

# Market Review: Failing US Banks seized by regulators

By [Bob Chapman](#)

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The Friday night, June 27th FDIC Financial Follies were presented again at 9:00 pm EST. That is so the public will not hear about the failures.

Five U.S. banks with total assets of about \$1.04 billion were seized by regulators, pushing [this year's tally](#) of failures to 45 as a recession drives up unemployment and home foreclosures.

Community Bank of West Georgia, in Villa Rica, Georgia; Neighborhood Community Bank of Newnan, Georgia; Horizon Bank of Pine City, Minnesota; MetroPacific Bank of Irvine, California; and Mirae Bank of Los Angeles were closed yesterday by state regulators, according to statements from the Federal Deposit Insurance Corp. [The FDIC](#) was named receiver of the four banks.

[Wilshire Bancorp's](#) Wilshire State Bank will take over all of Mirae's \$362 million in deposits, and will purchase \$449 million of assets, the FDIC said in a statement.

[Sunwest Bank](#) of Tustin, California, acquired most of MetroPacific's \$73 million in deposits and \$80 million in assets, [the FDIC said](#). Stearns Bank of St. Cloud, Minnesota, bought Horizon Bank's \$69.4 million of deposits. [Stearns](#) will purchase \$84.4 million of Horizon's assets, the FDIC said.

The FDIC didn't find a buyer for Community Bank of West Georgia, and said it will mail checks to reimburse insured depositors. The bank has deposits of \$182.5 million. [Charter Financial Corp.](#)'s CharterBank will assume Neighborhood Community Bank's \$191.3 million of deposits and purchased some assets in a loss-share agreement with the FDIC, according to the agency.

"The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector," the FDIC said. "The agreement also is expected to minimize disruptions for loan customers."

Regulators have seized the most U.S. banks this year since 1993. The U.S. economy has shed about 6 million jobs since the recession began in December 2007. Foreclosure filings surpassed 300,000 for the third straight month in May, according to RealtyTrac Inc.

The U.S. banking industry said it made \$9.8 billion during the first quarter trading derivatives and securities as investors started returning to the markets amid signs the recession bottomed.

The surge was led by trading in interest-rate derivatives, which allow investors to hedge against rate swings, as the banks reported revenues that were more than triple any quarter during at least the past five years, the U.S. Treasury's Office of the Comptroller of the Currency said today in a [report](#).

Revenue rose as banks, constrained by the worst financial crisis since the Great Depression, charged "wide" bid-ask spreads, or the fees that traders make from the gap between prices at which they'll buy and sell the contracts, Deputy Comptroller [Kathryn Dick](#) said in a statement.

Revenue from trading interest-rate contracts soared to \$9.1 billion from \$1.9 billion a year earlier and from a \$3.4 billion loss in the fourth quarter of 2008, according to the report. Currencies contracts accounted for \$2.4 billion in the 2009 first period. The banks lost \$3.15 billion from trading credit.

The Friday Night FDIC Financial Follies came on Thursday, July 3rd, due to the holiday weekend. We are told that before the year is out 400 banks will go under. There have been a number of banks that have been merged with other stronger banks, which greatly distorts this picture.

Six banks in Illinois and one in Texas were seized by regulators as the deepening financial crisis pushed the toll of failed U.S. lenders this year to 52, the most since 1992.

Twelve banks have failed this year in Illinois, the most of any state. The seven lenders seized today, with total assets of \$1.49 billion and deposits of \$1.34 billion, were closed by state or federal regulators and the [Federal Deposit Insurance Corp.](#) was named receiver, according to statements from the FDIC. Buyers were named for each of the closed institutions.

The Illinois banks are affiliates of [Peotone Bank & Trust Co.](#), in Peotone, Illinois, about 45 miles (72 kilometers) south of Chicago. The failures resulted primarily because of soured loans and losses on investments in collateralized debt obligations, the FDIC said. Illinois, with an unemployment rate above the national average, was one of seven states to begin the fiscal year yesterday without a spending plan.

"The six failed Illinois banks are all controlled by one family and followed a similar business model that created concentrated exposure in each institution," the FDIC said. CDOs, which packaged bonds and loans into notes of varying risk and yield, lost money as real estate defaults soared.

