201 W11th Street #2b
New York, NY 10026
(212) 666 2569
andreapsoras@yahoo.com
November 29, 2010

Via email: regs.comments@occc.treas.gov, regs.comments@federalreserve.gov , comments@fdic.gov

Attn: Communications Division
And
Ms Mary Gottlieb,
OCC Clearance Officer,
Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Public Information Room Mailstop 2-3, Attn: 1557-0081
250 E Street, SW
Washington, DC 20219
OMB # 1557-0081

Ms Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th And Constitution Ave, NW
Washington, DC 20551
OMB# 7100-0036

Attn: Comments
Mr. Gary A Kuiper
Counsel
Federal Deposit Insurance Corporation
550 17th Str NW
Washington, DC 20429
OMB# 3064-0052

Re: Comment Request for: Consolidated Reports of Condition and income 3064-0052 (FFIEC 031 and 041); OMB # 1557-0081, OMB# 7100-0036, OMB# 3064-0052. Closing date November 29, 2010.

Dear Ms. Gottlieb, Ms. Johnson, and Mr. Kuiper:

Thank you for receiving my comments regarding the above referenced Comment Request published September 30, 2010 in the Federal Register Vol 75 No. 189 pages 60497-60506.

Preface
Please include my comment posted at http://www.bankinnovation.net/forum/topics/bhc-report-modernization, as well as the attachment: "comment 1-12-09 data on Y9C, related reports.doc,", with regard to additional changes that would be quite helpful to regulators and analysts interested in improved transparency and disclosure by depository institutions and their operating subsidiaries' regulatory filings.

Separating cash from non cash activity:
In effect seeing that the bigFinancials have a serious problem with revenues which in the earnings cycle realizing to cash, even the call report and the FRY-9C obscure this problem where the cash and non cash items are combined into the same item and/or in cases such as interest income, the RAP numbers reported to the regulators as well as to the SEC for GAAP data corrupt cash with non cash items again with the fair value of these that have been allowed to be declared as revenue however in the earnings cycle do NOT realize to cash.

Smaller banks are examined and disciplined for these, ie, any problems with sufficient quality operating cash flow produced from Net Income, while the Fed is engaging in QE2 and aggressive open market operations to flush the markets with liquidity as the balance sheets of the big Financials actually are loosing money in what should be a correcting market that QE2 is helping to keep afloat, contrary to how it should be correcting to reflect a sour economy.

Accounting abuses arise with FV of a fair amount of the banks' balance sheet categorized as Available for Sale, or Marketable Securities, or Trading rather than reporting those on an accrual accounting (realizing to cash in the earnings cycle)-amortized cost basis. Aside from opposing the Fair Valuing of a bank's or depository institution's balance sheet which we expect and have expected to see as a stable and solid enterprise comprised of other peoples money in deposits and obligations of other people extended by the bank often as long term loans, rather than as if it is a trading shop that moves inventory in and out daily, please also see my comment which I provided the FASB while it had a public due process requesting comment on Revenue Recognition for contracts:
http://www.fasb.org/jsp/FASB/CommentLetter_C/CommentLetterPage&cid=1218220137090&project_id=1820-100
Please see my Comment letter #440.

Introduction/summary
In form and virtually all substance I agree with the requests for data and changes for the definitions mentioned in this particular Federal Register Notice.

In response to the "Request for Comment" section at the end of the Notice please see my comments following. After that I'll track through the Notice with specific comments to its text.

Comments are invited on:
YES- to (a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
NOT CERTAIN however, it is an improvement and please also require filers to separate cash from non cash items..
(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;
YES! (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
Can't worry about this (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
Again, Can't worry about this; they've often wasted huge amounts of money on activities that caused large losses, while management self enriched. (e) Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Tracking Through the Notice - please see my comments:
Current Actions –
I. Overview.
Thank you with all of what you've described, although I am not certain I agree with the Notice's reporting that the regulators want the separation in DDA of accounts of individuals from partnerships etc, however later when addressing liabilities will further provide comment.

