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Our Financial Oligarchy; Emperors of a Brave New World

📅 May 14, 2020 👤 stocktrades.exchange 💬 4 Comments



“The development of our financial oligarchy followed, in this respect, lines with which the history of political despotism has

familiarized us: usurpation,
proceeding by gradual
encroachment rather than
by violent acts; subtle and
often long-concealed
concentration of distinct
functions....

.....*which are beneficial*
when separately
administered, and dangerous
only when combined in the
same persons. *It was by*
processes such as these that

*Caesar Augustus became
master of Rome.*

The makers of our own
Constitution had in mind
similar dangers to our
political liberty when they
*provided so carefully for the
separation of governmental
powers*”.

*(1914) Other People's
Money and How the Bankers
Use It— Chapter I: Our*

Financial Oligarchy



What you are to see is a collection of stories that

**have been buried by the
captured financial news
media.**

**Understand that there is
tremendous risk for those
who post this online...**



When you compare the structure of our financial markets to what was revealed in the [Pujo Committee](#) and the articles cited in the book, "Other People's Money and How the Bankers Use It", you will quickly realize how little of a difference there is between the anti competitive robber barons that existed during the early 20th century, and our capital markets today.

They own **the regulators**; they own the brokerage houses; they own the clearing houses; they own all of your investments; and it's even been shown that they can exert complete **control over the**

government.

Through this full spectrum dominance over key financial infrastructure, not only can these mega-banks exert significant control over the price of publicly traded companies by manipulating supply and demand via the stock loan markets, but they can also change the outcome of corporate elections, which in effect, enables these multinational banks to exert a *hidden influence* over who sits on the board of American corporations.

Many have whispered about this hidden financial element, but few have actually quantified how it works. This report will show you everything.

Don't be deterred by the length; the article looks much longer than it actually is because of all the screenshots, and it should only take you about 60 minutes to read. The veracity of some of the claims that are about to be presented may be shocking to some people, which is why extra visual proof was included.

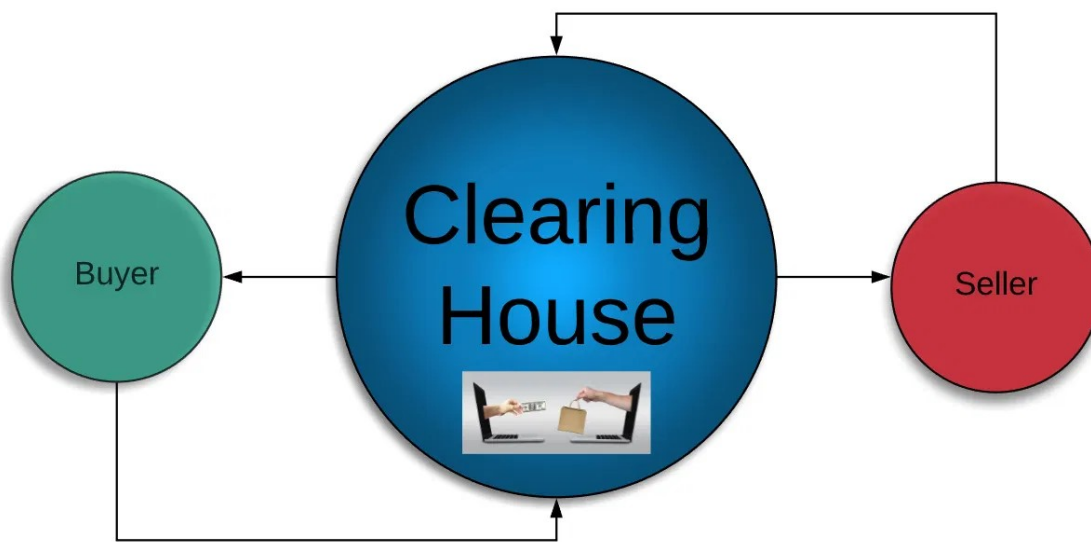
One more thing: it is highly recommended that you archive this page, as there exists a very real possibility that it could suddenly be removed. When you are about halfway through, you will understand why.



The Depository Trust and Clearing Corporation

To understand how these banks **exert complete control** over our financial system, one must first understand the securities clearance system. If you happen to be new to all this information, that's okay — it is very easy to understand.

A clearinghouse is the **middleman that sits between a trade**, guaranteeing both the buyer and the seller receives their cash or securities. If a buyer or seller fails to deliver the cash or securities, the clearing house guarantees delivery to the counterparties by making up for the loss with their own money.



Without this essential service, a stock exchange will struggle to survive because nobody will be sure if the counterparty will deliver, and all it takes is the slightest bit of doubt for the entire system to collapse. The exchange may be able to operate on a small scale, but not at the capacity that you would expect to see on the NASDAQ or NYSE, and if you have competitors, bankruptcy is not only a possibility, but a certainty.

In the United States of America, there is only one central clearinghouse: [The Depository Trust and Clearing Corporation](#), and for almost 50 years they have maintained a virtual monopoly over this

essential service.

It is a private corporation that is owned by these mega-banks and brokers.

ever in our history and a 15% jump over the prior year – as volumes in both equity and fixed income clearing increased. The one constant that connects 2018 to 2008, as well as to every other year since our founding more than four decades ago, is our commitment to delivering on the value of our clients' investment in an industry-owned and governed market infrastructure that manages risk for the global system.



RISK
MANAGEMENT



CLEARANCE & SETTLEMENT



OVER-THE-COUNTER
(OTC) DERIVATIVES



Just like any company, we're here to serve our clients, but the fact is that we're not just like any other company. Because we're industry-owned and governed, we're your company. That means DTCC is an extension of your firm, that our infrastructure is an extension of yours and that our priorities are in lockstep with yours. Our ownership structure and governance are rare in financial services, and it's a powerful differentiator because, unlike our competitors, we don't have to choose between what's best for our shareholders and what's best for our clients – you're one and the same. We've earned your trust because we've proven that you can always count on us to be there when you need us most.

These values are carved deep into the soul of the organization. And they've served as the foundation upon which we've reimagined and redefined DTCC's role in the industry since the crisis. Over the past decade, we've built new layers onto that foundation, leveraging our expertise and new technologies to strengthen our infrastructure, enhance our risk management and broaden our capabilities to include over-the-counter (OTC) derivatives, middle office processing and data services. At the core of our success last year was the execution of our strategy, which reflects the interaction

DTCC 2018 Annual Report

<https://archive.li/DNjpO>

Just to give you an idea of the influence these banks have over this institution, we are going to analyze a recent lawsuit filed by a consortium of pension funds against the largest banks and brokers in the United

States. It perfectly illustrates their **stranglehold over our capital markets**, proving beyond any shadow of a doubt that not only will these massive corporations work together behind closed doors to **stifle competition**, but that they also have the ability to **instruct the directors of the DTCC** to block new entrants that pose a threat to **their hegemony**.

253. The Prime Broker Defendants also pressured clearinghouses to refuse to provide clearing services to SL-x. In 2015, OCC's Chief Operating Officer disclosed to SL-x that he had been in constant contact with Goldman Sachs' Conley during the period of the boycott and that "nothing was going to happen" between SL-x and OCC without the Prime Broker Defendants' blessing—and particularly the blessing of Goldman Sachs. The partnership between SL-x and OCC that appeared to be imminent in 2013 subsequently, and without explanation, never materialized. Similarly, Murray Pozmanter—the DTCC Managing Director who served as the

gatekeeper for DTCC's clearing business—admitted to SL-x that the DTCC could not offer SL-x central stock loan clearing without the approval of Goldman Sachs and other Prime Broker Defendants.

Before we go any further, it is important for you to understand that there is tremendous risk for those who post this online, and many of these stories have either been buried or even outright removed. We are about to delve deep into the underbelly of the world of high finance, and included in this report are some of the most powerful people and organizations in the world.

If the links embedded within the text stop working, there is a backup bibliography tagged with all the linked keywords included at the bottom of the page just in case archive.is decides to go under one day. Their web preservation service offers a unique feature that opens the page at the **exact line of text**, but unfortunately they don't tell you who they are or where they get their funding, and most of these links are not easily found online.

The financial community is known for being extremely litigious and opaque, and if you stick around for long enough, you will eventually notice that people have a tendency to mince their words and beat around the bush, shrouding simplicity in a

long maze of complicated phraseology and inventive acronyms. There will be none of that in this report. It will be straight to the point. The average millennial — those born [between 1981 and 1996](#) — only has a [net worth of \\$8000](#), and the gap between the rich and the poor in the United States is almost double that of every other country in the western world.

Things have even degraded to a point where truth brigades are being granted the right to [decide what gets distributed](#) online. The time for mincing words is over. This is getting to be a disgrace.

But let's get back to the story.

Stock Loans

There is probably no better example of their anti-

competitive behavior than in the stock loan industry, where for the past *20 years*, pension funds, endowments, and mutual funds have all been forced to use their services for lack of any viable alternative.

Most of the time, retirement funds tend to hold their investments for very long periods of time, and in order to take advantage of these dormant positions, fund managers will often attempt to increase their clients returns by loaning out these shares to short sellers and market makers so they can be used for arbitrage.

But there is one big problem: still to this day, no centralized exchange exists for the stock loan industry, and this forces massive money managers like [Blackrock](#) and [CalPERS](#) , along with every hedge fund in America, to employ brokers to match borrowers and lenders, which siphons \$100's of billions from our retirement savings.

Today, most of these transactions are [still facilitated over-the-counter](#), meaning lenders and borrowers have no way of accessing live price data. Only the

brokers and “TBTF” banks have access to this information, and this allows them to charge practically whatever they want without anybody knowing if they received a fair market price.

*...I think the securities
lending market is just like
the mob. I think it's
completely rigged...It's a
completely manipulated
black hole...*

*—Marc Cohodes, Copper
River Partners*

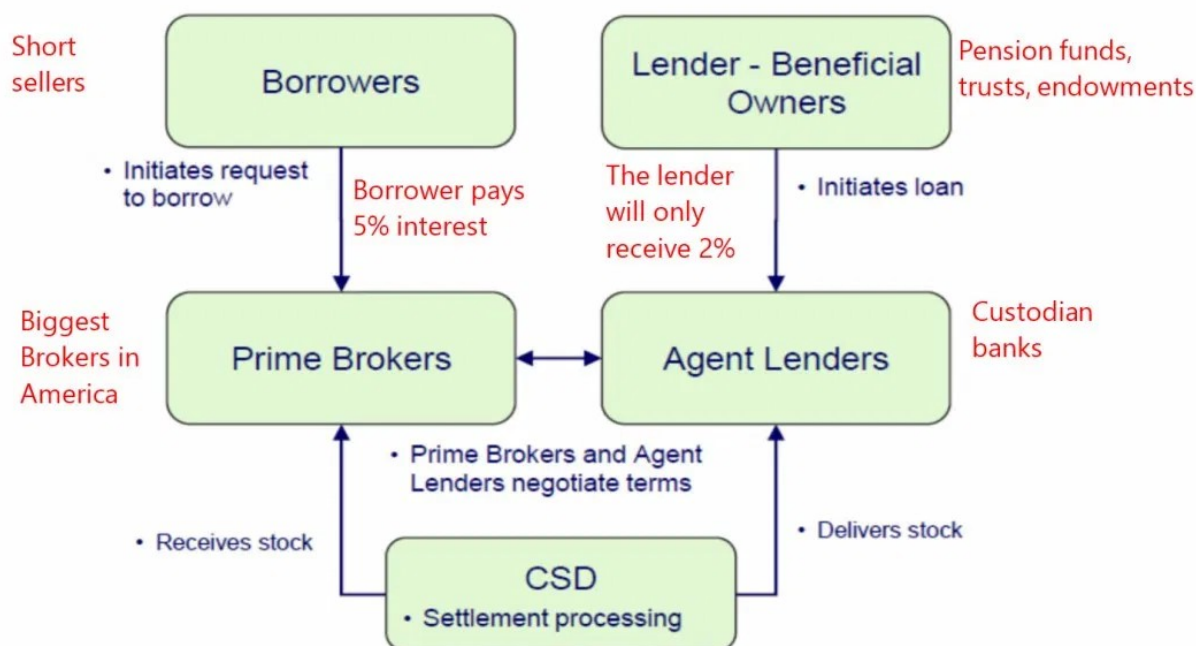
In the stock loan industry, orders are still facilitated via private broker to broker telephone conversations, and transactions that should only take a few seconds when executed on an electronic exchange can end up taking as much as several hours and numerous phone calls before they can be completed.

This is very similar to how the OTC markets used to work before they adopted electronic exchanges. In the old days, brokers first had to call each other so they could arrange a meeting, then they would [`meet on the curb`](#) outside of their offices so they could negotiate pricing; but that was a very long time ago, and the OTC markets have since been providing their users with live pricing data for multiple decades now. Yes, even the pink sheets are more transparent than the stock loan industry.

Experts have been critical of this system of exchange for almost 20 years, with some using phrases like [`bastion of old tech`](#) or [`the mother of all dark pools`](#) to describe how archaic the industry looks when backdropped against a financial community

dominated by artificial intelligence and high frequency trading algorithms.

Pictured below is an example of [how this process works](#).



“The current stock loan market involves *high search costs and inefficient pricing*.

It can take *numerous phone calls over several hours to locate a hot stock and negotiate pricing*. The lender has no indicative level of pricing other than the demand information provided by the brokers, which the lender has no way to verify. In other words, the securities lending market requires considerable manual effort to complete transactions that *in other markets take seconds or minutes at most*. Because of the fragmented nature of the market, *identical loans can trade simultaneously through different channels at very different prices*. These high search costs preclude arbitrage across liquidity pools”

<https://archive.is/c0Qt6#selection-24833.5-24875.41>

Four companies — [Quadriserv/AQS](#), [SL-x](#), and [Data Explorers](#) — all spent several years creating an [electronic exchange](#) for this massive \$1.75 trillion market, and their technology could have finally put an end to this [backward and opaque](#) system that has been plaguing pensioners, endowments, and hedge funds for more than 20 years. Unfortunately, even though their technology took decades of collaboration and \$100's of millions in start-up capital, they were all blocked by these mega-banks.

It threatened their cartel

The financial institutions that dominate this industry simply had too much to lose by allowing us to have access to this information, so in order to stop this technology from reaching the market, they banded together and refused to provide key services to these bright start ups, even going so far as to threaten their top hedge fund clients with the loss of critical prime brokerage services if they found out they were using their platforms.

In 2016, it was estimated that these brokers were extracting as much **65% of the revenues** from the stock loan market, most of which was going to a very small group of investment banks.

The cumulative effect this can have on our pension funds is astronomical. Just to put that into perspective, Frontline estimated that as little as a 2% annual fee charged by your average mutual fund over a period of 50 years would result in a 66% reduction to your retirement savings.

On an annualized basis, the stock loan industry is said to produce **\$9 billion in revenue**. That equates

to \$180 billion in profits over a period of 20 years, and this is without accounting for compounding interest. Quadriserv — one of the companies that attempted to challenge these brokers stranglehold over the industry — estimated that their platform could have saved pensioners **\$4.5 billion per year**, and one veteran bank executive was even quoted as saying that it could “do the work of *six traders in one*”.

Now, you might find this next part hard to believe, but it has also been alleged by what would be considered reliable sources that for several years these mega-banks and brokers have been conducting “private gatherings” for the purpose of coordinating elaborate schemes so they can maintain their dominance over this essential financial service; what they jokingly refer to as a meeting of the “*Five Families*” — a mafia related term that they will often use to describe themselves collectively. This should clearly indicate to anybody how little these people probably care about the lives of average hard working people (or even how much they should be **trusted** for that matter).

The New York Clearing Association

As we all know, history has a tendency to repeat itself, and the brazen anti competitive behavior [showcased](#) in that stock loan lawsuit is certainly not the first time something like this has happened. It almost perfectly emulates the Cartel from the days of the New York Association, when a consortium of the country's largest financial institutions could shutdown any bank in the nation simply by refusing their services. In fact, it was this very behavior that eventually went on to become the primary focal

point of the [Pujo Committee](#) in 1913, immediately before the passing of the Federal Reserve Act.

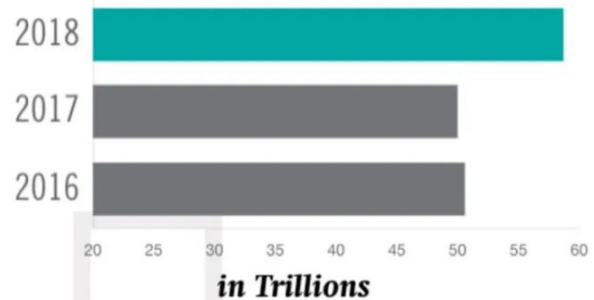
Included below are key excerpts from this Committee that will show you the true power of a clearinghouse. Quotes from the book, "Other People's Money and How the Bankers Use It" (1914), a collection of essays written by [Louis Brandeis](#) during that time period, will also be included, and everything has been broken down so it will only take about 5 minutes to read.

From the Depository Trust and Clearing Corporation's 2018 Annual Report

FIXED INCOME CLEARING

*Mortgage-Backed Securities:
Par Value Netting Destined*

58.7
TRILLION



2018

\$1.854
QUADRILLION

2017
\$0
QUADRILLION

2016
\$0
QUADRILLION

TOTAL VALUE OF SECURITIES PROCESSED

2018
\$1.854
QUADRILLION

2017
\$0
QUADRILLION

2016
\$0
QUADRILLION



(February 28, 1913)

*“Report of the Committee
appointed pursuant to House
resolutions 429 and 504 to
investigate the concentration
of control of money and
credit”.*

22 REVIEW OF EVIDENCE ON CLEARING HOUSE ASSOCIATIONS.

The panic of 1907 started with the closing of the Knickerbocker Trust Co., which followed immediately after the announcement of the National Bank of Commerce of New York, the trust company's clearing agent, that it would no longer act as such. (Frew, R., 631, 632.)

— The chairman of the clearing-house committee of the New York association admitted that it would have been a safeguard to the public had the Knickerbocker Trust Co. been a member of the association and not dependent upon the will of a single bank for clearing privileges. (Frew, R., 632, 633.)

Knickerboker Trust was
banned from using the
clearing services of
National Bank of
Commerce of New York,
leading to its immediate
collapse.

SECTION 4.—THE POWER OF SUCH ASSOCIATIONS.

The enormous saving in time, labor, and use of money effected by the clearing house in the matter of collecting checks renders its facilities almost indispensable to banks of deposit in cities of commercial consequence. The manager of the New York association, Mr. Sherer, so testified (R., 129, 140, 141):

Q. But to inaugurate and conduct a bank on a large scale would be a practical impossibility in these times without clearing-house facilities, would it not?

Without the services of the
the New York Association,
the most dominant
Clearing House at the
time, it was well known by
customers and bank
owners alike that they
would almost certainly fail
within as little as a few
days.

SECTION 4.—THE POWER OF SUCH ASSOCIATIONS.

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Q. But to inaugurate and conduct a bank on a large scale would be a practical impossibility in these times without clearing-house facilities, would it not?

A. It is a matter of opinion.

Q. You think it is a practical impossibility?

A. I think it is a practical impossibility, yes; but there are others who think it is not.

* * * * *

Q. I thought you said some time ago, Mr. Sherer, that the clearing house was essential to the bankers?

A. It is essential to domestic bankers; yes.

Q. I thought you said some time ago, Mr. Sherer, that the clearing house was essential to the bankers?

A. It is essential to domestic bankers; yes.

As a result clearing-house associations in the great cities have acquired a power and position in the financial system so commanding that in any ordinary case a bank or trust company having the required capital which should be refused admission to or expelled from one of them would at once lose public confidence, with all that that means to such an institution.

Even so much as a rumor
would cause a bank run

REVIEW OF EVIDENCE ON CLEARING HOUSE ASSOCIATIONS. 23

The manager of the New York association admitted that
banks have closed up because the clearing house has withdrawn their privilege,
and that—

the rumor that the clearing house privilege has been withdrawn * * * is sure to
cause a run on a bank. (Sherer, R., 142, 143, 166.)

The New York Clearing
House forces Oriental
Bank to stop working with
two Brooklyn Banks, even
though they pose no risk to
anybody and represent an
important percentage of
Oriental Bank's profits

In October, 1907, two Brooklyn banks, so-called nonmembers of the New York association, clearing through the Oriental Bank, a full member, were compelled to close their doors within a day after the privileges of the association had been withdrawn from them. This incident is thus described in the testimony of the then president of the Oriental Bank (Jones, R., 236, 239):

A. I should say about the 20th to the 22d of October I met the clearing house committee in answer to their request.

Q. Who was with you?

A. No one.

Q. Where did you meet them?

A. At the clearing house.

Q. Whom did you meet?

A. I do not remember the committee. I only remember several on the committee. Mr. Woodward, Mr. Nash, and Mr. Townsend were there. Those are the only members of the committee I recall.

Q. Did you meet Mr. Hepburn at that time?

A. I do not positively remember whether he was at the meeting or attended at that time or not. I remember the other three gentlemen were there.

Q. Did you apply for certificates?

A. Not at that time.

Q. What was your errand at that time?

A. I was asked what banks we were clearing for.

Q. What did you say?

A. I told them we were clearing for three—the Brooklyn Bank and the Borough Bank, both of Brooklyn, and the Chelsea Exchange Bank of New York.

A. They inquired about banks and their condition and the balances which they were maintaining with us, and they first said to me that they would prefer that I would send notices discontinuing the clearances.

Q. For all of them?

A. For all of them.

Q. Proceed.

A. Then the matter was discussed.

Q. What did you say as to that?

A. I said I felt if we did it would probably result in a large loss of business to us, and possible trouble.

Q. Did you say it would ruin the bank?

A. I do not know that I did. I felt that it would make trouble if we did send out the notices, and I protested against it. Finally my understanding was that if the Brooklyn Bank and the Borough Bank would bring their balances up to \$500,000 each we might continue to clear for them, and if not that it was a matter to be reported against. I was to get in touch with the clearing house.

Q. Did they bring their balances up?

A. One of them did. The other approximated the balance, but not fully up to the \$500,000.

Q. Which one brought the balance up to \$500,000?

A. I think it was the Brooklyn Bank.

Q. What happened then?

A. The next day I had a visit from Mr. Townsend asking if I had sent out the notices and I told him I had not; that I understood that if the two banks mentioned brought their balances up we would not have to send out the notices. The requirement did not apply to the Chelsea Exchange Bank. He said that was not his understanding. He went down to the clearing house, and I got a call to come down again, and the matter was discussed. It was decided that I should send out the notices.

Q. What were the notices?

24 REVIEW OF EVIDENCE ON CLEARING HOUSE ASSOCIATIONS.

A. To discontinue clearing for the Brooklyn Bank and the Borough Bank—not the Chelsea Exchange, however.

Q. You were to discontinue for the one that had brought its balance up to the required amount?

A. Yes.

Q. Did you say anything to that?

A. I told them that they had large balances with us, and I knew it would mean the withdrawal of those balances immediately and I felt that it would mean trouble for us, and I asked that a committee be appointed to examine our bank.

Q. Was there a committee appointed?

A. There was.

Q. You had not sent out the notices then, had you?

A. No, sir.

* * * * *

A. They (the clearing-house committee) said it [the Oriental Bank] was in good condition; that we were doing a legitimate business and not being used or abused by anybody.

Q. What was the upshot of that, as to whether you could continue to clear for the two other banks?

A. We discontinued that immediately.

The New York Association forced their member bank, Oriental, to stop clearing for the Brooklyn banks, even though a committee had found no problems

Q. They told you to stop it, did they?

A. Yes.

Q. And did you send out the notices?

A. We did.

Q. And did they tell you that same night to discontinue clearing for those banks?

A. That afternoon, prior to the examination.

The New York Association did not care about the examination

Q. What is your answer?

A. They told us that that afternoon prior to the examination.

Q. Before the examination?

Oriental was a member of the Clearing Association, and the Brooklyn banks were important customers

A. Yes, sir.

Q. And you sent out the notices?

A. I did.

“The men who through their control over

the funds of our railroads and industrial companies are able to direct where such funds shall be kept and thus to create these great reservoirs of the people's money, are the ones who are in position to tap those reservoirs for the ventures in which they are interested and to prevent their being tapped for purposes of which they do not approve. The latter is quite as important a factor as the former. It is the controlling consideration in its effect on competition in the railroad and industrial world."

—(1914) Other People's Money and How the Bankers Use It

Q. And how soon after that did those two banks close?

A. I can not tell you exactly, but within a day or two.

Even though the banks were solvent,
they were forced to shutdown

The possible ends for which clearing house associations might use their great powers is further suggested in the following excerpt from the testimony of Mr. Cannon (R., 259, 260):

Q. Mr. Cannon, I would like you to look at page 12 of this very enlightening book of yours and tell me what you mean by this. Referring to times of panic, you say:

"In such an emergency the other members of the clearing house are usually willing to render assistance until the strain is relaxed. To secure such aid, however, a bank must be sound in its management and of good repute in every respect. Otherwise the members of the clearing house"—

This is all in times of panic, mind you—

"are likely to decline assistance, being quite willing to get rid of a weak and ill-managed member."

A. I think that speaks for itself.

A sort of gentleman's
agreement decided the fate
of the entire country..

**SECTION 5.—SUCH ASSOCIATIONS UNINCORPORATED AND UNREGU
LATED.**

Yet, without exception, it is believed such associations sustaining this vastly important and delicate relation to the financial arrangements of the country, are unincorporated, voluntary organizations, on the same legal footing as private clubs, and as such subject only to the authority of their own governing body as regards the right to become or remain a member or to enjoy the privileges of membership. For example, under the constitution of the New York Clearing House

“These bankers are, of course, able men possessed of large fortunes; but the most potent factor in their control of business is not the possession of extraordinary ability or huge wealth. *The key to their power is Combination....*

“There is the obvious consolidation of banks and trust companies; the less obvious affiliations—through


stockholdings, voting trusts and interlocking directorates—of banking institutions *which are not legally connected*; and the joint transactions, *gentlemen's agreements*, and “*banking ethics*” which eliminate competition among the investment bankers”.

—“Other People’s Money and How the Bankers Use It”, (1914)

All it took was 1/4 of its members to block somebody from joining,

regardless of their
qualifications, and even if
these people were
competing with the
appellant.

REVIEW OF EVIDENCE ON CLEARING HOUSE ASSOCIATIONS. 25



Association, which is fairly representative, a bank or trust company, no matter how well qualified, can not be admitted over the objection of one-fourth of those already members, who are its competitors, and on the other hand may be expelled by a majority vote; and in neither case need any reason be given nor is there any appeal. Nor, without the assent of the association can there be any change in the ownership, management; or charter of a member on pain of expulsion. Mr. Sherer, manager, and Mr. Cannon, member of the governing body, of this association, testifying as to its power in this regard, said among other things (Sherer, R., 112, 113, 145, 146):

Q. Assuming that it has all of those qualifications, the admissions committee is the sole judge of whether it will admit a member, is it not?

A. Yes.

Q. Having all those qualifications, it can be rejected or admitted in the judgment of the association, can it not?

A. Yes.

Q. And it requires the affirmative votes of three-fourths of the members to admit a member, does it not?

A. Yes, sir.

Q. And a majority to expel a member?

A. Yes.

Q. The majority may expel a member without cause, may it not?

A. No, sir. The constitution states what reasons are required.

Q. Yes. As a matter of fact, Mr. Sherer, the power of expelling or suspending a member rests entirely in the committee of this association, does it not?

A. Yes.

Q. Why do you constantly compare the membership in this association to that in a private club?

A. Merely for the sake of comparison, because it is not a corporate institution.

Q. You know that in the case of a private club a man may be excluded without reason, because they do not want him?

A. Oh, yes.

Q. And that is so in your association, too, is it not?

A. We do not go as far as that.

Q. But you have the right to do so?

A. We have our requirements here.

Q. You have the right to do so, have you not?

A. Yes, we have the right; not the moral right, if they comply with these requirements.

Q. You have taken the legal right, have you not?

A. Yes.

Q. You spoke of a man not wanting to come in. I shall have to repeat my question to you in that respect.

You know that unless the bank happens to have \$1,000,000 in capital it can not come in, can it? That is right, is it not?

A. That is right.

Q. And if it has \$1,000,000 of capital and it does not suit three-fourths of its competitors that it shall come in, it can not come in anyway, can it?

A. No.

Q. And if it does not suit its competitors who are in the association to let another bank that is a member of the association clear for it, it can not get clearance, can it?

A. No.

Even if the bank was a

member of the club, in the event of a change of control, the bank would be expelled if the members did not approve of the new management.

It's a clique; a private club; a *Cartel*.

* * * * *

Q. We are talking about the constitution of the clearing-house association, and we are discussing section 7. Do you or not understand that under section 7 no bank can change control if it is a clearing-house member, and remain a clearing-house member, without the consent of the clearing-house committee? That is so, is it not?

A: Yes.

* * * * *

Q. Do you not know that under your present constitution and by-laws a banking association that is eligible has not the right to membership and that its right depends upon the consent of three-fourths of the existing members?

A. Upon a vote of three-fourths of the existing members?

Q. Yes; you know that, do you not?

A. Sure.

Thus what may be virtually the power of life and death over our banking institutions rests uncontrolled in private hands.

Do you see how powerful these organizations are?

They shutdown two healthy banks for no reason whatsoever. People's life savings were in those banks, and this was before social security, so you could literally starve back then; you and your family.

What most people fail to recognize is that profits are only secondary to these mega-banks. Following the repeal of the Glass-Steagall Banking Act and the massive bailouts that followed, these corporations have become empires, and there's a reason why the blood drained out of that bankers face at the mere mention of Quadriserv's technology, but it has very little to do with profit.

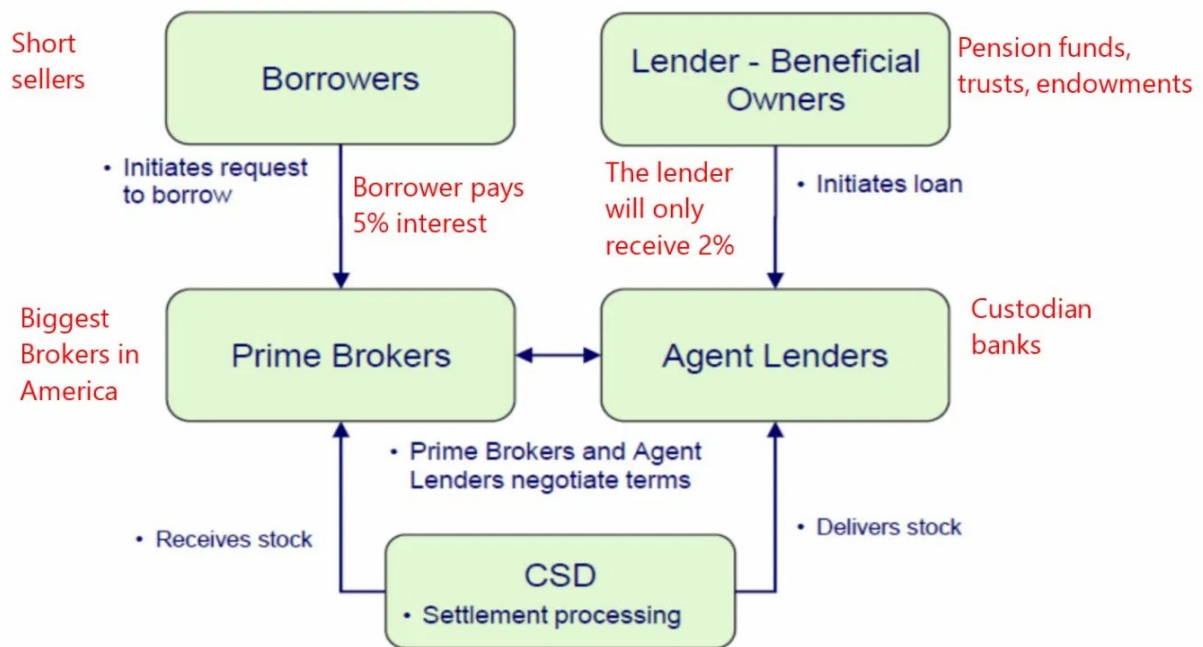
It's about control.

If the stock loan market were to emerge from the shadows of the "OTC" and on to a public exchange where everything is closely scrutinized, it would be much easier to track who was borrowing stock, and at what price, which could potentially reveal what these mega-banks are up to behind the scenes. People might even start recommending that they include all these loans into a Consolidated Tape, making it much harder for them to hide their activities.

“Under Graber, *I learned that Wall Street was an illusion,*”.. “There were different magicians using different tricks in different ways. But everyone cheated. It shocked me so much in the beginning. I admired these people. And they cheated”.

—>*Samuel Israel III*

Keeping this market in the dark doesn't just give you control over the spread, like what is seen here.



It gives you control over the supply of equities, and it also allows you manipulate **voting outcomes** in contested elections.

*“And then as time went
on and/or a position got
bigger, the rate would
get jacked up on us.....
So our cost of doing
business in a particular
name would
go from not costing us
anything to costing us
tens of millions of
dollars”...*

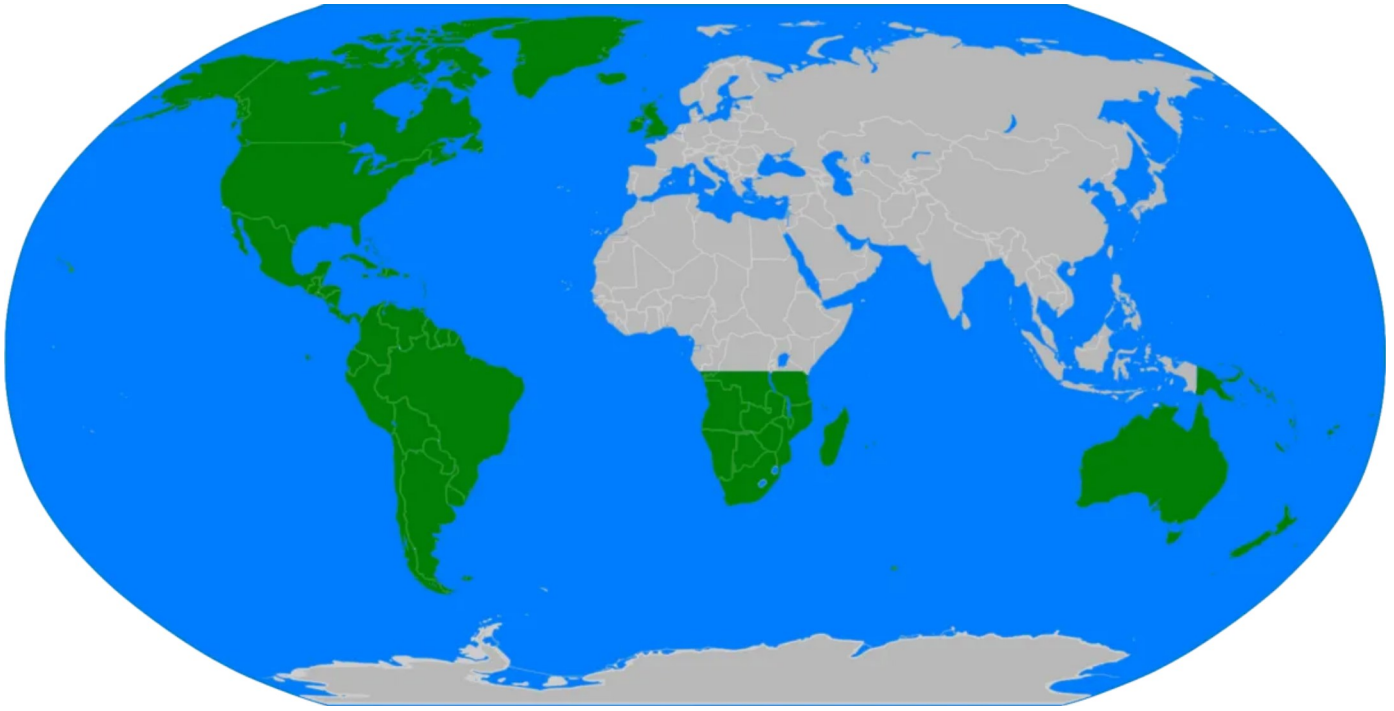
—*Marc Cohodes,*
Copper River Partners

The same thing happened [before the financial crisis](#) when CDO's were still popular. They refused to allow anybody to access live pricing data, so everything had to be traded on the OTC markets with no centralized clearing. Even when they were offered the opportunity to trade on a public exchange, [they still refused](#), and it would've saved them money..

This was a market [valued at \\$61.2 trillion](#) at its

height in 2007.

*Give me control over a
nations equity supply and I
care not who makes its
laws..*



If somebody were to tell you that you don't technically own your shares in a publicly traded company, would you believe them? That seems rather ridiculous, doesn't it? Many people have their life-savings invested in the stock market, and how could somebody else own something that you paid for with your own money?

Unfortunately it's true, and you are not the legal owner of your investments. The banks and brokers are the true legal owners, and you are just issued an entitlement; an unusual relationship characterized in the industry as "[street name](#)" ownership, and all shares are held in book-entry form (*electronically*) at the DTCC, with the banks and brokers acting as the *registered holders* on the company's books.

¹¹ Street name shareholders, unlike registered holders, are not the record owners of their shares. An omnibus proxy process is used currently to transfer voting authority from a depository institution—such as the Depository Trust Company—to the brokers and banks that will submit aggregated votes on behalf of their customers to be tabulated in the final vote count. A better system would be to use the existing omnibus proxy process to transfer voting authority down to the investor level from each depository institution, permitting beneficial owners to vote proxy cards in the same manner as registered shareholders.

By transferring ownership to the DTCC and registering the brokers as the true legal owners of your investments, it solved the problem of constantly having to transfer physical certificates from one

location to another; a process that was cumbersome and created liability issues.

Back the in the 70's, they describe this unusual relationship as a "Jumbo Certificate"

Registration of securities in nominee name initially served as a method of facilitating transfers by fiduciaries and corporate institutional investors, a function which it still performs. As the practice became more common, it provided other important benefits to the nation's securities markets.

The practice allows brokers and banks to combine the interests of many customers into a single "jumbo" certificate. This greatly reduces the number of certificates which must be maintained, eliminating the need for expensive safekeeping space. The use of jumbo certificates also decreases and simplifies the paperwork associated with servicing customer accounts. Moreover, registration of securities in nominee or street name permits brokers, banks and institutions to move securities among in-house accounts without transfer of record ownership.

In addition to facilitating the internal operations of intermediaries street and nominee name registration is central to arrangements which expedite the clearance and settlement of securities transactions among intermediaries.¹ For example, street name registration eliminates many of the routine, time-consuming transfers which were a major factor in the paperwork crisis that crippled the industry in the late 1960's.² Under industry practice, a buying broker will accept from a selling broker delivery of securities registered in street name (though not necessarily in the selling broker's street name), and the buying broker in turn may redeliver such securities to another broker, in each case without the need to transfer record ownership prior to delivery.

Today an increasing number of securities transactions are being

A perfect example of this ownership structure is

illustrated in the document snapshot pictured below from a recent Broadridge Financial Services note offering, dated Dec.5th, 2019, only a few months ago.

They refer to this debt obligation as a “*Global Note*” that is owned by the DTC (a DTCC subsidiary).

It also says that the owners of the “beneficial interests” will not be *legally* considered owners of “*any notes*” under the “Global Note”. A “beneficial interest” would be you, as you are the brokers’ customer for which they have granted you “*entitlements*” to these investments.

“Under Article 8, the beneficial owner of the shares held in a custodial account with an intermediary (such as a broker) is considered to be the holder of a “securities entitlement” in a “financial asset” which is ultimately held by a depository”,

—*Marcel Kahan, The Georgetown Law Journal*

Ownership of Beneficial Interests

Upon the issuance of each global note, DTC will credit, on its book-entry registration and transfer system, the respective principal amount of the individual beneficial interests represented by the global note to the accounts of participants. Ownership of beneficial interests in each global note will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in each global note will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants' interests) and such participants (with respect to the owners of beneficial interests in the global note other than participants).

So long as DTC or its nominee is the registered holder and owner of a global note, DTC or such nominee, as the case may be, will be considered the sole legal owner of the notes represented by the global note for all purposes under the indenture, the notes and applicable law. Except as set forth below, owners of beneficial interests in a global note will not be entitled to receive certificated notes and will not be considered to be the owners or holders of any notes under the global note. Broadridge understands that under existing industry practice, in the event an owner of a beneficial interest in a global note desires to take any actions that DTC, as the holder of the global note, is entitled to take, DTC would authorize the participants to take such action, and that participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in a global note will be able to transfer the interest except in accordance with DTC's applicable procedures, in addition to those provided for under the indenture. Because DTC can only act on behalf of participants, who in turn act on behalf of others, the ability of a person having a beneficial interest in a global note to pledge that interest to persons that do not participate in the DTC system, or otherwise to take actions in respect of that interest, may be impaired by the lack of physical certificate of that interest.

All payments on the notes represented by a global note registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global note.

Broadridge expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest in respect of a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global note as shown on the records of DTC or its nominee. Broadridge also expects that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for accounts for customers registered in the names of nominees for such customers. These payments, however, will be the responsibility of such participants and indirect participants, and neither Broadridge, the underwriters, the trustee nor any paying agent will have any responsibility or liability for any

They say explicitly in the first paragraph that the DTC will credit the "beneficial interests " represented by the "global note " to the accounts of the "*participants*".

But who are these participants?

ever in our history and a 15% jump over the prior year – as volumes in both equity and fixed income clearing increased. The one constant that connects 2018 to 2008, as well as to every other year since our founding more than four decades ago, is our commitment to delivering on the value of our clients' investment in an industry-owned and governed market infrastructure that manages risk for the global system.



RISK
MANAGEMENT



CLEARANCE & SETTLEMENT



OVER-THE-COUNTER
(OTC) DERIVATIVES



Just like any company, we're here to serve our clients, but the fact is that we're not just like any other company. Because we're industry-owned and governed, we're your company. That means DTCC is an extension of your firm, that our infrastructure is an extension of yours and that our priorities are in lockstep with yours. Our ownership structure and governance are rare in financial services, and it's a powerful differentiator because, unlike our competitors, we don't have to choose between what's best for our shareholders and what's best for our clients – you're one and the same. We've earned your trust because we've proven that you can always count on us to be there when you need us most.

These values are carved deep into the soul of the organization. And they've served as the foundation upon which we've reimagined and redefined DTCC's role in the industry since the crisis. Over the past decade, we've built new layers onto that foundation, leveraging our expertise and new technologies to strengthen our infrastructure, enhance our risk management and broaden our capabilities to include over-the-counter (OTC) derivatives, middle office processing and data services. At the core of our success last year was the execution of our strategy, which reflects the intersection

The “*participants*” are the same banks and brokers that are buying the debt securities from Broadridge.

But doesn't that make them the indirect owners of this “Jumbo Certificate ” — or in this case, “Global Note ” — through their ownership of the DTCC?

The answer is yes, it does.

In the age of artificial intelligence, crypto currencies, smart phones and quantum computing, you might be wondering why we still need these brokers and banks to act as the legal owners of our investments. Nobody uses paper certificates anymore, and certainly there should be some kind of SAAS technology out there by now that could solve the liability and book-keeping issues that come with transferring these ownership interests back and forth between accounts.

In reality, this system hasn't been necessary for practically **20 years**, and many **experts** are equally as perplexed by this unusual "*entitlement*" system as they are about the opaque black-hole that governs the stock loan industry today, where retiree's ("*the elderly*") are literally being forced to utilize middlemen that actively collude to separate buyers

and sellers so they can charge higher spreads.

They don't even let companies send "proxy" (voter) materials directly to their shareholders; the company is forced to send the voting materials to the brokers first, and only then will they send them to you.

1. **Expand the Use of the NOBO List.** Under current SEC rules, brokers and banks are required to classify each street name shareholder as either a Non-Objecting Beneficial Owner ("NOBO") or as an Objecting Beneficial Owner ("OBO"), for shareholder communications purposes. This classification is typically made based on indications by a beneficial owner at the time they open an account with the intermediary.

The names of OBOs may not be disclosed by brokers and banks to a public company for any purpose whatsoever. The names of NOBOs may be disclosed to a company for the purpose of sending an annual report, or to engage in general "corporate communications."⁷ A NOBO list can be obtained at any time by a company and not only in connection with a shareholder meeting.⁸ However, current SEC rules do not permit public companies to disseminate proxy materials to NOBOs.

<https://www.sec.gov/comments/4-725/4725-5335206-184008.pdf>

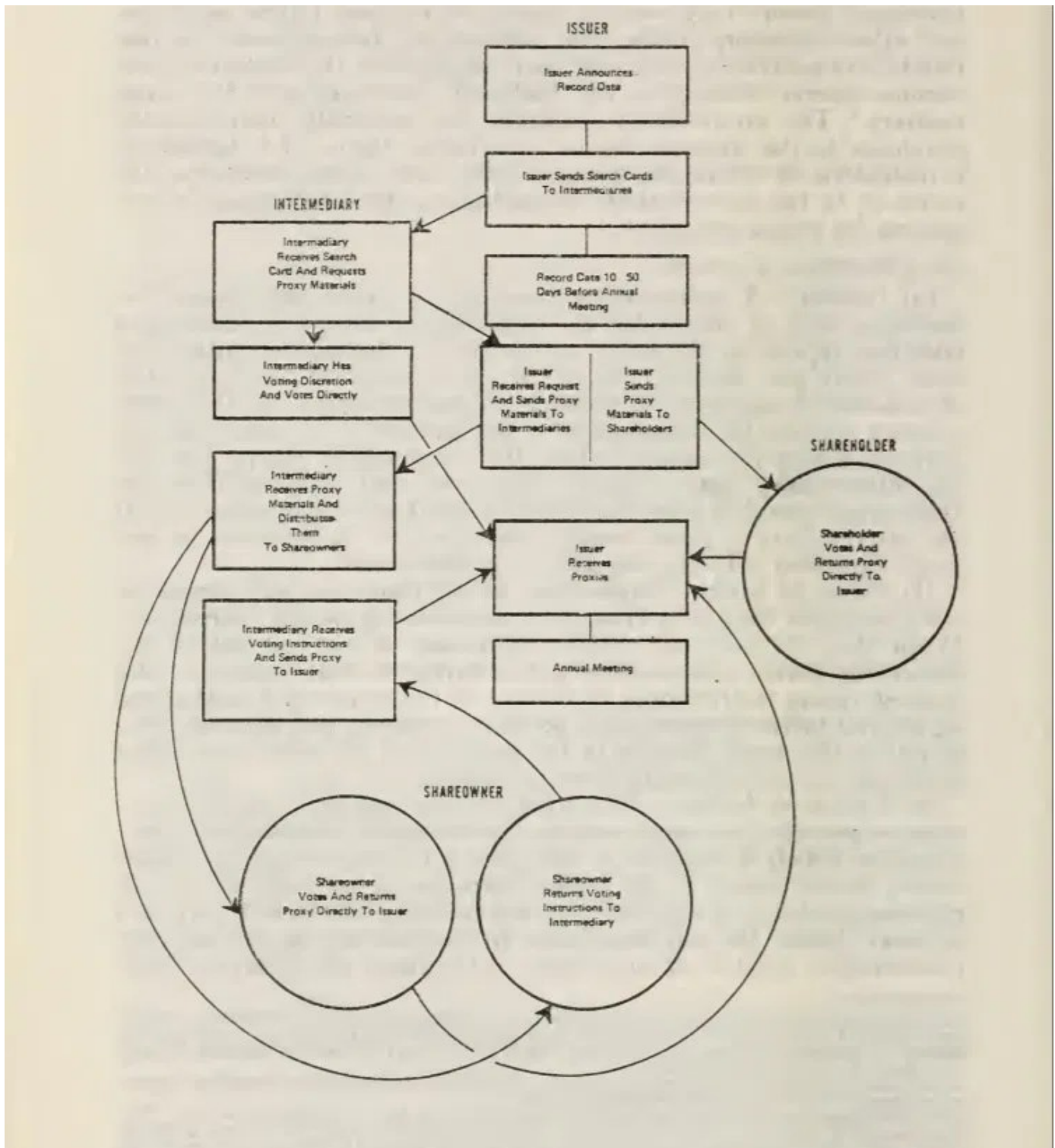
The restriction on public company distribution of proxy materials dates back to the 1980's. An SEC Advisory Committee Report in 1982 did consider whether to permit public companies to disseminate proxy materials to non-objecting beneficial owners.⁹ However, the Advisory Committee did not recommend this approach primarily because public companies were not in a position in 1982 to assimilate lists of beneficial owners holding street name shares on a record date from hundreds of brokers and [banks](#).¹⁰

This technical problem was resolved in 1985, with the selection of a central intermediary- the Independent Election Corporation of America-to compile and supply beneficial owner lists from the approximately 900 brokers and banks holding shares in nominee form.¹¹

Without these technical obstacles, it makes little sense for SEC rules to permit a

<https://www.sec.gov/comments/4-725/4725-5335206-184008.pdf>

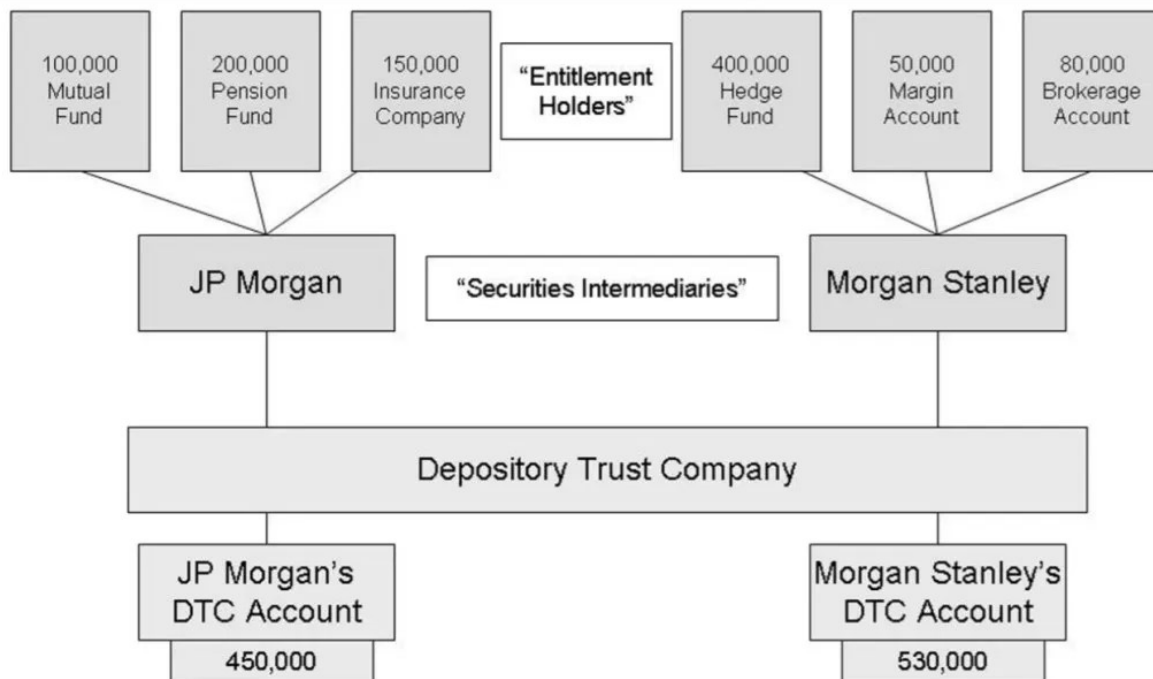
Pictured below is an illustration of how this process works.



<https://ia801700.us.archive.org/23/items/fsec00unit/fsec00unit.pdf>

If you had trouble with that first one, this next

illustration might be easier to understand. That first flow chart is from 1976, so it might be a little hard to make out. Yes, the same system that existed back then is still being used today.



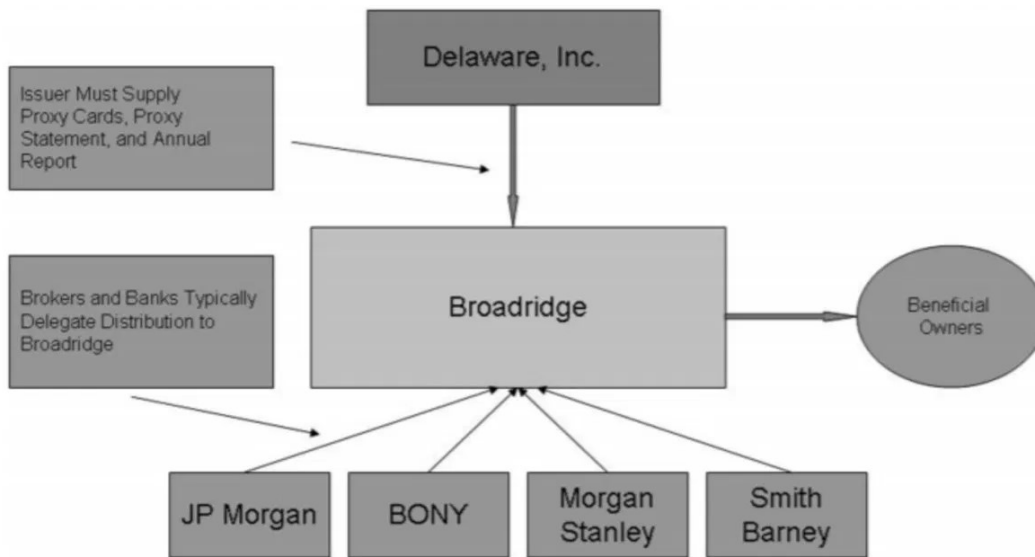


Figure 6. Distributing the Materials

Take a guess who these brokers contract out to send you these “proxy” materials (voting cards).

