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When Your Bank Fails, Don't Walk… Run!

By Brett Redmayne-Titley
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So. The US economy is just fine. The post-recession 2010 Dodd-Frank legislation has cured all. Banks have lots of cash. Congress is your friend and that certain-to-pass Tax Cut and Jobs bill will finally allow you, your family and America to… MAGA.

Really?!

"I'm sorry, Sir. We are unable to cash this check," were the ominous words delivered to me by a fresh-faced, none-too-friendly, Wells Fargo Bank manager. He had just kept me waiting ten minutes while in consultation about my requested transaction. Returning to his cubicle he sat down quickly, now looking at me intently through narrowed eyes.

Three feet away, between us and in front of him, were three forms of my personal identification face up. However, he gazed down glowering at two personal checks also laying before him, written to me by a client and drawn on his bank. Not being a "Wells" customer I had expected a shake-down, hence the multiple forms of ID.

These two checks totalled a seemingly paltry sum of almost US$8,000.00. Not expecting this much difficulty I insisted on a reason, to which he now looked up from considering the two checks and replied,

> "I'm sorry, but the bank does not have sufficient funds on-hand to cash these checks."

Really?!

Naturally, like the majority of incorrectly indoctrinated US bank depositors I assumed that, as is traditional with banks, this one would have lots and lots of cash.

Au Contraire.

Unapologetically he informed me that he was "sorry" but he could only cash one of the checks at this time. Both checks were for about the same amount. I inquired if this was a new bank policy and was told that the bank simply did not have enough cash on hand, and, "no", I could not come back at the end of the day after the bank had received the day's cash deposits. However, if I went to a larger Wells branch they might be able to handle both checks.

This rather unique news seemed worth of delving into further, so I declined his opening offer and left with my two onerous withdrawals. Being away from home, I decided to wait and stop by my home town's main Wells Fargo branch office.   For anyone following the factual and very dire condition of the world's economy and its bank's magnificent set of past, pending, future -and unpunished-financial crimes, my sojourn into the realm of Kafka would become a very cautionary tale.

Oh, those evil banks. The shadowy corporatist denizens of New York, London, and Brussels, all guilty of a staggering set of every-expanding frauds couched in the beneficent language of greedy short-term materialistic gain. Financial "crimes of the decade," like the Savings and Loan meltdown, the Enron Collapse, and the Great Recession are nowadays reported almost monthly. With metered US justice amounting only to a monetary fine for the offending criminal bank- usually a small fraction of the money it previously stole, hypothecated, leveraged or manipulated- and with criminal prosecution no longer a possibility, these criminals continue to shovel trillions- not billions- into off-shore, non-tax paying accounts of the already uber-rich. There is never enough.

Just in time for Christmas, Americans received the "Tax Cut and Jobs Bill 2017" that, of course, contains not one word about jobs, but sounds so good to the ignorant who are still transfixed on the false mantra of *MAGA.*

LIBOR, FOREX, COMEX, which used high-speed program securities trading combined with insider manipulation, were the first serious examples of recent bank frauds. Since the Great Recession magically became the Great Recovery, Wachovia and HSBC banks plead guilty to laundering money for Mexican drug cartels dictators, and terrorists. Wells Fargo and Bank of America were also guilty of defrauding 10's of thousands of homeowners of the properties during the *"robo-signing"* scandal; that was a scandal…until Wells and BA paid the *mortdita* and all returned to business as usual. Example: In July 2017 it was revealed that more than 800,000 customers who had taken out car loans with Wells Fargo were charged for auto insurance they did not need. Barely a month later, Wells was forced to disclose that the number of bogus accounts that had been created was actually 3.5 million, a nearly 70 percent increase over the bank's initial estimate. Why not? When the predictable result will be a small percentage fine, and keep the rest. Now that's *MAGA!*

If the individual retail- Mom and Pop- investor actually had a choice of where to put their cash money, then no one with better than a fifth-grade education would put a penny into the major stock markets. However, the goal of the many banking manipulations have had one goal: eliminate financial investment choices to one- *stocks.*

One choice, Gold and silver, the previous historical champion alternative in preserving one's wealth, was deliberately eliminated from short-term, private investment. The banks, issued and sold massive amounts of worthless certificate gold and derivative gold (not bullion), and the same in silver, at a current ratio of 272 paper instruments to one measly ounce of real physical gold. All this has been leveraged against real precious metals, and next used to influence the price of gold-down- by selling huge tranches of these ostensibly worthless gold contracts (1 contract=100 paper ounces) within seconds when the spot price of gold begins to rise. The banks have done this so often that gold has not risen to levels it would likely reach without this manipulation. This has driven massive liquidity that would have gone to precious metals towards stocks. This is likely evidenced by the advent of the meteoric rise in the price of BitCoin, one that-like gold- escapes the bank's control and a super-inflated stock market.

