COMMENTARY ON FOOTNOTE 151

Footnote 151 implies an important regulatory change related to derivative contracts. It means that US Banks will not be required to hold as much capital against commodities. If you want to understand the implications of this regulatory change in more detail, see the enclosed related article detailing the changes. For contextual purposes, I have also included two Rolling Stones Magazines reports from 2010 and 2014 that chronicle the role large US banks have played in manipulating commodities. You might question the credibility of these sources, but rest assured, these reports are based on United States Senate hearings which outline the issues in a 396 page report related to the implied risks.

The senate report, addressed to Janet Yellen, as reflected in the Rolling Stones articles, describes how banks have mixed banking and commerce to "manipulate" prices. This increases "systemic risks" and "unfair trading." The senate describes the issues as follows: *Today, a handful of large U.S. banks and their holding companies are major players in U.S. commodities markets. Those banks not only dominate commodities trading on financial markets, but also own or exercise control over businesses that produce, store, transport, refine, supply, and utilize physical commodities, including oil products, natural gas, coal, metals, and electricity. The current level of bank involvement with critical raw materials, power generation, and the food supply appears to be unprecedented in U.S. history.*

BANKS' FAVORITE NEW STRATEGY: FOOTNOTE 151

(*WSJ - KATY BURNE, RYAN TRACY*) - Financial Services Industry Structural Issues

Instead of selling a 10-year swap to hedge oil or interest rates, for example, banks are now proposing to structure such deals as a series of swaps that settle every day for 10 years. The impact on the capital banks have to set aside is significant: A cleared 10-year interest-rate swap ties up three times as much equity as a one-day contract.

2014 - THE VAMPIRE SQUID STRIKES AGAIN: THE MEGA BANKS' MOST DEVIOUS SCAM YET READ MORE: HTTP://WWW.ROLLINGSTONE.COM/POLITICS/NEWS/THE-VAMPIRE-SQUID-STRIKES-AGAIN-THE-MEGA-BANKS-MOST-DEVIOUS-SCAM-YET-20140212#IXZZ45ASKGOZ8 FOLLOW US: @ROLLINGSTONE ON TWITTER | ROLLINGSTONE ON FACEBOOK

(*Rolling Stone - Matt Taibbi*) - Industry Conduct and Practices Issues

Regulatory changes and bank manipulation have contributed to the current cheap oil crisis - but the crazy thing is, nobody at the time quite knew it. Most observers on the Hill thought the Financial Services Modernization Act of 1999 – also known as the Gramm-Leach-Bliley Act – was just the latest and boldest in a long line of deregulatory handouts to Wall Street that had begun in the Reagan years.

2010 - THE GREAT AMERICAN BUBBLE MACHINE

(*Rolling Stone - Matt Taibbi*) - Industry Conduct and Practices Issues

The first thing you need to know about Goldman Sachs is that it's everywhere. The world's most powerful investment bank is a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money. In fact, the history of the recent financial crisis, which doubles as a history of the rapid decline and fall of the suddenly swindled dry American empire, reads like a Who's Who of Goldman Sachs graduates.