Regulators this year have closed the most banks since the savings-and-loan crisis of the 1990s as lenders struggle with mounting losses on mortgages and commercial loans. The total for 2009 is more than double the 25 banks shuttered in 2008 and surpasses the 50 that were closed in 1993. The prior year there were 181 failures or government-assisted transactions.

The House did it. They succumbed to the biggest tax increase in history for Americans. The American Clean Energy and Security Act passed by 219-212, a disgrace to our country. The worst legislation since CAFTA, NAFTA, the Income Tax and the Federal Reserve Act. Trillions more in taxes and millions of job losses. A 1,200 page piece of legislation that not one Congressman or woman read. If allowed to be passed in the Senate

it will be the greatest economic threat to Americans in history.

Costs to American will be 20% of disposable income. An increase in gasoline tax of \$0.77 a gallon and a doubling of every electric bill in the country. The taxes go to government part of which will go to fund the UN and IMF.

This bill has to be stopped in the Senate. Hit every Senator with emails, phone calls, Fax's and letters. Short and sweet - do not vote yes on any legislation to limit greenhouse-gas emissions, such as the American Clear Energy & Security Act.

America's biggest oil [companies](#) will probably cope with U.S. carbon legislation by closing fuel plants, cutting capital spending and increasing imports.

Under the Waxman-Markey climate bill that may be voted on today by the U.S. House, refiners would have to buy allowances for carbon dioxide spewed from their plants and from vehicles when motorists burn their fuel. [Imports](#) would need permits only for the latter, which ConocoPhillips Chief Executive Officer [Jim Mulva](#) said would create a competitive imbalance.

"It will lead to the opportunity for foreign sources to bring in transportation fuels at a lower cost, which will have an adverse impact to our industry, potential shutdown of refineries and investment and, ultimately, employment," Mulva said in a June 16 interview in Detroit. Houston-based [ConocoPhillips](#) has the second-largest U.S. refining capacity.

The same amount of gasoline that would have \$1 in carbon costs imposed if it were domestic would have 10 cents less added if it were imported, according to energy consulting firm [Wood Mackenzie](#) in Houston. Contrary to President [Barack Obama](#)'s goal of reducing dependence on overseas energy suppliers, the bill would incent U.S. refiners to import more fuel, said [Clayton Mahaffey](#), an analyst at RedChip Cos. in Maitland, Florida.

"They'll be searching the globe for refined products that don't carry the same level of carbon costs," said Mahaffey, a former Exxon Corp. refinery manager.

## **Prices Seen Rising**

The equivalent of one in six U.S. refineries probably would close by 2020 as the cost of carbon allowances erases profits, according to the American Petroleum Institute, a Washington trade group known as [API](#). Carbon permits would add 77 cents a gallon to the price of gasoline, said [Russell Jones](#), the API's senior economic adviser.

## **House Passes Climate-Change Plan, an Obama Priority (Update2)**

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aPwZANIDq4R0>

After having written so long about the Fed nothing should rally surprise you. The Fed, under attack by Ron Paul's HR-1207, came out with a strong offense for a defendable defense. Being granted more financial dictatorial power it is the antithesis of what America needs. In essence America is being handed a financial dictatorship. This will make the fed even more unaccountable than it already is. We will be faced with across the board problems and more secrecy from this privately owned bank. Continue to bombard the House members on HR 1207 and Senate members on S. 604, sponsored by Senators Sanders and DeMint.

It is proposed that the Fed will be the systemic risk regulator and supervisor of the too big to fail institutions, which own the Fed. We call that incestuous. The Fed will supply liquidity to save its shareholders. A council of regulators will be created to replace the President's Working Group on Financial markets. That group would be chaired by the Treasury, but with advisory powers only. That means the power to manipulate all markets without interference will solely be left to the Fed. . They would be able to make any market in the world what they want it to be. There are no free markets now. The Fed would have full fascistic control. This would give the Fed's owners the opportunity to totally loot the system and the American public.

For almost 20 years the Fed has advocated no regulation of derivatives, now they are to regulate them. That would include writers maintaining at least 5% interest in the derivatives.

The Fed would create a Consumer Financial Protection Agency with rules against predatory lending and transparency standards at the retail level. This is a farce in as much as the major banks own the Fed.

