

From: Gabriel Avgerinos [mailto:gavgerinos@optonline.net]
Sent: Tuesday, January 12, 2010 10:54 AM
To: Regs; Assessments
Cc: Ombudsman Washington
Subject: BANKING compensation and regulation

MUST Recover and Get Financial Return on US Taxpayer funds used for Banks Bail-outs of 2008-09

The Obama Administration bailed out big and medium banks with taxpayer money in 2008-09 and received nothing more than partial repayment. What about the unpaid TARP of \$120 billion? Like in any business, there should be full recovery, interest paid and penalties for unpaid funds. Obama Administration should have the nerve to stand-up to the special interests protecting the greedy banks who speculated their money on lousy financial instruments on housing, CDS's, CDO's, and outright speculation on real estate and commodities such as oil, metals, and agricultural products. Effective retroactively as of Jan 1, 2010:

- ALL Banks (meaning domestic and foreign with US operations, large, medium and small, commercial, investment, and hedge funds) including the ones that were bailed out under TARP and maybe repaid the funds, should have their compensation process restructured. Banks should ONLY offer stock bonuses tied to the long-term performance of each bank (at least 5 year averaging: 2 years past and 3 years forward). It MUST be illegal for ANY Bank or financial institution to offer ANY of its employees, executives, board members, and consultants any kind of stock options, or cash bonuses, or interest-free loans.
- Any cash bonus that has been offered by the Banks MUST be taxed at a 50% special federal tax rate, payable by the bank BEFORE the bonus is dispersed.
- ALL Banks MUST have claw-back provisions on any stock (or cash) bonuses awarded in effect for 3 years after award.
- No commercial or investment Bank should be allowed to lend money to hedge funds (typically based offshore). If hedge funds want to speculate, they can do it ONLY with their own capital and no bailouts by US government or taxpayers. Ideally, hedge funds should be regulated, but that may be difficult in view of their offshore non-US operations.
- A fee of 10-30% of each Bank's liabilities MUST be payable by each Bank to the FDIC or US Treasury each quarter, depending on an independent assessment by the US government of the risk taken by each bank at 3 different levels (more risk, the higher the fee 10%, 20%, and 30% fee).
- Return to the Glass-Steagall Act era with completely revamped financial industry regulation and with 100% separation of commercial and investment bank activities into different and unrelated corporate entities.
- Do NOT allow ANY corporate or individual donations (in cash or in kind or favors) by Banks, Financial Institutions, and Insurance companies and their lobbyists and representatives to any political campaign organization or elected-official in office at ANY level: Federal, State, County, Municipality, City, and Town. This practice has created a cesspool of special interests that blocks the operation of "clean" government for the people and by the people, as intended by the US Constitution.

The excesses of the financial and insurance industry MUST STOP. There will be a revolution by the US taxpayers if these abuses of power and influence by the financial and insurance industries do not come to a complete stop immediately.

Thank you,

Gabriel F. Avgerinos

Piscataway, New Jersey

Email gavgerinos@optonline.net