

This Week in Wall Street Reform | August 8–14, 2015

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CONSUMER FINANCE & THE CFPB

[CFPB Should Shake a Leg on Payday Loan Rules](#)

Andrea Levere, American Banker, 8/12

The Consumer Financial Protection Bureau took an important step toward ending payday lenders' predatory practices in March by releasing a proposed framework for regulating the industry. But the CFPB and director Richard Cordray have yet to take the next critical step: actually issuing regulations on the payday lending industry. With each day that passes without new rules, more Americans are falling prey to loans that may trap them in a cycle of debt. The CFPB should take action — and soon.

[What's the matter with Florida?](#)

Aaron Weaver, Baptist News, 8/13

To channel Thomas Frank who famously asked “What’s the matter with Kansas?” — I have the same question for the Sunshine State. What’s the matter with Florida?

Or, more specifically, what’s the matter with the (almost) entire Florida Congressional Delegation — 26 of 27 members, Democrat and Republican — who recently penned a [letter](#) shilling for the interests of the predatory payday loan industry.

[Company That Sued Soldiers Closes Its Stores](#)

Paul Kiel, ProPublica, 8/14

The chain, which once had 24 stores, almost all right outside military bases around the country, has been holding a rolling going out of business sale. The closures follow our investigation of the company’s lending practices last summer and a subsequent series of government inquiries and Department of Defense actions...

ProPublica’s investigation, which also ran in the Washington Post, detailed how the company guaranteed credit to service members for items that sometimes sold for two to three times the typical retail price. If borrowers fell far behind on their loans, USA Discounters sued them in Virginia state court, regardless of where the purchases were made. Between 2006 and last July, USA Discounters had filed more than 13,000 suits in Virginia courts —almost always winning— and seized the pay of more active-duty military than any company in the country.

[Del Kimball, Sam Furseth and other online payday lenders are still doing big business — in court](#)

David Hudnall, The Pitch, 8/11

[Fla. Firms Accused in Payday Loan Scheme](#)

Mike Heuer, Courthouse News Service, 8/10

[Leader in payday loans makes his presence felt at Minnesota Capitol](#)

Ricardo Lopez, Star Tribune, 8/10

[This Payday Lender Is Being Investigated by the CFPB, and the Stock Got Crushed](#)

Julie Verhage, Bloomberg, 8/12

[Citizens Bank Must Pay \\$31.5M In Fines, Refunds For Failing To Credit Full Deposit Amounts](#)

Ashlee Kieler, The Consumerist, 8/12

[PHH Wins Stay of \\$109M CFPB Enforcement Penalty](#)

Nicholas Agnello, Burr & Forman, 8/10

[Santander Consumer USA Says CFPB Finds Alleged Fair-Lending Law Violations](#)

Peter Rudegeair, Wall Street Journal, 8/10

[World Acceptance Corp. plunges on possible CFPB action](#)

Steve Goldstein, MarketWatch, 8/10

[The Best Credit Cards for Customer Satisfaction](#)

Stephanie Steinberg, US News, 8/13

U.S. News & World Report's [Best Credit Card rankings](#) take into account consumer stories like these to evaluate credit cards on the market. One factor of the [methodology](#), customer experience, uses CFPB complaints to determine how satisfied customers are with their credit cards.

[Total U.S. Auto Lending Surpasses \\$1 Trillion for First Time](#)

Josh Zumbrun, Wall St. Journal, 8/13

[Regulators fine bank \\$20 million for failing to check deposits](#)

Peter Schroeder, The Hill, 8/12

Financial regulators ordered a bank to pay back \$11 million to consumers and pay a \$20 million fine, after determining it repeatedly failed to give customers their full deposits. A trio of regulators charged that Citizens Bank failed for years to rectify discrepancies between deposit slips and actual funds deposited. While the differences were often small, over time it added up to millions of dollars customers were unfairly shorted by the bank, regulators said. The Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency entered into a joint enforcement action against the bank.

