

## Details on how the Financial Collapse will go down

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Lots of interesting detail [here](#) on upcoming Financial Chaos

- Morgan Stanley collapse (and loss of associated broker/401k accounts a la MFGlobal
  - related collapses of Deutsche Bank in Germany and Credit Agricole in France
  - Expect another bank in London to fall, unsure which is most vulnerable.
- The three failures will bring about other failures, like in London, as the entire Western banking system will be brought to its knees
- Operation Twist is out of short-term USTBills with which to offset the long-term USTBond purchases. The self-styled Twister has exhausted its fuel. To keep the game going, the secretly desperate USFed must resort to unsterilized pure hyper monetary inflation of the nasty variety.
- Gold from Allocated Accounts in Western banks was improperly used as collateral on leveraged trades gone bad. They face margin calls that are satisfied only by relinquishment of gold bullion. The scandal over Allocated Gold accounts will eclipse the MFGlobal case, and lead to the Gold price rising over \$5000 per ounce. Over 40 thousand metric tons of gold have been improperly used, much in this manner, laced throughout the banking structures.
  - The big banks are ruined and realize finally they are lined up for a slaughterhouse. Since February 29th, they have forfeited over 6000 metric tons of gold.
- The USDollar collapse will come from a foundation of trade settlement no longer conducted in US\$ terms.
  - The Petro-Dollar is set to be abandoned, as the Saudi Royal family is deposed.
- South African miners are on strike in scattered locations, such as across Latin America. From the global mine output factor alone, the physical precious metal prices will rise, while the mining stock share prices will fall. Output risk joins jurisdiction risk and dilution risk for the mining companies. For every mining stock winner, expect 20 to 30 losers.
- The USEconomy is suffering from three powerful effects, none obvious, but all deadly. They continue to plague the nation, to drag it down, and to assure a systemic failure.
  - 1. The housing market remains in ruins, unaffected by the sub-4% mortgage rates and revived reckless federal home loan offerings (subprime again) with minimal down payments. No more home equity ATM machines to support the national consumerism mantras.
  - 2. the entire USEconomy corporate landscape is sinking from higher costs and shrinking profits.
    - The most frightening tidbits from the field point to a 50% gasoline demand decline by volume in the last five years, and a 40% decline in California sales tax collected in just the last 12 months.
  - 3. The attack on money market funds is moving apace, in a stealth capital control concept.
    - The new rule concept is called Minimum Balance at Risk (MBR) and is direct capital control applied domestically within the United States. The MBR would be a small fraction (like 5 percent) of each shareholder's recent balances that could be redeemed but with a delay.
- The recent acceleration in Chinese gold accumulation, either the basis core for a gold-backed Yuan alternative to the crippled toxic USDollar, or the basis core for a new global trade settlement system to be introduced very soon.
- The Swiss Franc pegged to the Euro currency is a disaster waiting to happen.
  - Eventually the peg will break and the Swissy will suddenly be priced 20% to 30% higher, with the Swiss banks the losers.
- Ordinary Germans are already using Deutsche Marks again.
  - They do not wish to anger the Euro Royalty in Brussels, so it is keep quiet. When the Euro came in 13.2 billion in DMarks, worth EUR 6.75 billion (=US\$8.3bn) was kept as cash - it has recently begun to re-enter the circulation
- Gold & Silver are awakening from a deep sleep after a year-long price consolidation. While the physical story leans toward growing demand and declining supply, all bullish for the precious metals prices, the paper story continues to reek of strongarms, naked shorting, propaganda, and other devious devices. Prepare for a grand divergence between the physical and paper Gold price

Begin with a preface to a meaningful event that could change the entire US landscape, a redux of what happened four years ago. Consider the next Wall Street financial firm failure. It is in progress. It is not avoidable. It will have numerous ramifications. It will open the door to account thefts, the burial of documents, the ransack of undesired leveraged positions, the concealment of wrecked derivatives, and a path toward the merger of surviving (selected core) firms. It will urge an extreme defensive posture. Back in 2008, both Bear Stearns and Lehman Brothers fell. The former because they had too much gold exposure with anti-US\$ hedges. The latter

because they led in mortgage exposure. Both failures were greatly exploited. My favorite item was the reload given to JPMorgan on a quiet Saturday morning (convened at 6am no less) at the Bankruptcy court of Manhattan. The shadowy syndicate titan was handed \$138 billion to handle the private accounts from the fallen banks. Instead, the funds represented a reload for JPMorgan to continue their gold suppression game. Of course, they have been defending American freedom with vigor, preserving the integrity of the US banking system, and assuring the way of life in the nation, while leeching \$billions from the public trough. Since their grant, the unassailable JPM has seen fit to gobble private accounts at both MFGlobal and PFG-Best, with regulatory blessing as the courts sprinkled fascist holy water.