Similarly, thanks to the economic trickery that has been three rounds of Quantitative Easing, the other two conventional options; the bond market and personal bank savings accounts have been manipulated to also produce a very low rate of return, driving these cash funds to stocks. It is this entire package of criminality- providing no other place for liquidity to go- that has performed as the plot to push a surging world stock market to obscene levels that have no basis in factually based accounting or economic methods… *or history.*

Banks Are Ready for the Next Crash- You're Not!

The banks know the next crash is coming. Like 2007, they have set in motion the next great(est) recession. Predator banks know that most people, thanks to the aforementioned financial control, media omission and an inferior education system, are *"stupid,"* especially regarding the nuances of financial fraud. As the majority of Americans and Europeans live in the illusion that their financial institutions will protect their savings, they miss their bank's greedy preparations for the next stock market crash slithering through the halls of their Parliament or Congress. This already completed legislation states in plain English, and the language of endemic corruption, that your bank intends to steal your money directly from your savings account. And…your government will let them do this to you.

30,000 pages make up the Dodd-Frank post-recession legislation, authored by the banks in the aftermath of the Great Recession. The Dodd-Frank legislation was touted as eliminating the massive bail-outs the US gave virtually every ill-defined too big to fail worldwide bank and US corporation in 2008-9. In reality, Dodd-Frank was as much a fraud against Americans as LIBOR or COMEX manipulation, etc., al.

Title II of the media-acclaimed 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act provides the Federal Deposit Insurance Corporation (FDIC) with new powers and methods to again guarantee- first and foremost- the massively leveraged derivatives trade once this massive leverage plummets as it did with AIG in 2007-09. However, that collapse was singular. The next will include all banking sectors.

The bank's paid-for politicians made sure a post-crash congress did not regulate derivatives via Dodd-Frank, and thereby encouraged a further increase in this financial casino betting, despite it being the root cause of the original problem. Thanks to Dodd-Frank and it's predecessor, the 2005 Bankruptcy Act, Congress made sure these new fraudulent bets on stock market manipulation would surely be paid. But, not to worry; there would be no more *"Bail Outs."* Next time, these banks would use their depositor's savings, including yours. Meet: the *"Bail-In."*

Really?!

All Americans recall the massive *"Bail-Outs"* of 2007-9 and how their corporately controlled Federal Reserve Bank and an equally controlled US Congress threw several trillions of US taxpayer dollars at US banks, dozens of foreign banks, and any corporation with enough political pull to be defined as "Too Big To Fail" (TBTF). In the aftermath a year later, the banks understood that Americans and European citizens had lost enthusiasm for any future government *Bail-Out,* most preferring instead that any institution suffering self-inflicted financial duress should enjoy the fruits of their crimes next time, via the reality of formal bankruptcy proceedings.

The will or financial safety of the public is, of course, no concern to criminal corporations, and so easily circumvented via congress and the president. So, the banksters have redefined their criminality using two newly defined methods, both rebranded to be far more palatable to the public.

Currently,*"Too Big to Fail,"* (TBTF) has a very fraudulent and elitist connotation just like, *"Bail-Out."* To millions across the world who have lost their homes, pension funds, retirement plans, and dreams, this decade-old moniker for financial oppression and fraud has now been conveniently re-branded. The bailed-out TBTF banks now have a far more magnificent definition: TBTFs are now, *"Globally Active, Systemically Important, Financial Institutions"* (G-SIFI).

This sounds so much better.

But, *"Bail-Out"?* No… No. Would you not prefer a *"Bail-In"?* Not if you know the details.*"Bail-Outs,"* may have also lost their flavour but in the new world of the G-SIFI, the next one is actually just a *"Bail-In,"* away.

