



"I spent years searching for the meaning of life, only to find that it had no practical business application."

## Just in case it matters to you:

- **THE COLLAPSE OF FINANCIAL SYSTEMS IN AMERICA AND EUROPE WILL MOST LIKELY RESULT IN A 'PENDULUM' IMPACT.** As happened with Sarbanes-Oxley overreaction to the Enron/WorldCom collapse, expect upcoming 'reform' to swing too far and too fast toward conservative extreme by "sharply tightened regulation. It is widely acknowledged that this crisis reflects the greatest regulatory failure in modern history – from bank supervision, to S.E.C. disclosures, to credit-rating oversight. The recriminations, let alone the criminal prosecutions, are just beginning, with unanimity that broad regulatory reform is necessary...including minimum capital and liquidity standards, among other measures." Combined with the actions of financial institutions themselves – starting with "overhaul of credit-approval and risk-management systems, as well as leverage and liquidity ratios, so that stricter standards prevail" – any return to robust financial activity will not be quick. Moreover, the U.S. budget deficit for next year will probably hit \$1 trillion, more than double last year's record level, "by far the largest nominal deficit ever incurred by any nation, and representing 7.5% of GDP (a level previously seen only during the world wars)... It is increasingly evident that the severe recession unfolding in the U.S. and Europe will be the deepest slump in the world economy since the 1930s...signaling a brutal economic period ahead."  
[FOREIGN AFFAIRS – Jan/Feb 09]
- **THE NEWEST POLICING METHODOLOGY BEING UTILIZED IN BIG CITIES COMES FROM CHICAGO.** For fifteen years, New York City's 'zero tolerance' model "has dominated thinking about law and order in America... The Chicago approach is almost the exact opposite: rather than cracking down on petty offenders, authorities focus on those who are most likely to be killed... Rather than insisting on zero tolerance from the police, it depends on local people and tries to change what the *residents* of crime-infested areas will tolerate." Apparently the killing rate has soared in big gang cities "for inane reasons – such as somebody looking at their girlfriend the wrong way." Under the new approach, "a team of outreach workers try to mobilize communities to oppose violence, often in partnership with local clergy. Then, at night, 'violence interrupters' – often former gang members and graduates of the prison system – hit the streets to sniff out trouble. They may, for example, encourage an aggrieved man to consider beating someone instead of shooting him, or try to convince rival drug-dealers that a turf war would be bad for business, as it would attract the police." Of the ten cities rolling this trial program out next year, one is New York, so it looks like petty-offender crime will be making a comeback.  
[THE ECONOMIST – World in 2009]
- **TIGHT MONEY WILL IMPACT FUNDING OF 2008 DEFINED-BENEFIT PENSION CONTRIBUTIONS** for many companies, particularly including service professionals. CAUTION: just-passed legislation now triggers a 10% excise tax *plus* gives IRS discretion to impose a 100% excise tax, assessable every subsequent year the minimum required contribution remains unfunded by September 15. "While this issue is playing out over the first three quarters of 2009, plan sponsors may consider freezing or possibly terminating plans" – but beware that after 1000 hours service, it would generally be too late to then modify 2009 contribution obligations.  
[ACTUARIAL CONSULTANTS BULLETIN – Dec 08]
- **NO-CARB DIETS IMPAIR MEMORY.** A Tufts Univ. study which compared diets of NO-carbs to diets of LOW-carbs and low-calories found that participants "performed significantly worse on memory tests...demonstrating that the foods we eat can have an immediate impact on brain functions." Since the brain needs glucose for energy, and glucose is derived from broken-down carbohydrates, "diets too low in carbs can be detrimental to learning, memory and thinking."  
[WEB M.D. HEALTH NEWS – Dec 12, 08]
- **THOUGHT FOR THE WEEK:**  
**"I always wanted to be somebody, but now I realize I should have been more specific."** –Lily Tomlin