I want to submit the following problem
and I want to know why not doing anything
write 'to all the newspapers in usa....

From Moodys
Rating Agencies continue to be at the center of the storm for why the financial
markets, especially financial institutions are in their own mini depression. Moodys
Corporation has been the chief culprit hitting banks, life insurance companies and
monoline insurers with quarterly investment downgrades primarily due to "Mark to
Market" problems. When they aren't actually marking down companies, they are
"warning" they will be marking down companies after they complete their review of
the most recent quarterly numbers. Most banks, life and monoline insurers depend
on their ratings to bid on new business. When they are downgraded, they have to
increase their reserves for their investment holdings and their ability to write new
business declines. Each new quarter brings lower earnings and thus another chance
for the Rating Agencies to mark them down once again. This has been going on for
about six or seven quarters. These stocks are down 85-95% in value.

Since sophisticated investors can't figure out what these complex derivatives are
worth and how long these assets will be held, how can Moodys provide accurate
ratings on the company's they are rating? Mark to Market valuation problems
continue to overhang this process.

There is another issue that adds an element of uneasiness to ratings process. Warren
Buffett's Bershie Hathaway owns a large investment in Moodys (around 48,000,000
shares or 20% of Moodys common stock). There seems to be an inherent conflict of
interest here since Berkshire Hathaway has been building up insurance business in
the very lines (monoline insurers and life insurers) while Moodys is downgrading
Berkshire's competitors to junk status. Berkshire Hathaway can write all the business
it wants with a AAA rating while its competitors are being downgraded repeatedly.
Could one hand be helping out the other hand? Since master investor Buffett was
pushing hard for "Mark to Market" accounting rules back in 2003-2005, was his goal
to clean up balance sheets or to drive down competition so he could pick up more
assets on the cheap? I think financial reporters should ask Warren Buffett some
tough questions about the inherent conflicts of interest he has between his
investment in Moodys and his ever expanding insurance business.

Regardes
Andrea Getto