On a related note – Perhaps given the huge amount of real estate overhang, the government should reflect and perhaps remove some government guarantee of 5+ residential real estate lending labeled as 'commercial lending'. Notwithstanding the differences between single family homes and 5+ multi family properties again labeled as commercial real estate, with some specific attention to eliminate government protection, it probably will spur the purchases of OREO inventory. There will be howls, however soaking up overhand is a good thing.

An additional note of caution, perhaps with the credit bubble, with more real estate having been sold and securitized than any other asset class unless the US withdraws from G20 and/or ceases 'free' trade agreements which have been used to erode our economy and offshore our production to suit the interests of the export driven manufacturing economies such as Germany, our real estate becomes at risk for foreign ownership, which actually were the large buyers of much of the securitized paper with the re-hypothecated mortgage paper to which the underwriters of those structures had no right to expropriate. In a way, the Europeans fouled themselves in their greed by buying our structured product, and we were fools to conflict ourselves in agreements deleterious to our economy, our deposit base, our loan quality investment ability.

RC-M Memorandum items added regarding Reinsurance and captive insurance companies – yes, perhaps they should file their own sort of FRY-9C either way itemize CDS and sector concentrations of this, capital adequacy behind that sort of product, as well as other financial risk insurance on structured product such as CDO "squared" with CDS referencing mortgage paper that also is referenced and attempted to be re-hypothecated from earlier deals... if they recklessly decided to underwrite and/or insure any of this sort of activity please require transparency of this.

RI Memorandum items – I think ALL financial institutions especially all ISDA members and all foreign banks and/or their subs taking deposits in the US such as Santander via Sovereign - should report for CVA and DVA, and also separate reporting of cash from non cash activity items while requiring reporting of CVA and DVA.

Regarding **March 31, 2011 report date** where the filers can provide estimates, I suggest adding fields in subsequent quarters, to show actual or differences between March 31, 2011 estimates and what will be 'actual' after that quarter. Perhaps management may keep using the 'estimates' field but offsetting fields for actual of previous quarter's estimate would be explained in the Text on the memo fields. This gives management a little bit of breathing room, but perhaps a quarter is sufficient to require management to be able to marshal itself to provide accurate actual rather than estimated data for all the new data fields requested.

Also in the prose or text part that describes –ie if an explanatory page already exists or one has to be added for explanations why large discrepancies exist between actual estimates. Such as if there were IT problems that were the reason management had to provide estimates, this would be disclosed on the text page, and status as well as magnitude of estimate. Also on the text page, it would have to disclosure on steps to rectify the reporting problems unless with examiners, IT problems warrant an MOU of some sort which it would also have to disclose in an 8K.

II Discussion of Proposed Call Report (and I suggest FRY-9C) Revisions -

A. Troubled Debt Restructurings and asset related items – what has been detailed here is good and thank you.

Please also isolate in separate fields: loans that are swapped, ie in a barter exchange that are non performing and/or are in Troubled Debt Restructure - too should be required to be reported in a Memo field. If management is able to swap/barter their troubled assets and/or if when originated, other than High Yield bonds, or DIP loans, but know to have weak terms that would produce a non performing loan and/or bartered off/swapped, or put into a structured vehicle and facilitating constructive fraud or fraudulent conveyance, these to should be indentified separately on a memo field or otherwise.

In addition, please require quarterly reporting of all Shared National Credits "SNC" and by type, size, sector/subsector, and asset quality. It is helpful to have information, however annually is insufficient while quarterly is better.

Although in having to re-possess property in lieu of the mortgage, and in effect the bank is taking in economic exchange what didn't satisfy the loan obligation, often the bank sold the mortgage and its exposure is small unless I has recourse with the sale, and has further legal obligation to the mortgage buyer expecting cashflows to service the paper it bought and paid the bank, we're still not looking at perhaps an equal economic exchange of the property for the defaulted mortgage amount, although again the bank may not be exposed to a great degree because it sold the paper.