A new resolution mechanism that would clear big bank balance sheets of all toxic waste throughout the financial system, that you as taxpayers, would get to pay for.

The Fed would be the leader in the formation of global financial regulation and supervision, as part of a plan for the consolidation of all such enforcement on the path to world government. The Fed would marry into the new European Systemic Risk Council comprised of EU central bank governors. This Council would breach US sovereignty by issuing warnings and recommendations, somewhat like the Bank for International Settlements does. The Fed would work in conjunction with the EU, but at this time not be controlled by an international body. This is the foot in the door approach. Once set up the Fed would become part of this international cross border agency. From the very beginning there would be a single rulebook applicable to all financial institutions, which belies the fact that the agency would in reality control all financial institutions from its inception.

The President's plan requires all advisers to hedge funds and other pools of capital, including private equity funds, and venture capital funds, at some fixed level, to register with the SEC.

Financial derivatives will be regulated. Standardized credit default swaps and other OTC derivatives will be required to clear through a central counterparty and trade on exchanges and other transparent trading venues. The custom products will have to register as well.

The Ron Paul, Federal Reserve Transparency Act of 2009 now has 244 co-sponsors. A very upset Fed three weeks ago herded former Enron lobbyist Linda Robertson to payoff and pressure House members. Now the Securities Industry and Financial Markets Association has been brought into the fray to counter the populist backlash against bankers. The spearhead will be led by two former aides to former Treasury Secretary Henry Paulson. The plan is to target every representative in the House and unleash a multi-million dollar media blitz in city by city. A massive propaganda campaign has begun. Former treasury aides Michele Davis, a PR type and Jim Wilkinson, a former chief of staff are leading the charge. Engaged as well is Democratic polling company, Brilliant Comers Research & strategies.

SIFMA has 600 securities firms led by Goldman Sachs, JP Morgan Chase and Citicorp. The

theme is let's work together. Yes, these are the firms that have looted American citizens of their hard earned wages for years.

Opinion Research found 34% of investors are angry and Share Owners.org 58% are less confident in the fairness of the financial markets.

All this wouldn't be necessary if Treasury, the Fed and the major firms were not manipulating the markets.

The Fed, banking and Wall Street are responsible for the destruction of about 40% of worldwide wealth. Yet, they think they have done nothing wrong. They have disemboweled both residential and commercial real estate, which was in part responsible for a fall in the Dow from 14,100 to 6,600.

They have bamboozled the public with stress tests, which were bogus to prove false solvency. That avoided government oversight and as a give up allowed a special master of compensation for those, who took taxpayer funds, to escape insolvency. Wall Street denizens view their large salaries, bonuses and options as a right – an entitlement. These are the same people who destroyed the American dream and put their firms into insolvency.

The Fed and the Treasury had hundreds of billions of dollars for banking, Wall Street and insurance companies, but they couldn't allow borrowers, facing foreclosure, a break. That would have staved off two million foreclosures and preserved \$300 billion in equity. Congress couldn't help average Americans, only the rich. We are in the greatest financial crisis since the early 1870s or the 1930s. These people have ravaged the financial and economic world and they are still in complete control of the system. That is because they have bought Congress and they have created a revolving door between NYC and Washington. Last year, banking, securities and investment firms gave \$154.9 million in political payoffs. Real estate interests stuffed \$136.7 million into politician's pockets; commercial banks gave \$37.1 million and hedge funds \$16.7 million, for a total of \$345.4 million. This is why campaign contributions have to end along with lobbying. When are Americans going to wake up to what is being done to them?

It is only a matter of when before there will be insufficient buyers of Treasuries to fund bond issues. We believe this has previously happened from time to time and that buying by the Fed from offshore accounts has held the market up. This we believe is why the Fed doesn't want an audit. When foreign central banks stop buying, the Fed will monetize more and more as they are currently doing. They will be buying \$3 trillion worth of Treasuries, Agencies and CDO toxic waste from banks over the next three months.

On June 5th, we saw the 2-year and 10-year Treasury yields spike as the Fed lost control of the market. We noted the actions at that time. It won't be long before most long dated paper, that is over 5 years, will have to be monetized in a very big way. That also means interest rates will continue to move higher. We believe the treasury will be in the market for \$1.2 to \$1.5 trillion. That means the Fed may have to buy \$600 billion to \$1 trillion in Treasuries. They have already committed for \$300 billion. It is hard to know exactly what this private corporation is up to because much of what they do is in secret. As rates rise it becomes very difficult to finance mortgages. At a 5.5% mortgage rate, 80% of pending and future mortgages cannot be consummated.

