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Open Letter from Thomas A. Myers to Occupy Wall Street

Thomas A. Myers

T. A. Myers & Co.

I am offering this letter of support to all of you who have contributed so selflessly to the Occupy Wall Street ("OWS") movement. You are steadfast examples of the fortitude and conviction that represents the quintessential American dedication to what is right, what is just, and what is fair. Such commitment stems from well before the time of the famous New England activist and brilliant philosopher, Henry David Thoreau, who in 1849 asserted in his celebrated essay on civil disobedience: "I think that we should be men first, and subjects afterward. It is not so desirable to cultivate a respect for the law, so much as for what is right."

The cause for which you rally is born from the ignominious recent history of how greedy Wall Street investment bankers, with the tacit approval of the United States Treasury and the Federal Reserve, successfully exploited the world financial system --to the tune of hundreds of billions, if not trillions, of dollars. The unfortunate aftermath of this hijacking of the world economy has engendered a somber tapestry of increasing poverty and joblessness for hard-working American citizens. Such hardships for the middle class exist even as those who perpetrated the greatest fraud in history, the Wall Street elite, have been allowed to go unpunished -- able to capitalize on their ill-gotten gains --wealthier, and more influential, than ever.

The 2008 economic catastrophe engineered by Wall Street has left global financial chaos and financial dysfunction in its wake. The current Occupy Wall Street phenomenon which is sweeping the globe, is an emotional and passionate reaction of public outrage to the excesses of Wall Street and the popular conception that little, if anything, has been done to make right the inherent wrongs. Moreover, our government has failed to undertake the changes necessary to establish the accountability which could lead to a reformed system --one that will be resistant to such outrageous exploitation in the future.

Although the Occupy Wall Street movement has been criticized for its alleged lack of a coherent, united voice and failure to articulate an explicit, detailed rationale for its dissatisfaction, the movement is based on a social conscience and commitment to social responsibility that is unassailable. Beyond any doubt, the social cause of those who protest in the OWS movement is unequivocally grounded in contemporary, factual reality and time honored American values. The basis for the dissatisfaction expressed by OWS is, in my view, compelling.

According to the latest United States census data, as the poor grow in numbers the rich grow in wealth. The collective income of the top 0.1% of the U.S. population earning an annual average of \$5.6 million each, grew 385 from 1970 to 2008, while the collective income of the bottom 90%, averaging some \$31,000 a year, was essentially flat.

The virtually unpunished conduct of the Wall Street elite and their cohorts --which I would define to include the major credit ratings agencies, supported by a number of key government regulators, treasury officials and politicians --has far-reaching implications for the future of our democracy, for ourselves, for our children and for our children's children. The moral hazard created by our government's acquiescence to this grandest of all thefts is unfortunately, off the charts in its implications for those who cherish the notions of social responsibility, appropriate corporate governance, fairness and equality, and who would like to preserve those values for others who follow.

I offer this letter of support because, as a nationally recognized forensic investigator who has undertaken numerous investigations during the past years of Wall Street wrongdoing leading up to the financial crisis, I can provide absolute and unequivocal factual and intellectual support for the expressions of outrage that many OWS constituents are expressing from their hearts and from their gut. Before I share my perspective on the 2008 financial debacle and what has ensued, it is important to provide you with some particulars regarding my background so that you can judge for yourself the credibility of my remarks.

By profession, I am a forensic accountant, CPA, and have testified widely across the United States and Puerto Rico in major litigation involving allegations of securities fraud as well as fraud in connection with complex investment schemes. I have testified before the U.S. Congress on matters relating to banking fraud and trained literally thousands of representatives from all of the federal banking regulatory agencies over the past two decades.

In 2009, I was engaged by the Board of Governors of the Federal Reserve to chair, and to provide a series of lectures for a major conference in Washington D.C. sponsored by the banking regulators. These lectures were for capital market specialists from all over the country who were dealing with the subprime credit debacle and the various complex derivatives and securities instruments which the federal regulators had inherited from bailing out so-called "too big to fail" money center and other large banking institutions.