The regulators may want to study this in various markets of high repossess and/or if in the areas where property values were significantly inflated/overvalued, however determine examiner and supervision with the inflated losses in what were deemed to have been 'hot' real estate markets now painfully in correction versus ones that were vigorous, also inflated but not as badly with the analysis of the differences between repossess values and the banks actual losses and/or exposures. Fall 1988 Banking Quarterly studied the 1984-1986? Texas failures and redeveloped its Loss on Assets Model (Bovenzi-Merton or Brown Epstein). Loans in areas experiencing grand scale (commercial/economic) crisis, the unearned income had to be written off and the losses were magnified while many banks in an area were distressed and failing rather than if only a single bank failed in a region.

The risk too with barter of any sort and/or other non cash activity run through the Income Statement is that it negatively impacts operating cash flow. Requiring management to engage in activity that can be recognized as revenue that realizes to cash in the earnings cycle is vastly better than the plume and aggressive, abusive OTC derivatives contracting and hedging at the ISDA members and bigFinancials. I also suggest that perhaps a field that exposes how much revenue comes from non cash and hedging activity or the cost of hedging versus what management would be earning if it were not engaging in hedging and its costs, its FV devaluations, or in a upward

market, its FV faux ie non cash gains it can contract to use to smooth earnings. Costs back to society are too great when management can declare or 'recognize' revenue on items that do not realize to cash at all or in the earnings cycle, and/or are barter and when markets are correcting the balance sheets circle the drain or QE2 and huge costs of future risk of inflation debauching the currency for future generations are aided and abetted by the regulators.

Meanwhile as I'd mentioned in my Comment to the FASB,
http://www.fasb.org/jsp/FASB/CommentLetter_C/CommentLetterPage&cid=1218220137090&project_id=1820-100
Please see my Comment letter #440.

Unless a full definition for management performance includes securing cash payment (or certainty that Accounts Receivable or Accrued Interest from Loans) for all obligations the enterprise extended to customers and counterparties, the negative impact to operating cash flow has the bigFinancials engaging in commercial paper, and repo, aggressive deposit gathering using hot money and 3rd parties for brokered dealers that move the money in as fast as out when there is hint of increasing financial trouble. While working for Advest's 'FIG' sub, I'd developed financial health quality scoring reports on all financial institutions over $500mm of assets which Advest brokers used to sell/broker CDs. Again this problem arises in a sour economy, but also when the banks are engaging activities that are or become cash parasitic, while other activities in which the bank is engaging is squeezing its Net Interest Income and taking away fee income, adding to expenses.

In 2007 the bigFinancials declared record breaking earnings like Enron in1998, while in 2008 the bigFinancials went bankrupt like Enron in 2001-2002 with the same factors producing the collapses.

B. Auto Loans –
I agree with the interest to require better disclosure although GM's bank and other large auto companies likewise write a great deal of auto paper that does need to be properly separated and what is described here is good. Along these lines, I would withdraw the charter of GM's bank and other commercial enterprises that although are engaging some sort of financial service, do not belong taking deposits, access to the insurance fund and the Fed discount window.

Meanwhile, would there have been a problem for the FDIC to have MOU with other regulators that capture this data and/or seek credible outside providers for this data. Banks probably collect it and examiners probably could have examined for it. I suppose this is the FDIC's effort to institutionalize/memorialize data collection of this however, in that banks and FDIC thrifts for a number of years have been making auto loan and at this point, deciding to stem some of the "no-fault-government" that is lurking here when the FDIC could have collected this data or found other means to examine this asset/loan class for asset quality, although FDIC has examiners on site at the banks only once a year and doesn't examine OCC or OTS banks except off-site, ie by quarterly call report data.