Yes, Bail-Ins, the new *"systemically"* correct term for publicly guaranteed bank fraud are already named as such in new national policies and laws, appearing in multiple countries. These finance laws, such as Dodd-Frank and its pending UK and European Union version, make upcoming Bail-Ins legal. These Bail-Ins allow failing G-SIFI banks to legally convert the funds of *"unsecured creditors"*(that's you) into bank capital (that's them). This includes include *"secured"* creditors, like state and local government funds.

Really?!

With this in mind, I entered the main branch of Wells Fargo. The two checks in hand. On the way in I was greeted warmly, one after the other, by three more fresh-faced and eager proteges, all smartly uniformed to match the Wells décor, and who proffered, *"Good morning, Sir!,"* again, and again… and again. Certainly, these little fish were not in possession of authority enough to cash my mammoth checks, so I asked for bigger game, the Branch Manager.

Thus, I explained my plight to a very lovely lass who predicted she, *"would be glad to help me."*

"Cheryl," patiently explained that I had come to the right place and she would be glad to cash both checks. Regarding my previous polite banking experience, she admitted that it was indeed bank policy to have limits on the availability of cash for withdrawals and that different branches had different limits. This was the main branch so my request here was meritorious. Further, she admitted that whatever daily cash coming into the branches in the form of deposits was not available for withdrawal, but was sent from the main branch for daily accounting at a central point common to all area Wells bank branches. Only a prescribed amount of cash was provided with each bank for daily customer cash withdrawals.

Really?!

"A couple of times your current request," was her cautious response to my question about her branch's limits on check cashing. Not to be put-off, I asked about a hypothetical US$25,000 check. She admitted this would be beyond her branches authority. *"But,"* she smiled, *"Today, you've come to the right place."*

The financial law firm Davis Polk estimates the final length of Dodd-Frank, the single longest bill ever passed by the US government, is over 30,000 pages. Before passage, the six largest banks in the US spent $29.4 million lobbying Congress in 2010 and flooded Capitol Hill with about 3,000 lobbyists prior to Obama predictably signing its final unread version. No US congressman or senator had read it. But, the bank's congressional minions were told to vote for it. And dutifully they did.

The major cause of the upcoming financial meltdown, as with the pre-2008 conditions, is globally systemic gambling against national economies; called derivatives. Derivatives are sold as a kind of betting insurance for managing fraudulent banking profits and risk. So, why fix systemic banking fraud when the final result allowed these same banks to make even more money in the aftermath of the national and personal financial destruction they originated in the first recession?

Instead, thanks to Dodd-Frank, derivatives suddenly have *"super-priority"* status in any bankruptcy. The Bank for International Settlements quoted global OTC derivatives at $632 trillion as of December 2012. Naked Capitalism states that $230 trillion in worthless derivatives are on the books of US banks alone. Applied to Dodd-Frank this means that all these bad bank bets on derivatives will be paid-off first… *before you may have your savings cash.* If there's actually any cash left once you get to the teller's counter.

Normally in a capital liquidation or bankruptcy proceeding, secured creditors such as a banks personal depositors are paid off first because these are hard assets, not investments, and thus normally have a mandated priority. Under these new *"Bail-In"* Dodd-Frank mandates, your government has re-prioritized your bank's exposure and your cash deposit.

Derivatives and other similar banking high-risk ventures are now more highly protected than bank depositor's savings. In the 2013 example of Cyprus, Germany and the ECB also made depositors inferior to other bank holdings leaving depositors with, after many months, a small fraction of their deposits.

And then came Greece.

Selling the lie while using the language of Dodd-Frank, we are told by media whores that banks will not be given taxpayer bailouts next time. True. The preamble to the Dodd-Frank Act claims,

> "to protect the American taxpayer by ending bailouts."

But how, then, to Bail-In the G-SIFIs without another taxpayer Bail-Out? No problem.

Enter the FDIC and another new banking term, *"cross-border bank resolution."* As the sole US agency required to pay back depositors who lose savings up to $250,000, FDIC is armed with a paltry US$25 billion war chest to pay depositors. Under Dodd-Frank, the FDIC will be the mechanism to replace deposits lost or squandered by bank fraud. The public, however, has an estimated total US cash deposits of US$7.36 trillion so, once the banks steal your savings, FDIC will be just a little bit short of funds. How to fix this mathematical shortfall? With, of course, more of your money via emergency taxes or a massive new round of Quantitative Easing(QE). Either way, by the time this happens your money is long gone. And it gets worse.