In the course of my firm's professional investigations --some undertaken on behalf of the federal regulators, and, more frequently, on behalf of law firm consortiums representing defrauded investors --I have investigated allegations of securities fraud stemming from the current crisis against more than 20 major Wall Street players including investment bankers, mortgage originators, the ratings agencies, and other architects of the recent financial debacle.

Over the past few years I have been "up to my eyeballs" in thousands of documents involving e-mails, internal correspondence, and public pronouncements prepared and/or generated by many of the bad actors implicated in the 2008 financial collapse. As a result of my extensive analysis and investigations, it is clear to me that the greed of these Wall Street elite was like an itch that resisted all scratching.

Some of you may have heard of the notorious bank robber and safecracker from the 1930s named Willie Sutton who was finally caught after a long and profitable criminal career. When asked why he robbed banks, Sutton allegedly replied, "It's where the money is!" However, Sutton was a complete amateur compared to a number of Wall Street bankers who have espoused the philosophy that the best way to steal a fortune is not to break into a bank, but, rather, to own one and steal from the customers. The Wall Street system of betting against ("shorting") investors' interests is designed from top to bottom, not to make sure that your retirement is secure but rather, to separate you from your hard-earned money. It's not unlike the lobster being put into a pot who inquires "What's for dinner?" If Wall Street has its way --you are.

In the words of Sen. Carl Levin, co-chairman of the Senate Permanent Subcommittee on Investigations in their recently published, April 13, 2011 report: "Wall Street and the Financial Crisis: Anatomy of the Financial Collapse":

When you're putting together a product, hold that out and then are betting against the same product, I think it's a conflict of interest and at a minimum you have to tell people, not some boilerplate that you might be on the other side, but in clear language that you're betting against [the security].

After looking at the inexcusable conduct demonstrated time and again by some of the world's largest

commercial and investment bankers in their actions that led up to the financial crisis, it appears that these perpetrators may have committed the perfect crime. It seems that only through the passion, the fortitude and the commitment of the OWS movement --and the pressure applied by individuals such as yourselves --that such egregious matters may be held up to the light of day. Appropriate scrutiny of what went wrong opens the door for enlightened reform.

The saga of recent Wall Street greed and avarice is laced with, among other things, enormous and outrageous executive bonuses and excessive compensation, abysmal underwriting standards, misstatements, omitted disclosures and complete disregard for fiduciary responsibilities, as well as massive, pervasive conflicts of interest. It involves the fleecing of billions of dollars of pension/retirement fund money from all over the world, the loss of which will change many lives forever.

In the remainder of this letter, I will comment on what I have seen and learned from my investigations. Not simply to point fingers at the wrongdoing, but also to suggest change in order to avoid such travesties in the future. My intent is to affirm and ratify, based on the facts, the legitimate outrage which many of you feel so explicitly in your gut. In my youth, I once had a coach who told me: "It's the coward's way to complain but the way of the hero to make it different." I believe there are numerous heroes in this movement who would like to learn from and avoid the mistakes of the past which are epitomized by Wall Street greed. Our objective should be to develop a proactive financial and economic system based on fairness, transparency, sustainability and social responsibility, as opposed to the rampant self-interest and unconscionable profiteering that we have seen. As a seasoned financial observer with more than three decades of experience analyzing complex financial transactions, I can assure you that --far from being unrealistic --such goals are essential and fundamental to a sustainable recovery --but much hard work by committed individuals such as yourselves, and others, needs to be done.

The goal of this letter is not only to make transparent some of the uglier truths about the financial crisis, but also to examine alternatives that might help our country and the world to avoid the mistakes of the past. We must underscore the point --with which I am convinced you would agree --that when the authorities act contrary to what is right, we must act contrary to the authorities. However, we should also remember that, as Voltaire said, "It is dangerous to be right in matters on which the established authorities are wrong." Even though you will be criticized and, in certain inevitable instances, persecuted, it is important to remember that you are spot on in your conviction that the system must be changed. It goes without saying that those who wreak violence and irresponsible behavior in the name of OWS simply provide fodder for others who would marginalize and condemn the movement.