SAMPLE PROXY CARD

Sample Company A
789 Corporate Drive
Headquarters, USA 56789

Mr. and Mrs. Investor
1234 Main Street
Anywhere, USA 12345

2010 Annual Meeting Admission Ticket

Tuesday, April 27, 2010
Grand Hotel Ballroom
Headquarters, USA 56788

Upon arrival, please present this admission ticket and photo identification and any other required documents.

Electronic Voting Instructions

You can vote by Internet or telephone.
Available 24 hours a day, 7 days a week

Instead of mailing your proxy, you may choose to vote on the Internet or by telephone. Validation details including Control Number are located on this form.

Please vote immediately. Your vote is important.



Vote by Internet

- Log on to the Internet and go to **designated Web site**.
- Follow the steps outlined on this secured Web site.

Broadridge Financial Services..

Investor Communication Solutions

We provide the governance and communications solutions through our ICS business segment to the following financial services clients: banks/broker-dealers, asset management firms/mutual funds, corporate issuers and wealth management firms. In addition to financial services firms, our Customer Communications business also serves companies in the healthcare, insurance, consumer finance, telecommunications, utilities and other service industries. A large portion of our ICS business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. We also provide the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

S-1

**Broadridge**

The most accurate,
dependable, and efficient way
to submit your proxy voting instructions online.

Enter your
Control Number to:

- Submit Proxy Voting Instructions
- Download materials
- Sign up for e-delivery
- Retrieve **Your** Control Number

SUBMIT

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<https://east.proxyvote.com/pv/web?pvskey=br>

They control 80% of the “proxy” (voter)
communication industry. Don’t worry, we’re just
getting started. It gets much worse.

Our operations are classified into two business segments: Investor Communication Solutions ("ICS") and Global Technology and Operations ("GTO").

In fiscal year 2019, we:

- processed approximately 80% of the outstanding shares in the United States ("U.S.") in the performance of our proxy services;
- processed over six billion investor and customer communications through print and digital channels;
- processed on average over \$7 trillion in equity and fixed income trades per day of U.S. and Canadian securities; and
- provided fixed income trade processing services to 19 of the 24 primary dealers of fixed income securities in the U.S.

We generated \$4,362.2 million in total revenues and \$607.3 million in earnings before income taxes in fiscal year 2019.

<https://www.secinfo.com/d1a6sv.h2.htm?Find=industry&Line=435#Line435>

Did you know that you can borrow shares immediately before a corporate election for the sole purpose of influencing the outcome? Yes, in America if you borrow shares, the voting rights will be transferred to you.

conditions, a customer does not have a right to the extension.

You may lose shareholder proxy voting rights if your shares are lent out by the firm during a voting period.

When you maintain a margin account debit balance at a brokerage firm, the securities used as collateral for the margin loan may be lent by the brokerage firm to other brokerage firms or institutions for various reasons. If your shares are lent out, the right for you to vote on the shares is granted to the borrower of the shares. As a result, you may not be able to vote on shares held as collateral in your margin account.

You may receive payments-in-lieu of dividends (potentially taxed at a higher rate) where your shares are lent out over the dividend record date.

<https://web.archive.org/web/20121113172601/http://www.rwbaird.com/bolimages/Media/PDF/FI/Your-Financial-Goals/Margin-Risk-Disclosure.pdf>

You get to keep the dividend, but not the vote?
Seems rather counter intuitive, doesn't it? Or better
yet, rife for exploitation?

..That's because it is..

“The existing system of
shareholder voting is crude,

imprecise, and fragile. Gil Sparks, a leading Delaware lawyer, estimates that, *in a contest that is closer than 55 to 45%, there is no verifiable answer to the question “who won?”* “

*The Hanging Chads of
Corporate Voting*

2. Require Pre-Mailing Reconciliation of Beneficial Owner Positions. As noted in the SEC's 2010 Concept Release on the U.S. Proxy System ("2010 Concept Release") **brokers and banks hold many of their securities in book-entry form through the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository.**¹³ These securities are held in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by each broker or bank that is a DTC participant.

An imbalance in beneficial owner voting can occur as a result of current share lending practices by brokers and other intermediaries. Share lending enables a "short" investor to borrow shares from a "long" investor, with an agreement to return these borrowed shares at a later date.¹⁴ Share lending agreements generally assign voting rights to whomever possesses the shares on a company's record date **causing the need for each intermediary to reconcile its long and short positions to accurately calculate the number of shares each beneficial owner is entitled to vote.**¹⁵

Over and over again, and for multiple decades, it has been shown that votes are constantly being misappropriated, yet the only entity that can reconcile this problem is owned and controlled by them: The Depository Trust and Clearing Corporation.

Broadridge, the company they contract out to send us our proxy (voting) materials, even admits in their corporate filings that their relationship with these brokers constitutes as a "*conflict of interest*".

UNDERWRITING (CONFLICTS OF INTEREST)

Subject to the terms and conditions of the [underwriting agreement](#) dated the date of this prospectus supplement, the underwriters named below, for whom J.P. Morgan Securities LLC, BofA Securities, Inc., Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC are acting as representatives, have severally agreed to purchase from us, and we have agreed to sell, the principal amount of notes listed opposite their names below at the public offering price less the underwriting discount set forth on the cover page of this prospectus supplement:

Underwriters	Principal amount of notes
J.P. Morgan Securities LLC	\$ 112,500,000
BofA Securities, Inc.	112,500,000
Morgan Stanley & Co. LLC	112,500,000
Wells Fargo Securities, LLC	112,500,000
Barclays Capital Inc.	48,750,000
BNP Paribas Securities Corp.	48,750,000
TD Securities (USA) LLC	48,750,000
U.S. Bancorp Investments, Inc.	48,750,000
SunTrust Robinson Humphrey, Inc.	37,500,000
BMO Capital Markets Corp.	22,500,000
Loop Capital Markets LLC	22,500,000
Santander Investment Securities Inc.	22,500,000
Total	\$ 750,000,000

The [underwriting agreement](#) provides that the obligations of the several underwriters to purchase the notes offered hereby are subject to certain conditions and that the underwriters will purchase all of the notes offered by this prospectus supplement if any of these notes are purchased.

Should we really trust these people to fairly tabulate our votes? You can make \$100's of million's from being on the right side of a corporate merger, and as recent history has shown, [these banks will rig anything](#) so long as they can get away with it. Only 30% of shareholders were shown to have voted in 2014, and as we all know, there is no better industry than Wall Street at finding legal loopholes, so rigging such an opaque and outdated system should be a piece of cake for these mega-banks.

That alone should be enough cause for concern, but combined with the fact that they can borrow shares for the sole purpose of influencing an election, and it's easy to see how this system could be manipulated. They even have a name for this practice: Vote Buying

Yes, [Vote Buying](#)..

From now on we're going to try to avoid using the word "Proxy" because it acts to cloak what is actually going on: a vote, not a "proxy". That word makes it sound much more complicated than it actually is, especially considering all the technology we have today. Every country in the western world holds elections, yet for some strange reason, the only place that exhibits such unusual complications is on the stock market — the lifeblood of the American economy.

Bob Drummond wrote an [article](#) about this for Bloomberg years ago, but in typical Bloomberg fashion, it was [deleted](#)).

From: “Double Voting in Proxy Contests Threatens Shareholder Democracy”, Bloomberg, By Bob Drummond

“It is an abomination,” says Thomas Montrone, chief executive officer of Cranford, New Jersey-based Registrar & Transfer Co., which oversees shareholder elections. “A lot of the time we have no idea who’s entitled to vote and who isn’t.

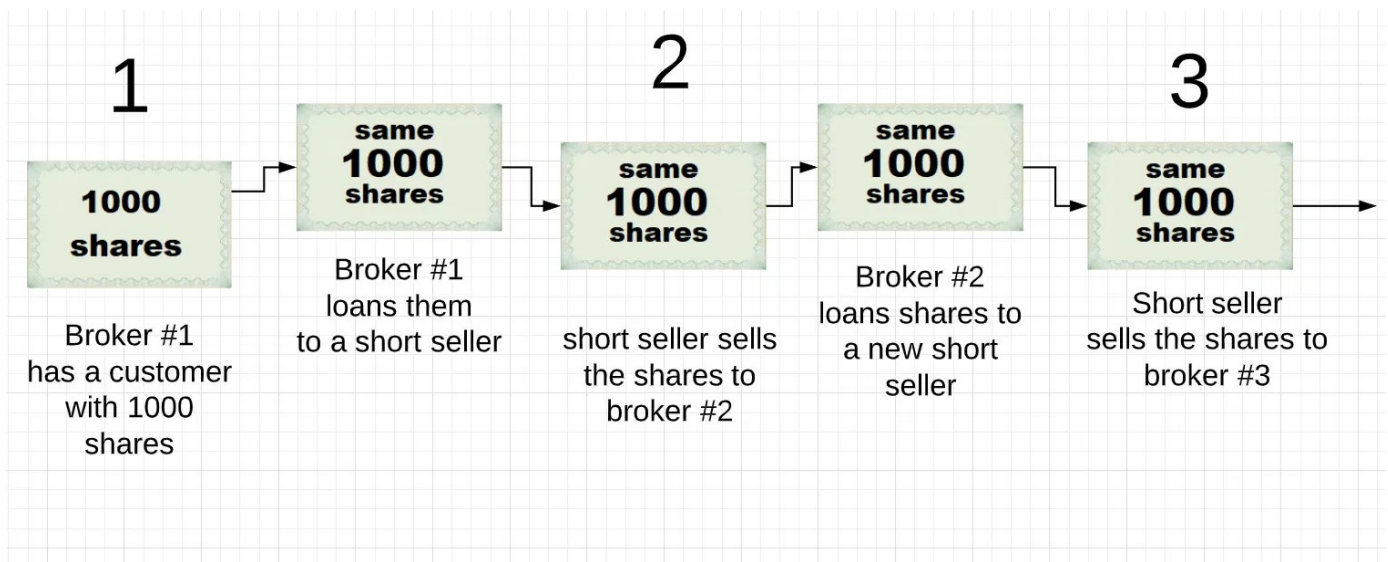
It's nothing short of criminal.”

“In a little-known quirk of Wall Street bookkeeping, with the growth of short sales, which involve the resale of borrowed securities, stocks can be lent repeatedly”.

<https://archive.is/PR9Ww#selection-3583.0-3586.0>

....”The *loans allow three or four owners to cast votes* based on holdings of the same shares”.

<https://archive.is/PR9Ww#selection-3587.0-3590.0>



Drummond later described three specific contested elections where this was known to have occurred. As you can see in the image below, all one needs is a few extra shares to tip the pendulum in a contested election, making the corporate executives and **wolf-packs** who front-run these predatory schemes millions from carefully facilitated mergers, acquisitions and hostile take overs.

Total Outstanding Short Sales Vs Margin of Victory

Short sales in mln's Winning margin, in mln's



(CARL T. HAGBERG AND ASSOCIATES) “Over-voting is, quite simply, untenable. Allowing it to continue makes a mockery of the idea of corporate democracy. There is ample evidence that people do try to “game” the system, since votes do indeed have value – especially when the voting outcomes have the potential to move

the stock price, as often they demonstrably do. (See, for example, [“Vote Trading and Information Aggregation”](#) which is easily accessible on the Internet and which documents *huge spikes in share purchases near meeting record dates and corresponding sales immediately thereafter*). There is also a great deal of evidence that the “gamesters” quite often succeed in gaming the vote, since, (a) as the study pointed out, *one can buy votes for about \$6 per million votes and* (b) vote buyers will vote 100% of the time, while long-term owners tend not to vote at all, which allows the voters with “duplicate voting credentials” not just to go undetected, but to have their way in terms of the

election outcomes. It is especially important to note in the context of election “gaming” that the interests of short-term and long-term owners are, almost always, diametrically opposed in election contests”.

<https://archive.is/aUv1B>

<http://www.sec.gov/comments/s7-14-10/s71410-68.pdf>

“The customer doesn’t know this is happening,” says John Wilcox, head of corporate governance at TIAA-CREF, the biggest private U.S. pension plan for teachers.

Often, the broker still permits the customer to vote the shares even though they're out on loan. That policy is not sound. It definitely means that shares can be voted twice."

<https://archive.is>

[/PR9Ww#selection-4015.0-4018.0](https://archive.is/PR9Ww#selection-4015.0-4018.0)

But most of the time none of these tactics are necessary, because again, people usually don't even show up to vote anyways.

"It's invisible," says Paul

Schulman, executive
managing director of
Altman Group Inc., a proxy
solicitor based in
Lyndhurst, New Jersey.
Most of the time you don't
get overvotes because so
many shareholders don't
vote.”

They've certainly shown that they are perfectly
capable of [rigging everything else](#). These companies
will do anything to buff up those quarterlies; they
will even instruct the directors of the DTCC to block
new technology that can save pensioners hundreds

of billions of dollars.

Pensioners: those people who **worked their whole lives** and finally want to settle down after decades of toiling at their job 5, maybe even 6 days a week. They took you to school, fed you while you were a child; taught you everything you know about life..



Think about it this way: not only will these banks steal from the future by printing trillions of dollars so they can cover their reckless stock market bets, but they will also steal from the past by siphoning value from your retirement savings..

None of this is a conspiracy. You can click on the image below and it will take you directly to the exact line of text.

253. The Prime Broker Defendants also pressured clearinghouses to refuse to provide clearing services to SL-x. In 2015, OCC's Chief Operating Officer disclosed to SL-x that he had been in constant contact with Goldman Sachs' Conley during the period of the boycott and that "nothing was going to happen" between SL-x and OCC without the Prime Broker Defendants' blessing—and particularly the blessing of Goldman Sachs. The partnership between SL-x and OCC that appeared to be imminent in 2013 subsequently, and without explanation, never materialized. Similarly, Murray Pozmanter—the DTCC Managing Director who served as the

gatekeeper for DTCC's clearing business—admitted to SL-x that the DTCC could not offer SL-x central stock loan clearing without the approval of Goldman Sachs and other Prime Broker Defendants.

Just imagine the power you would have if you could
manipulate the voting outcomes in a corporate

election.

Just going off the Wilshire 5000, the combined market cap of every publicly traded company in America is equal to roughly \$33 trillion, and some of these corporations are larger than most countries. Directors can also exert significant control over the company finances, and they pour billions into our elections.

[Market summary >](#)

Wilshire 5000

INDEXNYSEGIS: W5000FLT

[Overview](#)[News](#)[Compare](#)**33,803.09** **+574.88 (1.73%) ↑**

Feb. 4, 12:57 p.m. EST · Disclaimer

[1 day](#)[5 days](#)[1 month](#)[6 months](#)[YTD](#)[1 year](#)[5 years](#)[Max](#)

“How Broadridge and its customers—the bank and

broker custodians—adjust
overvotes, revocations, and
other problems within *its*
system is entirely opaque”.

—*The Hanging Chads of
Corporate Voting*

If you wanted to influence the outcome of an
election, what do you think would be the easiest way
to accomplish this? You would probably want to wait
until you could see the results first, right?

Guess what, that’s how they can do it! It’s up to
them whether they want to count the votes before,
or after receiving the tallies. Yes, they can literally
wait until they know the results, then tabulate
everything knowing what the outcome is going to be.

Just imagine if the American people found out a political election was being handled like that? There would probably be a revolution the very next day..

This problem of overvoting at the beneficial owner level has been an issue for a number of years. In 2006, the New York Stock Exchange ("NYSE") sanctioned four brokers for failing to reconcile their beneficial ownership positions in a timely manner to avoid over-voting at shareholder meetings.¹⁸

As a result of these NYSE administrative proceedings, the securities industry adopted written guidelines to address this reconciliation problem.¹⁹ These guidelines permit brokers to select one of two reconciliation methods. Under the first method-called pre-mailing reconciliation- a broker reconciles its long positions with its share lending positions (and failure to deliver positions before a proxy mailing takes place, so that proxy materials are only sent to customer positions authorized to vote in a shareholder meeting.

Under the second method called post-mailing reconciliation-a broker compares its aggregate position at DTC (and with other depositories) with its actual aggregate customer account positions only after receiving VIFs back from its customers and during the vote tabulation process.

The pre-mailing reconciliation method ensures that only those shareholders who are legally eligible to vote at a shareholder meeting are the ones actually voting. Post-mailing reconciliation is an after the fact remedy that permits low response rates by retail investors to obscure share lending positions and failure to deliver problems within each broker's aggregate share position at DTC. When a post-mailing reconciliation is required, certain beneficial owners are disenfranchised by the allocation decisions that are made by a broker when it needs to adjust the number of beneficial owner votes that are cast down to the level of shares in its aggregate DTC position.

Method #1

Reconcile all fictitious entitlements before the vote

Method #2

Reconcile all fictitious entitlements after the vote

Which option would you choose?

<https://archive.is/qIicW>

Absent a reconciliation process *before* proxy materials are disseminated, a broker may be submitting more votes at the beneficial owner level than it is entitled to vote. Equally of concern, a lack of pre-mailing reconciliation results in proxy materials and VIFs being sent to beneficial owners who are not legally eligible to vote.

VIF means voter instruction forms

¹² A public company requesting a NOBO list would pay the charges listed on the current NYSE fee schedule approved by the SEC. The charges for providing beneficial ownership information to companies currently are: (1) 6.5 cents for each NOBO name; and (2) an agent processing fee of between 4-10 cents per name, based on a sliding scale. *See* NYSE Rule 451 .92 and NYSE Rule 465, *available at*

<http://wallstreet.cch.com/nysetools/PlatformViewer.asp?SelectedNode=chp16&manual=/nyse/rules/nyse-rules/>.

¹³ Concept Release on the U.S. Proxy System, 75 Fed. Reg. 42,982, at 42,986 (July 22, 2010).

¹⁴ Many individual investors with margin accounts do not realize that standard account agreements permit the broker to loan out their securities, or remove securities to avoid a fail-to-deliver problem at settlement, without notice. Proxy materials and VIFs can be sent to retail investors who are not aware that they don't actually possess the shares in their account and, therefore, are not eligible to vote as of a company's record date.

¹⁵ A need also exists to reconcile voting imbalances that can occur when another broker has failed to deliver a security on a timely basis, yet a customer's account has been credited with the security as of settlement date. This can cause an overvote at the beneficial owner level, absent an appropriate reconciliation as of a company's record date. *See* SEC Staff Briefing: Roundtable on Proxy Mechanics, at 1-2 (May 24, 2007).

<https://archive.is/qIicW>

vote. Moreover, the existing clearance and settlement system was not designed to assign

particular shares of a security to a particular investor due to netting and holding

securities in fungible bulk. ⁶⁸ Thus, it is not currently possible to match a particular

investor's vote to a specific securities position held at a securities depository. When a

broker-dealer has fewer positions or shares reflected on the securities position listing

than it has reflected on its books and records, the broker-dealer must determine if and

how it should allocate the votes it has among its customer and proprietary accounts and

... “there is no guidance in the rule (NYSE’s Rule 452) itself or from the Exchange in any other form as to how a member firm is to handle a situation where it receives proxy voting instructions for more shares than it holds in record ownership. Thus a member firm apparently enjoys substantial flexibility when it cannot act on all the instructions received, and in particular *it presumably may select at its own discretion which voting instructions it will disregard*“ . . . (SEC (1991), p. 28)

Vote Trading and Information

Aggregation,

This is just the beginning. There is ***much*** more.

Let's say there is a voting discrepancy because these
TBTF banks and brokers decided to issue more

voting *entitlements* than actually exist; it turns out that the entity that counts the votes doesn't even have a fixed procedure for dealing with this problem.

Sometimes they will count the votes on a "first-in" basis, and other times they will count the votes on a "last-in" basis, meaning your votes could be completely discounted in favor of somebody who borrowed stock immediately before the record date, or worse, they could include fake votes because one of their better customers had an interest in the outcome. Again, they own the DTCC, and Broadridge openly admits in their company SEC filings that their relationship with these brokers constitutes as a "Conflict of Interest"

10. There are no standard industry procedures that govern Tabulators' approach to dealing with over-voting. Tabulators may respond to over-votes with a variety of vote-counting procedures, including counting votes on a "first in-first voted" or "last in-first voted" basis, or disregarding altogether a vote submitted by a broker-dealer. Depending upon the procedure implemented by the Tabulator, certain customers' voting instructions may not be represented as originally given. Where permitted by statute or otherwise (as, for example, pursuant to § 231(d) of the Delaware General Corporation Law), Tabulators may consider reliable information, including consultations with persons with knowledge of the reasons for a particular proxy over-vote.
11. Failure to timely reconcile stock records on beneficial ownership may result in inaccurate instructions being given to the proxy service provider. If there is no reconciliation of stock records of beneficial ownership, customer votes may be allocated inaccurately, because customers with both long and short positions may receive requests for proxy voting instructions for too many shares. Similarly, if stock in margin accounts has been used for stock loans, both the margin account holder or holders and the recipient of the stock loan may submit voting instructions for the same stock. Failure to perform proper reconciliations may allocate more votes to customers than is proper.

According to the NYSE, this was shown to have occurred in "numerous instances".

“As set forth more
particularly below, during

the period from about
January 2000 to April 2004,
the Firm: voted more shares
than it was entitled to vote
in corporate elections
 (“over-voting”) in
numerous instances “

From, “*Economic Warfare*
– *Risks and Responses*, by
Kevin D. Freeman“

....”the day of the vote
there were roughly 17.2
million shorted shares of
TASER stock. Thus, even if
all of the TASER shares
that were sold short were
able to vote... *there were at
least 3. 7 million shares
that were undoubtedly
counterfeit.*

....”When investigated,
however, there is
substantial evidence that

over- votes are
increasingly impacting
elections, even if
participation by traditional
shareholders remains low.
In 2005, for example, the
Securities Transfer
Association reviewed 341
shareholder votes finding
evidence of over voting in
every single case".

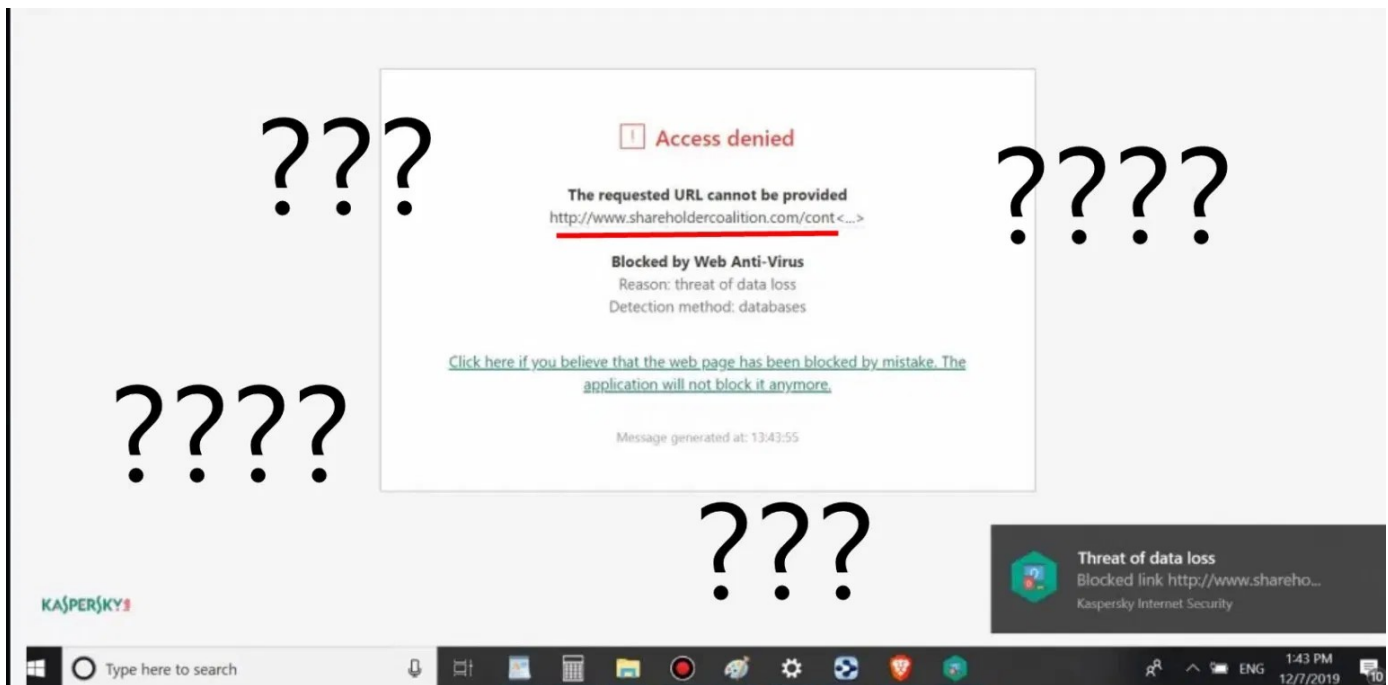
You're probably thinking that all those citations are

kind of old, and it's been almost 20 years since that NYSE complaint, so something must have been done about this by now — right?

Unfortunately, no, and still to this day in the year 2020, nothing has changed. Just look online and you will see numerous articles and white papers from reputable sources addressing all of the problems outlined in this article.

Just last year in 2019, one investor advocacy group sent several letters to the SEC addressing this strange phenomenon of “over-voting”.

But you can't visit their website anymore because this is what will happen.

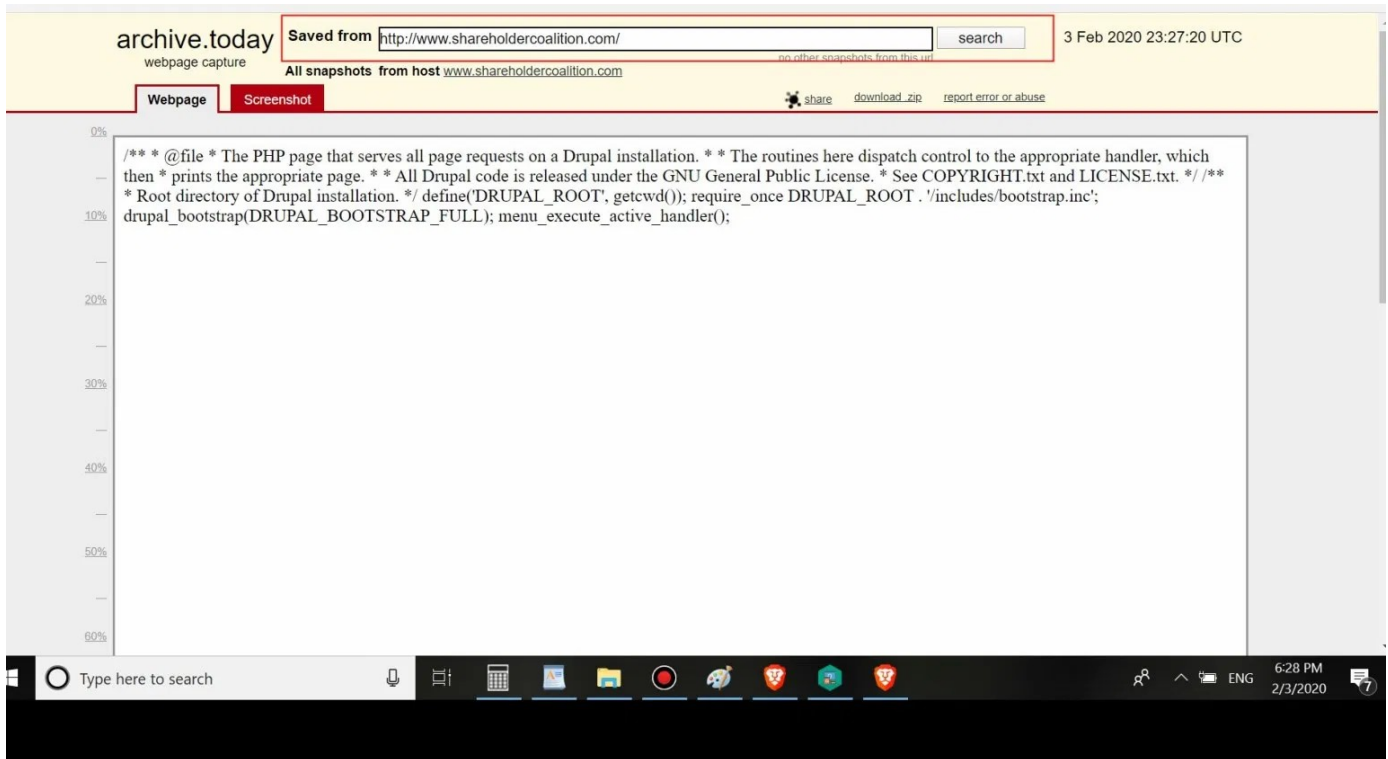


You can still read their letter though..



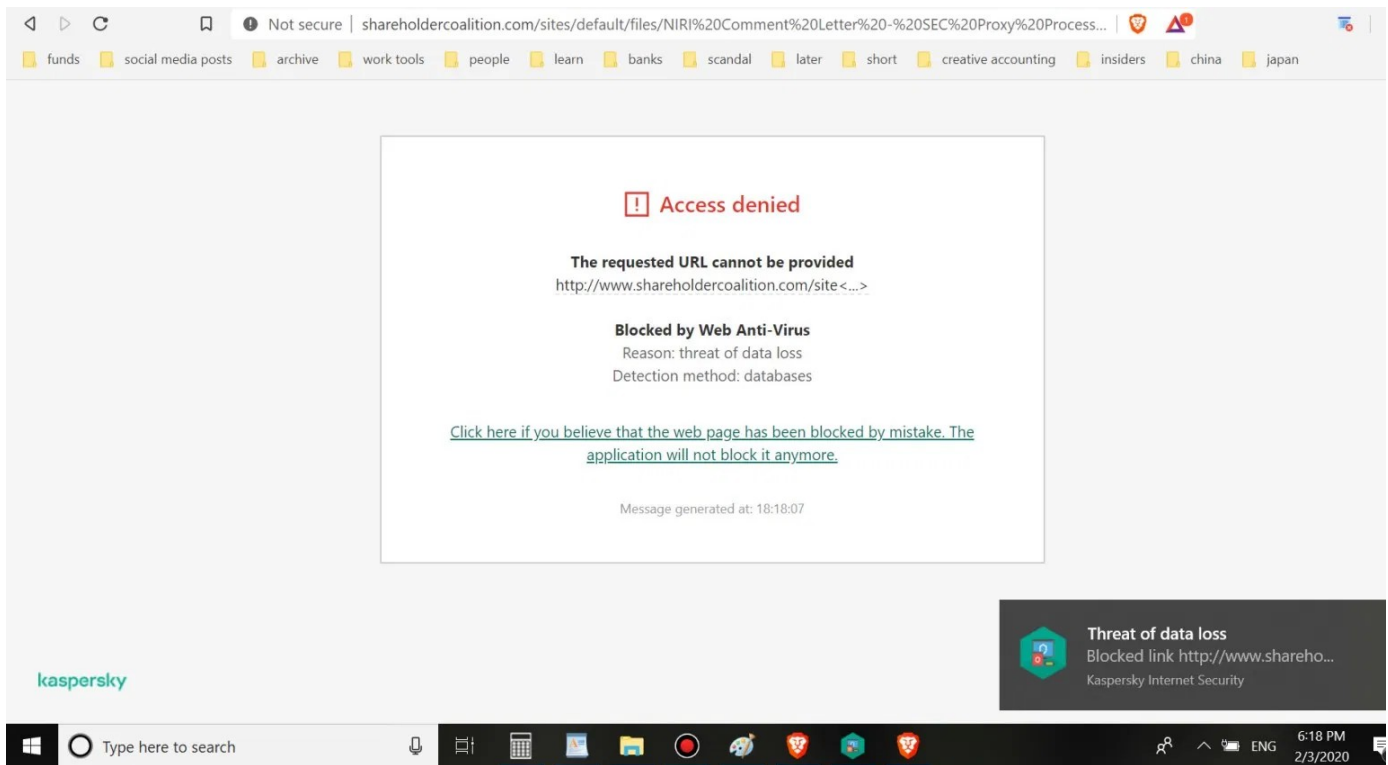
<https://archive.is/GsfAh>

It also looks like their website was recently shutdown



<https://archive.ph/i6DdO>

They've published numerous reports on this topic, yet even now as of the time of writing, if you try to read their pdf's, you still get this message.



Not something you see very often in this day and age. This is what you see when you visit another one of their websites.

REGULATORY TRACKER



- warning: include(/var/www/vhosts/investorscoalition.com/httpdocs/modules/cck/theme/content-field.tpl.php): failed to open stream: Permission denied in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
- warning: include(/var/www/vhosts/investorscoalition.com/httpdocs/modules/cck/theme/content-field.tpl.php): failed to open stream: Permission denied in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
- warning: include(/var/www/vhosts/investorscoalition.com/httpdocs/modules/cck/theme/content-field.tpl.php): failed to open stream: Permission denied in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
- warning: include(): Failed opening './modules/cck/theme/content-field.tpl.php' for inclusion (include_path='./opt/plesk/php/5.3/share/pear') in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
- warning: include(/var/www/vhosts/investorscoalition.com/httpdocs/modules/cck/theme/content-field.tpl.php): failed to open stream: Permission denied in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
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- warning: include(): Failed opening './modules/cck/theme/content-field.tpl.php' for inclusion (include_path='./opt/plesk/php/5.3/share/pear') in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.
- warning: include(/var/www/vhosts/investorscoalition.com/httpdocs/modules/views/theme/views-view-list.tpl.php): failed to open stream: Permission denied in /var/www/vhosts/investorscoalition.com/httpdocs/includes/theme.inc on line 1078.

Get involved

CMFI depends on contributions from people like you. Contributions received will be used to pay for the costs of operating the Coalition and for no other purpose.

[CONTRIBUTE](#)

As the Coalition is not currently a 501(c)(3) organization, your contributions are not tax deductible. Nevertheless, the Coalition appreciates your support!

What does this all mean?

Who knows..

They've been at this for more than a decade now, so it just seems sort of odd that you can't even visit the website of what appears to be one of the most prominent advocacy groups fighting for change on this matter without risking your computer being infected with a virus.



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TELEPHONE: (202) 624-1460 • FACSIMILE: (202) 393-5218

WWW.SHAREHOLDERCOALITION.COM

August 17, 2009

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

VIA ELECTRONIC MAIL

Subject: Facilitating Shareholder Director Nominations, File No. S7-10-09

Dear Ms. Murphy:

The Shareholder Communications Coalition ("Coalition")¹ appreciates the opportunity to comment on the proposal by the Securities and Exchange Commission ("Commission") to facilitate shareholder director nominations.

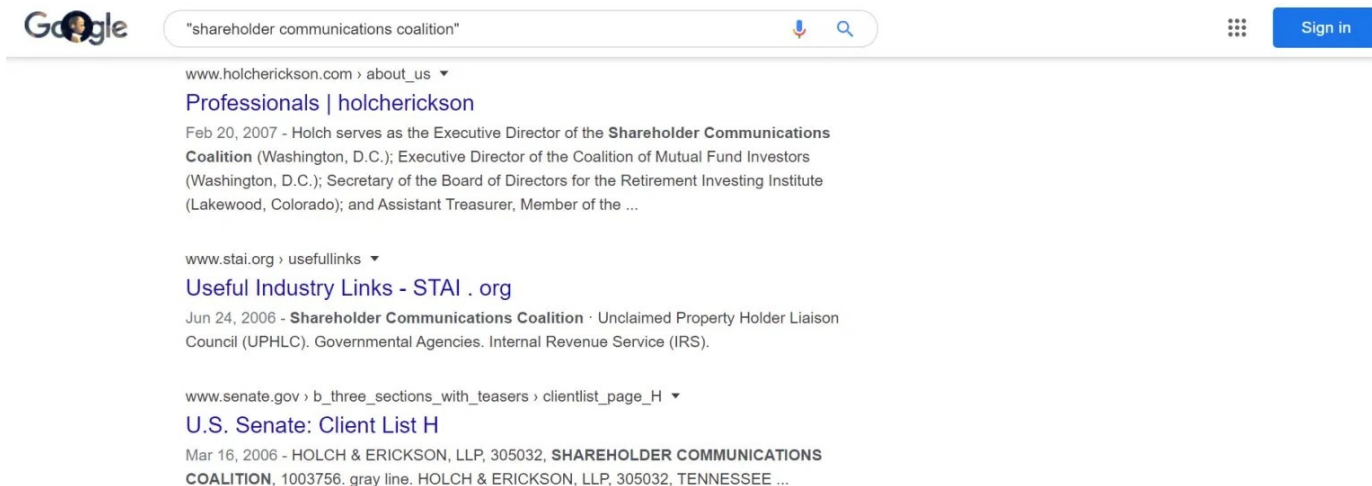
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Elizabeth M. Murphy
August 17, 2009
Page 2

The Coalition has been an advocate for this type of comprehensive review by the Commission since the Coalition was established in 2005. Coalition members also have been strong supporters of the Business Roundtable's Petition for Rulemaking Regarding Shareholder Communications, filed with the Commission in April 2004.⁴

The current proxy system was developed many years ago and--as many participants who use the process will certainly agree--it has evolved into a system that has not kept up with the needs of today's investors and issuers:

- The street name system now dominates the trading and clearing of public company shares, with more than 75% of shares currently held through third-party financial intermediaries, in street or nominee name;
- The practice by financial intermediaries of holding corporate shares in fungible bulk has created a broker-controlled system that presents obstacles to appropriate transparency in short selling, derivative transactions, and proxy voting;



<https://archive.is/prjyQ>

Does corporate election meddling happen all the time?

Probably not.

Can it happen? Yes, it's been shown to happen on numerous occasions, and there has been extensive research published on this fact.

The ability to just issue stock loans to investors in the dark and devoid of any public scrutiny is obviously something that creates a multitude of

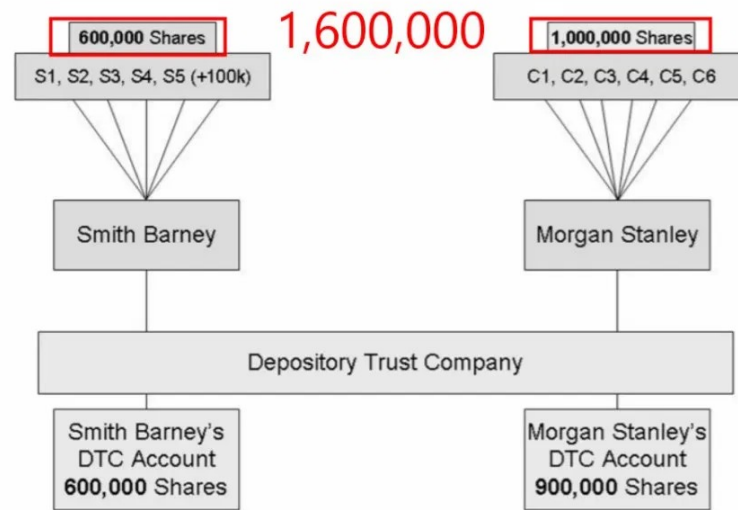
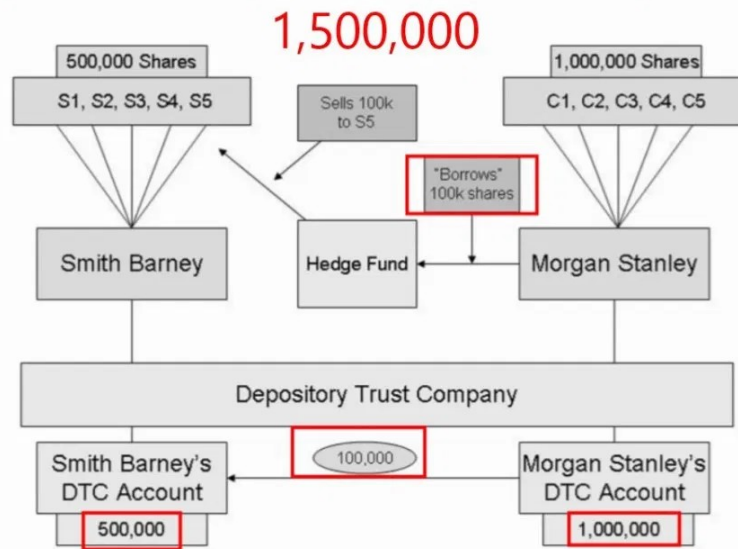
opportunities for misuse; especially when you can fail to deliver — issue fictitious *entitlements* — which we are about touch on next.

“As a result of these NYSE administrative proceedings, the securities industry adopted written guidelines to address this reconciliation problem. *These guidelines permit brokers to select one of two reconciliation methods*“

The securities industry guidelines that provide two

methods of beneficial owner reconciliation should be replaced with an SEC rule that requires pre-mailing reconciliation (finding out which shares entitlements Are Fake and which ones are real before letting everybody vote) as the only method for brokers and other intermediaries.

Street name positions should be reconciled as of the record date (the record date is the last day you are allowed to vote) for each shareholder meeting, in order to avoid discrepancies in tabulating final vote counts and to avoid distributing proxy materials to beneficial owners who are ineligible to vote (Fake Shares).



You see, money is just the icing on the cake for these people. As they say, it comes, and it goes. What is much more important is maintaining control over [key infrastructure](#), giving you the power to swing the pendulum in your favor when the opportunity presents itself.

If you have the ability to facilitate a merger through your control of the voting mechanism, not only can you make money for yourself, but you can also facilitate transactions for your preferred customers — whether that be a manager of one of these corporations, or a hedge fund client.

This also applies to pricing, where through failure to deliver, these banks and brokers can artificially control supply and demand by selling entitlements to investors that don't actually exist.

This is obviously something that can easily be abused, as it enables these mega-banks and brokers to sell large volumes of stock at [artificially inflated price levels](#); incentivizing market manipulation schemes that involve *coordinated groups* of people

pumping up the share price so they can sell IOU's to unsuspecting investors at prices where there *ought not to be any shares available for sale in the first place*; something that was recently shown to have occurred when a market maker was caught selling fake shares in a variety micro-caps using his [market maker exception](#).

There is probably no better example of a situation where this hidden clause could be used to rip off thousands of people than TLRY, a stock that had 17 million shares in circulation and went from \$20 to \$300+ in only a matter of a few months — all due to momentum and hype. The market is supposed to regulate itself through supply and demand, but if you can just [fabricate a parabolic move](#), then sell people rights to shares that are not actually in existence at the time of the sale, you've essentially just sold people stock at a [fictitious price](#) that otherwise would not have existed under normal market conditions.

Should we be surprised? Technically a stock broker is just a retailer, and what do retailers usually do best? Trick you into buying things that you don't actually

need at inflated price levels. If you can just pump up a \$20 stock to \$300, you might be able to sell 10x more shares on the way down than you initially had to purchase to get it up that high. Jesse Livermore, a sort of financial celebrity of his time, actually admits to doing this in the book *Reminiscences of a Stock Operator*.

When my buying does not put the stock up I stop buying and then proceed to sell it down; and that also is exactly what I would do with that same stock if I did not happen to be manipulating it. The principal marketing of the stock, as you know, is done on the way down. It is perfectly astonishing how much stock a man can get rid of on a decline.

I repeat that at no time during the manipulation do I forget to be a stock trader. My problems as a manipulator, after all, are the same that confront me as an operator. All manipulation comes to an end when the manipulator cannot make a stock do what he wants it to do. When the stock you are manipulating doesn't act as it should, quit. Don't argue with the tape. Do not seek to lure the profit back. Quit while the quitting is good and cheap.

This happens quite frequently (practically on a daily basis) in the microcap sector, usually before stock offerings. Once you see the crowd come in, you pump it up, then sell it on the way down. There is a closely held industry catchphrase that market makers

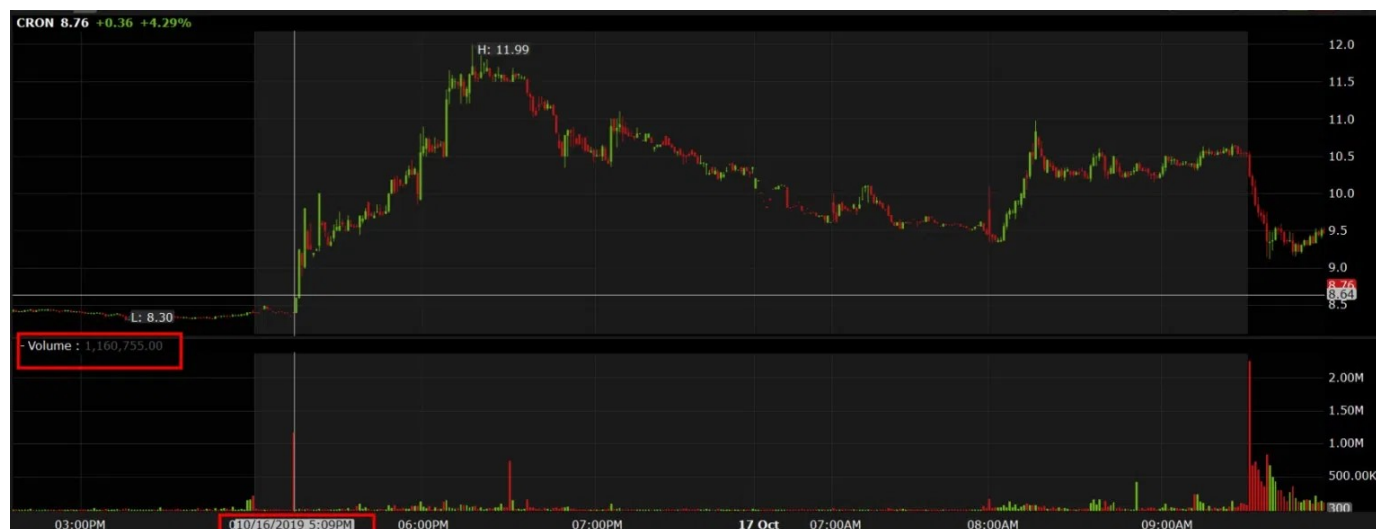
will often use to describe this practice: **"Gun and Run"**.

Although manipulation of this sort can be extremely hard to prove (almost impossible), sometimes it can be very obvious, even when one lacks anything that could be considered concrete evidence.

You can see something like this happening with Cronos Group on Oct.16th, 2019 when it spiked 40% on heavy trading volume for no reason whatsoever.

Before the open, people were contemplating potential buy-outs, new management, and social media activity was through the roof — but nothing came, and 4 weeks later, the price was down 50%..

You can read more about this by clicking the image below.



They changed the rules on wash sales a few years ago, and now algorithms from the same firm can buy and sell to each other so long as they are from different trading desks. A wash sale is when somebody buys and sells to themselves, usually with the intention of driving up the price.

Theoretically this is easier to accomplish in the premarket and afterhours because there is less volume and activity. As far back as the days of the Tontin Coffee House, the afterhours has always been a venue for transactions that would be deemed less than honest.

“The proposed rule change requires FINRA members to have policies and procedures in place that are reasonably designed to review their trading activity for, and prevent, a pattern or practice of self-trades resulting from orders originating from a single algorithm or trading desk, or from related algorithms or trading desks. **Additionally, the proposed rule change states that transactions resulting from orders that originate from unrelated algorithms or from separate and distinct trading strategies *within the same firm* would generally be considered *bona fide self-trades*.**”

....Two commenters support **FINRA’s**

amendment to focus the proposed rule change on “self-trades,” rather than “wash sales.” One commenter supports FINRA’s *replacement of the term “wash sale” with “self-trade,”* explaining that, unlike wash sale transactions, *self-trades can be inadvertent* and bona fide.”

—>*Read more*

Apparently we’re just supposed to trust these people to buy and sell to themselves — again, that’s called a wash trade.

You can just leave the rest up to your imagination with that one...

Lest we not forget that these mega-banks own massive [alternative trading systems](#) (known as darkpools) that are [not open to public scrutiny](#). These private exchanges account for more than [30% of all trading volume](#) in the United States.

But we're veering off track, and this is a whole other story in and of itself.

“Trade settlement is what converts market liquidity into actual cash liquidity for firms and capital markets... “You wouldn’t buy a house and show up on closing day, take title, rent out the house and collect the rent, all before paying. Yet *that’s what’s happening every day in the financial system.*”

—Fred Sommers, *Basis Point Group*

Other problems could arise when people start lending out these IOU’s, which is nothing more than a *fictitious loan* — one of the most egregious forms of financial frauds imaginable. This would be like

loaning someone fake gold 100 years ago, then charging them interest under the threat that if they didn't pay you back, you would come seize their assets.

Over the years, many of the victims of this fraudulent activity have published [numerous reports](#) on this problem, but as is usually the case with any fraud of [this magnitude](#), most of the time it just gets lost in the echo chamber.

outside of their control.

Pursuant to NSCC rules, if an NSCC broker-dealer member “[fails to deliver](#)” the securities it owes to NSCC on the settlement date, NSCC will allocate this fail to one of many contra-side broker-dealers due to receive securities without trying to attribute the fail to the specific broker-dealer that originally traded with the broker-dealer that failed to deliver.⁷⁸ The broker-dealer to which the fail is allocated will not receive the securities and will not be credited with this position at DTC until delivery is actually made.

Even though the broker-dealer has not actually received the securities, the broker-dealer usually will credit its customers' accounts with the purchased securities on settlement date. If the broker-dealer's fail-to-receive position continues through the

Issuing multiples rights to investors on the same securities — you don't think they'd do it? They've done it before; they do it with everything, so why not equities?

There is so many different options on the same stock; bonds of bonds; bets on bet's; GSE's and ETF's representing the same group of companies and sectors; and exotic derivatives piled on top of derivatives, that it would probably make your head spin. So what makes you think they won't also sell you more entitlements to shares than actually exist?

They already entitle their clients to *fictitious* votes, and it's not like it would be hard. Remember, they own the clearinghouse, and enjoy a virtual monopoly over the stock market, with 47% of banking assets concentrated into only 5 banks, and 50% of the prime brokerage industry controlled by only three companies. Considering everything else they've been

caught doing in the past, the real question we should all be asking ourselves is why *wouldn't* they do something this? They don't even care about their own clients, referring to them simply as "Muppet's".

They rigged the municipal bond market, they rigged the treasury bond markets; they rigged the foreign exchange market; they rigged the metals market; they rigged the energy market; they rigged the Credit Default Swap market; they rigged the mortgage market; they rigged initial public offerings; they rig analyst ratings; they've practically rigged every market in existence.

You wanna know something..

It's already happened..

Banana Republic



IN THE COURT OF
CHANCERY OF THE
STATE OF DELAWARE
IN RE DOLE FOOD
COMPANY, INC.
STOCKHOLDER
LITIGATION

*“There were **36,793,758**
shares in the class. At the
conclusion of the claims
process, however,
claimants had submitted*

*facially valid claims for
49,164,415 shares“.*

*.....”Despite diligent
efforts, the settlement
administrator and class
counsel could not resolve
the discrepancy“.*

*“Dole held a special
meeting of stockholders on
October 31, 2013. A
narrow majority of 50.9%
of the disinterested shares*

*voted in favor, 21.2% voted
against, 10.5% abstained,
and 17.4% did not vote.
The transaction closed on
November 1, 2013“*

Vice Chancellor Laster,
Memorandum Opinion



**NOTICE OF SPECIAL MEETING OF
STOCKHOLDERS
TO BE HELD ON OCTOBER 31, 2013**

During the financial crisis, David Murdock was in deep on debts. After a leveraged buy-out of Dole Foods, years of philanthropic projects, and the recent completion of his Westlake Wellness Center — a 700 000 square foot luxury hotel directly across the road from Dole's Corporate headquarters — it was beginning to look like he had finally stretched his finances close to the breaking point.

(APRIL 9, 2008, LA Times) “The asset sales may relieve pressure on 84-year-old billionaire Chairman David Murdock to make an emergency cash infusion into the Westlake Village-based company. Credit-default swaps suggest a 74% chance of default in the next five years, according to a JPMorgan Chase & Co.

valuation model.

At the time, the high risk bond market had practically frozen, causing many of his loans to go into default.

In 2003, Murdock took Dole private in a leveraged buyout. While owned solely by Murdock, Dole felt the effects of the financial crisis of 2008. Dole had taken on significant debt, and a large tranche of bonds was scheduled to mature in 2009. Dole typically refinanced its debt a year before maturity, but it delayed in the hope that rates would improve. Instead, the bond markets froze. Dole finally refinanced its debt just sixty days before the bonds matured. It was forced to pay a very high interest rate.

Murdock's real estate ventures also suffered. Murdock had obtained loans that required unanimous approval from all of the banks in the lending syndicate to waive a covenant or extend a maturity date. During the financial crisis, several loans went into default. Some of the more troubled banks refused to modify the loans. Murdock had provided personal guarantees and faced the threat of collection actions.

Fortunately for him, he had formed long term relationships with some of his lenders, so they decided to come to his rescue.

Deutsche Bank and Wells Fargo stepped in to help Murdock. They had worked with Murdock for years and took a "long term view [of] the relationship." JX 1680 at 2. They bought out the objecting banks and granted the loan modifications Murdock sought. The plaintiffs accurately observe that this instance reflects the longevity and depth of Murdock's relationship with his favored banks, such as Deutsche Bank. See Murdock 74-

7

76 (describing his relationships with banks and noting that "most of my banks have been with me for 40 years").

But the terms were far from favorable. Pictured below is a snapshot from one of those agreements.

