

**FEDERAL DEPOSIT
INSURANCE CORPORATION
Washington, D.C. 20429**

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):

October 3, 2008

First Bank of Delaware

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

34929

(FDIC Certificate Number)

51-0389698

(I.R.S. Employer
Identification No.)

1000 Rocky Run Parkway, Wilmington, Delaware 19803

(Address of principal executive offices) (Zip code)

(302) 529-5984

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K 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
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01 Entry into a Material Definitive Agreement.

On October 3, 2008, First Bank of Delaware, referred to as “we” or the “Bank,” agreed to a Stipulation and Consent to the Issuance of an Order to Cease and Desist, Order for Restitution, and Order to Pay, the “Consent Agreement,” with the Federal Deposit Insurance Corporation, or “FDIC,” pursuant to which the Bank, among other things, in the interest of compromise and settlement, consented and agreed to the issuance by the FDIC of an Order to Cease and Desist, Order for Restitution and Order to Pay, the “Order.” The Order will not be final until signed by the FDIC. As previously reported, on June 10, 2008, we received a notice of charges from the FDIC relating to certain of our consumer lending programs. The Consent Agreement and Order represent a resolution of those charges, as well as related litigation pending in the United States District Court for the District of Delaware.

The Consent Agreement and Order detail that the FDIC has reason to believe that we engaged in unsafe and unsound banking practices and violations of law and/or regulations in connection with the our national consumer products division, including lending programs offered, marketed, administered, processed and/or serviced by third-parties. The Consent Agreement and Order do not constitute an admission on our part of the alleged practices and violations.

The Consent Agreement and Order require us to pay a civil money penalty in the amount of \$304,000, terminate certain third-party lending programs and relationships, and enhance our oversight and supervision, particularly with respect to our national consumer products division. More specifically, the Consent Agreement and Order require us, over the next several months with input from a third party consultant acceptable to FDIC, to develop strategic and operating plans for the national consumer products division; analyze, assess and respond to our management and staffing needs within the national consumer products division; establish policies and procedures to periodically analyze and assess the performance of management and staff; and develop a written capital plan. We have agreed to review and update our plans under the supervision of the FDIC on a periodic basis; to take actions necessary to eliminate or correct any violations or deficiencies noted by the FDIC; to ensure future compliance with laws and regulations; and to enhance our disclosures in connection with credit card solicitations.

Under the terms of the Consent Agreement and Order, we are required to establish two separate accounts to ensure the availability of restitution to certain consumers. One account in the amount of \$700,000 will be available to categories of consumers specified by the FDIC who activated certain credit card accounts. The other account will be established after we prepare a comprehensive restitution plan for certain other consumers who responded to solicitations and were approved for credit cards. We estimate this second account will be approximately \$150,000. We expect to be indemnified by third parties with respect to these amounts.

The Consent Agreement and Order also provides that our board of directors will establish a compliance committee of independent directors for overseeing the affirmative actions required by the Order and that we will make periodic reports to the FDIC, furnish the terms of the Order to our shareholders, and notify the FDIC with respect to changes in our board of directors and senior management. We may not acquire any portfolios of consumer credit card accounts without prior compliance with certain of the requirements under the Consent Agreement and Order. We have agreed to use reasonable good faith efforts to cooperate with the FDIC in connection with its ongoing pursuit of related claims against third parties.

Pursuant to the Consent Agreement and Order, the FDIC has agreed to release and not to commence any action against us with respect to certain specified claims. The FDIC does, however, have the right to seek enforcement of the Consent Agreement and Order.

In order to comply with the Consent Agreement and Order, it will be necessary for us to change our operations, particularly with respect to our national consumer products division. These changes, as well as the other direct and indirect costs of complying with the Consent Agreement and Order, are likely to have a material adverse effect on our results of operations and may have a material adverse effect on our business or financial condition.

Cautionary Statement Regarding “Forward-Looking Statements”

Certain statements in this report may be considered to be “forward-looking statements” as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995, such as statements that include the words “may,” “believe,” “estimate,” “should,” “intend,” and similar expressions. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated by forward-looking statements. For example, risks and uncertainties exist with respect to our regulatory oversight by the FDIC and other governmental authorities, changes in applicable laws and regulations and the monetary and fiscal policies of governmental authorities, changes in general economic conditions, availability of credit, and interest rates, changes in products, services and pricing offered by competitors, and similar items. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management’s analysis only as of the date of this report. We undertake no obligation to publicly revise or update these forward-looking statements, except as may be required by applicable law or regulation. Readers should carefully review the risk factors described in the documents we file from time to time with the FDIC.

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.

FIRST BANK OF DELAWARE

Date: October 3, 2008

By: _____
Alonzo J. Primus
Chief Executive Officer & President