that may cause actual results to differ materially, as described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which are available at [www.sec.gov](http://www.sec.gov) and [www.discoverfinancial.com](http://www.discoverfinancial.com). The Company does not undertake to update or revise forward-looking statements as more information becomes available.

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly stated by specific reference in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DISCOVER FINANCIAL SERVICES**

Dated: November 19, 2014

By: /s/ D. Christopher Greene  
Name: D. Christopher Greene  
Title: Vice President, Deputy General Counsel  
  
and Assistant Secretary