



**OPENING STATEMENT OF CHAIRMAN EDOLPHUS
TOWNS
COMMITTEE ON OVERSIGHT AND GOVERNMENT
REFORM**

DECEMBER 11, 2009

**“BANK OF AMERICA AND MERRILL LYNCH: HOW DID
A PRIVATE DEAL TURN INTO A FEDERAL BAILOUT?
PART V”**

Good morning and thank you for being here today.

The Committee’s investigation into Bank of America’s acquisition of Merrill Lynch has resulted in an unprecedented look behind the scenes of one of the biggest bailouts in American history.

Did the Federal government force Bank of America to go through with the merger? Every Bank of America senior executive involved has told the Committee that the government did not force them to go through with it.

In fact, they told us they decided to go through with the deal because they thought it was in the best interests of Bank of America and its shareholders. Ken Lewis also testified that no one in the government did anything improper during this transaction.

If there are still people who want to say the government

forced Bank of America to go through with this deal, they are turning a blind eye to the facts we now have before us.

Over the course of this eight month investigation, the Committee has held five hearings; received extensive testimony from top executives at Bank of America and senior government officials; conducted numerous interviews; issued two unprecedented subpoenas to the Federal Reserve for internal records; and reviewed nearly half a million documents.

Most importantly, public scrutiny and oversight by this Committee has produced tangible results:

- This week, Bank of America paid back its entire \$45 billion Federal loan, plus interest.
- In addition, under pressure from this Committee, in September, Bank of America agreed to pay \$425 million to the Treasury Department in compensation for toxic asset insurance the bank received, but never paid for.

In sum, our bipartisan investigation has resulted in the American taxpayer recovering approximately \$47.5 billion. Even in today's world, that is real money, and every member of this Committee should be proud of our efforts.

While I believe that we have thoroughly examined all the issues involved in this case, I agreed to grant the Ranking Member's request for one more hearing to tie up some loose ends that he is concerned about. This will close the Committee's full, fair, and successful investigation of the Bank of America-Merrill Lynch merger.

Thank you.