In the background across the globe, numerous currency storm centers have arisen under the noses of every major central bank and their elaborate connected paper factories. The sovereign bond foundation is full of cracks and rotten planks, upon which the entire global currency system rests. The only people who could have imagined such a grand mess in 2006 and 2007 were the Sound Money crowd, the advocates of gold-backed money, the opponents to debt foundational systems. But then again, we are the nutballs, without a clue, who maintain a myopic view of the world, and see a conspiracy under every rock. Rather, we are the insightful, the alert, the rational clear thinking bunch, the guardians against hidden confiscation through inflation, the intrepid defenders of life savings. We identify the corruption and thus are discredited. Gold will return to its rightful place as the core of monetary systems and trade systems, all in time. The system is imploding at a more rapid pace with each passing month.

## MORGAN STANLEY IMPLOSION

The insider conversation, often called chatter when it become deafening in tone, is that Morgan Stanley faces imminent failure and ruin. Almost two weeks ago, the Jackass provided a tip to Bill Murphy of GATA to post on his popular LeMetropole Cafe that Morgan Stanley fund managers and high ranking employees were preparing for the firm's implosion. A subscriber to the Hat Trick Letter has a good friend whose father works as a fund manager and provided the story. It was not detailed, and bore no follow-up after my request. The older employees are selling all of their stock, some legacy stock from one or two decades ago. Many workers are making contingency plans for their next positions in another firm. When Lehman Brothers was killed, thousands of employees had to find new jobs, some without success. In the last week, the shock waves are being heard from internal Wall Street sources in an unequivocal manner. The implosion is in progress, like the collapse of several platforms and structural cables. The inside is caving in, and the ranking members recognize it, even talk about it openly. Much discussion swirls about a transition to antiquated software that is greatly disturbing the trading desks, causing tremendous problems at precisely the wrong time. A redux of the Knight disaster could be in progress.

Some like Rick Wiles of TruNews report that MS is heading for the sacrificial altar. Such an event would imply an expected benefit hoped for and beseeched. My view is in parallel but more of a harmful implosion that cannot be prevented, one that the Wall Street titans will face grand challenges to control, one they will not be able to exploit in the hidden corners where they operate. MS is going to the slaughterhouse, not the altar. Its implosion will result from lost control, and the reversion to antiquated systems will only hasten their demise. **Wall Street will wish to exploit the failure**, like stealing funds, like destroying documents, like concealing derivative positions, like receiving government slush funds for slimy patch projects, their usual Modus Operandi. In criminal parlance, they will create a black hole into which things vanish. They will attempt to add to the confusion, which might itself backfire and deliver more lethal challenges to the entire USDollar & USTreasury complex. This time, the spotlights will shine more brightly to reveal the activity in the shadows and crevices.

The part that many analysts might miss is that Morgan Stanley has perhaps over 300 thousand private stock brokerage accounts, with over 17,500 brokers. In the past two decades, MS merged with Dean Witter and Smith Barney to become the premier stock house with the most

private accounts of any US-based stock brokerage firm. **The Morgan Stanley failure might feature the first theft of private stock accounts. The critical jump might occur in account thefts from futures brokerage to stock brokerage, which began in November 2011 with MFGlobal, then appeared in July with Peregrine Financial Group (PFG-Best).** All private accounts from MFG and PFG have been pilfered, with a blessing of the theft by the courts, seen in the Sentinel Mgmt Group ruling. The federal Appellate court's August ruling ([CLICK HERE](#)) sets precedent for future private segregated account thefts, which were once considered sacred and untouchable. No more in the United States, not in the unfolding of criminality that stretches from USGovt offices to top corporate offices, with blessings sprinkled by the courts. The jump would be a major extension of the Fascist Business Model that nobody talks about. The major financial firms can rely upon this appellate court ruling as precedent, so as to protect their legal right to re-hypothecate client funds in their high risk leveraged positions and loans. It sure would be nice to use my neighbor's house and car to firm up my casino weekends. Stay tuned to the ongoing Morgan Stanley implosion, which could force the vanishing act of 50 to 100 thousand private stock accounts. The firm is the largest stock brokerage firm in the land. The dreadful impact will be nasty and might awaken the US masses. MFGlobal and PFG-Best surely did not.

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