In another area of finance the commercial paper market continues to contract. It is a very

important source of borrowing for business and industry. As it contracts it keeps companies from producing goods and services and the economy contracts. The available paper has contracted by some 50% over the last two years, in spite of the Fed assisting that market. As available funds are reduced, production falls and unemployment rises.

Bank credit has fallen by \$23 billion to \$9 trillion, this in spite of a 3.6% rise yoy. In 2009, credit has fallen by \$170 billion. Consumer borrowing is dropping and savings just hit 6.9%. In spite of late payers other borrowers are paying off their loans. Consumer credit usage has fallen about 8%, the same as in the 1990s recession.

As we write (6/27/09) the dollar on the USDX is 79.90. That is the dollar index where six other currencies are weighted and compared to the dollar. We not too long ago called a top at 89.50. The dollar has been unable to break above 81 for several weeks, which tells us the dollar is headed lower, perhaps sharply lower, to its former low of 71.18 before the year is out – and, perhaps much sooner. If you remember in the first two quarters of 2008, all over the world, vendors, businesses and others were refusing to take dollars, which is going to happen again. That could be a catalyst that could bring on a bank holiday. There is no question that the Fed and the Treasury will inflate until they cannot anymore. Foreigners will be looking at enormous losses and all dollar denominated debt held by foreigners could be dumped. Another event that could case a bank holiday. As that happens the cost of imports and the resultant inflation would skyrocket, as US interest rates soar. These are very probable scenarios..

American citizens owe massive debt to the world. Total debt to GDP is 370%. It was only 260% in 1929. In order to pay this off government spending would have to be cut by 80% and taxes would have to be raised to 80%. We see neither happening. As we said previously there will come a time over the next few years that all currencies will be devalued against one another and that all defaulted debt will be settled. All US bankers, Wall Street, Washington and the Fed are doing is trying to gain time, a fruitless pursuit. Debt is some 14% of GDP, and budget deficits are growing. Is it any wonder that foreign buyers of dollar denominated assets are disappearing?

Mounting job losses and other economic realities caught up with Americans in June, pushing down a key barometer of consumer sentiment after a streak of gains built on glimmers of hope.

Some economists say the reality check offered by yesterday's report from the New York-based Conference Board may not augur well for spending in the critical months ahead.

The Conference Board said its Consumer Confidence Index now stands at 49.3, down from its revised May level of 54.8.

U.S. options trading rose 4.6 percent during the first half of the year and headed for a seventh consecutive annual record as investors embrace computer-driven strategies and shun private transactions.

About 1.82 billion contracts linked to stocks, indexes and exchange-traded funds have changed hands in 2009, according to the [Options Clearing Corp.](#), which tracks trading on U.S. exchanges. During all of 2008, 3.28 billion traded. Average daily volume has climbed 5.4 percent to 14.6 million this year.

[Fannie Mae](#) and [Freddie Mac](#) will begin refinancing mortgages with loan-to-value ratios of as much as 125 percent as the Obama administration seeks to boost participation in its anti-foreclosure programs.

Shaun Donovan, secretary of Housing and Urban Development, made the announcement in a statement yesterday. Currently Fannie Mae or Freddie Mac, through President Obama's Home Affordable program, can refinance mortgages they own or guarantee when the loan is worth as much as 105 percent of the home's market value.

The continuing slide in home prices has pushed millions of Americans beyond that 105 percent loan-to-value ratio, limiting participation in Obama's initiative. Fannie Mae and Freddie Mac have refinanced 80,000 loans under the program, which set out to help as many as 5 million people who may owe more than their homes are worth, Federal Housing Finance Agency director James Lockhart said last month.

