

LETTER OF COMMENT NO. *62*

**Sent:** Thursday, March 26, 2009 4:09 PM  
**To:** Adrian Mills; Diane Inzano; Joseph Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench; Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning  
**Subject:** FW: Regarding Geithner's hewing to the big bank's demand for relief from mark to market asset valuation rules

**From:** Ray Kamada [mailto:rkamad@gmail.com]

**Sent:** Thursday, March 26, 2009 3:38 PM

**To:** Director - FASB; APlusHeating@aol.com; Eugene Akiaten; ann.johnson@rsa.com; m.weisler@uq.edu.au; Robert E. Gigliotti; Bernadette Prinster; Bill Carleton; betsycohen@cox.net; Gunhild and Vincent Allan Barker; Cyrus Kamada; Congressman Jay Inslee; Craig Motell; drew.peterson; Alan Calvitti; H Daniel Marten; David Price; elsa.dagdaghiggins; drjack@drjack.net; Edmund Mak; Eric Larson; ecarlsmith@gmail.com; R. Matt; Wil Iley; Jim Kling; jcrosen@comcast.net; Mira Kamada; Stephen Kamada; M. Stowell; Nelson Stubbins; Parra, Richard; rudolf@redshift.com; ryaussi@ladpw.org; sandievolve1@sbcglobal.net; Tess; William T. Zeri

**Subject:** Regarding Geithner's hewing to the big bank's demand for relief from mark to market asset valuation rules

It seems most of us are fully or at least dimly aware that our big banks are NOW basically insolvent, and that the greed of their elites got them there.

In this political climate, I don't see how the bankrupt big banks can pull off yet another taxpayer bail-out scheme that merely delays the inevitable big bank nationalizations, probably by year's end.

In the interim, your plan to hasten de-leveraging seems one of transferring massive corporate debt into yet more public debt. This is how you plan to go from "elite greed-gone-mad" leveraging levels of 30+ to 1, back down to still absurdly high levels like 13 to 1? I'm no economist, but Japan tried this ploy 15 years ago and failed miserably because that big a gap is too large to fill, even with public financing.

Your hope is that our international creditors will be less chary of U.S. than individual bank defaults?

Such a premise remains open to doubt, given what our Asian creditors are saying. Then what? If you can't sell them our T-bills at current interest rates, the Fed will have to raise them, which will re-tank the real estate and all other markets, exacerbating the by then global depression.

But back to the current issue. Are our homes or retirement funds currently undervalued? No. Our assets are NOW worth only what we can NOW get for them. The same applies to banking capital. They're worth whatever they can get for them - **in today's market**.

So, I think your current choice is: a) Be preemptive, decisive. Bite the bullet now - a pained but quick, drastic surgery - what the Swedes did - **nationalize the insolvent banks**, or b) Let the air out of the balloon slowly, unwillingly, as Japan did, while hoping for a return of confidence, like Godot waiting for God.

Meanwhile, I've heard the Repug mantra. Giving banks our money is OK. Telling them how to spend it

is wrong. Unlike the Swedes, we still aren't aware that we're already systemic socialists.

Well, enough baloney. Once Franken gets seated, I vote for plan A.