DERIVATIVES, COMMODITIES & THE CFTC

[Banks Said Poised to Win Delay of U.S. Curbs on Overseas Swaps](#)

Silla Brush, Bloomberg, 8/10

[SEC finalizes registration rules for security-based swap entities](#)

Mark Young, Maureen Donley, and Theodore Kneller, Skadden Arps Slate Meagher & Flom LLP, 8/12

DODD-FRANK (AND CONTINUED ATTACKS)

[Another Investor Calls Illiquidity a Myth to Repeal Rules](#)

Mary Childs, Bloomberg, 8/10

Warnings of a liquidity crisis in the bond market are a myth created by Wall Street in hopes of repealing regulation, said Krishna Memani, the chief investment officer of OppenheimerFunds. Bond buyers, who currently have no incentive to buy, will eventually step up when the market declines and owning debt becomes more lucrative again, Memani, whose firm oversees \$235 billion, said in an interview.

[Rubio's fantasy figure on bank closures due to Dodd-Frank](#)

Glenn Kessler, Washington Post, 8/10

Alex Conant, a Rubio spokesman, said his statement was in reference to the "general fall of community banks, 40 percent since 1994." He pointed to a media account of a [2015 working paper](#) published the Harvard Kennedy School,

“The State and Fate of Community Banking,” by Marshall Lux and Robert Greene.

This is, of course, entirely different than what Rubio asserted during the debate. This is a trend line that starts 16 years before Dodd-Frank was enacted. Lux, who said he was apolitical, said that “Rubio is simply wrong” to pin so much of the decline on the law. “Community banks had been consolidating for a long time before Dodd-Frank,” he said. “There are a lot of good things in Dodd-Frank. To throw out the whole thing is, frankly, a political statement that doesn’t have a lot of knowledge of the banking system behind it.”

[High cost of Dodd-Frank is harming US banks and citizens](#)

John Alan James, the Hill, 8/13

[Elizabeth Warren says passing Dodd-Frank was like David beating Goliath](#)

Portia Crowe, Business Insider, 7/21

Senator Elizabeth Warren (D-Mass.) spoke about the Dodd-Frank financial reform act [in an interview](#) with **Americans for Financial Reform**, an advocacy group. “David can beat Goliath – that’s the meaning of Dodd-Frank,” said the senator, who was a founding member of the Consumer Financial Protection Bureau, established under the act. “We built Dodd-Frank with the biggest, most powerful institutions fighting us every inch of the way.”

Dodd-Frank was designed to improve bank accountability and transparency, end “too big to fail,” and protect taxpayers and consumers. Some elements have [already been repealed](#) in Congress. Others have yet to be fully realized – like [part of the controversial Volcker Rule](#) that prohibits banks from engaging in proprietary trading and investing in hedge funds and private equity firms.

[Sen. Warren: We need to expand Dodd-Frank](#)

Lydia Wheeler, The Hill, 7/21

Financial reform advocates are using the fifth anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act to push for more financial regulations. Starring in a [video](#) produced by **Americans for Financial Reform**, Sen. Elizabeth Warren (D-Mass.) calls for expanding the federal law that created the Consumer Financial Protection Bureau (CFPB).

“We need a world where the largest financial institutions in this country understand they can’t build their business models around cheating people, and they can’t get out there and take crazy risks and expect the American taxpayer to pick up the tab when something goes wrong,” she said.

ENFORCEMENT

[Circuit Court Revives FDIC’s Securities Suit Against Deutsche, Goldman, and RBS](#)

Brian Honea, DSNews, 8/11

[FINRA Fines StockCross Financial Services, Inc. \\$800,000 for Regulation SHO Violations](#)

Press Release, FINRA, MarketWatch, 8/12

[Flash Crash Suit by Regulator on Hold as Extradition Sought](#)

Janan Hanna, Bloomberg, 8/12

EXECUTIVE PAY

[Disciplining Corporate Directors: The Real Culprits in CEO Pay](#)

Dean Baker, Huffington Post, 8/10

[Hoffa: CEO Pay Rule Will Help Close Wage Gap](#)