Not withstanding, I do support improved distinction and separation of these asset/loan classes

C. Commercial Mortgage Backed securities
*Five + family loans should be removed from this category because it's not true commercial real estate. The Fed has been buying this paper regardless of what sort it is, meanwhile those directly guaranteed by the government or purchased by GSEs should be out there on their own steam because of the Fed's actions.
*Analysts should have access to additional break out of these categories; thus I welcome improved disclosure.

D. Non Brokered Deposits obtained through use of listing service companies...
The bigFinancials are here. Break out here is helpful and the more robust the better. The examiners had had access to better detail however better disclosure helps we who understand and perhaps our efforts to get their marginal activities addressed including their penchant for gathering whatever sort of brokered CD, hot money, etc and attempting to categorize it outside of the form of the regulators' definitions, but in substance raising hot money and attempting to keep it off the radar screen, again has us interested in the regulators requiring more robust disclosure. Additionally perhaps banks if not on their call reports, then for examiners' use, tracking by broker and/or listing services and associated concentrations by these. In the event there is abuse or a company is falling into worse condition, listing services and CD brokers can be ceased and desisted when necessary.

"Thus, an institution's management should be aware of the number and magnitude of such deposits." Perhaps management should have to seek regulator approval to receive deposits in these ways. If at a bank, one hand doesn't know what the other hand is doing, it looks bad for bank management and for the regulators when or if these banks become distressed.

E. Deposits of Individuals, Partnerships, and Corporations

Most businesses have DDAs however I was unaware that they also would have time deposits like CDs. Perhaps banks with more than 10% of dollar amount of business CDs that are core deposits + other time deposits, they have to disclose this. Consider if a bank had financial problems and these don't suddenly befall a bank. These gradually occur over time. Presumably the financial staff at the corporate clients monitor their banks. If counterparties begin to withdraw their time deposits, not only Jumbos and other hot money, at that point, depending on the capital position, if the bank has a holding company do you regulators have ways of monitoring aberrant activity such as heavy withdraws from a filer? Otherwise, why would the regulators want to know which corporates are making time deposits if this is a small amount? Otherwise they wouldn't have to report it.

A fair amount of information already is tracked by Social Security Number or corporate Tax ID number. Even unincorporated businesses have at tax ID number and no doubt the banks themselves have customer ID numbers they probably should use anyway rather than the customer's SSN or Tax ID number. I'm not a fan of invasion of privacy and it is difficult to draw a line on where it is acceptable.

F. Variable Interest Entities

Are the VIEs engaging in these activities? I was ignorant. I support more robust disclosure for VIEs and other Off balance sheet vehicles. I also want fields on what was consolidated into the balance sheet of the filer and memo fields and/or description on the text part of the call and FRY -9C. If there are 5 or more Off balance sheet and these sum to at least $1B or at least $1B of off balance sheet activity has to report according to what is defined in this section.

Also please report if there exists funding back and forth between the off balance sheet entity and the consolidated enterprise and/or the parent. Also something that gives us the volume and trail back and forth of cashflows and other funding activity between the parent or consolidated and the off balance sheet structures. This was a what needed to be monitored at Enron but with the bigFinancials engaging in this, it is too familiar. If any of these structures are less that 3 months in duration and/or are cash parasitic, these too need to be disclosed.

H. Insurance Assets –

Yes more robust disclosure again is preferred, especially if concentration of assets exceeds more than 2% of the consolidated enterprise. Meanwhile there is investment risk in the life insurance companies' investment portfolios. At the present time, the commercial real estate situation is encountering correction. Typically the life insurance companies had been the regular investors in commercial real estate properties. A Risk measure or disclosure of the risk concentrations in the life insurance companies portfolio is better disclosed regarding credit risk and market risk and associated concentrations. And these investment portfolios too can and may have asset quality/credit problems and full disclosure here gives analysts a better idea of the moving parts of the filer.

Perhaps there also should be some financial health quality/risk score of the insurance subs and t his disclosed in the text part of the Memo pages. Companies such as Rapid Ratings financial health score any company with audited financial statements.

