

## **LATEST FALSE PROSPECTUS FROM 'PAULSON'S' TREASURY DECEITFUL TRANSFER OF BANK ASSETS TO BUYER WITHOUT RECOURSE**

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### **'PAULSON' SCHEME TEARS UP THE U.S. CONSTITUTION, LEGITIMISING FINANCIAL FRAUD**

**IT'S AS THOUGH THE ORGANIZED CRIME CONTROL ACT OF 1970 DOESN'T EXIST**

**A U.S. 'COUP D'ETAT BY INSTALLMENTS', LIKE GERMANY IN 1933**

**• SECOND UPDATE, 26th September 2008:**

#### **WHO'S BEING 'RESCUED'? THE BANKS? WRONG: THE CROOKS**

When 'Paulson' was televised getting down on bended knee in front of Pelosi, as though he was proposing to her (yuk), what do you suppose he was saying, apart from possibly asking for a less prominent lamp post? Here's what he may have been pleading to his co-conspirator:

**'PLEASE vote for whatever convoluted version of the Plan comes out of the works, because quite clearly if you do not, we'll be TOAST on Monday. I don't care what Congress does, AS LONG AS YOU ALL VOTE FOR SOMETHING, cuz then Dubya will be able to appear on TV and praise me for having saved America and the whole world. But the underlying reason that you MUST DO THIS, darling, is that it's our pocket money, the on-the-books cash that we need for our new trading platform, so's we can continue our hypothecation operations after we get out of this hellhole, like nothing ever happened. So be a dear, would ya?'**

**• FACT: The money that Paulson wants Congress to deliver is indeed the crooks' trading platform money. They cannot touch the Settlements. They cannot steal money any longer without getting caught as has happened on multiple occasions. Their own stolen money is stuck and cannot be brought onto the books because it is illicit, and most of it is frozen. So they need some more cash so they can start trading all over. They can turn \$700 billion into several trillion in weeks or less.**

**• FURTHER FACT: Embedded in this deception, which has gone so predictably wrong and is being perpetrated for public consumption, is the lie that the 'rescue' package (ANY OLD package) will be the 'solution' to the crisis. However the mechanism that will RESOLVE this hideous crisis is NOT THIS CHARADE, but something ENTIRELY DIFFERENT, to which is attached a LETHAL DEADLINE. The 'rescue package' serves an exclusively cosmetic purpose in this context.**

**We refer, of course, to the Settlements. This is all we are 'allowed' to say at this juncture.**

**At an earlier stage of this Music Hall, 'Paulson' made some comment about his original Plan 'sticking in his craw'. What will stick in the craw of the American people, have no doubt, is that these odious crooks are STILL DECEIVING, because the new money they are after IS NOT needed for rescuing the corrupt banks at all, but for RESCUING THE CROOKS AND THEIR CRONIES so that they can all go on playing tiddly winks after they manage to escape from the Beltway.**

**But they may be making the arrogant and increasingly pathetic assumption that they will never encounter any of those lamp posts in an upside down position. At this rate, the American people may well have the last word on that score. The game is well and truly up(side down) when the so-called US Treasury Secretary is seen kneeling before the Speaker of the House of Representatives like a mediaeval pilgrim worshipping a saint. Or like Lavrentti Beria, Stalin's Interior Ministry (MVD) Chief, who, having ordered the murder of millions, broke down and fell on his knees in floods of tears when his executioners arrived at his cell to deliver the standard bullet through the temple.**

• **FIRST UPDATE, 26th September 2008:**

**THE AMERICAN PEOPLE EXPERIENCE THEIR LONG-AWAITED AHA! MOMENT:**

It is quite obvious from the justifiably angry responses of ordinary Americans interviewed for TV shows 'as we speak' that the wheels have come off the 'Paulson'-Bernanke Bravado Circus Wagon. No-one is 'buying' the criminalist operatives' attempt to bamboozle the Congress into divvying up the on-the-books bribery and platform trading money they are seeking so that they can revert to corrupt hypothecation 'dirty financial business as usual' when this disastrous Administration leaves office (assuming it is not afforded the opportunity to implement its now floundering 'coup d'etat by installments' scenario both financially and physically).

Republican legislators are contemplating annihilation at the polls and personal political oblivion if they vote for whatever package emerges, which will most certainly NOT be what the two criminalist operatives thought they could extract from the Legislative Branch by bluster and stutter. Their plan is in tatters and their duplicity has now impressed itself where it matters: on Main Street. This is the END of the road for these crooks, and they know it. 'Paulson's' blackmail ('back us or be wiped out at the election: be our guest') went down like a huge lead balloon, as these veteran Congressmen, whatever their faults, are both individually and collectively NOT STUPID.

They may be compromised, but none of them are sitting on their brains. Everyone knows that the highest-level criminalist operatives are on the wrack. There are even those who are now prepared to accept that this crisis, which has driven Americans from their jobs and homes, with their sons dying in wars launched for ruthless private gain, is about one thing only: **OPEN-ENDED OFFICIAL FRAUDULENT FINANCE OPERATIONS**. The 'subprime mortgage crisis' was a 'slide' [see below].

As soon as this factor is understood by the general public, as seems likely, there will be hell to pay. Applications for a Permit-to-Carry arms have increased enormously in recent weeks and months, with correspondents emailing the Editor with observations such as:

'Everyone I've talked to affirms they will die with their guns at their hands. We'll fight! These people have overestimated themselves and underestimated us "useless eaters"'.

Our view remains that what is about to change is that **THE RULE OF LAW** will be re-established and that these criminal operatives will NOT get away with their crimes. Certain information, backed by extremely sensitive 'smoking gun' data, has been in the hands of the appropriate authorities for about a week, that proves inter alia that these crooks have engaged in war profiteering on a scale with no historical precedent, which explains why Bush was never in the slightest interested in the dead bodies that were and are being buried in Arlington Cemetery, which ran out of space to take the daily new arrivals. These people are brought up to **INFLICT PAIN WITHOUT FLINCHING**.

The intelligence in question is embargoed but it is believed that if matters are not resolved, there will be an avalanche of revelations the like of which has never been seen, even in the geomasonic United States where, every year since the Editor started multiple visits in 1977, there is **ALWAYS** a huge scandal raging inside the Beltway. The clear intention is that with an imminent change of US Administration (just as happens whenever the European Commission changes) the dirty washing left by the outgoing Government will be incinerated. But we are not talking just about dirty linen. We are talking about enormous, multiple crimes, thefts, embezzlements and two million dead.