Section 2. Financial Information

[C](#)

Item 2.03 Creation of Direct Financial Obligation or Obligation under an Off-Balance Sheet Arrangement.

On March 18, 2009, Dole completed the sale and issuance of \$349,903,000 aggregate principal amount of 13.875% senior secured notes due March 2014 ("2014 Notes") at a discount of \$25 million. The 2014 Notes were sold to qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933 ("Securities Act") and to persons outside the United States in compliance with Regulation S under the Securities Act. The sale was exempt from the registration requirements of the Securities Act. Interest on the 2014 Notes will be paid semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2009. The 2014 Notes have the benefit of a lien on certain U.S. assets of Dole and its U.S. subsidiaries that is junior to the liens of our senior secured credit facilities, and are senior obligations ranking equally with our existing senior debt. The indenture pursuant to which the 2014 Notes were issued is Exhibit 4.15 to this Form 8-K. The form of global note and guarantee is Exhibit 4.16 to this Form 8-K. The registration rights agreement entered into in connection with the issuance of the 2014 Notes is Exhibit 4.17 to this Form 8-K.

13.87% interest on \$349,903,000 averages out to about \$48 000 000 per year...

Over a 5 year period, this would equate to \$240 000 000, and this was just one of several notes..

Just to put that into perspective, a Bank of America Travel Rewards Card charges 17.24%



No annual fee[†] and
no foreign transaction
fees[†]

Bank of America[®] Travel Rewards

25,000 bonus points offer – a \$250 value and no annual fee[†]

- Earn unlimited 1.5 points for every \$1 you spend on **all purchases everywhere, every time** and no expiration on points [Calculate Rewards](#)
- No blackout dates or restrictions and points do not expire
- Use your card to **book your trip how and where you want** and pay yourself back with a statement credit towards travel purchases
- Introductory 0%[†] APR for your first 12 billing cycles for purchases. After that, a Variable APR that's currently **17.24%** to 25.24% will apply.
- Preferred Rewards members earn **25%-75% more points** on every purchase. That means you could earn **up to 2.62 points** for every \$1 you spend, everywhere, every time. Not enrolled? [Learn more about Preferred Rewards](#)

[†] Terms & Conditions

[Apply Now](#)

[Learn More](#)



Add to compare

Other Items

On [June 22, 2009](#), we declared a dividend of \$15 million to our parent, DHM Holdings. We paid the dividend in four installments on [June 23, 2009](#), [July 20, 2009](#), [August 18, 2009](#) and [August 31, 2009](#). As a result of this dividend, we do not at present have the ability to declare future dividends under the terms of our senior notes [indentures](#) and senior secured credit facilities.

On [April 30, 2009](#), we obtained letters of credit to support a bank guarantee issued to the European Commission in connection with their Decision that imposed a fine on us. These letters of credit were issued under the ABL revolver and the pre-funded letter of credit facility.

As a result of the issuance of the 2014 Notes and amendments to the senior secured credit facilities during March 2009, [interest rates on these instruments increased significantly as compared to the interest rates as they existed prior to the new debt issuance](#) and amendments. The interest rate on the 2014 Notes is [13.875%](#), compared to [8.625%](#) on the 2009 Notes. The interest [rate on the ABL revolver and term loan facilities increased by approximately 1.75% and 5%, respectively, as a result of the amendments.](#)


See Note [8](#) in the notes to the condensed consolidated financial statements for the second quarter of 2009 included elsewhere in this prospectus for additional details of our outstanding debt.

The note was secured by his newly built Westlake Wellbeing hotel.

that the aggregate amount of the Investments made pursuant to this Section 9.05(xix) after the Restatement Effective Date shall not exceed \$100,000,000 (without regard to any write-downs or write-offs thereof)

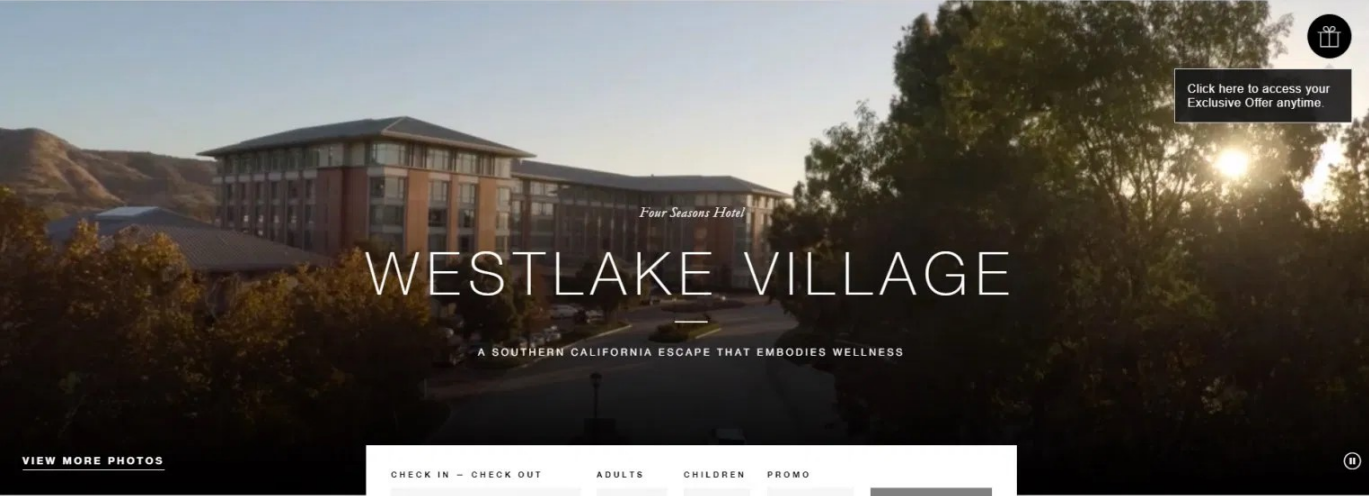
(xx) so long as no Default or Event of Default then exists or would result therefrom, Holdings may from time to time (I) make cash common equity contributions, and/or intercompany loans to, [Westlake Wellbeing Company](#), and (II) make cash common equity contributions, and/or intercompany loans, to Wellbeing IP Holdco and/or Wellbeing Edco; [provided that \(x\) Holdings shall at all times own or hold at least 85% of the Equity Interests of Westlake Wellbeing Company \(on a fully diluted basis\) and at least 50% of the Equity Interests of each of Wellbeing IP Holdco and Wellbeing Edco \(on a fully diluted basis\), \(y\) all of the Equity Interests of each of the Unrestricted Wellbeing Joint Ventures held by Holdings shall have been delivered and pledged by Holdings to the Collateral Agent pursuant to the U.S. Pledge Agreement and \(z\) each Investment made by Holdings pursuant to this Section 9.05\(xx\) in the form of an intercompany loan shall be evidenced by an Intercompany Note pledged to the Collateral Agent pursuant to the U.S. Pledge Agreement;](#)

(xxi) the U.S. Borrower may make intercompany loans to Intermediate Holdco, and Intermediate Holdco may make intercompany loans to Holdings, at the times and for the purposes described below, so long as (i) no Default or Event of Default then exists or would result therefrom, (ii) the (x) Total Unutilized Revolving Loan Commitment (as defined in the ABL Credit [Agreement](#)) or, if less, the amount which could then be borrowed thereunder giving effect to "borrowing base" or similar limitations on amounts permitted to be borrowed thereunder or (y) in the event that the ABL Credit [Agreement](#) shall have been replaced or refinancing, undrawn available amounts under other working capital revolving credit facilities of the U.S. Borrower (determined based on the relevant total commitments and borrowing base or other similar limitations, as applicable), shall equal or exceed \$30,000,000 immediately after giving effect to each such intercompany loan), (iii) each such intercompany loan is permitted pursuant to the terms of the ABL Credit Documents, the Existing Senior Notes Documents, and, on and after the execution and delivery thereof, the Permitted Senior Notes Documents and the Permitted Refinancing Senior Notes Documents, (iv) no such intercompany loan by the U.S. Borrower to Intermediate Holdco shall be made, unless the proceeds thereof are promptly (and in any event within 5 Business Days of the making of such intercompany loan or, in the case of following clause (C), by the Intermediate Holdco Prepayment Date) (A) on-loaned by Intermediate Holdco to Holdings for use within the time periods required by, and for the purposes described in, immediately succeeding clause (v), (B) Divided by Intermediate Holdco to Holdings for use within the time periods required by, and for the purposes described in, sub-clause (iv) of Section 9.06(ix) or (C) utilized by Intermediate Holdco to pay amounts owing pursuant to the Intermediate Holdco Indebtedness as contemplated by Section 8.21, (v) the proceeds of each such intercompany loan received by Holdings shall be utilized by Holdings promptly (and, in any event, within 30 days of the receipt of such proceeds) to make an Investment in one or more Unrestricted Wellbeing Joint Ventures pursuant to Section 9.05(xx) for the purposes of financing the Wellbeing Project and/or the operations of the Unrestricted Wellbeing Joint Ventures, and (vi) each such intercompany loan shall be evidenced by an Intercompany Note



[HOTEL OVERVIEW](#)[ACCOMMODATIONS](#)[PHOTOS & VIDEOS](#)[DINING](#)[OFFERS](#)[MORE...](#)

CHECK RATES



Four Seasons Hotel
WESTLAKE VILLAGE
A SOUTHERN CALIFORNIA ESCAPE THAT EMBODIES WELLNESS

[VIEW MORE PHOTOS](#)

CHECK IN — CHECK OUT

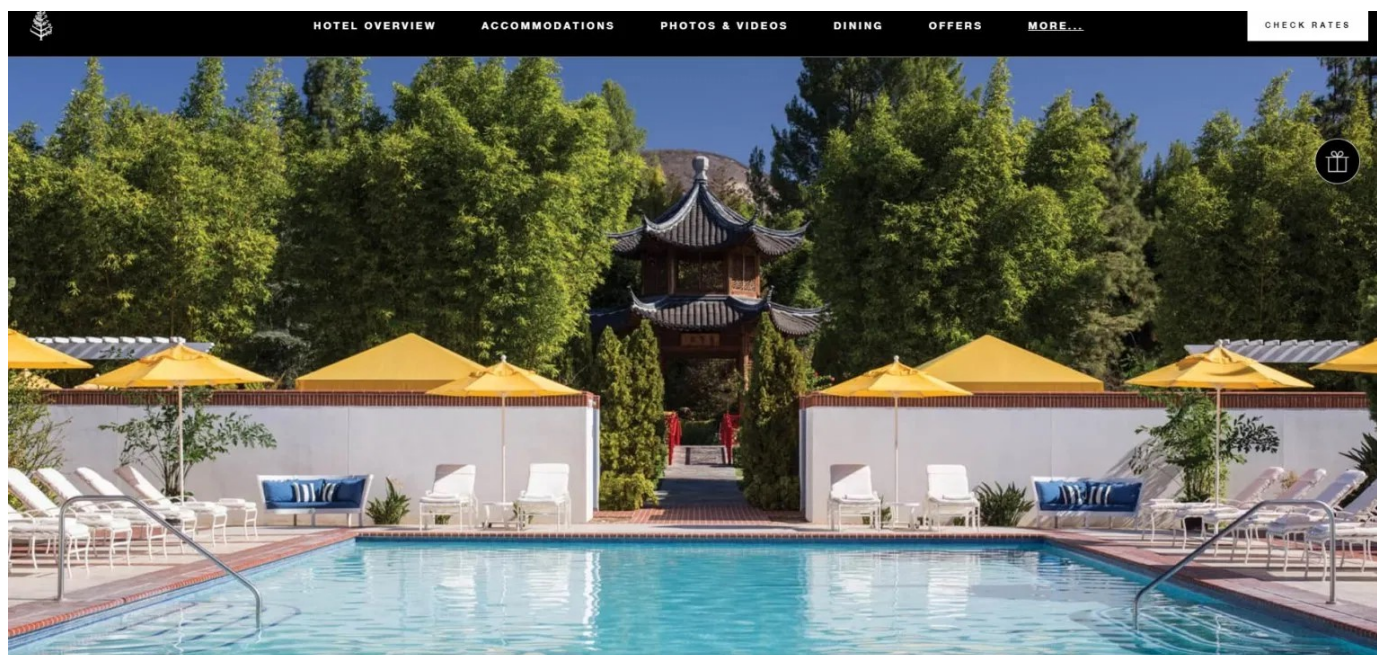
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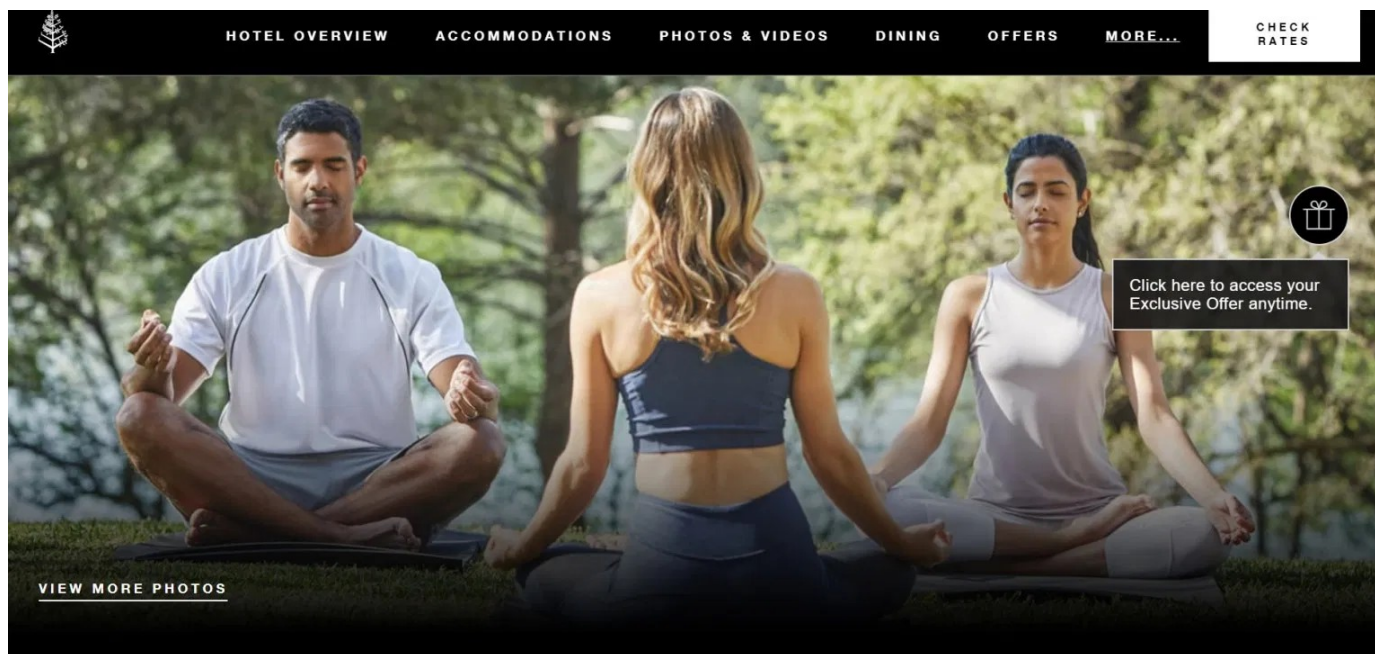
CHILDREN

PROMO

CHECK RATES

Click here to access your Exclusive Offer anytime.





It was located right across the road from Doles's corporate headquarters.

(August 30, 2007) “Bond investors may wish Murdock would spend less time on his health crusade

and more improving Dole's bottom line. Last year, the company lost \$89 million on \$6.2 billion in sales. The assessment of its \$2.4 billion in bonds and bank debt by Fitch Ratings ranges from “speculative” to “high default risk.”.

—*Bloomberg*

(28 Mar 2005) “Moody's

expects leverage to remain high in support of Mr. Murdock's strategic initiatives, such as construction of a wellness center and acquisition of other food product lines with perceived health benefits”.

—Moody's

To deal with the crushing debt load, Dole Foods was forced to sell several large assets in 2008/09.

(10-K' for 1/3/09)

“Dole set a goal of selling \$200 million in non-core or underperforming assets

in 2008, which we have exceeded.

During 2008, cash consideration related to our asset sale program totaled

approximately \$236 million, including

sales of land in Hawaii, our fresh-cut

flowers headquarters building in

Miami, Florida, our citrus and

pistachio operations in California, two

farms in Chile, a land parcel in Turkey,

two older refrigerated ships, a


distribution facility in Europe, our JP

Fresh and Dole France subsidiaries,
and additional acreage located in
California.


For 2009, we have set a target of \$200 million in asset sales. On January 29, 2009, Dole announced progress on our asset sale program. First, Dole closed the first phase of the sale of our flowers division. With the closing of the first phase, Dole completed the sale of our flowers business and retains only certain real estate of the former flowers division to be sold in the subsequent phases of the transaction. Second, Dole closed on the sale of certain banana properties in Latin America. Third, Dole signed a definitive purchase and sale agreement to sell certain property in North America. The sale closed during March 2009. Dole

received net cash proceeds of approximately \$83 million from these three transactions. When all phases of the transactions are complete, net proceeds to Dole will be approximately \$130 million. The cash proceeds will be used to pay down Dole's debt under its senior secured credit facilities and/or to reinvest in the business. Pending reinvestment, cash proceeds will be used to pay down Dole's revolving credit facility".


He was even considering selling the entire company at one point.




To pay down the debt on the Company and his real estate ventures, Murdock considered selling Dole. Late in 2009, Dole approached Del Monte Packaged Foods Company. The negotiations stalled with Del Monte offering \$700 million and Murdock asking \$1 billion.



But because the economy was so weak at that time, finding buyers wasn't as easy as it was before the financial crisis, so he was forced to sell equity interests instead, offering 41% of the company to the public at a price of \$12.50 per share.




Instead of selling Dole entirely, Murdock decided to sell a portion of Dole's equity to the public. In October 2009, Dole conducted an initial public offering of approximately 41% of its shares. The IPO price was \$12.50 per share, which valued Dole at approximately 5.9x estimated 2010 EBITDA.⁵




Headstrong, stubborn, but still full of energy at the ripe age of 86, he liked being the boss, and he wasn't the type to be taking orders from other people. It was even said that he preferred to be addressed simply as "Chairman" at the company

board meetings.



Murdock evidenced his distaste for the public company model in how he ran Dole. Murdock was an old-school, my-way-or-the-highway controller, fixated on his authority and the power and privileges that came with it. Murdock testified that he was “the boss” at Dole, and “[t]he boss does what he wants to do.”⁶ In contemporaneous documents, his associates did not address him by name. They referred to him deferentially as “the **Chairman**.” Criticizing Murdock was unthinkable. On those rare occasions in the record when Murdock was challenged, he responded aggressively, including by giving tongue-lashings to outside directors Andrew J. Conrad and Dennis Weinberg, then forcing Weinberg off the Board. Murdock’s bankers were careful not to offend him, knowing that he would put them in the “penalty box.”⁷



He definitely earned that title, though, going from fighting in World War 2 and later homelessness, to becoming one of the richest people in the world.

Early career [\[edit \]](#)

Murdock was born on April 11, 1923, in Kansas City, Missouri.^[5] His father was a traveling salesman, while his mother took up laundry and scrubbed floors to make ends meet. He is the middle child of three; he had two sisters. He was particularly close to his mother, who died at 42 from cancer.^[6] He grew up in [Montgomery Township, Ohio](#), and dropped out of high school in the 9th grade.^{[7][8]} He was drafted by the [United States Army](#) in 1943 during [World War II](#).

After relocating to [Detroit](#) after the war, Murdock was homeless and destitute. Due to a chance encounter with a [good samaritan](#), however, he got a \$1,200 loan to buy a closing [diner](#), flipping it for a \$700 profit ten months later.^[9] He moved to [Phoenix, Arizona](#), and began working there first in housing and then commercial real estate.

He was your prototypical example of an American business magnet.

[\(Bloomberg\)](#) *“Murdock keeps a close watch on all of his far-flung real estate, racking up some **200,000 miles a year on***

his Bombardier Global Express

corporate jet. Among his staff he is known for his attention to every detail”.

<https://archive.is/zYjwi>

The company’s IPO prospectus was so long that if you had tried to scroll through the entire page, it probably would’ve have taken you 5 minutes straight..

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0:00 / 0:22

Throughout most of Dole's existence as a public company, Murdock seemed to be always on the look out for a way to either sell the company, or take it private again, entertaining various deals along the way, but none of them materialized.

The Tesoriero Memo was a candid assessment of Murdock's overall strategy. It shows that Murdock's goal was to take Dole private again, and that Murdock and his team saw some form of break-up as a key step in the process. The basic premise was to separate Dole's higher-margin businesses (predominantly Packaged Foods) from its lower margin businesses (predominantly Fresh Fruit), realize the value of the higher-margin businesses, and then pursue a transaction involving the remainder of the Company. Although Murdock was open to other ideas for the remainder, the primary option was for Murdock to buy it.

Dole Food Co Inc – 'IPO' on 10/26/09



CREDIT AGREEMENT

among

DHM HOLDING COMPANY, INC.,

DOLE HOLDING COMPANY, LLC,

DOLE FOOD COMPANY, INC.,

SOLVEST, LTD.,

VARIOUS LENDING INSTITUTIONS,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and as Deposit Bank,

BANC OF AMERICA SECURITIES LLC,
as Syndication Agent,

and

THE BANK OF NOVA SCOTIA

and

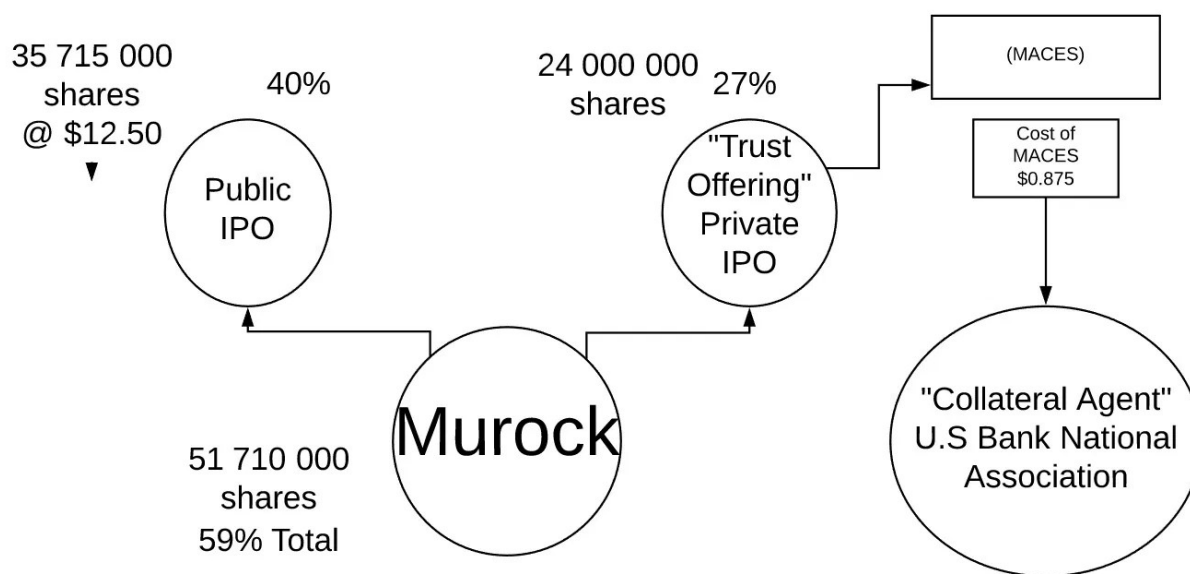
RABOBANK INTERNATIONAL,
as Co-Documentation Agents

Dated as of [March 28, 2003](#),

Amended and Restated as of [April 18, 2005](#)

and further Amended and Restated as of [April 12, 2006](#)

DEUTSCHE BANK SECURITIES INC.,
as Lead Arranger and Sole Book Runner



Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

[C:](#) [C:](#)

	Per Share	Total
Initial price to public	\$ 12.50	\$446,437,500
Underwriting discount	\$ 0.75	\$ 26,786,250
Proceeds, before expenses, to Dole Food Company, Inc.	\$ 11.75	\$419,651,250

To the extent that the underwriters sell more than 35,715,000 shares of common stock, the underwriters have the option to purchase up to an additional 5,357,250 shares of common stock from Dole Food Company, Inc. at the initial public offering price less the underwriting discount.

The underwriters and Dole Food Company, Inc. have entered into a firm commitment [underwriting agreement](#) as further described under "Underwriting." The underwriters expect to deliver the shares against payment in New York, New York on [October 28, 2009](#).

Goldman, Sachs & Co.
J.P. Morgan

BofA Merrill Lynch
Morgan Stanley

Deutsche Bank Securities
BB&T Capital Markets

HSBC

Wells Fargo Securities
Scotia Capital

[C:](#)

Prospectus dated [October 22, 2009](#).

Most of the IPO proceeds went towards paying off his personal debts related to the Wellness Center.

Section 5. Corporate Governance and Management

[C:](#)

Item 5.03. Amendments to [Articles of Incorporation](#) or [Bylaws](#); Change in Fiscal Year.

On [October 28, 2009](#), Dole Food Company, Inc. amended and restated its [certificate of incorporation](#) and its [bylaws](#) in connection with the initial public offering of its common stock, which closed on [October 28, 2009](#). The amended and restated [certificate of incorporation](#) and amended and restated [bylaws](#) are Exhibits 3.1 and 3.2 to this Form 8-K, respectively. The form of the amended and restated [certificate of incorporation](#) was [previously filed](#) as [Exhibit 3.1\(ii\)](#) to Amendment No. 5 to Dole's Registration Statement on Form S-1, Registration Number [333-161345](#), such Amendment No. 5 having been filed with the Securities and Exchange Commission on [October 20, 2009](#). The form of the amended and restated [bylaws](#) was [previously filed](#) as [Exhibit 3.2\(ii\)](#) to Amendment No. 1 to Dole's Registration Statement on Form S-1, Registration Number [333-161345](#), such Amendment No. 1 having been filed with the Securities and Exchange Commission on [September 18, 2009](#).

Section 8. Other Events

[C:](#)

Item 8.01. Other Events

On [October 26, 2009](#), Dole completed the previously disclosed redemption of all the outstanding \$363 million principal amount of its 7.25% Senior [Notes](#) due 2010.

On [October 28, 2009](#), Dole issued to the trustee under the [indenture](#) governing Dole's 13.875% Senior Secured [Notes](#) due 2014 a notice of redemption for \$122,466,000 principal amount of such [notes](#), with redemption to occur on [November 27, 2009](#), using net proceeds of Dole's initial public offering of its common stock, which closed on [October 28, 2009](#). Upon completion of this redemption, \$227,437,000 principal amount of the 13.875% Senior Secured [Notes](#) due 2014 will remain outstanding.

On [October 29, 2009](#), Dole issued to the trustee under the [indenture](#) governing Dole's 8.875% Senior [Notes](#) due 2011 a notice of redemption for \$130,000,000 principal amount of such [notes](#), with redemption to occur on [November 30, 2009](#), using net proceeds of Dole's initial public offering of its common stock, which closed on [October 28, 2009](#). Upon completion of this redemption, \$70,000,000 million principal amount of the 8.875% Senior [Notes](#) due 2011 will remain outstanding.

	December 29, 2012	December 31, 2011
	(In thousands)	
Unsecured debt:		
8.75% debentures due 2013	\$ 155,000	\$ 155,000
Secured debt:		
13.875% notes due 2014	174,904	174,904
8% notes due 2016	315,000	315,000
Revolving credit facility	119,200	69,300
Term loan facilities	867,702	895,500
Contracts and notes, at a weighted average interest rate of 3.3% in 2012 (3.8% in 2011) through 2018	4,052	7,294
Capital lease obligations, at a weighted average interest rate of 2.7% in 2012 (3.0% in 2011)	55,015	57,000
Notes payable, at a weighted average interest rate of 1.3% in 2012 (3.1% in 2011)	19,762	27,969
Unamortized debt discounts	(16,477)	(22,130)
	1,694,158	1,679,837
Current maturities, net of unamortized debt discounts	(181,512)	(38,725)
	<u>\$ 1,512,646</u>	<u>\$ 1,641,112</u>

Restructuring

Immediately prior to the IPO closing, Dole completed certain restructuring transactions as a result of which (1) Dole's former parent holding company, DHM Holding Company, Inc. ("Holdings") was merged into Dole, (2) some shares of Dole held by an affiliate of Mr. Murdock were redeemed in exchange for (a) the 85% interest in Westlake Wellbeing Properties, LLC (which owns the Four Seasons Hotel Westlake Village) formerly owned by Holdings, together with the assumption by such affiliate of \$30 million of a debt obligation of Holdings and (b) approximately 1,600 acres of idle land in Honduras owned by a Dole subsidiary, and (3) Dole paid the remaining \$85 million of the Holdings debt obligation in order to eliminate a pre-existing cross-default and cross-acceleration risk under which a default by Holdings on such debt could have resulted in a cross-default and cross-acceleration under Dole's credit facilities and bond indentures. As a result of the merger of Holdings into Dole, the federal net operating loss carryforwards of Holdings will become available to Dole, subject to normal statutory expiration periods. Holdings' estimated federal net operating loss carryforwards were approximately \$166 million as of October 10, 2009.

Debt Reduction

Dole used the net proceeds from the IPO to repay \$47 million of amounts outstanding under its revolving credit facility, as well as making the \$85 million debt repayment discussed above, which, as noted, resulted in the elimination of Dole's pre-existing cross-default and cross-acceleration risk related to the Holdings debt. In addition, on October 28, 2009, Dole issued to the trustee under the indenture governing Dole's 13.875% Senior Secured Notes due 2014 ("2014 Notes") a notice of redemption for \$122.5 million of the 2014 Notes. On October 29, 2009, Dole issued to the trustee under the indenture governing Dole's 8.875% Senior Notes due 2011 ("2011 Notes") a notice of redemption for \$130 million of the 2011 Notes. These redemptions will be paid for with net proceeds from Dole's IPO.

Contemplated Transactions in Connection with the Offering

Immediately prior to the consummation of this offering, we and our parent company, DHM Holding Company, Inc., or DHM Holdings, will engage in certain internal restructuring transactions. As a result of these internal restructuring transactions, our existing stockholder will no longer own shares of Dole through DHM Holdings, simplifying Dole's ownership structure.

Current Structure. DHM Holdings has only two assets — 100% of the outstanding shares of our common stock and an 85% limited liability company membership interest in Westlake Wellbeing Properties, LLC, or WWP, a hotel operating company. In addition, DHM Holdings has \$115 million of debt, which is secured by a mortgage on the hotel owned by WWP, and is also supported by a personal guarantee from our existing stockholder.

Restructuring Transactions. The restructuring transactions consist of the following:

- DHM Holdings will contribute to us no more than 50% of the outstanding limited liability company membership interests it holds in WWP and will retain the remaining interest in WWP.
- DHM Holdings will merge with and into us, and we will be the surviving corporation in the merger. Following the merger and the transfers described below, 51,710,000 shares of Dole common stock will be outstanding. As a result of the merger, we will hold the 85% interest in WWP and will assume \$115 million of debt of DHM Holdings associated with WWP. This transaction is referred to in this prospectus as the Merger Transaction.
- Following the Merger Transaction, we will transfer our 85% interest in WWP and \$30 million of the debt associated with WWP, in each case previously held by DHM Holdings, to affiliates of Mr. Murdock through which he owns his shares of Dole. We will use a portion of the net proceeds from this offering to pay off in its entirety the \$85 million of remaining debt that we assumed in the Merger Transaction and did not assign to such affiliates of Mr. Murdock. We will also transfer ownership interests in one parcel of idle farm land of approximately 1,600 acres in Honduras, with a fair market value of approximately \$12 million and a book value of approximately \$150,000, to affiliates of Mr. Murdock through which he owns his shares of Dole.

Results of Restructuring Transactions. The pay off of the \$85 million of debt assumed by us in the Merger Transaction, and the transfer of the remaining \$30 million to an affiliate of our existing stockholder will eliminate the cross-default and cross-acceleration provisions that currently exist between our senior secured facilities and the DHM Holdings indebtedness. As a result of the repayment of \$85 million of the total \$115 million of debt at DHM Holdings, the amount of debt that is supported by the mortgage on the hotel operated by WWP, and the amount of debt supported by our existing stockholder's personal guarantee, will be reduced to \$30 million. Accordingly, our existing stockholder and affiliates of our existing stockholder will be in a more favorable financial position upon completion of these transactions than they were before such transactions. In addition, as a result of the Merger Transaction, the federal net operating loss carryforwards of DHM Holdings will become available to us, subject to normal statutory expiration periods. DHM Holdings' estimated federal net operating loss carryforwards were approximately \$160 million as of June 20, 2009. Accordingly, we will be in a more favorable tax position upon completion of the Merger Transaction than we were before such transaction.

Just to give you an idea of how up to his knees he was on that hotel, he only had to give the company an extra 415 000 shares for his 85% ownership interest (as to the value of that "idle parcel of land in Honduras", we can only speculate).

Following the Merger and prior to the consummation of the IPO, the Issuer redeemed an aggregate of 1,375,200 shares of Common Stock owned directly by Mr. Murdock. Specifically, the Issuer redeemed (i) 415,200 shares of Common Stock in exchange for the transfer to Mr. Murdock's designee of an 85% interest in Wellbeing Properties, LLC, and the assumption by such designee of \$30 million of debt associated with Wellbeing Properties, LLC, and (ii) 960,000 shares of Common Stock in exchange for the transfer to Mr. Murdock's designee of the Issuer's ownership interest in one parcel of idle farmland of approximately 1600 acres in Honduras.

At a cost \$450 000 000, this was a massive hotel that consisted of 267-rooms spanning 700 000 square feet, with a 40,000-square-foot-spa and 28 treatment rooms, all covering 20 acres of land.

That's 26 football fields.

It was his prized possession, and old-school as he was, Mr. Murdock probably wasn't too keen on the idea of somebody else owning a project that he had worked so hard to build, especially when it was right across the road from his corporate headquarters.







“UCC” shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

“Unfunded Current Liability” shall mean the amount, if any, by which the actuarial present value of accumulated benefits of any Plan subject to Title IV of ERISA as of the close of its most recent plan year, determined using actuarial assumptions at such time consistent with those prescribed by Financial Accounting Standards No. 87, exceeds the fair market value of the assets allocable to such liabilities.

“United States” and “U.S.” shall each mean the United States of America.

“Unpaid Drawing” shall have the meaning provided in Section 3.05(a).

“Unrestricted” shall mean, when referring to cash or Cash Equivalents of Holdings or any of its [Subsidiaries](#), that such cash or Cash Equivalents are not Restricted.

“Unrestricted Subsidiary” of any Person shall mean (i) at any time prior to the repayment in full of both the Existing 2009 Senior Notes and the Existing 2013 Senior Notes, any Subsidiary of such Person that is not a Restricted Subsidiary and (ii) thereafter, any Subsidiary of such Person.

“Unrestricted Wellbeing Joint Venture” shall mean Westlake Wellbeing Company, Wellbeing IP Holdco and Wellbeing Edco.

“Unutilized Revolving Loan Commitment” shall mean, with respect to any Lender at any time, such Lender’s Revolving Loan Commitment at such time less the sum of (i) the aggregate outstanding principal amount of all Revolving Loans, (taking the Dollar Equivalent of any such Loans denominated in Euros or Sterling) made by such Lender at such time and (ii) such Lender’s RL Percentage of the Letter of Credit Outstandings at such time.

“U.S. Dole Group” shall mean the Borrower and the Subsidiary Guarantors.

“U.S. Dollars,” “Dollars” and the sign “\$” shall each mean freely transferable lawful money of the United States of America.

“U.S. GAAP” shall mean generally accepted accounting principles in the United States of America as in effect from time to time; provided that determinations in accordance with U.S. GAAP for purposes of Sections 5.02, 9.14 and 10, including defined terms as used therein, and for all purposes of determining the Senior Secured Leverage Ratio, the Total Leverage Ratio and the Fixed Charge Coverage Ratio, are subject (to the extent provided therein) to Section 13.07(a).

“U.S. Mortgaged Property” shall mean each Real Property located in the United States or any State or territory thereof with respect to which a Mortgage is required to be delivered pursuant to the terms of this Agreement.

“Foreign Restricted Subsidiary” means any Restricted Subsidiary other than a Domestic Restricted Subsidiary.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect from time to time.

“Global Note Legend” means the legend set forth in Section 2.6(g)(2) hereof, which is required to be placed on all Global Notes issued under this [Indenture](#).

“Global Notes” means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes registered in the name of the Depositary or its nominee, deposited with the Trustee, as custodian for the Depositary, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the “*Schedule of Exchanges of Interests in the Global Note*” attached thereto, issued in accordance with Section 2.1, 2.6(b)(3), 2.6(b)(4), 2.6(d)(2) or 2.6(f) hereof.

“Guarantee” has the meaning set forth in Section 11.1.

“Guarantor” means: (1) certain of [the Company](#)’s Domestic Restricted [Subsidiaries](#) as of the Issue Date; and (2) each of [the Company](#)’s Restricted [Subsidiaries](#) that in the future executes a supplemental [indenture](#) in which such Restricted Subsidiary agrees to be bound by the terms of this [Indenture](#) as a Guarantor; provided that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its respective Guarantee is released in accordance with the terms of this [Indenture](#).

“Guarantor Senior Debt” means, with respect to any Guarantor: the principal of, premium, if any, interest (including any interest accruing subsequent to the filing of a petition of bankruptcy at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable law) on, and all other amounts owing in respect of First Lien Obligations by such Guarantor (including guarantees of the foregoing obligations).

“Holder” means a Person in whose name a Note is registered.

“Holdings” means DHM Holding Company, Inc., a Delaware corporation and the parent of [the Company](#).

in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Section 10.

“Wellbeing Project Financing Debt Cap Amount” shall mean, at any time, \$150,000,000 (as such amount may be reduced by any repayments of principal of the Wellbeing Project Financing, except to the extent such repayment is made in connection with a refinancing of such Wellbeing Project Financing consummated in accordance with the definition of “Wellbeing Project Financing”); provided, however, that (i) the “Wellbeing Project Financing Debt Cap Amount” may exceed the amount otherwise set forth above at any time, if (but only if) any excess over such amount is (I) used by Holdings to finance cost overruns and/or operational deficits of the Wellbeing Project and/or (II) incurred by Holdings for the purposes described in clause (a)(iii) of the definition of “Wellbeing Project Financing”, and (ii) any such excess permitted by preceding clause (i) shall also (but without duplication) be reduced by any repayments of principal of the Wellbeing Project Financing, except to the extent such repayment is made in connection with a refinancing of such Wellbeing Project Financing consummated in accordance with the definition of “Wellbeing Project Financing.”

“Wellbeing Project Financing Documents” shall mean the loan agreement, dated as of March 3, 2006, among Holdings, the lenders party thereto from time to time, Deutsche Bank Trust Company Americas, as administrative agent, and Deutsche Bank Securities, Inc., as sole lead arranger and sole book runner, and each other agreement, document or instrument relating to the incurrence or issuance of the Wellbeing Project Financing, as the same may be amended, modified, supplemented, extended, renewed and/or refinanced from time to time in accordance with the terms hereof and thereof.

“Westlake Village Property” shall mean that certain property identified to the Administrative Agent of twenty (20) acres (more or less) that is adjacent to the parcel on which the U.S. Borrower’s Corporate Headquarters is located in the City of Westlake Village, Ventura County, California.

“Westlake Wellbeing Company” shall mean Westlake Wellbeing Properties LLC, a Delaware limited liability company formed by Holdings to construct and operate the Wellbeing Project and/or promote nutritional and wellbeing education.

“Wholly-Owned Domestic Subsidiary” shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is a Domestic Subsidiary of such Person.

“Wholly-Owned Foreign Subsidiary” shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person that is not a Domestic Subsidiary of such Person.

“Wholly-Owned Subsidiary” shall mean, as to any Person, (i) any corporation 100% of whose capital stock (other than director’s qualifying shares and/or other nominal amounts of shares required by applicable law to be held by Persons other than such Person) is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100%

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7.14 Subsidiaries. On and as of the Restatement Effective Date and after giving effect to the Transaction, Holdings has no Subsidiaries other than Westlake Wellbeing Company LLC, The California Wellbeing Institute, LLC and Intermediate Holdco and its Subsidiaries, and Intermediate Holdco has no Subsidiaries other than those Subsidiaries listed on Schedule VII. Schedule VII correctly sets forth, as of the Restatement Effective Date and after

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giving effect to the Transaction, (i) the percentage ownership (direct and indirect) of Intermediate Holdco in each class of capital stock or other Equity Interests of each of its Subsidiaries and also identifies the direct owner thereof and (ii) the jurisdiction of organization of each such Subsidiary. All outstanding shares of capital stock or other Equity Interests of each Subsidiary of Intermediate Holdco have been duly and validly issued, are fully paid and non-assessable and, in the case of Non-Wholly Owned Subsidiaries of the U.S. Borrower, have been issued free of preemptive rights. Except as set forth on Part B of Schedule X attached hereto, no Subsidiary of Intermediate Holdco has outstanding any securities convertible into or exchangeable for its capital stock or other Equity Interests or outstanding any right to subscribe for or to purchase, or any options or warrants for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of or any calls, commitments or claims of any character relating to, its capital stock or other Equity Interests or any stock appreciation or similar rights. Except for the existing investments described on Schedule VI, as of the Restatement Effective Date, neither Holdings nor any of its Subsidiaries owns or holds, directly or indirectly, any capital stock or equity security of, or any other Equity Interests in, any Person other than its Subsidiaries indicated on Schedule VII.

7.15 Intellectual Property, etc. Each of Holdings and each of its Subsidiaries owns or has the right to use all domestic and foreign patents, trademarks, permits, domain names, service marks, trade names, copyrights, licenses, franchises, inventions, trade secrets, proprietary information and know-how of any type, whether or not written (including, but not limited to, rights in computer programs and databases) and formulas, or other rights with respect to the foregoing, and has obtained assignments of all leases, licenses and other rights of whatever nature, in each case necessary for the conduct of its business, without any known conflict with the rights of others which, or the failure to obtain which, as the case may be, individually or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect.

7.16 Compliance with Statutes, Agreements, etc. Each of Holdings and each of its Subsidiaries is in compliance with (i) all applicable statutes, regulations, rules and orders of, and all applicable restriction imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property and (ii) all contracts and agreements to which it is a party, except such non-compliances as have not had, and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Exhibit 10.2

AMENDMENT NO. 1, dated as of March 18, 2009 (this “Amendment”), to the Credit Agreement, dated as of March 28, 2003, amended and restated as of April 18, 2005 and further amended and restated as of April 12, 2006 among DHM HOLDING COMPANY, INC., a Delaware corporation, DOLE HOLDING COMPANY, LLC, a Delaware limited liability company, DOLE FOOD COMPANY, INC., a Delaware corporation (the “U.S. Borrower”), SOLVEST, LTD., a company organized under the laws of Bermuda (the “Bermuda Borrower” and, together with the U.S. Borrower, the “Borrowers”), the Lenders from time to time party thereto, DEUTSCHE BANK AG NEW YORK BRANCH, as Deposit Bank (in such capacity, the “Deposit Bank”), DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent (in such capacity, the “Administrative Agent”) and the other parties named therein (as amended from time to time, the “Credit Agreement”). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

WHEREAS, the Credit Parties desire to amend the Credit Agreement and the other Credit Documents on the terms set forth herein;

But he still hadn't fully paid off the rest of his debts connected to the hotel, and this is where you begin to see the banks come into the picture.

The Offering	
Common stock offered	35,715,000 shares
Common stock to be outstanding after this offering	87,425,000 shares
Option to purchase additional shares	5,357,250 shares
Use of proceeds	To pay down indebtedness. See "Use of Proceeds" for additional information.
Dividends	We do not anticipate paying any cash dividends in the foreseeable future.
Proposed New York Stock Exchange symbol	DOLE

Except as otherwise indicated, all of the information in this prospectus assumes:

- the underwriters do not exercise their option to purchase additional shares; and
- common stock to be outstanding after this offering does not include 2,246,000 shares of common stock subject to awards, which include grants of stock options that were effective upon the pricing of this offering and grants of restricted shares of common stock that will be effective upon the consummation of this offering.

In addition to the offering made hereby, the 2009 Dole Food Automatic Common Exchange Security Trust, a newly formed Trust, is offering 24,000,000 of its \$0.875 automatic common exchange securities exchangeable into 24,000,000 shares of our common stock that may be delivered by the Trust upon exchange of those securities beginning on November 1, 2012. In this prospectus, we refer to that separate offering as the Trust offering. The initial purchasers in that offering have an option to acquire from the Trust additional automatic common exchange securities with respect to up to 3,600,000 additional shares of our common stock. The Trust will enter into a purchase agreement with an affiliate of our existing stockholder with respect to the shares of our common stock deliverable upon exchange of the Trust's securities pursuant to which a payment will be made to such affiliate at the closing of the Trust offering in consideration for such future delivery. The affiliate of our existing stockholder will continue to have the right to vote those shares until delivery. The shares of common stock and the Trust's securities in the Trust offering are being offered only to qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933, as amended, or the Securities Act, in an offering exempt from the registration requirements of the Securities Act.

The Trust will not be affiliated with us or our existing stockholder. The day-to-day affairs of the Trust will be managed by a third party commercial bank under the supervision of three individual trustees unaffiliated with Dole or our existing stockholder. We will not receive any of the proceeds of the Trust offering, and we will not pay any of the expenses of the Trust in connection with its establishment or the offering and sale of its securities. We anticipate that each of the Trust's securities will be mandatorily exchangeable into shares of common stock based on a pricing formula to be negotiated by our existing stockholder and the Trust and subject to customary adjustments. We also anticipate that the Trust will pay a fixed quarterly distribution from the proceeds of treasury securities purchased by the Trust from the net proceeds of the offering of its securities.

In order for Mr. Murdock to pay off the hotel, he would've been forced to sell his controlling interest in the company. But the banks liked Murdock, so they facilitated a transaction that was able to solve this problem.

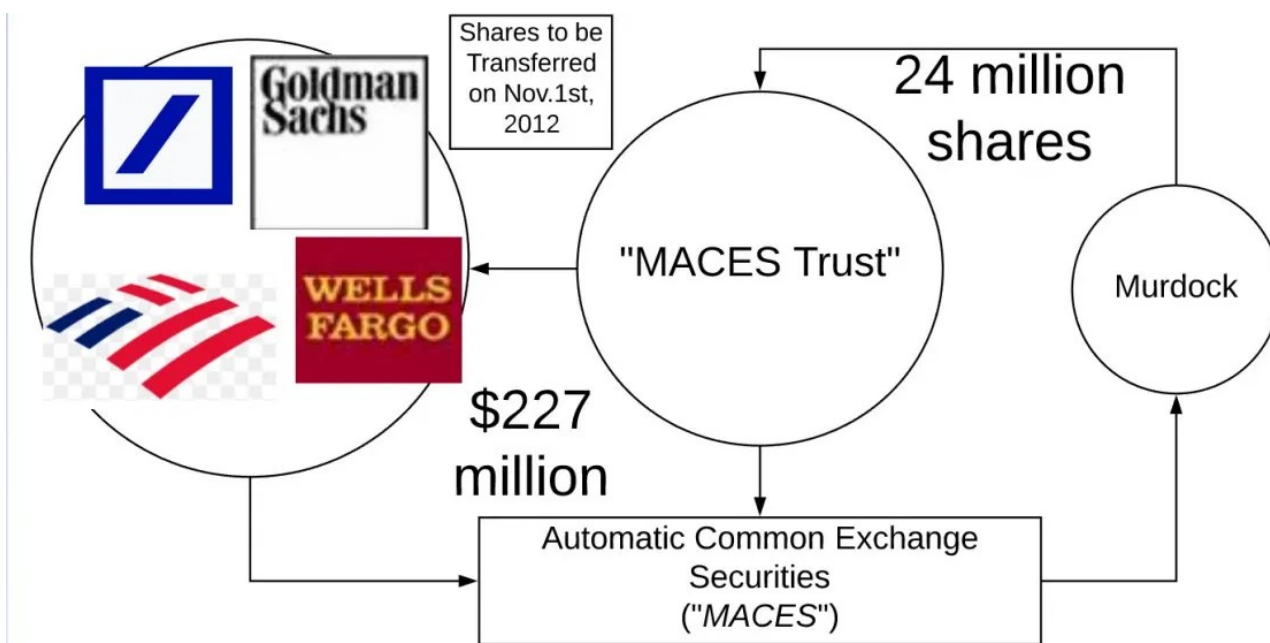
The other defendants are not liable. Defendant David A. DeLorenzo erred by siding with Murdock at the outset of the Committee process, but he did not participate in the breaches of duty that led to liability. The plaintiffs also sought to impose secondary liability on Murdock's financial advisor and lead financing source, defendants Deutsche Bank Securities, Inc. and Deutsche Bank AG (jointly "Deutsche Bank"). Deutsche Bank acted improperly by favoring Murdock and treating him as the bank's real client in transactions before the Merger, even when Deutsche Bank was officially representing Dole, but Deutsche Bank did not participate knowingly in the breaches that led to liability, and Deutsche Bank's role as Murdock's advisor did not lead causally to damages.

The transaction allowed him and his partners — the banks — to maintain a controlling interest in this massive 150 year old company.

At the time, Dole Foods represented 1/4 of all banana sales worldwide; 131,000 acres of farms and other land holdings; six modern corrugated box manufacturing plants in Latin America and Asia; the largest dedicated refrigerated containerized fleet in the world representing 14,800 refrigerated containers, and 11 owned and 13 chartered vessels. In short, this was an empire, and you don't just give something like that up easily.

To keep Murdock in power, they set up an off-balance sheet entity called "*MACES Trust*", and the

deal was that his creditors would hold on to the stock and use it as collateral for a loan. Now that the company was public, it was easier to sell this ownership interest, whereas before, finding a buyer could be a long and arduous process.



Conflicts of Interest

Deutsche Bank Securities Inc. and Scotia Capital (USA) Inc. have **conflicts of interest** as defined in FINRA Rule 2720(f)(5)(C)(i), as they or their affiliates will be receiving 5% or more of the net offering proceeds. Consequently, this offering will be made in compliance with FINRA Rule 2720. No underwriter having a Rule 2720 conflict of interest will confirm sales to any account over which the underwriter exercises discretionary authority without the specific written approval of the account holder. Neither Goldman, Sachs & Co., who will act as left lead underwriter, nor any affiliates of Goldman, Sachs & Co., have a conflict of interest as defined in Rule 2720. Therefore, a Qualified Independent Underwriter will not be necessary for this offering.

Each of Goldman, Sachs & Co., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and Scotia Capital (USA) Inc. acted as initial purchasers in connection with our recent refinancing transaction. Each of Goldman, Sachs & Co., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are acting as initial purchasers in connection with the Trust offering.

In addition, affiliates of certain of the underwriters are lenders and/or agents under our senior secured credit facilities and our unsecured lines of credit or under the debt instruments of our parent, DHM Holdings, or of an affiliate of Mr. Murdock, as set forth below.

Senior Secured Term Loan Facilities. As of June 20, 2009, the outstanding principal amount of term loans under our senior secured term loan facilities was approximately \$828 million, of which approximately \$10 million was held by Deutsche Bank Securities Inc. and its affiliates. In addition, we had approximately \$97 million of letters of credit and bank guarantees outstanding under our \$100 million pre-funded letter of credit facility as of June 20, 2009. The letters of credit and bank guarantees issued under the pre-funded letter of credit facility by Deutsche Bank Securities Inc. and its affiliates and Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates are approximately \$47 million and \$49 million, respectively.

The term loan facilities bear interest, at our option, at a rate per annum equal to either (1) a base rate plus 3.5% to 4%; or (2) LIBOR (subject to a minimum of 3%) plus 4.5% to 5%, in each case based upon our senior secured leverage ratio. The weighted average variable interest rate for the term loan facilities at June 20, 2009 was 8.3%. There is a facility fee of 6.86125% on the pre-funded letter of credit facility.

Senior Secured ABL Revolving Facility. We have a senior secured ABL revolving facility with total commitments of \$350 million (with a borrowing base of \$320 million at June 20, 2009). The commitment of each of Deutsche Bank Securities Inc. and its affiliates, Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates, Wells Fargo Securities, LLC and its affiliates, HSBC Securities (USA) Inc. and its affiliates and Scotia Capital (USA) Inc. and its affiliates is \$15 million, \$30 million, \$47 million, \$14 million and \$15 million, respectively. There were no amounts outstanding under the ABL revolver at June 20, 2009. There were a total of approximately \$76 million of letters of credit issued under the ABL revolver as of June 20, 2009.

Contrary to what most people might naturally suspect, these banks were much more than just Mr. Murdock's disinterested lenders, and not only did this come out in **court documents**, but it is also clearly displayed on their balance sheet.

Just take a look at all the interest Mr. Murdock had to dish out to these banks.