[Government did not learn its lesson. Here we are back with subprime garbage again. These loans will fall out within 6 months to a year. Bob ]

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### **467K jobs cut in June; jobless rate at 9.5 percent**

[http://finance.yahoo.com/news/467K-jobs-cut-in-june-jobless-apf-749843232.html/print;\\_ylt=AtAOQtZBiTqWNQW2lZppz\\_veba9\\_?x=0](http://finance.yahoo.com/news/467K-jobs-cut-in-june-jobless-apf-749843232.html/print;_ylt=AtAOQtZBiTqWNQW2lZppz_veba9_?x=0)

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Ford Motor Co. says its June U.S. sales fell only 10.7 percent from a year earlier, a far smaller drop than in previous months and a sign that auto sales may be recovering.

Crabtree & Evelyn Ltd., the maker of soaps, gifts and toiletries sold in 126 stores in 34 states, filed for bankruptcy protection in New York, citing a decline in consumer spending.

The [International Monetary Fund](#)'s board of directors approved the issuance of bonds to the lender's 186 members for the first time as it seeks additional sources of money to lend during the global recession.

The board made the move in a vote today and did not place a limit on the [note sales](#), Andrew Tweedie, the Washington-based IMF's finance chief, said on a conference call with reporters. The bonds are part of a wider effort to seek \$500 billion in new funding as the lender helps countries from Iceland to Pakistan combat the global financial crisis.

The consumer confidence index fell to 49.3 in June from 54.8 in May; 55 was expected.

TrimTabs Weekly Macro Analysis - June 30, 2009: *Real Savings Rate 0.9%, Not BEA's 6.9%; Year-over-Year Growth in Wages and Salaries; -4.8% in May, Not -1.1% as BEA Reports*

In addition, real-time tax data indicates wages and salaries fell 4.8% y-o-y in May, not 1.1% y-o-y as the BEA reports. And while the BEA reports that personal income rose 0.3% y-o-y in May, real-time tax data shows it fell 3.6% y-o-y. Consumers are in much worse shape than government statistics suggest and have little money left over to repair their tattered balance sheets.

<http://www.trimtabs.com/site/index.php>

Bloomberg: Delinquency rates on the least-risky mortgages more than doubled in the first quarter from a year earlier as U.S. efforts to help homeowners failed to keep pace with job losses that pushed more borrowers toward foreclosure.

Prime mortgages 60 days or more past due climbed to 2.9 percent of such loans through March 31 from 1.1 percent at the same point in 2008, the Office of the Comptroller of the Currency and the Office of Thrift Supervision said today in a report. First-time foreclosure filings on the loans rose 22 percent from the fourth quarter, the report said.

The Fed monetized \$7B of 7s through 10s on Tuesday. While the deficit only affects the state, California's deepening economic malaise could make it harder for the entire nation's economy to recover.

When the state stumbles, its sheer size - 38.3 million people - creates fallout for businesses from Texas to Michigan.

"California is the key catalyst for U.S. retail sales, and if California falls further you will see the U.S. economy suffer significantly," said retail consultant Burt P. Flickinger, managing director of Strategic Resource Group. He warned of more bankruptcies of national retail chains and brand suppliers.

Will Ben, Hank, Little Timmy and Congressional leaders explain to the American people how it is possible for Wall Street to have near record remuneration AFTER the US taxpayers were put on the hook for about \$12 trillion of guarantees to The Street? And will they explain to Americans that while Street insiders 'earn' record pay they must suffer a severe recession or depression, possibly record future inflation, collapsing home values, job losses and an income contraction?

More from Zero Hedge on Government Sachs: Is Goldman Legally Frontrunning Its Clients? Everyone who is anyone on Wall Street has at some point used the Goldman 360 portal whether for research, news, keeping a track of prime brokerage portfolio or, disturbingly, for trading, via the REDI Plus 9.0 platform (now loaded with enhanced algo trading features to make life for you, dear soon to be front ran Goldman client, so much easier). A second widely accepted Wall Street concept is that a disclaimer is the last thing that anyone reads, if ever. Yet after taking a close look at the Goldman disclaimer for the 360 portal, which is an umbrella waiver or all downstream websites, including REDI, one discovers the following gem:

Monitoring by GS: Your use of the products and services on this Web site may be monitored by GS, and that the resultant information may be used by GS for its internal business purposes or in accordance with the rules of any applicable regulatory or self-regulatory organization.

One second: by using Goldman 360 a client voluntarily allows Goldman to provide



keystroke by keystroke data of everything the client does, even if that includes launching trades via REDI, to Goldman for the internal business purposes. The third thing everyone on Wall Street agrees on is that “internal business purposes” usually (and in Goldman’s case, almost exclusively) means proprietary trading.

