13 February 2012

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Office of the Comptroller of the Currency
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"OCC" Docket ID OCC-2011-14"

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Board of Governors of the Federal Reserve System
Jennifer J. Johnson
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Board of Governors of the Federal Reserve System
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Docket No. R-1432 and RIN 7100 AD 82

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Federal Deposit Insurance Corporation
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Attention: Comments,
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Securities and Exchange Commission
Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE.
Washington, DC 20549-1090
File Number S7-41-11

Dear Sir(s)/Ma'am(s):

Thank you for accepting my comment for public due process regarding "Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds" et al, aka "Volcker **Rule"** referenced under various File Numbers, RIN, Docket Numbers.

Introduction
Although I add a quotation by Professor Johnson of MIT, and formerly employed in Mergers and Acquisitions working with experts provides those services to the financial sector, and somewhat facile to M&A/business combinations-divestitures, notwithstanding, please consider my comments and concerns as an expert and practitioner from and on the financial sector. At other

times, for example I have testified in public Due Process hearings against opposing acquisitions by larger out of region banks of large, in region banks and what would become deleterious and counterproductive concentrations of power in that region and as a result also in the financial/banking sector. This included(s) my opposition to Too Big To Fail.

Perhaps living wills presents some sort of practical way for a large financial institution, virtually all of which are ISDA (Interest and Swaps Dealers Association) cartel whose members are spinning this guise of an association of financial institutions engaging in contracting financial innovation, I use this Public Due Process on the Volcker Rule as a means for the record to again utterly oppose all Over the Counter ("OTC") and ("OTCDC") Derivatives Contracting including Credit Default Swaps ("CDS") and other credit derivatives.

I also include opposing the bartering in which the ISDA cartel members are engaging, as this also is a reason there are liquidity problems in the financial system and at the ISDA banks.

By any measure, given the reason for, and time of its origin and nature, rather than describing OTCDC as 'risk management' or financial 'innovation', I consider this contracting, these instruments and their associated results, and these expressions as forms and obfuscations of agency self-dealing and abuse. As it were, I urge cease and desisting of OTCDC, and cease and desisting all synthetic instrument contracting and trading OTC and recommend measures to unwind from these contracts and their crafty financial terrorist/financial suicide bomber characteristics that participants in the financial sector knew would and how to trigger, also knowing their financial institutions would receive largess from their respective governments. This also is the sovereign backstop matter for ISDA cartel members that members enjoy, while voters and taxpayers pay the burden of the cost of financial 'innovation' or financial engineering, or ' risk management' or in reality agency abuse and self dealing using this contracting given these names to hide their real use and intent.

Voters' wallets and governments supposedly representing the people have supported ISDA cartel members engaging in this exploitative and expropriating, abusive conduct while some traders, investment bankers and management at these organs have enjoyed insulting, gross comp packages vastly beyond what their moral hazard conduct every should have yielded them.

Furthermore, in some minds difficulties exist with what were/are the root causes of the financial crisis, and if Dodd Frank and this particular portion aka, "The Volcker Rule" will solve and/or prevent future financial 'meltdowns' and/or crises. The Volcker rule even if the regulators are able to cut the baby in half with the Volcker Rule or what becomes of the Volcker Rule, big players like the ISDA cartel keep the rules and laws when it suits them and operate in whatever way it suits them regardless of the regulators which they control on site or back at the headquarters of the regulators.

The pre or post *Keating Five* era 'reforms' supposedly were to arrest this, however that was a long ago forgotten scandal that many who remember it, the 2 thrift crises and Enron know what we've got here and what we're likely sadly to have going forward unless you take to heart what I urge and make the necessary changes.

Although I address some of those points, no question OTCDC are a key cause of the financial crisis in which we still are except for the US Fed's 2nd or 3rd quantitative easing regime to provide liquidity to the markets and ISDA banks needing it for liquidity and trading counterparties for their OTC derivatives books and trading.

Thus without virtually constant, extreme measures by the US Fed, the Cartel's front organization running and established for the purpose of running pass-interference for the Big Financial cartel and their collusion, OTCDC and their trading are an unsustainable business line that the regulators have been impaired from prohibiting or cease and desisting, while ISDA cartel managements have enjoyed free rider on the markets also by way of the huge gravy train of the Fair valuing of the contracting and in times when the markets are not correcting, gaming the income statement with the recognition of the unrealized gains from fair valued balance sheet contracts and associated items and give appearances of profitability. Many market participants and institutional investors have enjoyed the liquidity in the markets and the dotcom and credit bubble bull markets, however that too because of fiat money and central banking quantitative easing has enjoyed 'free' rider on the markets, but at the cost of society overall virtually all of whom if they have investments, themselves cannot engage in OTCDC while ISDA banks themselves can funge those instruments, with the markets enabling that to be turned into money in the banks' income statements.

ISDA banks also have had the power to cartel and collude with or without prop desks. Eliminating ISDA and associated collusions regardless of where that abuse occurs at the bank and among its counterparties, is also to be ceased and desisted.

For example, larger collusions occurred against Bear Stearns and although more specifically targeted between JPM Chase, the US Treasury with former Goldman Sachs chairman Paulson, and the Federal Reserve Bank of NY, to eliminated Lehman Brothers as a going concern shows collusion but that reason I do not directly also address, other than Lehman and Bear Stearns were among our smaller 'financial holding companies' as identified under Gramm Leach Bliley but also smaller than larger, European ISDA cartel members operating in the US, which also were disinterested in competition from Bear Stearns and Lehman Brothers. To eliminate Bear Stearns and Lehman we saw the public tactics, but the private tactics and private reasons were obscured from virtually all market sophisticated and unsophisticated people.

Over the last 20 or so years, the ISDA banks and their lobbyists bought laws and legislators, regulation and regulators and the financial reporting model to enrich their fiefs and in effect with their power to take the law into their own hands and/or to operate above the laws to which society is accountable in effect can 'free' ride the markets with virtual impunity even with living wills the powers that be can force triggering at any point on an ISDA bank whose franchise is coveted, or a weaker ISDA cartel member too crippled to handle the shrinking pie which has been resulting with German reunification, the 'free' trade EU zone, the Euro, the G20 Agreements proposed after Maastricht and the US 'free' trade to de-industrialize to suit the German G20 interests. Build-out in lesser developed economies of smaller footprint at the cost of the US voter, has also contributed to the contraction of the global economy, while some shills and facile parties and economists would disagree with me.

