Economic Growth Regulatory Paperwork Reduction Act (EGRPRA) Outreach Meeting

San Francisco, CA 94127

March 6th 2025

Hello members of the committee and all the guests
My name is Dr. Peter Nguyen, I am a practicing Neurosurgeon from the state of California. I am thankful for the opportunity to participate in the FDIC matters discussion and allow me to provide comments and inputs.

Foremost, I like to thank FDIC and all its employees for working tirelessly to protect the financial interests of the American people. We know that much hard work has gone unnoticed. At the same time, we have to criticize the agency for its failed tasks that may have caused pain and financial losses to thousands and even millions of American consumers and investors.

FDIC - established in 1933 to regulate and insure deposits in banks and saving institutions in order to maintain stability and public confidence in the financial system.
Over the years through the crisis, we see a corrosion in stability and confidence level.
- We saw that during this banking crisis, the FDIC wasn't protecting the mainstreet consumers and investors, it was protecting the rich when the FDIC opened up the wallet to pay billionaire depositors in full amount

- we also witnessed the FDIC turn public banking institutions into obscured, shadow government-owned properties such as Signature Bank of NY. FDIC left many people's questions unanswered, providing no financial transparency or about the future of banks like SBNY.

A December 2024 report by the FDIC Office of Inspector General (OIG) identified significant shortcomings.

Key Findings from the OIG Report:

- **Agency was Inadequately Prepared:** The FDIC's readiness to resolve large regional banks was "not sufficiently mature" at the time of the 2023 bank failures, hindering effective crisis management.
  bankingdive.com
- **Agency did not anticipate Failures:** The FDIC faced challenges due to the unexpected rapid liquidity failures of SVB, SBNY, and First Republic Bank, which were among the largest bank failures in FDIC history. It is FDIC responsibility to foresee, predict and resolve crisis hopefully before it happens
  fdicoig.gov
- Also note that many of the FDIC employees were working remotely prior to, during and leading to the time of the crisis.

In addition to the lack of oversight, there are many criticisms of the FDIC

- In 2024, there were are many allegations of workplace misconducts including sexual harassment and improper bad culture within FDIC of bullying and verbal abuse (more than 500 people), some directly at FDIC chair Martin Gruenberg.

- Despite its failure in 2023, FDIC rewarded employees with bonuses and promotions. It shows that it pays to do wrong. FDIC leadership engages in DEI promotion and hiring candidates with little experience and little supervision

- Allegations of Targeting the Cryptocurrency Industry (24) - along with SEC chair Gensler, efforts to limit and shut down cryptocurrency businesses' access to banking services and banks that do business with crypto companies. SBNY was one of the victims as a result. Several citations at Axios.com

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- Bank Seizures and Legal Actions -
    - FDIC is facing a lawsuit by Silicon Valley Bank.
    - SBNY remains non bankrupt to date confirming the2 days later FDIC shut down SBNY abruptly, despite ongoing discussion and declaration from former US Rep Barney Frank, who was a SBNY board member, that the bank is solvent and has adequate liquidity.

As a shareholder of the failed Signature Bank, which entered receivership on March 12, 2023. I am speaking here today under the 'Consumer Protection' and 'Power and Activities' categories of this review. I want to highlight a lack of transparency that's left shareholders in the dark about a potential \$30–\$35 billion surplus—billions that could equate to about \$500 per share, yet remain unaddressed by the FDIC."

"Signature Bank had \$88.6 billion in deposits and \$110.4 billion in assets when it failed. The FDIC retained \$60 billion in loans, with \$33 billion in joint ventures. By November 2024, the bridge bank report shows \$13.5 billion paid against a \$38.7 billion FDIC claim, leaving \$25.2 billion outstanding. The Federal Register, on November 29, 2023, pegs the net DIF loss at just \$900 million—meaning recoveries like the \$13 billion by December 2023 and potentially \$24–\$28 billion by now are surpluses. Yet, there's no public word on a surplus that could exceed \$30 billion anywhere including the FDIC website. This opacity is staggering—shareholders deserve to know if our bank's solvent estate will yield an investor payout, and not vanish into silence." Billions of dollars have gone unaccounted for with agencies such DOD, Treasury, D of Ed, US AID, etc…American public is very wary of what is going on ,and the silence here with SBNY makes us very uncomfortable.

EGRPRA's mission is to reduce unnecessary burdens and boost public confidence. This should help. The FDIC's receivership process—under 12 U.S.C. § 1821—prioritizes depositors and creditors, but shareholders are last in line with no mandated updates. This lack of transparency is an outdated burden on millions of us, the equity holders like myself, especially when the Deposit Insurance Fund's $900 million hit is covered by assessments, not the estate. The bridge bank report hints at solvency, yet we're left guessing. A modern regulatory framework should require proactive disclosure of potential surpluses, not suppress them until liquidation ends years from now—potentially 2026 or later."

"I urge the FDIC to act now: release a detailed update on Signature's estate—collections beyond $13.5 billion, JV profits, and surplus projections. We need audited financial reports and transparency. Shareholders shouldn't need lawsuits or FOIA battles to learn if $480–$550 per share is real. I ask this panel to recommend a policy shift: mandate interim surplus reports in receiverships where assets exceed claims, protecting consumers like myself. Silence on billions isn't just inefficient—it's unfair and it leaves room for frauds and corruptions. Please, give us clarity before this windfall fades into obscurity."

"As a shareholder, I held on through Signature's collapse, believing in its value. Now, with $30 billion possibly at stake, I'm flabbergasted by the quiet. This isn't just my fight—thousands could benefit.
Thank you for this platform and for considering how transparency here could reshape trust in banking oversight."

Sincerely,

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Dr. Peter H. Nguyen MD

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