

Wall Street shenanigans made for a sorry story

During the holiday break, I've had the time to mull over the events of the past year or two.

Upon reflection, it seems clear the most broadly consequential were the corporate, accounting, banking, brokerage and insider trading scandals that led to the collapse of the stock market and the sharp drop in the net worth of countless millions of households.

The total loss to investors since 2000 has been something like \$7 trillion, which is a number so large and so abstract as to lose meaning for me.

More telling are the countless personal stories of financial loss and confidence in the future, stories that literally every reader of this column can recite in sad detail. People who had retired with the (false) security of a fat investment portfolio who discovered they had to go back to work just to maintain their standard of living. Workers who saw their 401(k) account drop to a "201(k)" or worse. Young families who had made a down payment on their first house who discovered they had lost the asset base to qualify for their loan.

And so, you might reasonably ask, what has happened to the perpetrators of this scandal?

Not much. Sure, Ken Lay and Andrew Fastow at Enron are facing well-publicized criminal charges, as are a few high-profile folks at Global Crossing, Tyco, WorldCom, InClone, Adelphia and so forth.

But what has happened to the big shots on Wall Street — the brokers, the bankers, the lawyers, the analysts — the ones who were so complicit in laying the foundation and abetting the biggest financial scandal since the 1920s?

For example, it's now been conclusively proven the big Wall Street firms leaned on their "independent" research analysts to produce optimistic reports on the self-same firms whose stock they were underwriting. We've even seen the texts of confidential e-mails from analysts describing as "rubbish" the very stock they were touting to the public. Enron's lawyers waded up their well-scrubbed amputees in penning (literature) opinion letters that said the shenanigans with off-balance sheet partnerships were OK, while brokers were executing big sell orders from executives who saw their companies

going under the tubes and wanted out before the public caught on.

What about those guys? Anybody going to the cleaners? Nope. A couple of analysts, now retired with their multi-million dollar profits, have been banned from dealing with the stock market. How sad. Anybody getting fined personally? Not that I've heard. Any firm paying restitution to the stockholders who trusted their analysts' advice and wound up with nothing? Pssh the thought.

Last week, to the mixed sounds of trumpets of publicity and sighs of relief, the regulators announced a "final settlement" with the folks on Wall Street. The firms involved, without admitting or denying any wrongdoing, would collectively pay about \$1 billion in fines to finish inquiries into their conflicts of interest in research. They would also pony up \$500 million to finance independent stock research operations that would be given to their clients along with their own stock reports.

According to the *New York Times*, settlement negotiations had been going on since October. They were complicated, involved were New York Attorney General Eliot Spitzer, the SEC, the New York Stock Exchange, the National Association of Securities Dealers and the big Wall Street firms. Evidently, the big sticking point was just how to divvy up the \$1 billion fine between the firms involved — proof positive that avarice remains the primary driver on Wall Street.

You don't hear of that \$1 billion going to the folks who got bilked by the Street over the past couple of years, do you? And please note that the key phrase in the deal with the regulators was "final settlement," which effectively prevents class-action lawsuits by the countless investors who got the shaft.

The great thing about Wall Street — the banks, the brokerage houses, the lawyers, the analysts, the CPAs — is that they're all in it inescapably together. "We first" has been the Wall Street slogan for many years, and if the public gets screwed, that's just too bad. The Wall Street insiders will always win against the ordinary Main Street rubes. And what we just saw in the "final settlement" is nothing more than the latest proof point.

Phil Power is the chairman of the board of the company that owns this newspaper. He would be pleased to get your reactions to this column either at (734) 953-2047 or at ppower@homecomm.net.



Estralee Michaelson

Community issued another Call to Action

A executive director of the Call to Action Coalition, I must be honest and state that as I initially read the editorial *Drug death shows no place is safe*, I was immediately angered.

In retrospect, I must admit, that your first paragraph caused me to react at a gut wrenching level, all the more so because of both the school community and the Call to Action Coalition, a sense of failure consumed me.

As the days passed, and I struggled to objectify the article, I remembered a quote that I often use with those of us who have committed to the journey to drive change/change attitudes regarding drug use and violence: "Courage doesn't always roar. Sometimes courage is the quiet voice at the end of the day saying, 'I will try again tomorrow.'"

It was then that the "ah-hah" moment happened and I was finally able to identify the source of my anger. It was the word "safe." Safe seemed to imply that somehow, despite numerous efforts, the use and abuse of drugs had become a faceless demon, raging rapidly and destructively out of control and we, as a community, were powerless to defend and to support one another from its weapons.

Thus, again, with no mincing, let me begin by stating that I continue to be saddened by the fact that it takes the occurrence of a tragedy to inevitably force us to demand a change. Yet we must not ignore a very stark reality. In order to impact change, all community sectors must overcome denial or complacency, examine norms and attitudes, confront behaviors and ultimately take action. The key word is "action," otherwise we face the inevitable ebb and flow of concern and apathy.

When tragedies occur, particularly with our youth, the single words that resound the loudest are blame and denial. Blame allows each and every one of us to escape involvement. Denial only minimizes toxicity and enables dysfunction and sadly, our kids interpret this denial as tacit approval. My response to these attitudes is that if you are not willing to become involved, your mere blame or denial only perpetuates the cycle of inaction.

Each of us needs to realize that what happened within one of our homes, causing so much grief within the Starling family as well as affecting so many of us, has deeply impacted our community.

So what do we want to do about this tragedy? In order for communities to address drug and violence prevention issues, a multileveled approach is demanded. Additionally our approach must never be construed as a win/lose proposition. Our approach must simulate a journey, for there are no short-term solutions when

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We choose to impact attitudes and behaviors. We need to make a long-term commitment, without compromise.

Jason Starling's death is one too many therefore, whether some of you like it or not, here comes another one of my CALL TO ACTIONS.

It is time to break the no talk rule and for families to reach out to families in need of support.

It is time to recognize the necessity of vigilance and availability for all of our children and to love and to support one another unconditionally.

It is time for schools to recognize their roles and responsibilities within this critical initiative because if drug and violence prevention initiatives are not kept within the forefront, K-12, as an equally important priority as core curricular academics, test scores won't matter.

It is time for students to no longer tolerate inappropriate behaviors among peers, to set standards among student bodies so that each and every student feels safe and accepted and to no longer keep secrets when fear permeates.

It is time for law enforcement, the judiciary and juvenile justice systems to never forget that a single contact with a juvenile may be a critical opportunity to identify or to intervene with a potential drug or violence problem, either with the juvenile or within the family system.

It is time for faith-based communities to strengthen and to uphold the premise that drug and violence issues are a major concern of congregations and that there is an expectation that religious leaders will foster that concern.

It is time for the media to cease glorifying the negatives. We must utilize the power of the press to continually update and educate the community on trends and research regarding drug and violence issues as well as to publicize community action planning.

Praying and educating are NOT "all we can do."

Estralee Michaelson is executive director of the Call to Action Coalition and Director of the Safe/Drug Free Schools Program for Farmington Public Schools.

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**Be courteous.
Be smart.
Be safe.**

This material was developed through a project funded by the Michigan Truck Safety Commission.