To improve the financial ecosystem, we must first understand what went wrong. The 2008 financial debacle and ensuing malaise was engendered largely by what I would characterize as an "unholy alliance" between the United States Treasury, the U.S. Federal Reserve and some of Wall Street's largest and most dominant commercial and investment bankers. These players, collectively, were responsible for the loss of untold billions of dollars of investor's funds while at the same time, sticking the U.S. taxpayer with the tab for more than \$1 trillion worth of abysmally underwritten subprime residential mortgage backed securities.

Subprime Snake Oil

The subprime debacle began with Wall Street investment bankers who sought a unique niche in the previously unexploited subprime mortgage market. To fill the bankers' insatiable demand for mortgages, which were

subsequently sold into securitizations and other structured finance products including CDOs, Wall Street enlisted hundreds of mortgage origination operations. The Wall Street bankers then proceeded to dictate the most historically lax standards for mortgage underwriting ever known on the planet. Unbelievably, according to the policy of one of the largest banks in the world, a mortgage borrower would actually be disqualified if the borrower revealed his or her income. These loans came to be known at the time as "liars" loans --for good reason. The mortgage originators received commissions for originating the loans which were then sold to the bankers who then sold them for huge profits into structured finance products which they sponsored. In this manner, after taking their profits, the mortgage originator avoided the risk of loan ownership, as did the investment banker, whose top management received bonuses in the many millions of dollars. The ultimate losers --counted in trillions of dollars -- were the pension funds and retired workers, along with other investors around the world that were victimized by the bankers.

The ratings agencies, who are paid directly by the investment bankers to rate the product the bankers were selling, were notoriously lax and even complicit in providing their "investment grade" seal of approval. When the wheels finally came off and it became apparent that these defective mortgages were not going to perform, a financial implosion of epic proportions took place. The economic malaise that ensued continues to exist to this day and is a focal point of the OWS movement.

We could spend hours, indeed days and weeks, going through and recounting details of the aggressive stupidity, greed, and the massive conflicts of interest. For anyone interested, I am preparing a series of YouTube videos that will provide an explicit roadmap of the deception that was perpetrated. In the interest of brevity, I will not dwell on the details of the many instances of securities fraud involved in the promotion and packaging of the Wall Street structured finance products that were at the heart --the very epicenter --of the financial crisis.

Wall Street and the U.S. Fed: Too Close for Comfort

In addition to the gory details of the transactions, I would like for you to consider another aspect of the financial debacle --that is, the consistent collaboration and overall parasitic relationship that existed between the most influential central bank in the world --that would be the United States Federal Reserve --and some of the most culpable Wall Street perpetrators, including Goldman Sachs, which recently received the largest fine ever by the Securities and Exchange Commission to settle allegations of defrauding its investors. Each situation I refer to could take hours to review, so I will simply provide an overview of what the record has established.

First let's consider the action that was undertaken in early 2008 by the Federal Reserve with respect to the troubled investment banker, Bear Stearns. The collapse of two Bear Stearns hedge funds in mid-2007 is widely regarded as ushering in the worldwide financial crisis. Rather than permit this notorious investment banker to fail, the Fed engineered an "acquisition" of Bear Stearns by J.P. Morgan Chase ("J.P. Morgan") whereby the central bank contributed \$29 billion of U.S. taxpayer money to J.P. Morgan to accomplish the transaction. The agreement, which was "negotiated" during the weekend before the merger, provided a sweetheart deal to J.P. Morgan, including that the funding to J.P. Morgan would be nonrecourse, i.e., J.P. Morgan would not be required to repay the debt out of its own assets if things went bad. Instead, to "secure" this massive bailout, the Federal Reserve, on behalf of the U.S. taxpayers, took some of Bear Stearns' worst, most abysmal, toxic finance products as security.

The Fed negotiated the deal with Jamie Dimon, chairman of the board and CEO of J.P. Morgan Chase,

who was also, at the same time, a director of the New York Fed. According to the New York Fed's explicit ethical guidelines, as well as federal law, Federal Reserve Bank directors must abstain from decisions affecting their personal financial interests. Mr. Dimon, who wore two hats in the massive transaction, and had a significant conflict of interest, was instrumental in negotiating the deal with Timothy Geithner, as president of the New York Fed (Mr. Geithner is the current U.S. Treasury Secretary), and then Secretary of Treasury, Henry Paulson, the former CEO of Goldman Sachs.

