

Americans Are Paying a Tragic Price for Allowing Five Banks to Control the U.S. Economy



Bank Stocks' Trading Pattern February 14 through April 16, 2020 versus Dow Jones Industrial Average. (BAC = Bank of America; MS = Morgan Stanley; GS = Goldman Sachs; C = Citigroup; JPM = JPMorgan Chase.)

By Pam Martens and Russ Martens: April 17, 2020 ~

According to the Federal Deposit Insurance Corporation, as of yesterday there were 5,117 federally-insured banks and savings associations in the United States. But in terms of risk to the U.S. economy and financial system, according to the U.S. Treasury's Office of Financial Research, only five of those banks matter. And as you can see from the chart above, those five banks are tanking.

On February 14 of this year, Citigroup's share price closed at \$78.79. Yesterday, it closed at \$40.52, a decline of 48.5 percent in two months. This is the same bank that was resuscitated by its regulators during the 2007-2010 financial crash when its share price went to 99 cents. Citigroup received the largest bailout in global banking history, including \$2.5 trillion in *secret*, cumulative revolving loans from the Federal Reserve.

On February 14, the common stock of JPMorgan Chase – the bank that has perpetually bragged for years about its “fortress balance sheet” — closed at 137.46. Yesterday JPMorgan Chase closed at \$87.33, a decline of 36 percent in two months.

As the chart above indicates, the stock prices of the Wall Street mega banks are performing far worse than the broader market as measured by the Dow Jones Industrial Average (green line). That's very bad news for the U.S. economy because it's the industrial and energy and pharmaceutical and technology companies in the Dow that need to borrow from these banks in order to continue paying salaries to millions of workers and avoid severe layoffs. The financial condition of these banks essentially means the difference between the life and death of the U.S. economy. It's not looking good so far.

Federal Reserve Chairman Jerome Powell joined the Federal Reserve's Board as a member on May 25, 2012. Over that time Powell should certainly have become aware of the repeated warnings of the Office of Financial Research (OFR) that America was at dangerous risk from ignoring the concentration and leverage of its banking sector. But instead of reining in these concentrated risks, the Federal Reserve has allowed them to mushroom.

In a [February 2015 report](#) the OFR wrote this:

“The larger the bank, the greater the potential spillover if it defaults; the higher its leverage, the more prone it is to default under stress; and the greater its connectivity index, the greater is the share of the default that cascades onto the banking system. The product of these three factors provides an overall measure of the contagion risk that the bank poses for the financial system. Five of the U.S. banks had particularly high contagion index values — Citigroup, JPMorgan, Morgan Stanley, Bank of America, and Goldman Sachs.”

[According to the Office of the Comptroller of the Currency \(OCC\)](#), the bank holding companies of those same five banks as of December 31, 2019 were sitting on astronomical levels of highly combustible derivatives: in notional (face amount) of derivatives, JPMorgan Chase held \$46.4 trillion; Citigroup held \$40.8 trillion; Goldman Sachs Group had \$39.6 trillion; Morgan Stanley sat on \$32.5 trillion while Bank of America held \$30.4 trillion. These five banks represented *83 percent* of all derivatives held by the more than 5,000 Federally-insured banks in the U.S.

In what dystopian banking system from hell would that make any sense – especially given the fact that it was derivatives that blew up the Wall Street banks in 2008 and required [a \\$29 trillion secret feeding tube](#) from the Federal Reserve that lasted from December 2007 to July 2010. Instead of reforming the structure of the U.S. banking sector, the Federal Reserve has simply gone on a decade-long road show telling the world that our banks are “highly capitalized.” Congress has been equally missing in action.

