

FIRST AMENDMENT TO THE CONSTITUTION Congress Shall Make No Law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances- “Big Brother is watching you.” – George Orwell 1984

Derivatives Scam Slides Into The Sunshine.

“What is different about using AIG as the cover to move dirty funds is that they were the conduit for stolen money going directly to Goldman Sachs (and indirectly to the other Boyz).

Since AIG isn't an 'official' government agency, it would be hard to claim 'national security' to sidetrack an investigation. This money shuffle through AIG is the one weak link that might open a legal window into the greatest theft of all time.” -Northern Advisor

It appears the entire derivatives story once regarded as a conspiracy fairy tale is now on the table and it is very ugly. Here are the key points following the scam from beginning to end:

1. We had a 70 year K-wave top in 2000 (1929-1999) after a go-go tech rally and market failures.
2. Greenspan would not endure a recession and responded by dropping interest rates to pathetic lows-for years.
3. Congressional housing, vote-grubbing boyz wanted a chicken in every pot and a house for everyone, regardless of their ability to make payments, real estate taxes, repairs, and take general good care of a home. Those giveaway loans were outrageous and reckless.
4. Mortgage underwriting rules were thrown to the wind. Anyone with a job and a pulse could buy a house. Some without jobs were approved on no-doc loans. Some with names from graveyards (no pulse) were granted loan approvals to application scammers and thieves.
5. Global bankers were enabled to use relaxed Enron-like trading rules to write derivatives of all kinds. Rules were next to nothing as borrowers and lenders alike went nuts tossing billions.
6. Housing boomed and derivatives of several kinds were sold with reckless abandon. Bankers made enormous fees. Risk was not considered whatsoever. Their motto was "Let 'er' rip."

7. Housing and other derivatives bubbles came to a stratospheric peak in 2005-2006 and blew-up.

8. Housing and derivative paper sank to very low values, or zero as lenders and borrowers imploded. The housing failure should continue in most regions for the next five or more years.

9. Damages were so severe that if left to their own devices, most of the global banks would have failed taking the entire economic system into the dark ages of finance. Bear Stearns, Lehman, and Bank of America were selected as sacrificial lambs, as certain other banks seized the moment to defile and dispose of their competition.

10. USA and other nations' central bankers pumped currencies and bonds to the moon. They were printed and originated with wild abandon to cover-up the mess and contain the damages.

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It continues today. Japan or China or both could crash first. Five Euroland nations are on the edge of collapse. The U.K is basket case and more than one country in South America is caving into big trouble.

11. In the USA, TARP money was stolen from taxpayers and funneled through conduit AIG to crooked, failed bankers to reliquify their balance sheets with free money. They are supposed to lend some out for growth but are holding it tight earning free interest from the government.

12. In the next criminal act, Fannie and Freddie have been given a wide-open checkbook for the next three years. All the USA bad real estate paper will be funneled into these bankrupt entities and then they will be flushed and disbanded. These loans were not paid or legally bankrupted discharged, but summarily, surreptitiously, hidden and dumped.

13. Crooked bankers discovered they are "*Too Big To Fail*" and are doing it all over again with a tacit "no penalty" understanding. Estimated derivative balances today are \$204 Trillion Dollars. No one will stop them until everything finally collapses in one final crashing swoon.

14. The order of collapse could be moving from current deflation to inflation, hyperinflation, back to deflation and lastly, world war to escape the final disaster. War is always the final solution to divert the attention of the Sheeple from their pathetic broken economic existences.

15. Civil disorder appears this summer in several countries instigated by hungry, jobless people from all working classes. So far it's been contained to car fires, vandalism, protest marches and small riots. The deeper we go into Greater Depression II, the worse it gets expanding into stronger and more wide-spread violence.

16. The larger questions become: What happens on the other side after the war? Who will lead the world? Will the US Dollar continue to be the world's reserve currency? Will we attempt to return to the gold standard? Will those who were responsible for these disasters pay the price? If so how? Will

they go to jail? Will they escape the wrath of the Sheeple? What will the economic world look like after the monster obligatory war? Who will control global energy?

17. The controller of global energy resources, we think should be either Russia or the USA-the ultimate winner. We would prefer to believe America will win and survive but we cannot know for sure. Congress and the current administration (along with some members of prior administrations) are equally at fault. The Sheeple, The Herd, The Middle Class, and The Bubbas are gearing-up for a massive revolt. Who pays the price? Who escapes? How bad will it get? No one can say for sure. We live in interesting times in a world being changed for good.

AIG: This pig is in the dirt where it belongs. We see no AIG recovery period.

By Roger Wiegand on Jan 29,2010

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