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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.09.2009

Wall Street Journal: "Finance Reforms Pared Back ... The Obama administration is backing away from seeking a major reduction in the number of agencies overseeing financial markets, people familiar with the matter say, suggesting that the current alphabet-soup of regulators will remain mostly intact."

Wall Street Journal: "Wells Fargo, BofA Pay to Settle Claims ... Wells Fargo & Co. and Bank of America Corp. agreed Monday to settle claims that employees misled investors about the value and safety of certain securities during the financial crisis."

Wall Street Journal: "Citi Deal Clears Way for Greater U.S. Sway ... Citigroup Inc. said its delayed plan to convert billions of dollars of preferred shares into common stock will occur this week, clearing the way for the government to own as much as 34% of the struggling bank."

Wall Street Journal: "U.S. to Press Europe for Tougher Bank Stress Tests ... The Obama administration wants Europeans to put their banks through more rigorous public stress tests to help ensure that the institutions survive if the economy slips from bad to worse."

Wall Street Journal: "Nine Banks to Repay TARP Money ... The Treasury Department expects an initial payback from the nation's largest banks of at least \$50 billion in bailout funds, according to people familiar with the matter, double the amount the government initially expected to recoup."

Wall Street Journal, Opinion: "Making Failure an Option ... The Hotel Geithner -- a.k.a. the Troubled Asset Relief Program or TARP -- is poised to set up its checkout desk this week. Big banks that have successfully raised capital from private sources, including J.P. Morgan and Goldman Sachs, may be among the first to get their walking papers."

Financial Times: "From 9/11 heartache to bankers' bonuses ... The Obama administration and Congress will this week wade into the debate on executive compensation, paving the way for limits on short-term bonuses and appointing a new official to vet companies."

Financial Times: "Paris and Berlin plan reforms push ... France and Germany set their sights on Monday on a combined effort to steer the European Union out of economic crisis and away from political discord after scoring election triumphs that contrasted with a disaster for the UK's ruling Labour party."

Financial Times, Tim Ryan: "Wall Street is a willing partner in financial reform ... Many Americans are angry and have lost basic trust in the financial services industry. The industry accepts its share of responsibility for its role in the economic crisis and its duty to be part of the recovery. We intend to partner with governments to overhaul the regulatory system to help prevent such a crisis again."

Washington Post: "Fault Lines Emerge as Financial Players Try to Influence Regulatory Overhaul ... As the Obama administration prepares to unveil plans for overhauling financial regulation, potentially addressing such diverse issues as credit card lending and global economic threats, a multifront war is brewing. It pits competing interests among businesses, consumers, government agencies and lawmakers against one another."

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Washington Post: "Supreme Court Delays Chrysler's Swift Sale ... The U.S. Supreme Court yesterday held up the sale of

Chrysler's assets to Italian automaker Fiat, at least temporarily interrupting the Obama administration's massive and speedy restructuring of the U.S. auto industry."

USA Today; "Foreclosure crisis spreads from subprime to prime mortgages ... The pace of prime borrowers going into foreclosure is accelerating, especially in states with mounting unemployment or property values that saw a big run-up during the housing boom."

Bloomberg: "U.S. Said to Plan Approval Today for 10 Banks to Repay TARP ... The Treasury is preparing to announce today it will let 10 banks buy back government shares, people familiar with the matter said, signaling confidence some of the largest U.S. lenders won't again need a taxpayer rescue."

Bloomberg: "TARP Oversight Panel Says Bank Stress Tests Should Be Repeated ... Regulators should continue to conduct stress tests on banks as long as they keep large amounts of illiquid mortgage securities on their books, a group overseeing the U.S. financial bailout said."

Bloomberg: "U.S. Auto-Parts Supplier Groups to Request New Federal Aid ... U.S. car-parts suppliers plan to ask President Barack Obama's auto task force this week for \$8 billion to \$10 billion in loan guarantees, after negotiating federal loans earlier this year."

Reuters: "U.S. banks submit capital replenishment plans ... All 10 of the largest U.S. banks under orders to raise additional capital as a buffer against further economic shocks have submitted their plans to do so, the Federal Reserve said on Monday."