

**From:** Paul Abbott  
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**To:** Comments  
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I am a Cpa and the one thing I see while preparing taxes that I feel harms consumers is banks offering investment and insurance products. Banks have long term relationships with consumers and knowledge of their finances. They then tend to refer their unsophisticated customers to in house "investment" professionals. Although I believe the arrangement many times is that investment person is not a bank employee but is independent and works with a company that shares the commissions with the bank. The injuries I have noted are:

- Sales of annuities in order to get a higher rate of interest than a bank CD. The annuity rates only offer the higher rate for an initial teaser period. The annuity has a penalty generally if the person wants to withdraw their money. Several instances I noted annuities sold to people with no taxable income thus no need to defer income.

- I don't think the bank investment people do a good job of assessing a persons financial picture. I had one elderly women who on the recommendation of the bank investment person sold some US Bank stock her husband owned for many years in order to diversify. This caused a \$169,000 capital gain that the 85 year old women had no idea of when she was counseled to sell and invest in mutual funds.

- I think that the year end reporting by the bank investment companies are terrible. Wells Fargo is the worst. For several years they changed their accounting system mid year so people got two 1099s for the same account. For one client at Wells the who bought bonds there was no reporting of purchased interest so the broker purchased bonds near the bond payment dates and it appeared that they were making high rates of interest. Wells statements have also shown discounted treasury bonds generating gains upon maturity. Again I wonder if they are doing this accidentally on purpose.

Regarding Wal-Mart offering banking services like processing credit cards I think that is fine. The commercial banks probably just don't want any competition.

Paul Abbott