

---

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.05.2009

Wall Street Journal: "FDIC Pushes Purge at Citi ... The Federal Deposit Insurance Corp. is pushing for a shake-up of Citigroup Inc.'s top management, imperiling Chief Executive Vikram Pandit, people familiar with the matter said."

Wall Street Journal: "Hartford Chief Expects TARP Funds Soon ... Hartford Financial Services Group Inc.'s chief executive officer, Ramani Ayer, architect of the aggressive growth strategy that sowed the seeds for some of the insurer's current troubles, will step down from his post by the end of the year."

Wall Street Journal: "White House Set to Appoint a Pay Czar ... The Obama administration plans to appoint a "Special Master for Compensation" to ensure that companies receiving federal bailout funds are abiding by executive-pay guidelines, according to people familiar with the matter."

Wall Street Journal: "Regulator Clash Shows Stakes on Eve of New Banking Rules ... The clash among government officials over how to oversee Citigroup Inc. shows the divide between agencies charged with stabilizing the U.S. financial system -- one the Obama administration will try to bridge in its plan to overhaul bank regulation."

Wall Street Journal, Editorial: "Barney Frank, Car Czar ... President Obama may have "no interest" in running General Motors, as he averred Monday. But even if that's true, we are already discovering that he shares Washington with 535 Members of Congress, many of whom have other ideas."

Wall Street Journal, Neiman: "Let's Keep Many Eyes on the Banks ... The nation is about to make two momentous policy choices about the future of our financial system. One will be made by the president, the other by the Supreme Court. Both decisions involve the proper roles for state and federal regulatory authority, and both have far-reaching consequences. Yet the country seems barely aware of the issues, or the stakes involved."

Financial Times: "Fed dismisses Tarp objections ... US regulators insisted that JPMorgan Chase and American Express raise equity this week before repaying bail-out funds, in spite of strong objections from executives who claimed the banks did not need the money, people close to the situation said."

Financial Times: "Fed damps hopes on mortgage-backed securities ... The US Federal Reserve on Thursday damped expectations that it was preparing to prop up the market for distressed bubble-era securities backed by mortgages."

USA Today: "Banks can tap Social Security to cover bounced-check fees ... In a verdict that could have far-reaching implications for elderly and disabled bank customers, the California Supreme Court ruled this week that banks can tap Social Security benefits in bank accounts to cover bounced-check fees."

Washington Post: "Banks Put Off Plans To Sell Toxic Assets ... The rush of capital into the banking industry over the past month is allowing firms to postpone the painful process of selling devalued mortgages and other troubled assets, a step many financial experts still consider necessary to fully revive lending."

New York Times: "Ailing, Banks Still Field Strong Lobby at Capitol ... As he often does, President Obama took the opportunity in a bill-signing ceremony last month to remind Congress "to do what we were actually sent here to do - and that is to stand up to the special interests, and stand up for the American people."

New York Times: "In Ratings Agencies, Investors Still Trust ... Few have any confidence in those investments now. So it might come as a surprise that many investors still seem to have a lot of confidence in Moody's."

Reuters: "Countrywide's Mozilo charged with fraud ... Angelo Mozilo, who built the largest U.S. mortgage lender, was charged with securities fraud and insider trading on Thursday, making him the most prominent defendant in investigations into the U.S. subprime mortgage crisis and housing bust."

The Hill: "New derivatives rules will spark lobbying battle ... The head of the Commodity Futures Trading Commission (CFTC) proposed broad new rules to oversee the trillion-dollar derivatives market that will require congressional approval and set off a heavy lobbying battle."