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Basel Committee on Banking Supervision
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
SWITZERLAND

Via email and international mail

Re: Comments on Pillar 3 Disclosure Requirements for Remuneration

Dear Basel Committee:

Your consultation on Pillar 3 disclosure requirements for remuneration was reported in a 27 December 2010 item in BBC Business News, "Bank bonuses in global disclosure call." I note that the Committee formulates broad supervisory standards and guidelines for "best practice in banking supervision," and I note that your December 2010 "Consultative Document" on disclosure requirements for remuneration in the banking industry generally invites "comments on all aspects of this consultative document." I write to offer such comments. I will identify myself, the particular group potentially affected by the requirements, and points in support of the remuneration standards set out at pages 3-5 of the Consultative Document.

I am an American lawyer who, generally, has represented American consumers for approximately 41 years. More specifically, I presently practice law in the judicial system of the Navajo Nation. It is a sovereign indigenous American Indian nation that has a territorial jurisdiction that is larger than nine States of the United States and a significant population that resides within the boundaries of the U.S. States of Arizona, New Mexico and Utah. Past practice include defending consumers in the Connecticut State Courts and I defend and bring consumer actions in the Courts of the Navajo Nation. In one reported case, *Green Tree Servicing, Inc. v. Duncan*, No. SC-CV-46-05 (Navajo Nation Supreme Court August 18, 2008), I successfully submitted arguments that mandatory arbitration based on a fine-print clause in a consumer contract was invalid because it was unconscionable under principles of American and Navajo traditional law.

The Pillar 3 disclosure requirements under consideration are particularly important to Navajo

consumers. Prior to the current collapse of the American economy caused by exploitative and predatory banking practices, Navajos suffered as targets of commercial exploitation. Merchants in the border towns surrounding the Navajo Reservation, and in nearby commercial centers such as Albuquerque or Phoenix, exploited Navajos in consumer contracts for goods and services that were frequently shoddy or negligent at excessive prices and interest rates. Such exploitation continues.

Those practices were promoted by the banking industry through the practice of the assignment of consumer contracts, to make assignees holders in due course, and resulting collection practices that cannot be defended because of the law of assignment. Navajo consumers have limited access to legal services to defend abusive and predatory consumer arrangements, fostered by banks, and unconscionable consumer transactions are regular.

The issue of the disclosure of requirements for banking remuneration is relevant. At present, American banking institutions are continuing to engage in predatory practices without proper regulatory control or oversight and losses are charged to impecunious and unrepresented individuals, such as Navajos, at will. One of the mainstays of the banking industry in the United States, and firms associated with banking, is excessive compensation in the form of salaries that have no relation to contribution or bonuses that are unreasonable under the circumstances.

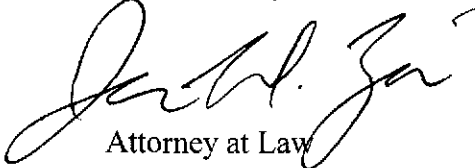
The eleven remuneration "key disclosures" that are encouraged and recommended to complement and support an overall risk management framework are an important first step and I support them. I recognize that the proposed requirements are recommendations, and I recognize that the Basel Committee on Banking Supervision is an international organization that does not have standing as a "regular" international institution, but I also recognize something else:

One of the most important elements of international law is a growing recognition that "soft law" efforts, such as this, to articulate non-binding yet preferable international standards do have positive impacts. Efforts to introduce reason to the process of setting compensation in banking institutions is in fact a human rights initiative, and it is related to the international human right of economic development with social justice.

I therefore support the proposed standards for remuneration stated in the Consultative Document and offer my name and situation as a supporter.

Please advise if I can be of any additional support.

James W. Zion

A handwritten signature in black ink, appearing to read "J. W. Zion", written over the printed name and title.

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