Mr. Dimon was the major architect of the bailout and beneficially owned more than 9 million J.P. Morgan shares at the time he negotiated the fire sale of Bear Stearns to his company – a sale that was funded entirely through taxpayer money. Dimon's stock holdings appreciated more than \$10 per share (a 27% increase in value) during the ten-day period during which the merger played out in the newspapers --for a total windfall to the J.P. Morgan CEO, and chief negotiator of the bailout, of more than \$90 million in stock appreciation. The Bear Stearns giveaway was the largest ever by the Fed at that time. This enormous conflict of interest with Jamie Dimon was given little, if any, coverage in the mainstream press. Today, Mr. Dimon is frequently mentioned as a most likely successor to Timothy Geithner for Treasury Secretary of the United States.

Similarly, we could take hours to talk about the pervasive conflicts of Goldman Sachs and the role it played in creating the financial debacle. Goldman, which was a major player in developing the market for toxic subprime structured products while Henry Paulson was its CEO. The investment banker secretly made billions by simultaneously betting against the success of those products ("shorting" them) in the distressed debt market, even as its former CEO Paulson was anointed as U.S. Secretary of the Treasury by George W. Bush.

The AIG Bailout

It is also interesting to examine the role of the New York Fed under its then-president, Timothy Geithner in bailing out the world's largest bond insurer --the notorious AIG --to the tune of more than \$180 billion in the fall of 2008. AIG initially made a fortune insuring Wall Street's toxic bonds. When the bonds that Wall Street investment banks had been promoting suffered massive losses, AIG owed billions to the banks. This unilateral bailout, which was done without congressional approval, was followed by a New York Fed mandate for AIG to pay out many billions in U.S. taxpayer money to its Wall Street counterparties, rather than negotiating substantial billion-dollar discounts that were available and which could have been obtained at the time. Indeed, the market was pricing such counterparty payments at 50% of value, yet the Fed, using taxpayer money, chose to pay 100 cents on the dollar. The New York Fed instructed AIG to delete references on draft regulatory filings disclosing the sweetheart deals. Rep. Darrell Issa (R-CA), the ranking member of the House Committee on Oversight and Government Reform, made the following statement regarding this matter:

It appears that the New York Fed deliberately pressured AIG to restrict and delay disclosure of important information to the SEC. The American taxpayers, who own approximately 80% of AIG, deserve full and complete disclosure under our nation's securities laws, not the withholding of politically inconvenient information. This news ought to serve as a cautionary tale to those who advocate giving the Federal Reserve even more power over the U.S. economy. The lack of transparency and accountability is disturbing enough, but the outstanding question that remains is why the [New York Fed] didn't fight for a better deal for the American taxpayer. Clearly, the New York Fed wanted to suppress details and limit disclosure of the counterparty deal from the American people --the only question is why?

Gaming the System

In spite of demands from Congress and the media, neither the Fed nor AIG were willing to reveal the names of the counterparties nor the amount of taxpayer provided bailout funds that were doled out until March 15, 2009, when AIG finally did so under pressure. Not too surprisingly, Goldman Sachs was a prime beneficiary of the secret New York Fed "backdoor bailout," receiving \$12.9 billion in payouts. This occurred even as the contemporaneous New York Fed Chairman, Stephen Friedman (a former Goldman Sachs chairman), maintained his position on the Board of Directors at Goldman Sachs. That Friedman was simultaneously chair of the New York Fed and a board member of Goldman Sachs was itself a violation of Fed policy. Before any taxpayer-funded windfall to Goldman Sachs was made public, Mr. Friedman purchased 52,600 shares of Goldman Sachs stock. His "timely" purchase, made while the public was in the dark, earned millions in paper profits as Goldman's stock appreciated on news of AIG's taxpayer-funded payout when the information finally became public. Similar tales of investment banker/regulator incest abound.