James P. Hoffa, Detroit News, 8/12

[SEC Adopts Final Pay Ratio Rule](#)

Stephen Quinlivan, Stinson Leonard Street, 8/10

[Three Steps to Compliance for Issuers on the SEC Pay Ratio Disclosure](#)

Robin Ferracone, Forbes, 8/13

[Is the SEC Against Income Inequality -- or for It?](#)

Judith Samuelson, Huffington Post, 8/11

[SEC rule will rein in runaway CEO pay](#)

Darrell Delamaide, USA Today, 8/11

The Securities and Exchange Commission's approval last week of a rule requiring companies to show how much more the CEO is getting paid than other employees is the first step in the long overdue process of trimming executive pay that has reached obscene levels...

The fact that the ratio is likely to come out at something like 300-to-1, instead of 20-to-1 just a few decades ago, will definitively rip the veil off the outrageous inequity in compensation between one single employee and thousands of other workers who make the company successful.

[A Misbegotten Political Jab at CEO Pay](#)

Thaya Knight, Wall Street Journal, 8/10

FEDERAL RESERVE

[Federal Reserve Board Clarifies Debit-Card Rule](#)

Editorial, CDP Daily News, 8/12

HIGH SPEED TRADING AND FINANCIAL TRANSACTION TAX

[Regulatory options and debate heats up on high frequency trading](#)

Joyce Moulakis, Financial Review, 8/13

INVESTOR PROTECTION AND THE SEC

[On the defensive, the SEC quietly pursues high-profile cases](#)

Alexandra Stevenson and Matthew Goldstein, New York Times, 8/10

Wall Street's chief regulator, the [Securities and Exchange Commission](#), appears to some to be in need of a makeover. Critics say it is too focused on minor cases, it is not aggressive enough in forcing wrongdoers to admit liability and yet it is too aggressive in seeking an unfair advantage for trying cases.

The agency contends that it has been ramping up enforcement. And it is quietly pursuing some high-profile cases that could enable it to redefine its regulatory role and reclaim some momentum. In one case, the S.E.C., in tandem with other authorities, is poised to file charges soon in an unusual investigation that combines insider trading with cybersecurity, according to people briefed on the investigation but not authorized to speak publicly.

[U.S. Said to Expand Its Probe Into Possible Bond-Trader Lies](#)

Matt Robinson and Jody Shenn, Bloomberg, 8/13

The U.S. is expanding an investigation into deceptive sales practices by bond traders even though the first major conviction in the area could be overturned.

Aided by technology that's allowing unprecedented scrutiny of trades, the Securities and Exchange Commission is looking beyond 10 cases it's been [developing](#) with U.S. prosecutors to examine other instances of bankers potentially lying to clients and booking improper round-trip transactions, said two people with knowledge of the matter. Some

criminal charges from the first batch of probes may come as early as next month, another person said.

Going after bond traders, and in the case of the Justice Department, trying to put some of them behind bars, represents the government's most aggressive effort yet to root out wrongdoing in the opaque world of complex debt securities.

[Credit Suisse, Barclays in Talks to Settle 'Dark Pool' Allegations](#)

Bradley Hope, Emily Glazer & Christopher M. Matthews, Wall St. Journal, 8/11

The case against Credit Suisse includes allegations that it provided unfair advantages to some traders, violated rules against pricing of stocks and didn't adequately disclose to investors how CrossFinder works, according to the people familiar with the matter.

Regulators also are scrutinizing Credit Suisse's system of auctioning the right to trade against retail stock-market orders to trading firms in the dark pool.

The setup resembled a waterfall, said people familiar with the matter, in that the first firm to trade against the flow would pay one price and subsequent auctions to other traders would go down in price.