CONSOLIDATED STATEMENTS OF INCOME

[\[Enlarge/Download Table\]](#)

(IN THOUSANDS, EXCEPT PER SHARE DATA)			
	1998	1997	1996
Revenue	\$ 4,424,160	\$ 4,336,120	\$ 3,840,303
Cost of products sold	3,785,745	3,692,277	3,256,345
Gross margin	638,415	643,843	583,958
Selling, marketing and administrative expenses	433,509	399,800	369,675
Hurricane Mitch charge	100,000	-	-
Citrus charge	20,000	-	-
Dried Fruit restructuring charge	-	-	50,000
Operating income	84,906	244,043	164,283
Interest income	9,312	7,776	8,412
Other income (expense) - net	(7,996)	8,034	4,535
Earnings before interest and taxes	86,222	259,853	177,230
Interest expense	68,943	64,589	68,699
Income from operations before income taxes	17,279	195,264	108,531
Income taxes	5,200	35,100	19,500
Net income	\$ 12,079	\$ 160,164	\$ 89,031
Net income per common share			
Basic	\$ 0.20	\$ 2.67	\$ 1.48
Diluted	0.20	2.65	1.47

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENTS OF INCOME

[\[Enlarge/Download Table\]](#)

(IN THOUSANDS, EXCEPT PER-SHARE DATA)

	2000	1999	1998
Revenue.....	\$4,763,128	\$4,794,161	\$4,188,991
Cost of products sold.....	4,037,530	4,116,660	3,550,576
Gross margin.....	725,598	677,501	638,415
Selling, marketing and administrative expenses.....	546,538	517,078	433,509
Gain on sale of citrus assets.....	(8,578)	--	--
Business downsizing charges.....	45,761	48,462	--
Hurricane Mitch charge (insurance proceeds)--net.....	(42,506)	(27,886)	100,000
Citrus charge.....	--	--	20,000
Operating income.....	184,383	139,847	84,906
Interest income.....	15,386	11,281	9,312
Other income (expense)--net.....	(2,167)	3,955	(7,996)
Earnings before interest and taxes.....	197,602	155,083	86,222
Interest expense.....	98,110	92,839	68,943
Income before income taxes.....	99,492	62,244	17,279
Income taxes.....	31,837	13,700	5,200
Net income.....	67,655	48,544	12,079
Net income per common share			
Basic.....	\$ 1.21	\$ 0.85	\$ 0.20
Diluted.....	1.21	0.85	0.20

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 28, 2002, December 29, 2001 and December 30, 2000

	2002	2001	2000
	(In thousands, except per share amounts)		
Revenues, net	\$4,392,073	\$4,314,821	\$4,400,113
Cost of products sold	3,687,738	3,881,781	3,923,957
Gross margin	704,335	433,040	476,156
Selling, marketing and general and administrative expenses	420,890	383,259	396,391
Gain on sale of citrus assets	—	—	(8,578)
Hurricane Mitch insurance proceeds, net	—	—	(42,506)
Operating income	283,445	49,781	130,849
Interest income	11,993	5,801	14,606
Other (expense) income — net	(4,561)	7,396	627
Earnings before interest expense and income taxes	290,877	62,978	146,082
Interest expense	80,890	70,708	90,445
Income (loss) from continuing operations before income taxes and cumulative effect of a change in accounting principle	209,987	(7,730)	55,637
Income taxes	53,789	29,348	19,547
Income (loss) from continuing operations, net of income taxes	156,198	(37,078)	36,090
Income from discontinued operations, net of income taxes	—	18,856	31,565
Gain on disposal of discontinued operations, net of income taxes	—	168,626	—
Income before cumulative effect of a change in accounting principle	156,198	150,404	67,655
Cumulative effect of a change in accounting principle	119,917	—	—
Net income	\$ 36,281	\$ 150,404	\$ 67,655

DOLE FOOD COMPANY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Year Ended January 1, 2005 (Successor), Three Quarters Ended January 3, 2004 (Successor),
Quarter Ended March 22, 2003 (Predecessor) and
Year Ended December 28, 2002 (Predecessor)

	2004 Successor	Three Quarters Ended <u>January 3, 2004</u> Successor	Quarter Ended <u>March 22, 2003</u> Predecessor	2002 Predecessor
	(In thousands)			
Revenues, net	\$ 5,316,202	\$ 3,699,971	\$ 1,073,170	\$ 4,392,073
Cost of products sold	4,581,149	3,218,855	895,039	3,696,668
Gross margin	735,053	481,116	178,131	695,405
Selling, marketing and general and administrative expenses	424,948	321,598	89,341	420,890
Operating income	310,105	159,518	88,790	274,515
Other income (expense), net	(1,699)	(9,774)	2,045	4,369
Interest income	4,207	4,376	2,700	11,993
Interest expense	152,704	124,491	19,647	80,890
Income before income taxes and cumulative effect of a change in accounting principle	159,909	29,629	73,888	209,987
Income taxes	25,491	6,512	13,100	53,789
Income before cumulative effect of a change in accounting principle	134,418	23,117	60,788	156,198
Cumulative effect of a change in accounting principle	—	—	—	119,917
Net income	\$ 134,418	\$ 23,117	\$ 60,788	\$ 36,281

See Notes to Consolidated Financial Statements

This was Mr. Murdock's ownership percentage before the leveraged buyout. As you can see, it was only

23%.

10-K for 2002, filed on Wednesday, 3/26/03, at
8:08am ET

This table contains certain information as of [March 18, 2003](#), regarding all persons who, to Dole's knowledge, were the beneficial owners of more than 5% of the outstanding shares of its common stock, each of Dole's directors, its chief executive officer, its four most highly compensated executive officers other than its chief executive officer, whose salary and bonus exceeded \$100,000 for the fiscal year ended [December 28, 2002](#), each of Dole's current executive officers and all directors and executive officers as a group. The persons named hold sole voting and investment power with respect to the shares shown opposite their respective names, unless otherwise indicated. The information with respect to each person specified is as supplied or confirmed by such person, based upon statements filed with the Securities and Exchange Commission, or based upon Dole's actual knowledge.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)(12)	Percent of Outstanding Shares(3)
David H. Murdock	13,542,432(4)(6)	23.89%
CIC Banque CIAL	3,371,200(5)	6.0%
Mike Curb	56,287(7)(8)(9)	*
David A. DeLorenzo	195,005(4)(8)(10)	*
E. Rolland Dickson, M.D.	1,498(7)(8)	*
Richard M. Ferry	38,425(7)(8)	*
Lawrence M. Johnson	3,891(7)(8)(11)	*
Lawrence A. Kern	150,066(4)(10)	*
Zoltan Merszei	28,189(7)(8)	*
C. Michael Carter	44,667(4)	*
Richard J. Dahl	4,000	*
George R. Horne	63,510(4)	*
All Directors and Executive Officers as a Group (13 Individuals)	14,174,568(4)	25.21%

* Represents less than 1% of the class of securities.

- (1) The mailing address for each of the individuals listed is Dole Food Company, Inc., One Dole Drive, [Westlake Village, California 91362-7300](#). The mailing address for CIC Banque CIAL is 31 rue Jean Wenger-Valentin, 67000 Strasbourg, France.
- (2) Unless otherwise indicated and except as to stock units described below, each person has sole voting and dispositive power with respect to the shares shown. Some directors and executive officers share the voting and dispositive power over their shares with their spouses as community property, joint tenants or tenants in common. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.
- (3) The percentages set forth above are calculated on the basis of the number of outstanding shares of Dole's common stock set forth under "[THE MERGER—Voting Rights; Vote Required for Approval](#)," plus, where applicable, all stock options and stock units granted to the person or persons indicated under Dole's stock option and deferred stock plans that were exercisable on the record date or within 60 days thereafter.
- (4) The individuals and group indicated beneficially own the following number of shares of Dole's common stock that may be purchased upon the exercise of employee stock options exercisable on the record date or within 60 days thereafter: Mr. Murdock, 455,585; Mr. Kern, 150,066; Mr. DeLorenzo, 138,540; Mr. Carter, 41,667; Mr. Horne, 56,868; and all directors and executive officers as a group, 880,024.

In 2007, the interest payment practically doubles,
almost touching \$200 million.

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DOLE FOOD COMPANY, INC.			
CONSOLIDATED STATEMENTS OF OPERATIONS			
For the Years Ended December 29, 2007 , December 30, 2006 and December 31, 2005			
	2007	2006	2005
		(In thousands)	
Revenues, net	\$ 6,930,965	\$ 6,150,937	\$ 5,808,825
Cost of products sold	(6,307,916)	(5,618,418)	(5,125,220)
Gross margin	623,049	532,519	683,605
Selling, marketing and general and administrative expenses	(492,926)	(453,567)	(460,165)
Operating income	130,123	78,952	223,440
Other income (expense), net	1,848	15,176	(5,353)
Interest income	7,554	7,165	5,986
Interest expense	(194,865)	(174,715)	(142,452)
Income (loss) from continuing operations before income taxes, minority interests and equity earnings	(55,340)	(73,422)	81,621
Income taxes	(1,060)	(18,230)	(44,175)
Minority interests, net of income taxes	(3,235)	(3,202)	(2,987)
Equity in earnings of unconsolidated subsidiaries	1,696	177	6,626
Income (loss) from continuing operations	(57,939)	(94,677)	41,085
Income from discontinued operations, net of income taxes	433	2,236	2,545
Gain on disposal of discontinued operations, net of income taxes	—	2,814	—
Net income (loss)	\$ (57,506)	\$ (89,627)	\$ 43,630

See Notes to Consolidated Financial Statements

Just to veer off track for a second, let's not forget that this is on no capital intensive work or investment whatsoever. Yes, it costs money to run a bank, but nothing like running Dole Foods, the largest producer of fresh produce in the world.

There is a lot of work, a lot more risk, and hell of a lot more blood, sweat, and tears that goes into bringing the world their fresh produce. As it was noted before, Mr. Murdock clocked 200 000 km on his corporate jet on any given year, and as to the workers [toiling his fields](#) in those overseas plantations, God only knows how many back

breaking steps they had to take in the hot sun just to bring us that fresh fruit. Compared to this — along with the shipping, planning, training, and all the manpower that goes into Dole — the banks did virtually nothing for this money.

You don't think his creditors wanted to keep Mr. Murdock in power? They still had a lot of money on the line, and there's nothing that a lender hates more than uncertainty.

DOLE FOOD COMPANY, INC.			
CONSOLIDATED STATEMENTS OF OPERATIONS			
For the Years Ended January 1, 2011, January 2, 2010 and January 3, 2009			
	2010	2009	2008
	(In thousands, except per share data)		
Revenues, net	\$ 6,892,614	\$ 6,778,521	\$ 7,619,952
Cost of products sold	(6,202,864)	(6,008,803)	(6,862,892)
Gross margin	689,750	769,718	757,060
Selling, marketing and general and administrative expenses	(498,866)	(479,229)	(509,418)
Charges for restructuring and long-term receivables (Note 6)	(32,748)	—	—
Gain on legal settlements, net (Note 19)	32,521	—	—
Gain on asset sales (Note 9)	3,017	61,257	26,976
Operating income	193,674	351,746	274,618
Other income (expense), net	(63,641)	(24,727)	(14,066)
Debt retirement costs in connection with initial public offering (Note 3 and 12)	—	(30,551)	—
Interest income	6,195	6,917	6,455
Interest expense	(163,950)	(205,715)	(174,485)
Income (loss) from continuing operations before income taxes and equity earnings	(27,722)	97,670	92,522
Income taxes	(13,394)	(22,684)	48,015
Earnings from equity method investments	7,364	10,100	6,388
Income (loss) from continuing operations, net of income taxes	(33,752)	85,086	146,925
Income (loss) from discontinued operations, net of income taxes	629	1,639	(27,391)
Gain on disposal of discontinued operations, net of income taxes	2,957	1,308	3,315
Net income (loss)	(30,166)	88,033	122,849
Less: Net income attributable to noncontrolling interests	(3,958)	(3,948)	(1,844)
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$ (34,124)	\$ 84,085	\$ 121,005
Earnings per share — Basic and Diluted (Note 21):			
Income (loss) from continuing operations	\$ (0.39)	\$ 1.45	\$ 2.84
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$ (0.39)	\$ 1.43	\$ 2.34

See Notes to Consolidated Financial Statements

Notice how you never see the “or loss” sign beside the interest payments?

Lloyd Blankfein once claimed that banks do “God’s work”, so maybe this is just their modest remittance for being burdened with such a [great responsibility](#).

Who knows..The lord works in mysterious ways , as they say.

availability under this facility. A commitment fee, which, fluctuates between 0.25% and 0.375%, is paid based on the total unused portion of the ABL revolver.

We pay an annual agency fee of \$300,000 in connection with the ABL revolver and the term loan facilities.

Westlake Term Facility. Our parent, **DHM Holdings**, entered into an amended and restated loan agreement for \$135 million on **March 17, 2008** in connection with its investment in WWP. As of **June 20, 2009**, the outstanding amount of terms loans under this facility was \$135 million, of which **Deutsche Bank Securities Inc.** and its affiliates held approximately \$40 million, **Wells Fargo Securities, LLC** and its affiliates held approximately \$13 million, HSBC Securities (USA) Inc. and its affiliates held approximately \$17 million and **Scotia Capital (USA) Inc.** and its affiliates held approximately \$40 million.

The applicable interest rate for the Westlake term facility is LIBOR plus 3.00% per annum or the base rate plus 2.00% per annum. DHM Holdings pays an annual agency fee of \$75,000 in connection with this facility.

Existing Stockholder Debt. An affiliate of Mr. Murdock has debt outstanding of \$90 million, of which Wells Fargo Securities, LLC and its affiliates hold approximately \$58 million and Scotia Capital (USA) Inc. and its affiliates hold approximately \$32 million. The applicable interest rate for such debt is 14%.

In original agreement, Mr. Murdock was obligated to transfer ownership of the stock — again, 27% of the

great Dole Food company, founded June 2, 1851,
168 years ago — on November 1st, 2012, which you
see happening in the snapshot below.

- (1) On October 22, 2009, in connection with an offering of \$0.875 Trust Issued Automatic Common Exchange Securities (the "MACES") issued by the 2009 Dole Food Automatic Common Exchange Security Trust (the "MACES Trust") to qualified institutional investors, David H. Murdock, in his individual capacity and as the trustee of the David H. Murdock Living Trust, dated May 28, 1986, as amended (the "Trust" or "Seller") entered into a forward purchase contract (the "Contract") with the MACES Trust, which together with the trustees thereof acting in their capacity as such, are referred to herein as "Purchaser". Purchaser is unrelated to Seller.
- (2) Since an over-allotment option concerning 3,600,000 MACES originally granted to the initial purchasers of the MACES was never exercised, the Seller was obligated under the Contract to deliver to Purchaser for the holders of the MACES on November 1, 2012 (the "Exchange Date") up to 24,000,000 shares common stock, par value \$0.001 per share, of Dole Food Company, Inc. ("Dole Common Stock"), with the exact number of shares to be delivered determined in accordance with the "Exchange Rate" set forth in the Contract. The Seller received \$227,937,303 for entering into the Contract. To secure its obligations under the Contract, Seller pledged 24,000,000 shares of Dole Common Stock during the term of the pledge, although Seller retained beneficial ownership of such shares during the term of the pledge.
- (3) The number of shares of Dole Common Stock that were exchanged for each of the MACES on the Exchange Date was determined in accordance with the Exchange Rate set forth in the Contract. The Exchange Rate was determined based on the "Average Market Price" as defined in the Contract and the calculation period for determining the Average Market Price consisted of the 20 "Trading Days" (as defined in the Contract) immediately prior to but not including the third Trading Day prior to the Exchange Date.
- (4) On the Exchange Date (November 1, 2012), Seller settled the Contract. The Average Market Price used in determining the Exchange Rate was \$12.8660. Based on the Exchange Rate, Seller delivered 23,317,270 shares of Dole Common Stock to Purchaser for the holders of the MACES and 682,730 shares of Dole Common Stock previously pledged were returned to Seller. Based on the Exchange Rate, each of the MACES was mandatorily exchanged into 0.97155293 of a share of Dole Common Stock. The delivery of the 23,317,270 shares of Dole Common Stock to Purchaser (and the holders of the MACES) is reported as a disposition in Table I of this Form 4 on the Exchange Date pursuant to applicable SEC reporting guidance. However, for purposes of Section 16(b) of the Securities Exchange Act of 1934, the sale of such 23,317,270 shares is deemed to have occurred upon entry into the Contract in October 2009.
- (5) These securities are or were owned directly by the Trust and indirectly by Mr. Murdock as sole trustee and beneficiary of the Trust.
- (6) These shares of Dole Common Stock were acquired as a result of the mandatory exchange of 2,250,000 MACES held by the Trust. See footnotes (1) through (4) above and footnote (8) below.

- (4) On the Exchange Date (November 1, 2012), Seller settled the Contract. The Average Market Price used in determining the Exchange Rate was \$12.8660. Based on the Exchange Rate, Seller delivered 23,317,270 shares of Dole Common Stock to Purchaser for the holders of the MACES and 682,730 shares of Dole Common Stock previously pledged were returned to Seller. Based on the Exchange Rate, each of the MACES was mandatorily exchanged into 0.97155293 of a share of Dole Common Stock. The delivery of the 23,317,270 shares of Dole Common Stock to Purchaser (and the holders of the MACES) is reported as a disposition in Table I of this Form 4 on the Exchange Date pursuant to applicable SEC reporting guidance. However, for purposes of Section 16(b) of the Securities Exchange Act of 1934, the sale of such 23,317,270 shares is deemed to have occurred upon entry into the Contract in October 2009.
- (5) These securities are or were owned directly by the Trust and indirectly by Mr. Murdock as sole trustee and beneficiary of the Trust.
- (6) These shares of Dole Common Stock were acquired as a result of the mandatory exchange of 2,250,000 MACES held by the Trust. See footnotes (1) through (4) above and footnote (8) below.
- (7) These shares are owned directly by Castle & Cooke Holdings, Inc. and indirectly by Mr. Murdock and the Trust.
- (8) These MACES were acquired directly by the Trust and indirectly by Mr. Murdock, as sole trustee and beneficiary of the Trust. Of the 2,250,000 MACES acquired, 500,000 were purchased on May 25, 2012 for a purchase price of \$8.925 and 1,750,000 were purchased on June 1, 2012 for a purchase price of \$8.955. On October 31, 2012, the Exchange Rate of these MACES became determinable and these MACES are therefore reported as derivative securities as of that date. Upon the mandatory exchange of the MACES as described in footnotes (3) and (4) above, based on the Exchange Rate, the 2,250,000 MACES held by the Trust were exchanged on the Exchange Date for an aggregate of 2,185,994 shares of Dole Common Stock.

This is from his first 13-D following the IPO. It again shows the parties to the "Trust" offering — "*MACES Trust*".

WHEREAS, Purchaser has agreed, effective as of the First Time of Delivery, pursuant to the Securities Purchase Agreement, dated [October 22, 2009](#) (the "[Securities Purchase Agreement](#)"), among Purchaser, Seller, the Company, and [Goldman, Sachs & Co., Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC](#) (collectively, the "[Initial Purchasers](#)"), to issue and sell to the Initial Purchasers an aggregate of 24,000,000 Securities (the "[Firm Securities](#)") and, at the Initial Purchasers' option as provided herein, up to 3,600,000 additional Securities (such additional Securities as the Initial Purchaser shall actually purchase pursuant to the Securities Purchase Agreement, the "[Optional Securities](#)");

NOW, THEREFORE, the parties to this Agreement, intending to be bound, agree as follows:

The creditors transferred the money in exchange for the collateral at one of [Sullivan and Cromwell's](#) offices in Los Angeles.

Section 2.3 Payment for and Delivery of Contract Stock.

(a) First Time of Delivery. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Firm Purchase Price on October 28, 2009 (the "First Time of Delivery"), at the offices of Sullivan & Cromwell LLP, 1888 Century Park East, Los Angeles, CA 90067, or at such other place as shall be agreed upon by Purchaser and Seller, paid by wire transfer to an account designated by Seller, in Federal (immediately available) funds.

(b) Second Time of Delivery. Upon the terms and subject to the conditions of this Agreement, Purchaser shall deliver to Seller the Additional Purchase Price on the date of delivery of the Optional Securities to the Initial Purchasers (the "Second Time of Delivery"), at the offices of Sullivan & Cromwell LLP, 1888 Century Park East, Los Angeles, CA 90067, or at such other place as shall be agreed upon by Purchaser and Seller, paid by wire transfer to an account designated by Seller, in Federal (immediately available) funds.

(c) Sale and Delivery of Contract Shares. Seller agrees to deliver, except as otherwise provided in this Agreement, the Contract Shares to Purchaser on the Exchange Date. Unless Seller elects the Cash Settlement Alternative as provided in Section 2.3(d), delivery shall be effected by delivery by the Collateral Agent to the Custodian, for the account of Purchaser, of shares of Common Stock then held by the Collateral Agent as collateral under the Collateral Agreement, in an amount equal to the number of Contract Shares, rounded down to the nearest whole number. Alternatively, in accordance with Section 5.2 of the Collateral Agreement, Seller may elect to deliver shares of Common Stock in an amount equal to the number of Contract Shares, rounded down to the nearest whole number, to the Custodian for the account of Purchaser on the Exchange Date by notifying the Collateral Agent and the Custodian on or prior to the Exchange Date of such election, in which case, the Collateral Agent shall deliver to the Seller the shares of Common Stock then held by the Collateral Agent as collateral under the Collateral Agreement on the Exchange Date. Seller agrees to make a cash payment in respect of any fractional shares included in the Contract Shares at the Exchange Date, in an amount equal to the value of such fractional shares at the Average Market Price. In addition, if the difference between (A) the aggregate proceeds of any sale (net of any brokerage or related expenses) of any Common Stock or Marketable Securities sold by Purchaser pursuant to Section 2.4(f)(ii) of the Trust Agreement and (B) the product of the number of shares of Common Stock or Marketable

They even felt the need to specify that delivery of the stock did not constitute as a payment of interest.

(b) Forward Contract. Each of Seller and Purchaser hereby agree that: (i) it will not treat this Agreement, any portion of this Agreement, or any obligation under this Agreement as giving rise to any interest expense or income or other inclusions or expense of ordinary income; (ii) it will not treat the delivery of any portion of the Contract Shares, cash, Marketable Securities or other property to be delivered pursuant to this Agreement as the payment of interest or ordinary income; (iii) it will treat this Agreement in its entirety as a forward contract for the delivery of such Contract Shares, cash, Marketable Securities or other property; and (iv) it will not take any action (including filing any tax return or form or taking any position in any tax proceeding, other than in connection with good faith negotiations in settlement of a tax proceeding) that is inconsistent with the obligations contained in clauses (i) through (iii) of this Section 5.1(b). Notwithstanding the preceding sentence Purchaser may in its discretion withhold tax on payments to the security holders in the Purchaser regardless of the legal theory or characterization supporting such withholding. Seller and Purchaser may also take any action or position required by law provided, that Seller or Purchaser, as the case may be, provides an opinion of counsel, nationally recognized as expert in Federal tax matters, to the effect that such action or position is required by a statutory change, Treasury regulation, or applicable court decision published after the date of this Agreement.

(c) Limitations on Trading During Certain Days. Seller hereby agrees that it will not buy Common Stock for its own account during the 60 days prior to the Exchange Date.

(d) Notices. Seller will cause to be delivered to Purchaser:

And you can see here that he paid down a large portion of that debt with the proceeds of the “Trust” offering.

Section 5. Corporate Governance and Management

[G](#)

Item 5.03. Amendments to [Articles of Incorporation](#) or [Bylaws](#); Change in Fiscal Year.

On [October 28, 2009](#), Dole Food Company, Inc. amended and restated its [certificate of incorporation](#) and its [bylaws](#) in connection with the initial public offering of its common stock, which closed on [October 28, 2009](#). The amended and restated [certificate of incorporation](#) and amended and restated [bylaws](#) are Exhibits 3.1 and 3.2 to this Form 8-K, respectively. The form of the amended and restated [certificate of incorporation](#) was [previously filed](#) as [Exhibit 3.1\(ii\)](#) to Amendment No. 5 to Dole's Registration Statement on Form S-1, Registration Number [333-161345](#), such Amendment No. 5 having been filed with the Securities and Exchange Commission on [October 20, 2009](#). The form of the amended and restated [bylaws](#) was [previously filed](#) as [Exhibit 3.2\(ii\)](#) to Amendment No. 1 to Dole's Registration Statement on Form S-1, Registration Number [333-161345](#), such Amendment No. 1 having been filed with the Securities and Exchange Commission on [September 18, 2009](#).

Section 8. Other Events

[G](#)

Item 8.01. Other Events

On [October 26, 2009](#), Dole completed the previously disclosed redemption of all the outstanding \$363 million principal amount of its 7.25% Senior [Notes](#) due 2010.

On [October 28, 2009](#), Dole issued to the trustee under the [indenture](#) governing Dole's 13.875% Senior Secured [Notes](#) due [2014](#) a notice of redemption for \$122,466,000 principal amount of such [notes](#), with redemption to occur on [November 27, 2009](#), using net proceeds of Dole's initial public offering of its common stock, which closed on [October 28, 2009](#). Upon completion of this redemption, \$227,437,000 principal amount of the 13.875% Senior Secured [Notes](#) due [2014](#) will remain outstanding.

On [October 29, 2009](#), Dole issued to the trustee under the [indenture](#) governing Dole's 8.875% Senior [Notes](#) due [2011](#) a notice of redemption for \$130,000,000 principal amount of such [notes](#), with redemption to occur on [November 30, 2009](#), using net proceeds of Dole's initial public offering of its common stock, which closed on [October 28, 2009](#). Upon completion of this redemption, \$70,000,000 million principal amount of the 8.875% Senior [Notes](#) due [2011](#) will remain outstanding.

This was one the original notes issued in connection with the leveraged buyout; the same note he paid down with the IPO proceeds.

\$475,000,000

Offer to Exchange

8 7/8% Senior Notes due March 15, 2011,
 which have been registered under the Securities Act of 1933,
 for any and all outstanding
 8 7/8% Senior Notes due March 15, 2011,
 which have not been registered under the Securities Act of 1933,
 of



Listed below are the buyers of one these notes, or to
 put it simply, the banks that loaned Mr. Murdock the
 money.

EX-1.1	31st Page of 44	TOC	1st	Previous	Next	Bottom	Just 31st
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SCHEDULE 1[\[Enlarge/Download Table\]](#)

<u>Initial Purchaser</u>	<u>Principal Amount of Notes</u>
Deutsche Bank Securities Inc.	\$116,325,000
Banc of America Securities LLC.....	116,325,000
Scotia Capital (USA) Inc.....	116,325,000
Fleet Securities, Inc.....	74,250,000
SG Cowen Securities Corporation.....	47,025,000
BMO Nesbitt Burns Corp.....	4,750,000
Total.....	\$475,000,000

EX-1.1	32nd Page of 44	TOC	1st	Previous	Next	Bottom	Just 32nd
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SCHEDULE 2[Subsidiaries of the Company](#)
<https://www.secinfo.com/dR7Km.21Gy.d.htm>

It was the same day Mr. Murdock took the company private.

Terms of the Exchange Offer

Purpose of the Exchange Offer

We sold the original notes on March 28, 2003 in a transaction exempt from the registration requirements of the Securities Act. The initial purchasers of the original notes subsequently resold the original notes to qualified institutional buyers in reliance on Rule 144A and under Regulation S under the Securities Act.

In connection with the sale of original notes to the initial purchasers pursuant to the purchase agreement, dated March 17, 2003, among us and the initial purchasers named therein, the holders of the original notes became entitled to the benefits of a registration rights agreement dated March 28, 2003, among us and the initial purchasers.

The registration rights agreement provides that:

DAVID H. MURDOCK COMPLETES ACQUISITION OF DOLE FOOD COMPANY, INC.

WESTLAKE VILLAGE, California--March 28, 2003--Dole Food Company, Inc. (NYSE: DOL) today announced that David H. Murdock, Dole's Chairman and Chief Executive Officer, has completed his acquisition of Dole Food Company, Inc.

The going-private merger agreement was approved on March 26, 2003 at a special meeting of the Dole stockholders. The transaction is valued at \$2.5 billion. Dole announced that its shares of Common Stock will cease to be traded in any public market effective at the close of business today.

"This transaction is a momentous occasion in Dole's 152-year history, and we are extremely excited about the long-term advantages for Dole without the short-term pressures and constraints of the public equities markets," said Mr. Murdock. "As a privately-held company, Dole will be better positioned to achieve its growth and earnings potential, building on its leadership position in the fresh fruit, fresh vegetables, packaged foods and fresh-cut flowers industries."

But back to "MACES Trust".

In addition to the offering made hereby, the 2009 **Dole Food Automatic Common Exchange Security Trust**, a newly formed Trust, is offering 24,000,000 of its \$0.875 **automatic** common exchange securities exchangeable into 24,000,000 shares of our common stock that may be delivered by the Trust upon exchange of those securities beginning on **November 1, 2012**. In this prospectus, we refer to that separate offering as the Trust offering. The initial purchasers in that offering have an option to acquire from the Trust additional **automatic** common exchange securities with respect to up to 3,600,000 additional shares of our common stock. The Trust will enter into a purchase agreement with an affiliate of our existing stockholder with respect to the shares of our common stock deliverable upon exchange of the Trust's securities pursuant to which a payment will be made to such affiliate at the closing of the Trust offering in consideration for such future delivery. The affiliate of our existing stockholder will continue to have the right to vote those shares until delivery. The shares of common stock and the Trust's securities in the Trust offering are being offered only to qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933, as amended, or the Securities Act, in an offering exempt from the registration requirements of the Securities Act.

Why would someone pay \$21 million for IOU certificates ("*THE MACES*") secured by those pledged shares in the trust? And why does this "Trust" offering provide an option to buy an extra 3 600 000 shares? That's virtually indistinguishable from an over allotment-option. Why would they feel the need to offer an over allotment option for shares that are not even going to be registered?

What is going on here?

Let's take a step back.

Who really owns this company?

Is it Mr. Murdock?

This table contains certain information as of [March 18, 2003](#), regarding all persons who, to Dole's knowledge, were the beneficial owners of more than 5% of the outstanding shares of its common stock, each of Dole's directors, its chief executive officer, its four most highly compensated executive officers other than its chief executive officer, whose salary and bonus exceeded \$100,000 for the fiscal year ended [December 28, 2002](#), each of Dole's current executive officers and all directors and executive officers as a group. The persons named hold sole voting and investment power with respect to the shares shown opposite their respective names, unless otherwise indicated. The information with respect to each person specified is as supplied or confirmed by such person, based upon statements filed with the Securities and Exchange Commission, or based upon Dole's actual knowledge.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)(12)	Percent of Outstanding Shares(3)
David H. Murdock	13,542,432(4)(6)	23.89%
CIC Banque CIAL	3,371,200(5)	6.0%
Mike Curb	56,287(7)(8)(9)	*
David A. DeLorenzo	195,005(4)(8)(10)	*
E. Rolland Dickson, M.D.	1,498(7)(8)	*
Richard M. Ferry	38,425(7)(8)	*
Lawrence M. Johnson	3,891(7)(8)(11)	*
Lawrence A. Kern	150,066(4)(10)	*
Zoltan Merszei	28,189(7)(8)	*
C. Michael Carter	44,667(4)	*
Richard J. Dahl	4,000	*
George R. Horne	63,510(4)	*
All Directors and Executive Officers as a Group (13 Individuals)	14,174,568(4)	25.21%

* Represents less than 1% of the class of securities.

- (1) The mailing address for each of the individuals listed is Dole Food Company, Inc., One Dole Drive, [Westlake Village, California 91362-7300](#). The mailing address for CIC Banque CIAL is 31 rue Jean Wenger-Valentin, 67000 Strasbourg, France.
- (2) Unless otherwise indicated and except as to stock units described below, each person has sole voting and dispositive power with respect to the shares shown. Some directors and executive officers share the voting and dispositive power over their shares with their spouses as community property, joint tenants or tenants in common. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.
- (3) The percentages set forth above are calculated on the basis of the number of outstanding shares of Dole's common stock set forth under "[THE MERGER—Voting Rights; Vote Required for Approval](#)," plus, where applicable, all stock options and stock units granted to the person or persons indicated under Dole's stock option and deferred stock plans that were exercisable on the record date or within 60 days thereafter.
- (4) The individuals and group indicated beneficially own the following number of shares of Dole's common stock that may be purchased upon the exercise of employee stock options exercisable on the record date or within 60 days thereafter: Mr. Murdock, 455,585; Mr. Kern, 150,066; Mr. DeLorenzo, 138,540; Mr. Carter, 41,667; Mr. Horne, 56,868; and all directors and executive officers as a group, 880,024.

That was his ownership before the merger: only 23%.

So where did the other 3/4's come from? It didn't

just appear out of nowhere.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Going Private Merger Transaction: On December 18, 2002, the Company signed a definitive merger agreement with David H. Murdock, the Company's Chairman and Chief Executive Officer, pursuant to which Mr. Murdock would acquire the approximately 76% of the Company's common stock that he and his affiliates did not already own for \$33.50 per share in cash. On March 26, 2003, the merger was approved at a special meeting of the Company's stockholders. The transaction was successfully completed on March 28, 2003 and the Company became wholly owned by Mr. Murdock through DHM Holding Company, Inc., a Delaware corporation ("HoldCo"). As a result of the transaction, the Company's outstanding shares of common stock were retired and all outstanding stock options have been settled in cash, except that options held by Mr. Murdock were cancelled without payment.

The purchase price of all of the outstanding common stock of the Company not already owned by Mr. Murdock and his affiliates, plus transaction costs, is estimated at approximately \$1.55 billion. The funds necessary to purchase these shares of the Company consisted of a \$125 million capital contribution by HoldCo, funds borrowed under \$1.125 billion of new senior secured credit facilities (consisting of \$825 million of term loan facilities and \$300 million of revolving credit facilities) and the issuance of \$475 million principal amount of 8 7/8% Senior Notes due 2011 (the "2011 Notes"). The 2011 Notes were offered within the United States only to qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933 (the "Securities Act") and to persons outside the United States in compliance with Regulation S under the Securities Act. The Credit Agreement with respect to the new senior secured credit facilities and the Indenture with respect to the 2011 Notes contain significant restrictions and covenants affecting, among other things, the operations and finances of the Company and its subsidiaries.

In addition, on March 28, 2003, the Company repaid its 7% Senior Notes due 2003 and called for redemption its 6.375% Senior Notes due 2005 that had outstanding balances of approximately \$210 million and \$300 million, respectively, at March 22, 2003. The Company's 7.25% Senior Notes due 2009 and 7.875% Debentures due 2013 remain outstanding; however, the terms of both the Senior Notes due 2009 and Debentures due 2013 were modified to provide for substantially the same interest rates, covenants and guarantees from certain of the Company's subsidiaries as are provided for by the 2011 Notes. The modifications provide for interest at 8.625% on the Senior Notes due 2009 and 8.75% on the Debentures due 2013.

In connection with the transaction, the Company sold its interest in an aircraft under an operating sale-leaseback agreement for approximately \$29 million, which approximated its book value. The Company also purchased shipping containers for approximately \$77 million that were previously leased under separate capital and operating lease agreements and modified the provisions of its corporate headquarters operating lease to provide for substantially the same interest rate as the new senior secured credit facilities.

The acquisition will be accounted for as a purchase by HoldCo with the related purchase accounting pushed down to the Company. The allocation of the purchase price to the assets and liabilities of the Company has not been completed; however, after completion, the Company's consolidated financial statements will be significantly different from those presented historically.

You can see in snapshot above that the majority of
the shares were purchased with borrowed money.

DOLE FOOD COMPANY, INC.			
CONSOLIDATED STATEMENTS OF OPERATIONS			
For the Years Ended January 1, 2011, January 2, 2010 and January 3, 2009			
	2010	2009	2008
	(In thousands, except per share data)		
Revenues, net	\$ 6,892,614	\$ 6,778,521	\$ 7,619,952
Cost of products sold	(6,202,864)	(6,008,803)	(6,862,892)
Gross margin	689,750	769,718	757,060
Selling, marketing and general and administrative expenses	(498,866)	(479,229)	(509,418)
Charges for restructuring and long-term receivables (Note 6)	(32,748)	—	—
Gain on legal settlements, net (Note 19)	32,521	—	—
Gain on asset sales (Note 9)	3,017	61,257	26,976
Operating income	193,674	351,746	274,618
Other income (expense), net	(63,641)	(24,727)	(14,066)
Debt retirement costs in connection with initial public offering (Note 3 and 12)	—	(30,551)	—
Interest income	6,195	6,917	6,455
Interest expense	(163,950)	(205,715)	(174,485)
Income (loss) from continuing operations before income taxes and equity earnings	(27,722)	97,670	92,522
Income taxes	(13,394)	(22,684)	48,015
Earnings from equity method investments	7,364	10,100	6,388
Income (loss) from continuing operations, net of income taxes	(33,752)	85,086	146,925
Income (loss) from discontinued operations, net of income taxes	629	1,639	(27,391)
Gain on disposal of discontinued operations, net of income taxes	2,957	1,308	3,315
Net income (loss)	(30,166)	88,033	122,849
Less: Net income attributable to noncontrolling interests	(3,958)	(3,948)	(1,844)
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$ (34,124)	\$ 84,085	\$ 121,005
Earnings per share — Basic and Diluted (Note 21):			
Income (loss) from continuing operations	\$ (0.39)	\$ 1.45	\$ 2.84
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$ (0.39)	\$ 1.43	\$ 2.34

See Notes to Consolidated Financial Statements

After careful analysis, you will also realize that the majority of the earnings from this massive fruit empire actually went to the banks, and not Mr. Murdock. In fact, when you add up all the interest payments from 1998-2009, you end up with \$1.6 billion — a lot of money.

Wanna take a guess how much *net income* Dole Food's and Mr. Murdock generated over that same time period?

Only \$640 million..Yes, the banks and note holders

were making almost triple the net income that Dole was making.

Unfortunately, we will never know who owns all these promissory notes because debt securities are typically not subject to the same beneficial ownership reporting rules as equities. Banks usually buy promissory notes so they can sell them to other people — usually [their depositors](#) — and for all we know, it could be Lord Rothschild himself that owned all those notes, and we would have no way of actually knowing. Hey, you never know — 52% of the equities are controlled by only [1% of the population](#); 35% of which is owned by [foreign investors](#).

Are starting to get it? Technically nobody knew who was taking in the majority of the profits from the largest fresh produce manufacturing company in the world — a company representing 1/4th of all banana sales WORLDWIDE.

If you own a company, but you only receive 1/3rd of the profits (*after* paying for all expenses, *INCLUDING* taxes), who is the real owner?

Not you..





Mr. Murdock and his banking partners did eventually land that sale they were looking for.

You are cordially invited to attend a special meeting of stockholders of Dole Food Company, Inc. ("*Dole*"), which will be held on [November 27, 2012](#) at 1:00 p.m., local time, at Dole World Headquarters, One Dole Drive, [Westlake Village, California 91362](#).

On [September 17, 2012](#), Dole entered into an acquisition agreement with ITOCHU Corporation, pursuant to which [ITOCHU will buy from Dole its worldwide packaged foods business and Asia fresh business](#), which we refer to as the sale transaction. Dole's board of directors has unanimously approved the sale transaction and recommends that stockholders vote in favor of the transaction.

At the special meeting of stockholders, you will be asked to approve the sale transaction and to approve, on a non-binding advisory basis, the compensation that may be paid or become payable to certain of our named executive officers in connection with the sale transaction. If there are insufficient votes to approve the sale transaction, you may be asked to vote to adjourn or postpone the special meeting of stockholders in order that we can solicit additional proxies. The sale transaction is conditioned upon receiving approval from the holders of a majority of the shares of Dole's common stock outstanding and entitled to vote thereon.

And the proceeds were used to pay off their debts.

There can be no assurances we will be successful in refinancing a part of our existing indebtedness.

We will use substantially all the proceeds from the sale transaction and our new capital structure to pay down our existing indebtedness and to provide funding for transaction-related taxes, costs and expenses. Approximately \$1.589 billion is expected to be used to repay \$155 million of our 2013 Debentures, \$174.9 million of our 2014 Notes, \$315 million of our 2016 Notes, \$867.7 million of our term loan facilities, and \$76.6 million of our revolving credit facility, the full amounts expected to be outstanding with respect to each form of indebtedness as of the closing of the sale transaction, as discussed in greater detail in the Unaudited Pro Forma Condensed Consolidated Financial Statements included as *Appendix D*. Assuming these payments are made, our 2013 Debentures, 2014 Notes, 2016 Notes and our term loan and revolving credit facilities will be paid in full and will be cancelled, as applicable. We will need to put in place a new capital structure, including the possibility of entering into a new term loan and revolving credit facility, at the time of the consummation of the sale transaction, and we have not yet determined the specific structure or the ultimate amount of any new financings related thereto. We have not yet initiated substantive discussions with our lenders and there can be no assurances that we will be able to enter into the new capital structure as we currently anticipate, or that any new financing will be available to us on equal or better terms than those of our current term loan and revolving credit facility. Any new financing may be subject to higher interest rates, may include less favorable terms or may require us to agree to additional or more severe restrictions on our business activities as compared to those of our current indebtedness.

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But he was forced to give up Asia to the Japanese.

Effects on Our Business if the Sale Transaction is Consummated (page 48)

If the sale transaction is consummated, we will have two lines of business, fresh fruit and fresh vegetables, and our operations will no longer include our worldwide packaged foods business or our Asia fresh business. Our fresh vegetables line of business will not be impacted by the sale transaction. However, as a result of the sale of our Asia fresh business, our fresh fruit business line will be smaller than at present. In addition, pursuant to the trademark rights agreement to be entered into in connection with the consummation of the sale transaction, subject to certain exceptions for our existing businesses, ITOCHU will be granted exclusive rights to certain intellectual property rights for use in connection with packaged products, as defined, worldwide and fresh products, as defined, in Asia, Australia and New Zealand; and we will be restricted from (1) growing, ripening, procuring, distributing or selling (except through the companies to be sold to ITOCHU in the sale transaction) fresh bananas or pineapples in Asia, Australia and New Zealand and (2) processing, distributing or selling (except through the companies to be sold to ITOCHU in the sale transaction) processed pineapple worldwide for a period of two years after the consummation of the sale transaction.

With the approximately \$1.3 billion reduction in our debt as a result of the transaction, we will continue to work to enhance shareholder value. The sale transaction will not alter the rights, privileges or nature of the issued and outstanding shares of our common stock. A stockholder who owns shares of our common stock immediately prior to the closing will continue to hold the same number of shares immediately following the closing.

Our reporting obligations as a U.S. public company will not be affected as a result of consummation the sale transaction. We will continue to qualify for listing on The New York Stock Exchange.

Good timing. You can see in the snapshot pictured below that the record date was only 6 days before he was set to lose his controlling interest.

Remember, he was due to transfer ownership of that 27% stake to his “*creditors*” on November.1st.



NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Stockholders of Dole Food Company, Inc.:

A special meeting of stockholders of Dole Food Company, Inc. will be held on [December 6, 2012](#), at 1:00 p.m. local time, at our world headquarters at One Dole Drive, [Westlake Village, California 91362](#). At the special meeting, stockholders will be asked to adopt resolutions:

1. To approve the sale of Dole’s worldwide packaged foods business and Asia fresh business as contemplated by the acquisition agreement by and between Dole and ITOCHU corporation, dated as of [September 17, 2012](#) (as it may be amended from time to time in accordance with the terms thereof), a copy of which is attached as *Appendix A* to the accompanying proxy statement. We refer to this proposal as the “*Sale Proposal*.”

2. To consider and provide an advisory (non-binding) vote approving the payment of certain compensation that may be paid or become payable to our named executive officers, as described in the section entitled “*SALE PROPOSAL — Interests of Certain Persons in the Sale Transaction — Golden Parachute Compensation*.” We refer to this proposal as the “*Transaction-Related Compensation Arrangements Proposal*.”

3. To approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the Sale Proposal. We refer to this proposal as the “*Proposal to Adjourn or Postpone the Special Meeting*.”

Our board of directors has fixed [October 25, 2012](#) as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of record of shares of our common stock at the close of business [on the record date are entitled to notice of, and to vote](#) at, the special meeting. At the close of business on the record date, we had 88,961,386 shares of common stock outstanding and entitled to vote.

And you can see here that he no longer had a controlling interest in the company.

EACH REPORTING PERSON WITH:		0
	9	35,542,968
	10	SHARED DISPOSITIVE POWER
		0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	35,542,968	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	40.0%	
14	TYPE OF REPORTING PERSON	
	IN, HC	

1

Then something miraculous occurred: he somehow managed to buy back the company only one year later!

Phone: (818) 879-6801

Dole Announces Glass Lewis Support for Pending Transaction

WESTLAKE VILLAGE, California – [October 24, 2013](#) – Dole Food Company, Inc. (NYSE: DOLE) today announced that, following the previously announced recommendation of Institutional Shareholder Services in favor of Dole's merger agreement with David H. Murdock, Dole's Chairman and Chief Executive Officer, Glass Lewis, another leading proxy advisory firm, issued its report also recommending that Dole shareholders support the merger. In recommending the transaction in its report dated [October 22, 2013](#), Glass Lewis found that *"the all-cash buyout in fact represents the best alternative available to unaffiliated shareholders at this time,"* and opined that *"Mr. Murdock has put forth a compelling argument that the best strategic alternative for all shareholders is the going-private transaction."**

The Special Meeting of Stockholders to approve the merger will be held on [October 31, 2013](#) and, assuming receipt of the requisite shareholder vote, Dole expects to close the transaction later that day or the next day.

Dole's Board of Directors and the Special Committee strongly encourage all shareholders of record as of [September 27, 2013](#) to vote their shares FOR the merger transaction promptly to be sure their shares are represented at the Special Meeting. All shareholders regardless of the number of shares they own are asked to vote by internet, telephone or mail. Shareholders who have any questions, or need additional copies of Dole's proxy materials, are encouraged to contact D.F. King & Co., Inc. toll free at [\(800\) 859-8511](#).

And he only had to pay \$1.00 more than the IPO price!



NEWS RELEASE
Contact: C. Michael Carter
Phone: (818) 879-6801

Dole Food Company, Inc. Stockholders Approve Merger

WESTLAKE VILLAGE, California – [October 31, 2013](#) – Dole Food Company, Inc. (NYSE: DOLE) today announced that its stockholders approved, at a special stockholder meeting held today, the previously announced merger agreement under which David H. Murdock, Dole's Chairman and Chief Executive Officer, will acquire the approximately 60.5% of [the Company's](#) outstanding common stock that he and his affiliates do not already own for [\\$13.50 per share in cash.](#)

Votes "FOR" the merger totaled approximately 63.8 million shares, or 70.6% of Dole's outstanding shares of common stock. Approximately 27.5 million shares, or [50.9% of the shares held by stockholders other than Mr. Murdock and his affiliates and Dole's directors and executive officers](#) voted "FOR" the merger.

The merger is expected to close on or about [November 1, 2013](#). Letters of transmittal allowing Company stockholders of record to deliver their shares to the paying agent in exchange for payment of the merger consideration are expected to be distributed shortly after the closing.

After fighting to remain in control during the worst financial crisis since the great depression; offering to sell the whole company for as low as \$700 million; and setting up this unusual trust entity that allowed him and his bankers to initiate a sort of unregistered mini off-balance sheet side-deal — strange IPO beside the real IPO kind of transaction ("*MACES Trust*"); all the while demanding to be addressed simply as "Chairman" at the company board

meetings, he then sold his controlling interest, but miraculously bought back the company one year later, AND he got to keep the Wellness Center??

That's one heck of a deal, don't you think?

You might also be wondering how he was able to buy it back so easily. Don't worry, you're not alone on that front. Soon after the deal closed, he was [quickly sued](#) by a consortium of activist investors. One of them even went so far as to buy 8.3% of Doles outstanding capital stock only a few weeks before the vote for the sole purpose of filing a suit!

It was even claimed that his "*creditors*" (partners) privately believed the company was worth [\\$23 per share](#), and after all was said and done, the settlement eventually went on to become one of the largest appraisals in Delaware's 118 year history as a corporate tax haven.