In the meantime, Goldman Sachs was recently required to pay a record \$550 million to settle charges by the SEC that it defrauded its investors regarding the Abacus synthetic CDO deal. The SEC fine was a mere slap on the wrist to Goldman Sachs and represents a small fraction of the amounts actually earned by Goldman off of its toxic subprime product line. Rather than a deterrent, the SEC fine, with no admission of guilt by Goldman, simply validated their scurrilous conduct. Many other horror stories regarding spectacular failures, fraud and greed relating to the financial crisis exist including, e.g. relating to Washington Mutual, Indymac, Countrywide, Fannie Mae, and Freddie Mac, Citigroup, Bank of America, and a host of others.

As a postscript to the AIG bailout, even Timothy Geithner, who had graduated from president of the New York Fed at the time of the Bear Stearns and the AIG bailouts to become President Obama's Treasury Secretary, remonstrated when months after the Fed's massive \$180 billion giveaway, AIG announced that it would pay some \$165 million in bonuses to executives in the same business unit that brought the company to the brink of its collapse. Mr. Geithner's professed outrage seems hypocritical considering that this was less than 1/1000 of the amount that Geithner's New York Fed had ponied up previously for the taxpayer's 80% interest in the bankrupt AIG enterprise.

The Secret Bailout

Even the AIG bailout pales in comparison to the \$1.2 trillion of public money that the Fed (taxpayer's) forked over in emergency loans to Wall Street's elite bankers at the height of the crisis so the banks could avoid failure, including \$107 billion to Morgan Stanley, \$99 billion to Citigroup, and \$91 billion to Bank of America. This amount, according to Bloomberg, is more than the total earnings of all federally insured banks in the U.S. for the decade through 2010 and is approximately the same amount that U.S. homeowners currently owe on delinquent and foreclosed mortgages. Despite steadfast and formidable opposition from the Fed, information regarding the \$1.2 trillion bailout by the Fed to Wall Street was only recently disclosed after a Freedom of Information Act request, months of litigation, and an act of the U.S. Congress. It must be emphasized that the Fed fought tooth and nail to prohibit public access to this information. The Fed apparently seeks to inspire confidence in the "too big to fail" banks by misrepresenting their tenuous financial condition. Ironically, such subterfuge is exactly what the securities fraud statutes are designed to prevent.

But for the actions of the U.S. Fed --the largest central bank in the world --a number, if not the majority, of the largest Wall Street banks would have failed. Clearly, the Fed is not a U.S. government agency but, rather,

a cartel of private banks acting by proxy. A member of the infamous Rothschild banking family, Nathan Rothschild, once stated that "he cared not who ruled the nation as long as he controlled its monetary system."

It should be apparent that, with respect to the financial crisis, the foxes have clearly been guarding the hen house for a long time. With the likes of "guardians" such as Henry Paulson, Timothy Geithner, Robert Rubin (Clinton treasury secretary who later became chairman of Citigroup) and Ben Bernanke, I believe little progress will be made without an enormous public outcry. It is worth noting that just before resigning under pressure, the previously discussed Goldman director and New York Fed Chairman, Stephen Friedman --as a parting act --finished his job as chair of the search committee to find a replacement for Timothy Geithner by choosing *another* Goldman alum, William C. Dudley, as President of the New York Fed. Prior to taking his position as the current New York Fed President, Mr. Dudley was chief economist at Goldman Sachs. This is typical of the remarkable infiltration of the U.S. Treasury and the Federal Reserve that has been achieved by Goldman Sachs.

GAO Criticizes the Fed

According to a recent General Accounting Office ("GAO") audit on "Major Conflicts of Interest at the Federal Reserve," no less than 18 former and current members of the Federal Reserve's board were affiliated with banks and companies that received emergency loans from the Federal Reserve during the financial crisis including General Electric, J.P. Morgan Chase, and Lehman Brothers. Many of the Federal Reserve's board of directors own stock and/or work directly for banks that are supervised and regulated by the Federal Reserve. These board members oversee the Federal Reserve's operations including salary and personnel decisions. The Federal Reserve does not publicly disclose its conflict of interest regulations, or when it grants waivers to its conflict of interest regulations.

