

From: Law Office of Kenneth S. Wheelock, Kenneth Wheelock
Proposal: 1503 GECC Enhanced Prudential Standards and Reporting Requirement
Subject: Application of Enhanced Prudential Standards to GECC

Comments:

Date:Nov 26, 2014

Proposal:Application of Enhanced Prudential Standards and Reporting Requirements to General Electric Capital Corporation [R-1503]

Document ID:R-1503

Revision:1

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Your comment:Until the Frank-Dodd Act, GE manipulated its accounting practices to keep the revenues and profits from GE Capital (GECC) below 50% to avoid 1) regulation as a bank and 2) being evaluated by the securities industry as a bank instead of a manufacturing entity because banks trade at lower price-to-earnings multiples on the worlds stock exchanges. The proposed regulation is fair and reasonable and should be applied retroactively to the effective date of the act.