

From: Mark Maisonneuve
Sent: Tuesday, July 07, 2009 9:06 AM
To: Regs
Subject: Proposed restriction on private equity bank ownership

Greetings:

Re: Proposed restriction on private equity bank ownership

I recently read that Ms. Bair will be calling for comments on this subject.

I am opposed to private equity ownership of banks. Private equity capital is "end-point" capital, always seeking a way out even as it is investing. There is no problem, and some good, that comes from this investment method in the normal course of business. But banking holds a special place in the economic system and cannot be treated like any other business.

In Detroit I have seen the corrosive and demoralizing effect of private equity on Chrysler. Comments by insiders attest to a rise in Chrysler employee morale simple because the new parent company Fiat is a car company, i.e. it intends to invest and grow within that industry. No one works diligently knowing her work could be undone in a "flip". All kinds of ethically questionable decisions, patchwork measures, and lack of attention to detail happen when both management and employees know the company is just being prettied up for sale.

The FDIC does not have the resources to monitor the day to day operation of every bank anymore than the police can control every citizen. At a basic level the people involved must ethically care and those with long-term interests care most when it matters most - in times of turmoil.

Banks have always been popular local investments and my experience is that there is no dearth of capital for soundly run banks. Private equity is the tenement landlord capital of the financial world. If that is all that is available we are in greater straits than we realize.

Thank you for your time,
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