Contraction in the US economy, our industrial base, our wealth development all has served only management at the global corporates, the wealthy families and their foundations, a few people in the built out regions in which the Germans had had enterprises established before and during WW2, and in part also the German people in spite of representation Germany bore the entire cost of its reunification. In reality however, Europe, the US, Japan and the former Soviet Union ALL bore the hidden direct and indirect costs of German 're-unification, by way of US 'free' trade, deindustrialization, EU's 'free' trade and elsewhere around the world the overall cost of financial stability and financial growth while Germany is using any means, any tactic, any slick self dealing way to engage in commercial war and self-'enrichment'. In 1991 it didn't achieve fiscal union, and has been a very aggressive of browbeating other sovereigns in policies that

indirectly or directly benefit Germany. It is an aggressive ISDA cartel member and yet while Basel has been purported for all the worlds large financial institutions, this framework has disserved the US financial system, while the Germans similarly delay capital adequacy which US financial institutions automatically have complied in legislation from 20 years ago, but as a rule practice and comply with this in the US regulatory framework.

Although all ISDA banks are 'guilty' of the abuse of their power, their size their OTCDC and the self dealing and free rider enrichment they've enjoyed, while the US has been deindustrializing to comply with the German dominated G20 Agreements, Germany has used the EU 'free' trade zone to export its production into EU countries which formerly tariff'd imports by any production outside of its own sovereign. Although typically US banks have our own huge economy into which to lend and we're our own biggest, homogenous foot print, nothing about the German dominated G20 Agreements with perhaps some exception for quid pro quo at all has benefited the US, the US economy and commerce, the US financial system while we've done 'free' trade to de-industrialize to suit the G20 Agreements. And with the economy in the US constrained, in effect collapsing with 15% of the US GDP tied up in production, shuttered or offshored from between 1979 through 2008, US compliance to the G20 agreements is a very large driver in the negative ripple effect harming the US commercial environment. This contributed to breeding OTCDC and its use to cover for marginal business, while also serving as a huge gravy train for management.

Cease and desisting OTCDC and returning to prop trading before that time removes a huge toxic, discretionary product thank God from the ISDA cartel, from the financial system and while I also would call for cease and desisting of Government back stops for all ISDA cartel members as well as dissolving ISDA.

Cease and desist all rehypothecation of mortgage paper, beyond what the homeowner occupying the house contracting with the original contracting party whether that party was the principal lender or an agent. In the case of the rehypothecations, the ultimate holder would have had to have appeared in court with the evidence, also with the original writer of the mortgage with the promissory note. For that original underwriter to have reassigned the mortgage and in turn many times over for that mortgage to be reassigned, while it may not violate the contract, it violates any bona fide relationship the financial institution had with the homeowner. Reassigning the mortgage many times over also may have been fraud as well as kiting or misrepresenting the lender's relationship with the property and the owner of it. Any signature re-assigning or selling the property out from underneath the home owner and selling it again and again is fraud and again a form of kiting in order for that product to be available for securitizations. Biggest beneficiaries were the ISDA cartel members. Cease and desisting trading this as well as contracting reassigned mortgages or contracting reselling mortgages and trading these also cleans up the prop trading desk.

IF the "Volcker Rule" wants to attempt to address what permissible activities in which financial institutions should engage or should be permitted to engage, largely this was a well-worn groove before the Gramm Leach Bliley legislation which repealed Glass Steagall and allowed ISDA banks to claim OTCDC are 'insurance', and then with Commodity Futures modernization act in 2000, to trade these discretionary contracts. These aren't insurance, these aren't cash bonds or common stock. These aren't commodities including noble metals or financial futures and/or FX contracts. These are management contracts in effect to cover for marginal, i.e. inferior quality business on the banks' books.

Hundreds of trillions of dollars notional now of these discretionary contracts exist and with very little oversight. Again feudalism is the world, as well as management abuse and now financial tyranny as countries like Greece have to endure the German bullying to give over their sovereignty when the German bill 'came-due'; 'Free' Trade that the Germans used to its advantage and OTC derivatives enabled their banks to appear profitable, while their banks had access to production and markets into which to lend and the transfers have been slickly, adroitly crafted by its government's smoke and mirrors. But the public perceives Germany to be very healthy; perhaps that is true, but more than likely it's got a smoke & mirrors game running, but its bans are ISDA and that's among the world's most powerful cartels and its banks are among the largest and most powerful bullies in the world.

Not that ours aren't strong enough or tough enough, but our victories come from our separation. Although Management says that OTCDC is 'risk management' and that OTCDC serve as a bulking agent on the balance sheet, is really more the case and for that reason the large US investment banks obtained in 2004 the "net Capital rule" to increase their 'leverage' but that was only so that their OTCDC inflated balance sheets would be 'permissible' under US 'regulation' the inflating of which from the OTCDC management was perpetrating after OTCDC were anointed as insurance' under Gramm Leach Bliley legislation and under Commodity Futures Modernization Act enabled to trade OTC. This again was how these contracts were permitted to be used as an inflating to the balance sheets to make US financial institutions as large as European and Japanese financial institutions, and those contracts when fair valued, would off-throw revenue stream that management would use to game the income statement to goose it for their own comp gravy train.

Management hasn't been lending more, or where that line of business or investment banking and underwriting in the US again is the business of financial institutions. Instead management has been engaging in or hired and used financial engineers to plume the OTCDC but given what this really is although labeled as 'risk management' management needs a better economy to do it's business rather than have financial engineers write 'hedges' and actually write contracts that management can pretend to offset 'risk' but whether that risk is the problems of marginal underlying business, a credit, a client relationship, other 'trades, regardless, our economy is in bad condition and banks can help solve that.

In the US the ISDA cartel needs to be cease and desisted while also cease and desisting any and all forms of sovereign backstop for ISDA cartel members writing those contracts.

Their lobbyists need to lobby for the US to repeal compliance with the G20 agreements. We need to repeal all 'free' trade agreements and bank lobbyists, which lobby for every and any self interest the cartel desires, can lobby for what I know will improve our economy AND LOBBY to restore our Constitution's Article 1 Section 8 tariff regime that will force management to reshore production and give the US giving the financial sector a better economy into which to lend and provide goods and services. We need to unwind from what eroded our economy, not allow yet more agency abuse and corrupt contracting hijack our economy and financial system while their managements enjoy impunity in their free rider thrall again with virtual impunity.

That's not the point of this comment, however cease and desisting the agency abuse and self dealing of OTCDC, their trading, their barter nature and bet characteristics, dissolving the ISDA cartel and eliminating that as a malefactor abusing the world's economy all are more my point and interests with this comment.

Rather than attempting to figure out how the prop desk (can-cut-the-baby-in- half) can engage in its activities, cease and desisting some instruments, ie 'contracts' and lines of business that it had traded are more what I urge by my comment.

