

Financial System Inquiry,

3<sup>rd</sup> August, 2014

G.P.O. Box 89,

SYDNEY. NSW. 2001.

It is with great alarm and foreboding, that I write to your offices regarding the proposed bail-in legislation aimed at protecting the "too-big-to-fail" banks (TBTF) from any adverse ramifications, associated with their derivative undertakings and any subsequent "run" on such gambling institutions.

Were bail-in legislation be introduced, it would provide "carte blanche" backing for the TBTF banks, to continue and no doubt increase their exposures in the derivative "casino" in much the same way as any gambling addicted individual would behave, knowing that their wins would be retained and their losses covered by the financially ignorant/trusting depositors. It is axiomatic, that for every win/loss, someone/somewhere, enjoys/suffers in equal proportion.

Glass-Steagall separation of normal banking from risky financial transactions is clearly an honourable course for our legislators to undertake and an action that could be broadcast to all constituents. Conversely, if bail-in proposals continue to be discussed/planned in the knowledge that the vast majority of Australians are unaware of the possible losses they would incur, then such discussion/planning is dishonourable by definition.


Although I don't normally gamble, I am more than willing to bet, that any bail-in episode, would not derive tangible monies from our Government representatives, banking hierarchy, high wealth individuals and other "insiders". The bail-in event in Cyprus provides a clear template of the likely methodology.

The notion that depositors would be recompensed with shares in the same banking institutions that expropriated their funds, is knowingly dishonest, given their predictable future value of such holdings in a stressed entity.

One does not need to be a visionary, to predict the type of society that would ensue once the nexus of trust between individuals, organisations, financial entities and government is damaged/broken. The defence that many others around the world are invoking identical bail-in measures and Australia must do likewise to remain competitive/in- step, is disingenuous and demonstrates a "lap-dog" behaviour.

There is a clear right and wrong in this matter and copious volumes of documentation, to camouflage the issues cannot obviate the right and proper course of action. I would implore all concerned, who are elected/chosen to protect the rights of citizens, rather than the speculators, to act with integrity.

Yours Sincerely,



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