

Existing Industries

Proposal 26

The Banking and Credit Card Industries

“The Ultimate Game of Smoke and Mirrors”

Issue/Problem

As a note, I had planned to address Banking and Investment House under this proposal however the Credit Card issue is more closely tied functionally to Banking. And the Investment House Industry is a separate piece of chaos to be sorted out and I had to draw lines. Therefore, herein the focus is upon the Banking and the subset Credit Card Industries (BCI) with regard to their function within the National System – with some very pointed comments about the Investment House Industry. It would not be difficult to add them to the BCI restructuring program!

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With everything else in the world causing distractions under the two (2) terms of Bush II, the Banking and Credit Card Industries had been flying pretty well under the radar of the press and other watch groups — that is until the Sub-Prime mortgage debacle really hit in 2007.

A few points to be made here

- As previously noted, the Banks and Bush II administration through a severe Bankruptcy Reform Act and it was signed into law on April 20, 2005. It was written to make it difficult to impossible for people file for personal bankruptcy. That legislation was simply aimed at “insuring” bank and credit card corporations would have fewer losses — not helping the American public in a struggling economy.

It must be said that while bankruptcy is not anything that people want to do, it is sometimes a person’s or a families’ only option in a financial crisis or when unexpected circumstances present them self (I know because I have been there).

- The Bank actuaries (financial forecasters) knew that since 2001 the under-lying economy was not really doing well; that bankruptcies were already on the rise; that Credit Card (CC) debt was climbing nationwide; that more and more Americans (at all income levels) were struggling as a result

of the continuing trend toward the out-sourcing of jobs, businesses, and industries; that emergency and major medical costs were destroying family finances — all of that was putting more and more people in stressed financial conditions and the potential for increases in the bankruptcy rate was an absolute certainty.

Besides rising national credit card debt problems that the Credit Card Industry has helped create by their irresponsible marketing practices over the years, the Banks knew that when the Prime started back up the people that barely qualified for certain mortgage loans would be at severe risk of defaulting. Trouble was on the way.

So the BCI wanted to reduce their anticipated future losses (the actuaries at work) as the economy contracted, so they wanted good old Bush II and the Congress to bail them out – to help cut their losses ahead of time. And although it took 4 years, Bush II, the lobbyists and their Congress did the deal.

- Today, the hard fact is that the greatest number of personal bankruptcies is being caused due to medical expenses and catastrophic medical emergencies. And consider that it is not just the people in the group of 47-plus million American citizens without HCI that are being destroyed.

Obviously, the campaign donations from Banks, CC Corporations, and Investment Houses to the members of Congress, both parties, and the White House really paid off that time!

Not Totally Happy with the Bush Man

The Banks and their associates in the Investment House side of the overall Financial Industry were rather disappointed when Bush failed to get the real prize that they were “banking” on from their support of his presidential campaigns. That being the establishment of private Social Security accounts.

This would have been a gargantuan moneymaker for the Investment House Industry, but not even their well-connected lobbyists could force Congress to walk that plank against the Common Good of the American public, and especially against the bigger and obviously meaner Senior citizen lobbyists! And thank God for that.

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During 2006 and into 2007 the disturbing chatter going around DC was that the World Banking System is running dangerously along the edge of a major “adjustment or correction.” And they were talking about a 1929 style of the

financial earthquake worldwide! It is driven by the Banks being up to their eyeballs in Derivative products and other ‘sophisticated’ games (like bundling and selling mortgages) that they are playing for fun and somewhat false profits. Such financial Crashes are not caused by the little people however We pay the hardest price when it all falls apart. The Masses typically only have a first floor window to jump from!

Hopefully it will not prove a viable rumor, or else 2008/2009 could get very, very ugly. That is unless We start taking prudent steps to avoid it. If such a crisis has a real potential of occurring, then hopefully American Agenda Proposal #26 and the discussions around it will bring a glaring Press spotlight and needed public scrutiny to some key industries that have been flying for too long under their radar.

Remember the only thing that brought the U.S. and the world out of the Great Depression was World War II.