[The case the SEC relied on to charge hackers has a familiar ring](#)

Francine McKenna, MarketWatch, 8/12

[SEC fines firm for operating secret trading desk](#)

Peter Schroeder, The Hill, 8/12

[Hedge Fund AQR Fires Trading Head Linked to ITG Probe](#)

Bradley Hope, Wall Street Journal, 8/12

[Here are three big fraud cases the SEC is getting close to bringing](#)

Michal Addady, Fortune, 8/9

[SEC is dealt fresh blow as NY judge halts enforcement case](#)

Jonathan Stempel, Reuters, 8/12

[Edward Jones Pays \\$20 Million to Settle Muni Price Fraud Charges](#)

Megan Leonhardt, Wealth Management.com, 8/13

[Guggenheim Fined \\$20M for Conflict of Interest Charges](#)

Sage Um, Chief Investment Officer, 8/10

[Split at SEC means swaps waiver rule likely to get big alteration. THIS ONE IS DIFFERENT](#)

Francine McKenna, MarketWatch, 8/10

[Is Vanguard Making It Too Easy for Cybercriminals to Access Your Account?](#)

Susan Antilla, The Street, 8/10

[Employees who report claims internally get protection from retaliation, SEC says](#)

Ed Silverstein, InsideCounsel, 8/11

[SEC Rule Clarifies Protections for Financial Whistleblowers](#)

Press Release, Government Accountability Project, 8/11

In recognition of these serious problems, a broad coalition of organizations, including **Americans for Financial Reform**, submitted a second petition (non-rulemaking) asking the SEC to: launch of series of public hearings to discuss the problem of workplace retaliation and ways to increase reporting, create an Advisory Committee on Whistleblower Reporting and Protection, and engage in appropriate rulemaking to clarify and strengthen whistleblower protections.

[What the Recent Successes of the SEC's Whistleblower Program Mean for Companies](#)

Press Release, CT Corporation, 7/27

[SEC Rule Clarifies Protections for Financial Whistleblowers](#)

Press Release, Government Accountability Project, 8/11

In the wake of the fifth anniversary of Dodd-Frank, the Securities and Exchange Commission (SEC) released a much-needed interpretive rule on the scope of whistleblower protections within the law... The move comes one year after GAP, Labaton Sucharow, and a coalition representing more than 250 organizations and nearly two million citizens, submitted petitions with the SEC that would clarify and strengthen certain aspects of the agency's Whistleblower Program...

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MORTGAGES & HOUSING

[FDIC Wins Court Approval to Renew Old Mortgage Lawsuit](#)

Editorial, Zacks Equity Research, 8/12

[Prime, Subprime, Deep Subprime, Supprime-Like . . . and hold it, my fav "Aspiring Prime"](#)

Adam Levitin, Credit Slips, 8/11

[Ocwen cleaning up backdated letters](#)

Jon Prior, Politico, 8/11

[SEC investigating mortgage servicers' use of debt collectors](#)

Jon Prior, Politico, 8/10

[Players laud CFPB move](#)

Justin da Rosa, Mortgage Professional America, 8/10

"As a [mortgage professional](#) I am happy to see the CFPB on the case. There are so many underhanded arrangements in our industry it makes us look like organized crime at times," writes another reader. "I hope they go after some of the questionable underwriting arrangements the mortgage insurers have with the lenders next."

POLITICAL INFLUENCE OF WALL STREET

[Financial Services Freshman Raises \\$1 Million](#)

Zachary Warmbrodt, Politico, 8/13

Maine Republican Bruce Poliquin is proving to be the most prolific fundraiser this year among the new class of GOP lawmakers on the House Financial Services Committee, according to a review of campaign finance disclosures for the first half of 2015. Between Jan. 1 and June 30, the House freshman and former investment manager brought in more than \$1 million to put toward his first re-election campaign - more contributions than any of the other GOP members who joined the panel this year. The runner-up was Utah Rep. Mia Love, another House Republican freshman, who reported receiving more than \$950,000 in campaign contributions.

More than half of Poliquin's haul came from individuals, including New Balance Chairman Jim Davis (the company makes shoes in Maine) and former Maine Sen. Olympia Snowe. Poliquin's biggest benefactors among the industry political action committees included the Credit Union National Association and the Mortgage Bankers Association. Poliquin faces a challenge from Democrat Emily Cain, who ran against him and lost last year.