ISSUES

VOLCKER RULE has not exemptions for 2 big to fail. I agree to no entity exemptions from the Volcker Rule. This rule should address and define activities, not which organs house the prop desk. Cease and desisting certain instruments and lines of business 'product' from trading lets the "Prop Desk" exist in any domestic or foreign regulated business organizational structure.

According to Dr. Simon Johnson at MIT, he thinks "Bad loans were the primary cause of the 2007-8 financial debacle. When the full extent of the problems with those loans became apparent, there was a sharp fall in the values of all securities that had been constructed based on the underlying mortgages – and a collapse in the value of related bets that had been made using derivatives.

The damage to the economy became huge because these losses were not dispersed throughout the economy or around the world. Rather, many of the so-called toxic assets were held by the country's largest banks. Financial institutions that used to lend to consumers and businesses had instead become drawn into various forms of gambling on the booming mortgage market (as well as on commodities, equities and all kinds of derivatives). "Wall Street gets the upside and society gets the downside" was the operating principle. NY Times "Economix" quoting Simon Johnson's Article "Where is the Volcker Rule?".

As if to 'finger' the Volcker Rule, and what is proxied as a band-aid for the US economy to prevent another financial bailout such as TARP, or the severe correction of the markets that fanned the off-the-radar screen bankrupt condition of the ISDA cartel members in the US, as I'd mentioned, I add Dr Johnson's comment because I disagree with the professor on the 'primary cause' of the 2007-8 financial debacle were bogus-problem loans, the noticeable impact which occurred when and as the markets corrected downward (progressively more strongly) beginning in mid 2007 just before the rating agencies began downgrading a large number of mortgage structured product and synthetic mortgage product. He's either missing the root causes of the 'problem' or for the public is defining the financial crisis and the Volcker rule as recommended by some as a solution, as something that miscreants had caused and the Volcker Rule doesn't address those perpetrators and their misdeed of writing bad 'loans'.

Perhaps Dr Johnson is not willing to acknowledge that this ie, OTC derivatives contracting and trading of those contracts needs to be ceased and desisted but how to do THAT? Or can he get away with urging that publicly and avoid facing ridicule or ISDA cutting funding to MIT and that sort of retaliation that he fears or would endure if he attempted to expose and slay the elephant in the room. OTC derivatives contracts and their Fair Valuing are A ROOT cause of the financial crisis; these contracts have failed to prevent illiquidity or insolvency or bankruptcy of their writers, the ISDA cartel members and world's largest financial counterparties.

Whereas more performing loans would have more than likely prevented the depths of the 'crisis' management has not had a good economy into which to lend, nor did it endeavor to make only good loans or even endeavor to make only a few marginal or bad loans. In fact they made some bad loans, and their agents made some bad loans, but the OTC derivatives contracting which ISDA cartel members plumed and bloated their balance sheets with these contracts that when fair valued ie also known as in this case for traded instruments 'marked-to-market', in a

downward correcting market, would be running unrealized non cash LOSES thru their income statements

I also suggest that Mr. Volcker's beliefs that proprietary trading doesn't belong in a financial institution receiving deposit insurance would have Mr. Volcker never having permitted proprietary trading from insured institutions, because the bank cartel that before the Fed existed, has been trading across all markets and also OTC for its own book for a long time. While he was Chairman of the Board of Governors of the Federal Reserve System, banks' prop trading existed however, he ignored or avoided at that time eliminating these sorts of operating units at Reserve member banks. So what is made to seem as his 'stand' seems out of keeping with his former sort of hands- off ways while he was the Fed's Chairman. I could be wrong, however I do not recall issues like banks' prop trading coming up during his 'tenure' at the Fed in that difficult time in our economy while he was constricting the money supply and interest rates zoomed to nearly or above 20%.

If individual banks like JP Morgan didn't engage in prop trading that conflicted the bank with its clients, again these cultures were one-off. Little constrained the banking and financial cartel from its self interests and those of the largest shareholders of that financial company. WE have history of banking in the US engaging in syndicate activity to make large loans to corporations, public works and foreign governments. Although I do not exact data, probably large US financial institutions that participated in these lending syndicates in necessary would sell or buy these exposures aka, 'credits' from each other. Pre Glass Steagall, the Fed enabled large US financial institutions to engage more aggressively in cartel activity, while itself also lending to governments on the behalf of US financial institutions in more grand and covert scale than before the Fed existed. In the 1920s our government and Fed were lending to the Germans and the British, however now with the Fed, in effect there existed a large organ that represented the group's interests, while no single financial institution had to bear the consequences of its actions.

Moreover, the Fed's "Dealer Surveillance" unit monitored financial institutions that sold treasury securities on behalf of the US government. This group including large foreign financial institutions and NY Fed's surveillance on these was quite strict until post Maastrict, when in 1993 Gerald Corrigan left the NY Fed to work for Goldman Sachs and eliminated Dealer Surveillance. If the Fed monitored or controlled proprietary trading, the large banks weren't going to allow uneven supervision allowing the investment banks and foreign financial institutions which no longer were under Fed purview to engage in proprietary trading of anything they wanted that was permissible. If the Fed no longer was monitoring the Big Investment banks, it also wasn't going to monitor heavily and in turn, discipline what the big banks were doing.

(RE) FOCUS OR ALTERATION OF VOLCKER BILL THAT I URGE

OTCDC enjoys those same hands off 'supervision'. With all ISDA cartel members able to engage in proliferating their OTCDC and trading, clients are at risk for being targets for conflict by their banks and conflicts on a variety of 'fronts'. THIS is what Mr. Volcker presumably opposes as well as the sorts of instruments the prop desks trade. This is what I oppose, not that they're engaging in prop trading. What I support in part is the attempt to establish what is the nature of the trading and attempt to limit or prohibit conflicts that were practiced on the prop desk. What I oppose is that the regulators allow OTCD Contracting and trading and allow synthetics contracting and trading and allow structured mortgage product to trade also from the Prop desk rather than taking a client out of a cash instrument ie cash bonds or stocks or

currency or commodity, 'position' and holding the position on its books unless there is a buyer on the back end for the position.

MORTGAGE SECURITIES AND HYPOTHECATIONS/REHYPOTHECATIONS

Additionally as there are many tranches in an MBS, there should not be perhaps if one time for a position to change hands back to the underwriter. An investor had the power and/or flexibility to select in which tranche to investor or buy. If an investor was trading in and out of the positions and the prop desk similarly is flipping its MBS positions and helping clients in and out time and again with MBS positions the bank underwrote, these were not bona fide investors in that deal.

