

From: Marilyn Martinetto
Proposal: 1432 (RIN 7100 AD 82) Reg. V V - Proprietary Trading and Certain Interests In, and Relationships
Subject: Volcker Rule -- Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and R

Comments:

Date: Dec 26, 2011

Proposal: Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and Relationships with, Hedge Funds and Private Equity Funds
Document ID: R-1432
Document Version: 1
Release Date: 10/11/2011
Name: Marilyn Martinetto
Affiliation:

Comments:

The proposed Volcker Rule is one of the few attempts at resuming some semblance of regulation to Wall Street financial bank operations to survive in the otherwise weak Dodd-Frank Wall Street Reform and Consumer Protection Act. For that reason, it must be implemented as amended by Senators Merkley and Levin as part of Dodd-Frank in July 2012. I had hoped the separation of financial and depository banks would be enacted, but it was not. Each time our financial banks have caused "panics," lending freezes and market crashes, it has been the result of weakened government regulation that enabled greed to go unchecked with practices as trading with borrowed funds, lack of reserves to cover minimal losses, fraudulent ratings of investment products, outright gambling with investor and now, the banks' own funds. And each time regulations have exemptions to various prohibited activities, the regulatory authorities become over-whelmed trying to keep up with those same banks' usual creative products and trades enabled by lobbyist-obtained law changes. Without regulation, Wall Street and its financial banks resume reckless gambling that comes from living in a casino-like world flush with huge sums moved rapidly by players who behave like gamers. The only reality seems to be the adrenalin, mutual competition and huge bonuses for outwitting each other. They forget their game has real consequences in the real world. If we can't limit gambling among our financial bankers to use of their own personal assets, then government regulation must exist to limit the damage they can do to the rest of us. Please keep and implement the proprietary trading ban, though it has been weakened to allow banks to invest in hedge funds, private equity funds, Treasuries, bonds, municipal bonds and government-backed Fannie Mae and Freddie Mac. All of which still leave open the temptation to move large sums to dangerously manipulate those markets. Please keep and implement the conflict of interest trading ban. That ban also acts to prevent betting against their own trades. In sum, Dodd-Frank is widely viewed as weak as it is, without further weakening through lack of implementing enforcement. Even if this weak act is enforced as it was passed, through honest implementing rules and regulators, we face even larger too-big-to fail financial banks ..that no matter how many lobbyists are hired, will not find the nation able to bail them out again.