[Cheat Sheet: The Clash Over White House Banking Appointments](#)

Victoria Finkle, American Banker, 8/7

RETIREMENT SECURITY & FIDUCIARY DUTY RULE

[The new Obama rule that's making stockbrokers swear](#)

Michael Grunwald, Politico, 8/10

Led by SIFMA... the brokerage world has launched a fierce campaign to stop the rule before it is finalized, arguing that it would be onerous and unworkable, that it would jack up the cost of investment advice beyond the reach of the middle class, and that it addresses an imaginary epidemic of unscrupulous brokers. SIFMA recently launched a website, keepretirementopen.com, to persuade Americans the rule would make it harder for them to plan and save for retirement...

The White House estimates that financial advisers who accept hidden fees and backdoor payments for boosting particular investments cost their clients with pensions and retirement accounts about \$17 billion every year. Obama has argued that if his crackdown on conflicts of interest would be as devastating to the advisory business model as Wall Street insists, something is very wrong with that business model.

[Department of Labor to hold conflicts of interest hearing](#)

Charisse Jones, USA Today, 8/7

The proposed rule would require that any financial adviser being compensated for giving advice on investments in 401(k)s and IRAs put their client's best interest before their own.

The hearing, which runs Monday through Thursday, marks the latest step in what has been a nearly five-year journey to enact a rule that would mark the most significant change regarding retirement investment advice in 40 years.

[Opponents of Tougher Rules on Retirement Advice Roll Out TV Ads](#)

Victoria McGrane, Wall Street Journal, 8/13

Consumer advocates are not fans. Marcus Stanley, policy director for **Americans for Financial Reform**, a group that is pressing for tougher financial regulation, said the spots perpetuate a falsehood that "if the government says you can't give deceptive advice, then that's the same as saying you can't give advice at all" without jacking up the cost of doing so. He said numerous smaller players in the financial industry have found a way to adhere to a fiduciary standard and still give affordable advice to small businesses and average savers. Opponents of the Labor Department rule, he added, "are already charging for their advice by steering people into investments that benefit the financial company or the adviser more than the investor in ways that the investor doesn't understand."

['Is it Naive' to Permit Commission Sales? DOL Official Asks at Fiduciary Hearing](#)

Ann Marsh, Financial Planning, 8/13

However, it's not possible to serve a client's best interest while also trying to sell them products for commissions, one expert on the panel says. For this reason, the United Kingdom recently outlawed the sale of commission-based financial products, Marcus Stanley, an investor advocate with the nonprofit **Americans for Financial Reform**, reminded the Labor officials. He urged the department not to be swayed by strenuous industry opposition to the rule, but to pass it as written, in order to save retirees billions of dollars American retirees are estimated to lose annually to bad advice on their retirement savings.

"An effective rule will face strong opposition from those in the financial sector who benefit from the current system," Stanley warned Labor officials. "Gains to investors who are no longer steered into high cost products generally represent losses to the seller of the investment product. So the billions of dollars that investors stand to gain from an effective rule are also billions of dollars in reduced profits for Wall Street professionals. The DOL must not weaken or reverse this rule in the face of criticism from those who profit through conflicted financial advice. If this rule did not impact the profits and business models of some in the financial industry, it could not achieve its goal of benefitting investors."

[What We Heard at the DOL Fiduciary Hearing](#)

John Hilton, [insurancenews.net](#), 8/13

Here's a few quick takes from our vantage point:

- Plenty of emphasis on the holding to a standard of acting in the “best interest” of clients, which the DOL and witnesses attached exclusively to the fiduciary standard. But FINRA already requires advisors under the suitability standard to uphold the best interest of their clients, as spelled out in [Regulatory Note 12-25](#).
- What is “advice” and what is “sales,” and are they distinguishable in typical offices? DOL officials returned to this point repeatedly.
- Will the DOL consider amending the rule to grant an exemption allowing advisors and broker-dealers to assist with retirement plan rollovers?