The Men and Women on Main Street are saying: 'What do you mean, you want these dictatorial powers and you want us to pay you because 'Wall Street got drunk?', as the drunkard Bush II told the American people on 24th September. 'YOU have been in power all these years, what exactly have you been doing?'. The answer to that question is that these highest-level criminals haven't been **GOVERNING**. They've been looking after their criminal investments and spending all day and every day wriggling and playing for time while drowning in the sewage from their own cess pool.

The people have finally seen through the criminal duplicity of these odious creeps, and the bipartisan accord sent to the White House at about 3.00pm on 25th, followed by the White House Meeting from which Shelby emerged saying 'There is no agreement', makes it clear that the Bunker mentality rules.

When Pelosi and Reid took 'Paulson' aside (on camera) afterwards, what did they say to him? Something along the lines of 'which lamp post do you fancy?' springs to mind.

The key to the new phase of this historically unprecedented crisis is that the American people have at last experienced the necessary 'Aha!' moment. It's curtains for these crooks. The curtain at the end of Act One of Die Meisterschwindlern, starring the full cast of the Weltkriminalgesellschaft, has collapsed on top of the cast. The lights have gone out and there is a danger of a serious fire.

The building may have to be evacuated, but the management is drunk in charge, so everyone is stampeding for the exit. The safety officers have been asleep for years and now there's no-one around to give any coherent orders. How are the mighty fallen!

And still no mention of the \$14 trillion. Natürlich.

- 'Slide': A prepackaged, falsely constructed 'consensus' mindset which precludes further analysis or investigation, yielding a public perception preferred or intended by the kakocracy.
- 'Kakocracy': 'Governance' by the worst elements of society exclusively in their own interests and to the permanent detriment of all other classes and members of society except their cronies.
- 'Sib': A sophisticated deception which reverses normal perceptions. The victim, whether actual or imagined, is the perpetrator. Beware of those who protest too much, in this context.

• UPDATE, 24th September 2008:

**DR BEN BERNANKE REFERENCES THE \$14 TRILLION TWICE, BUT REDIRECTS ATTENTION BY LYING THAT THE SUM RELATES TO THE MORTGAGES, WHICH IS A GRIEVOUS OBFUSCATION:**

During the hearings in Washington, DC, this morning, Dr Ben Bernanke mentioned the aggregate amount of \$14 trillion TWICE. However he indicated that this amount references the total value of mortgages outstanding. **FACT: On 8th September the aggregate total of Freddie Mac and Fannie Mae mortgages outstanding was \$12.4 trillion. Dr Bernanke's figure of \$14 trillion implies that the total outstanding has risen in two weeks by \$1.6 trillion, which is IMPOSSIBLE NONSENSE.**

**Why did he SUDDENLY start talking about a figure of \$14 trillion? ANSWER:**

Because he is trying to divert attention from what we publicised in this report [see below], namely that the \$14 trillion sent over to pay the Settlements is sitting in Citibank and has been blocked by these criminals, of which Dr Bernanke is one.

Since Senators, officials, the military, Gold Badges and everyone who is anyone under the sun had copies of yesterday's analysis (which was distributed by US OFFICIALS for inter alia the hearings), Bernanke has tried to OBFUSCATE THE CENTRAL ISSUE and to perpetrate the lie that the \$14 trillion references mortgages outstanding, WHICH IS NOT WHAT THE \$14 TRILLION IS FOR. The \$14 trillion is the money allocated for the Settlements. So here's ANOTHER RELATED QUESTION:

• **WHY IS NOBODY IN THE CONGRESS OR THE MEDIA NOW PICKING THIS UP AND EXPOSING THIS GIGANTIC DECEPTION? DO THEY ALL HAVE A VESTED INTEREST IN COVERING UP THE BLOCKING OF THE SETTLEMENTS, WHICH ARE THE SOLUTION TO THE ENTIRE FINANCIAL CRISIS FABRICATED BY THIS WHITE HOUSE? We have SPECIFICALLY identified the whereabouts of the \$14 trillion funding belonging to the Settlements. Bernanke is trying to deflect this reality by suddenly inventing a fake figure of \$14 trillion which he says is the total of mortgages outstanding: and his purpose here is to acknowledge that there IS a \$14 trillion number 'out there', but that it's to do with the mortgages, putting everyone off the scent TO STOP THIS SCANDAL CATCHING FIRE.**

**FACT: In an exchange with a Pennsylvania legislator, he obliquely revealed his knowledge of our report when he commented to the effect that 'national and international studies of the Treasury's Plan had been undertaken' without any further qualification. He was signalling to the legislator that he knew about our report, but would he kindly not ask any further pointed questions about it.**

• **UPDATE: SEE FOOT OF THIS REPORT CONCERNING A SEPARATE MISREPRESENTATION**

By Christopher Story FRSA, Editor and Publisher, International Currency Review, World Reports Limited, London and New York. For earlier reports, press the ARCHIVE. Order your intelligence subscriptions and our 'politically incorrect' intelligence books online from this website.

London, 22nd September 2008:

**GREENSPAN'S \$14 TRILLION REPORTED LIE TO CNBC'S LEESMAN ON 22ND SEPTEMBER: US sources inform the Editor that the CNBC's financial reporter Steve Leeson stated that Greenspan told him that on Thursday 18th September 2008, the United States 'almost went bankrupt because there was NO CASH available'.**

What Greenspan did NOT tell the CNBC's Leeson is that Citibank currently holds \$14 trillion which Greenspan, 'Paulson', Cheney, Bush Sr., Bush Jr., Clinton 42, Hillary Clinton, Robert Rubin and other organised crime operatives posturing as responsible holders of high office, have hijacked and systematically prevented from being mobilised for the Settlements.

The funds, sent from abroad, have been resident in Citibank precisely to finance the Settlements.

**FACT: In June and July 2007, we reported that Greenspan had been arrested. This information was not only posted here, but was publicised in International Currency Review. The Editor has on his desk an email from the most senior Trustee level dated 25th June 2007 and timed at 01:38 am UK time, containing the following:**

'Christopher, I was able to get confirmation of Greenspan's arrest. However, my 'Group of Eight' intelligence said he is under house arrest, not in jail'.