The GAO found that compared with central banks in other countries, the Federal Reserve does *not* do a good job in disclosing potential conflicts of interest and other important transparency issues. The GAO found that such transparency is "essential to the effective and credible functioning of a healthy democracy" and fulfilling the government's responsibility to citizens and taxpayers. In contrast, the central bank in Australia prohibits its directors from working for or having a material interest in private financial companies located in that country. According to the GAO, if such regulations were in place at the Fed, the CEO at J.P. Morgan Chase and many other bank executives would be prohibited from serving on the Fed's Board of Directors. Other interesting facts from the GAO report include:

- In 2010, the 108 members of the Federal Reserve's Board of Directors were predominantly white men who were senior executives of financial institutions.
- While Congress has mandated that the Federal Reserve's Board of Directors consist of experts in labor, consumer protection, agriculture, commerce, and industry, only 11 of the 202 members of the Federal Reserve's Board of Directors represented labor and consumer interest from 2006-2010.
- When choosing who will serve on its board of directors, the Federal Reserve generally focuses its search on senior executives, usually CEOs or president in the financial industry. Of the 108 Federal Reserve board directors, 82 were president or CEO of their company.

A central bank is necessary to control the money supply for a modern economy. In the United States, the Federal Reserve fulfills this function. However, under the current system, the Fed is able to print money by

the trillions of dollars with a few keystrokes and to distribute the money to beneficiaries of its choosing with no public accounting or oversight. The primary mission of the Fed has been to assure the solvency and profitability of the Wall Street mega-banks. Such priority is questionable since those money center banks are concerned mainly with maximizing compensation packages for top executives and have no responsibility to the United States or its citizens.

An eastern philosopher is reported to have once said: "A lion chased me up a tree and I greatly enjoyed the view from the top." In many ways, I have been chased up a tree personally by some of the highest paid defense attorneys hired by Wall Street. Although, I do not necessarily enjoy the view, I can see clearly what has not been made transparent to the public. A complacent and sometimes complicit media in the United States and, with notable exceptions, heavily influenced by huge corporate interests, whitewashes and soft-pedals outrageous Wall Street conduct that should, in many instances, be prosecuted criminally. The reason the Wall Street cover up has been so successful is that the public doesn't have the facts to react to it. At a time when many Americans seem to have lost their capacity for outrage, the OWS movement represents a shining light and a much needed breath of fresh air.

It is interesting that, even though hundreds of bankers were sent to jail for actions taken in the Savings and Loan scandals of the 1980s, to date no major investment banker has been imprisoned. This is true even though the 2008 financial debacle represents a crisis more than 100 times more egregious than that inflicted previously by the Savings and Loans. The Justice Department has been conspicuously and unforgivably missing in action when it comes to prosecuting the Wall Street scoundrels.

The Investors' Bill of Rights We know that the oyster can heal its wounds by making a pearl and that out of adversity springs the call to greatness. With your affirmative support our current financial adversity can result in new measures, new procedures and new laws designed to protect the public, including most categorically, the middle and poorer classes.

Collectively, pension plans, endowment funds and institutional investors all over the world represent trillions of dollars of capital that Wall Street covets. Pension plans, in particular, have a fiduciary obligation to protect the rights of their beneficiaries and pension plan funding depends on the labor of its beneficiaries. If all pension plans, endowment funds and other institutional investors were to band together and assert a revolutionary "Investor's Bill of Rights," they would be in a position to dictate more appropriate behavior from the financial markets controlled by Wall Street. Like a union for labor, institutional investors should join together to collectively demand socially responsible investment products which must be sold by transparent entities that demonstrate the kind of integrity consistent with a high level of corporate governance and commitment to environmental, socially responsible, investment objectives.

