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Proposal: 1412 (RIN 7100-AD71) - Reg HH - Risk Management Standards - Financial Market Utilities
Subject: Financial Market Utilities

Comments:

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Your comment: Gentlemen, Part of the reason for this worldwide financial debauchle was the deregulation of the banking and financial industry. WHEN Lehman Brothers collapsed they were at a 35: leverage position. WHEN MF Global collapsed it was at 40:1 leverage. It is my opinion that we must return to a regulated leverage maimim of 10:1. Banks have no need of exposing themselves to greater risk. That is an example of excessive greed, not good business. Also, rating of junk portfolios as AAA grade is FRAUD and is not "just an opinion" as the leaders of the rating agencies stated to the Congressional committee. There must be consequences when stocks or credit portfolios turn out to be falsly rated. Derivatives that benefit the investment firm when a clients portfolio declines invites fraud and should be outlawed.