Really?!

Say, "Goodbye" to your Savings- Two Greedy Methods

> "It's [FDIC] already indicated that they will confiscate [savings] funds…". -US congressman Ron Paul

On December 10, 2012, a joint strategy paper was drafted by the Bank of England (BOE) in conjunction with the Federal Deposit Insurance Corporation (FDIC) titled, *"Resolving Globally Active, Systemically Important, Financial Institutions."* Here the plot to steal depositor savings is clearly laid out.

The report's "Executive Summary" states,

> "… the authorities in the United States (US) and the United Kingdom (UK) have been working together to develop resolution strategies…These strategies have been designed to enable [financial institutions] to be resolved without threatening financial stability and without putting public funds at risk."

Sounds good until you read the fine print, ie., whose risk are they actually protecting.

While claiming to protect taxpayers, Title II of Dodd-Frank gives the FDIC an enforcement arm, the Orderly Liquidation Authority (OLA) which is similar to its British counterpart the Prudent Regulation Authority (PRA). Both now have the authority to punish the personal depositors of failing banking institutions by arbitrarily making their savings deposits subordinate- actually tertiary- to bank claims for the replacement value their derivatives. Before Dodd-Frank savings deposits were legally senior and primary to these same claims in a routine bankruptcy.

With the US banks holding only $7 trillion in personal cash savings deposits compared to $230 trillion is US derivative obligations, FDIC's $25 billion will not be enough. The creators of Dodd-Frank knew this before it was signed. As John Butler points out in an April 4, 2012, article in Financial Sense,

> "Do you see the sleight-of-hand at work here? Under the guise of protecting taxpayers, depositors… are to be arbitrary, subordinated… when in fact they are legally senior to those claims…Remember, its stated purpose [Dodd-Frank] is to solve the problem… namely the existence of insolvent TBTF institutions that were "highly leveraged with numerous and dispersed financial operations, extensive off-balance-sheet activities, and opaque financial statements."

Oh, but bank depositors can rest easy in the knowledge that replacing their savings will not come out of their pockets via another bank Bail-Out. Thanks to Dodd-Frank, the first line of defence will allow Congress to instead replace personal savings with a government paid for $7 trillion bail-in to FDIC to "replace" these savings.

But, that's the good choice.

Worse, Dodd-Frank gives new powers to FDIC and its OLA that allow an even more powerful and draconian resolution: any deposited funds in a bank, from $1 to $250,000 (the FDIC limit), and everything above, can instead be converted to bank stock! FDIC has provisions so this can be done, via OLA, quite literally overnight.

Really?!

An FDIC report released in 2012 ago reads:

> "An efficient path for returning the sound operations of the G-SIFI to the private sector would be provided by exchanging or converting a sufficient amount of the unsecured debt from the original creditors of the failed company [meaning the depositor's cash] into equity [or stock].

Additionally, per April 24, 2012, IMF report, conversion of bank debt to stock is an essential element of Bail-Ins included in Dodd-Frank.

> "The contribution of new capital will come from debt conversion and/or issuance of new equity, with an elimination or significant dilution of the pre-bail in shareholders. …Some measures might be necessary to reduce the risk of a 'death spiral' in share prices."

Really?!

For affected depositors to retrieve the value of what was formerly the depositor's account balance, the stock must next be sold. When Lehman Brothers failed, unsecured creditors (depositors are now unsecured creditors) got eight cents on the dollar.

This type of conversion of deposits into equity already had another test-run during the bankruptcy reorganization of Bankia and four other Spanish banks in 2013. The conditions of a July 2012 Memorandum of Understanding resulted in over 1 million small depositors becoming stockholders in Bankia when they were sold without their permission- *"preferences"* (preferred stock) in exchange for their missing deposits. Following the conversion, the preferences were converted into common stock originally valued at EU 2.0 per share, then further devalued to EU 0.1 after the March restructuring of Bankia.

Canada has also stated they are planning a similar "Bail-In" program. The Canadian government released a document titled the Economic Action Plan 2013 which says, "the Government proposes to implement a "Bail-In" regime for systemically important banks."