When the Editor read this email over the transatlantic line on 22nd September 2008 to a contact, he was told: 'I can confirm the accuracy of that statement'.

• Of course, the US 'mainstream media' never reported that Greenspan was arrested, and have continued to regard this criminal operative as a guru whose every word must be revered and treated as holy writ. This places them at something of a disadvantage when it comes to assessing the accuracy of his statements. \$14 trillion is a lot of liquidity, even by Greenspan's lying standards.

**ANOTHER FRAUDULENT PROSPECTUS FROM THE KING OF OFFICIAL FRAUDULENT FINANCE:**

The following summary analysis of the so-called 'unprecedented rescue plan' unveiled by the US Government to mindless global applause on Sunday 21st September 2008, represents a fraudulent prospectus that exploits and perpetuates the very skulduggery that is responsible for the crisis.

The skulduggery in question revolves around the fact that when bank loans are securitised and sold on to buyers, usually foreigners who haven't done adequate due diligence, the sale qualifies as a sale of assets. The seller (the bank) retains **NO RISK OF LOSS** from the transfer of these assets and has **NO OBLIGATION TO THE BUYER** if:

- The borrowers of the original loans default on their payments; or:
- Changes in market values of the on-sold securities take place.

In other words, the risk is transferred from the bank to the owner of the securities, and if the borrower

defaults, it's not the bank's problem, it's the problem of the owner of the securities.

#### **SEE OUR ARTICLE DATED 26 DECEMBER 2007 ON THE FRAUD UNDERLYING FORECLOSURES:**

There is no difference, in principle, between this mechanism and the fraud model employed to ransack the mortgage sector. In that context, the bank sold the mortgage either directly or else repackaged as a securitised pool of assets, to the Government-Sponsored Enterprise (GSE) of choice (Freddie Mac or Fannie Mae), and walked away clear having alienated the contract and leaving the so-called 'owner' of the mortgage without a valid contract (1).

At foreclosure, those mortgage-holders who have had the presence of mind to notify the Court beforehand that they have requested the original contract from the bank and have been unable to obtain it in time for the hearing (because the bank has sold the contract on to the corrupt GSE in question), have been 'heard' by the Court and have usually been told that they can hold onto their property and that the foreclosure is null and void. For further details, please refer to our report dated 26th December 2007 entitled: 'The 'subprime' 'slide' that masks fraudulent finance' [Archive].

#### **THE LATEST 'STICKING PLASTER' FRAUD FLOATED BY THE U.S. TREASURY:**

As promulgated for public consumption, the latest of these proposals which the cornered 'brains' in the Treasury and elsewhere have been coming up with on an almost daily basis as they seek to establish which sticking plaster has the strongest holding power, the latest 'rescue' proposal that the US Government is trying to ram through the Congress would allow the Treasury to buy up 'toxic' debts from recalcitrant financial institutions, including US branches of foreign banks, to 'try to stem the worst financial crisis since the Great Depression' according to The Daily Telegraph. Like the entire so-called 'mainstream' media, this newspaper has STILL failed to grasp that this crisis arises NOT from a failure of the system, but because of rampant fraudulent finance and the abject (we would say co-conspiratorial) failure of the US Regulators to do their job.

None of the plasters have come up to 'scratch' so far because all seek to bypass the on-the-books Settlements that the US Treasury Secretary and his accomplices have been blocking in order to try to avoid incriminating themselves more than they are already incriminated.

Since fraudulent finance is what these 'brains' specialise in, we should not be surprised that the so-called 'rescue' plan exploits the fraud outlined above, with the variation that the 'toxic' securitised assets that will be repackaged for onward sale again, will be given some falsely determined value created out of thin air and justified by an official US Government imprimatur.

The underlying asset will remain trash, but the US Government will say it isn't trash.

#### **INSTITUTIONS WILL WALK AWAY FROM THE SCENES OF THEIR CRIMES:**

Meanwhile the institutions, which have been engaged in fraudulent finance operations and are therefore no different from criminal enterprises, will get to walk away from the scenes of their crimes with a peculiar sum of \$700 billion, which just happens to match the liabilities in a certain Virginia bank that cannot be repackaged in this manner; and the money will wind up in the pockets of the official and institutional perpetrators of this latest variation of the fraud outlined above.

#### **PROPOSED LEGISLATION AMOUNTS TO A DE FACTO COUP D'ETAT:**

To make matters far worse, the legislation that is now being rammed down the Congress's throat, will amount to a coup d'etat reminiscent of the 'coup d'etat by installments' (2) perpetrated at the outset of Hitler's Third Reich in Germany. This is because the proposed bill trashes what little remains of the US Constitution by providing that one Branch of the American Government, the Judicial Branch, will be precluded from oversight of what the US Treasury Department, which is a component of the Executive Branch, will be 'permitted' to do under this legislation.

- No single Branch of the US Government can constitutionally combine with another Branch to nullify powers of the third Branch, whether such arrangements are labelled 'temporary' or not.

Since this is precisely what is being proposed, the legislation that the Congress is being hassled to pass, on the pretext of almost force majeure, represents a coup d'etat in all but name. Legislators voting for this

measure will incriminate themselves, thereby joining all the US officials and office-holders who are seeking to perpetrate this grotesque putsch against the Constitution and who are themselves, as most legislators know full well, the architects of the crisis that they are now using as a pretext for the assumption of these near-dictatorial powers.

#### **CONGRESS MUST SAY NO, OR IT DESTROYS ITSELF TOO:**

Irrespective of the consequences, the Congress must say NO. This would be a safe bet anyway, because this proposal won't 'fly' with either the US taxpayer or in the international financial markets generally. The main reason for this is that the furore surrounding the endless US blocking of the Settlements and the consequent destabilisation of the entire global financial system and economy has had the effect of causing scales to fall from the eyes of counterparties worldwide.

This will explain why new counterparties are planned, including an operation in Africa which, we are led to believe, will be headed by none other than the US Treasury Secretary himself after he has left office. This man is the primary apparatchik who is responsible for the financial crisis.

According to our sources, he will have at his disposal a considerable volume of the \$700 billion that the US Government is asking the Rest of the World to provide, ostensibly to extract the US official perpetrators out of the grave that they have been digging for themselves thanks to their ongoing determination to perpetuate these fraudulent finance operations, rather than fulfilling their obligations to the American people and the Rest of the World to clean up their act.