Words of Life – A Set of Three

Every once in a while in my life someone has said something to me — just sentence, maybe a few of them, and they got stuck forever in my mind. One of the **first** was my Mother telling the teenage me that “you can get more done with a few well chosen words, than you can with a half of an hour of screaming.” I have lived very well with that thought and it helped me many times. In the IT business when others were chaos and there was a panic about what to do with a given situation, I generally remained calm and focused on resolving the issue at hand. You may wonder where this fits into the current topic, but please read on.

For a **second** scenario — the best manager I ever worked for taught me many things about project planning and systems design methodology. One day I was going over a preliminary system design with him and made the mistake of saying there was something sophisticated about it. To which he countered, “Andy, what is the meaning of the word sophisticated?” I did not know exactly why, but knew I was had. So I put on my dunce hat and asked what it was. He answered, “Sophisticated is that which has been robbed of its natural simplicity.” Wham!

Mr. Webster defines the word *sophisticated* as follows:

1: not in a natural, pure, or original state: ADULTERATED, 2: deprived of native or original simplicity.

His overall point to me being that sophisticated systems whether they are automated and/or procedural are harder to develop and implement, and are more difficult to use, change, and maintain over the long haul. Systems built around

functional and operational simplicity are always the best.

When considering this proposal on the BCI, phrases like ‘smoke and mirrors’ and ‘follow the money’ came to my mind.

The **third** line was offered by a co-worker many years ago when we were talking about taxes and politics and he dryly offered that “the one’s to watch out for are *the non-working rich.*” That line came back to me many times as this book developed, when considering the primary forces that will naturally oppose Change to the status quo of the National System, and in particular this proposal. It could apply very well to the characters that will be directly and in-directly confronted by the types of public-oriented Change that will be initiated by this proposal.

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I must acknowledge that of the six Existing Industries this is the one that is the most perplexing for me to address and write about because the Banking System (its Investment House cousin) and the Credit Card to a lesser extent have become far too “sophisticated” for their own good, and therefore, too sophisticated for our own good!

Thus, my purpose here is to initiate the BCI restructuring that is now demanded to in order to Protect and Defend the economic health of our National System. The AIR Program, operational consolidation of the major Banking and Credit Card corporations and the replacement of their self-serving senior management will set the stage for and actually permit a functionally prudent and practical National Financial Policy to be designed, and accepted by the public, and implemented. And it need only take months to bring to reality.

The Other *Bloody* Edge

As I previously noted, the first American Revolution brought Democracy in Government to deal with one side of the Universal Sword of Tyranny. Our Second American Revolution must now bring Democracy in Economic Reformation to deal with other side of that Sword – that being the Economic edge that can and too often does cut deep into any society — especially, if the Few of political and financial Power are left alone too long to play their games. Look around the world and observe all of the destructive national examples of such economic imbalance – and the great concentration of those current day examples being located in the Middle East Oil producing countries. But, let us not be distracted from or forget our domestic Power problems.

The People’s Sense

Some Observations for Consideration

- The Bankruptcy Reform legislation needs to be revisited and adjusted to some mid-ground that on one hand protects the BCI corporations from those that abuse the bankruptcy option, but must also assist families (of one or more persons) that are in desperate situations. Period!

It may need to take the form of an overall national plan to restructure most if not all individual debt in American society. Something that We could initiate if over 100,000,000 Americans are interested in doing it!

- Since Bush II came to Power and increasingly since his 2004 re-election, Energy costs mainly in the form of gasoline, diesel, home heating have eaten away disposable family income — if they even had any. Consumers were paying more for goods and services, as well as pouring more money into their gas tank in order to go and buy those goods in the first place. Add to that food costs and the previously addressed Health Care Insurance costs that are going up annually for less coverage, higher deductibles and co-pays?
- On Main Street the Cost-of-Living is being driven up by the cost of goods (groceries) and services that were forced upward due to the cost of Oil products rippling through the economy, meaning that businesses were passing more of the uncontrollable costs along to the consumer whether they wanted to or not.

Consider – my fellow Americans — all of the products at your favorite grocery store that are packaged in p-l-a-s-t-i-c — which means they are wrapped in p-e-t-r-o-l-e-u-m! Product manufacturers are forced to eat the costs, increase the per product price, decrease the product content to offset their costs – or eventually ‘D’ all of the above! True “trickle down” on us in action... Hint – glass is made from s-a-n-d.

