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**FOR IMMEDIATE RELEASE**

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**CFTC MEETS TO GUT THE VOLCKER RULE ON ANNIVERSARY OF LEHMAN BROTHERS CRASH**

**IGNORING THE 2008 CRASH, LAYING THE GROUNDWORK FOR THE NEXT ONE**

**Washington, D.C.** – Dennis M. Kelleher, President and Chief Executive Officer of Better Markets, issued the following statement regarding the Commodity Futures Trading Commission’s (CFTC) upcoming meeting to finalize a substantially weakened Volcker Rule on the anniversary of the collapse of Lehman Brothers:

“The [anniversary of the collapse of Lehman Brothers](#) is next Sunday, September 15<sup>th</sup> and the [CFTC is meeting](#) the next day on Monday, September 16<sup>th</sup> to finalize a revised Volcker Rule that will enable -- and result in -- much greater [high-risk, dangerous, and socially useless proprietary trading](#) by Wall Street’s biggest taxpayer-backed and bailed-out banks. This is just the latest deregulatory action by President Trump’s ‘regulators’ ignoring the lessons of the 2008 crash and putting Wall Street’s profits and bonuses over protecting Main Street jobs and economic security.

“The [\\$20 trillion in lost GDP](#) from the 2008 crash and the [\\$29 trillion dollars lent, spent, guaranteed or otherwise used to bailout](#) Wall Street’s too-big-to-fail banks apparently are not going to slow the CFTC’s expected approval of the [loophole-laden revised Volcker Rule](#), which includes virtually every major reckless, short-sighted, and legally baseless change proposed last year. Moreover, the CFTC’s new rule does so with no or minimal discussion or empirical basis and too often, with a cursory reference solely to [self-interested or irrelevant assertions made by the banks themselves](#), as we also detail in our comment letter [here](#).

“For those who think [proprietary trading](#) had nothing to do with the 2008 crash, they need to review [Morgan Stanley’s \\$9 billion proprietary trading loss in December 2007](#), which eroded its capital at the same time it was [hemorrhaging tens of billions of dollars due to other subprime losses](#). That directly led to Morgan Stanley’s (and [Goldman Sachs](#)) eventual failure and [rescue by the government not a year later](#). Proving that Wall Street cannot stop itself from high risk, dangerous proprietary trading, JP Morgan Chase also [lost somewhere near \\$9 billion](#) in a proprietary trade called [the ‘London Whale’ in 2012](#), just a few years after the near-death experience an bailout of virtually every major financial institution in the US.

“For those who think – as has been widely but erroneously reported – that the changes to the Volcker Rule are just ‘tweaks,’ ‘nips,’ ‘symbolic,’ or merely ‘clarify,’ ‘simplify’ or ‘streamline’ the prior rule, they need to review this [Fact Sheet detailing that the changes are substantial, material, and consequential](#). That Fact Sheet explains why Wall Street’s biggest banks have spent enormous amounts of time, effort and money **for 9-plus years** in lobbying for these changes: the newly weakened Volcker Rule will enable and almost certainly result in significantly increased speculative trading by Wall Street’s biggest taxpayer-backed banks.

“As the famous saying goes, [‘those who do not learn from history are doomed to repeat it.’](#) While that may be fine for decisions by individuals who suffer the consequences from their own actions, it’s a dereliction of duty for public officials, policymakers and regulators who should know better given very recent history, particularly because the American people eventually are going to suffer the consequences of their actions.”

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Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street and make our financial system work for all Americans again. Better Markets works with allies – including many in finance – to promote pro-market, pro-business and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements and more. To learn more, visit [www.bettermarkets.com](http://www.bettermarkets.com).