#### **THE SOLUTION TO THEIR PROBLEM, SERIOUSLY, IS MICHAEL C. COTTRELL'S REFORM PLAN:**

For the solution to their problems, after payment of the hijacked Settlements, please see the simple Plan framed by the US securities expert Michael C. Cottrell, B.A., M.S., which has been reposted for the third time on our website (dated 18th September 2008).

#### **ANALYSIS OF THE FRAUDULENT FINANCE LURKING INSIDE THIS LATEST FALSE PROSPECTUS:**

We will now analyse the financial fraud that resides at the centre of the most recent 'sticking plaster' proposals concocted by the US financial authorities, in more detail.

As will be seen, far from healing the wound, it pours more venom into the bloodstream, with the certainty that the entire limb will succumb to gangrene, requiring later amputation at the thigh:

- **SECURITISATION:** In this context, it means the conversion of BANK LOANS as well as other assets into marketable securities for sale to investors (who may not do their due diligence):

#### **FACTS:**

(1) The securities offered for sale can be purchased by other depository institutions or nonbank investors. The selling bank is not fussed who buys the securities, as long as it gets rid of them.

(2) Securitisation can also mean financing through FLOATING RATE NOTES and Eurocommercial paper, replacing bank loans as a means of borrowing. This is a form of securitisation, too.

- **WHAT SECURITISATION ACHIEVES** for financial institutions (the only parties they care about):

... By securitising bank loans and credit receivables, US financial institutions are able to REMOVE bank assets from the balance sheet if certain conditions are met, thereby BOOSTING capital ratios, whereupon the institution can extend fresh loans from the proceeds of the securities that have been sold to investors (who are indeed unlikely to have done their due diligence, not least in this context because they will be bamboozled by the official US Government imprimatur).

- **THE PROCESS:** So what this gimmick does, is it effectively MERGES THE CREDIT MARKETS (for example, the mortgage market, within which lenders can extend NEW mortgages) with THE CAPITAL MARKETS, because:

- **Bank receivables are repackaged as bonds collateralised into pools of mortgages, auto loans, credit card receivables, leases, and other types of credit obligations: AND:**
- **Since the banks look to investors as the ultimate holders of the new obligations created via bank lending, financial institutions as an industry have become more inclined to act more as SELLERS OF ASSETS, rather than as PORTFOLIO LENDERS which traditionally keep all the loans that they have originated in their own portfolio. Banks now operate more as marketing platforms than as lenders.**
- **SECURITISATION also redefines the standard banking sector definition of ASSET QUALITY, and loan underwriting standards, because LENDERS are focused on LOAN QUALITY only insofar as it facilitates MARKETABILITY IN THE CAPITAL MARKETS. It's all about MARKETING THE NEW SECURITY, rather than the PROBABILITY OF REPAYMENT by the borrowers of the bank loans.**
- **NON-RECOURSE: THE SECRET OF PAULSON'S DECEPTION AND FRAUD MODEL: SO, IF A BORROWER DEFAULTS, the bank is off the hook because it sold the loan to a third party and the bank has its money already. The injured party is the holder of the security (the third party) who is left holding a worthless asset, and is stuck with the problem of NON-RECOURSE. The third party cannot claim the value back from the bank because the bank has washed its hands of the loan when it sold the loan repackaged as an asset-backed security to the third party buyer.**

**A subsidiary fraud buried in this deception is that since the securitised 'asset' consists of a pool of the aforementioned securities, the borrower's default is glossed over and the third party doesn't get to know about it. But of course:**

- **THIS MEANS THAT THE VALUE OF THE SECURITISED ASSET IS BY DEFINITION UNQUANTIFIABLE...**
- **WHICH IS BLATANT, OUTRIGHT FRAUD...**
- **AND A GROSS BREACH OF SECURITIES REGULATIONS BY THE ISSUING BANK...**
- **WHICH NONE OF THE ISSUING BANKS WANT YOU TO KNOW ABOUT.**

**SO, THE U.S. TREASURY PROPOSES TO INSTITUTIONALISE THESE FRAUDULENT PRACTICES:**

**Therefore, what the US Treasury is proposing is to institutionalise this fraudulent process and to 'legitimise' it by appending the imprimatur of the Full Faith and Credit of the United States, as though the securitised assets in question have suddenly acquired real value, which is UNTRUE.**

**By extension, this means that the US Treasury proposes to perpetrate the same criminal financial fraud model that we have exposed, and to pass it off as 'legit' on the basis of its expectation that parties foolish enough to buy these 'assets' won't have done adequate due diligence.**

**SORRY, BUT THERE AREN'T ANY COUNTERPARTIES LEFT WITH SCALES ON THEIR EYES**  
**This is not going to work because, as indicated above, there aren't any willing counterparties around any more. US skulduggery has gone on far too long, and the Governments that are being asked to cough up the \$700 billion to finance the pocket money that these people covet, are very unlikely to want to know. Especially after the American Government's and Treasury's reputation for honourable dealing has been wallowing in the gutter for the past several years, as a consequence of its hijacking of the Settlements funds, the stealing of The Queen's gold, and the misuse of her funds with Citibank to finance deals to make quick bucks for insiders, contrary to the Rule of Law. Furthermore:**

- **FOR REGULATORY REPORTING PURPOSES, a loan that is CONVERTED INTO A SECURITY and SOLD as an ASSET-BACKED SECURITY qualifies as a SALE OF ASSETS.**
- **The seller (the institution) retains NO RISK OF LOSS from the assets transferred, and has no outstanding OBLIGATION to the BUYER OF THE ASSET-BACKED SECURITY if:**

**(1) The borrower defaults; or:**

**(2) Changes occur in the so-called market value of the asset-backed securities sold on.**

**• IN OTHER WORDS, THE HOLDER OF THE ASSET-BACKED SECURITY HAS NO RECOURSE.**

**• By contrast, asset transfers where the buyer does have RECOURSE against the selling institution are treated as FINANCINGS, or else as BORROWING SECURED BY ASSETS.**

**Source: Thomas Fitch, 'Dictionary of Banking Terms', Third Edition, Happaage: Barron's Educational Series, Inc., 1997, s.v., 'Securitization'.**

