

THE FDIC TAKES OVER A BANK

I made a juvenile joke the other day about the Northeast taking over Commerce and Freedom in Georgia. But the reality that banks are being taken over by the FDIC all over the country is no laughing matter.

FDIC allowed 60 Minutes to follow it as it closed down one small bank—watch the YouTube to see how it works (in this case it was fDiC taking over our Heritage, ha ha).

Two things, though. First, notice Sheila Bair's reaction to two questions: how many more (she didn't answer, "tons") and why not Citi (she didn't answer, "we're not equipped to take over Citi yet"). If I were Sheila Bair, I'd already be having nightmares about FDIC's upcoming feast on Citi.

As to the latter point, remember this video shows a five branch bank being taken over, and the FDIC stationed 8 FDIC employees at each branch when they did the simultaneous takeover. How many branches does Citi have? This says 1,400, plus 3,800 ATMs. So 8 employees for all 1,400 branches, and the FDIC needs at least 11,200 employees **just** for the takeover, even before you get to runs on the ATMs and the website and the infrastructure (and given the global reach of Citi, "simultaneous" gets more challenging). I guess that's why they're hiring in big ways.