Also disclose funding back and forth between the sub and the consolidated and/or parent. And also if the captive risk business is ensuring structured product with synthetic instruments and/or if the captive sub is insuring and/or writing credit risk instruments, unless these are disclosed and on Basel II, part II these are however for call and FRY 9C this disclosure gives analysts again better disclosure.

Also to robust disclosure of cash from non cash activity, what is fair valued that does not realize to cash in the earnings cycle, versus what does and also the impact and degree of it on the consolidated financial statements.

Also the Insurance companies' exposures in bartered instruments and those activities back and forth between the consolidated or parent that goose the enterprise's books and inflate these numbers in any way. Absolutely fully expose and force disclosure of this.

Sensitivity analysis - Also for each 100 basis point move up and down, what will the impact be to the income statement and/or balance sheet.

J. Credit and Debit Valuation Adjustments Included in Trading Revenues
All ISDA members and banks using derivatives down to $15B of assets should be required to report. I'd also already made remarks about this section and especially want more robust disclosure between all cash and non cash activity.

K. Quarterly Reporting for Collective Investment Funds
Again where is the MOU the FDIC has with the other financial regulators that this data is said to previously have slipped through the cracks? Again, 'no-fault-government' likes playing people for fools or the regulators themselves are hamstrung by interests with another agenda, which are looking for the unintended consequences that will give a select few a new gravy train to the detriment and the cost of many, such as the Commodity futures Modernization Act 2000 passed overriding the CFTC chairman's protests about the lack of a regulatory or institutional framework such as the legal ability for these to trade cleanly and with out any obligation of the enterprise. Since the non CME or other commodities exchange derivatives writer is obligating the resources of their enterprise and infrequently is adequately capitalized or with sufficient collateral behind the large exposures the prolific writing of these contracts has entailed, ah, arguably no bank has the resources to write a further derivatives contract. For that reason I have urged Cease and Desisting of any further writing of OTC Derivatives contracts and I also would cease and desist all hedging underwriting. If management is writing hedging instruments at all against its balance sheet, especially its loans, then it is self is a marginal player and further it also was operating on some inside knowledge of the inferior or marginal asset quality at underwriting of the hedged asset.

Also require disclosure between all funds such as CP and repo activity back and forth between these subs and the consolidated enterprise and/or the parent.

Why is there a problem with quarterly reporting?

L. Call Report Instructional Revisions

1. Construction Loans – at least separate or force disclosure under the later definition. Moreover, if the loan isn't bona fide, to meet the pattern or definition of the later treatment described.

" A combination construction-permanent loan results when the lender enters into a contractual agreement with the original borrower at the time the construction loan is originated to also provide the original borrower with permanent financing that amortizes principal after construction is completed and a certificate of occupancy is obtained (if applicable)." Yes, it has to get treatment to go into accruing status and is amortizing. Meanwhile if the mortgage holder has some control with construction while the house is in the construction phase, and tests for owner control - this loan cant stay obscured in a construction status by the builder or the bank which if it gets different treatment and blows-up it will skirt the mechanism for workout and additional accountability.

The voters mortgages should not at all be traded. Nor should these assets be hypothecated more than the first time after purchased from the originator. Also in the event there is a problem where the homeowner is having difficulty continuing to service the loan, both signatories have to appear in court. Thus no trading of the promissory note of residential property.

3. Maturity and Repricing Data for Assets and Liabilities at Contractual Ceilings and Floors. Does this mean the analysts and regulators want to see repricing? And these ARMs reprice down. The CMT often is the underlying index. This doesn't stay in one place forever. I thought the filers already reporting fixed from floating.

Also report repricing such as 30days, less that 3 months, less that 1 year, less than 5 years, less than 10 years. Actually also the offsetting of assets against liabilities, please require robust disclosure.

And why if there is an imbedded option, would this make for different disclosure on the banks' balance sheets.

Additionally amortizing in to income statement should be separated of cash from non cash aspects such as interest from hedging or Other than temporarily impaired also should be separated from the interest income number.

