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# Is that a bailout in your pocket?

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There was an awkward moment of tension at the Milken Global Conference in Los Angeles, when a buysider on one panel asked a Wall Street banker whether he had pocketed taxpayers' bailout cash.

The tit-for-tat began when several panelists at the "Outlook for M&A" session began griping about the U.S. government's tax policy, which they said dissuades corporations from bringing overseas profits back home because of punitive taxes.

The panelists – including James Casey, co-head of global debt capital markets for JP Morgan, Anthony Armstrong, an investment banker at Credit Suisse, and Raymond McGuire, global head of corporate and investment banking at Citigroup – predicted that the M&A market might get a big boost if the U.S. were to offer a tax holiday of sorts for repatriated profits.

They also suggested such a move could be a boon for hiring and economic growth: Tilman Fertitta, a panelist who is chairman and CEO of the consumer products company Landry's, said he would certainly feel the incentive to do more deals and invest more at home if he could bring back his overseas profits without being taxed. He even wondered why Mitt Romney and Barack Obama hadn't made such a proposal a key point in their election campaigning.

But just before the executives could launch into a profit repatriation samba, another panelist stopped the music.

Maria Boyazny, CEO of distressed debt investing firm MB Global Partners, pointed out that previous government actions that were supposedly intended to spur the economy had only saved Too Big To Fail banks and bolstered the financial industry's fortunes. ("No offense to anybody on the panel," she said in that but-I'm-going-to-offend-you-anyway tone.)

In the intervening time, she said, corporate America has only gotten richer by cutting jobs and hoarding capital. She then wondered aloud where all the $700 billion in bailout money and trillions of dollars in Federal Reserve stimulus programs had actually gone.

She then poked her finger toward JPMorgan's Casey, who was sitting to her left and said, "maybe it's in your jacket pocket."

The crowd and panelists mostly laughed at this, but Casey did not seem to find it funny at all: "We actually didn't want [a bailout] and gave it back as soon as we could," he huffed.

JPMorgan, like its big bank counterparts, accepted a bailout in 2008 from the Treasury Department. It received $25 billion and paid it back with interest in 2009.

Boyazny seemed to enjoy being Casey's antagonist – the bond buysider vs the sellside bond banker. Casey spent a good deal of time talking about how the bond market was champing at the bit to finance M&A deals: "investors would be very happy to price the risk," he said.

But Boyazny, the apparent populist on the panel, countered that the credit markets had become "undemocratic," shutting down credit lines of small business owners while "focusing on bigger customers and bigger tickets" in corporate America.