Prohibit this and litigate for it. The deals and their associated tranches are structured to meet investor interests and demands. If an investor and or the underwriter investment bank are flipping their positions, selling more than one time, then they're engaging in self dealing at the shareholders' and perhaps homeowners.

Paper hypothecated more than 1 time, is a part of a transaction that isn't bona fide. Cease and Desisting all rehypothicated paper and trading instruments made of rehypothicated paper or synthetic product based on hypothicated or re-hypothecated paper, cease and desist this and cease and desist trading of this.

In reality and without ANY question, Agency self dealing produced this crisis and this self dealing and the grand scale agency abuse has gone beyond that of earlier eras such as the mid 80s and Third World debt and Brady bonds.

Agency abuse and self dealing ALSO produced the synthetic mortgage structured product 'deals' triggering when "effective" as well as BAD loans. Agency ie bank management pays lobbyists such as SIFMA to go to Washington to lean on congress and the executive branch to nominate and confirm industry friendly regulators which disappear while the agency self dealing and its flood of bad loans, robo fraud mortgage paper to sell out the mortgages from underneath the home owner and hypothecate a new loan every time there is a new signature for the 'new' paper, or re-assigning the same underlying mortgage many times which still isn't bona fide or producing new paper actually not at all having real property underlying it, then this paper is rolled into structured product. This mortgage paper contracting is a form of a financial genocide in our society that seems to be experiencing an increasing erosion in bona fide contracting and commerce between agency and: the voter, the property buyer, the depositor, the borrower, the everyday person who is somewhere in the 99%

'Bad' loans doesn't quite capture the grand scale fraud perpetrated that agency self dealing and abuse better characterizes and one of the ways this is manifested is this flood of bogus, spawned mortgage paper to go into structured product the ISDA banks produced and traded and on which they made a great deal of money. As it were, I disagree with Dr. Johnson's belief in the primary cause of the 2007-8 financial debacle, however agree with him on issues such as the problem with those interested to influence the framework of permissible products and activities a prop desk may perform and the structure in or under which it which it operates and thus needs to be judiciously administrated so as to prevent abuse of different sorts and magnitudes.

Meanwhile reported in NYT/Economix 1/19/12 "Should We Trust Paid Experts on the Volcker Rule?" again Dr Johnson describes the conflicts of interest of those ISDA cartel members which would benefit from all they had been able to trade from their 'prop desks", these all are

members of SIFMA ("Securities Industry and Financial Markets Association") which has been aggressively lobbying against constraints in the Volcker Rule.

Again, I urge that perhaps the strategy to will make this rule effective, is to prohibit the contracting and/or trading of specific instruments and products as well as making certain an enterprise subject to this rule or engaging in 'trading activities of financial instruments' is engaging in bona fide, non client conflicted market making.

This is a well worn groove and had existed before the early 1980s when swaps came into existence or before OTC trading of mortgage structured product.

http://www.risk.net/risk-magazine/profile/2124684/profile-occs-walsh-volcker-rule-leaks-dodd-frank-divergence-bank-capital

LARGER CONCERNS THAT ADD TO THE MACRO CONTEXT FOR VOLCKER AND REGULATION

Banks problems arose largely as the economy has eroded over the last 30 years. They became desperate for new product, and stretched what were permissible activities that the regulators would not prohibit or restrain for the very large financial institutions.

The Glass Steagall laws over time gradually were eroded or reversed and by the late 1980s big Banks had what were known as Section 20 subsidiaries that engaged in investment banking activities whose volumes were constrained as a percent of the size of the financial institution. The larger a financial institution grew, and often this also was achieved with securitizing consumer assets even though the banks experienced net cost to securitize those assets to achieve more liquidity, however, after the regulators remained agnostic over bank management from engaging in swaps and similar agency self dealing that over time under cut profits in order to keep control of a customer-borrower relationship, regulator impotence, FAS 133, GLB and CFMA and FAS 133 enabled banks to write derivatives contracts, account for them but in time report them at 'fair value' - whatever THAT is, declare they're insurance but without needing to foot them with capital, and trade them without any supervision or institutional-formal investment product framework.

What banks have been doing is like buying or making new hats to cure an illness they think beatifying or owning more close will solve. Worse they have the power to improve the situation responsible for their illness but those matters aren't directly relevant to providing comment for due process for the Volcker Rule, although again - I mention them later regarding the German dominated G20 agreements, which helps enable DB and ISDA to have the power they do, brought us Basel II and III to erode the financial system but tilt it towards European favor rather that agnostic or remote from US banks and industry here, and IFRS which we need to demure and be about cleaning up US GAAP. G20 also brought us 'free' trade and deindustrialization, which the large US financial institutions can reject but their lobbyists seem to lobby Washington for garbage product and turf rather than repealing US compliance to the German dominated G20 and repeal and reject 'free 'trade which repealing these would improve the US economy.

DISCUSSION OF SOME SPECIFICS IN VOLCKER RULE, EXEMPTIONS, ETC

The proposed rule exempts Repo and commercial paper activity which grew overtime as large banks needed liquidity because these had had insufficient operating cash flow from a sufficient number of performing loans and cash securities business, and treasury and agency securities. Again, and unless it's structured mortgage product that is 1 hypothecation, not only do I urge prohibiting it from access to any trading or swap transaction, but I also urge cease and desisting

the rehypothecation of mortgage paper in any way after the initial hypothecation, after the homeowner on the original mortgage promissory note, in whose name the title is. Although this may sound clumsy, as long as ownership rights are protected and preserved as well as disallowing agency self dealing to avoid conflicts rather than step on client relationships in the era pre OTC derivatives contracting, trading and securitizations after the 1st hypothecation, look at rules from the 'days' before OTCDC, synthetics, and multiple hypothecations existed.

Material conflict of interest between a bank and its customers, clients or counterparties; results in material exposure to the banks from high risk assets or trading strategies; or poses a threat to the safety or soundness of the bank or the U.S. financial system. Of the iSDA cartel, most counterparties also are ISDA members of/in the complex exposures in the facilities.

Here the regulators have the power to demand reporting by counterparties, especially of those of the prop desks. The Regulators however have examiner teams on site at the ISDA cartel m embers and this concerns me when the press reputes that the regulators are only now or only of late attempting to get their arms around the counterparty relationships, or that they're been unaware about or of monitoring the counterparties, which leads me to believe the press is used to run pass interference for the regulators and/or too cozy a relationship the regulators are having with the powerful ISDA banks.

(In the 'outline' below I use one provided by the Tabb Forum on 19 Jan 12 by Sean Owens of Woodbine Associates, "The Volcker Rule Rocks". My comments throughout the outline are in blue and/or capitalized however above and in the CONCLUSION ARE IN BLACK).

