

Egg Chasing the Chicken

Which came first, the lie or the liar?

This author has sometimes been accused of writing in riddles that are hard to understand, Okay, this writing will be written so that a 5th Grader will understand the recipe of the cake (deception).

In reading the comments in the Wall Street Journal's Article "Risks Rise as Europe's Banking Ties Fray", Glen Alexander posted a very interesting comment:

"Former Fed vice president Gerald O'Driscoll, writing in today's Wall Street Journal, said:

"Fiscal and banking crises are often linked because in modern economics the state and banking are joined together. Banks purchase government debt, supporting the state, and governments guarantee the liabilities of banks. When one party is weakened, so is the other."

David Wessel would be well advised to read his own paper before he spouts off about what he does not understand."

Jamie Dimon, also on June 13, 2012 testified before the United States Senate Committee on Banking, Housing & Urban Affairs acknowledging and error in the recipe for the hedged derivative (icing.)

To preserve the cake (bank), the cake was coated with a leveraged derivative hedged icing. One Senator questioned the taste of the

icing by asking Mr. Dimon if the bad icing (\$2 billion loss) was a hedge of a hedge (insuring the insurance written on the cake) or a bet (I bet the cake will not go bad.) *In the insurance world, an insurance company might purchase an insurance policy to insure the policy they wrote on a car.* In the Senator asking that question, the people left eating what is left of the cake should ask this question of Congress: *“Was the Senator seeking to understand or was the Senator seeking to see if Mr. Dimon understood?”*

Either or either way, millions of Congress’s Constituents already know that applying icing on top of icing will not make the cake taste any better if one uses a bad egg.

Simple math for a 5th grade, if the cake mix requires one cup of sugar and the icing requires one cup of sugar and the store has only one cup of sugar to sell you will either have enough sugar for the cake or for the icing. Even if four cups of sugar were used, the taste of a bad egg would remain.

There appeared to be minimal (little) concern as to who paid for the sugar (hedge). Did the bank pay for the sugar with their own money or did the bank use depositors (you and me) monies to pay for the sugar?

So long as the cake never risked being eaten (hedging showed a profit), the need for icing the hedge to hide a bad cake would not

be required and where the cake is created from deposit money, the cake would have been cooked without bad eggs.

Mortgage Backed Securities is a different cake than a depositor's cake and it is the Mortgage Backed Securities that is full of bad eggs.

Very simple, a criminal will lie and deceive to avoid being found guilty. Combining hearings (recipes) regarding how depositor money is used to purchase insurance (hedge/leverage) and whether Mortgage Backed Securitization was in compliance with law (failure to follow law) is like mixing up a Devil's Food cake to taste like an Angel's Food cake.

Evil has had centuries to perfect the procedure of direction people to hear what evil wants them to hear, everything but the truth. When one seeks the truth and knows not the truth and asks for the truth, lies will appear to be the truth. Thus it is lies we believe.

**Deception and Redirection is an evil art
associated with lying.**

Hear not the words of lies!

Choose Wisely