[DOL panel presenters debate more disclosure vs. stricter fiduciary rule](#)

Hazel Bradford, Pensions and Investments, 8/11

[DoL officials, SIFMA spar over ‘fiduciary’ proposal](#)

Patrick Temple-West, Politico, 8/10

[Fiduciary Rule Has Flaw on Arbitration, Witness Says](#)

Sean Forbes, Pension and Benefits Daily, 8/10

[Plan sponsor advocate pushes for exemption in DOL fiduciary rule](#)

Mark Schoeff Jr., Investment News, 8/12

[Public pension funds ask SEC to force more private equity disclosure](#)

Francine McKenna, MarketWatch, 8/13

[Opponents to DOL fiduciary rule say tweaks aren't enough](#)

Mark Schoeff Jr., Investment News, 8/10

[The Fiduciary Rule Would Put Savers’ and Retirees’ Best Interests First](#)

Joe Valenti, Center for American Progress, 8/12

[After hearings, Labor Department on track to finish fiduciary rule by year’s end](#)

Patrick Temple-West, PoliticoPro (paywalled), 8/14

The Labor Department’s proposed fiduciary rule for the brokerage industry will likely be finalized before the end of the year, triggering an almost-certain attempt from the rule’s critics to try to kill it in court, analysts said. After four days of hearings this week at the Labor Department to vet the proposed rule, financial industry lobbyists and company executives remain at loggerheads with agency officials over the requirement that brokers who offer retirement investment advice act in their clients’ best financial interest.

With little new agreement reached during the four days over what a final rule should look like, the hearings serve as an important setup for the likely court fight. Already, brokerage firm Primerica Inc. has hired Eugene Scalia, one of the financial industry’s go-to lawyers to challenge federal rules, who wrote a comment letter arguing the fiduciary proposal is illegal.

[All Investors Deserve Unconflicted Advice](#)

Jon Stern & Eli Braverman, Betterment, 8/13

[Annuity Expert To DOL: What Is ‘Reasonable’ Compensation?](#)

Cyril Tuohy, [insurancenews.net](#), 8/14/15

See testimony by [AARP](#), [AFR](#), [Better Markets](#), [Center for American Progress](#), [Committee for the Fiduciary Standard](#), [Consumer Federation of America](#), [Fund Democracy](#), [Pension Rights Center](#), and [PIABA](#).

STUDENT LOANS & FOR-PROFIT EDUCATION

[Groups Say Proposed Student Loan Plan Doesn't Provide Enough Assistance](#)

Ashlee Kieler, *The Consumerist*, 8/10

The Dept. of Education recently proposed regulations intended to make the student loan repayment process less burdensome and drawn-out. Nearly two dozen consumer advocacy groups say that while these rules should help borrowers, more could be done to ensure that all students benefit. The Institute for College Access & Success, along with 22 other organizations – including the Center for Responsible Lending, Student Debt Crisis and **Americans for Financial Reform** – submitted comments to the Dept. of Education to strengthen its proposed rules [PDF] in order to help even more consumers stuck under piles of mounting student loan debt.

[Know What Should – and Shouldn't – Affect Student Loan Borrowing](#)

Ryan Lane, *US News and World Report*, 8/12

[Clinton Issues a Promising Proposal for Tuition Reform](#)

Douglas Webber, *The Chronicle of Higher Education*, 8/10

[Hillary Clinton to Offer Plan on Paying College Tuition Without Needing Loans](#)

Patrick Healy, *New York Times*, 8/10

[The bipartisan fix for making student loans hurt less](#)

Editorial, *Bloomberg/Chicago Tribune*, 8/11

[Student loans leaving trillions in debt](#)

Kelly Matter, *WMBF*, 8/10

[Why lowering student loan interest rates isn't a game changer](#)

Danielle Kurtzleben, *NPR*, 8/11

[What's next? Recent actions highlight CFPB's focus on student loans](#)

A. Jordan Sykes and Jodie Herrmann Lawson, *McGuireWoods LLP*, 8/10

[Under siege, for-profit colleges cry foul over new federal rules](#)

Emma Baccellieri, *McClatchy D.C.*, 8/10

SYSTEMIC RISK

[Q&A: Anat Admati on 'What's Wrong With Banking and What to Do About It'](#)

Dean Starkman, *Los Angeles Times*, 8/13

She argues that requiring banks to rely more on shareholders' money instead of borrowing funds would increase stability, harness market forces to deter risky behavior and lead to a smaller, safer system as banks pulled back on bets that didn't make financial sense.