**One other definition will assist comprehension of the fraudulent finance that the US Treasury wants the US Congress to rubber-stamp:**

**• SYNTHETIC ASSET: A synthetic asset is a value that is artificially created using other assets, such as securities, in combination. Also known as a 'Structured Note'.**

**Source: John Downes and Jordan Elliot Goodman, 'Dictionary of Finance and Investment Terms', Seventh Edition, Happaage: Barron's Educational Series, Inc., 2006, s.v. 'Synthetic Asset'.**

**THE INTENDED FRAUD IS MULTIPLE FRAUD:**

**In summary, what is intended is a perpetuation of the following technical securities frauds:**

**• It is securities fraud if the lender fails to inform the borrower that the loan has been sold on.**

**• It is securities fraud if the lender fails to inform the buyer of the repackaged so-called asset-backed security that the borrower has defaulted, may well default, or that the cashflow from the borrower may be unreliable. Since that is standard practice with these frauds, the buyer of the asset-backed security pays a false price for a 'piece of paper' the value of which, by definition, will remain unknown.**

**For the US Government to enter into such fraudulent finance operations as Principal risks destroying what remains of the Full Faith and Credit of the United States, within a matter of days or weeks. No-one who is not sitting on their brains is going to buy this 'solution' to the financial crisis, not least because the whole world is now aware that the US Government cannot be trusted and that its behaviour over the Settlements has been criminal.**

**The only parties who are being bamboozled by this ramp are the stupid 'mainstream' talking heads.**

**PRECISE DEFINITIONS FOR REFERENCE:**

**The 'Dictionary of Banking Terms' by Thomas P Fitch [Third Edition, Happaage: Barron's Educational Series, Inc.,] published in 1997, defines SECURITIZATION as follows:**

**'SECURITIZATION': 'Conversion of bank loans and other assets into marketable securities for sale to investors. Securities offered for sale can be purchased by other depository institutions or nonbank investors. More broadly, corporate financing through Floating Rate Notes and via Eurocommercial paper, replacing bank loans as a means of borrowing, is a form of securitization.**

**By securitizing bank loans and credit receivables, US financial institutions are able to remove bank assets from the balance sheet if certain conditions are met, boosting their capital ratios, and make new loans from the proceeds of the securities sold to investors. The process effectively merges the credit markets (for example, the mortgage market in which lenders make new mortgages) and the capital markets, because bank receivables are repackaged as bonds collateralized by pools of mortgages, auto loans, credit card receivables, leases, and other types of credit obligations.**

**As the banks look to investors as the ultimate holders of the obligations created by bank lending, banks as an industry are inclined to act more as sellers of assets, rather than portfolio lenders that keep all the loans they originate in their own portfolio.**

**Securitization also redefines the banking definition of ASSET QUALITY, and of loan underwriting standards, because lenders will be looking at loan quality more in terms of their marketability in the capital markets than the probability of repayment by the borrowers.**

**For regulatory reporting purposes, a loan that is converted into a security and sold as an asset-backed security qualifies as a sale of assets. The seller retains no risk of loss from the assets transferred, and has no obligation to the buyer for borrower defaults or changes in the market value of securities sold. Asset transfers where the buyer has RECOURSE against the selling institution, are treated as financings or a borrowing secured by assets.**

**Securitization of bank assets is further complicated by Securities and Exchange Commission [SEC] regulations, and accounting guidelines...' ENDS**

**... And the reason for THIS is that the securities market environment is far stricter and inimical to financial fraud than the banking sector environment. The abandoned Glass-Steagall Act legislation will have to be restored in a new, updated format, as requested by Michael C. Cottrell, B.A., M.S., in his proposals displayed at [www.worldreports.org](http://www.worldreports.org) dated 18th September 2008 [Archive].**

**The 'Dictionary of Finance and Investment Terms', by John A Downes, A.B., and Jordan Elliot Goodman, A.B., M.A. [ 'Dictionary of Finance and Investment Terms', Seventh Edition, Happaage: Barron's Educational Series, Inc.], published in 2006, defines ASSET-BACKED SECURITIES thus:**

**'ASSET-BACKED SECURITIES': 'Bonds or notes that are backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit and often "enhanced" by a bank LETTER OF CREDIT or by insurance coverage that is provided by an institution other than the issuer. Typically, the originator of the loan or accounts receivable paper sells it into a specially created trust [or subsidiary corporation: see below: Ed,] which repackages it as securities with a minimum denomination of \$1,000 and a term of five years or less. The securities are then perhaps underwritten by brokerage firms who reoffer them to the public. Examples are CERTIFICATES FOR AUTOMOBILE RECEIVABLES (CARs) and so-called plastic bonds, backed by credit card receivables.**

**Because the institution that originated the underlying loans or receivables is neither the obligor nor the guarantor, investors should evaluate the quality of the original paper, the worth of the guarantor or insurer, and the extent of the protection'. ENDS**

#### **SELLING THE ASSET-BACKED SECURITIES ON: WHO TO?**

**The US and international financial markets are no more enamoured of this latest attempt by the US Treasury to pull a rabbit out of a hat full of holes than about any of the earlier 'rescue' operations, which all have one feature in common: their primary functions are to serve the interests of a very small clique of criminalist 'insiders' who have been engaged in ransacking the financial markets for private gain, and to finance the operations of the 'State within the State', namely the Intelligence Power, which, due to its power of penetration, controls all dimensions of Government, starting with the White House itself.**

**Basically, the latest Treasury proposal, which almost seems to be withering on the vine before it gathers any traction, is all about the Treasury acquiring new cash so that the new money can be siphoned off to 'insider' operations controlled by the highest-level operatives.**

#### **MODELS FOR THIS NEW VERSION OF THE SAME OLD FRAUD:**

**The models for this unconscionable abuse of financial power by officials and holders of high office relate to Delmarva Timber Trust, Meridian Investments, Alpha Holdings and the primary slush-fund operation, Carlyle, which is similar in concept and origin to the notorious AIG, which has been at the epicentre of CIA fraudulent finance operations for decades. As another analyst has pointed out, the \$85 billion bridging loan (offset by funding from the Reserve Bank of Australia) extended by the US authorities to AIG, gives the Government an 80% share in AIG, 'a move that will prevent external players from peering into AIG's myriad intelligence operations on behalf of the CIA' (3).**