- Regarding, the monthly Cost-of-Living (COL) statistics, there is another novelty that was brought to us by the creative people in the Bush II administration. It is reporting the monthly COL statistics without including Energy costs. Then, as an aside mentioning Energy costs as if it was a separate issue and somehow unrelated to our COL! Is that supposed to make somebody feel better? But then they believe that most Americans do not have a brain and are dumb to their obvious games? That is the manner in which they often communicate to us.

As mentioned before, they also invented the term “Climate Change” to be used instead of the dirty words “Global Warming”. It is still a duck.

And one more, thoughtful example — the Annual Inflation Statistics for

2007 were reported on January 16, 2008. The annual inflation rate was announced at 4%. BUT, it was explained “if you take out the costs of food and energy it was a more reasonable 2.4%.” Talking down to the peasants!

- If the consumer had an adjustable-rate mortgage from the 2002 to 2005 Real Estate Boom, their monthly expenses slowly increased as 2005 rolled thru 2006, real estate went Bust, and the game playing Mortgage and related worldwide Investment Industry were exposed and corporate losses grew as 2007 progressed.

Not until the of Sub-Prime mortgage debacle really hit in 2007, when the home foreclosures went though the roof, and rippled through the sophisticated World Banking System — did anyone consider freezing some (yes, some) of the periodic increases on adjustable rate mortgages. What a concept! Oh, what do you mean we cannot get anymore money out of those peasants!

And do not forget that there also were ‘non’ Sub-prime mortgage holders were hitting the wall due to financial issues as well over this period. They just have not received the same amount of Press coverage.

- On a part-time basis in 2004 and 2005 I was a mortgage loan officer in Loudoun County in Northern Virginia – one of the hottest areas in the nation during the Real Estate boom, it is located about 45 miles West of the White House. When I began in 2004 if a borrower had a score let’s say of 590 or less it was pretty difficult for them to qualify for most mortgage loans. Over the next 15-month period that changed drastically to the point where it seemed that some people with a strong pulse could get a loan with various lenders – not all of which were not Sub-Prime borrowers and lenders.

This was a deliberate change orchestrated by the Banks and the Investment Houses (Wall Street). There simply was (and still is today) a huge amount of investor money sitting out there looking for something to do. All Banks introduced Interest-only, No Documentation, and other mortgage loan “products” intended to get people qualified. And they made loans.

Not too long after the Year 2000 Boom crashed in mid-2000. In order to help stimulate the economy Federal Reserve Board (Fed) lowered the Prime Lending Rate over ten (10) times in the next few years — mortgage rates soon followed, and both went to record lows into 2005. This set the stage for and fueled the Real Estate Boom, as well as laying the groundwork for the future Sub-Prime problems when the *inevitable time would come* for the Fed to begin increasing the Prime rate in spite of the fact that the economy was still struggling!

The *Banks* — wanted to make mortgage loans every month because they *have to make loans* and earn the related fees from those transactions, or, they do not make their profits, paychecks, or bonuses.

The *Wall Street Investment Houses* — willingly supplied the money because they *have to make investments*, and earn the related fees from those transactions, or, they do not make their profits, paychecks, or bonuses. And one Investment House executive whose corporation took a major hit in 2007 received a “sweet” 60-plus million dollar bonus just before Christmas. Rewarding failure. Ho! Ho! Ho!

Everybody made money on the way down. However, on the way back up the Industry would suffer, the weak Banks and careless Investment Houses would suffer greatly and/or completely fail. The overall domestic retail economy would be hurt as more family income went to mortgage payments. And the People would suffer the most in their monthly finances, and loss or fear of loss of their home. In early 2008, the number of foreclosures would be over 2,000,000. And it is not just Sub-Prime mortgage loans that have been and are continuing to fail.

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And remember that Americans – singles and families — desperately want to own their own home, their own piece of the pie.

Again, by 2002 the real estate market had reached the point where too many ‘regular’ people could not afford to buy a home. It was the damn peasants again. So the Fed continued lowering the Prime Rate and the Banks continued lowering the mortgage rates and qualifying guidelines, and made loans!