<http://zerohedge.blogspot.com/>

As many as one in five U.S. hotel loans may default through 2010 as the recession means companies are spending less on travel and perks, according to University of California economist Kenneth Rosen.

A Florida woman tragically committed suicide on the day she was getting evicted from her home.

Heather Newnam, 28, of Tamarac, Fla., shot herself when a real estate agent, a locksmith and movers showed up at her home on Monday after she failed to pay her rent. She told them she had to secure the dogs first, and then a shot was fired, [according to the Broward Sheriff's Office](#) . The SWAT team arrived on the scene and found her dead from a gunshot wound to the head.

Newnam [documented her life on Twitter](#) as user rsangel04. Her last post on June 24 read, “Rich get richer, poor get poorer, families on the street, govt doesn’t care. God bless the usa, but can He save it?”

The day before, Newnam seemed in better spirits. “Five minutes til Rescue Me, Woo Hoo! then bed, Im beat.”

[According to the New Times](#) , Newnam worked in sales at the Success Research Group in Oakland Park, Fla.

The housing market in Florida is among the worst in the country. [According to a recent Wall Street Journal report](#) , Florida was third in the country with the highest foreclosure rate behind Nevada and California. {This is only the beginning, unfortunately many more will follow. The blame rests at the feet of the Illuminists.}

“Washington Post Publisher Katharine Weymouth today canceled plans for a series of policy dinners at her home after learning that marketing fliers offered lobbyists access to Obama administration officials, members of Congress and Post journalists in exchange for payments as high as \$250,000.”

The controversial climate bill that is set to be taken up by the Senate on Monday after its passage in the House will legislate home inspections by government regulators who will demand to audit every aspect of your property under the threat of substantial and repeated fines if their visits are denied or their demands not satisfied.

Here is the deal.

The US has lost its manufacturing, so the government is going to “create jobs” by pouring tons of gratuitous regulatory compliance on us all, to justify hiring inspectors at taxpayer expense who will in turn force us to purchase improvements to our homes. Everybody works!!!!

But here is where the “solution” breaks down. Where is the money coming to PAY for all this regulatory compliance? The government is still acting as if they believe there are vast sums of cash floating around out here in the real world, and that saving the economy is simply a matter of taking it away from all of us.

[SAIC](#), one of the Pentagon’s largest contractors, conspired with federal officials to rig a \$3.2 billion technology contract and tried to cover up the scheme by destroying documents and electronic records, federal prosecutors said in newly unsealed court documents.

The Justice Department announced yesterday that it had joined a whistleblower lawsuit filed in federal court in Mississippi asking for a monetary judgment against SAIC, which has already been paid \$116 million under the contract.

The MBA mortgage purchase applications index fell 4.5% and the total market index fell 18.9%. The refi index fell 30% vs. plus 5.9%. The 30-year fixed rate mortgage fell 10 bps to 5.34% and the 15’s fell 12 bps to 4.81%. Applications fell to a 7-month low. This does not bode well for the biggest real estate month of the year.

The MBA, Mortgage Bankers Association, of purchase and refinance loans decreased 18.9%, the lowest since 11/21/08. Higher rates and unemployment is hurting the market.

Barry Sotero (Barak Obama) has the public bamboozled while his Team B from the Illuminati replace Team A as official looters. The House and Senate aids and abets. What is going on can only end badly. On Wednesday, the dollar took another blow being unable to break back above 80 on the USDX, closing a very weak 79.66. The dollar is setting up for a major fall to 7.18 by the end of October, maybe even sooner.

US private employers cut 473,000 jobs in June, off from 485,000 lost in May.

Challenger reports planned job cuts will be 74,393 down from 111,182 in May.

The Monster Employment Index fell 1-point month-on-month in June to 117, off 11.81%.

The ISM Index of national factory activity edged up to 44.8 in June from 42.8 in May. Prices paid were 50.0.

May pending house sales rose 0.1% to 90.7 from 90.6 in April.

May construction spending was the lowest in five years at a minus 2.9%. Private construction dropped 1%, the lowest in six years. That marks up 35% of private building. It fell 3.4%, its lowest level since 12/95. Public construction fell 0.6% in May. Highway and street construction fell 1.3% and power plant construction fell 6.5%. Transportation rose 0.6% and education was up 0.5%.