#### **WE 'PEER INTO AIG'S MYRIAD INTELLIGENCE OPERATIONS ON BEHALF OF THE CIA':**

**This entity was chaired, until his enforced resignation, by Maurice 'Hank' Greenberg, a close friend of Dr Henry Kissinger. AIG's operations in Asia are reported by the same source (3) as having pre-dated**



4355818 AIG BAKER BELLEVUE, L.L.C.  
3201331 AIG BAKER BIRMINGHAM PROPERTIES, L.L.C.  
4015304 AIG BAKER BOGGY POINT, L.L.C.  
3388960 AIG BAKER BRENTWOOD, L.L.C.  
3398187 AIG BAKER BROOKSTONE, L.L.C.  
3591309 AIG BAKER CARSON VALLEY, L.L.C.  
4273661 AIG BAKER CASHIERS, L.L.C.  
2975631 AIG BAKER CHERRYDALE, L.L.C.  
3070092 AIG BAKER CONYERS, L.L.C.  
3267324 AIG BAKER DAPHNE, L.L.C.  
3837123 AIG BAKER DEPTFORD, L.L.C.  
2870569 AIG BAKER DEVELOPMENT, L.L.C.  
3096024 AIG BAKER DULLES, L.L.C.  
3710928 AIG BAKER EAST VILLAGE, L.L.C.  
3989425 AIG BAKER FALLSCHASE FUNDING, L.L.C.  
3821162 AIG BAKER FOLEY, L.L.C  
4093617 AIG BAKER FRANKFORD, L.L.C.  
4063985 AIG BAKER GATEWAY, L.L.C.  
4363663 AIG BAKER GEORGETOWN, L.L.C.  
3407123 AIG BAKER GRAND JUNCTION, L.L.C.  
4285004 AIG BAKER GULF SHORES GOLF COURSE, L.L.C.  
4385580 AIG BAKER HAMMOCK DUNES, L.L.C.  
3479653 AIG BAKER HARRISONBURG, L.L.C.  
3399635 AIG BAKER HOOVER, L.L.C.  
2971167 AIG BAKER LEE BRANCH, L.L.C.  
3946972 AIG BAKER LILLIAN, L.L.C.  
4075877 AIG BAKER LILLIAN TWO, L.L.C.  
2358386 AIG/BAKER, LLC  
4015298 AIG BAKER LONG'S BAYOU, L.L.C.  
2870574 AIG BAKER MANAGEMENT, L.L.C.  
2882738 AIG BAKER MANASSAS, L.L.C.  
4043423 AIG BAKER MARSH BRIDGE, L.L.C.  
4463446 AIG BAKER MARTINSBURG, LLC  
3238726 AIG BAKER MOUNT OLIVE, L.L.C.  
3121847 AIG BAKER MRP, L.L.C.  
4004930 AIG BAKER ORANGE BEACH AMPHITHEATER, L.L.C.  
3990512 AIG BAKER ORANGE BEACH MARINA, L.L.C.  
3824963 AIG BAKER ORANGE BEACH WHARF, L.L.C.  
3334036 AIG BAKER OUTLET, L.L.C.  
3622541 AIG BAKER PELHAM, L.L.C.  
3178668 AIG BAKER PHILADELPHIA, L.L.C.  
4307291 AIG BAKER PRATTVILLE, LLC  
2870582 AIG BAKER REAL ESTATE, L.L.C.  
4261663 AIG BAKER RETAIL GROUP, L.L.C.  
3179708 AIG BAKER RITTENHOUSE, L.L.C.  
2889606 AIG BAKER SAGINAW, LLC  
2937850 AIG BAKER SEVEN SPRINGS, L.L.C.  
3292875 AIG BAKER SHADES CREST, L.L.C.  
2997604 AIG BAKER SHAWNEE WEST, L.L.C.  
2870579 AIG BAKER SHOPPING CENTER PROPERTIES, L.L.C.  
2906293 AIG BAKER SILVERADO, L.L.C.  
3861858 AIG BAKER SPARKS, L.L.C.  
2875707 AIG BAKER STERLING HEIGHTS, L.L.C.  
4250541 AIG BAKER TALLAHASSEE COMMUNITIES, L.L.C.  
4081060 AIG BAKER TALLAHASSEE, L.L.C.  
4376173 AIG BAKER TIMBER INVESTMENTS, L.L.C. ( see RED BIRD Timber)  
FILE NUMBER ENTITY NAME  
3158426 AIG BAKER VESTAVIA, L.L.C.  
3197550 AIG BAKER VESTAVIA OUTPARCEL, L.L.C.

