

I am opposed to the regulation for the following reasons:

There are too many loopholes for financial institutions to use to allow proprietary trading of government-insured deposits. If banks want to engage in high-risk speculation, they need to do it in a way that does not put at risk the stability of the financial system. I do not favor in any way the fact that banks use deposits to “gamble” on its personal accounts. Then when the trades go sour, my tax dollars are used to bail them out.

It’s too complicated making it easy to game and hard to enforce. I like Sheila Bair’s idea of “scrapping the mind-boggling complexity in the proposed rule and focus instead on the underlying economics of the transaction. If the transaction makes money the old-fashioned way- the customer paying the institution for a service through interest, fees, and commissions-then it passes the test. If profitability or loss is driven by the direction of the markets, then it fails.”

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I believe that the regulation needs to be simpler which is easier said than done I know. However, it should clearly ban proprietary trading and make boards and CEOs responsible for compliance.

I appreciate the opportunity to respond.

Yours truly,

Robert J. Waters