San Francisco Fed bank president Janet Yellen says lending rates could stay near zero for a couple of years.

We see trade war soon. Countries are all manipulating their currencies, subsidizing products and Russia and China are making arrangements that exclude the US and the dollar, further undermining the US dollar – the world’s reserve currency. The paper dollar war, which began in the late 1960s, is soon going to explode and we could have serious problems, which could

become a bank holiday.

Russia and China have ambitions for world domination and they are slowly undermining the US position of power. This can only end in nuclear war.

Fed Chairman Ben Bernanke says an audit of the Fed would destroy the dollar and he is right. It would expose all the offshore secret accounts, the market rigging via their 21 dealers whom they direct. That there is little gold left in Fort Knox and all the secret agreements the Treasury and the Fed have with other governments and corporations are secret. All the real figures on money and credit would be exposed as well as their sweetheart deals with banks and Wall Street. Their part in aiding and abetting crime would be exposed as well. We'd find out what we have been paying for toxic bank assets. We would find all the major banks and brokerage firms are bankrupt. The public would find out who has been screwing them for all these years. The Fed is a fraud and it is broke. It could be they cannot deliver.

The BLS, the Bureau of Labor Statistics, using the Birth/Death ratio added 185,000 jobs in June from out of thin air. U6 officially is 16.5% unemployment. Our research puts the unemployed at 20.5%.

The commercial paper market continues to deteriorate. It fell \$18.1 billion to \$1.136 trillion, down from \$1.155 trillion the prior week. In two years it fell from \$2.2 trillion.

Asset backed CP fell \$13.6 billion vs. a fall of \$21.3 billion the prior week. Unsecured financial issuance fell by \$3.2 billion after rising \$18.2 billion the prior week.

There has been absolutely no attempt by the Treasury, the Fed, the SEC, CFTC, the Congress or the FDIC to find out what went on at AIG. Trillions of taxpayer funds have been poured into and through this CIA front. This is criminal.

It might interest you to know that Larry Summers is a big equity holder in Blackrock, He recently handed out a slew of no bid contracts to Blackrock, which is certainly a conflict of interest. They will manage government mortgage portfolios for Fannie Mae and Freddie Mac.

Big banks have just raised fees 20% more than smaller lenders. Some are billing small-business customers for FDIC insurance increases. ATM charges, stop-payment fees, checking-account fees, and overdraft fees are soaring. This is how they will make up revenue lost on credit cards.

Bonuses at Goldman Sachs will average \$700,000 per employee to total \$20 billion. That is double last year.

The FCC had all records on criminals like Paulson, Geithner, Ruben, Summers & others engaging in that illegal activity. But all the records of those illegal trades were destroyed when WTC 7 was brought down by thermite on 9/11!

911 was a public snuff film used to shock the public and enact the end of the Bill of Rights & invasion of oil bearing countries, & make money for private companies like Halliburton, (stock from 10 to 50 a share)!

By destroying the WTC, they were able to cover up theft of gold bullion & destroy illegal financial transaction records performed just prior to the attacks

Silverstein spends 140 million to make 7 billion almost over night; Silverstein said it was demolished by explosives, (pull it)

It reminds me of CIA man Byrd, the owner of TX School Book Depository, who turned a 2.5 million insider purchase into 26 million dollars thanks to JFK assassination!

[Lear Corp.](#), the world's second- largest maker of automotive seats, is planning to file for Chapter 11 bankruptcy after reaching an agreement with representatives of secured lenders and bondholders.

Battered mortgage giant Freddie Mac received \$6.1 billion in new funds from the Treasury Department to help offset its mounting liabilities, according to a regulatory filing submitted Wednesday.

The company could also be close to naming a new, permanent CEO, according to a report in The Wall Street Journal.

The Federal Housing Finance Agency, which has been operating Freddie Mac since last fall, requested the funds for Freddie Mac after the mortgage firm's liabilities exceeded its assets by more than \$6 billion, according to the filing with the Securities and Exchange Commission.

After drawing the funds, Freddie Mac has now received \$51.7 billion from the Treasury Department and still has access to an additional \$149.3 billion to help it finance operations.

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