

From: A.W.
Subject: Incentive-Based Compensation

Comments:

In November 2008 I was laid off from my job at the age of 64. Because of the recession I could not find another job to replace the earnings I lost and was forced to take lower paying jobs. Due to the the crash of nearly all markets, my very well diversified investments still lost 25% of their value. This was devastating for an older person such as myself who was anticipating working for a few more years and then retiring. It will take many more years to recover my losses, and at my age I don't have that many more years.

This 2008 market crash I believe was caused mostly by overleveraged speculation and the largely unregulated trading of derivatives. The lack of regulation in the financial sector leading up to this crash and the lack of functional separation among lending banks, investment banks, mortgage brokers, insurance companies, stock brokerages, etc., allowed far too much risk-taking with other people's money.

My solution would be:

- 1) Reward executives for sound business practices and not for cavalier risk-taking.
- 2) Repeal the Gramm-Leach-Bliley act. Restore Glass-Steagall and the functional separation we lost in 1999.
- 3) Repeal the Commodity Futures Modernization Act. Reregulate the trading of derivatives and commodities.
- 4) Impose strict margin limits on all exchanges. The ratio 1:1 has worked well for NYSE for years.

I realize all these steps are not strictly within your purview and may require further Congressional action. But thank you for considering my comments.