

MELTDOWN 101:

What do stress tests mean for me?

by **CANDICE CHOI,**
Associated Press

NEW YORK - Now that the highly anticipated results of the stress tests are finally out, what kind of service changes can you expect from your bank?

It might be alarming to hear your bank needs to raise billions of dollars in a short time. But you likely won't see any major changes in day-to-day services regardless of how your bank performed.

The stress tests on the nation's 19 largest banks were intended to gauge whether they could weather another major downturn. Ten of the banks, including Bank of America Corp., Citigroup Inc. and Wells Fargo & Co., were told they need to raise capital — in most cases, billions of dollars. The others were declared stable.

That's not to say banks in the latter group will stop hiking credit card fees or lowering interest rates on deposit accounts — trends that have been under way for several months now.

Still, the stress tests do have implications everyday customers should consider. Here are some questions you might have about how the stress tests might affect your banking experience.

Q: First off, is there any reason I should switch banks if mine was determined to need more capital?

A: The stress test results don't have any bearing on ordinary deposit accounts, which are insured by the Federal Deposit Insurance Corp. After the financial crisis accelerated last fall, the government raised the limit insured for individual depositors, from \$100,000 to \$250,000, through the end of this year.

One possibility to consider is that your bank could sell off one of its units. Even if that happened, the accounts with the unit would remain FDIC-insured — any changes you'd see would boil down to customer service. Depending on the new owner, the only difference you notice might be the name on the door.

Q: What if I'm looking to open a savings account, CD or money market account? Will the best rates come from the healthier banks, or the less healthy ones?

A: In theory, a bank could raise cash by offering more competitive interest rates and attracting greater deposits. But the boost wouldn't be big or fast enough to meet the demands of the stress tests.

"That's a very slow process, and the stress test is more of an immediate need," said Brian Bethune, an economist with Global Insight.

Besides, the tests are expected to factor in how much banks could reasonably generate through operating earnings, Bethune said. So any capital

requirements spelled out in the stress test results would be in addition to that.

One area where customers might get a break is with loans, Bethune said. The banks deemed healthy will likely be able to get lower interest rates on wholesale funding, which can be passed onto consumers in the form of lower mortgage and auto loan rates.

The benefit would be for the creditworthy, of course. Banks long ago clamped down on people with poor credit histories, meaning their chances of getting a loan won't improve anytime soon.

Q: Let's say the stress test determined my bank needs to raise a lot of capital. Should I brace myself for interest rate hikes on my credit card?

A: It's very possible you could see rates and fees go up, but that's nothing new these days.

Banks have been slashing credit limits and raising interest rates on credit cards for the past several months. This is part of the banks' ongoing struggle to reduce risk and raise revenue. Banks are also responding to new, unprecedented regulations in the credit card industry.

As such, you should already be keeping a sharp eye on your credit card statements.

Q: If I'm an investor, what will happen to my stock?

A: Banks might raise capital by converting private preferred stock to common stock. If you hold any common stock in the bank, this could dilute the value of your shares and dividends. If you're a holder of a preferred stock, which gives you greater rights to the company's assets, you shouldn't see any change.

It's not necessarily a great idea to invest in banks deemed stable, either. With all the leaks about the test results leading up to Thursday's official announcement, stock prices have largely adjusted for the results.

"At this point, the results are already priced in," Bethune said.

Q: So is there any impact at all on my accounts?

A: The idea behind the stress tests was to restore confidence in the nation's banking system, which regulators see as key to rehabilitating the economy.

In turn, consumers would see improved interest rates and credit availability. The question, of course, is how investors react to the stress test results and how the banking industry fares in coming months.

"The economy is not going to turn around until people have confidence in the system. That's the first domino to fall to getting economy to turn around," notes Mark Tedhundfeld, spokesman for the American Bankers Association. ■

Jatropha Conference and Expo

LOS ANGELES - A company called Farming Biodiesel Inc.(FBI) based in (Riverside County) Desert Center ,California is holding a Jatropha Conference & Expo. On May 15,16 &17, 2009 (Fri, Sat. & Sun.) at the company farm site in Desert Center, California. A farm demonstrations on how to plant, cultivate & harvest Jatropha, witness the actual operation how to turn the seed into crude oil. This is the only American Jatropha farm registered with USDA. This is our first Jatropha Conference & Expo .Experts will talk about recent issues on biofuel technology. Luxury buses will transport attendees from Agua Caliente Resort & Casino Hotel at Rancho Mirage. to the FBI farm and back. Please visit: www.farmingbiodiesel.com and access Conference & Expo box to see links, schedules & activities of FBI Farm.



In the past we heard about black gold wealth, from fossil oil coming from deep beneath the earth. Green Gold is a renewable source of energy from plants. A huge opportunity to benefit farmers and investors in this new wave of wealth & job creations. You will help in the reduction of pollution in the air, help reduce global warming. The Government mandates creates investors tax cred-

its, industry global carbon credit for planting Jatropha. The US Stimulus package contains \$43 billions in incentives for business engaged in Renewable Energy Development.

What is Jatropha Tubatuba, Kasla or Tubang Bakod? It is a plant that will start to bear fruit after 6 months of planting, and will be ready for harvest in a year.

The maximum seed oil content is about 40% , increases yield yearly to a maximum in five years and level off thereafter. It will continue to grow and bear fruits for 40 years.