"For example, when the interest rate on a floating rate loan reaches its contractual ceiling, the embedded option represented by the ceiling has intrinsic value to the borrower and is a detriment to the bank because the loan's yield to the bank is lower than what it would have been without the ceiling. When the interest rate on a floating rate loan reaches its contractual floor, the embedded option represented by the floor has intrinsic value to the bank and is a benefit to the bank because the loan's yield to the bank is higher than what it would have been without the floor." Why are the regulators assuming this. And perhaps there should be quant tests for this. Has the current reporting obscured anything? If not then leave it be.
"

Again, thank you for the public due process on this Notice. Please find my comments sincere and interested to see the most robust and transparent regulatory reporting and data our financial system can produce.

Respectfully,
Andrea Psoras

http://www.regulations.gov/search/Regs/home.html#documentDetail?R=0900006480b63887

Dated: September 23, 2010.
Michele Meyer,Assistant Director, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency.
Board of Governors of the Federal Reserve System, September 24, 2010.
Jennifer J. Johnson
Secretary of the Board.
Dated at Washington, DC, this 23rd day of September, 2010.
Federal Deposit Insurance Corporation.
Robert E. Feldman,
Executive Secretary.
[FR Doc. 2010-24476 Filed 9-29-10; 8:45 am] BILLING CODE 6210-01-P; 4810-33-P; 6714-01-P

In January 2009 (see attached) I provided comment to the Fed and the OMB regarding their interest for to meet the requisites for public due process with respect to changes to the FRY-9C. The regulators especially after legislation such as Dodd Frank need public comment to complete their regulatory framework mandate, and it's law anyway for them to ask for the public to participate in the re-promulgation of the regulatory framework passed in DFA - federal statute.

Today, 11/29/10 a public comment** ends for an update in data required by depository filers of Call Report and FRY 9C reports, in order for the regulators to supervise more effectively off-site in addition to their on site, that is, examinations by their examiners once a year or once each 18 months.

I have said in response to a current Federal Register Comment Request** where the regulators say that the SEC or another regulator such as the regulator for the Credit Unions has better data, but ask for data the FDIC and Fed now want filers to report, so as to not give us "No-Fault-Government", what about the MOUs supposedly the agencies have with each other and/or analysts at each of the agencies which would -with an MOU in place between each of the agencies with each other - contact the other agencies for additional disclosure on their members or their target group of

companies. Granted the SEC data pertains to publicly traded companies and not all financial institutions are publicly traded, or the Credit Unions' regulator collects data for its own members and naturally not on banks, thrifts, or bank holding companies. The Fed has had the power, as well as the SEC to require full disclosure on all subsidiaries as well as the full disclosure of the consolidated enterprise, and the Fed also on the parent company only and Financial Holding Companies.

The G20 Agreements and the SEC's 2004 decision that is nick-named the "Net Capital Rule" for the former largest 5 US based investment banks to bulk up like Europeans' competitors, but again the former FHC 'form' that for financial companies chartered and/or operating in the US Gramm Leach Bliley allowed, the Fed always had the power to require reporting or MOU and/or with the FDIC, Cease and Desist from not only unsafe and unsound practices, but other activities that have or producing questionable outcomes, are out of what are considered permissible businesses, and perhaps in the short run produce profits, but in the long run risk that we've got a form of "No-Fault-Government", when they can't coordinate effectively for the purposes of the problems happening to suit the interests of bigFinancials, large campaign contributors and/or other parties looking for what appear to be unintended consequences, but serve to cripple the system or in the crippled system as a gravy train to suite a few.

In the past I have called the regulators, the "confidence guys for the kleptocracy', either heavy-handed, overbearing jack boots and bullies, or feckless, passive functionaries to suit the interests of off-the-radar-screen that have access to levers of power in the Executive Branch. Although Keating was more a Senate Congress matter, recall the Keating 5 scandal and similar campaign contributors' incidents playing into ignorance or facility of public servants which can and have influenced legislation, regulation and decision making.

