

Consumer News & Views

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Since Wall Street Banks Can't Control Themselves, it's time to Reinstate the Glass-Steagall Act

It's as if nothing has changed in the past five years. JPMorgan Chase, the nation's largest bank, sacked three of its top investment executives including chief investment officer Ina Drew after Jamie Dimon, the chief executive, disclosed the bank's stunning \$2 billion loss on May 10th. But why is Dimon still in the saddle? Shouldn't the CEO resign after JPMorgan Chase made another huge credit bet that went bad?

Politicians and regulators are fuming. But, so are consumers who have been hard hit by banks and borne the brunt of Wall Street's greed and high stakes trading gambits. This recent fiasco has set off renewed regulatory scrutiny of the industry. According to the *New York Times*, Mr. Dimon has largely sidestepped blame for the loss, although he has offered numerous apologies for the blunder, the biggest of his eight-year tenure at JPMorgan.

Executives said that within the last several months, Ina Drew told traders at the bank's chief investment office in London to execute trades meant to shield the bank from the turmoil in Europe. Drew thought those bets could protect the bank from losses and even earn a tidy profit, according to bank employees.

But when market tides abruptly shifted in April and early May, Drew's instructions to traders to trim what had become a gigantic bet came too late to avoid racking up losses that could eventually exceed the current \$2 billion estimate. Within the bank, there is also ample frustration that instead of reducing the losses, Ms. Drew's traders may have worsened them.

Again, this is an example of over-reaching and unnecessary risk-taking on the part of big banks. It's obvious that Wall Street cannot control its appetite for these kinds of risky deals. And so, Congress should move quickly to reinstate the Glass-Steagall Act, a Depression-era law that curbed speculation by separating deposit and investment banks. The law was repealed in 1999. We support such action now!



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 A promotional flyer for SDFCU membership. The top left asks "Ready For A Relationship You Can TRUST?". A green circle on the right says "JOIN SDFCU TODAY! Ask how you can get \$25* Offer ends June 15, 2012". The flyer lists benefits for three card types:

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 - Flowers Rewards for signature transactions
- Platinum Card...**
 - SDFCU VISA, Platinum
 - Rates as low as 0.99% APR**
 - No annual fee
 - Flowers Rewards for every purchase
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- Global Service...**
 - Statewide and Abroad
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 - Automatic Bill Pay
 - Foreign currency and \$20 international wire transfers

 Logos for NCUA, a house icon, and the State Department Federal Credit Union are at the bottom.

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It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