Everyone is invited to attend this conference. Mel Alfaro will be hosting a booth and will assist in coordinating the Conference & Expo for Farming Biodiesel Incorporated. The cost to attend the three day event including farm tour, transportation, meals, drinks at the venues (Conference & Expo) is \$695.00 per person. Excluding hotel room which runs at \$109.00 per night at the Agua Caliente Resort & Casino at Rancho Mirage.

Call Chris Barrios,(non-Filipino) Marketing Director at (760) 227-3388, for details email him at: chris@farmingbiodiesel.com A package offered by Mel for the first 20 callers who will attend. Get a discounted half price of only \$350.00 . Please call Mel, at (818) now (747) 772-6933 or (747) 438-1878 cell phone. Or email him at: CCAlfaro@socal.rr.com. ■

Academy to Celebrate 100 Years of Filmmaking in 'Hollywood'

BEVERLY HILLS – The Academy of Motion Picture Arts and Sciences will celebrate the centennial of the establishment of the first permanent film studio in Los Angeles with *Movies! Moguls! Monkeys! and Murder!*, a screening event showcasing early motion pictures filmed in Los Angeles between 1909 and 1914, on Wednesday, May 20, at 7:30 pm at the Linwood Dunn Theater in Hollywood. The event also kicks off a three-month exhibition illuminating the pioneering companies, filmmakers and locations that quickly made filmmaking in Los Angeles such a boom industry.

Movies! Moguls! Monkeys! and Murder! will feature archival prints representing the earliest surviving glimpses of Los Angeles as a filming location. The accompanying exhibition, includes rare photographs, original correspondence, vintage camera equipment and other artifacts, is highlighted by materials relating to the first film studio murder as well as the Selig menagerie, a forerunner of the Los Angeles Zoo.

After shooting some location footage at a Los Angeles-area beach to insert into an otherwise stagebound *Monte Cristo* (1908), producer William Selig and director Francis Boggs realized the city's filmmaking potential and opened the first permanent film studio in the suburb of Edendale in 1909. Their pioneering works, along with those of several other companies that moved westward shortly thereafter, culminated in the 1914 releases of Cecil B. DeMille's *The Squaw Man* and Selig's *The Spoilers*, early feature-length productions that launched the "Hollywood" legend.

Tickets to *Movies! Moguls! Monkeys! and Murder!* on May 20 are \$5 for the general public and \$3 for Academy members and students with a valid ID. Tickets are available for purchase by mail, at the Academy box office (Monday through Friday, 9 am to 5 pm), or online at www.oscars.org. Doors open at 6:30 pm. All seating is unreserved.

The exhibition is free and open to the public through August 30. Exhibition hours are Saturdays from noon to 6 p.m. and whenever Academy public programs are hosted at the Linwood Dunn Theater. The Academy will be closed for the Memorial and Independence Day holiday weekends, May 23 through 25 and July 3 through 5, respectively.

The Linwood Dunn Theater is located at 1313 Vine Street in Hollywood. For more information call (310) 247-3600 or visit www.oscars.org. ■

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TV and Film Stars to attend Garden Grove Strawberry Festival
Charity Fundraising Booths Selling Strawberry Treats and other Fun Food

GARDEN GROVE - Since 1958 the Garden Grove Strawberry Festival has treated the community to free strawberry shortcake at its grand opening ceremony, this year to be held Friday, May 22nd at 6 pm at Main and Acacia streets in Garden Grove. The giant cake will be created by French's Pastry Bakery in Costa Mesa. Some of the Saturday parade celebrities, who could not resist having a taste, will be there to say a few words and to pass out cake to the crowd. Attending this year will be Kate Linder from The Young and the Restless, Chris Warren Jr. from High School Musical, Shanica Knowles and Morgan York from Hannah Montana and Grand Marshal Emmy and Oscar winner Cloris Leachman.

In the past as many as 2,000 have come out for free cake. Garden Grove Mayor Bill Dalton traditionally cuts the first piece and presents the giant top "strawberry" to Miss Garden Grove, as he will again this year. Over the Memorial Day weekend festival the over 250,000 annual attendees head for the Festival's 174 food and commercial booths where they find treasures to buy and all kinds of treats to try. Booths open at 1 pm on Friday May 22nd and at 10 am May 23rd through 25th.

Festival's non-profit food booths who exclusively sell food at the festival each annually average from \$3,000 to \$30,000 more for their organization. Returning again to ring up high sales will be

Job's Daughters Bethel 212 offering whipped cream-topped piles of glazed strawberries paired with shortcake or ice cream or both. Their specialty, Strawberry Shortcake Supreme, every year brings long lines of patient and determined patrons. Strawberry tarts and strawberry bread will be available again from the Grove Theater box office, and this year the Garden Grove Boys and Girls Club will increase their coffers selling churros, chocolate dipped berries, cupcakes and baskets of freshly picked strawberries. Strawberry smoothies ready for slurping are the specialty of Garden Grove High School Band Boosters.

Other festival foods for charity include hot dogs, cheeseburgers and nachos-to-go with the Kiwanis Club's freshly roasted corn, and delicate funnel cakes brimming with sweetened strawberries. Barbequed beef sandwiches, Italian sausage and cheese sandwiches, stuffed potatoes, muffins and more make up the many offerings supporting worthy causes. Garden Grove charities include the Assistance League, Emblem Club 279, Guardettes, Lions Club, Pacifica and Garden Grove High School Girls Softball Boosters, plus many other non-profits selling non-food items.

According to Festival Board Member Ken Slimmer, Festival has donated over \$5 million in profits to local charities since 1958. For more information, visit www.strawberryfestival.org. ■