Market Making
Banks are permitted to engage in market-making-related activities to the extent that they provide intermediation and liquidity services to customers. Regulators address the difficulties of distinguishing between "pure" market-making from positioning in a customer-oriented trading book. They will require firms to meet specified criteria to ensure that their market making is "bona fide".

They've abused this all along, so cease and desisting OTC Derivatives contracting and Trading, contracting and trading synthetics, cease and desisting re-hypothecations and their trading, cease and desisting what enables the prop desk to engage in conflicts and abuse against clients and their counterparties, other than to negotiate the interest to trim an exposure THAT which isn't done unilaterally and ad hoc at the prop desk. Moreover if left entirely to the regulators, sadly it's been a facile group that although I don't think they're captive, I DO think again they're too facile and dominated and brow beaten by those who they perceive or believe are more intelligent and perhaps more powerful than they are.

ISDA bank unless ISDA is dissolved, however management at the financial institution:

1. Must establish a comprehensive compliance program. A banking entity must have effective policies, procedures, and internal controls designed to ensure that prohibited proprietary trading positions are not taken under the guise of permitted market-making-related activity. I agree with this and regulators can discern prohibited proprietary trading activity. Ceasing and desisting the OTC derivatives contracting and its trading certainly facilitates less undertow that can whipsaw the desk, the bank and the markets. Cease and Desisting the OTC contracting and trading reduces the bank's exposure to correcting market when management ahs to fair value its balance sheet and run gains or losses through the income statement and in some way affect trading desk.

2. Keeping with cease and desisting the products and trading: Must hold itself out as a market-maker and both buy and sell securities in which it trades. The criteria to be considered "bona fide" market makers are detailed as follows: In liquid markets, such as listed equities, this means: a) Making continuous two-way markets in securities. b) Making roughly equal purchases and sales. c) Providing continuous quotes at or near both sides of the market. d) Providing widely accessible and broadly disseminated 'quotes'. In less liquid markets, such as those traded over-the-counter, this means: a) Provide quotes on a regular basis, not necessarily continuous. b) Actively trade the securities in the market from customers. c) Ensure that transaction volumes and risks taken are proportionate to historical customer liquidity and investments needs. Positioning in anticipation of block trades is permitted, provided it is oriented toward risk intermediation.

3. Must conduct its market-making such that it does not exceed the "reasonably expected near-term demands of clients, customers, and counterparties."
   This can and should vary by market liquidity and convention. "Near term demand" is firm-specific and should reflect a banking entity's unique customer base. In other words, the risks taken by firms making markets must be commensurate with their customer volumes.
4. Must register required entities, such as a broker dealer or swap dealer, under U.S. securities or commodities laws. AGAIN, CEASE AND DESIST ALL OTCDC AND TRADING, AS WELL AS THE OTHER CONTRACTING, INSTRUMENTS AND ASSOCIATED TRADING I MENTIONED WILL ALLEVIATE THE 'CLEARING' PROBLEM WITH THE SWAPS, THE BESPOKE PROBLEMS, THE MATCH OFFSET, THE 'MASTER NETTING', THE FAILS AND THE BARTER PROBLEMS PERMITTED BY DTCC AND OTHER CLEARING ORGANS.
5. Must design its market-making to generate revenues primarily from fees, commissions and bid/ask spreads and not from changes in the value of inventory or related hedges.

   ABSOLUTELY, AGAIN, CEASE AND DESISTING OF WHAT I MENTIONED, WHILE ALSO CEASE AND DESISTING OF FAIR VALUING OF BALANCE SHEET ACCOUNTS AND POSITIONS, UNLESS THE POSITION IS VALUED BY CASH FLOWS, AND/OR BY THE ORIGINAL CONTRACT PRICE WHICH AFTER TIME UNTIL MATURITY, AMORTIZES, DEPRECIATES OR 'DECAYS' AS IN THE CASE OF A STOCK OPTION, AND AS RESULT AMORTIZED COST IS WHAT APPEARS ON THE 'BOOKS', THEN IT CANT TRADE.

6. Must ensure that its compensation and incentive policies do not encourage proprietary risk taking. They should encourage customer service and fee income.

   Comment: I have characterized a great deal of what happens on wallstreet, and those who work on wallstreet respectively as maggotry and the 'maggots'. The analogy applies to that in its life cycle which is focused purely with feeding its own belly and cannot eat living tissue, but can only feed on garbage and/or dead or infected tissue.

   Taking away the maggots' 'food' helps improve the culture on wallstreet and in the financial markets. Eliminating/cease and desisting flawed product and contracting I liken to dead tissue such as OTCDC and associated trading and the other flawed contracting such as synthetics will restore more stability to the markets, to financial institutions and substance in the products of wallstreet, no longer hijacked for the purposes of turning the paper, to create faux fee revenue, flimsy product, and sham transactions.

Again a great deal of this exists and arose as our economy eroded more over time since and including the time Paul Volcker was chairman of the Fed but THAT was before the German reunification, 'G20", Maastricht and aggressive 'free' trade by the US and de-industrializing of the US. Only because of the results of US and multi-lateral policy after German re-unification and then de-industrializing of the US facilitated by 'free' trade, has this garbage product such as rehyphothecation, synthetics, aggressive OTCDC and associated trading of that along with Fair value in our accounting regime and harmonizing with IFRS rather than restoring or improving accrual basis accounting where revenues have to realize to cash in the reporting cycle.

This doesn't allow for barter, this doesn't allow for 'hedging' which also would not exist when cease and desisting and unwinding from OTCDC or nor would it allow inflation from quarter to quarter periods to raise the 'value' of a balance sheet item with the associated gain recognized in the income statement along with legitimate revenues from performing loans and underwriting and investment banking business.
On that note too, **I urge CEASE AND DESISTING OF ALL BARTER OF ANY SORT** between counterparties, the bank's customers, or its other stakeholders including employees and board directors, especially if it is a publicly traded company with shares traded over the organized exchanges such as the NYSE.

Barter does not belong in a bank's operating and/or trading activities, and even if the swapped instrument in terms of its characteristics realizes to cash in the reporting cycle, not like something like posting bank's collateral seized or sold by the holder counterparty is realizing to cash in the reporting cycle, but no barter or swapping at all of one financial instrument for another. If the instrument isn't transferred by way of a clean sale, bought and sold, then the former holder aka, the 'seller' is still is bond under the terms of that instrument and still is the controlling party over that instrument, unless the buyer purchased it by actual payment which will realize to cash in the reporting cycle.