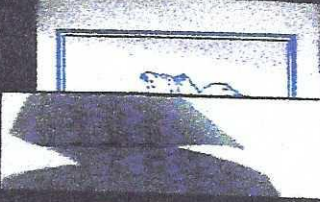
Yesterday, Neel Kashkari, the President of one of the 12 regional Federal Reserve banks known as the Minneapolis Fed, [wrote an OpEd](#) for the Financial Times. In the piece he seemed to acknowledge that time is running out for these Wall Street mega banks. Kashkari wrote this:

“Large banks are eager to be part of the solution to the coronavirus crisis. The most patriotic thing they could do today would be to stop paying dividends and raise equity capital, to ensure that they can endure a deep economic downturn. Unlike the rest of us, banks have the ability to essentially vaccinate themselves against this crisis. They should do so now. When financial strains emerged in 2007, US officials urged large bank chief executives to raise equity to make sure they had the wherewithal to survive a crisis. The most common answer was: ‘We’re fine. We don’t need it. Our balance sheet is rock solid.’ They only realized that they had serious problems after the deep losses were obvious to everyone, especially financial markets.”

There are two giant fallacies in what Kashkari writes and he knows it because he oversaw the government’s Wall Street bailout program known as TARP in 2008-2009. The first fallacy is that the mega banks are eager to jump in and help the economy. One or more of these banks triggered the repo loan crisis in September 2019 by backing away from making loans, thus forcing the Fed to begin an unprecedented \$9 trillion revolving loan facility that continues to this day. Just yesterday JPMorgan Chase announced it won’t be making any further home equity loans after two days prior announcing that it is raising its borrowing standards for new home mortgages by requiring a credit score of 700 or higher and a 20 percent down payment. So let that sink in for a minute. JPMorgan is currently paying dividends of 90 cents per share per quarter on just over 3 billion shares for an annual payout of \$10.98 billion to its shareholders but it can’t find the cash to make home equity loans to the *22 million* Americans who have lost their jobs over the past month.

The second preposterous assertion by Kashkari is that these Wall Street banks only “realized that they had serious problems after the deep losses were obvious to everyone, especially financial markets.” Many of these banks knew in advance that the system was going to blow up because whistleblowers inside their own bank told top management that they were securitizing liar loans on subprime mortgages that were in direct violation of the bank’s loan standards. Management overruled the whistleblowers, sent them packing, and actually shorted (bet on price declines) in the very instruments they had brought to market and sold to other investors as a quality investment. (See [here](#) and [here](#).)

Americans need to use this time at home to call their Senators and Reps in Congress and demand the separation of federally-insured, deposit-taking banks from the casinos on Wall Street. We're talking about nothing less than the survival of this country and how the next generation is going to view the character and courage of our generation.



WANTA!

BLACK SWAN, WHITE HAT™

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LEE WANTA

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*Leo, with my deepest personal regards,
Ronald Reagan*

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CONFIRMING
LEO EMIL WANTA

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To : Office of the President, Office of the Vice President, Cabinet Members, Office of the Governors, State and Federal Officials, Congress of the United States, OMB Director Jacob Lew, et al

Notice of Default Confirmation – With President Obama’s authorized release of my personal, civil and repatriated **Inward Remittance** of USDollars 4.5 Trillion, of May 2006 to Bank of America-Richmond, Virginia **as confirmed** by the Federal Reserve Bank - Richmond’s in Court Motion, under their Penalty of Perjury.

- 1.) On or about April 15, 2003 The Honorable Gerald Bruce Lee, in Case No. 02-1363-A filed in The United States District Court for the Eastern District of Virginia, **Order and Memorandum of Opinion**. As part of the Order, the Court stated that the Plaintiff [Lee E. Wanta, Leo E. Wanta, Ambassador Leo Wanta] should pursue liquidation of corporations, recovery of financial assets and pay all required taxes in accordance with the law.
- 2.) IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, Civil Action No. 1:07 cv 609 T3E/BRP – **PETITION FOR A WRIT OF MANDAMUS AND OTHER EXTRAORDINARY RELIEF**, filed JUN 20 2007, THE FEDERAL RESERVE BANK OF RICHMOND RESPONDED IN THEIR COURT MOTION STATING

“ PURSUANT TO RULE 12 (B) (6), fed.R.civ.P., Respondent Federal Bank of Richmond (“FRB Richmond”) moves to dismiss the **Petition for Writ of Mandamus and Other Extraordinary Relief**, are as follows.

