

Proposal: 1410 (7100-AD69) - Incentive-Based Compensation Arrangements

Description: Joint notice proposing rules to implement section 956 of the Dodd-Frank Act. The proposed rule would require the reporting of incentive-based compensation arrangements by a covered financial institution and prohibit incentive-based compensation arrangements at a covered financial institution that provide excessive compensation or that could expose the institution to inappropriate risks that could lead to material financial loss.

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Comment ID: 79982

From: Brian Hicks

Subject: Incentive-Based Compensation

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Comments:

The stock market provides an essential service, of course. However, clearly a huge amount of trading on the market is not 'investment' in any tradition sense. That is, it is not selecting companies based on medium- and long-term productivity prospects and investing money for an extended period. A huge amount of trading is simply gambling: placing bets on short-term movements. This serves no purpose for the economy and people of the United States as a whole.

Many other aspects of the market, and vehicles invented to play the market, are similarly lacking in real benefit except for those who trade in them.

The 'value' created through all of this is fictional. No one should be accruing massive profits and income from these activities.

Please do what you can to make the markets make sense, and to reduce the risk of the tremendous damage the market players can cause - as they did in 2008.

Thank you for considering my comment,

Brian Hicks