7. Must ensure that market making activity conforms to the commentary in Appendix B of the regulation.
This is essentially the catch-all application of the principals of the regulation. It outlines market-making as a customer oriented, fee- or spread-driven business that is conducted with minimal risk. It describes trading and risk taking that is not permitted and details how the regulation will be enforced through the evaluation of myriad quantitative metrics that must be calculated on a daily basis. It is a nice addition that explains in very readable detail what the regulators seek, just in case they might have failed to address a particular situation or left an open loophole.
Mucho f what happens with CDS, OTC derivatives contracting and trading or those and also with synthetics and mortgage products which are fixed income securities use quantitative methods. It's' been for that reason that most of those who are making these products happen are 'quants' of all sorts including financial engineers, risk managers, and people with mathematics strengths. It's been a crying shame to waste many of these bright, capable people but who often are virtually utterly ignorant of accounting or ethics about what they're or are not doing to hold management accountable or make noisy retreat or complain to the FDIC or the SEC or DOJ without fear of reprisal. And many of them are from abroad from lower wage environments but not from the US where our school systems and society have eroded mathematics and math mindedness except accumulated from other bodies of knowledge and a strong sense of where moral hazard begins and ends.

Identified Prop Trading

The regulation also lists six factors that could indicate a firm is engaging in proprietary trading within its market making activity. These are:

1. Trading activity in which a trading unit retains risk in excess of the size and type required to provide intermediation services to customers.
2. Trading activity in which a trading unit primarily generates revenues from price movements of retained principal positions and risks, rather than from customer revenues.
3. Trading activity in which a trading unit: (i) generates only very small or very large amounts of revenue per unit of risk taken;- I DO NOT GENERALLY HAVE A PROBLEM WITH WHAT (i) MENTIONS HOWEVER, IT DEPENDS ON WHAT INSTRUMENTS AND/OR CONTRACTS and whether or not the desk is engaging in conflicted and/or collusive behavior and 'trading'. (ii) does not demonstrate consistent profitability THIS IS GOING TO HAPPEN IN THE FINANCIAL MARKETS; or (iii) demonstrates high earnings volatility THIS LIKEWISE WILL HAPPEN IN FINANCIAL MARKETS AND I DON'T REJECT PROP TRADING FOR THESE REASONS. AGAIN, I REJECT CERTAIN SPECIFIC TYPES OF INSTRUMENTS/CONTRACTS PROP TRADING MAY TRADE AND/OR 'HEDGE' AND THAT IS THE ISSUE.
4. Trading activity in which a trading unit either (i) does not transact through a trading system that interacts with the orders of others or primarily with customers of the banking entity's market-making desk to provide liquidity services, or (ii) holds principal positions in excess of reasonably expected near term customer demands. THIS COULD BE DEVELOPED IE, I CAN SEE WHERE THE MATTER COULD BE ABUSIVE, BUT AGAIN, I OPPOSE WHAT INSTRUMENTS/CONTRACTS THE PROP DESK IS PERMITTED TO TRADE. THESE ARE OTCDC, CDS, SYNTHETICS, BARTERING, MBS TRANCHE POSITIONS, AND ANY MORTGAGE PRODUCT WITH MORTGAGE PAPER REYPOTHICATE, MEANING AFTER THE FIRST HYPOHICATION.
5. Trading activity in which a trading unit routinely pays rather than earns fees, commissions or spreads.
6. The use of compensation incentives for employees of a particular trading activity that primarily reward proprietary risk-taking. AGAIN, IT DEPENDS ON WHAT THEY'RE TRADING.

This list is not exhaustive, but it reinforces the spirit of the regulation with specific examples. The emphasis continues to fall on the relationship between trading book risk and inventory, and the needs of a banking entity's customers.

Market-Making-Related Hedging

Trading to hedge risk or inventory acquired through market making activity is permitted if it meets two criteria:

1. The hedging transactions must be to hedge risk incurred through customer market making.
2. The hedging transactions must also meet the criteria specified for general risk mitigating hedging, which include:
   a) The hedging must be done in accordance with written rules and policy.
   b) The hedging must be risk-reducing and specific to the risk being hedged. Hedging is allowed to be done on an aggregated basis.
   c) The hedging must be reasonably correlated with the risk being hedged.
   d) The hedging cannot create new exposures at the time of execution.
   e) The hedging must be subject to continuous and ongoing review.

ELIMINATING WRITING-CONTRACTING AND ASSOCIATED TRADING OF OTCDC, CDS, MBS REHYPOTHECATION, ELIMINATES OR RATHER, I WOULD ELIMINATE HEDGING EXCEPT FOR OWNING EXCHANGE TRADED CME CLEARED OPTIONS WRITTEN ON COMMON STOCK, AS IN AN OWNER WHOSE PORTFOLIO HOLDS BLOCKS OF COMMON STOCK AND IS INTERESTED TO PROTECT THE POSITION AGAINST RISKTHE MARKET WILL MOVE AGAINST THE SHARES, AND BUYS OPTIONS TO PROTECT HIS POSITION IN THE EVENT THE MARKET REVERSES, CORRECTS, BUT GOES DOWN IN PRICE.

THUS MY 'HEDGING' IS RESEMBLIND WHAT EXISTED FROM BEFORE, AND MORE THAN 20 YEARS AGO THAT WAS KNOWN THEN AS HEDGING THAT HAS BEEN VIRTUALLY DERIDED AS GOING THE WAY OF THE DODO.

So What Does it Mean?

The Volcker Rule is a necessarily lengthy regulation, addressing many of the nuances associated with positioning for customer market-making that in many cases are outwardly identical to positioning for proprietary profits. For many trades, the difference lies in the intent behind the position taken, which must now be justified by customer-related business or a corresponding reduction in risk.

For treasury, agency and municipal securities and the other products and transactions that are not restricted, there will be no discernible change to bank trading, underwriting or market-making. Precautionary restrictions exist if trading presents a conflict of interest with their customers or if it creates excessive risk. Otherwise it's business as usual.

For other covered securities and derivatives, the framework makes it very clear that banks will not be permitted, nor will they have much incentive, to take proprietary risk beyond that which is required for their customers' business. Their market making related trading will be driven by fee and bid/ask spread income from their near term customer needs. Hedging will be done entirely for risk reduction. Both will be examined in significant detail to ensure that banking entities are not taking proprietary risk in areas that are not allowed.

SINCE OTCDC ARE CEASED AND DESISTED AS WELL AS OTHER INSTRUMENTS, POSITIONS TAKEN CONTRARY TO CUSTOMER INTERESTS WILL BE ELIMINATED IN THAT CLASS OF INSTRUMENT AND THE ONES I MENTIONED AND RELATED PRODUCTS AND DERIVATIVES AND TRADING, ALL WHICH CONFLICT THE BANK AND HAVE SERVED FOR MANAGEMENT TO APPEAR PROFITABLE, HEDGE, WHEN THIS SIMILARLY IS AGENCY SELF DEALING COLLUDING AND CONFLICTED.

