

**From:** [Robert E. Rutkowski](#)  
**To:** [Comments](#)  
**Subject:** Regulators Ignore Intent of Volcker Rule's Promise to Reshape Wall Street  
**Date:** Thursday, October 13, 2011 10:21:59 AM

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Martin J. Gruenberg, Acting Chairman  
Via Robert E. Feldman, Executive Secretary, Attention: Comments  
Federal Deposit Insurance Corporation (FDIC)  
550 17th Street, NW  
Washington, DC 20429  
E-mail: [Comments@fdic.gov](mailto:Comments@fdic.gov)

Re: Regulators Ignore Intent of Volcker Rule's Promise to Reshape Wall Street

Dear Acting Chairman:

Congress approved the Volcker Rule to liberate the American taxpayer from the government-subsidized casino culture that overtook American banking and enriched speculators. This cornerstone of the Dodd-Frank Wall Street Reform and Consumer Protection Act is intended to return banking to the honest work of channeling savings into the real economy. The statute specifically prohibits banks from profiting on self-serving bets in price changes in financial instruments, so-called proprietary trading.

Yesterday, the Federal Deposit Insurance Corporation (FDIC) released a 298-page draft of the proposed rule, requesting comment through January 13, 2012.

I believe the proposed rule draws too few bright lines to make clear what banks can and cannot do. For example, the Volcker Rule already permits legitimate market-making, allowing banks to earn fees by matching buyers and sellers of financial instruments. Rather than clearly separating permissible market-making and prohibited proprietary trading, the regulators are proposing that they will detect the difference between various trades by fishing through complex data provided by the banks after the fact. This is an invitation for evasion. Regulators also should prohibit market-making in financial instruments so complex as to elude regulatory understanding.

The Volcker Rule invites regulators to reconsider core values of the American economy and the proper role of banks. Wall Street watchdogs should think first of Main Street and ensure that banks return to serving the real economy. Regulators should remove the gratuitous exemptions for practices not specifically permitted in the Volcker Rule, and to draw clearer, more readily enforceable bright lines.

Thank you for the opportunity to bring these remarks to your attention.

Yours sincerely,  
Robert E. Rutkowski

cc: House Minority Leadership

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