However, don't be getting cute by hiding your cash, precious metals, or passport in a bank safe deposit box. There are no longer safe either. Dodd-Frank took care of that, too.

Under Dodd-Frank the FDIC, using the auspices of Dept. of Homeland Security (DHS) can legally, without a warrant, enter the bank vault, have the manager secretly open any and/or all safe deposit boxes and inventory, or seize the contents. Further, if the manager is honest enough to inform the depositor of the illegal incursion he is subject to criminal charges and termination from bank employ. Independent reports reveal that all of America's safe deposit boxes have already been invaded and inventoried for future confiscation.

This already happened in Greece. Depositors who removed their jewellery or precious metals were met at the bank's door by security, a metal detector and confiscation.

Really?!

The power of the now remaining G-SIFI banks and FDIC was further evident when, cash finally in hand, I headed to my bank, JP Morgan Chase, right next door to Wells Fargo. The manager confirmed that the cash withdrawal policy at Chase was in keeping with that at Wells; very little cash available on demand. I posed a slight untruth and inquired as to what I should do about my upcoming need for $50,000 in hard cash. No, her bank would not do that on demand, but arrangements could be made to have the cash transferred to her bank. That would only take *"about two days."* Of course, I would need to fill out a few forms.

What a Difference a Congress Makes!

With the American and UK public again on the hook-by law- for the anticipated loss of the banks a distressed depositor might think the plot to defraud them now complete. Au Contraire.

In its rush to transfer further wealth upwards to off-shore bank accounts, US president Trump and his recently re-aligned republican bootlickers have left no stone unturned. First, Trump issued a memorandum that sets in motion his plan to scale back the provisions of Dodd-Frank and repeal the Fiduciary Rule.

It should be noted that the only voice of economic reason at the White House, Former Fed Chairman, Paul Volker, divorced himself from this growing scandal of basic mathematics very publicly. As head of Obama's recession inspired, President's Economic Recovery Advisory Board, Volker ran into the headwinds of fiscal insanity for too long, resigning in

January of 2011 in disgust. His departure thus coincided with the renewal of the litany of criminal financial manipulation already discussed here. And now…

The House approved legislation on Feb. 2, 2017, to erase a number of core financial regulations put in place by the 2010 Dodd-Frank Act, as Republicans moved a step closer to delivering on their promises to eliminate rules that they claim have strangled small businesses and stagnated the economy. Said Trump,

> "I have so many people, friends of mine, with nice businesses, they can't borrow money, because the banks just won't let them borrow because of the rules and regulations and Dodd-Frank."

Poor banks.

Never mind, of course, that these poor banks are holding derivative exposure thirty-five times the total cash deposits of US savers…nor that their ill-gotten riches- such as the UBS, Wells Fargo, Bank of America, RBS multi-billion dollar frauds- were taken off-calendar in Federal court for approx. 15% of the total crime. The banks kept the rest.

And they want more?!

"We expect to be cutting a lot out of Dodd-Frank," Trump said further defining the mantra of MAGA. This will likely see the deterioration of the newly created Financial Stability Oversight Council (FSOC) and the Consumer Financial Protection Bureau (CFPB) since these agencies curb further excessive risk-taking and the existence of too-big-to-fail institutions on Wall Street.

Well, depositors, your extreme caution is required. The wording of these new, bank inspired sets of legislation is silently waiting to be used by many nations to prioritize banks before their citizen's. When the time comes, the race to the bank will be a short-lived event indeed.

With this in mind, I stepped into the bright sunshine outside the walls of JP Morgan/Chase bank, all but $ 100.00 of my day's take stuffed deep- and securely- in my pocket. It's final outcome no one's business but my own.

However, for almost everyone else? Well… when *YOUR* bank fails, don't walk-run! *YOU* do not want to be second in line.

Really!

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Brett Redmayne-Titley has published over 150 in-depth articles over the past seven years for news agencies worldwide. Many have been translated. On-scene reporting from important current events has been an emphasis that has led to multi-part exposes on such topics as the Trans-Pacific Partnership negotiations, NATO summit, KXL Pipeline, Porter Ranch Methane blow-out and many more. He can be reached at: live-on-scene@gmx.com. Prior articles can be viewed at his archive: www.watchingromeburn.uk

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