Over the years, the Banks and Investment Houses got into the habit of “bundling” and selling their loans thru the Investment Houses (worldwide) rather than holding their own “paper” over the life of the mortgage. You know when you have closed a home loan and the bank immediately informs that so-and-so financial entity will now be ‘servicing’ your loan. But that does not fully remove all their liability if the loan goes bad.

The Banks that continued to hold their own paper did not lower their guidelines as much as those who would were routinely passing the loans off to another entity. Thus, they made fewer potentially bad loans during the Real Estate Boom and therefore suffered less as 2007 progressed, compared to the other banks that collapsed and literally went out-of-business, ‘bankrupt’ in 2007! Irony.

The closely tied World Banking and Investment Industries took a hit and caused

bank and investor losses around the globe. The Banking System and the Bush II administration surprisingly moved to freeze 'some' mortgage rate increases. An action that will hurt investors (here and abroad), but injure the Banks less than a foreclosures would. As I understand it freezing rates is about 50% less costly to the Banks as a foreclosure would be.

It took the Sub-Prime Mortgage debacle that really began manifesting itself in 2007, to slam the profits of both the Banking and Investment House Industries. Again, that recent development rippled through both the domestic and World Banking Systems, some of the sophistication I was writing about.

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News Flash – Today is January 23, 2008. It odd ways I now believe it has helped, that certain unavoidable things happened in early 2007 that then delayed the completion of CS2 for several months, until the first week in February of this critical year. One is seeing some of events happen or begin to happen such as the growing Bank problems around the world. It is not for the purpose of saying my political senses and/or observations are correct, but to point out that if an average American can logically, analyze readily available information on issues of the day – then why can't our elected leadership do the same. The Plain Truth is that they can and do, but deliberately choose not use that knowledge to shape constructive and preventative policies for the Common Good.

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Eight Years of Corporate Greed

The American consumer and economy have been hurting even more since about March of 2005 when Oil prices really began getting *artificially* pushed up and making even more profits for Big Oil and their Oil producing country cohorts. They and a few other key National Infrastructure Industries have been making record profits and having a *wonderful life* literally at our expense since Bush II came to Power:

- Medical Industry
- Pharmaceutical Industry
- Oil and other Energy Industries
- Banking and Credit Card Industry
- Investment Houses
- Defense Contractors

That is precisely why most of those critical National System industries are proposed herein for the AIR Program Re-Structuring. And the management of the Investment Houses, the Energy industries other than Oil, and their

stockholders should be paying very close attention. After We have taken care of the first lot, We will be back to reconcile a few more. The Automobile, Investment House, and Plastics Industries could also be addressed as 2009 progresses.

And none of this is revenge my fellow Americans – again, this is a National Reckoning!

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Reeling Things In

I became aware of a few things as a by-product of my brief time in the mortgage loan business such as how many properties (houses) an individual investor could purchase through the Banking industry – fifteen (15) was the highest I saw, not counting what they could obtain through private investor financing.

And, besides citizens and Permanent Resident Aliens (PRA) being allowed to apply for mortgage loans – there are also those living here on a temporary basis, as well as strict investors living outside the country could purchase homes. If those in the two latter groups had a sizable down-payment there was not a problem. My sense is that those latter two groups, as well as the ‘flipping’ of houses by the investor community greatly contributed to the run-up (the artificial bubble) in housing costs and rental costs – driving the Real Estate Boom and directly contributing to the run-up and over-pricing of real estate nationwide.

My sense is that while this investor “free for all” cannot be completely stopped it must rapidly be brought and kept under strict and deliberate public control. Therefore, on a monthly basis, the number of mortgage loans made and homes purchased by **type of buyer and seller** must be “plainly” reported on the Federal Reserve Board website (www.federalreserve.gov) and printed in the Wall Street Journal and local newspapers for public knowledge and oversight.

If left unchecked the real estate investor community will continue to buy and sell properties, and thus would price more Americans out of being able to own a single home of their own. America is headed toward a situation where our citizens and particularly younger Americans could be lifetime renters rather than home owners. This condition cannot be allowed in America.