3197546 AIG BAKER VESTAVIA SHOPPING CENTER, L.L.C.  
3601281 AIG BAKER WACO, L.L.C.  
4112974 AIG BAKER WHARF INN, L.L.C.  
4363662 AIG BAKER WHARF REAL ESTATE, L.L.C.  
4243777 AIG BAKER WILLIAMSBURG, L.L.C.  
3237426 AIG GAS, LLC  
2553492 AIG GLOBAL ASSET MANAGEMENT HOLDINGS CORP.  
2765233 AIG GLOBAL EMERGING MARKETS FUND, L.L.C.  
3047958 AIG GLOBAL INVESTMENT CORP. CBO-3 CORP.  
3586836 AIG GLOBAL INVESTMENT GROUP MUNICIPAL INSURED FUND  
2996701 AIG GLOBAL REAL ESTATE ASIA PACIFIC, INC.  
3221952 AIG GLOBAL REAL ESTATE INVESTMENT (ASIA) LLC  
2153238 AIG GLOBAL REAL ESTATE INVESTMENT CORP.  
3260361 AIG GLOBAL REAL ESTATE INVESTMENT (EUROPE) CORP.  
3382284 AIG GLOBAL REAL ESTATE PR SHOPPING CENTERS I, LLC  
3378602 AIG GLOBAL REAL ESTATE RESIDENTIAL I LLC  
3356920 AIG GLOBAL REAL ESTATE SHANGHAI LEASING AND MANAGEMENT CORPORATION  
3357067 AIG GLOBAL REAL ESTATE SHANGHAI MARKETING AND ASSET MANAGEMENT CORPORATION  
4149819 AIGGRE ALHAMBRA LLC  
3677226 AIGGRE ASIA FUND MURRAY HILL I LLC  
3677210 AIGGRE ATLANTIC CHELSEA I LLC  
3677208 AIGGRE ATLANTIC MURRAY HILL I LLC  
3677234 AIGGRE BAKER MURRAY HILL I LLC  
3769536 AIGGRE BAKER SOHO I LLC  
3944816 AIGGRE BALDWIN PARK LLC  
4147322 AIGGRE BRANDON I L.L.C.  
3677240 AIGGRE CARIBBEAN RETAIL CHELSEA I LLC  
3677237 AIGGRE CARIBBEAN RETAIL MURRAY HILL I LLC  
3808596 AIGGRE CHELSEA COMMERCIAL INDUSTRIAL COMPANY LLC  
4192257 AIGGRE CHELSEA MIDWEST LAND DEVELOPMENT LLC  
4422125 AIGGRE COMMERCIAL INDUSTRIAL COMPANY II LLC  
4012568 AIGGRE CYPRESS FAIRBANKS LLC  
4400174 AIGGRE EAST COAST PORTFOLIO CHELSEA LLC  
4400171 AIGGRE EAST COAST PORTFOLIO LLC  
3791803 AIGGRE ELLINWOOD, LLC  
3677231 AIGGRE EUROPE FUND MURRAY HILL I LLC  
4012975 AIGGRE FAIRBANKS CHELSEA I LLC  
3731346 AIGGRE FC CAPITAL FUNDING LLC  
4409456 AIGGRE FOUR PENN CENTER, LLC  
4386045 AIGGRE FRUITDALE LLC  
4381233 AIGGRE FUND II BRIDGE LOAN LLC  
4397589 AIGGRE FUND III BRIDGE LOAN, LLC  
4421806 AIGGRE HENRY STREET LLC  
4353887 AIGGRE HUDSON MEZZANINE LLC  
4171976 AIGGRE HUDSON NORTH LLC  
4171975 AIGGRE HUDSON SOUTH LLC  
4236025 AIGGRE INDIA CHELSEA I LLC  
4236026 AIGGRE INDIA MURRAY HILL I LLC  
3677244 AIGGRE INDUSTRIAL II CHELSEA LLC \*  
3677242 AIGGRE INDUSTRIAL II MURRAY HILL LLC  
4330000 AIGGRE KENAVON LLC  
3927938 AIGGRE KIAHUNA LLC  
4174386 AIGGRE KOREA FUND MURRAY HILL I LLC  
4385516 AIG GRE LATIN AMERICA REALTY LLC  
3775732 AIGGRE LEGACY CHELSEA I LLC \*  
2395807 AIG TECHNICAL SERVICES, INC.  
1015633 AIG TECHNOLOGIES, INC.

2173464 AIG TECHNOLOGY MANAGEMENT SERVICES, INC.  
2943791 AIG TELECOMMUNICATIONS INC.  
2941587 AIG TELECOMMUNICATIONS LLC  
2008877 AIGTI, INC.  
3312651 AIG TORRANCE, L.L.C.  
2224837 AIG TRADING CORPORATION  
2439068 AIG TRADING GROUP CAPITAL CORPORATION  
2351048 AIG TRADING GROUP INC.  
3483502 AIG TRADING MANAGEMENT COMPANY INC.  
2351062 AIG TRADING SERVICES INC.  
0863164 AIG TRAVEL ASSIST, INC.  
3389328 AIG TRAVEL, INC.  
4337952 AIG TW CORPORATION

#### Notes and References:

(1) The 'subprime' 'slide' that masks fraudulent finance: 'The money you make illegally using my money is my money': Report dated 26th December 2007: see [www.worldreports.org](http://www.worldreports.org): Archive.

(2) 'Coup d'etat by installments': Phrase used to describe Hitler's seizure of power in stages, by Konrad Heiden, 'Der Fuehrer', Boston, 1944, page 579, cited in 'Hitler's Thirty Days to Power: January 1933', Henry Ashby Turner Jr., Addison-Wesley Publishing Co., Inc. Reading, MA, 1996:

'Only by banning the Communist deputies and by resorting to intimidation and mendacity did Hitler secure on March 23 the necessary two-thirds vote in the new Reichstag for an Enabling Act that transferred legislative authority to his Cabinet, ostensibly for four years'.

• BE AWARE that the 'Paulson, 'rescue plan' is supposed to be TEMPORARY. DON'T BELIEVE IT.

'A wave of Nazi purges followed, as one institution after another was subjugated. Arbitrary rule replaced government by law in what has been aptly termed a "coup d'etat by installments"'

• UPDATE, 24th September 2008: It has been falsely asserted that the Editor of this service has highlighted US official financial corruption 'in order to mask' parallel corruption in the United Kingdom in general, and at the Bank of England in particular. This is a deliberately concocted diversionary allegation and non-sequitur which has no basis whatsoever in fact.

On the contrary, the Editor is as furious and distraught about official and financial corruption in the United Kingdom as about the giga-corruption scandal that we have helped to expose in the United States. In 2007 not only did we publicise the arrest of Greenspan, but we likewise publicised the fact that Eddie George, the former Governor of the Bank of England, had been arrested, as well.

Furthermore, we displayed mugshots of these two operatives side by side in our financial journal International Currency Review, copies of the relevant issue of which are always available from this website at any time, and may be inspected at many libraries in the United States. We would hardly have exposed the former Governor of the Bank of England if we had been somehow seeking to cover up parallel corruption in the United Kingdom. We are not double-minded.

One problem in Britain is that the UK Establishment\* is much 'tighter' and so harder to expose for corruption than is the case in the United States, where the 'freedom' tradition is deeply embedded. It is indeed a huge tribute to the ongoing resilience of this US tradition that it has been possible to destabilise these US criminalist rats to the extent that has now become universally apparent.

In addition, the British people have the problem that we have TWO Governments, due to the treachery of elements of the political Establishment, the European Commission (EC) being the overriding one. The EC is a snakes' nest of horrendous internationalist corruption which has developed an armoury of spurious techniques for fending off investigations and exposure.