It's bigger than data, although data and quality of it is key. In this regard and related, actually I have a fair amount of respect for our regulators. Typically they're earnest, hardworking, and sincere in their roles and responsibilities. Occasionally one will leave the camp and if there is dirty linen, he or she will expose the misdeeds and failings that the public needs to know and correct.

In current case with what we're seeing in the financial system, understand it's quite crippled, with a crippling set of laws and regulatory framework incapable of solving where management at the bigFinancials by way of their OTC derivatives contracting and trading (cease and desist this), and the Fair valuing of these (cease and desist this), pirate the time value of money with the balance of the American voters subsidizing the money printing the Fed's QE2 (cease and desist this) is availing the banks because the FV is non cash, and isn't itself going to realize to cash in the earnings cycle.

As a result the liquidity banks need has to be borrowed and the mark to market bank management needs to do of its balance sheet and these OTC derivatives contracts and associated 'trading' accounts of these need upward moving markets that the quantitative easing ie, QE2, by the Fed is providing in terms of liquidity into the markets, is floating the bigFinancials and their false profits and their managements' big comp packages. Rather than have correcting markets which would be occurring in a recession economy, and the economy is in BAD condition, with QE2, the system is flush which liquidity and the banks balance sheets are kept in some equilibrium rather than if the markets was correcting and in the FV/mark-to- market shadowing of correcting markets, bank management would then have to mark down their balance sheets and give us the snow disappearing in the summer sort of fall-2008 reality that would so evidently reveal the *Enron Show* the banks themselves have perfected on everyone's wallets and backs which the Fed and Congress and the Treasury Department are aiding and abetting.

Meanwhile the changes are possible but would cost bank management their fat salaries; in a collapsing and G20 compliant economy their banks are losing money from lack of lending in sufficient volumes to produce positive operating cash flows. They'd have to further cease and desist from their OTC derivatives contracting, 'trading' and bartering of these. And the Fed would have to stop suiting the interests of the bigFinancials and hold them accountable, while it hasn't to this point.

It is probable that because there is an agenda about which most Americans are ignorant, although the regulators are given orders - which appear to the public as "XXX" meanwhile the regulators have followed the orders given to it whether or not that means applying the regulatory framework to its 'wards'. For this reason we saw regulators step back

during the credit bubble and/or avoid or fail to take aggressive action to the abuse and grand scale moral hazard occurring while the White House and the BigFinancials had the Fed push down interest rates to an abnormally low rate for an abnormally long time.

Alan Greenspan made it sound like, although more than likely advised by his lawyers to make it sound like while they're doing their jobs, they're unable to understand to see the consequences of their decisions.

I say that's dissembling. Any student of economics and/or money and banking knows the Fed had had a history typically of cautious policy actions with regard to the money supply, open market operations, interest rate moves, and over time –but now - knowing what the effects would be. Indeed, however the Fed is a blustering, distracting Oz face, while the bigFinancials, its cartel of financial power brokers are the creepy little guys behind the curtain wielding the levers to move the Oz face for distracting the masses, including most of Congress, and the balance of the world. Central banking however was never formed and instituted in the US to suit the interests of voting Americans. It was purely to suit the banking cartel's interests.

In any event, in the case of people in positions of trust and great responsibility who say they're ignorant about the consequences of their decisions we have at least a couple generations of history to show us otherwise.

I suggest we can put clerks in those positions while paying them little more than clerk's wages, I would say like Europe at the top of their major corporations. But if we eliminate agency abuse and large corporate players like the bigFinancials' and their joker, the Fed – central banking that actually comes to use by the Germans and the British, and keep our Constitution, we'll have a system more accountable than what we've got. Again it seems that voter interests compromised to suit the Europeans has given us a great deal more trouble, except we have our bigFinancials and our policy makers withdraw us from G20 agreements and 'compliance'.

**

http://www.regulations.gov/search/Regs/home.html#documentDetail?R=0900006480b63887