Prudent and Practical Adjustments Will be Made

It has to be America and Americans First, and the Banks, Credit Card Services, and Investment Houses — like the Oil Industry — will now be made to start singing that tune. The current condition threatens the American Dream and the Civil Requirement of American home ownership!

By Common Agreement among the People — American home ownership — must be a National Priority, and We will insure that all necessary adjustments in tax and investment policy, mortgage lending rules, products, guidelines, rates, and terms will be made to that end. Period!

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About the Credit Card (CC) Industry

This will be short and not very sweet. Instead of writing about all the predatory things the Credit Card Industry has been doing for decades and the wonderful time they are having while Bush II has been in office, here are a few things they will do differently under the coming AIR Program restructuring of their operations.

- Their continuous credit card offer mailings will be vastly decreased. Think of the trees it will save!
- They will quit targeting teenagers and senior citizens.
- They will quit sending seniors \$5, \$10, \$20 checks with fine print that hooks them into various buying services. It is a predatory practice.
- The Banks and Credit Card entities will be modify the operational configuration (and data retention) between them and the merchants they serve to replicate the European model. That Change will severely reduce the incidents of identity theft. Europe does not have nearly the problem that America does and it can be fixed. The Industry has knowingly refused to alter their configuration despite merchant pleas, but have enjoyed building the “identity theft insurance” product line and the fees it and other related theft-revenues are bringing in! Again, it is the Dark Side.
- All Credit Card (e.g., VISA, MasterCard, etc.) rates nationwide will be frozen and then steadily reduced to an appropriate rate structure that covers operational costs, reasonable investor return, and nothing more. The abuses will end.

You and they get the idea. The Banking and Credit Card Industries will become operations that support the American economy by providing various forms of short and long term financing to individuals and businesses. And the Investment House Industry had best be paying close attention. They would not be that difficult to add them to the first wave!

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American Industry Re-Structuring (AIR) Program

The Banking and Credit Card Industries

Overall Re-Structuring Approach

The complex Banking and Credit Card Industries will also feel the full force of the AIR Program Re-structuring process. These National Infrastructure industries will be deliberately re-tooled into a people-friendly, public and business servicing rather than taking component of the National System.

Please keep in mind the points that were made under the People's Sense section a few pages ago as you review the remainder of this proposal. This proposal overviews the AIR Program Changes to the BCI and provides an adequate amount of detail to jump start the national discussion over the fate of these critical functions within our National System. More of the grim financial details will surely continue to manifest themselves as 2008 progresses.

Tell Don't Ask

The bottom line in dealing with a business group or industry such as "The Bankers" is that you do not ask them if they would or if they could Change their policies and procedures to be of greater service to individuals, businesses, and society as a whole – you tell them what needs to be done and to go do it!

These publicly prudent and practical Changes cannot be and will not be a subject of negotiation! And if any of those remaining after the senior management is retired — resist the Change plan presented to them – they to will also be shown the door.

And that my fellow Americans, is where We are with the Banks and Credit Card Industries. We will now call those industries to Civil Responsibility in the name of the Common Good.

The AIR Program for the Banking and Credit Card Industry (BCI)

The primary corporate entities in the existing BCI and any related financial entities (e.g., the Investment House Industry) doing business in the U.S. will comply with the involuntary, re-organization of these industries. Again, this will not be a negotiation.

The BCI restructuring will certainly impact relationships and existing agreements with institutions in various foreign countries. As needed, in order to do what is best for the American public and our economy such agreements will be re-written and/or eliminated, as needed. This will take months not a year to

accomplish. With the BCI restructuring, we are confronting the greed and self-serving policies of corporate America, as well as those of certain foreign governments. We will be fair, but We will not be fooled or foolish. Everything and everybody is on the table in this historic exercise. The economy of the U.S. and too many countries are at ever increasing risk and the Masses will now begin dealing with the Few.

This could also be observed as the moment in time when the Meek, Masses will come to final terms and reconciliation with the Powerful, Few. We Americans will now confront and deal with our economic imbalances, and it will then ripple around the world.

That is not intended to be dramatic. It is the Plain Truth of our situation and We had all better wake up to reality the faces us.