([Wall Street Journal](#), Nov. 22, 2013) “In all, holders of nearly 14 million shares, more than 25% of all Dole shares not owned before the buyout by CEO David Murdock, are seeking more money in court. That makes Dole’s one of the largest appraisals ever in Delaware, where most such suits are brought, according to a review of court

filings”.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

Dole Food Company, Inc.
(Name of Issuer)

Common Stock, \$0.001 par value
(Title of Class of Securities)

256603101
(CUSIP Number)

October 16, 2013
(Date of event which requires filing of this statement)

CUSIP No. 256603101

SCHEDULE 13G

Page 3 2 of 8 Pages

1	NAMES OF REPORTING PERSONS Merion Investment Management LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER - 0 -	
	6	SHARED VOTING POWER 7,510,890	
	7	SOLE DISPOSITIVE POWER - 0 -	
	8	SHARED DISPOSITIVE POWER 7,510,890	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 7,510,890		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 8.3%		
12	TYPE OF REPORTING PERSON PN		

A:

You are entitled to vote at the special meeting (or any adjournment or postponement thereof) in person or by proxy if you owned shares of Dole common stock at the close of business on [September 27, 2013](#), which is the record date for the special meeting. As of the record date, there were 90,329,748 shares of Dole common stock issued and outstanding. You will have one vote for each share of Dole common stock you held on the record date. See “*The Special Meeting — Voting Rights; Quorum.*”

“Dole held a special meeting of stockholders on October 31, 2013. A narrow majority of 50.9% of the disinterested shares voted in favor, 21.2%

*voted against, 10.5%
abstained, and 17.4% did
not vote. The transaction
closed on November 1,
2013”*

Dole Directors’ and Executive Officers’ Voting Intentions (page 68)

To Dole’s knowledge, each of Dole’s directors and executive officers intends to vote all shares of Dole common stock he or she beneficially owns in favor of adoption of the merger agreement and each of the other proposals described below. **Dole’s directors and executive officers (including Mr. Murdock) have the power to vote 36,245,591 shares of Dole common stock as of [September 27, 2013](#), representing 40.1% of Dole’s outstanding common stock. The **Disinterested Stockholders** (excluding Dole’s directors and executive officers) collectively have the power to vote 54,084,157 shares of Dole common stock as of [September 27, 2013](#), representing 59.9% of Dole’s outstanding common stock. Throughout this proxy statement, we refer to Dole’s stockholders, including its unaffiliated stockholders and its directors and executive officers, but excluding the Purchaser Parties and their affiliates, as the “**Disinterested Stockholders**.”**



During Dole's first two

*years as a public
company, they only netted
\$4.2 million under
Generally Accepted
Accounting Principles...*

	Equity Attributable to Shareholders				net income		23/55		Total Equity	Comprehensive Income (Loss)
	Common Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Pension & Other Postretirement Benefits	Cumulative Translation Adjustment (In thousands)	Unrealized Gain (Loss) on Hedges	Attributable to Noncontrolling Interests		
Balance at December 29, 2007	51,710	\$ 51	\$ 409,856	\$ (84,883)	\$ (26,752)	\$ 42,261	\$ (15,525)	\$ 29,878	\$ 354,886	
Net income	—	—	—	121,005	—	—	—	1,844	122,849	\$ 122,849
Business dispositions	—	—	—	—	(1,628)	2,378	—	—	750	750
Noncontrolling interests in discontinued operations	—	—	—	—	—	—	—	481	—	—
Noncontrolling interests gain on sale of discontinued operations	—	—	—	—	—	—	—	12,279	12,279	—
Dividends paid	—	—	—	—	—	—	—	(14,108)	(14,108)	—
Unrealized foreign currency translation and hedging losses, net of income taxes	—	—	—	—	—	(17,452)	(18,877)	(19)	(36,348)	(36,348)
Reclassification of realized losses to net income	—	—	—	—	—	—	5,272	—	5,272	5,272
Change in employee benefit plans, net of income taxes	—	—	—	—	(12,580)	—	—	—	(12,580)	(12,580)
Loss on sale of land to affiliate, net of income taxes	—	—	(226)	—	—	—	—	(96)	(322)	—
Balance at January 3, 2009	51,710	\$ 51	\$ 409,630	\$ 36,122	\$ (40,960)	\$ 27,187	\$ (29,130)	\$ 30,259	\$ 433,159	\$ 79,943
Net income	—	—	—	84,085	—	—	—	3,948	88,033	\$ 88,033
Initial public offering	35,715	36	415,084	—	—	—	—	—	415,120	—
Deemed assumption of Hotel and Wellness Center debt	—	—	(85,000)	—	—	—	—	—	(85,000)	—
Transfer of land (and taxes related to the transfer) to affiliate entity	—	—	(5,956)	—	—	—	—	—	(5,956)	—
Contribution of net deferred tax assets from DFM Holding Company, Inc.	—	—	33,794	—	—	—	—	—	33,794	—
Issuance of restricted stock	808	1	(1)	—	—	—	—	—	—	—
Share-based compensation	—	—	925	—	—	—	—	—	925	—
Change in noncontrolling interests	—	—	—	—	—	—	—	(340)	(340)	—
Dividends paid	—	—	—	(15,000)	—	—	—	(6,382)	(21,382)	—
Unrealized foreign currency translation and hedging gains(losses), net of income tax	—	—	—	—	—	11,039	(3,593)	18	7,462	7,462
Reclassification of realized losses to net income , net of income taxes	—	—	—	—	—	—	11,597	—	11,597	11,597
Change in employee benefit plans, net of income taxes	—	—	—	—	(11,433)	—	—	—	(11,433)	(11,433)
Contribution received from noncontrolling interest	—	—	497	—	—	—	—	(497)	—	—
Balance at January 2, 2010	88,233	\$ 88	\$ 768,973	\$ 105,207	\$ (52,393)	\$ 38,226	\$ (21,126)	\$ 27,004	\$ 865,979	\$ 95,659
Net loss	—	—	—	(34,124)	—	—	—	3,958	(30,166)	\$ (30,166)
Issuance of restricted stock	396	1	(1)	—	—	—	—	—	—	—
Cancellation of restricted stock	(18)	—	(33)	—	—	—	—	—	(33)	—
Share-based compensation	—	—	6,642	—	—	—	—	—	6,642	—
Transfer of land (and taxes related to the transfer) from affiliate entity	—	—	1,337	—	—	—	—	—	1,337	—
Dividends paid	—	—	—	—	—	—	—	(1,958)	(1,958)	—
Liquidation of noncontrolling interests	—	—	—	—	—	—	—	(314)	(314)	—
Non-cash distribution	—	—	—	—	—	—	—	(4,078)	(4,078)	—
Unrealized foreign currency translation and hedging gains(losses), net of income tax	—	—	—	—	—	3,841	(14,416)	3	(10,572)	(10,570)
Reclassification of realized losses to net income , net of income taxes	—	—	—	—	—	—	9,390	—	9,390	9,390
Change in employee benefit plans, net of income taxes	—	—	—	—	(19,443)	—	—	—	(19,443)	(19,443)
Balance at January 1, 2011	88,611	\$ 89	\$ 776,918	\$ 71,083	\$ (71,836)	\$ 42,067	\$ (26,152)	\$ 24,615	\$ 816,784	\$ (50,789)

See Notes to Consolidated Financial Statements

	2010		2009		2008	
	(In thousands, except per share data)					
Revenues, net	\$	6,892,614	\$	6,778,521	\$	7,619,952
Cost of products sold		(6,202,864)		(6,008,803)		(6,862,892)
Gross margin		689,750		769,718		757,060
Selling, marketing and general and administrative expenses		(498,866)		(479,229)		(509,418)
Charges for restructuring and long-term receivables (Note 6)		(32,748)		—		—
Gain on legal settlements, net (Note 19)		32,521		—		—
Gain on asset sales (Note 9)		3,017		61,257		26,976
Operating income		193,674		351,746		274,618
Other income (expense), net		(63,641)		(24,727)		(14,066)
Debt retirement costs in connection with initial public offering (Note 3 and 12)		—		(30,551)		—
Interest income		6,195		6,917		6,455
Interest expense		(163,950)		(205,715)		(174,485)
Income (loss) from continuing operations before income taxes and equity earnings		(27,722)		97,670		92,522
Income taxes		(13,394)		(22,684)		48,015
Earnings from equity method investments		7,364		10,100		6,388
Income (loss) from continuing operations, net of income taxes		(33,752)		85,086		146,925
Income (loss) from discontinued operations, net of income taxes		629		1,639		(27,391)
Gain on disposal of discontinued operations, net of income taxes		2,957		1,308		3,315
Net income (loss)		(30,166)		88,033		122,849
Less: Net income attributable to noncontrolling interests		(3,958)		(3,948)		(1,844)
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$	(34,124)	\$	84,085	\$	121,005
Earnings per share — Basic and Diluted (Note 21):						
Income (loss) from continuing operations	\$	(0.39)	\$	1.45	\$	2.84
Net income (loss) attributable to shareholders of Dole Food Company, Inc.	\$	(0.39)	\$	1.43	\$	2.34

See Notes to Consolidated Financial Statements

Change in employee benefit plans, net of income taxes of (\$1,019)

net income

26/67

^

v

X

	—	—	—	—	(19,443)	—	—	—	(19,443)
Balance at January 1, 2011	88,611	\$ 89	\$ 776,918	\$ 71,083	\$ (71,836)	\$ 42,067	\$ (26,152)	\$ 24,615	\$816,784
Net income	—	—	—	38,359	—	—	—	3,434	41,793
Share-based compensation	—	—	9,143	—	—	—	—	—	9,143
Exercise of stock options	27	—	312	—	—	—	—	—	312
Issuance of restricted stock	357	—	—	—	—	—	—	—	—
Cancellation of restricted stock	(43)	—	(18)	—	—	—	—	—	(18)
Dividends paid	—	—	—	—	—	—	—	(2,935)	(2,935)

DOLE FOOD COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended [December 31, 2011](#), [January 1, 2011](#) and [January 2, 2010](#)

net income

26/67

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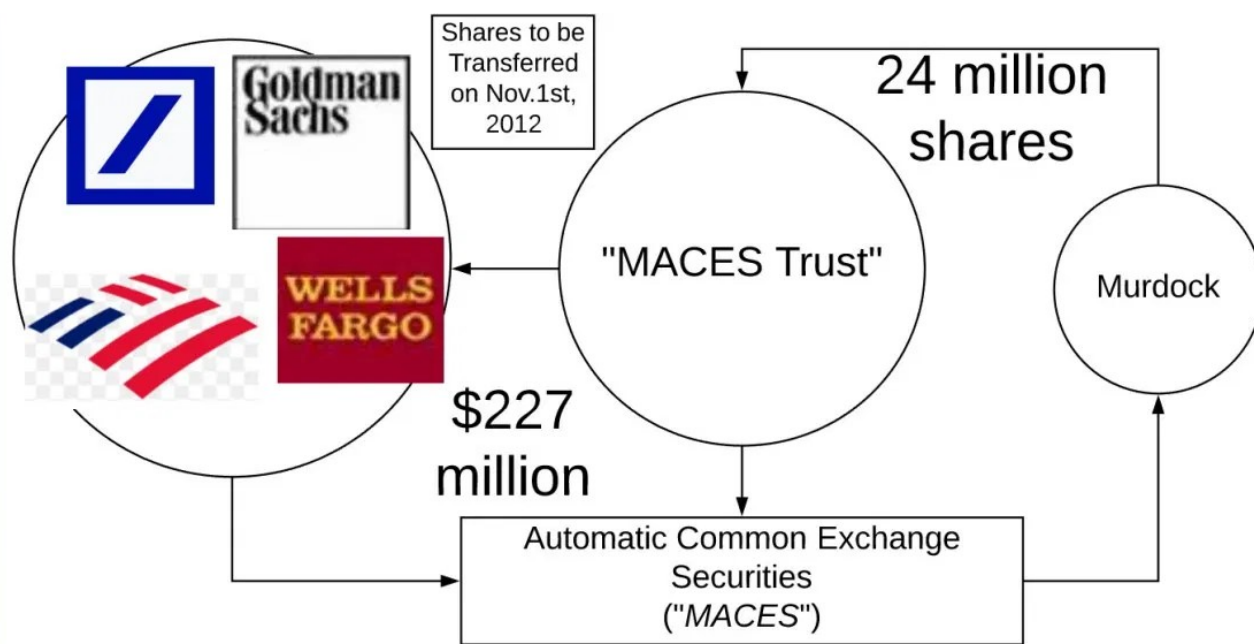
v

X

	2011	2010	2009
	(In thousands, except per share data)		
Revenues, net	\$ 7,223,836	\$ 6,892,614	\$ 6,778,521
Cost of products sold	(6,438,685)	(6,202,864)	(6,008,803)
Gross margin	785,151	689,750	769,718
Selling, marketing and general and administrative expenses	(535,132)	(498,866)	(479,229)
Charges for restructuring and long-term receivables (Note 5 and 6)	(24,916)	(32,748)	—
Gain on legal settlements, net (Note 18)	—	32,521	—
Gain on asset sales (Note 9)	4,541	3,017	61,257
Operating income	229,644	193,674	351,746
Other income (expense), net	(49,233)	(63,641)	(24,727)
Debt retirement costs in connection with initial public offering (Note 3 and 12)	—	—	(30,551)
Interest income	4,665	6,195	6,917
Interest expense	(142,430)	(163,950)	(205,715)

*Try and guess how much
these banks ‘netted’ over
that same period of time?
(technically they don’t
“net” like everybody else
since they don’t expend
anything — at least not
compared to a company
like Dole Foods, the
largest producer of fresh*

produce in the world)



\$305 million..

IN THE COURT OF

**CHANCERY OF THE
STATE OF DELAWARE
IN RE DOLE FOOD
COMPANY, INC.
STOCKHOLDER
LITIGATION**

*“There were 36,793,758
shares in the class. At the
conclusion of the claims
process, however,
claimants had submitted
facially valid claims for*

49,164,415 shares“.

.....”**Despite diligent**
efforts, the settlement
administrator and class
counsel **could not resolve**
the discrepancy“.

A:

Under Delaware law and as a condition to the consummation of the merger, stockholders holding at least a majority of the shares of Dole common stock outstanding and entitled to vote at the special meeting must vote “**FOR**” the Merger Proposal. In addition, the merger agreement requires, as a non-waivable condition to the consummation of the merger, that stockholders holding at least a majority of the outstanding shares of Dole common stock held by Disinterested Stockholders (other than Dole’s directors and executive officers) vote “**FOR**” the Merger Proposal.

Regardless of the number of shares of Dole common stock that you own, your vote is very important. The merger cannot be completed unless holders of at least a majority of the issued and outstanding shares of Dole common stock vote in favor of the adoption of the merger agreement. In addition, the merger agreement requires, as a non-waivable condition to the consummation of the merger, that holders of at least a majority of the issued and outstanding shares of Dole common stock not beneficially owned by the Purchaser Parties or their affiliates, or by the directors and executive officers of Dole, vote in favor of the adoption of the merger agreement. If you fail to vote or abstain from voting on the merger agreement, the effect will be the same as a vote “**AGAINST**” adoption of the merger agreement.

Technically, only the the banks and brokers can view the list of eligible voters. Remember, they are the real stockholders, and not you. Of course they will let you view the list, but legally they are the only ones that can. The shares are registered in their name, and you are just issued an “entitlement”, meaning you will never know if your vote was actually tallied. They even tell you this in Dole’s articles of

incorporation.

That's the problem: everything goes through them, and these people have shown time and time again, for years on end, that they are **not to be trusted**.

Section 2.5 List of Stockholders. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, provided, however, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date. Such list shall be arranged in alphabetical order and shall show the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.5 or to vote in person or by proxy at any meeting of stockholders.

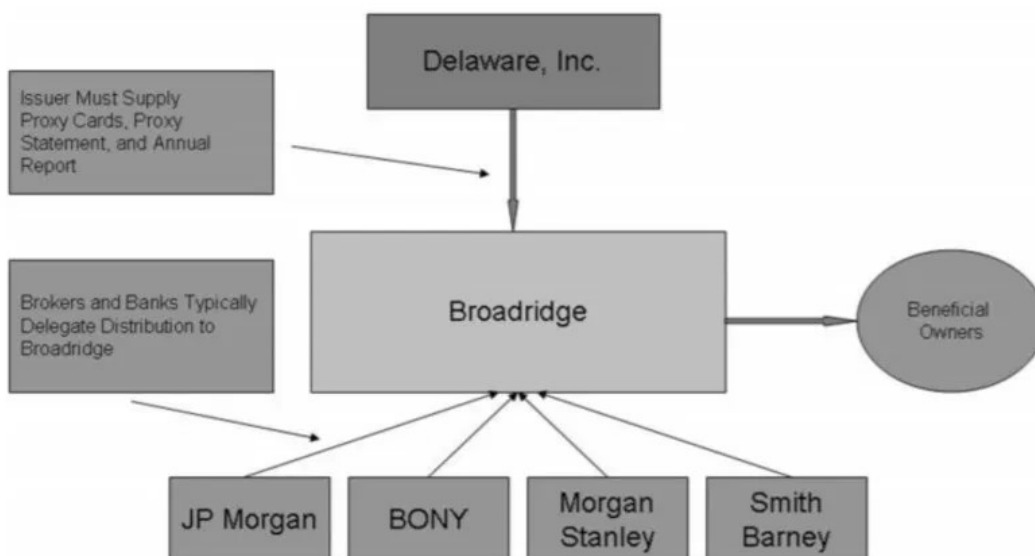
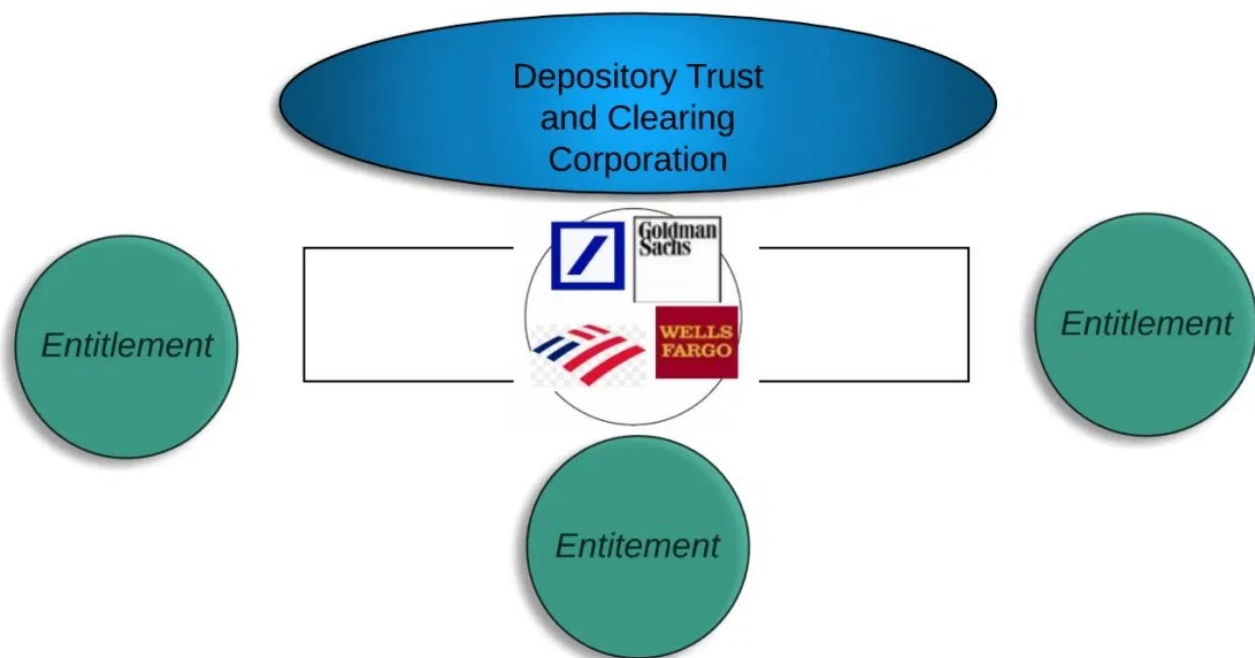


Figure 6. Distributing the Materials

Don't forget, they also clear and track everybody's positions through their ownership of the DTCC.



ever in our history and a 15% jump over the prior year – as volumes in both equity and fixed income clearing increased. The one constant that connects 2018 to 2008, as well as to every other year since our founding more than four decades ago, is our commitment to delivering on the value of our clients' investment in an industry-owned and governed market infrastructure that manages risk for the global system.



RISK
MANAGEMENT



CLEARANCE & SETTLEMENT



OVER-THE-COUNTER
(OTC) DERIVATIVES



Just like any company, we're here to serve our clients, but the fact is that we're not just like any other company. Because we're industry-owned and governed, we're your company. That means DTCC is an extension of your firm, that our infrastructure is an extension of yours and that our priorities are in lockstep with yours. Our ownership structure and governance are rare in financial services, and it's a powerful differentiator because, unlike our competitors, we don't have to choose between what's best for our shareholders and what's best for our clients – you're one and the same. We've earned your trust because we've proven that you can always count on us to be there when you need us most.

These values are carved deep into the soul of the organization. And they've served as the foundation upon which we've reimagined and redefined DTCC's role in the industry since the crisis. Over the past decade, we've built new layers onto that foundation, leveraging our expertise and new technologies to strengthen our infrastructure, enhance our risk management and broaden our capabilities to include over-the-counter (OTC) derivatives, middle office processing and data services. At the core of our success last year was the execution of our strategy, which reflects the intersection

253. The Prime Broker Defendants also pressured clearinghouses to refuse to provide clearing services to SL-x. In 2015, OCC's Chief Operating Officer disclosed to SL-x that he had been in constant contact with Goldman Sachs' Conley during the period of the boycott and that "nothing was going to happen" between SL-x and OCC without the Prime Broker Defendants' blessing—and particularly the blessing of Goldman Sachs. The partnership between SL-x and OCC that appeared to be imminent in 2013 subsequently, and without explanation, never materialized. Similarly, Murray Pozmanter—the DTCC Managing Director who served as the

gatekeeper for DTCC's clearing business—admitted to SL-x that the DTCC could not offer SL-x central stock loan clearing without the approval of Goldman Sachs and other Prime Broker Defendants.

(Securities and Exchange
Commission, Investor
Publications)

“Under street name registration,
your firm will keep records
showing you as the real or
“beneficial” owner, but *you will
not be listed directly on the
issuer’s books. Instead, your
brokerage firm will appear as the
owner on the issuer’s books*”,

“Under Article 8, the beneficial owner of

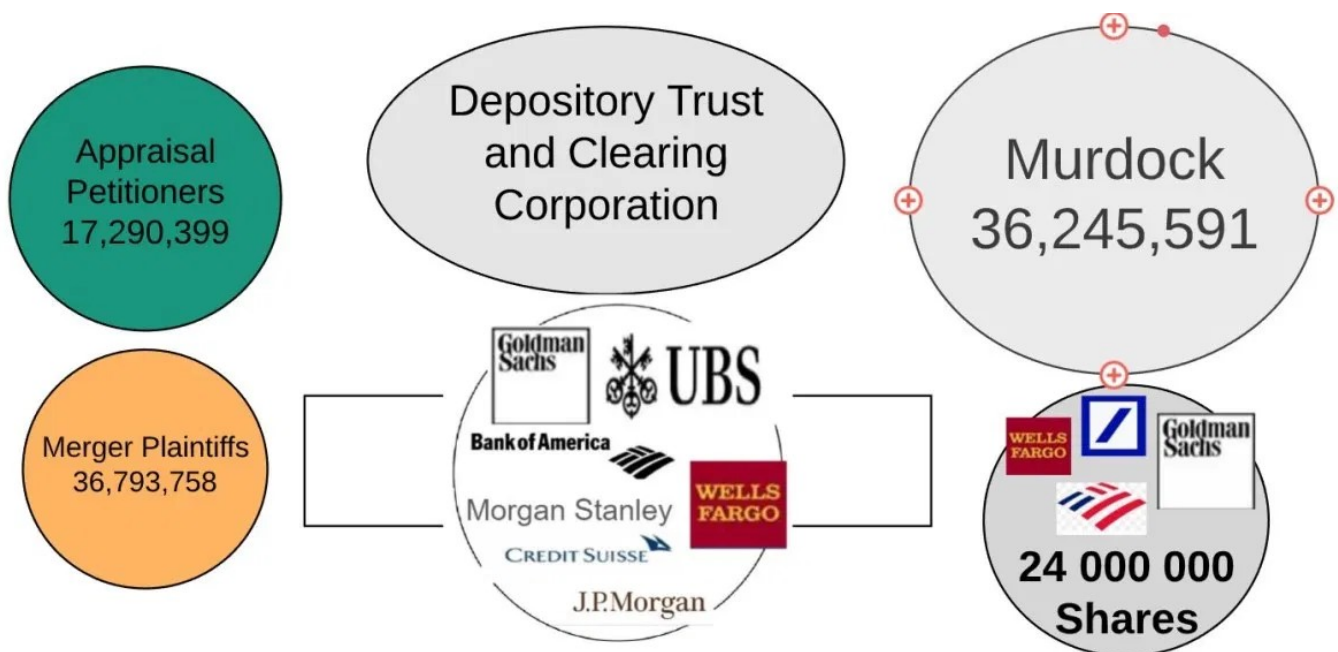
*the shares held in a custodial account
with an intermediary (such as a broker) is
considered to be the holder of a
“securities entitlement” in a “financial
asset” which is ultimately held by a
depository”*

—Marcel Kahan, The Georgetown Law
Journal

The Vote



38_00392





NEWS RELEASE
Contact: C. Michael Carter
Phone: (818) 879-6801

Dole Food Company, Inc. Stockholders Approve Merger

WESTLAKE VILLAGE, California – [October 31, 2013](#) – Dole Food Company, Inc. (NYSE: DOLE) today announced that its stockholders approved, at a special stockholder meeting held today, the previously announced merger agreement under which David H. Murdock, Dole's Chairman and Chief Executive Officer, will acquire the approximately 60.5% of [the Company's](#) outstanding common stock that he and his affiliates do not already own for [\\$13.50 per share in cash.](#)

Votes "FOR" the merger totaled approximately 63.8 million shares, or 70.6% of Dole's outstanding shares of common stock. [Approximately 27.5 million shares, or 50.9% of the shares held by stockholders other than Mr. Murdock and his affiliates and Dole's directors and executive officers voted "FOR" the merger.](#)

The merger is expected to close on or about [November 1, 2013](#). Letters of transmittal allowing Company stockholders of record to deliver their shares to the paying agent in exchange for payment of the merger consideration are expected to be distributed shortly after the closing.

0.09%; that's quite the margin of victory.

As the banks and their customers were reaping the majority of the profits from this massive fruit empire, they also took delivery of 24 million shares — 27% of the company — from that "Trust Offering" on November.1st, 2012, exactly 1 year before the vote.

Dole also wasn't required to register these shares, so they were issued without a "restrictive legend".

Mr. Murdock has re-confirmed with the Trustees of the Dole Food Automatic Common exchange Security Trust that the 20 Trading Day period for computing the Exchange Ratio related to the MACES will end [October 26, 2012](#). In connection with the Exchange of the Trust securities for shares of the Issuer's common stock, Mr. Murdock understands that the Issuer is prepared to instruct its transfer agent to issue the common shares without a Securities Act of 1933 restrictive legend because the Issuer will receive a legal opinion to the effect that the holding period under Rule 144 has been satisfied.

CUSIP No. [256603 101](#)

Page 6 of 6 Pages

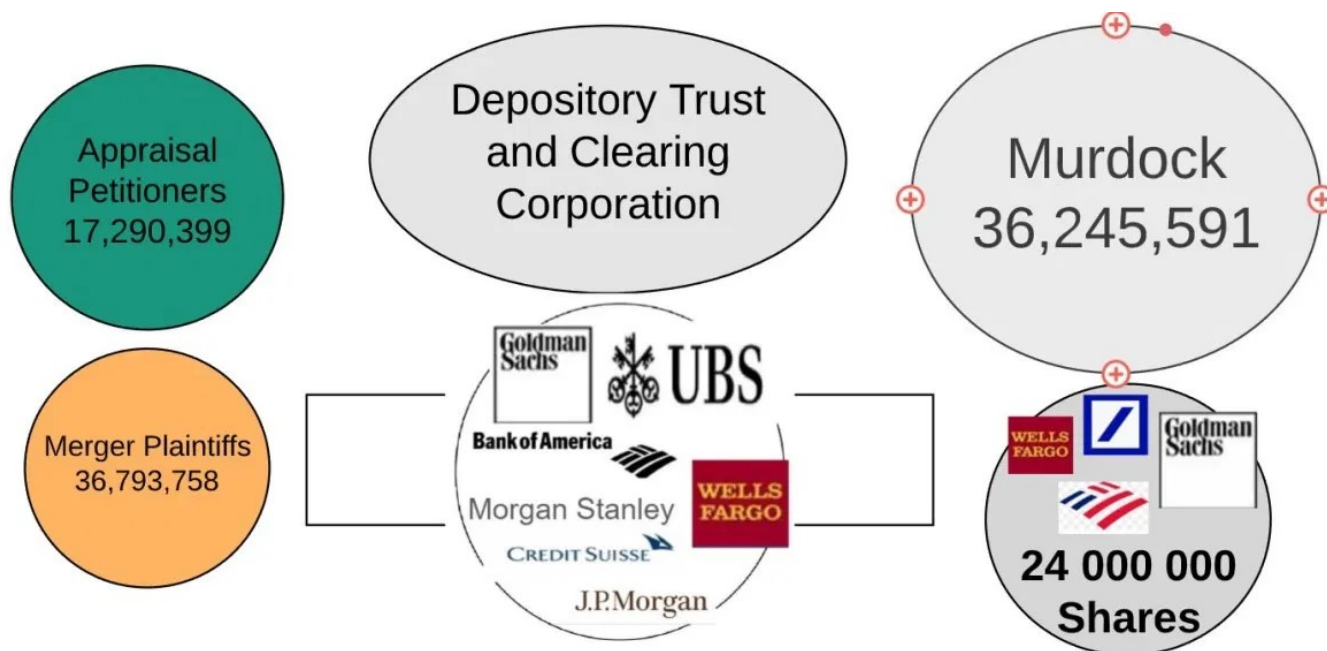
SIGNATURE

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: [October 2, 2012](#)

Usually you have to file a prospectus and have it approved by the SEC in order to get that restrictive legend removed, but exceptions are sometimes made for institutional investors if enough time has passed since the date they were purchased.

But back to the vote.



Let's just look at the facts:

- the banks and their customers made \$1.6 billion from 1998-2009, while Murdock — the supposed owner of the company — technically only made \$640 million under generally accepted accounting principles.

- the margin of victory was only 0.9%

- Shareholders filed a lawsuit, and won, but when it came time for the claimants to be paid, it was discovered that there was 12.3 million unauthorized

shares in circulation ("*entitlements*"), and nobody could explain how.

-Experts have stated explicitly that it is impossible to determine the victor in a tightly contested corporate election.

-The banks were shown to have colluded with Murdock to manipulate the price of Dole; the same banks that control the DTCC, list themselves as the true record holders of the majority of the equities in America, and have been shown on numerous occasions that they will rig practically every major market in existence. This is a [known fact](#), and not a [conspiracy](#).

The DTCC says they stopped tracking who owned the shares three days before the vote, and that all 12.3 million extra shares somehow just appeared in peoples accounts during this short period of time, but technically we have no way of knowing that. For all we know, those shares could have been circulating the whole time, because again, they own the clearinghouse, they own the regulators, and they

own the banks and brokers that also legally own all the stocks.

There is even a chance that the “*institutional investors*” who purchased those “*MACES*” decided to hedge their bet by borrowing shares from one of those [various pension funds](#) so they could take a short position, then when it came time to return the shares, the brokers just credited their accounts. We have no idea, all we know is that there was \$167 million worth of extra stock, and for some strange reason their only excuse was that they didn’t have the technology or the infrastructure in place to identify who the real owners actually were.

Guess what their explanation was.

That it would be ***too hard***.

Seriously, that's actually what they said. Check this out.

But obtaining the records would be only the first hurdle. If cleared, determining the actual ownership of the shares comprising the class still would require a forensic audit of herculean proportions. The audit likely also would uncover additional disputes about who held the property right to claim the settlement consideration, particularly in situations involving borrowed shares. A.B. Data initially and the court subsequently would need to make determinations about who should receive the settlement consideration under the contractual agreements governing the relationships among beneficial owners. The journey down the rabbit hole would require mapping the entire warren.

It is therefore functionally impossible to resolve the share discrepancy in a practical or cost-effective manner. The resulting process would be lengthy, arduous, cumbersome, expensive, and fundamentally uncertain.¹

Without obtaining detailed records about the millions of trades that took place during the three days leading up to the closing, it is impossible to determine who owned the shares as of closing. And obtaining those records is not realistically achievable. The data in DTC's centralized ledger does not reflect all of the trades executed during the three days before closing, and it only would show changes in the total number of shares held by its participants. To get at the underlying trades, A.B. Data would need records from over 800 DTC participant brokers and custodial banks. A.B. Data also potentially would need records from the individual clients of those brokers and custodial banks. A.B. Data already has asked the participants and e-filers to provide additional records. Many failed to respond, and the court has no readily available means to compel cooperation.

They even refused to cooperate with the court, and they also weren't prepared to work with each other to figure it out, if you can believe that. As some of us might be unfortunate enough to know very, very well, courts will force people to retrieve all kinds of outrageous and redundant (and expensive) pieces of evidence, but when it came to figuring out who owned the largest fresh produce company in the world, according to [*The Court of Delaware*](#) (click that link), apparently it just wasn't humanly possible.

Because of short selling and the high volume of trading during the three days before the closing of the merger, the pattern in this case departed from the norm. Rather than receiving claims for fewer than the total number of shares in the class, A.B. Data received claims for many more. To reiterate, claims were made for 49,164,415 shares when the class only comprised 36,793,758 shares. By definition, claims for 12,370,657 shares are invalid, but it is impossible to determine which ones without a lengthy, arduous, cumbersome, and expensive process. Plus, it would require a degree of cooperation from DTC participants and e-filers far beyond what they have provided to date.

Just to refresh your memories: 70% of the prime brokerage industry is controlled by 6 massive corporations.

Prime Broker Ranking

Most Recent

Historic

Top Prime Brokers of Hedge Funds

05/08/2019

Based on SEC filings by hedge fund managers.

		Number of Fund Clients			Clients
					As % of
		1Q-19	1Q-18	Change	All funds
1	Goldman Sachs	1,910	1,957	-47	18.1
2	Morgan Stanley	1,761	1,750	11	16.7
3	J.P. Morgan	1,478	1,463	15	14.0
4	Credit Suisse	806	841	-35	7.6
5	Bank of America	726	714	12	6.9
6	UBS	650	666	-16	6.2
7	Deutsche Bank	592	682	-90	5.6
8	Citigroup	583	559	24	5.5
9	Barclays	426	422	4	4.0
10	Wells Fargo	351	333	18	3.3
11	Jefferies	293	286	7	2.8

<https://www.hfalert.com/rankings/rankings.pl?Q=149>

Just an FYI, these mega-banks don't only rely on the DTCC for processing trades; they have their own clearing departments, and some of them are

massive. For example, in the year 2000, Goldman Sachs paid **US\$6.5 billion** for Spear, Leeds & Kellogg, L.P. — a securities clearing, execution, and market making firm with origins that go back as far as 1932.

([Wall Street Journal](#)) “*In addition, **Spear claims to run the country’s largest clearing business by number of stock and options trades cleared. Acquiring Spear vaults Goldman into the leading ranks of clearing brokers alongside Bear Stearns Cos ., Merrill Lynch, and Donaldson Lufkin & Jenrette (now being acquired by Credit Suisse First Boston***“.

([Bloomberg](#)) “*Although trading firms are*

*often shunned by investors because of volatile earnings, Paulson called Spear Leeds a profit machine that would smooth out Goldman's results. He said the firm has earned money every month for the last nine years, and that **clearing–settling trades for other firms for a fee—is its biggest profit center**".*

From Morgan Stanley's Annual Report, 12/31/18

Equities—Execution services. A significant portion of the results for this business is generated by commissions and fees from executing and **clearing** client transactions on major stock and derivative exchanges, as well as from OTC transactions. We make markets for our clients in equity-related securities and derivative products, including providing liquidity and hedging products. Market making also generates gains and losses on inventory positions, which are reflected in Trading revenues.

They spent billions on these services..

Non-interest Expenses

Non-interest expenses of \$2,130 million in 2017 increased 17% compared with 2016.

- Compensation and benefits expenses increased in 2017 due to higher incentive compensation, increases in deferred compensation associated with carried interest, and increases in the fair value of investments to which certain deferred compensation plans are referenced.
 - Non-compensation expenses increased in 2017, primarily due to higher **brokerage, clearing and exchange fees**.
-

JPM's 2018 Annual Report

Clearing services

The Firm provides clearing services for clients entering into certain securities and derivative contracts. Through the provision of these services the Firm is exposed to the risk of non-performance by its clients and may be required to share in losses incurred by CCPs. Where possible, the Firm seeks to mitigate its credit risk to its clients through the collection of adequate margin at inception and throughout the life of the transactions and can also cease provision of clearing services if clients do not adhere to their obligations under the clearing agreement. For further discussion of clearing services, refer to Note 27.

These massive corporations all have their own clearing departments, obviously..Yet when it came to finding out who the actual owners were, they just said it wasn't worth their time, and specifically, that it would require a, quote:

"Herculean effort" for which "The journey down the rabbit hole would require mapping the entire warren"

Consequently, any effort to obtain the records necessary to conduct the analysis promises to be an expensive and time-consuming exercise in futility.

But obtaining the records would be only the first hurdle. If cleared, determining the actual ownership of the shares comprising the class still would require a forensic audit of herculean proportions. The audit likely also would uncover additional disputes about who held the property right to claim the settlement consideration, particularly in situations involving borrowed shares. A.B. Data initially and the court subsequently would need to make determinations about who should receive the settlement consideration under the contractual agreements governing the relationships among beneficial owners. The journey down the rabbit hole would require mapping the entire warren.

It is therefore functionally impossible to resolve the share discrepancy in a practical or cost-effective manner. The resulting process would be lengthy, arduous, cumbersome, expensive, and fundamentally uncertain.¹

Interesting choice of words..

Guess who the courts told Dole to pay first? The banks. Remember, they are the true record holders. They then distributed the merger consideration to their *entitlement* holders.

In my view, a superior solution is to grant the motion and permit class counsel to distribute the settlement consideration to record holders, including Cede. Through Cede, the consideration will flow to DTC and the custodial banks and brokers who are DTC participants. Through them, it will flow to the client institutions who held shares through the DTC participants.

This outcome is consistent with Delaware law. A series of Delaware Supreme Court decisions have made clear that a Delaware corporation only is required to recognize its record holders and need not attempt to determine its beneficial holders.² This principle extends to settlements. *See In re Activision Blizzard, Inc. S'holder Litig.*, 124 A.3d 1025, 1061 (Del. Ch. 2015) (holding that for a notice of settlement be legally sufficient, a corporation only need mail it to its record holders). The modified plan of allocation will result in the settlement consideration being distributed to Dole's record holders.

The reason why the courts chose the banks as the ones who would receive the merger consideration was because they had access to all the records, and specifically:

“the terms on which shares are borrowed”.

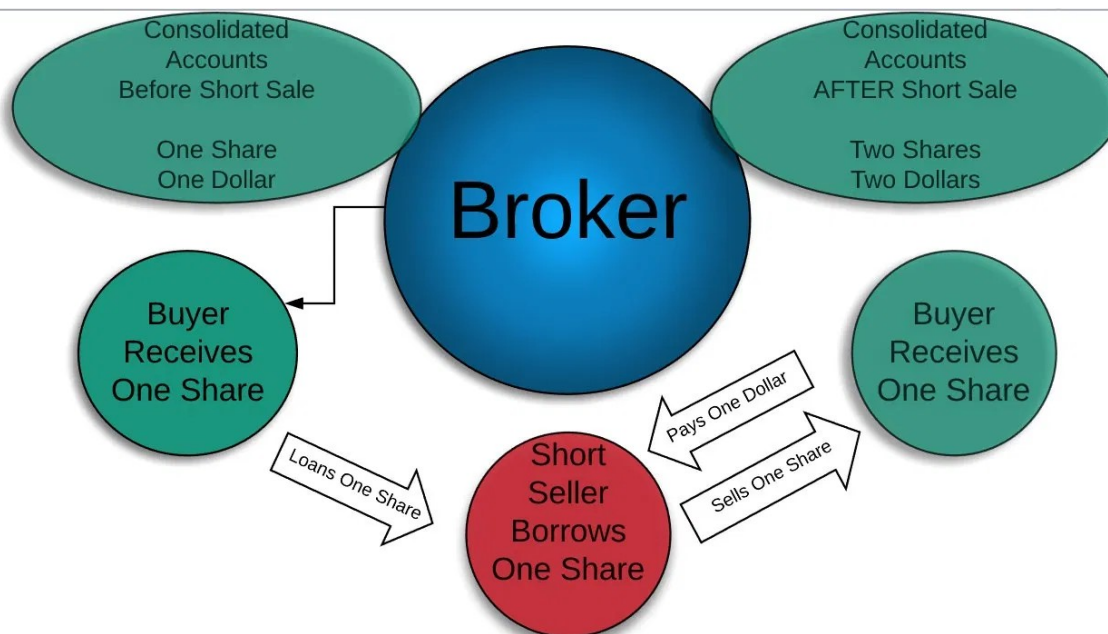
Under this method, it will be up to the DTC participants and their client institutions to resolve in the first instance any issues over who should receive the settlement consideration. Shifting the burden to them is efficient because they already had to address these issues for purposes of allocating the merger consideration. If new issues arise, the DTC participants and their client institutions have access to their own records, and they have visibility into the terms of their contractual relationships, such as the terms on which shares are borrowed. Any ensuing disputes are between the beneficial owners and their custodial banks and brokers. *See Digex*, 2002 WL 749184, at *3. Those disputes should be resolved pursuant to the contractual mechanisms in the governing agreements or, if

If that's the case then what was the problem? You really think these mega-banks can't keep track of who owns what for 3 days?

The shorting resulted in additional beneficial owners who received the merger consideration, who fell within the technical language of the class definition, and who could claim the settlement consideration. Meanwhile, the lenders of the shares, not knowing that the shares were lent, also could claim the settlement consideration. This is another means by which two different claimants could submit facially valid claims for the same underlying shares.

Without obtaining detailed records about the millions of trades that took place during the three days leading up to the closing, it is impossible to determine who owned the shares as of closing. And obtaining those records is not realistically achievable. The data in DTC's centralized ledger does not reflect all of the trades executed during the three days before closing, and it only would show changes in the total number of shares held by its participants. To get at the underlying trades, A.B. Data would need records from over 800 DTC participant brokers and custodial banks. A.B. Data also potentially would need records from the individual clients of those brokers and custodial banks. A.B. Data already has asked the participants and e-filers to provide additional records. Many failed to respond, and the court has no readily available means to compel cooperation.

Sometimes it helps if you simplify things, so let's do that.



How would reconcile this?

Let's say there was a merger and somebody bought that one share, but there was two shares in circulation at the time.

How would you reconcile that??

The broker would give the money back to the person who bought the shares from the short seller, then give the shares back to the original owner. That shouldn't be complicated for these massive corporations.

Why should we believe anything these people have to say at this point? The largest bank in America is a [two-time felon](#), meaning the corporation itself was indicted — not the people who run the corporation, but [the corporation](#).

It makes no sense, but that's what happened. The guy who headed this corporation through both of these indictments wasn't even fired; he still sits on the board, and he's still the CEO.

It gets worse. While his firm was being investigated

by the New York Fed, he was actually **sitting on their board** the entire time — the only institution in America that is legally sanctioned with the task of **manipulating the daily interest rate of a government treasury bond**.

You wouldn't want the wrong person in control of something like that, because technically all they would have to do is instruct the New York Fed to buy their treasuries at inflated prices during their intraday Open Market Operations, repeating the cycle over and over again for years on end.

They've already been caught rigging the **municipal government bond market**, so why should we be surprised if it were to come out one day that these mega-banks were also rigging the federal government bond market. Again, **they rig everything else**.

Think about it this way: from a legal perspective, J.P. Morgan is technically considered a recidivist **repeat offender** at this point, and what do repeat offenders usually continue doing? Committing more crimes — at least not unless they are *forced* to stop.

Unfortunately, that's not what appears to be happening, and they seem to be almost completely exempt from the law. This is clearly evidenced in the fact that not one [high level corporate executive](#) was sent to jail during the Great Recession.

They don't even investigate these massive corporations, let alone get them in trouble when they break the law; a terrifying example of selective enforcement that was exposed by Frontline in 2013.

At the end of the day, the New York Fed is technically just another government contractor, and what are government contractors famous for?

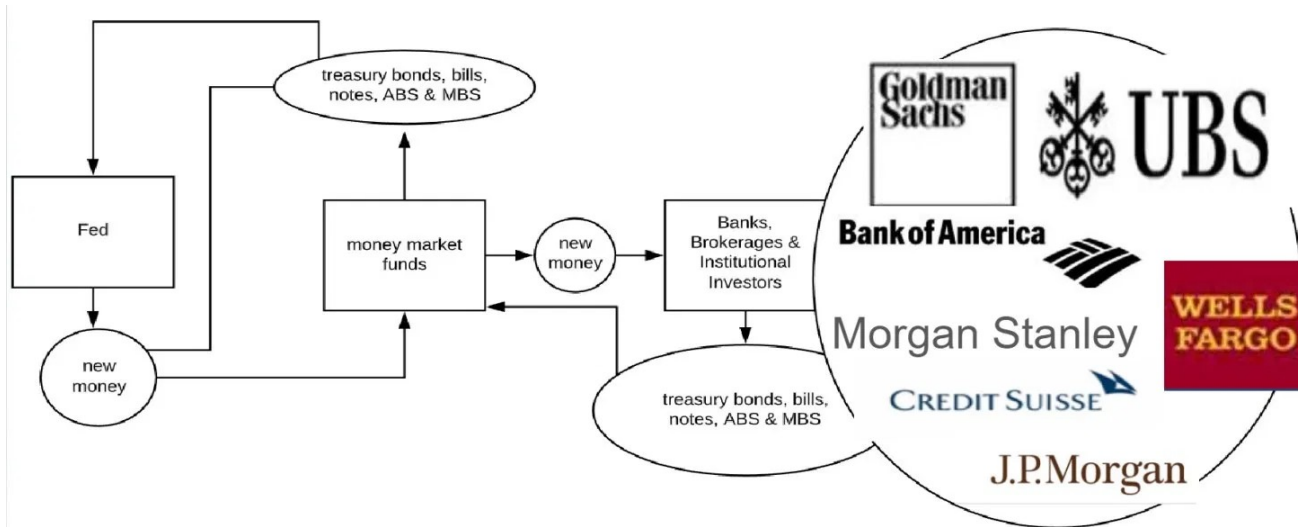
Ripping off government.

Why?

Because politicians tend to lack basic knowledge about the industry, or worse, they can be corrupt.

The CEO of a two time felon ("The Company") sat on the New York Feds board while the two time felon ("The Company") was being investigated.

Think about that for a second.



The image below lists all the biggest players in the "tri-party" repo market, a Wall Street catch phrase for a short-term collateralized loan. The "tri" is just

meant to signify that there is a clearinghouse involved.

As you can see, they **loan money to themselves**.



<https://archive.is/BTeN8>

As of today, primary dealers are able to borrow from the fed at 1.5%. Just to put that into perspective, if they loan this money out to the public at 6%, their margins will increase by a factor 300%.

If Dole's margins had went up that much while they were a publicly traded company, the share price probably would've went parabolic..

Does the New York Fed assist these banks with their fraudulent activity? Who knows. What we do know is that the CEO of a twice convicted felon (" *The Company* ") sat on the board of the New York Fed while they were being investigated; an organization that *fired one of their key banking supervisors for daring to suggest* that one of their member banks didn't have a clear conflict of interest policy, and this was not long after its member banks had essentially pumped and dumped the entire country of America — the largest economy in world history — into, as Ben Bernanke put it, *the worst financial crisis in America history*.

The member bank's argument was that they were

not a “depository institution”, and thus did not fall under the scope her investigation — even though they were being regulated by the New York Fed (which regulates depository institutions) and had recently gained access to the Federal Reserve’s discount window; something that was unprecedented for an investment bank at that time.

253. The Prime Broker Defendants also pressured clearinghouses to refuse to provide clearing services to SL-x. In 2015, OCC's Chief Operating Officer disclosed to SL-x that he had been in constant contact with Goldman Sachs' Conley during the period of the boycott and that "nothing was going to happen" between SL-x and OCC without the Prime Broker Defendants' blessing—and particularly the blessing of Goldman Sachs. The partnership between SL-x and OCC that appeared to be imminent in 2013 subsequently, and without explanation, never materialized. Similarly, Murray Pozmanter—the DTCC Managing Director who served as the

gatekeeper for DTCC's clearing business—admitted to SL-x that the DTCC could not offer SL-x central stock loan clearing without the approval of Goldman Sachs and other Prime Broker Defendants.

And like most crooks, apparently they even threaten people with violence.

171. Once the Prime Broker Defendants "circled the wagons," as further discussed below, AQS began to receive veiled and not-so-veiled threats. AQS executives canvassing the market to gain support for the AQS platform were repeatedly told in no uncertain terms that there would be severe repercussions for crossing the Prime Broker Defendants in the stock loan space. During a meeting with the DTCC on April 8, 2008, for example, AQS executives were originally told by DTCC's Managing Director and General Manager Fixed Income Clearance and Settlement Group, Thomas Costa, that "this sounds great, but who's going to start your car in the morning?"

2. *SL-x enters the market*

*These are your owners of
the Depository Trust and
Clearing Corporation..*

But if you try reading about all this unusual activity on financial media outlets like [Bloomberg News](#), apparently it's all just so terribly ...*"complicated"*. Like when T. Rowe Price, a firm that manages \$1.3 trillion in assets, voted "No" to the Dell Computers take private merger in 2013 — but found out later that its proxy (voter) adviser "ISS" ([Institutional Shareholder Services](#) — the [sock puppet](#) these crooks sometimes like to use to facilitate these elaborate wealth transfer schemes), *"accidentally"* voted "Yes" — the whole situation was just.....well....

"complicated"...

In fact, it was so complicated that when Matt Levine — a well known financial news writer and recent Goldman Sachs alumni — wrote about this spontaneous *vote switching* phenomena, he mentions the word “*complicated*” 14 times.

It’s not complicated by the way, and you can see him subtly alluding to this in the article, almost as if to mock his readers..



It isn't as simple as just showing up to a shareholder meeting when you're invited! There are wheels within wheels within powers of attorney.

One reason that I have told you this boring complicated story is to persuade you that it is boring and complicated. In human life, things that are boring and complicated tend to get messed up, because honestly, who wants to pay attention to all this stuff?

As it happens, T. Rowe Price's votes on the Dell buyout got messed up in two completely separate ways, requiring two separate Delaware court opinions. T. Rowe Price opposed the buyout, which was led by Michael Dell, the company's founder and chief executive officer. Several T. Rowe Price funds not only vocally opposed the deal, they also demanded appraisal of their shares, which is the process by

This is how little respect these people have for your

intelligence.

He's one of "*them*" by the way, if you haven't figured that out yet..You can't prove it, but, you'll understand if you follow him for awhile.

Nevertheless, he still does some excellent reporting; you just better know how to read between the lines sometimes –that's all..

"*Complicated*"... yeah right..



The screenshot shows a Bloomberg news article. The headline is "T. Rowe Price Voted for the Dell Buyout by Accident". Below the headline is a sub-headline: "The system for tracking share ownership and control is so tangled it's easy to overlook a mistake." The byline reads "By Matt Levine" and the date is "May 13, 2016, 4:14 PM UTC". A photo of Michael Burson, CEO of T. Rowe Price, is shown speaking at a Dell event. A red box highlights the word "complicated" in the top right corner of the article. A small window in the top right corner shows "1/14" and navigation icons. A black box in the bottom right corner contains the text "LIVE ON BLOOMBERG", "Watch Live TV >", and "Listen to Live Radio >".

T. Rowe Price Voted for the Dell Buyout by Accident


The system for tracking share ownership and control is so tangled it's easy to overlook a mistake.

By [Matt Levine](#)
May 13, 2016, 4:14 PM UTC

complicated

1/14

LIVE ON BLOOMBERG
Watch Live TV >
Listen to Live Radio >



Although T. Rowe opposed the Merger, its voting system generated instructions to vote the T. Rowe Petitioners' shares in favor of it. ISS received those instructions and transmitted them to Broadridge. Broadridge received those instructions and included them when voting the shares that Cede owned. When Broadridge submitted its client proxies, the proxies voted the T. Rowe Petitioners' shares "FOR" the Merger. Through Broadridge, Cede voted the T. Rowe Petitioners' shares in favor of the Merger.

Because the holder of record did not dissent as to the shares for which the T. Rowe Petitioners now seek appraisal, the Dissenter Requirement is not met. The T. Rowe Petitioners' shares do not qualify for appraisal. Judgment is entered against them. The T. Rowe Petitioners remain entitled to the merger consideration without any award of interest.

You see, this whole issue of double-triple-quadruple voting, fake shares, and votes mysteriously changing from "No", to "Yes"....

You must understand?..

..it's....."complicated"...

Opposition to the Management Buyout Offer

Other significant investors have publicly stated their unhappiness with the proposed management buyout and are very capable of evaluating any potential long-term risks of the business.

Stated Opposition

	% of Public Float ⁽¹⁾⁽²⁾	% of Shares Outstanding ⁽²⁾	Shares in Millions ⁽²⁾
Icahn Enterprises	10.28%	8.68%	152.5
T. Rowe Price	4.85%	4.09%	71.9
Southeastern Asset Management	4.83%	4.08%	71.7
Yacktman Asset Management	1.00%	0.85%	14.9
Pzena Investment Management	0.87%	0.73%	12.9
Total	21.83%	18.43%	323.9

Source: Bloomberg.

Proposal One:

To adopt the Amended Merger Agreement:

The total number of shares of [the Company](#)'s common stock entitled to vote on Proposal One were voted as follows:

<u>For</u>	<u>Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
1,013,326,409	399,608,525	39,610,350	0

The total number of shares of [the Company](#)'s common stock held by stockholders voting for or against Proposal One, excluding shares held by the Parent Parties, Michael S. Dell and certain of Mr. Dell's related family trusts, any other officers and directors of [the Company](#), or any other person having any equity interest in, or any right to acquire any equity interest in, Merger Sub or any person of which Merger Sub is a direct or indirect subsidiary, were voted as follows:

<u>For</u>	<u>Against</u>
733,998,074	399,608,525

Unfortunately, we will never truly know what happened because they own all the infrastructure that facilitates these transactions. They also claim that it's not humanly possible to know who the

original *entitlement* holder truly is, even when it's the largest producer of fresh produce in the entire world, a company that at one point represented *literally* a full quarter of banana sales worldwide, because figuring this out would require a, quote:

"Herculean effort" ..for which.. "The journey down the rabbit hole would require mapping the entire warren".

Since nobody can truly know, and all of this is simply *too hard* to figure out, all we can really do at this point is speculate, so do you wanna know what *probably* happened?

Mr. Murdock and his lenders set up the trust so they could maintain a controlling interest in the company long enough for them to sell Asia, then when it came time to take back control from all those [pension funds](#), they just rigged the vote. It's not a coincidence that the ITOCHU acquisition occurred

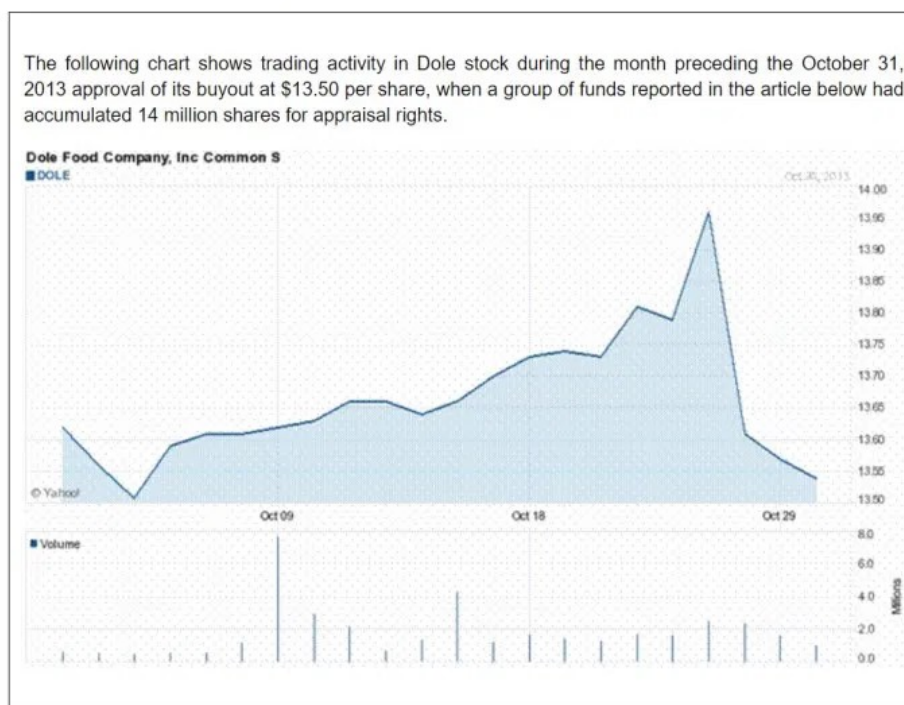
right around the time that Murdock transferred the shares from that “*Trust Offering*” to those “institutional investors”(whoever they are).

If they cared that much about maintaining control over this massive fruit empire (why wouldn't they), and with 12.3 million extra share *entitlements* spontaneously appearing in peoples accounts, and when you consider the fact that him and his lenders were shown to have — by all intensive purposes — defrauded their investors, is it really a stretch of the imagination to think that they would also manipulate the shareholder voting process so they could buyback the company from all those pension funds for pennies on the dollar? Remember, the margin was only 0.9%, and many people were already against this merger before it closed. Three hedge funds even bought shares before the vote for the sole purpose of suing the company for an [appraisal](#).

Another possibility is that somebody shorted fictitious shares during the days leading up to shareholder meeting. As you can see in the chart pictured below, the price temporarily spiked above \$13.50, (the price

Murdock paid to buyback the company). Considering how tight that margin of victory was, this could indicate that somebody knew Murdock was going to win before everybody else — but that's just speculation of course.

Forum distribution:
Funds engaging in "appraisal arbitrage" identified in recent filings



You can also see the trading volume spike significantly in the two days leading up to the vote.

