

# G-2

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Santa Fe NM

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**Good Morning and Happy Holidays from frosty, cold but sunny Santa Fe NM. We have much to discuss in the Issue #12 as considerable happenings have occurred since our last issue. With the Health Care bill moving ahead, unemployment still over 10%, bank lending is still clogged, banks falling like flies with other buzzards circling and my man Tiger in a whole heap of trouble, let's begin.**

**There does appear to be light at the end of this 2007-2009 Great Recession, shoppers are out doing their holiday things, the markets are improving and TARP funds are being repaid by several of the biggest banks. While the Big Five Banks (BoA, Wells, Goldman, Morgan Stanley and JP Morgan Chase) are recording record profits for 2009 and big bonuses could follow, the rest of the banking world is hemorrhaging red ink and now 136 banks have been closed by the FDIC in 2009 YTD. GA still leads the country in bank closings with 24 and 2010 should be even worse according to reputable sources with up to 50 more banks being closed. 552 banks are now on the watch list as the FDIC plans to increase staffing in 2010 and 2011 to handle the new workload. FDIC Chair Sheila Bair says bank failures in 2010 should rise due to inadequate Tier-1 capital, troubled commercial real estate and inadequate loan loss reserves. Government intervention continues as succession planning and board influence is distracting for bank and corporate managements and takes their focus away from returning to profitability, higher shareholder return on capital and increased bank lending.**

**Regulation will be key issue in 2010 for our banking sector and the potential arises for a single bank regulator, the proposed Consumer Financial Protection Agency and more than likely a Bank Czar. With more and more regulation and more government involvement in this sector, one can expect lower profits and at the end of the day, less lending to small business, the real economic engine. My observation of this concludes that most businesses including banks work best when left alone and regulation is minimized. This new Obama administration & Democratic Congress is hell bent on increasing regulation and Washington control of many major industries. This trend is bothering as the Entrepreneurial spirit is stymied with this increased cost of compliance and bank credit unavailability.**

**I chuckle when I hear of another Job Summit and would advise the administration that while the big banks and big corporations are shedding jobs reflective of soft demand for their products and services, small business are likewise not hiring till demand increases. The only real genuine "Job Creation Engine" is NEW Businesses and new ideas finding funding, finding customers who will buy.... and then hiring**

**people to deliver on this new business concept or service. Entrepreneurs deserve my corporate medal of honor today and everyday for taking risks with their lives and their capital , dreaming big and working long and hard to bring their dreams into reality and creating profitable enterprises and hiring talented skilled employees to make the widgets or whatever and selling them to consumers. How hard is it for the Washington types to get this simple solution to 10-12% unemployment and needed job creation. One wonders and surmises that few in this administration have ever been in business for these truths are not learned in the halls of academia or Congress. I saw a chart recently that confirmed that this administration, its key staffers & Czars had less real world business experience that any administration in the last 40 years. Go Figure!**

**I read in the paper this morning that the Obama Administration planned to set aside \$30 billion for small businesses through lending programs, mortgage relief or loan modification...Please Mr. President, set this aside for creation of New Business and the new jobs and recovery will come from this source and few others. A new Entrepreneur led seed capital fund with this capital would go far to lowering the unemployment rate and speeding up a healthy and sustainable recovery. Put the money in other rat or pork holes and plan on 12-15% unemployment rates and a slow jobless recovery that will take 2-3 more years. You Sir, could be out of office by then.**

**Atlanta finally has a new Mayor in Mr. Kasim Reed who defeated Independent Mary Norwood by 714 votes in an early December runoff. He will follow 8 years of Ms. Shirley Franklin who in my view did an excellent job of cleaning up the messes of former Mayor Bill Campbell, who left office and then went to jail for tax evasion and other high crimes and misdemeanors. Many of the Atlanta City department heads are retiring and the new Mayor can bring new talented team to Atlanta city government that is as big as many Fortune 500 companies. Best of luck Mr. Mayor.**

**Back in New Mexico, the New York probe led by Attorney General Cuomo is spilling over into the Land of Enchantment. Aldus and others conducted what is called in the Santa Fe bars “ Pay to Play” where money manager desirous of state investment business often contribute to the Governors campaign or PAC or pay feeders who refer state business and then are kicked back to FOBs ( Friends of Bill). It’s a mess here and the State Investment Officer Gary Bland who came from Boeing and made over 300k per year has fallen on his sword and resigned under a vote of “no confidence”. Watch the papers closely over the next few weeks as the noose is drawn tighter around Governor Bill Richardson. The connection with alleged bank loan schemer Hassan Nemazee is too close to “Boss Hog”. I predict Richardson will not finish his second term ending in 2010 and is heading to white collar jail with Madoff, et el.**

**Dubai’s brush with insolvency was brief and after their rescue by Abu Dubai, the Dubai World and developer Nakheel irrational exuberance will be a bit more**

**constrained. The QE II is still in dry dock and other seemingly mad investments will be slow in coming off the drawing board.**

**In the Chinese calendar, 2010 is the Year of the Tiger..... but 2009 has been his best and his worst year. Capturing the 2009 FedEx Cup and 10M dollars, Athlete of the Decade and Top Golfer for 2009 were all exceptional and a tribute to his mastery and skill set on the golf course. Off the course, 2009 will go down as his worse with allegations of reckless and capricious affairs, little martial bliss and the object of revelations of behavior unbecoming a Golf Phnom, super star and role model for young kids worldwide. As the country's first billion dollar Athlete, his lack of integrity and character has reduced Eldrick Woods to a mortal man like all of us. We hope his indefinite break from golf will allow him time to genuinely work on "being a better husband, father and person".**

**Go to the Saturday Night Live website and watch the Tiger Interviews for a little Christmas humor. It's a little lonely this Christmas in Windermere, FL as Elin and the Tiger cubs-Sam and Charlie are in Sweden for some indefinite period. Withdrawals of sponsorship from Accenture, Gillette, Pepsi and now Tag Heuer will be followed by others I predict in early 2010. Bad Boy behavior is getting expensive and does not go down well with big corporate sponsors. Many have said that he was a winner on the golf course but a loser in the Game of Life. PGA Commissioner Tim Finchen and Jim Nance will croak but I predict his break from professional golf will last 3-5 years as he devotes himself to the Tiger Woods Learning Centers and hopefully saving his marriage to a beautiful Swede.**

**With high hopes you enjoyed reading G-2 this year and may have actually learned a thing or two. As always your comments and very gentle critique are most welcomed.**

**2009 is drawing to a fast close, economic recover is in the air and I want to wish each of you as friends, GOA Angels, Entrepreneurs, golfing buddies and close associates..... a Very Merry Christmas and a Happy and more Prosperous New Year in 2010.**

**Tarby Bryant  
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