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The Initial List of Industry Entities

This is the initial list of “major” Banks and Credit Card entities to be considered in the AIR Program Re-Structuring of that industry, includes:

Banking Entities

Citigroup
Bank of America Corp.
J.P. Morgan Chase & Co.
Wells Fargo
Wachovia Corp.
U.S. Bancorp
Capital One Financial
National City Corp.
SunTrust Banks
Bank of New York Co.

Credit Card Entities

Master Card Vendors
VISA Vendors

This initial, working list of corporate entities may very well be refined as 2008 progresses and the November 2008 National Election draws near.

By deliberate, united vote on that historic day, *We the People* can freely declare that such practical and prudent Change to the National System for the Common

Good of us all — will be made.

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AIR Program – The Entity Re-Structuring Levels (ERL) Overview

The Banking and Credit Card Industry

ERL 1 – Operational Reorganization

Corporate Re-Structuring Approach

A newly, formed Board of Directors will comprise the first level of the ABC Organization Chart.

The existing Banking and Credit Card Industry (BCI) corporations will effectively become operating Divisions of the newly formed, Non-Profit American Banking Consortium (ABC) – the Industry Management Consortium established to oversee the operations of these restructured industries.

This Industry Consortium will be different from those already presented since it will combine two (2) separate, but clearly related financial industries of the Banking and Credit Card.

Those corporations will combine to form the second level of the new ABC Consortium Organization Chart. There could very well be situations where an American Bank or Credit Card corporation is currently part of a larger corporation. If so, as with the prior industry proposals they will not be purchased or bought out initially just because they are a stock held corporation. In any case the corporate entities will be transferred to become operating Divisions of the ABC. This corporate reorganization will not be optional or negotiable.

As previously noted in other proposals, an appropriate amount of operational consolidation takes place when fairly redundant corporate entities merge, we have all seen it – therefore some reduction in employment would eventually occur. There is an absolute need to maintain many local bank branches to properly serve our communities.

Note: Although the Consortiums are set-up as Non-Profit corporations, these organizations will pay taxes.

ERL 2 – Existing Management Retirement

Existing Senior Management

- Any member of senior management with Golden Parachute will be retired by May 30, 2009. Any and all stock options in their package will be eliminated.

- No more Golden Parachutes will be offered to future management, ever.
- Any remaining member of management with a base salary in excess of one (1) million dollars per year will have it cut to that amount as of July 1, 2009.
- All stock options for 2009 will be eliminated.
- All bonuses will be reviewed by the ABC group and may be reduced.

And, as always, if a given person does not like those Changes – they know where the door is...

Remember: The one-time offer to hold current and prior management and employees harmless from lawsuit will be presented and I believe will be accepted. This offer will be made to the current and prior members of the Boards of Directors, as well.

Existing Boards of Directors (BOD)

The existing BOD would be relieved of their positions by May1, 2009. By law most, if not all corporations are required to have some form of BOD whether it is actually functional to the operation or just ornamental. The future form and function of the previously mentioned Industry Management Consortium created for the Banking and Credit Card Industry, the ABC, will be reviewed next.

ERL 3 – New Management Structure and Charter

The Industry Management Consortium Requirement

With the consolidation of the existing BCI Corporations, the nation is again merging a group of businesses that are pretty much doing the same thing. As was described more under ERL 1, each of these entities will become operating Divisions in the ABC Non-Profit organizational structure. Therefore, a single Boards of Directors “entity” is all that will be needed. The costs that are now associated with all the existing Boards is therefore not necessary and will go back into the operation. Serious dollars!

The ABC’s Board will be responsible to the American public for implementing, strictly overseeing, and refining the new Charter of Operations. They will not manage the day-to-day operation.

Revised Charter of Operations

Bank lending practices and/or certain national tax policies will be altered to help families that are now finding themselves in housing market where their home value and appraisal has fallen below the current amount of their mortgage. A one-time National Mortgage Adjustment program will be rapidly developed and implemented.

The first focus of this program would only apply to a family's primary residence and would involve a forced refinancing by the Banks where the appraisal is less than the amount to be refinanced. Again, keeping the American families in their homes must be a national priority.