Her arguments have drawn fierce pushback from the banking industry, but got the attention of financial policymakers. They also earned her appointments to advisory committees to the Federal Deposit Insurance Corp. and the Commodity Futures Trading Commission, as well as an invitation last summer to the White House.

[Bernanke, Paulson and Geithner Join Yale Effort to Update Crisis-Response Playbook](#)

Ryan Tracy, *Wall St. Journal*, 8/13

The closed-door reunion last week, which marks the trio's first joint panel discussion since they left office, is part of a new effort at Yale University to update the playbook for dealing with financial panics. The scholars are calling it a "New Bagehot," referring to Walter Bagehot, author of a famous 1873 book, "Lombard Street," that central bankers still use as a guide for crisis management.

Mr. Geithner, who helped organize the gathering, called it “a master class in financial crises for the firefighter, focused on the very practical craft of making choices in the fog of war in the midst of a panic.” Rather than looking at how monetary policy or regulations might prevent a crisis, this class addresses another, less commonly asked question, he said: “What do you do when the system is burning?”

[Goldman Closes an Era in Commodities With Coal Mine Disposal](#)

Javier Blas, Bloomberg, 8/14

Goldman Sachs Group Inc. closed a nearly 35-year era of investments in commodity assets such as power plants and refineries with the sale of a Colombian coal mine. The disposal is the latest sign of how Wall Street banks are responding to pressure from U.S. regulators and disappointing returns as raw materials prices plunged...

The U.S. Federal Reserve has been working on a rule to rein in Wall Street ownership of commodity assets. Federal Reserve Governor Daniel Tarullo, who is spearheading the Fed’s regulatory efforts, questioned in March whether banks should be allowed to own such properties.

[Bank of England to look more closely at costs of financial regulation](#)

David Milliken, Reuters, 8/11

[Bernanke, Paulson and Geithner Join Yale Effort to Update Crisis-Response Playbook](#)

Ryan Tracy, Wall Street Journal, 8/12

[Bill Clinton defends repeal of Glass-Steagall](#)

Kevin Cirilli, The Hill, 8/11

[Citigroup’s ‘Bad Bank’ a Surprise Success](#)

Christina Rexrode, Wall S.t Journal, 8/12

[Brown urges feds to take action](#)

Portsmouth (Ohio) Community Common, 8/12

OTHER TOPICS

[Elizabeth Warren: New Chat System Lets Banks Avoid Regulation With 'A Wink And A Nod'](#)

Ben Walsh, Huffington Post, 8/10

[Sen. Warren Asks Regulators to Examine New System for Compliance Issues](#)

Brian Honea, DSNews, 8/10

[Warren Raises Alarm Over Encrypted Bank Messaging System](#)

Victoria Finkle, American Banker, 8/10

[Clinton’s Proposals on Stock Buybacks Don’t Go Far Enough](#)

William Lazonick, Harvard Business Review, 8/11

In its superficial focus on time horizons and information disclosure... Clinton’s policy agenda may exacerbate the very problem that it seeks to alleviate. For example, one of her key proposals is for shares to be held well beyond the current minimum period of one year before the profits from their sale are taxed as a capital gain. But that will not in any way deter hedge-fund activists from demanding that companies do stock buybacks so that they can time their stock sales to take advantage of short-term, buyback-induced, stock-price boosts.

In some cases, activists may decide to hold a company’s stock for more than a year to reap full advantage of a prolonged run-up in stock prices induced by persistent buyback activity.