“For the purposes of the Motion only, all well pleaded facts will be taken as true.”

In other words, The Federal Reserve Bank of Richmond accepted the truthful statements in the Writ of Mandamus and confirmed the known **Inward Remittance** designated the Petitioner for the sole and exclusive use and benefit of Petitioner, Lee E. Wanta, Leo E. Wanta, Ambassador Lee E. Wanta; an American citizen, birth June 11, 1940. **References : Rogers-Houston Memorandum, Act of Congress - H.R. 3723, Title 18 USC Section 4 – Misprison of Felony, other Title 18 USC violations.**

Having Said That, Upon my Economic Receipt, I will lawfully pay USDollars One Point Five Seven Five Trillion [US\$1,575,000,000,000.00] as my personal/civil/repatriation tax payment, directly to our United States Department of the Treasury, among other “set-aside allocations”, to immediately enhance Our Economic Recovery and National Security.



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Robert David Steele
Chief Counsel & Commissioner

Judicial Commission of Inquiry into
Human Trafficking & Child Sex Abuse
International Tribunal for Natural Justice

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https://www.itnj.org/commission/

PRAYERS TO ST. MICHAEL, ARCHANGEL

A Citizen's Prayer to St. Michael

Please protect us, St. Michael the Archangel, against violence, murder, and robbery. In your goodness preserve us today from all the malice of sinful and wicked people. In your sleepless vigilance watch over the safety and welfare of our homes and keep guard over our possessions. Ever hold in your special care, most triumphant St. Michael, the forces of public order against the crimes of evil people and defend all honest citizens in time of peril. Amen.

A Policeman's Prayer

Victorious St. Michael, you know how evil men are awake and plotting while good men sleep. Even so was faithless Judas awake and betraying our Lord while the Apostles slumbered in the Garden at Gethsemane.

Help me, powerful Archangel of God, to be always alert at my post, ever ready to do my duty, and to apprehend criminals without fear or favor. Be near me and my fellow police in times of peril and emergency, please. Defend us by your power when we are in danger. Be sure to shield us from all temptation and any occasion of sin. Help us

(Prayers continued on back page)

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SPECIAL

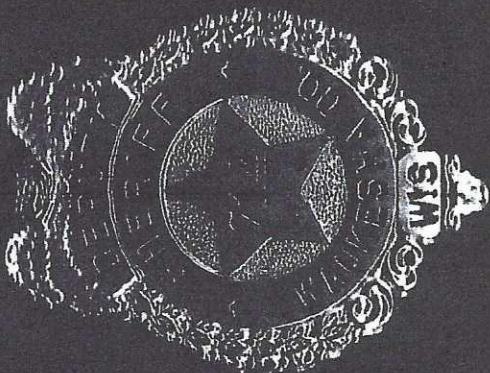
Deputy Sheriff

WAUKESHA COUNTY, WISCONSIN

LEO E. WANTA

MIRANDA WARNING

1. You have the right to remain silent.
2. Anything you say can and will be used against you in a court of law.
3. You have the right to talk to a lawyer and have him present with you while you are being questioned.
4. If you cannot afford to hire a lawyer, one will be appointed to represent you before any questioning, if you wish.
5. You can decide at any time to exercise these rights and not answer any questions or make any statements.



TRINITY COUNCIL UNION

Our Lady of Lourdes Intercede for us

Ave Maria

Ave Maria

the Answer

*I met Him early in the morning
when my day was at its start,
His Presence, just like a rainbow,
gave warmth within my heart.*

*All day long the feeling lasted.
His Presence stayed with me.
And together we calmly sailed
over a most troubled sea.*

*So I think I found the answer,
learned from many a troubled way.
You must seek God in the morning,
if you desire Him through the day!*

— author unknown

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