- On a permanent basis — The Banking system and the federal government must be required to establish low, fixed-rate interest rate (i.e., about 3 or 4%) mortgage products for a families' primary residence, only. There must be a system established where Americans even in low income situations will have access to the funding required to obtain and enjoy a permanent family residence. Even if it means the mortgage term is spread for many decades in the future.
- Families looking for their first home must be given priority access to foreclosed properties and loan products to help them buy (and fix them up if needed) and move in.
- Finally, a national law must be enacted and aggressively forced at the city, county, and town levels that will target those persons that buy properties and turnaround and fill them with illegal occupants – the IOs again! Back to that nasty issue. Localities across the country are dealing with this issue and the federal government needs to take aggressive and clear action to reverse it.

After a certain date, let's say September 1, 2009 — every city and town in the nation will have the legal ability to identify and seize these properties. The police already know where most of these houses are. Any IOs still living there will be deported and the house will be sold to Americans in need of a home.

And if the owner is not a citizen, including being a Permanent Resident Alien they too could be subject to deportation and seizure of their property. We will take no prisoners.

Beyond those initial focus items, please refer to the points raised under the People's Sense above. The overall focus will be that Banking and Credit Card functions within our National System will be re-structured to prudently support individuals, families, and businesses small and large to grow and to be productive within our society! Their predatory practices will become a part of history.

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ERL 4 – Stock, Profitability, and Pricing Controls

As is repeated in these six proposals — the following scenarios will begin taking effect as soon as possible in 2009 and will likely be applied retro-actively when the required legislation is passed by the **new** U.S. Congress.

While We can always hope, there is probably little chance that the existing Congress and White House will move on this proposal before the November Election. These six Industry proposals need to be the **hottest topics** in the country during 2008. The electorate must bring these and the other American Agenda Proposals to the campaigns! We can do this.

Stock Trading Control

Stock trading in the ABCs will be in a state of virtual suspense. The stocks will be initially frozen at the 1-1-2008 share price. Any negotiation and eventual buy-back activity will start at that price or lower possibly adjusted by the individual stock-holder's buy-in share price.

The market would be intensely watched (by the SEC and others) in the run-up to the 1-1-09 AIR Program Effective Date for any selling or other game playing. Again, violators will be severely dealt with including fines and/or prison time in a State run facility. Again, there will be no more Federal playpens for the rich and famous.

Profitability Control

Corporate profitability for publicly held (stock) corporation will be capped effective 1-1-09 at no more than **four percent (4%)** for physical year 2009 and stockholder pay out will be capped accordingly. They too, have had a good ride during the Bush II years, but their party is over.

The profits in excess of that will be put to practical uses such as:

- elimination of any out-sourcing activities
- internal operational spending
- set aside for the future stock buy-back process

Pricing Control

Note: There could be a flat 2% to 3% annual product increase while the system is sorting itself out.

ERL 5 – Conversion of IGE Model

The ARM Re-structuring of the American Banking Industry Corporations is another practical opportunity to transition a National Infrastructure Industry into

an Income Generating Entity (IGE). Consolidation of existing big Banks and Credit Card corporations into the non-profit American Banking Consortium (ABC) will lead the way to their becoming eventually being converted to a pure IGE within the National System.

With an aggressive national movement toward a National Banking and Credit Policy beginning to gear up by 2009, it just makes sense to consolidate their operations. Further, this approach to corporate consolidation avoids the time consuming merger negotiations, huge buy-out expenses, and legal hurdles they would face if they slowly merged on their own over the next decade or so. The economy cannot wait that long.

Over a period of years, all existing stockholders will be bought out. The stock amounts involved and how the stockholders will be compensated for their share value will be worked as a AIR Program implementation of the ABC progresses.

And no, that is not avoiding discussing the hard dollars involved. The numbers are what the numbers are, and they will only continue to grow worse the longer We delay this Change of Necessity to our National System. Therefore, I deliberately would not take the time extract and present that data on this or the others in this infamous group of six Existing Industries because those numbers will be one of the first things that the Special Interest lobbyists for that group throw out to scare everyone with.

Again, their false financial terror alerts will deter us from our Common Goals – We will take prudent and practical action and We shall prevail.

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That is all.

Finally, Raging Against the War Machine.

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