During the three-day period leading up to the closing of the Dole merger, more than 32 million shares of Dole common stock changed hands. The following table reflects the daily volume:

DATE	VOLUME
October 30, 2013	1,065,386 shares
October 31, 2013	13,102,481 shares
November 1, 2013	18,228,405 shares

There is also a chance that all these extra entitlements were the product short sales by the "institutional investors" who held those "*MACES*", a [trading strategy commonly utilized](#) by convertible note holders as a way to hedge their bet. But again, we can only speculate at this point because the DTCC and the [Court of Delaware](#) (click that link) say it's impossible to truly know who the original *entitlement* holders are, which thus makes it impossible to know why there was 12.3 million extra "*facially eligible*" shares in circulation before the

merger, even when it's the largest producer of fresh produce in the world, founded June 2, 1851, 168 years ago, representing 1/4th of all banana sales worldwide; just like it's impossible to truly know who made the \$305 million in interest during the first two years of Doles existence as a public company.

It's all just so terribly.....complicated...

When they steal money from our grandparents, print fake shares, issue phony voting cards, and manipulate the price of massive multi-national corporations so they can buy them back from pension funds ("*the elderly*") for pennies on the dollar...

It's just

....."complicated".....

Entitlements





Are you starting to see how easily this system can be manipulated?

It's important to understand that stock trades are just broker to broker transactions, and all these IOU's are simply credits from one broker to another, with the DTCC acting as their ledger. Just those six corporations pictured above account for 70% of the prime brokerage industry, and as we noted before, they are the true record holders listed on the

company's books.

Prime Broker Ranking

Most Recent

Historic

Top Prime Brokers of Hedge Funds

05/08/2019

Based on SEC filings by hedge fund managers.

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<https://www.hfalert.com/rankings/rankings.pl?Q=149>

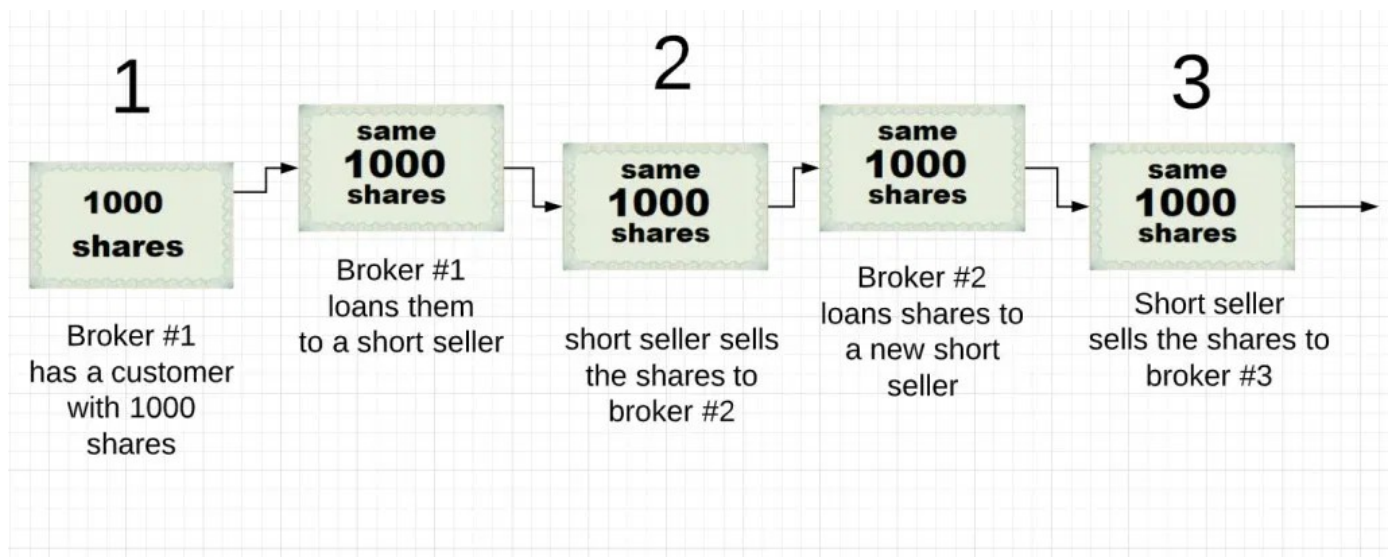
The origins of ledger accounting stem from the middle-ages when merchants were forced to travel long distances with their gold in hand before a transaction could clear. This was not only very risky, but it also slowed down commerce.

Ledger accounting eliminated this problem, allowing for contracts to be quickly enforced with the stroke of a pen. Grain could be purchased in Rome in March, baked into bread in Venice, in July, and then the bread could be sold in Constantinople in October—all recorded on the same day in the books at a home office, without anybody leaving their place of origin.

But the ledger system is based upon trust, and the ability to simply issue credits without actually requiring delivery to facilitate large commercial transactions gives the owner of the ledger a tremendous amount of power, and you certainly wouldn't want **the wrong people** in control of something like that.

The **Venetian Banking** Crisis of 1584 is a good example of how this system of trust can be abused,

where ledger based accounting was stretched so far beyond its carrying capacity that it caused the entire system to collapse, leading to *mass chaos*.



In the image above, not only is this fraud, but there's also a risk that over time, too many share entitlements could potentially escalate to a point where it would be impossible to reconcile. If this were to happen, do you think they'd tell us?

Some might argue that new regulations which forced clearing firms to close out failure to deliver after 13 days solved this problem, but as most of us know, there is no industry that is better at finding legal loopholes than Wall Street, and it has already been shown that there exist ways around this forced close

out rule.

“In order to avoid being bought-in Respondents entered into a series of transactions that circumvented Respondents’ obligation to actually deliver securities to close out their short position pursuant to Reg SHO. Specifically, Respondents, utilizing the services of a floor broker, executed a series of complex transactions that appeared to close out their fail to deliver position by purchasing securities of like kind and quantity... In an example of one type of such a transaction, Respondents executed a buy-write using a one-day FLEX option that had the effect of temporarily resetting the buy-in date... Respondents repeatedly engaged in these or other types of transactions after receiving a Reg SHO Buy-In Notification from their clearing firm and these transactions caused the buy-in date to be reset. These transactions were executed approximately every 13 settlement days until the options positions either expired or were closed out. This course of conduct enabled Respondents to maintain impermissible short positions in a number of Reg SHO threshold securities for extended periods of time.”³⁷

archive.org/web

To put that into laymen’s terms, the seller of the fake shares just gets somebody else to temporarily loan them new shares, thus resetting the **13 day forced buy-in** period back to day #1. In theory, this can enable a person to maintain a short position using fictitious shares for as long as they want.

As you can see in the image below, the traders were

issued buy-in notifications by their clearing firm *via email*, giving them time to find someone who is willing to loan them shares long enough so it resets the **13 day forced buy-in date** back to day #1.

10. The short sale portion of the reverse conversion transaction resulted in a "fail to deliver position"¹⁰ in the security on the books and records of Respondents' clearing firm.
11. Pursuant to SEC Rule 203(b)(3) Respondents' clearing firm was obligated to immediately close out¹¹ any fail to deliver positions in a threshold security that lasted for 13 consecutive settlement days by purchasing securities of like kind and quantity ("Reg SHO buy-in"). However, pursuant to SEC Rule 203(b)(3)(iv), a clearing firm is permitted to allocate a portion of the fail to deliver position in the subject threshold security to a broker or dealer based on such broker or dealer's short position and thereby shift the obligation for complying with the mandatory close-out to such broker or dealer that was allocated the fail to deliver position.
12. Respondents' clearing firm routinely notified Respondents of a potential Reg SHO buy-in by sending Respondents a Reg SHO Buy-In Notification via email beginning on or about the 10th day of a fail to deliver position.
13. Respondents did not want their fail to deliver position from the reverse conversion transaction to be bought-in since Respondents or their clearing firm would be forced to make large open market purchases of a Reg SHO threshold security with little or no control as to execution price. Additionally, a buy-in would result in an unhedged synthetic long stock position (long calls and short puts) from the original reversal transaction. This would expose Respondents to directional market risk, which could negatively impact the profit from the reverse conversion transaction.

For the sake of brevity, we are going to refrain from getting into reverse conversions, as it will most likely just leave you confused. But to put it into layman's terms, it's basically just an agreement to call the stock back from one another other at a specific time:

"I get to put it to you tomorrow, you get to call it from me tomorrow".

Again, it's just a day loan, and it's easy to understand once you get past all that complicated phraseology.

17. Respondents repeatedly engaged in these or other types of transactions after receiving a Reg SHO Buy-In Notification from their clearing firm and these transactions caused the buy-in date to be reset. These transactions were executed approximately every 13 settlement days until the options positions either expired or were closed out. This course of conduct enabled Respondents to maintain impermissible short positions in a number of Reg SHO threshold securities for extended periods of time.

" While Respondents appeared to have purchased stock on the books and records of Respondents' clearing firm, the counterparty to the buy-write did not deliver stock to Respondents.

5


3. The second type of transaction – referred to herein as a “reset” – is a transaction in which a market participant who has a “fail-to-deliver” position in a threshold security buys shares of that security while simultaneously selling short-term, deep in-the-money⁴ call options to – or buying short-term, deep in-the-money put options from – the counterparty to the share purchase. The purchase of shares creates the illusion that the market participant has satisfied the close out obligation of Reg SHO. However, the shares that are apparently purchased in the reset transactions are never actually delivered to the purchaser because on the day after executing the reset, the option is either exercised (if a call) or assigned (if a put), transferring the shares back to the party that apparently sold them the previous day. This paired transaction allows the market participant with the fail-to-deliver position to effectively borrow the stock for a day, in order to appear to have satisfied the close out requirement of Rule 203(b)(3).

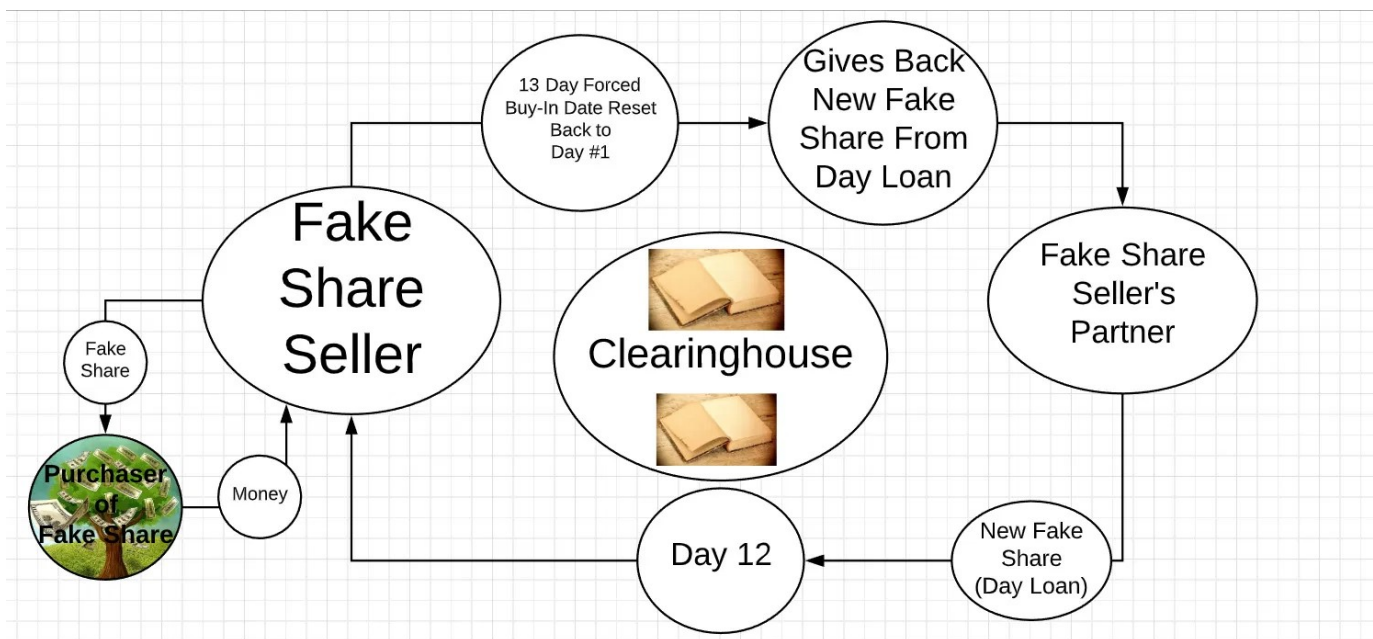
Sometimes they will even cycle the fake shares back and forth between each other. One person will loan the other person fake shares until the forced buy-in date is reset back to day #1, then the other person who received the day loan will simply repeat the favor down the road, like a hot potato.

20. Moreover, [REDACTED] never actually received the stock it “purchased” from the other market maker because that [REDACTED] market maker was selling short the stock without actually having any shares to sell.¹⁰ Accordingly, [REDACTED] never received any shares and so never in fact closed out the “fail-to-deliver” position – as required by Reg SHO – that was initially established during the reverse conversion transaction. [REDACTED] knew, or should have known, that the combination of the purchase of shares and the sale of the FLEX option would result in maintenance of the “fail-to-deliver” position.

21. [REDACTED] clearing firm, however, reset [REDACTED] Reg SHO close out obligation to day one – thus giving [REDACTED] another thirteen settlement days in which to close out the short position – based on [REDACTED] purported “purchase” of shares and exercise of the option.

22. After receiving subsequent close out notices from its clearing firm, [REDACTED] continued to engage in these and other types of transactions until the initial options positions (call options purchase/put options sale) expired or were assigned, thus closing out the short position and eliminating the synthetic long position that the short position had hedged. By engaging in this course of conduct, [REDACTED], on behalf of [REDACTED], impermissibly maintained fail-to-deliver positions in numerous Reg SHO threshold securities longer than thirteen settlement days. Indeed, on numerous occasions, [REDACTED] repeated use of reset transactions allowed it to maintain a large fail-to-deliver position in a threshold security for several months.





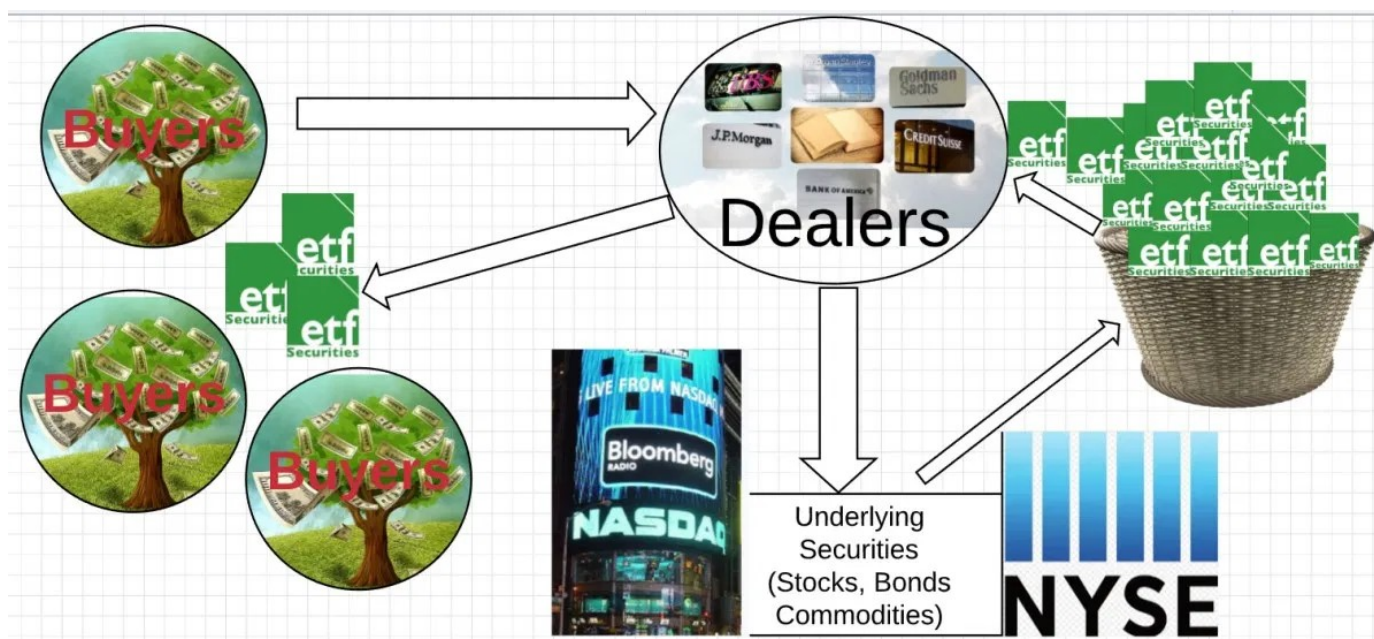


Technology has made **rapid advances** since those SEC complaints, so we can only assume that it is much easier for them to complete these transactions.

Back then, the problem was also more concentrated into individual stocks – usually mid/microcaps – but today these IOU's have started to gravitate towards ETF's, where dealers — known officially as “Authorized Participants” — will buy stocks in the open market, then exchange these stocks for ETF shares.

For example, let's say there is an ETF that is

supposed to represent the technology sector; the dealers will buy — for instance, Apple, Facebook, and Microsoft — then exchange these stocks for the ETF shares.



ETF's now represent 78% of all equity related [failure to delivers](#), and anybody who has followed the market long enough probably knows very well that many of histories worst financial scandals have involved structured financial products that represented a basket of goods; mortgage backed securities being the first that should come to mind.

Pictured below is one of the most glaring examples of this problem. This went on for **4 years** prior to the publication of this **report**. It's pretty safe to say that this table speaks for itself...

Table 4 – XRT Data March 31, 2014

	Shares
Shares Claimed to be Owned by Institutions (13F Filers)	42,808,001
Shares Outstanding	8,550,113
NSCC Fails	7,728
Shares Owned by Institutions Above Shares Outstanding	34,257,888
Reported Short Interest	24,461,700
Shares Outstanding	8,550,113
Shares Outstanding Plus Short Interest	33,011,813
Ownership Claims by 13F Filers Above Shares Outstanding Plus Short Interest	9,796,188

<https://www.sec.gov/comments/s7-11-15/s71115-19.pdf>

1Response to SEC Questions Regarding Exchange Traded ProductsFile Number S7-11-15

Understand that there is nothing normal about that picture you are seeing. A fictitious loan is probably one of the worst forms of fraud you can imagine. This would be like loaning someone fake gold 100 years ago, charging them interest, then threatening

to seize their assets if they didn't pay you back.

Remember, ETF shares are simply claims to ownership of an underlying asset, so just imagine what would happen if the market were to suddenly collapse while there is potentially as much as 400% more share entitlements circulating at any particular moment in time? A run on these ETF's could result in the ETF operator — in this case State Street — becoming liable for all these extra ETF shares, or worse, it could result in the institution going bankrupt.

Sounds kinda like a ponzi scheme, doesn't it?

You might also have noticed that the NSCC (a subsidiary of the Depository Trust and Clearing Corporation) reported fail to deliver tally doesn't seem to be accounting for all these fake shares for some very strange reason, which suggests that all these extra shares are being laundered through the "ex-clearing" system (industry lingo for trades cleared by the brokers outside of the DTCC).

Table 17 – XRT Data March 31, 2014

	Shares
Shares Owned by Institutions (13F Filers)	42,808,001
Shares Outstanding	8,550,113
NSCC Fails	7,728
Shares Owned by Institutions Above Shares Outstanding	34,257,888
Reported Short Interest	24,461,700
Issued Shares Available to Borrow	8,550,113
Maximum Number of Shares Available to Own and Borrow without Creating New Fails to Receive (Shares Outstanding 8.5 Million Plus Shares Available to Borrow 8.5 Million)	17,100,226
Synthetic Positions Exceeding Shares Outstanding and Shares Physically Available to Borrow (Shares Owned by Institutions 42.8 Million Minus Shares Available to Own and Borrow without Creating New Fails to Receive 17.1 Million)	25,707,775

???

???

The XRT data raises significant questions and red flags regarding what is being sold in the marketplace as XRT shares.

Now take a look at the largest institutional holders.

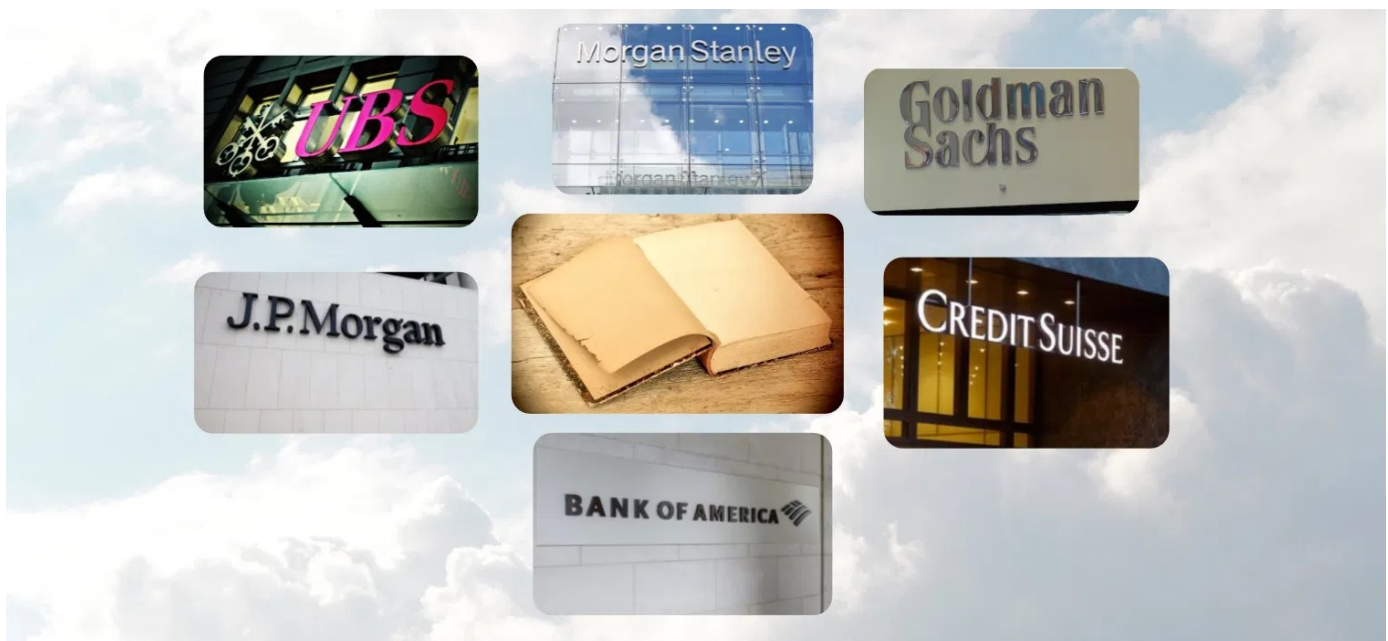
Table 18 shows firms that are deemed ‘too-big-to-fail’ have consistently been the largest representative institutional holders of the XRT in 13F filings with the SEC.

Table 18 – XRT Institutional Holders Deemed Too-Big-to-Fail

Owner Name	March 31, 2012 % of Shares Outstanding	June 30, 2012 % of Shares Outstanding	March 31, 2013 % of Shares Outstanding	June 30, 2013 % of Shares Outstanding	September 30, 2013 % of Shares Outstanding
Goldman Sachs Group Inc	119.4%	184.9%	118.7%	135.4%	151.3%
Morgan Stanley	111.7%	99.8%	55.7%	29.6%	42.2%
Citigroup Inc	93.1%	63.5%	53.3%	43.7%	31.8%
J.P. Morgan Chase & Co	67.1%	91.8%	65.2%	56.3%	60.8%
Bank of America Corp	48.3%	52.3%	18.1%	17.5%	20.5%

????

Oh look! It's them: the owners of the Depository Trust and Clearing Corporation..



Another example of this strange dichotomy can be seen in the price of \$GLD between March and December of 2013. During this time period, the value of its assets decreased by 52%, while the price of the ETF (Ticker \$GLD) only fell by 24%; meaning if you were an investor in the \$GLD and you tried redeeming your shares, you technically could've lost an extra 27%.

51% of the shares outstanding were short during this period of time.

Table 25 – GLD NAV, Shares Outstanding and Assets Under Management March 31 through December 31, 2013 (212 Trading Days)

Date	Per Share NAV	Shares Outstanding	Total Assets Under Management
3/1/2013	\$153.12	416,400,000	\$63,758,194,679
12/31/2013	\$115.87	266,000,000	\$30,822,044,650
Change	(\$37.25)	(150,400,000)	(\$32,936,150,030) ???
Percent Change	-24%	-36%	???
			-52% → ???

Just for anybody who doesn't know, the GLD's only asset is gold.

GLD Assets vs. Gold in 2015

When gold was at its high of approximately \$1,895 per ounce in September 2011, the GLD was priced at \$185. At the end of July 2015, the price of the GLD was fluctuating between \$103 and \$105. In both cases, whether it is the purchase of physical gold or the GLD, the price has declined since September 2011 by approximately the same percentage; 42%.

However, the investor in the GLD also suffered losses from the decline in physical gold assets held by the GLD. In September 2011, at gold's high price, the GLD held approximately 39.6 million troy ounces of gold. By the end of July 2015, the GLD held approximately 21.8 million troy ounces. Not only did the GLD investor lose at the price level from gold's decline, but the physical assets held by the GLD were almost cut in half.

This has occurred because the process of creation has not been happening on a regular basis, but redemptions are being executed and the physical gold held by the GLD is being liquidated.

You can see that the price of \$GLD falls almost at the exact same rate as the price of Gold, yet oddly, the amount of gold held in the fund decreases by 40%, from 39.6 million troy ounces, to 21.8 million troy ounces.



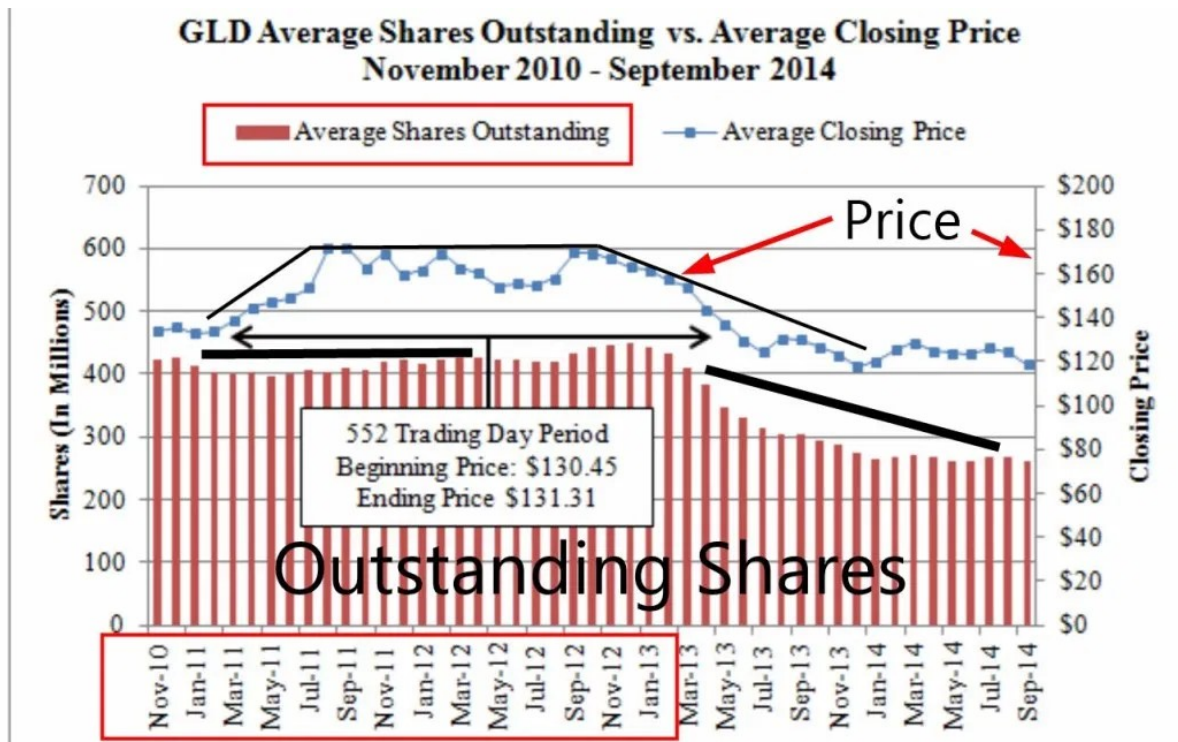
Yet as the price goes up, you barely see any new shares being created..

Table 24 – GLD Data February 1, 2011 through September 6, 2011 (151 Trading Days)

	2/1/2011	9/6/2011
Per Share NAV	\$129.92	\$184.49
Shares Outstanding	404,200,000	406,800,000
Total Assets Under Management	\$52,513,965,320	\$75,048,750,790

February 1 - September 6, 2011	<u>Volume</u> Between Dates	<u>Value</u> Traded Between Dates
Shares Executed (Consolidated Tape)	2,683,600,600	\$412,372,915,050
Short Sales (Based on U.S. Reporting Exchanges Percent)	1,399,586,669	\$214,968,361,274

So they'll redeem the ETF certificates when the price is dropping, but they won't create them on the way up?



If there was ever a more blatant example of counterfeiting in our capital markets, it would be this. Even the author of this report acknowledges that it's probably due to all the fake shares in circulation.

The ETF market has a combined market cap of [\\$6.18 trillion](#), so you can only imagine the chaos that would erupt in the event of a financial crisis when everybody tries redeeming their shares all at once..

Remember, an ETF is essentially just a mutual fund.

“ETFs offer investors an **undivided interest in a pool of securities and other assets.**”“Apart from the fact

that ETFs trade intraday,
most ETFs are **similar to**
mutual funds in that they
both translate investor
purchases and sales in the
fund into **purchases and**
sales of underlying
holdings.”

—Eileen Rominger, director
of the SEC’s Division of
Investment Management

liquidated.

Since the 2008/2009 financial crisis, the GLD and other ETFs have diverged from their expected relationship with their underlying assets. In this case, it has created a lose-lose for GLD investors, along with a potential collapse of GLD held assets. Moreover, the excessive short selling indicates that there is massive over-leveraging of GLD shares sold that do not actually exist (there are multiple owners for each issued share of the GLD)

?????????

When these factors are taken into consideration, it appears that the value of the assets held by the GLD are seriously diluted and over-leveraged, which has created a potentially toxic ETF. Again, these facts are not being disclosed by the ETF operators. The various metrics suggest that another \$200 drop in the price of gold could cause another run in the GLD, which could leave the GLD with little assets.

State Street has not addressed these changes in the makeup of the GLD. Who would invest in the GLD if the above information was clearly disclosed?

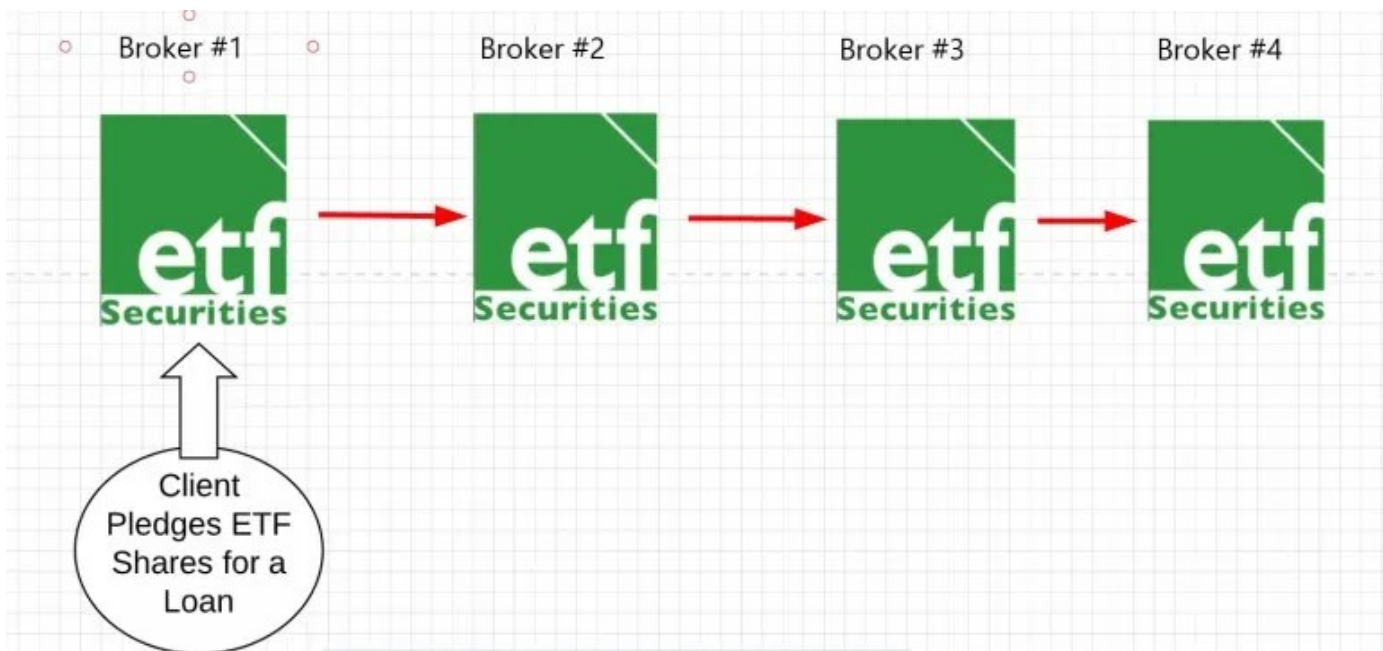
And if you didn't think it could get any worse, they can actually use these ETF shares as collateral for loans; collateral that can be rehypothecated to multiple lenders.

Think MF Global

Table 1 shows how that figure breaks down between different collateral providers:

Year	Sources of collateral			Volume of Pledged Collateral	Reuse Rate (or Velocity)
	Hedge Funds	Securities Lending	Total		
2007	1.7	1.7	3.4	10.0	3.0
2010	1.3	1.1	2.4	6.0	2.5
2011	1.4	1.05	2.5	6.3	2.5
2012	1.8	1.0	2.8	6.1	2.2
2013	1.85	1.0	2.85	6.0	2.1
2014	1.9	1.1	3.0	6.1	2.0
2015	2.0	1.1	3.1	5.8	1.9
2016	2.1	1.2	3.3	6.1	1.8
2017	2.2	1.5	3.7	7.5	2.0
2018	2.1	1.6	3.7	8.1	2.2

Sources for Table 1: Risk Management Association; IMF Working Paper 11/256,; updated to include Canadian banks



(Financial Times)

“However, in the past two years (at the end of 2017 and 2018), *the amount* of pledged collateral received by the major banks *that could be repledged* *onwards was \$8.1tn*, up 33 per cent from 2016’s end.... there has been an increase in pledged collateral to almost all global banks (adjusting for conversion to

US \$). The *source of*
primary collateral was
\$3.7tn of underlying
securities, implying a
velocity of about 2.2*”.

—Manmohan Singh, Senior
Economist with the
International Monetary
Fund

5 banks....2 owners...

Federal Reserve Statistical Release



Large Commercial Banks

[Release dates](#)

Current release Other formats: [ASCII](#) | [PDF \(133 KB\)](#)

INSURED U.S.-CHARTERED COMMERCIAL BANKS THAT HAVE CONSOLIDATED ASSETS
of \$300 MILLION or MORE, RANKED by CONSOLIDATED ASSETS
As of December 31, 2019

Bank Name / Holding Co Name	Nat'l Rank	Bank ID	Bank Location	Charter	Consol Assets (Mil \$)	Domestic Assets (Mil \$)	Pct Domestic Assets	Pct Cumulative Assets	Domestic Branches	Foreign Branches	IBF	Pct Foreign Owned
JPMORGAN CHASE BK NA/JPMORGAN CHASE & CO	1	852218	COLUMBUS, OH	NAT	2,337,646	1,807,763	77	14	4,982	33	Y	0.00
BANK OF AMER NA/BANK OF AMER CORP	2	480228	CHARLOTTE, NC	NAT	1,852,983	1,746,717	94	25	4,242	27	Y	0.00
WELLS FARGO BK NA/WELLS FARGO & CO	3	451965	SIOUX FALLS, SD	NAT	1,712,919	1,653,427	97	35	5,441	11	Y	0.00
CITIBANK NA/CITIGROUP	4	476810	SIOUX FALLS, SD	NAT	1,453,998	854,608	59	44	700	170	Y	0.00
U S BK NA/U S BC	5	504713	CINCINNATI, OH	NAT	486,004	475,026	98	46	2,842	1	N	0.00
TRUIST BK/TRUIST FC	6	852320	CHARLOTTE, NC	SNM	461,256	461,001	100	49	2,956	1	N	0.00
PNC BK NA/PNC FNCL SVC GROUP	7	817824	WILMINGTON, DE	NAT	397,703	393,014	99	51	2,374	1	N	0.00
CAPITAL ONE NA/CAPITAL ONE FC	8	112837	MC LEAN, VA	NAT	328,999	328,995	100	53	468	0	N	0.00
T D BK NA/TD GRP US HOLDS LLC	9	497404	WILMINGTON, DE	NAT	320,472	320,472	100	55	1,232	0	N	0.00
BANK OF NY MELLON/BANK OF NY MELLON CORP	10	541101	NEW YORK, NY	SMB	311,387	196,861	63	57	2	15	Y	0.00

As you can see, this is just par for the course on Wall Street.

—> **IHS Mark-It**

**“Why it pays to lend
ETFs “**

“US listed ETFs are the
most widely traded in the
securities lending market
due to that market’s
relative
maturity. Securities
lending utilisation rates

for these ETFs have been three times higher than those of conventional US equities in the first three months of the year.

Notably, investors were also willing to pay a premium to borrow US ETFs, which have a cost of 55 bps to borrow on average, a quarter more than the 46 bps earned by conventional US equities”

[https://web.archive.org
/web/20200224214201
/https://cdn.ihs.com
/www/pdf/Why-it-pays-
to-lend-ETFs-
brochure.pdf
https://archive.is/9JpqG](https://web.archive.org/web/20200224214201/https://cdn.ihs.com/www/pdf/Why-it-pays-to-lend-ETFs-brochure.pdf)

*“William Paterson,
however, on obtaining the
charter of the Bank of
England in 1694, to use
the moneys he had won in
privateering, said, “The*

Bank hath benefit of
interest on all moneys
which it creates out of
nothing.” This was
repeated by Sir Edward
Holden, founder of the
Midland Bank, on
December 18, 1907”

—Dr. Carroll Quigley,
1966

It almost seems like the combination of these banks and brokers that came with the elimination of the Glass Steagall Act has resulted in some kind of cultural run-off between the two divisions, where the idea of fractional reserve banking has somehow made its way into the board rooms of these brokerages houses, and they've managed to find a way to convince themselves that extending the existing supply of a corporations outstanding capital stock somehow benefits society.

There is obviously no pressing need to issue more share entitlements than actually exist in the secondary markets because technically you are not facilitating any kind of tangible business activity.

Short to medium term price fluctuations have very little impact on the actual business operations because by that point the company has already raised the capital, and thus everything that happens after the IPO or secondary offering is simply people passing around their certificates.

Sometimes it might help to issue extra shares when the price has diverged excessively from its intrinsic

value, or to facilitate bidding and selling, but it's nowhere near as important as it is in banking, where you can exponentially increase the amount of productively you can get out of every dollar that is in circulation at any particular moment in time.

Through broker to broker transactions, and combined with their complete control over the only centralized clearing mechanism in the country, the current settlement system as it exists today also creates terrifying conflicts of interest. There is nothing normal about Exchange Traded Funds reporting 8 institutional owners per outstanding share in circulation over a period of 4 years, or assets under management that fall in value by almost twice the rate of gold — that is the very definition of a Ponzi scheme.

There is also a risk that all these fake share entitlements could be loaned out — which again, is probably one of the most egregious forms of financial frauds you could possibly imagine.

Sadly, there is already two glaring examples that suggest this has been happening for a *very* long time — and on a *massive scale*.



By Butch Krieger – E-mail to photosubmission@wikimedia.org by Butch Krieger, CC BY-SA 3.0,
<https://commons.wikimedia.org/w/index.php?curid=11309289>

The Marc Cohodes Leaked Testimony

Back in 2008 in the middle of the financial crisis,

Marc Cohodes ran one of the most sophisticated short selling hedge funds in America, and he looked poised to make massive profits from his short positions.

Unfortunately, due to an unusual turn of events, his fund ended up doing the complete opposite of what he and his partners expected, and they were quickly forced into liquidation after 24 years in business.

He claims that as the entire market was in freefall, several of his short positions were spontaneously closed out by his broker under what he describes as “mathematically impossible” circumstances, and according to Cohodes, if not for these strange close outs by his broker, his fund would have made upwards of \$1 billion.

In this leaked testimony, Mr. Cohodes reveals something stunning. He says that even after informing his broker of news that he had secured a guarantor who was willing to take ownership of his short positions — thus transferring liability away

from his broker to a third party — they still closed him out anyways, even going so far as to take full control of his accounts against his will.

*“And then as time went on
and/or a position got bigger,
the rate would get jacked up
on us So our cost of
doing business in a
particular name would go
from not costing us
anything to costing us tens
of millions of dollars...*

—*Marc Cohodes, Copper
River Partners*

It is important for you to understand that there is a reason why you will not find anybody writing about this online. In fact, other than archive.org and the original place it was leaked, this article is probably the only place you will see this deposition. Most of the names have been redacted or replaced with the word “they”, or “them”, and some of the dubious objections and irrelevant questions have been removed for the sake of brevity.

Nobody else will show you this so candidly — for reasons that should be obvious. It has been broken down and filtered so you will quickly be able to digest all of the key testimony in one short excerpt. Understand that there is tremendous risk for those

who post this online.

171. Once the Prime Broker Defendants "circled the wagons," as further discussed below, AQS began to receive veiled and not-so-veiled threats. AQS executives canvassing the market to gain support for the AQS platform were repeatedly told in no uncertain terms, that there would be severe repercussions for crossing the Prime Broker Defendants in the stock loan space. During a meeting with the DTCC on April 8, 2008, for example, AQS executives were originally told by DTCC's Managing Director and General Manager Fixed Income Clearance and Settlement Group, Thomas Costa, that "this sounds great, but who's going to start your car in the morning?"

2. SL-x enters the market

“BNP was prepared to take all our positions and they wouldn't release them. So I scrambled to find, you know, someone to back us since they wouldn't, and I

arranged for BNP to take them and they refused to release them”.

(continued)”the deal was you could have made a cash deposit to ease house call, BNP was prepared to come in and take all our positions and they wouldn’t let it happen“.

Q. All of your positions in every account?

A. Yes.

Q. And do you have any understanding as to why that was?

A. Never got an answer.

(continued)....."I don't know the prop desk. I know that Bill Duhamel and a guy named Lee Hicks were meeting with us to go over

**our positions because they
were going to take them,
take the positions or give us
money to solve the thing“.**

**....”That was described in
this book where the guy
went to the bathroom and
threw up somewhere in
there. Duhamel went to the
bathroom and threw up
because he was so disgusted
by what was going on,**

**because he saw markets
falling apart, and the names
we're talking about were
going straight up. And
Duhamel suggested to me
that I talk to them and tell
them someone's
frontrunning the thing,
which I did, and then that
didn't work out so well
either"**

**I think the securities lending
market is just like the mob.**

**I think it's completely
rigged. It's a completely
manipulated black hole,
non- transparent market .**

**Q. Now, when you say you
think they're just like the
mob, are you referring to
them?**

**A. Yes. I think *they* are like
the mob .**

**Q. And are you referring to
them in particular or them**

**and the rest of the market
altogether?**

**A. I think *they* are a
*racketeering entity that does
whatever they can to make a
dime* without conscience,
thought, foresight or care
about ramifications. I think
they are cold-blooded and
could care less about the
law. That's my opinion. I
think I can back it up.**

Q. And that became your opinion when?

A. When they put us out of business.

Q. In 2008?

A. Yes

And the thing that just gets

**me to no end was this guy
**** was leaving in two
weeks . He was retiring in
two weeks, and he's the guy
who made the call to do us
in. And he was two weeks
away from retiring. So why
wouldn't he just say,
“You've been a customer for
24 years. You pay us \$100
million in stock loan fees a
year, right? You clearly have
it right .
“Why did they have to do us**

**in? And this guy was leaving
in two weeks. And I begged
him — oh, it's troubling for
me but I begged him to
leave it alone, but they
didn't, so —**

**Q. I understand it's
upsetting. I'm going to just
going to ask you a few more
questions about it . I move
to strike your last answer —**

A. Okay.

Q. Is it accurate that if they had not made that house call, looking back on it, or had just waited until couple of weeks and not forced your firm to cover its positions, essentially your investment strategy would have proved right and you would have made even more profits from what you already made for the year.

**A. We probably would have
maybe another billion
dollars, with a B. We would
have made fifty percent
more at least .**

**Q. Now, you said you had to
close out the positions
because they made you close
out, correct?**

**A. Yeah. And on those
subsequent days, they
actually took over the**

accounts. They actually took over them.

Q. And started buying back the short positions?

A. Uh-huh.

Q. Is it accurate that it was also possible to meet the house call by bringing in new capital such as making a cash deposit into the fund?

A . Possible, yes .

Why would anybody do something like that?

Someone comes along and says they will act as the guarantor for a customer they've had for 24 years — take all that baggage off their hands — and not only do they say no, but they immediately proceed to take full control of the customers' account and close out all of their positions. You are no longer liable, so what could you possibly have to gain?

In this next section, Cohodes goes on to say that he believes there was a chance that his broker had issued his firm fictitious share entitlements, using an old industry term, "naked short selling", to describe this practice — a catch phrase created decades ago that has since fallen out of favor in the financial community.

**Well, we knew — we knew
that we were paying large
sums of money for
borrowed stock, so we knew
we didn't have naked
positions, Copper River, but
we also wondered what
would force them to act so
aggressively and heavy-
handed over such a short
period of time in a stock
market that was basically in
free-fall and not give us**

**rationale. So we assumed —
assumed, didn't know —
that this could have been an
issue with them.**

**Q. By “this,” you mean that
there were naked short
positions?**

A . Yeah, yes .

**Q. And were you trying to
— when you said you tried
calling ***** fifty times, is**

**that one of the things you
wanted to ask him?**

**A. I wanted to ask him,
what the fuck is going on,
that's what I wanted to ask
him, and "What are you
doing?"**

**Q. Did you want to ask him
if they had a naked short
position?**

A. Yes, among many things,

yes. . I mean, basically the theory was by them putting us out of business, if — and that’s a big “if” because I don’t know — I’m not privy to what they do — by a putting us out of business and forcing us to cover, would that have solved their issue, their naked issue because they had no economic reason to do what they did, and they caused us an awful lot of harm. That’s

for sure . BY MR.

SOMMER:

**Q. Did you try discussing
that with *****?**

A. Yeah, yes, we did.

**Q. And did he ever give you
any concrete information in
response?**

**A. Yeah. The quote he told
me, and I'll never forget it,**

**is — he said, “Sometimes
when there’s a house fire,
you end up burning down
the block.” You know, and
what I implied from that
was that we were an
unintended consequence of
what was**

He then goes on to describe margin calls and how they influenced his brokers unusual decision to suddenly close out all of his short positions (in the middle of a financial cataclysm not seen since the crash of 1929) putting him and fund out of business.

What is a margin call, to your understanding?

A. Well, there's different well, in general terms, there's a Fed margin call and then there's a house margin call. The house margin call is subject to the house and Fed margin calls, that's nonnegotiable. That's subject to the government. So if you have a Fed margin

**call, that's the government,
and you have to meet it. If
you have a house margin
call, it tends to be
negotiable, and if the house
says, you know, there's no
negotiation on it, then you
got to meet it.**

**Q. Well, when you're
referring to a house margin
call, the house that you're
referring to is whoever is
extending credit, right**

A. Right, the brokerage firm

**Q. So in the case of the
margin calls that faced your
firm in September '08, the
house was ***** & Co.,
right?**

A. Yes

**Q. What were the what's
your understanding of the
circumstances that were**

**occurring in the stock
market that led to the point
where your firm received a
margin call, a house margin
call from ***** & Co.?**

**A. Well, that weekend
before, Lehman went
bankrupt . I think Lehman
went bankrupt or Lehman
went bankrupt on a
Monday. We had collateral
securities and cash at
Lehman Brothers**

International

Q. Was that in London?

A. That was in London, LBIE — that was locked up, confiscated, whatever — lost access to that. That wasn't a problem. I mean, it was a problem, but it wasn't that big a problem. So I think the markets went down Monday or Tuesday or maybe Wednesday, and then the

**government, without
warning on Wednesday or
Thursday, put through a
must-cover, that Reg SHO
deal must-cover in three
days .**

**Q. There was an
amendment to Reg SHO?**

**A. Yes. There was an
amendment that was
basically put through
Wednesday at night, in the**

**middle of the night, and
immediately hit the next
day. No, you had three days.
So then the stocks we were
involved in that had that
went up. That still wasn't a
problem. The next day, the
government banned short
selling in financials or
financial- related, and then
the market really went up.
And that was the day that
they called us and said "We
have a problem." We said,**

“Okay. How do we fix this?”

—

(continued)

A. Yeah, Lehman went bankrupt and the government put through two emergency rules back to back .

Q. And would it refresh your recollection if I told you that the second one of those, the banning of short

**selling of approximately 800
stocks, went through late on
a Thursday night and was
announced or disclosed very
early on a Friday morning
of the same week that
Lehman Brothers failed?**

**A. That's probably right,
yes.**

**Q. So that problem started
all in that week?**

A. Yes.

Q. And was it over like that week and the next — so the Friday of that week is when you first had a problem with *** & Co. telling you**

A. Sort of that Thursday

Q. — that you got a house margin call?

A. Sort of that Thursday,

that Friday. And one of the problems was because the stocks they said were acting erratic, they changed the haircuts on our loans, meaning if our multiplier was .15, they'd change it to .5 . So not only did we have a house call, they said instead of putting up .15, you now have to put up .5. So what should have been a small issue was a huge issue because they changed two

**things on us — two things
they didn't change, two
things changed on it. One,
we lost a shitpot full of
money; and two, they said
because we lost a shitpot full
of money, we need to have a
whole lot more collateral. So
it wasn't a Fed call; it was a
house call .**

**Q. It started with you losing
a bunch of money because
the stocks that you were**

**short went way up in value;
is that right?**

A. Yes.

**Q. And were some of those
stocks among those that the
government banned short
selling in, some of the stocks
you were short in?**

**A. Not — some, but not
really.**

It was more other shorts were getting killed in the finance stocks, so they were covering anything that they could. The government tried to basically orchestrate a short squeeze, which they did for two days .

Q. Is it accurate to say, I mean, just hypothetically on that Friday and not knowing what the future holds, if the stocks that your

firm was short had continued to increase at the same rate for the next couple of weeks that your firm could have lost everything on those investments?

A. That's a stretch, but hypothetically, you could say that.

Q. And is it also accurate hypothetically to say that if

**that situation had continued
and the stocks that your
firm was short continued to
go up, that eventually
***** & Co. could be left
essentially in a money-losing
position where it was losing
the money because your
firm no longer had any
cash?**

**THE WITNESS: Well, to
frame it, frame the
argument, by then, we were**

\$2 billion of a fund; we had 2 billion. And coming into that Monday, we were up 30 percent for the year. So we had a pretty big cushion and we were doing well before let's just say the shenanigans went on. Hypothetically everything the same, okay, when people say they short stocks they have unlimited risk, I totally get that. The problem began that Monday of that next week when the

**market completely and
utterly fell apart, and as the
market was literally going
down the drain, our shorts
were going through the roof.**

**BY MR. FLOREN: Q. The
stocks that your firm was
shorting?**

A. Yes.

**Q. And you thought that
was just really bizarre and**

**should not have been
happening, correct?**

**A. Mathematically it's
impossible for that — I
mean, I can remember them
closing us out of American
Capital Strategies at \$33 on
that Monday, and when they
stopped doing whatever
they had to do, when the
smoke cleared, we finished
covering the thing four
weeks later at 2, something**

like that. We finished covering it at 2 but they took us out of eighty percent of our position in the thirties, and when they were done, we covered at 2. They took us out of Tempur-Pedic at 16, covered that, the rest of it four weeks later, at 3 . mean, it was insane. So it's kind of like *I played the entire thing for a complete collapse, got the collapse and was closed out, closed out*

right before and during.

And then after they

completely did me in, said,

“Oh, you know, we’ll let you go.”

Q. If ** & Co. had not made these house calls and had extended you more credit during this time period —**

A. We didn’t need more credit. All they had to do

was not make the house
calls.

**Q. But wasn't the credit at
issue is the margin
requirement of a short
position, correct?**

**A. There's a Fed call which
we were in compliance of —
that's the government and
then there's a house call.
The house call is at the
discretion of the house. And**

**the thing that just gets me to
no end was this guy ****
was leaving in two weeks .
He was retiring in two
weeks, and he's the guy who
made the call to do us in.
And he was two weeks away
from retiring. So why
wouldn't he just say,
“You've been a customer for
24 years. You pay us \$100
million in stock loan fees a
year, right? You clearly have
it right . ” Why did they**

**have to do us in? And this
guy was leaving in two
weeks. And I begged him —
oh, it's troubling for me but
I begged him to leave it
alone, but they didn't, so —**

**Q. I understand it's
upsetting. I'm going to just
going to ask you a few more
questions about it . I move
to strike your last answer —**

A. Okay.

**Q. Is it accurate that if
***** & Co. had not made
that house call, looking back
on it, or had just waited
until couple of weeks and
not forced your firm to
cover its positions,
essentially your investment
strategy would have proved
right and you would have
made even more profits
from what you already
made for the year.**

**A. We probably would have
maybe another billion
dollars, with a B. We would
have made fifty percent
more at least .**

**Q. Now, you said you had to
close out the positions
because ***** made you
close out, correct?**

**A. Yeah. And on those
subsequent days, they**

actually took over the
accounts. They actually took
over them.

