

Proposal: 1658(AF45) Regs Q, YY, LL & YY; Prudential Standards FBOs; Revisions Domestic BHCs and SLHCs

Description:

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Comment ID: 134192

From: Charity Colleen Crouse

Proposal: 1658(AF45) Regs Q, YY, LL & YY; Prudential Standards FBOs; Revisions Domestic BHCs and SLHCs

Subject: Prudential Standards for Large Foreign Banking Organizations; Revisions to Proposed Prudential Stand

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Comments:

Date: Jun 19, 2019

Proposal: Prudential Standards for Large Foreign Banking Organizations; Revisions to Proposed Prudential Standards for Large Domestic Bank Holding Companies and Savings and Loan Holding Companies [R-1658]

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Your comment: On April 23, 2019 there was a press release from the Fed entitled "Federal Reserve Board invites public comment on proposal to simplify and increase the transparency of rules for determining control of a banking organization." In this press release it was stated that there would be an open public comment period for the next 60 days. It is not yet 60 days and there is no mention of THIS comment opportunity, but rather two mentions due June 21, 2019 regarding "foreign banks" and the "risks" they pose to the U.S. financial system. As a matter of fact, right now at 7:15 pm CST there are two different separate entries on the Fed site that have a link to the same press release (I will not include the link here but will keep it for evidence). What SHOULD be addressed concerning US banking institutions that are financing or otherwise engaged as a corporate entity of their own are matters connected to executive compensation as well as incentive compensation for employees who may be in important positions to make substantial decisions concerning the future of the company of concern and the people that are impacted by the company's products or services. First and foremost of concern regarding executive compensation packages are legal standards regarding "proxy" reports and what is actually entailed in the process of using "proxies." "Proxies" are more than a financial consideration, even if the appropriate use of a "proxy" requires financing. Insofar as I was searching out the above-mentioned but got diverted into a statement regarding my personal credit history under another heading, it is possible the RIGHT NOW I am composing this response in performance of a role for some "proxy" report issued in regards to reporting requirements for executive compensation. Why would I personally with that "credit history" be in a position to be used in proxy scenarios involving executives? Is it connected to the use of derivative contracts that are used as options? Are these options employed in manners that intentionally obscure sources of actual financing and/or offset

liabilities through employment of tax waivers or by use of "instruments" that are unverified for a particular performance category but instead represent as "cheaper" cost expenditure via a mischaracterization of its "means-tested" value? This is not just about domestic US "risk," especially if federal policy, including Fed policy, permits the use of US citizens and residents for use in transactions or arrangements connected to foreign commerce or foreign debt service without disclosure and without transparency. There are a number of means by which an imprudent executive or other employee in a company or a financial institution can manipulate pre-existing policies to accomplish imprudent goals. Depending upon the company, the product or service involved, or the person whose property is being used in these unverified processes, this malfeasance can present a national security, as well as market, "risk" and not just for the US. Policy needs to be set especially concerning the use of derivatives as options available for executive compensation or other incentive compensation for employees that might be aided and abetted in taking unsustainable risks that actually constitute crimes if appropriately characterized via application of appropriate regulatory and reporting compliance measures. The time frames on these are of specific importance, especially in connection with the six-month requirement regarding exemptions on "opposite way" transactions, "deferral of payments" to both executives and other employees via internal "risk management" strategies that may actually be obscuring other factors, and how this impacts other forms of reporting and their timeframes being proposed by the Fed in other categories. I contend that the March 27, 2017 Executive Order "Presidential Executive Order on the Revocation of Federal Contracting Executive Orders" revoking prior three-year reporting requirements by federal contract bidders may pose a Conflict of Interest concerning three-year reporting requirements connected to Sec 951 of the Dodd-Frank Act. If nothing else, a refusal to appropriately report on allegations of fraud concerning a company can impact not only the award of a federal contract and hence impact the company's valuation in consideration of executive performance, but can impact day-to-day operations which provide long-term and more comprehensive performance indications regarding executives and other employees. This can impact interstate and international commerce. A revision of "clawback" policy implementation, especially in regards to the potential use of derivatives as executive compensation and/or access to others considered to be connected to assets of the executive, needs to be performed in order to assure that it is not being disabused by executives or others. Using proxies or permitting for derivative contracts as offsets of clawbacks, including offsets, can be misabused to serve as actual insider trading or can be used in other ways that are illegal or evidentiary of fraud and malfeasance. Similarly, hedging strategies connected to executive compensation or other incentive compensation strategies for employees need to be assessed in connection with the above-mentioned elements concerning potential disabuse of derivatives. Finally, the use of employee benefit plans, including in connection with designated beneficiaries, per SEC Rule 16b-3, as part of executive compensation in regards to any "opposite way" transactions to "match" it, need to be better explicated and regulated. Any possibilities that such transactions and reporting requirements associated with them can be obscured through use of derivative contracts or proxies needs to be removed. This is central of importance to assuring appropriate characterization so as to prevent the continued expropriation of personal private property for public debt service that can include access to assets by Treasury in one manner rather than another. This includes connections with executive or employee insurance policies as well as annuities. It also includes benefit plans for employees involved with any incentive compensation program. Finally, please refrain from previously-engaged mischaracterizations regarding prior "public comments" to the FED of this comment by any who are reviewing it and assessing it a value in connection with its publication.