Such institutional investors could collectively reflect the view that, as fiduciaries, environmental, social, and corporate governance issues have a great impact on the ultimate performance of investment portfolios. Accordingly, such institutional investors could agree to incorporate such issues into their portfolio strategies so that the objectives of their beneficiaries and society at large can better be served. Indeed, such a coalition has been formed by the United Nations. Called the PRI (for "principles of responsible investment") this coalition represents an initiative with a set of aspirations and voluntary guidelines for investment entities wishing to address environmental, social, and corporate governance issues. Much work needs to be done but it is a brave

start. Collectively, an organization of pension funds and institutional investors could demand such proactive and enlightened measures as, e.g.:

1. Commitment to investment programs emphasizing social, governmental, and environmental responsibilities;
2. Curbs on runaway corporate executive salaries;
3. Monitoring the regulatory "reform" packages that have been already authorized by Congress including that the provisions of the Dodd-Frank bill and Sarbanes-Oxley are not watered down by Congressman who are lured by the lobby dollar and are counting on a public with a short memory;
4. Independent oversight and other limitations on the powers of the Federal Reserve with requirements for representation from all stakeholders including especially, the interests of consumers and the middle class while, at the same time, enforcing strict conflict of interest provisions;
5. Shareholder rights to determine corporate board of directors;
6. Requirements for investment transparency, including that the Byzantine labyrinth of complex deal documents relating to enigmatic structured finance products such as synthetic CDOs and credit default swaps be translated into plain English;
7. Laws to make it especially onerous to defraud a pension plan (e.g. triple damages provisions and mandatory criminal sentencing) with stringent standards for investment advisors to such plans;
8. Investment in products that create sustainable jobs and provide value to society in sharp contrast to the opaque structured finance products engineered for the gambling casino that Wall Street promotes;
9. Imposition of a financial transaction tax which discourages activity that is unhealthy for our financial markets and, at the same time, raises hundreds of billions of much-needed revenue for the U.S. Treasury;
10. Progressive taxes on the wealthy as advocated by none other than Warren Buffett.

Certainly, the travesties manifest in the latest financial crisis should be held up to the light of day. This is necessary so that investors worldwide will be able to see through the subterfuge and duplicity that was cleverly disguised by the large investment bankers and complicit ratings agencies who promoted their modern-day snake oil. Wall Street sold this garbage under the names of enigmatic structured finance products such as collateralized debt obligations, synthetic CDOs and credit default swaps. Such products have nothing to do with creating jobs, much less improving the quality of life in this country. For far too long, Wall Street has been permitted to play a game of "heads I win --tails you lose."

Responding to this arrogance is what resonates with the Occupy Wall Street movement. Many of those in the OWS movement are portrayed by various media as being among society's disenfranchised. Indeed spinmeisters with inimical interests will attempt to marginalize the movement by characterizing it as the aimless boorishness of lazy, anti-capitalist ne'er-do-wells. Already the condescending mantra seems to be: "Don't blame big business --blame government regulation." Such rhetoric is fundamentally off the mark. The aggressive *deregulation* which was steadfastly pursued by government in the decade before the financial crisis (most notably passage of the Private Securities Litigation Relief Act and the repeal of Glass Steigel) set the stage for the 2008 debacle. However, it was the avaricious Wall Street investment bankers and their entourage that took the ball and ran with the legislators' open invitation to conflict of interest and, ultimately, to steal, that was provided by indiscriminate deregulation.

The ensuing financial calamity ushered in by Wall Street's "Masters of the Universe" cannibalization of the world economy has left in its wake, among other things: out of control unemployment, vanishing retirement accounts, impoverished wages, outsourced jobs, massive foreclosures, student debts, and a health care system in jeopardy. While Congress threatens to shut the country down over a \$20 billion budget line item, the fat cats that raped the world financial system for trillions have yet to be pursued. Martin Luther King said, "Human progress is neither automatic nor inevitable... Every step towards the goal of justice requires sacrifice, suffering, and struggle; the tireless exertions and passionate concern of dedicated individuals." I stand in gratitude for and in solidarity with the OWC brothers and sisters who will not forget and who will not capitulate to a corrupt financial system that casually and systematically diminishes the working people that have always been the backbone of our great country.

I thank you for your attention, your prodigious efforts, and continued aspirations. No less an apostle of civil disobedience than Henry David Thoreau once said: "He [she] who advances confidently in the direction of his [her] dreams and who endeavors to live the life he [she] has imagined will meet with success unexpected in common hours." Along with many others who commend your spirit and your cause, I wish you uncommon success in your efforts to build a more sustainable, socially accountable America where economic equality is allowed to flourish through the politics of integrity and environmental responsibility.