**Q. And started buying back
the short positions?**

**A. Uh-huh. (answering yes,
“uh huh”)**

**Q. Is it accurate that it was
also possible to meet the
house call by bringing in
new capital such as making**

a cash deposit into the fund?

A . Possible, yes .

**Q. Now, you said that you
were upset that ****
wouldn't return your phone
calls during this time
period, right?**

**A. Upset, that's not even the
word I'd use.**

Q. You were very upset?

**Okay. Do you know whether
Mr. **** or his securities
lending department had
anything whatsoever to do
with the house call decision?**

**A. I knew the house call was
at the discretion of
somebody.**

Q. Somebody at *** &
Co., correct ?**

A. Exactly. And I knew that

**since it was generated by a
machine, that if it's
generated by somebody, I
was hoping someone with
reason would have talked to
somebody to calm someone
down to come up with a
plan.**

**Q. You don't have any
understanding that *****
and the other folks in the
securities lending
department, are the ones**

**who made this decision
about the house call, do
you?**

**A. I don't think they did it,
no. The one that did it was
*****. That was the one that
did it. It was his call.**

**Q. And the way the markets
were acting in the stocks
that you were investing in,
in this week of the Lehman
Brothers bankruptcy and**

**then the following week, had
you in your life, either
before or since, ever seen a
market that acted the way
the stock market acted
during those weeks?**

**A. I was actually working
part-time at Merrill Lynch
in college and that was when
you had the Bunker Hunt
silver margin fiacso where
they almost bankrupted
Bache and a whole bunch of**

other guys. That was the closest thing I ever saw to it. But basically the world was coming to an end. I mean, totally it was coming to an end. But we were short so much, it was exactly what I had been waiting for. It's exactly what I thought was going to happen.

Q. So was that the most severe such volatile and — you described it as “world

**coming to an end” market
that you had ever seen?**

A. Yes.

**Q. And how many days
really was it from the
beginning of this problem to
the end of it with the
problem with the margin
call from ***** & Co. was
your firm — did your firm
and its funds lose most of
their money?**

A. Eight days, something like that. But the problem was we were off the house call and we were still salvageable. Sure, we had one fund which was up eighty percent and even with all the damage that was done still closed it up 35, so they couldn't kill that one as hard as they tried. But it's when we got off the house call, they wouldn't let us go.

**And as I recall, to answer
your other thing about
infusing money, BNP was
prepared to take all our
positions and they wouldn't
release them. So I scrambled
to find, you know, someone
to back us since they
wouldn't, and I arranged
for BNP to take them and
they refused to release them**

Allegedly his broker even went so far as to call one
of the people who planned to take over his accounts

so they could try and talk them out of it, saying Cohodes would be out of business in a few days anyways.

His broker turned out to be right, but it wasn't because of his poor stock selection. Remember, the entire market was in freefall, and these short positions all crashed soon after, and should have led to, at least according to Cohodes, \$1 billion in profits.

Q. Did he stop taking your calls at some point?

A. Yes, yeah.

Q. Did you try leaving

messages with him?

A. Oh, sure.

Q. Could you estimate how many messages you left with him?

A. Maybe fifty.

Q. He never called you back after that when you left those fifty messages?

A. No. We had another

**conversation with him
because I had the Farallon
guys in the office because
they were going to take our
positions, and ***** made an
outgoing call to Farallon
saying that they shouldn't
take our positions.**

**Q. That's what Farallon told
you?**

**A. Uh-huh, that's what the
CFO of Farallon told Bill
Duhamel when they were in**

the office, that they made an outgoing call to them and said they shouldn't take Copper River positions because we'll be out of business in a couple days anyway.

Q. Who is — Bill Duhamel?

A. Bill Duhamel.

Q. Who is that?

A. He used to be a money

manager at Farallon in the city.

Q. Is that someone you knew at the time?

A. Yes.

Q. And he's the one who told you that?

A. Uh-huh, yes. He's the guy who — Acme Capital was considered as Farallon for the book sake .

Q. And if they had taken some of your positions, would Copper River have been able to survive, in your estimation?

A. Absolutely.

Q. And was it your understanding that it was someone on the the prop trading desk who had said what you just described to Farallon?

A. Yes.

Q. And did you know, was it told to you who it was on the *** prop trading desk who said that?**

A. No, because that person wouldn't be around today.

Q. Did it surprise you that Farallon told you it was someone on the *** prop trading desk?**

A. Well, again, life-changing events you never forget, which this was. And the market, the stock market, was literally falling apart, going straight down. And our short positions would have benefited hugely by the market falling apart and melting down. But the stocks that we had to cover were all going straight up in violent fashions in a straight down market . So someone was

**running in front of these
trades, someone was. So the
fact that the ***** prop desk
knew about this is not a
surprise to me because I
think the guys at ***** are
common criminals, just
common criminals.**

**Q. Do you recall mentioning
that you — your firm had
paid hundreds of millions of
dollars to ***** a few
minutes ago?**

A. Yes.

Q. And by paying hundreds of millions of

Q. Do you recall mentioning that you — your firm had paid hundreds of millions of dollars to ** a few minutes ago?**

A. Yes.

Q. And by paying hundreds of millions of dollars, did you

**mean paying hundreds of
millions of dollars in borrow
fees for short stock?**

A. Yes.

**Q. I want to show you one
other sentence on page 300 of
“Selling America Short, ”
which was Exhibit 6. This is
in the next paragraph in the
middle. There’s a sentence
that says, “Also, we have
noticed that they — ” do you
see where I’m looking now?**

A. Yes.

Q. “Also, we have noticed that *** & Co. has sometimes been able to provide locates not available elsewhere.” Do you see where I read that?**

A. Yes.

Q. Was it your regular practice in shorting a stock to contact *** to try to**

locate the stock first?

**(continued) Q. Well, did you
have personal — strike that .
Was it your understanding
that the firm would contact
— your firm would contact
***** to ask for a locate
before shorting a stock?**

A. Absolutely.

**Q. And what's your
understanding based on?**

A. That was protocol at the firm. Before we could short any stock, we had to get a locate because naked shorting is illegal. And although we were accused many times by your customer Overstock, or specifically Byrne, of naked shorting, we never, ever, ever, ever shorted a stock we couldn't borrow.

Q. Okay. And did you find, you, Mr. Cohodes, find that sometimes locates were

available at *** that
weren't available at some
other clearing firm?**

***A big argument breaks out;
various verbal exchanges and
objections — probably more
so than any other time during
the deposition***

**Q. You have spent most of
your working life involved in
short sales of stocks; is that
fair to say?**

A. Yes.

Q. And you were a managing partner of Copper River Partners in 2006, correct?

A. Yes.

Q. Okay. And as part of shorting a stock, it was standard practice in your firm to call up *** and ask for a locate before shorting the stock; isn't that true?**

A. Call or email, yes.

Q. And did you find that sometimes *** was able to provide locates that these other clearing firms couldn't get for you?**

MR. FLOREN: Objection, vague and ambiguous .

THE WITNESS: Yes.

Q. And can you explain to me

what your experience was in that regard? A. You know, at the time, you know, I thought that the stock loan department at *** was the best in the business by far, that they were always able to find borrows when others either couldn't or the borrows were too expensive. And ***** to that end was very good. They always would you know, find borrows. And that ' s what we cared about . We didn't**

— it wasn't our business to find out who, what, where, where do you get it from or this, that and the other. If they'd say it's okay to short the stock, we'd short it.

Q. And is that one of the reasons why you wanted to have them as your clearing firm?

A. Yes. That was the only reason. That was the only reason.

It seems very likely that Mr. Cohodes' suspicions were correct, and that his broker was reacting to the newly enforced SEC regulations that were meant to restrict "naked" short selling activity in wake of the financial crisis.

If this is true, it could indicate that his broker might have been issuing his fund fictitious loans that, in the words of Mr. Cohodes, led to the firm profiting to the tune of somewhere around "\$100 million in stock loan fees a year" — but this is purely speculation of course.

What is also very telling is that these forced close outs — with apparent foreknowledge of the fact that Cohodes had secured a credible guarantor for his holdings — seemed so counter-intuitive to the people who were involved in the planned deal that it led to a full grown adult male running to the bathroom and [throwing up](#) in disgust.

Why would a broker close out one of their best

customers after being told that someone was willing to take over ownership and act as a guarantor for positions that seemed poised to deliver up to \$1 billion in gains? The market was in collapse, and transferring these short positions to someone else would have — at least apparently — relieved them of liability. What could they possibly have to gain from doing something like that? It simply doesn't make any sense.

They must have been well aware of how bad this story would look because they tried very hard to seal that testimony. Luckily, an unnamed individual that was close to the case ended up leaking the transcript to the New York Times.

This isn't the only time something like this has happened either. Overstock, a company that at one point had a [baseball stadium](#) named after it, fought for years to expose the problem of brokers selling more share entitlements than actually exist.

Ironically, Cohodes used to be Patrick Byrne's arch rival, and in that same deposition, he even says that he used to think Patrick Byrne was "crazy", but this

To learn more about this problem, just [click here](#)

You know, it's funny. After all these shenanigans — the double voting, switched votes, fake shares, and the ***Court of Delaware*** saying it's not humanly possible to know for sure who actually owns a public company (even if it's the largest producer of fresh produce in the world, representing a full quarter of banana production worldwide) — the DTCC actually tried lobbying the SEC into blocking Michael Bloomberg's planned alternative to this archaic Centralized Clearing Cartel that every American has been forced to use for so many years.

Their reasoning?

They claim that 1 point of access is less risky than 2 (as if that makes any sense). As we all know, people will do, and say, practically anything for money sometimes — some more than others — so you cant blame them for trying.

The Bloomberg Response Letter asserts that mandating use of the combined systems of The Depository Trust Company (“DTC”)/National Securities Clearing Corporation (“NSCC”)/TradeSuite ID⁵ (the “Existing Infrastructure”) would harm the U.S. markets and frustrate the goals of Section 17A of the Exchange Act. BSTP’s primary argument for this assertion appears to be that by leaving the industry with a single point of failure, DTCC’s single access model would impose more risk on the national clearance and settlement system than the multiple access model that BSTP has proposed.

As explained more fully in the attached Cornerstone Report,⁶ however, a financial system relying on a well operated single point of failure with a robust business continuity program and multiple layers of redundancy would impose less of a risk to the national clearance and settlement system than a financial system relying on multiple points of access. This is particularly true where any one of multiple points of access within the financial system could impose significant harm to the financial system and its participants or even crash the financial system. BSTP’s multiple access model would therefore impose additional risks on the national clearance and settlement system than would DTCC’s proposed single access model. In fact, as explained in our Prior Comment

BSTP is referring to Bloomberg

<https://www.sec.gov/comments/600-33/60033-28.pdf>

As you can see, this is just another one of their old boys clubs, and if they don’t want you in, irregardless of your capabilities, you are simply not allowed to participate. Just like [Quadriserv/AQS](#), [SL-x](#), and [Data Explorers](#), even if their technology could save people — elderly people — \$100’s of billions, if you threaten their [hegemony](#), they don’t care how much benefit you offer to society, they will simply block you anyways.

The New York Fed shares many similarities. Look no further than how they chose [Timothy Geithner](#), a

man who was seen [winning and dining with Citigroup executives](#) as they were lobbying for bailout money after their reckless gambling crashed the entire financial system. Or [Robert Rubin](#), who went from first repealing the Glass-Steagall act as Treasury secretary and helping to facilitate the merger of [Travelers Group, Salomon Brothers](#) (formerly [Philbro](#), then [Citigroup Global Markets Holdings Inc](#), and now part of [Morgan Stanley](#)), [Smith Barney](#), and [Citicorp](#), to making over \$100 million sitting on their board while the entire country was pumped and dumped due to his removal of decades old financial regulations that were put in place to prevent exactly what caused the 2008 financial crisis only 7 years later.

Each of the links below will take you to a key section of the article that will show you how tightly knit this 'private club' truly is.

"I'm pleased [Tim Geithner](#) will be at the helm; he'll do a great job," Mr. Peterson

said. “He has done an outstanding job at Treasury and the IMF and is admirably equipped to confront the unique domestic and international challenges that will face our financial system over the coming years.”

Mr. Geithner will succeed William J. McDonough, who served as the bank’s president from July 1993 until he stepped down in June of this year to assume the post of chairman of the Public Company Accounting Oversight Board in Washington, DC. Jamie B. Stewart, the New York Fed’s first vice president, has assumed on an interim basis the duties of president since Mr. McDonough’s departure.

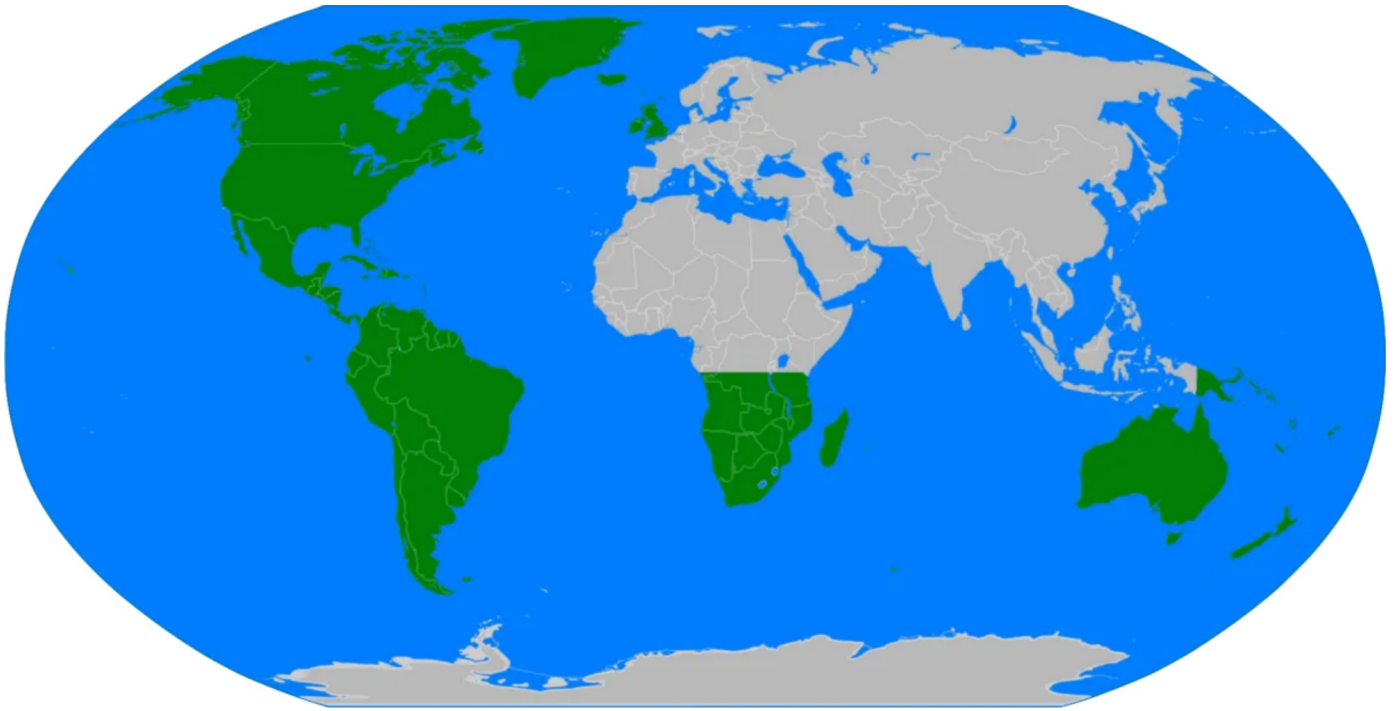
Mr. Peterson was assisted in the search by an outside advisory committee with ties to the New York Fed: Ann Fudge, Ellen Futter, Maurice R. Greenberg, Walter Shipley, Paul Volcker, John Whitehead and Robert Wilmers. Search committee members, all current members of the New York Fed's Board, are: Jill Considine, Loretta Lynch, John Sexton, Jerry Speyer and Charles Wait. Mr. Peterson also was advised by Robert Rubin, E. Gerald Corrigan, Lawrence Summers, and Fred Bergsten. He also was assisted by Tom Neff, Chairman US of Spencer Stuart.

You see, it's never been about the money, and it never will be about the money. Those are just the

certificates that they give everybody so society can function.

If you control the issuance of credit, the supply and demand of equities, the [price of commodities](#), and if you can decide who sits on the board of all these corporations, why should you need money? When you can just borrow other peoples money at will, and set your own interest rates, then simply print more when things go south with the central bank that you own, and on top of all of this, manipulate the price of all the [basic necessities of life](#)..

...you control the world..



<https://archive.is/O8XGc>

Dr. Carroll Quigley,

Georgetown University

“In addition to these pragmatic goals, the powers of financial capitalism had another far reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to

*be controlled in feudalist
fashion by the central
banks of the world acting
in concert, by secret
agreements arrived at in
frequent and private
meetings and conferences.*

*The apex of the system was
to be the Bank for
International Settlements in
Basle, Switzerland, a
private bank owned and
controlled by the world's
central banks which were*

themselves private corporations. Each central bank, in the hands of men like Montague Norman of the the Bank of England, Benjamin Strong of the New York Federal Reserve Bank, Charles Rist of the bank of France, and Hjalmar Schact of the Reichsbank, sought to dominate its government by its ability to control Treasure loans, to manipulate foreign

exchanges, to influence to the level of economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world. In each country the power of the central bank rested largely on its control of credit and money supply. In the world as a whole the power of the central bankers rested very largely on their control of

loans and of gold flows”.

*“It must not be felt that
these heads of the world’s
chief central banks were
themselves substantive
powers in world finance.
They were not. Rather, they
were the technicians
and agents of the
dominant investment
bankers of their own
countries, who had raised
them up and were perfectly*

*capable of throwing them
down — [Read more](#)*

To quote George Carlin, [it's a big club](#), and if you're not part of this club, the profits are simply too great, and life is simply too short for these people to care about the impact they are having on your life; an attitude that was clearly displayed in that stock loan lawsuit, where 100's of billions was siphoned out of pension accounts over a period of [20 years](#), leading to the failure of three bright start-ups with technology that could have saved retiree's [\\$4.5 billion per year](#) in fees — all so they could maintain [the status quo](#).

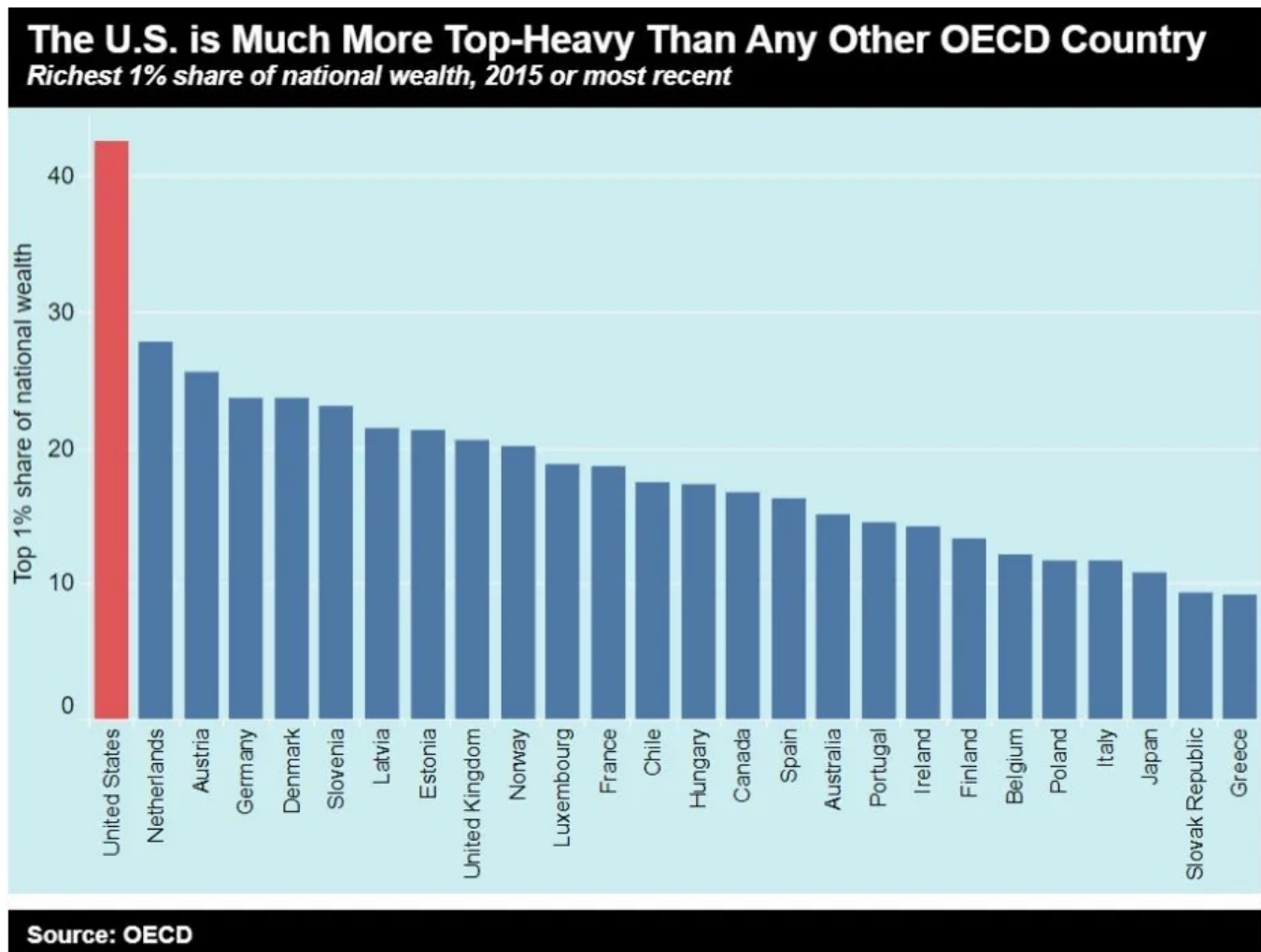
Like most emperors throughout history, irregardless of their self-proclaimed benevolence, in the end they will always be judged by their actions, and not by

their words or by their intentions, and over the past 10 years, these people have clearly shown for all the world to see, beyond any shadow of a doubt, what they are truly made of.

Actions speak louder than words, and anybody who would knowingly collude to steal 100's of billions of dollars from the elderly neither cares about you, the law, and most importantly, certainly doesn't care about how you feel. To the Financial Oligarchs who rule this world, you are simply [a means to an end](#); one where freedom speech is no longer a right, but a [privilege bestowed upon us](#) by them, and where human workers are slowly phased out, and [replaced by machines](#). To them, there is too many people on the planet anyways, so why should they care if they take your money..

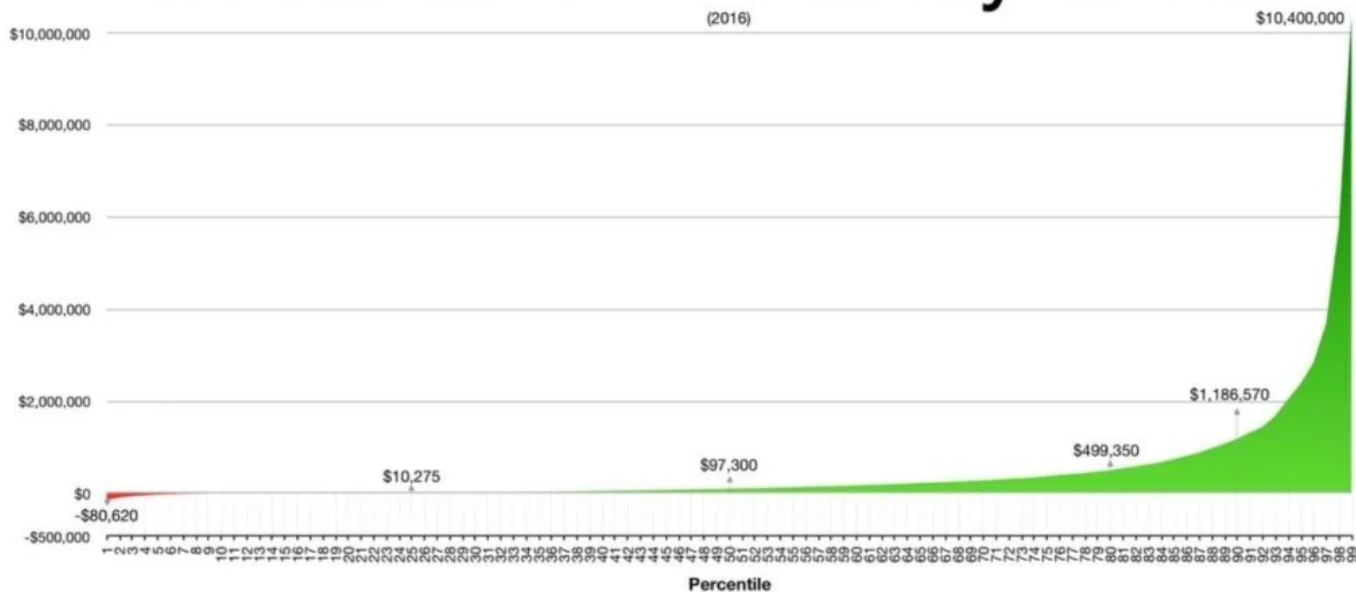
It is said that when you ask Mr. Murdock to reveal his secret to longevity, he will respond quite simply by saying: "To Live Well"; and coming from a man of his stature, there is a certain amount of irony that comes with the brevity of that statement. Any man or woman should have the right to pursue such a

noble endeavor, but on the rare occasion, every once in awhile, it can sometimes come to a point where one is forced to ask themselves a very tough question: .."But at what expense"..



<https://inequality.org/facts/global-inequality/#us-wealth-concentration>

Distribution of Family Wealth



<https://apps.urban.org/features/wealth-inequality-charts/>







(1914) Other People's Money and How the Bankers Use It— Chapter I: Our Financial Oligarchy

“The goose that lays golden eggs has

been considered a most valuable possession. But even more profitable is the privilege of taking the golden eggs laid by somebody else's goose. The investment bankers and their associates now enjoy that privilege. They control the people through the people's own money. If the bankers' power were commensurate only with their wealth, they would have relatively little influence on American business. Vast fortunes like those of the Astors are no doubt regrettable. They are inconsistent with democracy. They are unsocial. And they seem peculiarly unjust when they represent largely unearned increment. But the wealth of the Astors does not endanger political or industrial liberty. It is insignificant in amount as compared with the aggregate wealth of

America, or even of New York City. It lacks significance largely because its owners have only the income from their own wealth. The Astor wealth is static. The wealth of the Morgan associates is dynamic. The power and the growth of power of our financial oligarchs comes from wielding the savings and quick capital of others. In two of the three great life insurance companies the influence of J. P. Morgan & Co. and their associates is exerted without any individual investment by them whatsoever. Even in the Equitable, where Mr. Morgan bought an actual majority of all the outstanding stock, his investment amounts to little more than one-half of one per cent. of the assets of the company. The fetters which bind the people are forged from the

people's own gold”.

“But the reservoir of other people's money, from which the investment bankers now draw their greatest power, is not the life insurance companies, but the banks and the trust companies. Bank deposits represent the really quick capital of the nation. They are the life blood of businesses. Their effective force is much greater than that of an equal amount of wealth permanently invested. The 34 banks and trust companies, which the Pujo Committee declared to be directly controlled by the Morgan associates, held \$1,983,000,000 in deposits. Control of these institutions means the ability to lend a large part of these funds, directly and

indirectly, to themselves; and what is often even more important, the power to prevent the funds being lent to any rival interests. These huge deposits can, in the discretion of those in control, be used to meet the temporary needs of their subject corporations. When bonds and stocks are issued to finance permanently these corporations, the bank deposits can, in large part, be loaned by the investment bankers in control to themselves and their associates; so that securities bought may be carried by them, until sold to investors. Or these bank deposits may be loaned to allied bankers, or jobbers in securities, or to speculators, to enable them to carry the bonds or stocks. Easy money tends to make securities rise in the market. Tight money nearly always makes them fall. The

control by the leading investment bankers over the banks and trust companies is so great, that they can often determine, for a time, the market for money by lending or refusing to lend on the Stock Exchange. In this way, among others, they have power to affect the general trend of prices in bonds and stocks. Their power over a particular security is even greater. Its sale on the market may depend upon whether the security is favored or discriminated against when offered to the banks and trust companies, as collateral for loans”.

“Furthermore, it is the investment banker’s access to other people’s money in controlled banks and trust companies which alone enables any individual

banking concern to take so large part of the annual output of bonds and stocks. The banker's own capital, however large, would soon be exhausted. And even the loanable funds of the banks would often be exhausted, but for the large deposits made in those banks by the life insurance, railroad, public service, and industrial corporations which the bankers also control. On December 31, 1912, the three leading life insurance companies had deposits in banks and trust companies aggregating \$13,839,189.08. As the Pujo Committee finds: "The men who through their control over the funds of our railroads and industrial companies are able to direct where such funds shall be kept and thus to create these great reservoirs of the people's money, are the

ones who are in position to tap those reservoirs for the ventures in which they are interested and to prevent their being tapped for purposes of which they do not approve. The latter is quite as important a factor as the former. It is the controlling consideration in its effect on competition in the railroad and industrial world”.

“But the power of the investment banker over other people’s money is often more direct and effective than that exerted through controlled banks and trust companies. J. P. Morgan & Co. achieve the supposedly impossible feat of having their cake and eating it too. They buy the bonds and stocks of controlled railroads and industrial concerns, and pay the

purchase price; and still do not part with their money. This is accomplished by the simple device of becoming the bank of deposit of the controlled corporations, instead of having the company deposit in some merely controlled bank in whose operation others have at least some share. When J. P. Morgan & Co. buy an issue of securities the purchase money, instead of being paid over to the corporation, is retained by the banker for the corporation, to be drawn upon only as the funds are needed by the corporation. And as the securities are issued in large blocks, and the money raised is often not all spent until long thereafter, the aggregate of the balances remaining in the bankers' hands are huge. Thus J. P. Morgan & Co. (including their

*Philadelphia house, called Drexel & Co.)
held on November 1, 1912, deposits
aggregating \$162,491,819.65”.*

They own the regulators and they are exempt from trial in a court of law, meaning their clients are incapable of filing suit unless it is through FINRA — the regulator that they own.



(TheStreet) “every
individual investor in
America with a brokerage
account is *forced to forego*

court and agree instead to use a closed-door council endorsed by Wall Street”.

<https://archive.is/dMijU#selection-2729.0-2770.0>

“The hearings are **held behind closed doors, the rules are written by an operation that’s financed by Wall Street** and the decisions of the arbitrators typically are issued with no

explanation. Little surprise
that many ugly details
about the process stay
private, too”.

[https://archive.is
/dMijU#selection-
2729.0-2770.0](https://archive.is/dMijU#selection-2729.0-2770.0)

(Investmentnews.com)

“Dairy farmers who saw a
\$1.5 million portfolio incur
\$1.3 million in trading
costs in a single year”.

“It’s a hollow victory
because the award is
probably not worth the
paper it’s printed on,” said
Andrew Stoltmann,
president of the Public
Investors Arbitration Bar
Association.

<https://archive.is/ZrxQz>

[https://www.investmentnew
s.com/article/20180814
/FREE/180819974/finra-
panel-awards-clients-](https://www.investmentnews.com/article/20180814/FREE/180819974/finra-panel-awards-clients-)

5-million-for-churning-but- from-defunct

FINRA, which is owned by the brokers, is also paid to regulate the Nasdaq, along with every other major stock exchange.

From Nasdaq's 2018 Annual Report

Regulatory contractual relationships with FINRA. Our SROs have signed a series of regulatory service agreements covering the services FINRA provides to the respective SROs. Under these agreements, FINRA personnel act as our agents in performing the regulatory functions outlined above, and FINRA bills us a fee for these services. These agreements have enabled us to reduce our headcount while ensuring that the markets for which we are responsible are properly regulated. However, our SROs retain ultimate regulatory responsibility for all regulatory activities performed under these agreements by FINRA.

Exchange Act Rule 17d-2 permits SROs to enter into agreements, commonly called Rule 17d-2 agreements, approved by the SEC with respect to enforcement of common rules relating to common members. Our SROs have entered into several such agreements under which FINRA assumes regulatory responsibility for specifics covered by the agreement, including:

Pursuant to regulatory services agreements between FINRA and our SROs, FINRA provides certain regulatory services to our markets, including the regulation of trading activity and surveillance and investigative functions. Nevertheless, we have a direct regulatory role in conducting certain real-time market monitoring, certain equity surveillance not involving cross-market activity, most options surveillance, most rulemaking and some membership functions through our Nasdaq Regulation department. We review suspicious trading behavior discovered

Three companies control half of the brokerage industry

Prime Broker Ranking

Most Recent

Historic

Top Prime Brokers of Hedge Funds

05/08/2019

Based on SEC filings by hedge fund managers.

		Number of Fund Clients			Clients
					As % of
		1Q-19	1Q-18	Change	All funds
1	Goldman Sachs	1,910	1,957	-47	18.1
2	Morgan Stanley	1,761	1,750	11	16.7
3	J.P. Morgan	1,478	1,463	15	14.0
4	Credit Suisse	806	841	-35	7.6
5	Bank of America	726	714	12	6.9
6	UBS	650	666	-16	6.2
7	Deutsche Bank	592	682	-90	5.6
8	Citigroup	583	559	24	5.5
9	Barclays	426	422	4	4.0
10	Wells Fargo	351	333	18	3.3
11	Jefferies	293	286	7	2.8

<https://www.hfalert.com/rankings/rankings.pl?Q=149>

5 companies represent 47% of total bank assets

**INSURED U.S.-CHARTERED COMMERCIAL BANKS THAT HAVE CONSOLIDATED ASSETS
of \$300 MILLION or MORE, RANKED by CONSOLIDATED ASSETS
As of March 31, 2019**

Bank Name / Holding Co Name	Nat'l Rank	Bank ID	Bank Location	Charter	Consol Assets (Mil S)	Domestic Assets (Mil S)	Pct Domestic Assets	Pct Cumulative Assets	Domestic Branches	Foreign Branches	IBF	Pct Foreign Owned
JPMORGAN CHASE BK NA/JPMORGAN CHASE & CO	1	852218	COLUMBUS, OH	NAT	2,292,334	1,708,663	75	14	5,034	33	Y	0.00
BANK OF AMER NA/BANK OF AMER CORP	2	480228	CHARLOTTE, NC	NAT	1,775,353	1,683,073	95	25	4,339	27	Y	0.00
WELLS FARGO BK NA/WELLS FARGO & CO	3	451965	SIOUX FALLS, SD	NAT	1,667,769	1,615,006	97	35	5,585	12	Y	0.00
CITIBANK NA/CITIGROUP	4	476810	SIOUX FALLS, SD	NAT	1,430,122	839,095	59	44	702	172	Y	0.00
U S BK NA/U S BC	5	504713	CINCINNATI, OH	NAT	467,322	457,382	98	47	3,048	1	N	0.00
PNC BK NA/PNC FNCL SVC GROUP	6	817824	WILMINGTON, DE	NAT	380,593	376,484	99	49	2,416	2	N	0.00
CAPITAL ONE NA/CAPITAL ONE FC	7	112837	MC LEAN, VA	NAT	306,751	306,748	100	51	537	0	N	0.00
T D BK NA/TD GRP US HOLDS LLC	8	497404	WILMINGTON, DE	NAT	301,450	301,450	100	53	1,241	0	N	100.00
BANK OF NY MELLON/BANK OF NY MELLON CORP	9	541101	NEW YORK, NY	SMB	271,195	169,546	63	54	2	15	Y	0.00
STATE STREET B&TC/STATE STREET	10	35301	BOSTON, MA	SMB	225,137	149,831	67	56	2	11	N	0.00

Summary:

Total number of banks: 1,835

Total assets (millions): Consolidated: \$16,325,771 | Domestic: \$14,760,444

They own the mechanism that buys
and sells government debt.


Fed's balance sheet	d Liquidity Programs and the Balance Sheet
Federal Reserve liabilities	
Recent balance sheet trends	
Open market operations	
Central bank liquidity swaps	
Lending to depository institutions	
Fed financial reports	
Other reports and disclosures	
Information on closed programs	

Programs and the Balance Sheet

Open market operations

Open market operations (OMOs)--the purchase and sale of securities in the open market by a central bank--are a key tool used by the Federal Reserve in the implementation of monetary policy. The short-term objective for open market operations is specified by the Federal Open Market Committee (FOMC). OMOs are conducted by the Trading Desk at the Federal Reserve Bank of New York. The range of securities that the Federal Reserve is authorized to purchase and sell is relatively limited. The authority to conduct OMOs is found in section 14 of the Federal Reserve Act.

The Federal Reserve Bank of New York publishes a detailed explanation of OMOs each year in its Annual Report.

- [Annual reports](#) 

Related

- [Factors Affecting Reserve Balances](#)
- [Federal Reserve Act: Section 14. Open Market Operations](#)
- [The Federal Reserve's Asset Purchase Program](#)
- [Speech by Vice Chair Janet L. Yellen, January 8, 2011](#)
- [Federal Reserve Bank of New York](#)

Learn more by clicking the image below.

What is the Fed?

The fed is just an [umbrella organization](#) for a consortium of Federal Reserve “branches” that are [owned by the banks](#) and [brokers](#); very similar to the Financial Industry Regulatory Authority and the Depository Trust & Clearing Corporation.

The largest beneficiary of credit from the Federal Reserve is the New York Fed, which is a privately owned bank that is chartered by the U.S. government with the task of micro-managing interest rates through a process known as [Open Market Operations](#).

<https://archive.is/j4BAM>

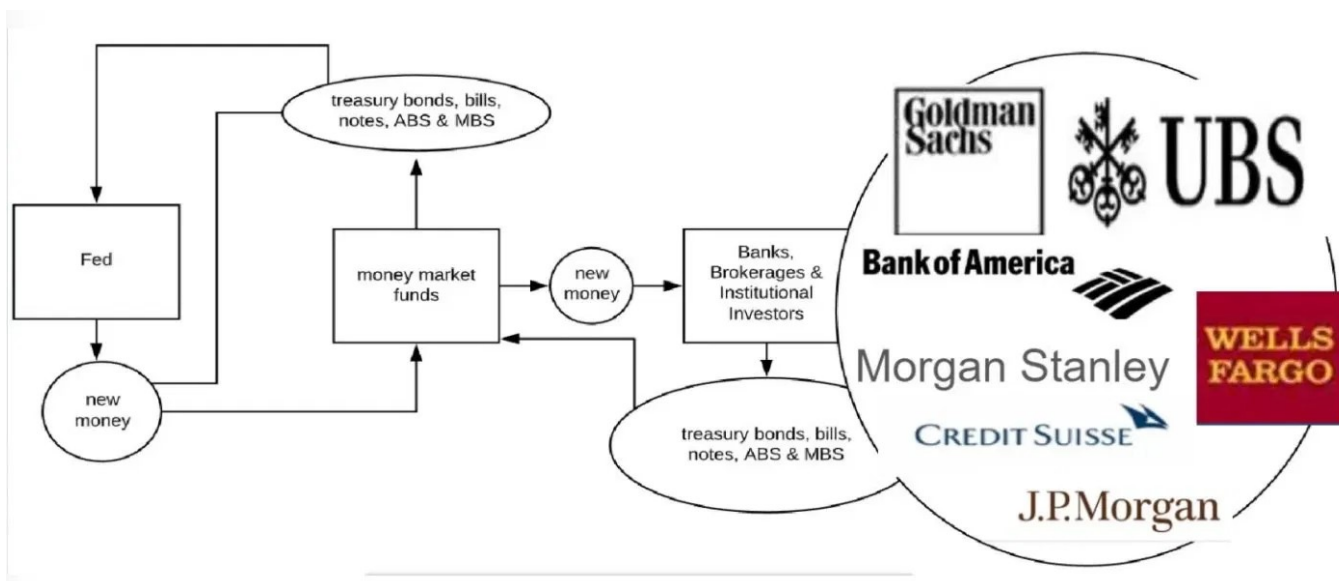
“The control by the leading investment bankers over the banks and trust companies is so great, that they can often determine, for a time,

the market for money by lending or refusing to lend on the Stock Exchange. In this way, among others, they have power to affect the general trend of prices in bonds and stocks. Their power over a particular security is even greater. Its sale on the market may depend upon whether the security is favored or discriminated against when offered to the banks and

trust companies, as
collateral for loans”.

(1914) Other People’s
Money and How the
Bankers Use It

[https://archive.is
/FjfOR#selection-
2641.0-2644.0](https://archive.is/FjfOR#selection-2641.0-2644.0)



They also sit on the board of the mechanism that buys and sells government debt.

About the New York Fed
home > about the new york fed >

Markets & Policy Implementation

Economic Research


Financial Institution Supervision


Financial Services & Infrastructure


Outreach & Education

Board of Directors


CLASS A DIRECTORS


**James P. Gorman**
(2021)
Chairman and Chief Executive Officer
Morgan Stanley


**Gerald H. Lipkin**
(2019)
Chairman
Valley National Bank

**Paul P. Mello**
(2020)
President and Chief Executive Officer
Solvay Bank


CLASS B DIRECTORS


**Adena T. Friedman**
(2019)
President and Chief Executive Officer
Nasdaq, Inc.


**Glenn H. Hutchins**
(2021)
Chairman
North Island
Co-Founder
Silver Lake

**Charles Phillips**
(2020)
Chief Executive Officer
Infor


CLASS C DIRECTORS

**Vincent Alvarez,**
(2021)
President
New York City
Central Labor
Council, AFL-CIO

**Denise Scott,**
Chair
(2019)
Executive Vice President
Local Initiatives
Support Corporation

**Rosa M. Gil,**
Deputy Chair
(2020)
Founder,
President &
Chief Executive Officer
Comuniflife, Inc.

Video: The Board of Directors



- STANDING COMMITTEES OF DIRECTORS
- ANNOUNCEMENTS OF DIRECTORS
- RELATED NEW YORK FED CONTENT
- RELATED EXTERNAL CONTENT

They also sit on the board of the committees that choose the people who will head the mechanism that buys and sells government debt

"I'm pleased Tim Geithner will be at the helm; he'll do a great job," Mr. Peterson said. "He has done an outstanding job at Treasury and the IMF and is

admirably equipped to confront the unique domestic and international challenges that will face our financial system over the coming years.”

[Mr. Geithner](#) will succeed [William J. McDonough](#), who served as the bank’s president from July 1993 until he stepped down in June of this year to assume the post of chairman of the [Public Company Accounting Oversight Board](#) in Washington, DC. [Jamie B. Stewart](#), the [New York Fed’s](#) first vice president, has assumed on an interim basis the duties of president since Mr. McDonough’s departure.

[Mr. Peterson](#) was assisted in the search by an outside advisory committee with ties to the New York Fed: Ann Fudge, [Ellen Futter](#), [Maurice R. Greenberg](#), [Walter Shipley](#), Paul Volcker, [John Whitehead](#) and [Robert Wilmers](#). Search committee members, all current members of the New York Fed’s Board, are: Jill Considine, Loretta Lynch, John Sexton, Jerry Speyer and Charles Wait. Mr. Peterson also was advised by [Robert Rubin](#), [E. Gerald Corrigan](#), [Lawrence Summers](#), and Fred Bergsten. He also was assisted by Tom Neff, Chairman US of Spencer

Stuart.

They control the government

BUSINESS

The New York Times

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The Guys From 'Government Sachs'



Treasury faces, from left: Steve Shafran (formerly of Goldman), Kendrick Wilson III (ditto), Henry Paulson Jr. (you guessed it), Edward Forst (yep) and Neel Kashkari (see a trend?). Photo illustration by The New York Times

<https://www.nytimes.com/2008/10/19/business/19gold.html>

“These bankers are, of course, able men possessed of large fortunes; but the most potent factor in their control of business is not the possession of extraordinary ability or huge wealth. *The key to their power is Combination....*

“There is the obvious consolidation of banks and

trust companies; the less
obvious affiliations—
through stockholdings,
voting trusts and
interlocking directorates—of
banking institutions which
are not legally connected;
and the joint transactions,
gentlemen's agreements,
and “banking ethics”
which eliminate
competition among the
investment bankers”

(1914) Other People's Money and How the Bankers Use It

[https://archive.is
/FjfOR#selection-
1313.0-1316.0](https://archive.is/FjfOR#selection-1313.0-1316.0)

[Dangerous Liaisons, Sec Revolving Door](#)

“Others, including academics, whistleblowers, and the SEC’s Inspector General, have suggested that the constant movement of employees between the SEC and powerhouse firms has biased the agency’s enforcement efforts.

The “revolving door problem” may help explain why the SEC has gone after “individuals in small-bore cases,” but has not brought many charges against the “people in the financial crisis of 2008 who went over the line and should have been held accountable,” a former federal prosecutor told POGO.

“As the former prosecutor explained it, taking aggressive action against companies represented by powerhouse law firms can hurt the future job prospects of SEC attorneys: “Rocking the boat is just not. . .an optimal way to segue into a major white-shoe law firm role.”

https://archive.org/stream/602191-20130211-dangerous-liaisons-sec-revolving-door/602191-20130211-dangerous-liaisons-sec-revolving-door_djvu.txt

(The Intercept)

THE MAN FROM SULLIVAN & CROMWELL

“Clayton is a man Wall Street itself might have picked to run its most important federal regulator. Except for the two years that Clayton clerked for a federal judge after graduating law school, he has worked his entire adult life at Sullivan & Cromwell, an elite law firm based in downtown Manhattan that includes many of the country’s largest publicly traded companies as clients. Its sleek Washington, D.C., offices overlook the Washington Monument, where the firm’s attorneys assist banks and other large firms in their business before the Federal Reserve, the Consumer Financial Protection Bureau, and the SEC. Clayton, who made \$7.6 million in his last year at Sullivan & Cromwell, has advised clients on everything from sensitive regulatory problems to initial public offerings to the large-scale mergers and acquisitions that make Page 1 of the business

section. Clayton represented the likes of William Ackman and Paul Tudor Jones, some of the most prominent names in the hedge fund world, the very sorts of figures Trump had skewered early in his presidential campaign, saying, “The hedge fund guys are getting away with murder. ... I have hedge fund guys that are making a lot of money that aren’t paying anything.”

<https://archive.is/ReRbV#selection-681.0-689.138>

“The Claytons (Current SEC Chairman) own a place in Ocean City, a beach community in southern New Jersey, that Clayton valued at \$1 million to \$5 million; a rental property there worth more than \$1 million; and another property in Philadelphia, worth up to \$5 million. And that doesn’t include their 3,000-square-foot loft apartment on Hudson Street, in Manhattan’s Tribeca, which they bought for around \$3.2 million in 2006, according to city records. All told, the couple has a net worth of more than \$50 million”.

<https://archive.is/ReRbV#selection-879.0-882.0>

<https://theintercept.com/2018/01/30/jay-clayton-sec-donald-trump-wall-street>

(Wall Street
Credit is
Subsidized by
the

Government)

“Our aforementioned friend from the Bank of England, Andrew Haldane, estimates the current **implicit TBTF global subsidy to be roughly \$300 billion per year for the 29 global institutions** identified by the Financial Stability Board (2011) as “systemically important.”...

...Richard Fisher, former President and CEO of the Federal Reserve Bank of Dallas

Citigroup literally writes the legislation word for

word to remove restrictions on commercial banks holding exotic derivatives; the very financial products that brought down the financial system. Holding these financial products outside of their bank increases the cost because they cease to be insured by the FDIC.

https://dealbook.nytimes.com/2013/05/23/banks-lobbyists-help-in-drafting-financial-bills/?_r=0

<https://archive.is/3HteN#selection-227.0-234.0>

([NewRepublic](#))

“This was October 6. The election was November 4. And yet Froman, an executive at Citigroup, which would ultimately become the recipient of the

largest bailout from the federal government during the financial crisis, **had mapped out virtually the entire Obama cabinet, a month before votes were counted.** And according to the Froman/Podesta emails, lists were floating around even before that”.

<https://archive.is/J3QbE#selection-493.0-496.0>

<https://web.archive.org/web/20161014145735/https://newrepublic.com/article/137798/important-wikileaks-revelation-isnt-hillary-clinton>



In 2018, the month of December posted its worst trading session since the **Great Depression**

Market Meltdown Continues

The selloff that has engulfed Wall Street for much of the fourth quarter intensified on Monday in a session that closed three hours early ahead of Christmas Eve. The Dow Jones Industrial Average plunged 653.17 points, or 2.9%, to 21,792.20. The index is down 11.1% on the year and is currently trading at its lowest level since October 2017. Dow industrials are coming off their [worst weekly stretch](#) in a decade.



<https://hacked.com/stock-selloff-deepens-in-holiday-shortened-trade-dow-plunges-653-points/>

4,639 views | Dec 24, 2018, 10:35 am

Treasury Secretary Mnuchin Holds Calls With Heads Of America's Six Biggest Banks Amid Shutdown



Antoine Gara Forbes Staff
Banking & Insurance

f

t

in



<https://www.forbes.com/sites/antoinegara/2018/12/24/treasury-secretary-mnuchin-bank-ceo-shutdown-trump-powell/>

**Steven Mnuchin** ✓

@stevenmnuchin1



Today I convened individual calls with the CEOs of the nation's six largest banks. See attached statement.



**U.S. TREASURY DEPARTMENT
OFFICE OF PUBLIC AFFAIRS**

Secretary Mnuchin convened individual calls with the CEOs of the nation's six largest banks

The banks all confirmed ample liquidity is available for lending to consumer and business markets.

Washington – Secretary Mnuchin conducted a series of calls today with the CEOs of the nation's six largest banks: Brian Moynihan, Bank of America; Michael Corbat, Citi; David Solomon, Goldman Sachs; Jamie Dimon, JP Morgan Chase; James Gorman, Morgan Stanley; Tim Sloan, Wells Fargo. The CEOs confirmed that they have ample liquidity available for lending to consumer, business markets, and all other market operations. He also confirmed that they have not experienced any clearance or margin issues and that the markets continue to function properly.

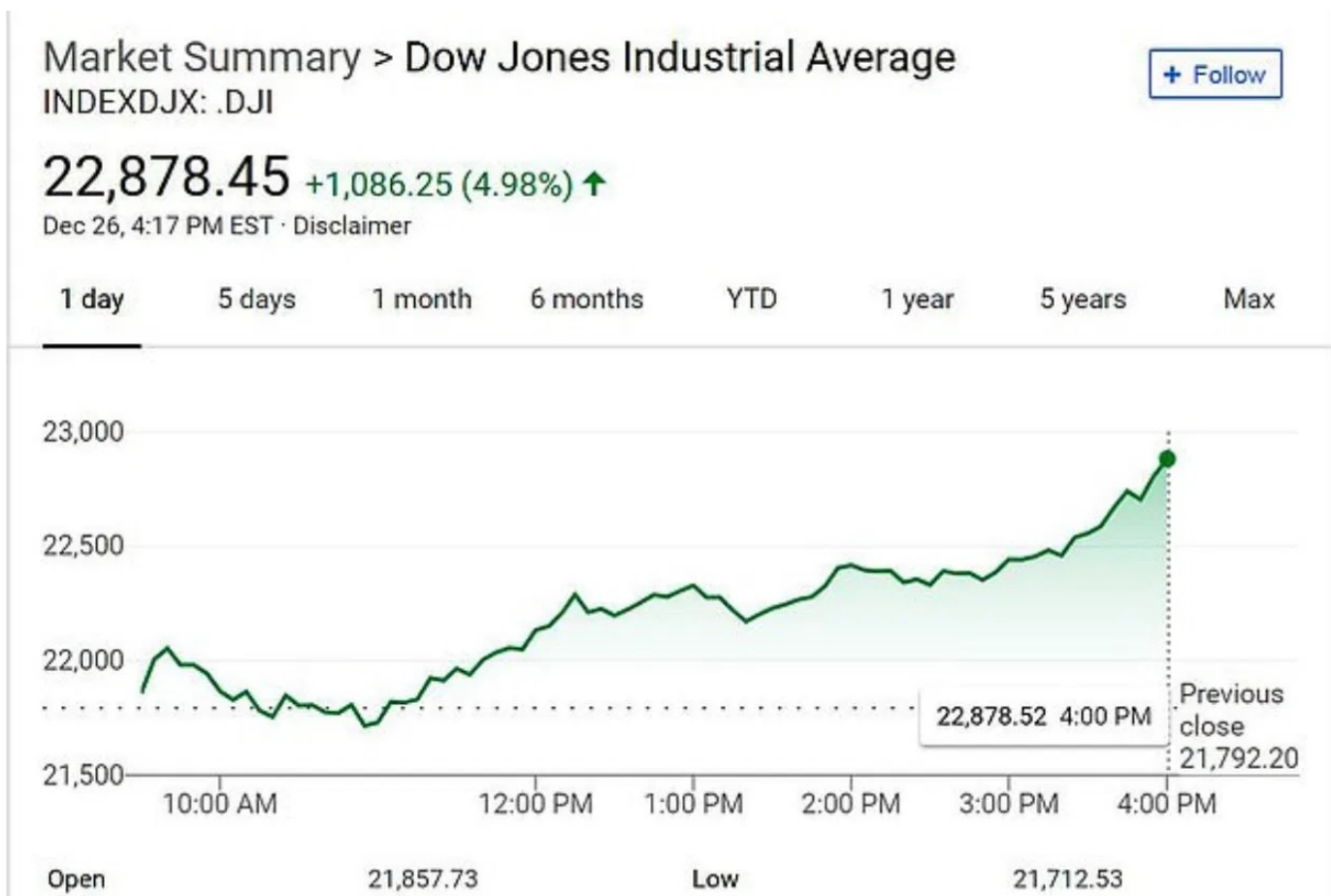
Tomorrow, the Secretary will convene a call with the President's Working Group on financial markets, which he chairs. This includes the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, and the Commodities Futures Trading Commission. He has also invited the office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to participate as well. These key regulators will discuss coordination efforts to assure normal market operations.