All wallstreet broker/dealers and financial institutions have 'black lists' on which companies that are active clients on which the bank has got a deal in the works, those shares an insider and/or employee and employee relatives may not buy, sell those shares or discuss the nature of the business with the black listed company. Presumably the Prop desk similarly would have a 'black list' with names on which the prop desk would be prohibited from trading in those companies' shares and instruments related to those companies.

IN CONCLUSION

Again, I urge no OTC derivatives contracting, hedging and/or trading of these instruments or 'contracts, their hedging at all and including those that would be 'traded' by prop trading. Banks

investment banks and other trading organs engaged in prop trading and if they did it contrary and conflicted to clients then they brought this on themselves.

While wallstreet firms were partnerships, a firm would not engage in activities that would hurt the 'money', that is, conflict with client business and do harm to those relationships of the principal with the client. Even if the broker/dealer is acting as agent there are other firms where a client could leave to go where relationship would not suffer conflicts from investment bank/or 'wallstreet' ("w/s") trading or engaging in self dealing against the client.

These sorts of discretionary contractings like CDS and other similar OTC derivative contracts and instruments, betting on stock or corporations in which a speculator didn't/doesn't own a position, such as a stock or bond - this was banned with Glass Steagall other legislation and regulation at that time. Prop trading using OTCDC which only could begin trading in 2000 with Commodity Futures Modernization Act in 2000 ("CFMA"), along with Gramm, Leach Bliley ("GLB"), these needs to be repealed and OTCDC and trading needs to be ceased and desisted.

This also removes it from access to prop desks to trade. If w/s thinks this removes instruments to trade and easier ways to make profit, I urge removing/cease and desisting this/these garbage product(s) that have come about only during a time of shrinking economy and flawed underlying product like 3rd world debt during a wallowing-then-turnaround- economy in the 1980s and then after G20 Agreements and NAFTA and dot com bubble in 1990s. Banks and investment banks had had better times in commercial environment in US and allowing OTCDC and trading these as well as engaging in prop desk trading conflicted to client business, gets cease and desisted.

Let their prop desk people heckle congress to repeal US compliance to German dominated G20 agreements to get rid of the 'free' trade agreements used to shrink the US economy, that has been used to offshore production under the de-industrializing the US theme in G20 agreements to suit the Germans, and also repeal NAFTA and other non tariff'd trade agreements that mostly have served managements and the ISDA cartel members. NAFTA too and other 'free' trade agreements which have caused harm to the US economy need to be repealed. Let prop desks heckle Congress and the Executive Branch to restore use of trade compliant with the Constitution's Article 1 Section 8 mechanisms for indirect taxation for fiscal revenues under that clause: duties tariffs and excise taxes need to be restored.

So the prop traders who in their conceit think they've got an ox being gored, there have been plenty of other people that have endured harm and expropriation of their means, exploitation of the markets for the ISDA banks 'free' rider abuse they enjoyed, while the Fed and Treasury funged the blowback of ISDA bank blow-ups. Even the Constitution hammered down from which they enjoyed by way of maggot products in an eroding economy that apparently they didn't see abstaining from conceit about what these are as a value to society, except to their own wallets.

OCC's Walsh concerns over the back and forth debate about complex problems with cutting the baby in half shows his conflicts with the turf of his 'wards'.

Moreover, observations about the FDIC being more conservative and thus more cautious with their comment on the rule has some substance, but is somewhat disingenuous because the FDIC itself didn't condemn or cease and desist as unsafe and unsound banking practices, the abuses and the problems of the financial crisis in which we still are. FDIC at any point could have rejected, CFMA, GLB, CDS, OTCDC and trading. Since it is the insurer, then if withdrawing insurance and/or cease and desisting these activities at insured banks/thrifts and

SEC permitting these activities only at partnerships, then many of these activities would not have prospered nor cost society the trillions that have line the pockets of the few inside players and their agents. it's not only an argument for higher capital which our firms often have sufficient, although a crippled economy has encouraged 'maggot' products contracted and traded reflecting this culture of rot and abuse on 'wallstreet' and in our financial system.

We also need to make certain our financial system functions properly without harm to society, moral hazard issues such as allowing bank management to engage in activities that had been permissible and with supervision, largely regulated from causing harm to society, where as in Europe those financial institutions in those jurisdictions are a completely separate group of operating organizations under completely different laws which I'm not looking for theirs and ours to 'balance' out.

These foreign enterprises are to be separate completely from US enterprises, and restrained from at all conflicting the ways of our Constitution. Any US financial institution that can't abide by jurisdictional constraints will have its charter and insurance revoked, and no foreign operator here may operate without insurance, access to the insurance system, access to the Fed discount window, Fed Funds, and other interbank activity with US banks.

Other countries and their financial organs have enjoyed 'bailout' and subsidies at the cost of the US voter because our Fed can print fiat money and our money is fiat.

This is held in contempt and plundered out of our system and by conflicted, self interested agency at our insured financial institutions. They pay for their insurance but need public faith to operate and enjoy the benefits of the voters' deposits and borrowings.

Most of the recent abuse and actually abuse by financial players over time arose anyway because of multilateralism. We need to find that boundary. The ocean had helped in the beginning and for a time our Constitution and our culture also helped. We'd lost our way, while the power of the big financial institutions have carteled and expropriated-parasited from society, on society by engaging in legitimized 'free' rider/feudal transfers as if the voters are serfs and bailout is tribute the voters have to pay to ISDA cartel member management and the Germans which have been the largest beneficiary of the G20 Agreements. Among other constraints the G20 agreements called for the US to de-industrialize.

Banking here was never meant to operate controlling the turf. Banking in the US had existed in a smaller commercial environment. In the US, corporate charters are administered and answered to state law. Financial power especially from abroad circumvented this and overtime its harmed society rather than served society without again conflicts, self interests, self dealings and abuse.

Meanwhile if the prop desks are trading OTCDC, which have only been legitimized to trade since CFMA2000 then that needs to be taken away and anyway the CFMA repealed which DFA failed and needed to accomplish.

OTCDC anyway are instruments to inflate the balance sheets and game the income statements and need Quantitative easing ("QE") and/or upward moving markets to enable the banks to be profitable as these, even when traded and by contract fees, produce insufficient operating cash-flow while banks aren't lending and producing sufficient operating cash-flow from performing loans. OTC derivatives are not performing loans and are not true insurance policies in which the insured has to keep the policy in force paying premiums and an upfront contract fee. With true

insurance, in the case of these having a maturity with a triggering event, absent that, management gets to keep the money of in force insurance policies, renewed as long as writer and insured agree and the insured pays. OTCDC don't have this and aren't adequately capitalized often, as in the case of CDS, which are far bigger in exposure than stock options.