**On the preceding occasion that we exposed this vast EC corruption, the British 'mainstream' media avoided all reference to these exposures. We subsequently published the complete list of those feckless British journalists who had received the relevant information and had ignored all of it, and exposed them for the mind-controlled cowards that they are, as well.**

**It is a malicious non-sequitur to suggest that the Editor has exposed US official corruption in order to divert attention from parallel financial corruption in Britain. On the contrary, we cannot and will not rest until the necessary parallel exposures occur here too, however they may materialise.**

**\*The Editor was educated at Eton and Christ Church, Oxford, so he can hardly be accused, either, of being anything other than a strictly objective observer in this context. He has contacts all over the place, including intelligence, but is completely free-standing and cannot be told what to do by anyone. That is the whole and absolute purpose of these services. Independence is the key.**

#### **ANNEXE:**

#### **REITERATION OF THE U.S. STATUTES, SECURITIES REGULATIONS AND LEGAL PRINCIPLES OF WHICH THE TOP CRIMINALISTS, THEIR ASSOCIATES AND RELEVANT BANKERS ARE/HAVE BEEN IN BREACH:**

##### **LEGAL TUTORIAL: The Steps of Common Fraud:**

**Step 1: Fraud in the Inducement: "... is intended to and which does cause one to execute an instrument, or make an agreement... The misrepresentation involved does not mislead one as the paper he signs but rather misleads as to the true facts of a situation, and the false impression it causes is a basis of a decision to sign or render a judgment" Source: Steven H. Gifis, 'Law Dictionary', 5th Edition, Happaug: Barron's Educational Series, Inc., 2003, s.v.: 'Fraud'.**

##### **Step 2: Fraud in Fact by Deceit (Obfuscation and Denial) and Theft:**

**• "ACTUAL FRAUD. Deceit. Concealing something or making a false representation with an evil intent [scanter] when it causes injury to another...". Source: Steven H. Gifis, 'Law Dictionary', 5th Edition, Happaug: Barron's Educational Series, Inc., 2003, s.v.: 'Fraud'.**

**• "THE TORT OF FRAUDULENT DECEIT... The elements of actionable deceit are: A false representation of a material fact made with knowledge of its falsity, or recklessly, or without reasonable grounds for believing its truth, and with intent to induce reliance thereon, on which plaintiff justifiably relies on his injury...". Source: Steven H. Gifis, 'Law Dictionary', 5th Edition, Happaug: Barron's Educational Series, Inc., 2003, s.v.: 'Deceit'.**

##### **Step 3: Theft by Deception and Fraudulent Conveyance:**

##### **THEFT BY DECEPTION:**

**• "FRAUDULENT CONCEALMENT... The hiding or suppression of a material fact or circumstance which the party is legally or morally bound to disclose...".**

**• "The test of whether failure to disclose material facts constitutes fraud is the existence of a duty, legal or equitable, arising from the relation of the parties: failure to disclose a material fact with intent to mislead or defraud under such circumstances being equivalent to an actual 'fraudulent concealment'...".**

**• To suspend running of limitations, it means the employment of artifice, planned to prevent inquiry or escape investigation and mislead or hinder acquirement of information disclosing a right of action, and acts relied on must be of an affirmative character and fraudulent...".**

**Source: Black, Henry Campbell, M.A., Black's Law Dictionary', Revised 4th Edition, St Paul: West Publishing Company, 1968, s.v. 'Fraudulent Concealment'.**

## **FRAUDULENT CONVEYANCE:**

- **'FRAUDULENT CONVEYANCE... A conveyance or transfer of property, the object of which is to defraud a creditor, or hinder or delay him, or to put such property beyond his reach...'**
- **"Conveyance made with intent to avoid some duty or debt due by or incumbent or person (entity) making transfer..."**

**Source: Black, Henry Campbell, M.A., 'Black's Law Dictionary, Revised 4th Edition, St Paul: West Publishing Company, 1968, s.v. 'Fraudulent Conveyance'.**

## **U.S. SECURITIES REGULATIONS OF WHICH KEY INSTITUTIONS HAVE BEEN SHOWN TO BE IN BREACH:**

- **NASD Rule 3120, et al.**
- **NASD Rule 2330, et al**
- **NASD Conduct Rules 2110 and 3040**
- **NASD Conduct Rules 2110 and IM-2110-1**
- **NASD Conduct Rules 2110 and SEC Rule 15c3-1**
- **NASD Conduct Rules 2110 and 3110**
- **SEC Rules 17a-3 and 17a-4**
- **NASD Conduct Rules 2110 and Procedural Rule 8210**
- **NASD Conduct Rules 2110 and 2330 and IM-2330**
- **NASD Conduct Rules 2110 and IM-2110-5**
- **NASD Systems and Programme Rules 6950 through 6957**
- **97-13 Bank Secrecy Act, Recordkeeping Rule for funds transfers and transmittals of funds, et al.**

## **U.S. LAWS ROUTINELY BREACHED BY THE CRIMINAL OPERATIVES AND BANKSTERS:**

- **Annunzio-Wylie Anti-Money Laundering Act**
- **Anti-Drug Abuse Act**
- **Applicable international money laundering restrictions**
- **Bank Secrecy Act**
- **Conspiracy to commit and cover up murder.**
- **Crimes, General Provisions, Accessory After the Fact [Title 18, USC]**
- **Currency and Foreign Transactions Reporting Act**
- **Economic Espionage Act**
- **Hobbs Act**
- **Imparting or Conveying False Information [Title 18, USC]**
- **Maloney Act**
- **Misprision of Felony [Title 18, USC] (1)**
- **Money-Laundering Control Act**
- **Money-Laundering Suppression Act**
- **Organized Crime Control Act of 1970**
- **Perpetration of repeated egregious felonies by State and Federal public employees and their Departments and agencies, which are co-responsible with the said employees for ONGOING illegal and criminal actions, to sustain fraudulent operations and crimes in order to cover up criminalist activities and High Crimes and Misdemeanours by present and former holders of high office under the United States**
- **Provisions pertaining to private business transactions being protected under both private and criminal penalties [H.R. 3723]**
- **Provisions prohibiting the bribing of foreign officials [F.I.S.A.]**
- **Racketeer Influenced and Corrupt Organizations Act [R.I.C.O.]**
- **Securities Act 1933**
- **Securities Act 1934**
- **Terrorism Prevention Act**
- **Treason legislation, especially in time of war.**

• Please be advised that the Editor of International Currency Review cannot enter into email or other correspondence related to this or to any of the earlier reports.

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