



# Answering Your Questions

## The \$400 Million Vanishing Act      Copyright June 29<sup>th</sup>, 2011

The Barons article has caused some to ask the billion dollar question. Did the banks pocket a \$400 million profit? That 3 year old with a pocket calculator can figure it out!

It seems it takes traders to see through the bullshit. Yes, the notes were (1) fixed rate yen borrowings so there could be no hiding trading losses when there was no trading on their part, and (2) the variable rate notes simply purchased pre-existing portfolios and there was no solicitation for any type of managed account. All contracts were in YEN, not dollars. Yes, the notes when first alleged were supposed to be \$1 billion fraud. So how was it that Republic pled guilt and agreed to return what they stole in return for immunity but the amount was \$606 million not \$1 billion?

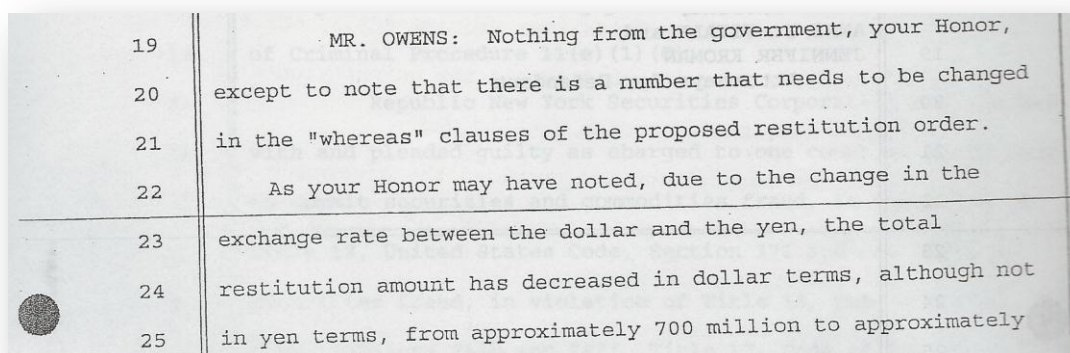
### Well CONGRADULATIONS You Just Figured Out What the Courts Have Been Hiding

Yes, it seems that either the government lawyers were so stupid and that Goldman Sachs' smarter than everyone else Alan Cohen orchestrated a legalized \$400 million theft under the court's nose, or Goldman Sachs really doesn't understand currency.

The contracts were in YEN, but the allegations of fraud were made in dollars. If you borrow money in dollars and repay in dollars, nobody charges you with fraud because in terms of Mexican peso you did make full payment. That's the purpose of a contract.

When Republic pled guilty and agreed to return money that they had taken making all alleged victims whole in return for **ABSOLUTE IMMUNITY**, they got to pocket \$400 million. The notes when issued were about \$1 billion when converted from yen. When it was time to repay the notes,

the same amount of yen was now just \$606 million. The government stole \$400 million in trading profit and handed it to the banks. Did they understand what they were doing? The transcripts show the lead prosecutor Richard Owens went back to the court on January 9<sup>th</sup>, 2002 and reduced the amount Republic owed from \$700 million to \$606 million in the last 30 days because the yen fell in price at that time. Here is the transcript:



19 MR. OWENS: Nothing from the government, your Honor,  
20 except to note that there is a number that needs to be changed  
21 in the "whereas" clauses of the proposed restitution order.  
22 As your Honor may have noted, due to the change in the  
23 exchange rate between the dollar and the yen, the total  
24 restitution amount has decreased in dollar terms, although not  
25 in yen terms, from approximately 700 million to approximately

When it came to helping the banks, the government suddenly understood the obligations were yen, not dollars. There was \$400 million that magically vanished into thin air. And the receiver didn't understand this? Republic stole dollar, but got to repay just the yen owed keeping the difference.

I believe this is why they would never allow a trial. This was better than the movie Italian Job. This was legalized theft and then they stole the pension funds of all employees and to this day refuse to return 10 cents to them.

The sad part is the American press just regurgitates whatever the government says. We have become some third world dictatorship and the freedom of the press wasn't intended to give them the freedom to only report the government story and refuse to investigate. A free press was supposed to challenge the government. Their silence results in the destruction of our way of life and the fostering of a police state.

The Supreme Court just handed down two First Amendment cases. It's just all bullshit and the Supreme Court is reduced to a bunch of old fogies who pontificate on the porch, but nobody really listens. They can sound all noble, but unless the lower courts are honest, there is no way to vindicate any rights when the judge is in the pocket of government and the bankers. Since the Second Circuit court of appeals refused to ever allow an appeal shows they will not expose what is going on in the courts. That means they are no independent court.

International business transactions are best kept entirely out of the United States. The courts are either sublimely stupid, or in on the whole thing. Since they will not let you sue a judge, good luck on finding out if he was given a nice pension under the table or was just stupid.