But worries over trading items that only in that they were legitimized to trade, and obtained in a crippled political process gets my opposition and that contracting and trading of the contracts get cease and desisted. Their outrage is purely maggot greed/lust outrage. If there isn't this product to trade, the pus anyway needs to be cleansed from the wounded system. That too needs to be healed, while eliminating conflicted trading and trading OTC derivates cease and desisted but specifically and especially from the prop desk and trading at all by repealing CFMA. I urge and use these as a forum to progress that 'reform'.

There have been many 'reforms' that have not been better. But a better reform is to lance and cease and desist the ISDA organization and mandate no US financial institution may be an ISDA member and any foreign bank that is an ISDA member charter is revoked from operating in the US. ISDA cartel has been a part of the abuse over the Constitutional rights. There was neither central banking nor cartel power of financial institutions. Cartel power by way of central banking, Reserve 'banking' and now ISDA have not served the customers of the financial sector; it's only served managements and the inside interests which control the financial sector and other mechanisms to enable them to operate above and around the law and/or use banks as their manner of commercial 'war' and commercial abuse, while management has self enriched.

With sovereign backstops for IDSA banks, prop desk trading of and the pluming of OTC derivatives contracts contributed to the financial crisis because these instruments in their characteristic flaws and the fair valuing of them, all have been dysfunctional banking and contrary to what is functional banking. Banks in Europe except for competition from US banks operating there, enjoy that 'national champion' turf power and ability to abuse via 'free' rider power schemes such as 'fair value' and OTCDC. They resent our involvement there but like the liberty and the larger homogenous economy and wealth in the US that at this point is crippled in part from the 'free' rider problems of the OTCDC and 'fair value' reporting model.

A larger investor class too exists here but it's because we had a more prosperous economy and a regulatory and legislative framework that prohibited abuses of ordinary investors with more sophisticated investors too having a more robust legal framework because of the efforts to ensure transparency somewhat with complete, accountable disclosure, fair dealing and preventions of conflicts of interests.

Eliminate ISDA but at least eliminate sovereign back stops for the ISDA members. If management blows up itself with this contracting, society's wallet isn't there hijacked to serve moral hazard.

In Europe, investing had been more for insiders, and those economies don't have the larger number of middle class investors as a percent of the population. What the US has and had had is/was envied but now is parasited. Now that wallet is targeted and eroded by other forces, prop trading of OTC derivatives contracts and writing OTC derivatives contracts and prop desk trading conflicts against client positions or claiming that prop desk trading is to facilitate client positions hasn't benefited the investor community, the voter community and tax payer or the shareholder.

Go back to partnerships; that generally only gets more cautious behavior inside the firm and more cautious business practices. If management can off throw the risk for loss and moral hazard on the 'shareholders' and society, then there is nothing to prevent that.

The regulators are a tool of the legislation in place. If that's flawed and permitted abuse, then regulators are facile. OCC is no exception. So it battles to draw a line and divide a bastard in this case of prop trading that would include OTCDC products contrary to client interests, in spite of any claim and other conflicted, abusive trading with multiple agencies 'required' to offer their framework for DFA effectuation, including their manner of how the 'Volcker Rule' should be established and enforced.

This all has been to hamstring the regulators while ignoring or passing over the problem of OTCDC and also trading of these contracts. These aren't standard, exchange cleared underwritten contracts that complied with the securities laws that frame stock and bond underwritings and have profiles of those sorts of instruments. If it isn't a cash instrument such as a stock or bond, then it needs to be cease and desisted and prohibited from prop desk trading.

This is a hit in the wallet for wallstreet maggotry - a huge gravy train for management, including their prop desks. Wallstreet had substantial profits without these instruments and prop desks trading these. Regulators need to understand what was happening in the economy and what produced a better economy that investment banks/banks ie wallstreet had higher profits, and reliable returns on capital.

Before US compliance with G20 which came about only after German reunification, the US generally operated in a trade policy compliant with the Constitution's Article 1 Section 8. Failing to adhere to this has allowed management to self enrich in the process of the de-industrialization that has occurred under the 'free' trade including 'NAFTA' and other 'free' trade agreements.

Repeal all of this and require management to reshore production, which it probably would with the Constitution's Article 1 Section 8 mechanisms restored, will spur reshoring and improve the conditions for banks/investment banks to provide their lending and underwritings.

Prop desk is a side show that was allowed to ride the wave while clients and shareholders of the bank/investment bank were subject to maggotry and its associated abuse that facilitated moral hazard. As I'd mentioned before, garbage draws maggots; Maggots cannot eat healthy flesh, nor can they lite on healthy flesh. They fall off.

So make the flesh/the corpus healthy and prop desk and other wallstreet maggotry gets shed as long as there is the will for healthy corpus. Like all corruption, both the rules and the **culture** have to exist to prevent it. If a partnership were the only structure for prop desk trading to exist, and if ring-fenced, this perhaps would mitigate the prop desk trading abuse.

But again this is a side issue from OTCDC and trading at all. These are maggot commercial activities and self enriching mechanisms that I urge to cease and desist, with CFMA repealed. Unwind from this huge hole of this financial terrorism on the books of these huge financial suicide bombers with their required 'living' wills so that management, regulators and society get an orderly dissolving and resolution are what we're now encountering although not for acquisition by another large financial institution or industrial enterprise that would breach merging commerce and banking.

They knew this and the huge gravy train of all of this has some of the characteristics of this era's version of trust which we need to go about busting, only far more dangerous to the overall economy rather than the businesses of the wealthy families.

I cite some of what Tabb Forum published by Sean Owens, of Woodbine Associates and with which I agree except for the 'hedging' that uses OTCDC and hedging and trading of those as well as Structured product beyond the first hypothecation after the home owner purchases his/her property and the mortgage underwriter sells the paper to a secondary market participant like GNMA, or a GSE or a private label name ("First Hypothecation") or and synthetic structured product.

First hypothecations I would not cease and desist, however anything after the first hypothecation, the synthetic product, the OTC derivatives contracting, trading the 'swaps,' and also any OTC derivatives contracts all of this and the trading of this I urge cease/desist and unwind of these. And not only would all US financial institutions of any sort be prohibited from these activities but all foreign financial institutions would be prohibited here from these activities as well as underwriting and offering these products especially of US based property in any US jurisdiction in the 50 states and/or territories.

Respectfully,
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