"We continue to see strong economic growth in the U.S. economy with robust activity from consumers and business," stated Secretary Mnuchin and added "With the government shutdown, Treasury will have critical employees to maintain its core operations at Fiscal Services, IRS, and other critical functions within the department."

####

<https://archive.is/qRxQa>

Then the Treasury Secretary called the banks, announces this on twitter, and miraculously the market sets an intraday record the very next day



The IRS, CFTC, SEC, FINCEN, and Treasury were all operating on skeleton crews at the time.

Coincidence? Probably not, but we can only speculate how this affected that historic intraday spike.

daily mail.co.uk/news/article-6530613/Dow-rebounds-500-points-day-trading-post-markets-

Lakers legend Kobe Bryant, 41, and his

Heartbreaking December footage

'I hope this isn't true': Tristan

'That is terrible news!' Trump

Fro sch

Dow surges **ONE THOUSAND** points in the biggest single-day gain in US history on the first day of trading after the markets took the biggest Christmas Eve plunge ever

- Dow Jones closed up 1,086.25 points, or 4.98 per cent, on Wednesday
- It is the stock index's largest single-day points gain in U.S. history
- Follows biggest-ever Christmas Eve plunge for markets on Monday
- White House officials tried to soothe fears over Trump's fury at Federal Reserve
- Trump did not tweet on Wednesday until 25 minutes before the market closed
- Oil prices notched biggest one-day gain in two years, sending energy stocks up
- Despite stock market volatility, economic fundamentals including employment, wages and consumer spending numbers remain strong

<https://www.dailymail.co.uk/news/article-6530613/Dow-rebounds-500-points-day-trading-post-markets-biggest-Christmas-Eve-plunge-history.html>

The News Media is also highly conflicted

The lions share of Michael Bloomberg's profits originate from the very banks and investments funds

that his news organization reports on.

To get an idea of how biased they can be, look no further than his decision to [block investigative reporting on himself](#), and all Democrats, or worse, his apparent subservience to the demands of the Chinese government, where it was claimed by a journalist with a PhD that [he will bury stories at their request](#).

Now, even in light of all this, it's not completely fair to dismiss his credibility simply because of these missteps. When it comes to business news, Bloomberg will always be king. Lest we never forget, it was his network that forced the banks to disclose the details of the Federal Reserve bailout package during the financial crisis in 2008; something that will forever shed light into the mechanics of central banking.

One could even go so far as to say this was a revolutionary act, because even though the majority of his profits were derived from these banks, he still fought them anyways, and he should forever be

remembered for this.

But those were also very trying times. America had just been brought to its knees by a financial cataclysm that in the words of Ben Bernanke, the Federal Reserve Chairman at the time, was apparently [worse than the Great Depression](#), and at the end of the day, Bloomberg still has [competitors](#). Most of his profits still derive from these banks, so maybe notwithstanding a financial crisis like we saw in 2008, his decisions are likely to be conflicted through this relationship.

It also wasn't exactly Michael Bloomberg himself that was fighting to expose the details of that bailout package, but his reporter [Mark Pittman](#) — who suddenly *died* soon after.



Image by By Amin – Own work, CC BY-SA 4.0, <https://commons.wikimedia.org/w/index.php?curid=56660661>

He still stood up to them though — him, his reporters, and Bloomberg L.P. — and they should forever be remembered for this.

Thank you Michael Bloomberg, and Rest in Peace [Mr. Pittman](#).

days. In contrast, a TAF loan of \$10 billion extended over a 1-month period would appear as \$10 billion. As a result, the total transaction amounts shown in table 8 for PDCF are not directly comparable to the total transaction amounts shown for TAF and other programs that made loans for periods longer than overnight.

Table 8: Institutions with Largest Total Transaction Amounts (Not Term-Adjusted) across Broad-Based Emergency Programs (Borrowing Aggregated by Parent Company and Includes Sponsored ABCP Conduits), December 1, 2007 through July 21, 2010

Dollar in billions								
Borrowing Parent Company	TAF	PDCF	TSLF	CPFF	Subtotal	AMLF	TALF	Total loans
Citigroup Inc.	\$110	\$2,020	\$348	\$33	\$2,511	\$1	-	\$ 2,513
Morgan Stanley	-	1,913	115	4	2,032	-	9	2,041
Merrill Lynch & Co.	0	1,775	166	8	1,949	-	-	1,949
Bank of America Corporation	280	947	101	15	1,342	2	-	1,344
Barclays PLC (United Kingdom)	232	410	187	39	868	-	-	868
Bear Stearns Companies, Inc.	-	851	2	-	853	-	-	853
Goldman Sachs Group Inc.	-	589	225	0	814	-	-	814
Royal Bank of Scotland Group PLC (United Kingdom)	212	-	291	39	541	-	-	541
Deutsche Bank AG (Germany)	77	1	277	-	354	-	-	354
UBS AG (Switzerland)	56	35	122	75	287	-	-	287
JP Morgan Chase & Co.	99	112	68	-	279	111	-	391
Credit Suisse Group AG (Switzerland)	0	2	261	-	262	0	-	262
Lehman Brothers Holdings Inc.	-	83	99	-	183	-	-	183
Bank of Scotland PLC (United Kingdom)	181	-	-	-	181	-	-	181
BNP Paribas SA (France)	64	66	41	3	175	-	-	175
Wells Fargo & Co.	159	-	-	-	159	-	-	159
Dexia SA (Belgium)	105	-	-	53	159	-	-	159
Wachovia Corporation	142	-	-	-	142	-	-	142
Dresdner Bank AG (Germany)	123	0	1	10	135	-	-	135
Societe Generale SA (France)	124	-	-	-	124	-	-	124
All other borrowers	1,854	146	14	460	2,475	103	62	2,639
Total	\$3,818	\$8,951	\$2,319	\$738	\$15,826	\$217	\$71	\$16,115

Source: GAO analysis of Federal Reserve System data.

Table 5: Summary of Terms and Conditions for TAF, TSLF, and PDCF

Category	TAF	TSLF	PDCF
Eligible borrowers	Discount window primary-credit eligible institutions	Primary dealers	Primary dealers
Collateral eligibility	Discount window collateral	<ul style="list-style-type: none"> Schedule 1: Collateral eligible for open market operations with FRBNY (U.S. Treasury securities, agency debt securities, and agency MBS) Schedule 2: Initially included all Schedule 1 collateral, and highly rated MBS; over time, expanded to include other highly rated ABS and investment grade securities 	Initially included investment grade securities and was expanded to include all assets eligible for tri-party repurchase agreements with the two major clearing banks, including noninvestment grade securities and stocks
Haircuts	Yes	Yes	Yes
Recourse to borrower's assets	Yes	Yes	Yes
Term	28 or 84 days	28 days	Overnight

Source: GAO analysis based on Federal Reserve Board terms and conditions for TAF, TSLF, and PDCF.

Click on the image below to learn more



<https://stocktrades.exchange/scandals/>

December 23, 2010,

In connection with the Trust Offering, on [October 22, 2009](#), (i) Mr. Murdock entered into a Forward Purchase Agreement (the “[Forward Purchase Agreement](#)”) with the 2009 Trust pursuant to which Mr. Murdock agreed to deliver to the 2009 Trust on the Exchange Date a number of shares of Common Stock equal to the product of the exchange rate times the 24,000,000 Securities offered in the Trust Offering, and (ii) Mr. Murdock entered into a Collateral Agreement (the “[Collateral Agreement](#)”) with U.S. Bank, National Association, as Collateral Agent (the “[Collateral Agent](#)”), and the 2009 Trust, pursuant to which Mr. Murdock agreed to grant a security interest in the number of shares of Common Stock initially deliverable under the Forward Purchase Agreement. Pursuant to the Collateral Agreement, Mr. Murdock has the right to vote these shares of Common Stock for so long as such shares are beneficially owned by him and pledged under the Collateral Agreement, unless an event of default occurs under the Forward Purchase Agreement or the Collateral Agreement.

Page 5 of 7 Pages

On [December 23, 2010](#), Mr. Murdock pledged 2,500,000 shares of Common Stock to [DB Private Clients Corp.](#) as part of the collateral securing Mr. Murdock’s obligations under a term loan facility, which Mr. Murdock expects to use to support various business activities. If additional amounts are borrowed, additional shares may be pledged.

DEF 14A 5/19/11

Beneficial Owner	Amount of Beneficial Ownership(1)	Percent of Class(2)
Directors		
Elaine L. Chao	7,701	*
Andrew J. Conrad	22,701	*
Sherry Lansing	9,701	*
Justin M. Murdock	17,667(3)	*
Dennis M. Weinberg	26,923	*
Named Executive Officers		
David H. Murdock (also a Director)	51,710,000(4)	58.4%
David A. DeLorenzo (also a Director)	625,934(5)	*
C. Michael Carter	107,556(6)	*
Joseph S. Tesoriero	109,769(7)	*
All executive officers (Section 16 Officers) and directors as a group (10 persons)	52,677,921	59.3%
Greater than 5% Beneficial Owners		
Aletheia Research and Management, Inc.	6,697,348(8)	7.6%
BAMCO INC.	5,588,218(9)	6.3%

- (1) Beneficial ownership is determined in accordance with SEC rules and includes shares owned outright, shares of restricted stock (whether vested or unvested), options to purchase common stock that were exercisable as of the Record Date or that will become exercisable within 60 days of the Record Date, and other forms of indirect ownership. Beneficial ownership does not include stock options that are not exercisable and will not become exercisable within 60 days of the Record Date or performance shares. Except as otherwise indicated below, to our knowledge, all persons have sole voting and investment power with respect to the common stock, except to the extent authority is shared by spouses under applicable law.
- (2) Calculated based on 88,587,310 shares of common stock outstanding as of the Record Date. Unless indicated otherwise, percentage of ownership is less than 1.0%.
- (3) Includes 17,667 options to purchase common stock that are exercisable. No additional options will vest within 60 days of the Record Date.
- (4) Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended (the "Trust"), for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares have been pledged as collateral pursuant to that certain Collateral Agreement, dated as of October 22, 2009, among Mr. Murdock in his individual capacity and as trustee for the Trust, and U.S. Bank, National Association, for the benefit of the 2009 Dole Food Automatic Common Exchange Security Trust which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on November 10, 2009. Mr. Murdock pledged 4,000,000 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

December 30, 2011

This Amendment No. 2 (the "Amendment") amends and supplements the Schedule 13D (the "Original Schedule 13D") filed with the Securities and Exchange Commission (the "SEC") on November 9, 2009 by the Reporting Persons, as previously amended. This Amendment, and the Original Schedule 13D, relates to the shares of Common Stock, par value \$0.001 per share ("Common Stock") of Dole Food Company, Inc., a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at One Dole Drive, Westlake Village, California 91362. Capitalized terms used but not otherwise defined in this Amendment have the meanings ascribed to such terms in the Original Schedule 13D. Except as amended and supplemented by this Amendment, the Original Schedule 13D as previously amended is not amended or supplemented in any respect.

Item 4. Purpose of Transaction

The response to Item 4 of the Original Schedule 13D is hereby amended to add the following:

Pursuant to a previously disclosed term loan facility, additional shares of Common Stock have been pledged and the total number of shares pledged is now 16,700,000.

March 30, 2012

1

Based upon 88,952,386 shares of Common Stock outstanding as of [February 29, 2012](#).

This Amendment No. 3 (the "*Amendment*") amends and supplements the Schedule 13D (the "*Original Schedule 13D*") filed with the Securities and Exchange Commission (the "*SEC*") on [November 9, 2009](#) by the Reporting Persons, as previously amended. This Amendment, and the Original Schedule 13D, relates to the shares of Common Stock, par value \$0.001 per share ("*Common Stock*") of Dole Food Company, Inc., a Delaware corporation (the "*Issuer*"). The principal executive offices of the Issuer are located at One Dole Drive, [Westlake Village, California 91362](#). Capitalized terms used but not otherwise defined in this Amendment have the meanings ascribed to such terms in the Original Schedule 13D. Except as amended and supplemented by this Amendment, the Original Schedule 13D as previously amended is not amended or supplemented in any respect.

Item 4. Purpose of Transaction

The response to Item 4 of the Original Schedule 13D is hereby amended to add the following:

Pursuant to a previously disclosed term loan facility, additional shares of Common Stock have been pledged and the total number of shares pledged is now 19,710,000.

5

September 17, 2012
(Date of Event Which Requires Filing of this
Statement)
On: Monday, 9/24/12, at 6:12am ET

1

Based upon 88,946,386 shares of Common Stock outstanding as of [June 30, 2012](#).

CUSIP No. [256603 101](#)

Page 5 of 6 Pages

This Amendment No. 12 (the "*Amendment*") amends and supplements the Schedule 13D (the "*Original Schedule 13D*") filed with the Securities and Exchange Commission (the "*SEC*") on [November 9, 2009](#) by the Reporting Persons, as previously amended. This Amendment, and the Original Schedule 13D, relate to the shares of Common Stock, par value \$0.001 per share ("*Common Stock*") of Dole Food Company, Inc., a Delaware corporation (the "*Issuer*"). The principal executive offices of the Issuer are located at One Dole Drive, [Westlake Village, California 91362](#). Capitalized terms used but not otherwise defined in this Amendment have the meanings ascribed to such terms in the Original Schedule 13D. Except as amended and supplemented by this Amendment, the Original Schedule 13D, as previously amended, is not amended or supplemented in any respect.

Item 4. Purpose of Transaction

Item 4 as previously amended is revised to add the following:

In relation to a previously described term loan, certain shares pledged to secure the loan were released. The number of pledged shares is now 20,435,086.

Item 6. Contracts, Arrangements Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 as [previously filed](#) is amended to add the following:

In connection with an Acquisition Agreement between Dole Food Company, Inc. and Itochu Corporation, Mr. Murdock entered into a voting agreement committing him to vote in favor of the transaction.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.8 Voting Agreement dated as of [September 17, 2012](#)

PREM14A' for 11/27/12

Filed on Monday, 9/24/12, at 1:19pm ET

- (3) Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock, 24,000,000 of these shares have been pledged as collateral pursuant to that certain Collateral Agreement, dated as of October 22, 2009, among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living Trust, and U.S. Bank, National Association, for the benefit of the MACES Trust, which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on November 10, 2009. As disclosed in the Schedule 13D/A filed with the SEC on August 31, 2012, Mr. Murdock determined not to deliver a notice to the Trustees of the MACES Trust electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of October 22, 2009 between him and the MACES Trust which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on November 10, 2009. As a result, the MACES Securities, except for those Mr. Murdock owns, will remain exchangeable on November 1, 2012 for shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Mr. Murdock owns certain securities issued by the MACES Trust and intends to deliver those securities that he owns to the MACES Trust for cancellation. As a result, some shares pledged to the MACES Trust will be delivered to the holders of MACES Securities and the remainder will be released

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from that pledge and retained by Mr. Murdock. Mr. Murdock and the trustees of the MACES Trust will instruct delivery of pledged shares needed to settle the MACES Securities in shares of our common stock. Mr. Murdock also pledged 20,435,086 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

separate pledge

Tuesday, 10/2/12, at 9:26pm ET

October 1, 2012

(Date of Event Which Requires Filing of this Statement)

In relation to a previously described term loan, certain shares pledged to secure the loan were released. The number of pledged shares is now 18,935,086.

This Amendment No. 13 (the “*Amendment*”) amends and supplements the Schedule 13D (the “*Original Schedule 13D*”) filed with the Securities and Exchange Commission (the “*SEC*”) on [November 9, 2009](#) by the Reporting Persons, as previously amended. This Amendment, and the Original Schedule 13D, relate to the shares of Common Stock, par value \$0.001 per share (“*Common Stock*”) of Dole Food Company, Inc., a Delaware corporation (the “*Issuer*”). The principal executive offices of the Issuer are located at One Dole Drive, [Westlake Village, California 91362](#). Capitalized terms used but not otherwise defined in this Amendment have the meanings ascribed to such terms in the Original Schedule 13D. Except as amended and supplemented by this Amendment, the Original Schedule 13D, as previously amended, is not amended or supplemented in any respect.

Item 4. Purpose of Transaction

Item 4 as previously amended is revised to add the following:

In relation to a previously described term loan, certain shares pledged to secure the loan were released. The number of pledged shares is now 18,935,086.

Item 6. Contracts, Arrangements Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 as [previously filed](#) is amended to add the following:

Mr. Murdock has re-confirmed with the Trustees of the Dole Food Automatic Common exchange Security [Trust](#) that the 20 Trading Day period for computing the Exchange Ratio related to the [MACES](#) will end [October 26, 2012](#). In connection with the Exchange of the [Trust](#) securities for shares of the Issuer’s common stock, Mr. Murdock understands that the Issuer is prepared to instruct its transfer agent to issue the common shares without a Securities Act of 1933 restrictive legend because the Issuer will receive a legal opinion to the effect that the holding period under Rule 144 has been satisfied.

SIGNATURE

October 16, 2012.

Mr. Murdock also pledged 18,935,086 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan

- (3) Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living [Trust](#) dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares have been pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living [Trust](#), and U.S. Bank, National Association, for the benefit of the [MACES Trust](#), which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the [MACES Trust](#) electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the [MACES Trust](#) which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, the [MACES](#) Securities, except for those Mr. Murdock owns, will remain exchangeable on [November 1, 2012](#) for shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Mr. Murdock owns certain securities issued by the [MACES Trust](#) and intends to deliver those securities that he owns to the [MACES Trust](#) for cancellation. As a result, some shares pledged to the [MACES Trust](#) will be delivered to the holders of [MACES](#) Securities and the remainder will be released.

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from that pledge and retained by Mr. Murdock. Mr. Murdock and the trustees of the [MACES Trust](#) will instruct delivery of pledged shares needed to settle the [MACES](#) Securities in shares of our common stock. Mr. Murdock also pledged 18,935,086 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

– ‘PRER14A’ on 10/19/12

Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares have been pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living Trust, and U.S. Bank, National Association, for the benefit of the MACES Trust, which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the MACES Trust electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the MACES Trust which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, the MACES Securities, except for those Mr. Murdock owns, will remain exchangeable on [November 1, 2012](#) for shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Mr. Murdock owns certain securities issued by the MACES Trust and intends to deliver those securities that he owns to the MACES Trust for cancellation. As a result, some shares pledged to the MACES Trust will be delivered to the holders of MACES Securities and the remainder will be released

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from that pledge and retained by Mr. Murdock. Mr. Murdock and the trustees of the MACES Trust will instruct delivery of pledged shares needed to settle the MACES Securities in shares of our common stock. Mr. Murdock also pledged 18,935,086 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

'PRER14A' on 10/19/12

Friday, 10/19/12, at 5:26pm ET

- (2) Calculated based on 88,961,386 shares of common stock outstanding as of [October 16, 2012](#). Unless indicated otherwise, percentage of ownership is less than 1.0%.
- (3) Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares have been pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living Trust, and U.S. Bank, National Association, for the benefit of the MACES Trust, which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the MACES Trust electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the MACES Trust which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, the MACES Securities, except for those Mr. Murdock owns, will remain exchangeable on [November 1, 2012](#) for shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Mr. Murdock owns certain securities issued by the MACES Trust and intends to deliver those securities that he owns to the MACES Trust for cancellation. As a result, some shares pledged to the MACES Trust will be delivered to the holders of MACES Securities and the remainder will be released

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from that pledge and retained by Mr. Murdock. Mr. Murdock and the trustees of the MACES Trust will instruct delivery of pledged shares needed to settle the MACES Securities in shares of our common stock. Mr. Murdock also pledged 18,935,086 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

Wednesday, 10/31/12, at 5:25pm ET

October 29, 2012, 13-D

Item 6. Contracts, Arrangements Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 as [previously filed](#) is amended to add the following:

Pursuant to the previously disclosed Forward Purchase Agreement dated as of [October 22, 2009](#) (the “*Forward Purchase Agreement*”), the 20 Trading Day period for computing the exchange ratio related to the \$0.875 [Trust](#) Issued Automatic Common Exchange Securities (“[MACES](#)”) ended on the Trading Day immediately prior to but not including the third Trading Day prior to the exchange date for the [MACES](#), which exchange date is [November 1, 2012](#) (the “*Exchange Date*”). Accordingly, pursuant to the terms of the Forward Purchase Agreement and because of the unexpected market closures on [October 29, 2012](#) and [October 30, 2012](#) caused by Hurricane Sandy, the last day of the 20 Trading Day period used for computing the exchange rate for the [MACES](#) was [October 24, 2012](#), not [October 26, 2012](#) as previously anticipated.

CUSIP No. [256603 101](#)

Page 6 of 6 Pages

SIGNATURE

‘PRER14A’ on 11/15/12

Thursday, 11/15/12, at 5:06pm ET

(3) Mr. Murdock beneficially owned these shares either directly through the David H. Murdock Living [Trust](#) dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares were pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living [Trust](#), and U.S. Bank, National Association, for the benefit of the [MACES Trust](#), which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the [MACES Trust](#) electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the [MACES Trust](#) which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, as discussed in the schedule 13D/A filed with the SEC on [November 2, 2012](#), the [MACES](#) Securities, were exchanged on [November 1, 2012](#) for 23,317,270 shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Of such 23,317,270 shares of our common stock, 2,185,994 shares were distributed to Mr. Murdock in exchange for the [MACES](#) Securities held by Mr. Murdock. The remaining 682,730 shares that were pledged were released from that pledge and retained

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by Mr. Murdock. [Mr. Murdock also pledged 22,121,080 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.](#)

Beneficial Owner	Amount of Beneficial Ownership(1)	Percent of Class(2)
Directors		
Elaine L. Chao	7,701	*
Andrew J. Conrad	22,701	*
Sherry Lansing	9,701	*
Justin M. Murdock	0	*
Dennis M. Weinberg	31,675	*
Named Executive Officers		
David H. Murdock (also a Director)	56,674,244(3)	63.7%
David A. DeLorenzo (also a Director)	986,767(4)	1.1%
C. Michael Carter	235,646(5)	*
Joseph S. Tesoriero	239,548(6)	*
All executive officers (Section 16 Officers) and directors as a group (10 persons)	58,261,285	65.0%

'PRER14A' on 11/15/12

Thursday, 11/15/12, at 5:06pm ET

- (2) Calculated based on 88,961,386 shares of common stock outstanding as of [October 25, 2012](#). Unless indicated otherwise, percentage of ownership is less than 1.0%.
- (3) Mr. Murdock beneficially owned these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares were pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living Trust, and U.S. Bank, National Association, for the benefit of the MACES Trust, which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the MACES Trust electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the MACES Trust which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, as discussed in the schedule 13D/A filed with the SEC on [November 2, 2012](#), the MACES Securities, were exchanged on [November 1, 2012](#) for 23,317,270 shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Of such 23,317,270 shares of our common stock, 2,185,994 shares were distributed to Mr. Murdock in exchange for the MACES Securities held by Mr. Murdock. The remaining 682,730 shares that were pledged were released from that pledge and retained

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- by Mr. Murdock. Mr. Murdock also pledged 22,121,080 shares to [DB Private Clients](#) Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.
- (4)

'DEFM14A' on 11/16/12

Friday, 11/16/12, at 2:11pm ET

- (2) Calculated based on 88,961,386 shares of common stock outstanding as of [October 25, 2012](#). Unless indicated otherwise, percentage of ownership is less than 1.0%.
- (3) Mr. Murdock beneficially owned these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly-owned indirectly by Mr. Murdock. 24,000,000 of these shares were pledged as collateral pursuant to that certain Collateral Agreement, dated as of [October 22, 2009](#), among Mr. Murdock in his individual capacity and as trustee for the David H. Murdock Living Trust, and U.S. Bank, National Association, for the benefit of the MACES Trust, which is filed as Exhibit 99.7 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As disclosed in the Schedule 13D/A filed with the SEC on [August 31, 2012](#), Mr. Murdock determined not to deliver a notice to the Trustees of the MACES Trust electing to use the cash settlement alternative provided in Section 2.3 (d) of the Forward Purchase Agreement dated as of [October 22, 2009](#) between him and the MACES Trust which is filed as Exhibit 99.6 to the Schedule 13D filed with the SEC on [November 10, 2009](#). As a result, as discussed in the schedule 13D/A filed with the SEC on [November 2, 2012](#), the MACES Securities, were exchanged on [November 1, 2012](#) for 23,317,270 shares of our common stock in the ratio determined pursuant to the Forward Purchase Agreement. Of such 23,317,270 shares of our common stock, 2,185,994 shares were distributed to Mr. Murdock in exchange for the MACES Securities held by Mr. Murdock. The remaining 682,730 shares that were pledged were released from that pledge and retained

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- by Mr. Murdock. [Mr. Murdock also pledged 22,121,080](#) shares to [DB Private Clients](#) Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.

'DEF 14A' for 5/23/13

Friday, 4/12/13, at 4:04pm ET

David H. Murdock (also a Director)	35,818,585(3)	40.0%
David A. DeLorenzo (also a Director)	1,356,798(4)	1.5%
C. Michael Carter (also a Director)	444,905(5)	*
Joseph S. Tesoriero	366,597(6)	*
All executive officers (including two additional Section 16 Officer) and directors as a group (12 persons)	38,102,844	41.8%
[Greater than 5% Beneficial Owners]		
None		
(1) Beneficial ownership is determined in accordance with SEC rules and includes shares owned outright, shares of restricted stock (whether vested or unvested), options to purchase common stock that were exercisable as of the Record Date or that will become exercisable within 60 days of the Record Date, and other forms of indirect ownership. Beneficial ownership does not include stock options that are not exercisable and will not become exercisable within 60 days after the Record Date or performance shares. Except as otherwise indicated below, to our knowledge, all persons have sole voting and investment power with respect to the common stock, except to the extent authority is shared by spouses under applicable law.		
(2) Calculated based on 89,326,415 shares of common stock outstanding as of the Record Date. Unless indicated otherwise, percentage of ownership is less than 1.0%.		
(3) Mr. Murdock beneficially owns these shares either directly through the David H. Murdock Living Trust dated May 28, 1986, as amended, for which Mr. Murdock is the trustee, or indirectly through Castle & Cooke Holdings, Inc., which is wholly owned indirectly by Mr. Murdock. Includes 250,000 options to purchase common stock that are exercisable. No additional options will vest within 60 days after the Record Date. Mr. Murdock has pledged 24,195,994 shares to DB Private Clients Corp. as collateral to secure his obligations under a term loan facility he uses to support various personal business activities.		

6/3/13 13/d

This Amendment No. 17 (the “*Amendment*”) amends and supplements the Schedule 13D (the “*Original Schedule 13D*”) filed with the Securities and Exchange Commission (the “*SEC*”) on [November 9, 2009](#) by the Reporting Persons, as previously amended. This Amendment, and the Original Schedule 13D, relate to the shares of Common Stock, par value \$0.001 per share (“*Common Stock*”) of Dole Food Company, Inc., a Delaware corporation (the “*Issuer*”). The principal executive offices of the Issuer are located at One Dole Drive, [Westlake Village, California 91362](#). Capitalized terms used but not otherwise defined in this Amendment have the meanings ascribed to such terms in the Original Schedule 13D. Except as amended and supplemented by this Amendment, the Original Schedule 13D, as previously amended, is not amended or supplemented in any respect.

Item 4. Purpose of Transaction

Item 4 as previously amended is revised to add the following:

Mr. Murdock pledged shares of Common Stock on [May 31, 2013](#) and [June 3, 2013](#) to Deutsche Bank AG, [London Branch](#) as part of the collateral securing Mr. Murdock’s obligations under a loan agreement, which Mr. Murdock expects to use to support various business activities. The number of pledged shares pursuant to existing loan agreements is now 26,378,724. If additional amounts are borrowed or other events occur which require deposit of additional collateral pursuant to the loan agreement, additional shares may be pledged.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE

After reasonable inquiry and to the best of each of the undersigned’s knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: [June 3, 2013](#)

‘PREM14A’ for 8/21/13

[Table of Contents](#)

Castle purchased approximately \$0.5 million of products from Dole during fiscal year 2012 and paid Dole approximately \$0.1 million under a trademark licensing agreement. Castle also paid Dole a total of \$146,880 in fiscal year 2012 for legal services rendered to Castle by Mr. Carter, an executive officer and director of Dole, in connection with Castle’s sale of the island of Lanai. This amount includes reimbursement for \$2,880 in Hawaiian excise tax.

Dole and Castle are responsible for 68% and 32%, respectively, of all obligations under an aircraft lease arrangement. Each party is responsible for the direct costs associated with its use of this aircraft; and indirect costs are shared by them based upon each party’s actual percentage of usage for the year. During fiscal year 2012, Dole’s share of the direct and indirect costs for this aircraft was \$2.0 million. Dole and Castle also share certain administrative costs principally related to the aircraft, which totaled approximately \$1.3 million in 2012, of which Dole’s share was 78%.

Mr. Murdock is a director and executive officer of Dole and also serves as a director and executive officer of privately held entities that he owns or controls. Scott A. Griswold and Roberta E. Wieman, each a former director and officer of Dole, also serve as directors and officers of privately held entities controlled by Mr. Murdock. Total compensation of each of Ms. Wieman and Mr. Griswold is divided between Dole and Castle, based principally on the proportion of time each spent working on Dole’s matters.

Mr. Murdock is party to a registration [rights agreement](#) with Dole. Pursuant to this agreement, Mr. Murdock may demand that Dole register shares of Dole common stock held by Mr. Murdock or require that Dole include shares of common stock owned by Mr. Murdock in a registration statement to the extent Dole proposes to register any Dole securities under the Securities Act, for sale to the public, in each case under certain circumstances and subject to customary restrictions and limitations set forth in the agreement.

Mr. Murdock pledged shares of Dole common stock on [May 31, 2013](#) and [June 3, 2013](#) to Deutsche Bank AG, [London Branch](#) as part of the collateral securing Mr. Murdock’s obligations under a loan agreement, which Mr. Murdock expects to use to support various business activities. [The number of pledged shares pursuant to existing loan agreements is now 26,378,724. If additional amounts are borrowed or other events occur which require deposit of additional collateral pursuant to the loan agreement, additional shares may be pledged.](#)

‘PRER14A’ on 9/20/13

Indicates ownership of less than one percent.

- (1) Mr. Conrad beneficially owns these shares either directly or indirectly through the Big Wednesday, Inc. Defined Benefit Plan, in which Mr. Conrad is the sole participant.
- (2) Includes 860,000 options to purchase Dole common stock that are currently exercisable. Mr. DeLorenzo holds no additional options. Mr. DeLorenzo may be deemed to beneficially own 1,500 shares which are held in a custodial account for Mr. DeLorenzo’s grandson and 1,500 shares which are held in a custodial account for Mr. DeLorenzo’s granddaughter and for which Mr. DeLorenzo serves as UGMA custodian; however, Mr. DeLorenzo expressly disclaims beneficial ownership of such shares.
- (3) Mr. Murdock beneficially owns these shares either directly, indirectly through the Murdock Trust, for which Mr. Murdock is the sole grantor and trustee, or indirectly through Holdings. Includes 255,000 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 16, 2013](#). Mr. Murdock has pledged 26,378,724 shares to Deutsche Bank AG, [London Branch](#) as collateral to secure his obligations under a loan agreement, which he expects to use to support various personal business activities.
- (4) Includes 316,667 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 16, 2013](#).

‘PRER14A’ on 10/1/13

Indicates ownership of less than one percent.

- (1) Mr. Conrad beneficially owns these shares either directly or indirectly through the Big Wednesday, Inc. Defined Benefit Plan, in which Mr. Conrad is the sole participant.
- (2) Includes 860,000 options to purchase Dole common stock that are currently exercisable. Mr. DeLorenzo holds no additional options. Mr. DeLorenzo may be deemed to beneficially own 1,500 shares which are held in a custodial account for Mr. DeLorenzo's grandson and 1,500 shares which are held in a custodial account for Mr. DeLorenzo's granddaughter and for which Mr. DeLorenzo serves as UGMA custodian; however, Mr. DeLorenzo expressly disclaims beneficial ownership of such shares.
- (3) Mr. Murdock beneficially owns these shares either directly, indirectly through the Murdock Trust, for which Mr. Murdock is the sole grantor and trustee, or indirectly through Holdings. Includes 255,000 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#). Mr. Murdock has pledged 26,378,724 shares to Deutsche Bank AG, [London Branch](#) as collateral to secure his obligations under a loan agreement, which he expects to use to support various personal business activities.
- (4) Includes 316,667 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#).

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'PRER14A' on 10/3/13

Indicates ownership of less than one percent.

- (1) Mr. Conrad beneficially owns these shares either directly or indirectly through the Big Wednesday, Inc. Defined Benefit Plan, in which Mr. Conrad is the sole participant.
- (2) Includes 860,000 options to purchase Dole common stock that are currently exercisable. Mr. DeLorenzo holds no additional options. Mr. DeLorenzo may be deemed to beneficially own 1,500 shares which are held in a custodial account for Mr. DeLorenzo's grandson and 1,500 shares which are held in a custodial account for Mr. DeLorenzo's granddaughter and for which Mr. DeLorenzo serves as UGMA custodian; however, Mr. DeLorenzo expressly disclaims beneficial ownership of such shares.
- (3) Mr. Murdock beneficially owns these shares either directly, indirectly through the Murdock Trust, for which Mr. Murdock is the sole grantor and trustee, or indirectly through Holdings. Includes 255,000 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#). Mr. Murdock has pledged 26,378,724 shares to Deutsche Bank AG, [London Branch](#) as collateral to secure his obligations under a loan agreement, which he expects to use to support various personal business activities.
- (4) Includes 316,667 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#).

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'DEFM14A' on 10/3/13

Indicates ownership of less than one percent.

- (1) Mr. Conrad beneficially owns these shares either directly or indirectly through the Big Wednesday, Inc. Defined Benefit Plan, in which Mr. Conrad is the sole participant.
- (2) Includes 860,000 options to purchase Dole common stock that are currently exercisable. Mr. DeLorenzo holds no additional options. Mr. DeLorenzo may be deemed to beneficially own 1,500 shares which are held in a custodial account for Mr. DeLorenzo's grandson and 1,500 shares which are held in a custodial account for Mr. DeLorenzo's granddaughter and for which Mr. DeLorenzo serves as UGMA custodian; however, Mr. DeLorenzo expressly disclaims beneficial ownership of such shares.
- (3) Mr. Murdock beneficially owns these shares either directly, indirectly through the Murdock Trust, for which Mr. Murdock is the sole grantor and trustee, or indirectly through Holdings. Includes 255,000 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#). Mr. Murdock has pledged 26,378,724 shares to Deutsche Bank AG, [London Branch](#) as collateral to secure his obligations under a loan agreement, which he expects to use to support various personal business activities.
- (4) Includes 316,667 options to purchase Dole common stock that are currently exercisable. No additional options will vest within 60 days after [September 27, 2013](#).

106

bibliography (backup)

regulators

<https://www.investmentnews.com/finra-panel-awards-clients-5-million-for-churning-but-from-defunct-brokerage-75578>

<https://www.financial-planning.com/news/shocking-finra-board-of-governors-elections-to-feature-rarely-contested-race-for-large-firm-rep>

control the government

<https://newrepublic.com/article/137798/important-wikileaks-revelation-isnt-hillary-clinton>

the middleman that sits between a trade

“Central clearing virtually eliminates counterparty risk by interposing a “clearinghouse” between the two counterparties to the loan. The clearinghouse becomes the borrower to every lender and the lender to every borrower. In the event one party fails to meet its obligations,

the clearinghouse steps in and assumes the obligation. The clearinghouse maintains sufficient capital to stand behind every trade it clears. By doing so, the clearinghouse creates a more efficient market and mitigates systemic risk, allowing borrowers and lenders to trade without concern of counterparty default”

mandatory arbitration process

<http://www.thestreet.com/story/13021734/1/even-snowden-would-have-his-hands-full-cracking-wall-streets-arbitration-secrets.html>

stranglehold over our capital markets

“In September 2009, Quadriserv/AQS executives learned that, during a conversation with the Head of the Stock Loan Desk at Defendant Bank of America/MerrillLynch) that took place weeks earlier, Goldman Sachs’ Conley “got so angry at the mention of[Quadriserv/AQS’s] name that spit was coming out of his mouth.” Conley told the Bank of America executive that he was “opposed to transparency in any form,” and that his

opposition was driven by the above-market spread Goldman Sachs secretly made on stock loan transactions. Conley pressured Bank of America to reverse course and to join the opposition to Quadriserv/AQS or risk being ostracized by the other Prime Broker Defendants ”

Stifle competition

“In one such meeting on October 12, 2012, Andrew Clayton, Global Head of Securities Lending at Northern Trust, explained that Northern Trust would like to support SL-x, but could not do so without the approval of Goldman Sachs. In another instance, BNY Mellon (then Bank of New York) agreed to extend a \$50 million line of credit and to participate actively“

instruct the directors of the DTCC

“DTCC’s clearing business—admitted to SL-x that the DTCC could not offer SL-x central stock loan clearing without the approval of Goldman Sachs and other Prime Broker Defendants ”

their hegemony

“During a meeting with the DTCC on April 8, 2008, for example, AQS executives were originally told by DTCC’s Managing Director and General Manager Fixed Income Clearance and Settlement Group, Thomas Costa, that “this sounds great, but who’s going to start your car in the morning?”

Pension funds are being forced

“Defendants’ market power and willingness to abuse it to silence, punish, and exclude those who dared to cross them is one important reason why their conspiracy was able to operate under the radar until recently. As noted above, Defendants wielded their considerable clout to bully and threaten even large, established entities in the stock loan market. This clout meant that even their more aggressive tactics could remain unspeakable by those who feared retaliation. Defendants’ threats—and the power behind them—kept those to whom they were directed quiet about the conspiracy they furthered. Those who were targeted feared incurring the wrath of those

Defendants on whose services and relationship they depended if they did anything that would inform the market (including Plaintiffs and the class) about the strategies to quash emerging market innovation“

every hedge fund in America

<https://stocktrades.exchange/2019/12/28/q3-fund-activity-almost-complete/>

\$100's of billions

“Specifically, Quadriserv’s analysis predicted a 32% reduction in the total fees paid by stock borrowers as a result of credit and pricing efficiencies on AQS, effectively saving borrowers approximately \$4.5 billion per year in fees paid on stock loan transactions. This analysis also predicted that fees paid to stock lenders would also increase from an approximate 26% of gross annual stock loan revenue paid to beneficial owners in the current inefficient OTC market to an

approximate 52% of gross annual revenue under the efficient, AQS model, netting beneficial owners approximately \$1.44 billion more in gross revenues each year”

Still facilitated over the counter

“The stock loan market is an “over-the-counter” (“OTC”) market, meaning that there is no central marketplace or exchange through which market participants can send their bids and offers to the entire market or obtain real-time trading data such as price and volume information. Instead, stock loan transactions go through a broker-dealer intermediary that provides the prospective borrower with a single price for the transaction in an opaque market with very limited information”.

the mother of all darkpools

“As managing director and global head of sales for Credit Suisse’s Advanced Execution Services,

Santayana saw the evolution of FIX connectivity, as well as advances in smart order routing, algorithmic trading and high-frequency trading. “This environment— securities finance—is the ‘mother of all dark pools’,” he said.

<http://www.marketsmedia.com/securities-lending-a-2-trillion-dark-pool/>

backward and opaque

“To paraphrase Tolstoy, all efficient markets resemble one another, but each inefficient market is inefficient in its own way. This case concerns the “stock loan” or “stock lending” market, which is an inefficient, antiquated, and opaque over-the-counter (“OTC”) trading market artificially dominated by a handful of large prime broker banks. As set forth herein, these banks (the “Prime Broker Defendants”) conspired to keep the stock loan market frozen in this inefficient state to preserve their collective market control and dominance“

\$100’s of millions

“Tellingly, shortly after the deal between OCC and AQS collapsed, EquiLend itself offered to buy AQS. After years of being boycotted and having spent nearly \$100 million in investor money with very little volume or profit to show for it, AQS’s owners accepted EquiLend’s offer of less than \$5 million to purchase the assets of AQS”

Banded together

“Led by Goldman Sachs and Morgan Stanley, the Prime Broker Defendants were motivated to conspire to prevent new entrants in the stock loan market from successfully offering electronic trading and clearing platforms and additional pricing transparency that would threaten the Prime Broker Defendants’ collective dominance of this lucrative market. The threats they faced were so credible that the Prime Broker Defendants did not dare act unilaterally, and so they agreed to act as a cartel“

refused to provide key services

“In mid- to late-2013, the Prime Broker

Defendants renewed their commitment to standing against SL-x. They agreed to boycott SL-x, collectively refused to use its platform, and took steps to ensure that other market participants turned their back on SL-x as well“

threatened their top hedge fund clients

“Similarly, Morgan Stanley’s European Prime Brokerage Desk threatened its hedge fund clients with the loss of critical prime brokerage services if they were to “trade away” their stock lending business to venues such as SL-x. Hedge funds including Renaissance Technologies, D.E. Shaw, Millennium Management, and SAC Capital were all threatened by Prime Broker Defendants with retaliation if they moved their stock lending business to AQS“.

two decades now

<https://web.archive.org/web/20070106082943>

[/http://www.vodiagroup.com/pdfs/FourMyths.pdf](http://www.vodiagroup.com/pdfs/FourMyths.pdf)

electronic exchange

“Quadriserv/AQS and SL-x both developed electronic trading platforms on which stock loan trades could be executed and centrally cleared at transparent prices.³ These companies strongly believed that such platforms were a natural step in the evolution of the stock loan market, and many in the industry (including some within the Prime Broker Defendants’ own banks) agreed. It is well-established in the academic and empirical literature that trading and clearing on electronic platforms improves the efficiency of financial markets and improves price terms for investors. In both cases, however, the Prime Broker Defendants met this threat by organizing a group boycott of the platforms to starve them of liquidity. They also took parallel steps to pressure others in the market not to use the platforms and to penalize those who did”

net worth of only \$8000

<https://www.washingtonpost.com/business>

[/2019/05/31/millennials-have-an-average-net-worth-thats-significantly-less-than-previous-generations/?noredirect=on](https://www.pbs.org/wgbh/frontline/film/retirement-gamble/)

66% reduction to your retirement savings.

<https://www.pbs.org/wgbh/frontline/film/retirement-gamble/>

blood drained out of that bankers face

“It was this trade data transparency that, in the words of SL-x executives, the Prime Broker Defendants found “most controversial” and caused the “color to drain out of their face” when explained at in-person sales meetings. As explained by Deutsche Bank’s Head of Supply Trading, Kevin Soobadoo, in one such meeting that took place with SL-x executives in October 2012, among the prime brokers’ concerns about SL-x was that it provided “too much transparency,” or at least “too much immediate transparency,” for comfort. JP Morgan requested

the ability to turn off the real-time ticker, or block certain trades from being included, a request that SL-x declined”.

*20 years [https://web.archive.org](https://web.archive.org/web/20070106082943/http://www.vodiagroup.com/pdfs/FourMyths.pdf)
[/web/20070106082943/http:](https://web.archive.org/web/20070106082943/http://www.vodiagroup.com/pdfs/FourMyths.pdf)
[//www.vodiagroup.com/pdfs/FourMyths.pdf](https://web.archive.org/web/20070106082943/http://www.vodiagroup.com/pdfs/FourMyths.pdf)*

experts
*[https://scholarship.law.upenn.edu](https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1163&context=faculty_scholarship)
[/cgi/viewcontent.cgi?article=1163&](https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1163&context=faculty_scholarship)
[context=faculty_scholarship](https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1163&context=faculty_scholarship)*

participants
*[https://www.lawinsider.com/dictionary/dtc-](https://www.lawinsider.com/dictionary/dtc-participant)
[participant](https://www.lawinsider.com/dictionary/dtc-participant)*

Beneficial interest
*[https://www.sec.gov/reportspubs/investor-](https://www.sec.gov/reportspubs/investor-publications/investorpubsholdsechtm.html)
[publications/investorpubsholdsechtm.html](https://www.sec.gov/reportspubs/investor-publications/investorpubsholdsechtm.html)*

Street name
<https://www.sec.gov/reportspubs/investor->

[publications/investorpubsholdsechtm.html](#)

they still refused

<https://www.livemint.com/Money>

[/CeutkBCwsaoOVxj7Kz9lhL/Creditdefault-swaps-flop-on-exchanges-dealers-boycott-Eure.html](#)

“The dealer community is not really supporting this,’ said Joe Levin, the CBOE’s vice president of research and product development in Chicago. Credit-default swaps, conceived more than a decade ago by bankers in New York and London as a way to protect lenders against default, now are used by hedge funds and investors as a less expensive way of betting on the creditworthiness of companies than purchasing bonds”.

these banks will rig anything

<https://stocktrades.exchange/scandals/>

30% of shareholders

<https://fortune.com/2014/12/16/shareholder-voting-rights/>

vote buying

<http://webcache.googleusercontent.com/search?q=cache:http://shareholdercoalition.com/sites/default/files/Hu%2520Article%2520Southern%2520CA%2520Law%2520Review%25205-06.pdf>

“Double Voting in Proxy Contests Threatens Shareholder Democracy”, Bloomberg

<https://web.archive.org/web/20060421085925/http://www.rgm.com/articles/FalseProxies.pdf>
<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a4OuCsU8r2Yg>

typical Bloomberg fashion

<https://wallstreetonparade.com/2019/10/news-articles-on-the-feds-secret-trillions-in-loans-to-wall-street-during-the-last-crisis-have-been->

[purged-from-bloomberg-news/](#)

wolf packs

<https://www.forbes.com/sites/danielfisher/2015/11/03/best-defense-against-wolf-pack-investors-is-to-anticipate-their-attack/#53d93f7b17e1>

elections

<https://www.opensecrets.org/overview/sectors.php>

“Economic Warfare – Risks and Responses, by Kevin D. Freeman”

https://archive.org/stream/EconomicWarfare-RisksAndResponsesByKevinD.Freeman/Economic-Warfare-Risks-and-Responses-by-Kevin-D-Freeman_djvu.txt

key infrastructure

<https://prospect.org/power/jpmorgan-gets-back-into-the-electricity-business/>

don't actually exist

<https://web.archive.org/web/20070106083509>

[/http://www.vodiagroup.com/pdfs/seclending1.pdf](http://www.vodiagroup.com/pdfs/seclending1.pdf)

artificially inflated price levels

<https://web.archive.org/web/20200220024337>

[/https://stocktrades.exchange/2019/12/23/hmny/](https://stocktrades.exchange/2019/12/23/hmny/)

(search <https://stocktrades.exchange/2019/12>

[/23/hmny/](https://stocktrades.exchange/2019/12/23/hmny/) or <https://stocktrades.exchange>

[/2019/12/23/hmny/](https://stocktrades.exchange/2019/12/23/hmny/)

selling fake shares

“Kerrigone and his superiors at Wilson-Davis knew that Regulation SHO generally required a seller to borrow a security before selling the security short. But the Firm made no effort to do so before Kerrigone’s short selling. Instead, the Firm assumed that its trading fell within an exemption to the borrow requirement provided to Firms who engage in “bona-fidemarket making”

<http://webcache.googleusercontent.com>

[/search?q=cache:https://www.finra.org/sites](http://webcache.googleusercontent.com/search?q=cache:https://www.finra.org/sites)

[/default/files](#)

[/OHO_DavisDW_2012032731802_022718.pdf](#)

market maker exception

<https://www.sec.gov/investor/pubs/regsho.htm>

your imagination

<https://wallstreetonparade.com/2014/07/lawsuit-stunner-half-of-futures-trades-in-chicago-are-illegal-wash-trades/>

afterhours has always been a venue

https://en.wikipedia.org/wiki/Tontine_Coffee_House#cite_note-8

fictitious loan

https://archive.org/stream/328064-transcript-of-depositions-in-case/328064-transcript-of-depositions-in-case_djvu.txt

this topic

<https://archive.org/details/MaxKeiserRadio-TheTruthAboutMarkets-15May2010>

victims of this fraudulent activity

<https://web.archive.org/web/20110902145244>

[/https://www.deepcapture.com/wp-content](https://www.deepcapture.com/wp-content)

[/uploads/story-of-dendreon.pdf](https://www.deepcapture.com/wp-content/uploads/story-of-dendreon.pdf)

50% of the prime brokerage industry

<https://www.hfalert.com/rankings>

[/rankings.pl?Q=149](https://www.hfalert.com/rankings.pl?Q=149)

Muppets

<http://www.nytimes.com/2012/03/14/opinion>

[/why-i-am-leaving-goldman-](http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?pagewanted=all)

[sachs.html?pagewanted=all](http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?pagewanted=all)

\$450 000 000

<https://www.cnn.com/id/16327285>

700 000 square feet

[https://www.americanspa.com/california-](https://www.americanspa.com/california-wellbeing-institute-opens-four-seasons-westlake-)

[wellbeing-institute-opens-four-seasons-westlake-](https://www.americanspa.com/california-wellbeing-institute-opens-four-seasons-westlake-)

village

Wellpoint Inc.

[https://www.wsj.com/articles
/SB115404944588419959](https://www.wsj.com/articles/SB115404944588419959)

court documents

[https://courts.delaware.gov/opinions
/download.aspx?ID=228790](https://courts.delaware.gov/opinions/download.aspx?ID=228790)

Toiling his fields

“In Costa Rica, banana workers usually earn \$200 to \$300 a month, or about half of the national average, and the struggle for decent wages has become intertwined with the DBCP issue“.

[https://www.dallasobserver.com/news/fruit-of-
the-poison-tree-6382534](https://www.dallasobserver.com/news/fruit-of-the-poison-tree-6382534)

mysterious ways

<https://www.activistpost.com/2013/01/goldman->

[sachs-made-400-million-betting.html](#)

great responsibility

<https://www.ft.com/content/479ac4ba-eb32-11de-bc99-00144feab49a>

35% of which are owned by foreign investors

<https://www.taxnotes.com/tax-notes-federal/corporate-taxation/slashing-corporate-taxes-foreign-investors-are-surprise-winners/2017/10/23/1x78l>

\$6.5 billion

<https://www.latimes.com/archives/la-xpm-2000-sep-12-fi-19538-story.html>

(Wall Street Journal, Nov. 22, 2013)

<https://www.wsj.com/articles/fortress-investment-holds-about-28-million-dole-food-shares-1385148611>

the corporation

<https://www.bloomberg.com/news/articles>

[/2015-05-20/once-unthinkable-criminal-pleas-by-u-s-banks-get-investor-meh-](#)

two-time felon

<https://wallstreetonparade.com/2019/11/jamie-dimon-tells-60-minutes-hes-a-patriot-theres-good-reason-to-think-hes-a-crime-boss/>

exposed by Frontline

<https://www.prwatch.org/news/2013/01/11959/frontline-gets-its-man-lanny-breuer-leaves-doj-after-expose>

not a depository institution

<https://wallstreetonparade.com/2014/05/a-mangled-case-of-justice-on-wall-street/>

loan money to themselves

<https://www.sec.gov/Archives/edgar/data/831001>

[/000119312508036445/dex2101.htm](#)

Voting switching

<https://www.bloomberg.com/opinion/articles/2015-07-14/banks-forgot-who-was-supposed-to-own-dell-shares>

14 times

<https://www.bloomberg.com/opinion/articles/2016-05-13/t-rowe-price-voted-for-the-dell-buyout-by-accident>

Venetician Banking

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13 day forced buy-in rule

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rapid advances

[https://www.c-span.org/video/standalone
/?467139-1/artificial-intelligence-financial-
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the worst forms of fraud

[https://cdn.ihs.com/www/pdf/Why-it-pays-to-
lend-ETFs-brochure.pdf](https://cdn.ihs.com/www/pdf/Why-it-pays-to-lend-ETFs-brochure.pdf)

cleared by the brokers

“Ex-clearing counterfeiting — The second tier of counterfeiting occurs at the broker dealer level. This is called ex-clearing. Multiple tricks are utilized for the purpose of disguising naked shorts that are fails-to-deliver as disclosed shorts, which means that a share has been borrowed. They also make naked shorts “invisible” to the system so they don’t become fails-to-deliver,

which is the only thing the SEC tracks”.

[http://counterfeitingstock.com
/CounterfeitingStock.html](http://counterfeitingstock.com/CounterfeitingStock.html)

MF Global

http://newsandinsight.thomsonreuters.com/Securities/Insight/2011/12_-_December/MF_Global_and_the_great_Wall_St_re-hypothecation_scandal/

Timothy Geithner

<https://www.federalreserve.gov/boarddocs/press/other/2003/20031015/default.htm>

Robert Rubin

<https://wallstreetonparade.com/2018/05/robert-rubin-exorcises-citigroup-from-his-career-in-todays-nyt-oped/>

Merger of Travelers and Citicorp

<https://www.nytimes.com/1998/04/07/news/citicorp-and-travelers-plan-to-merge-in-record-70-billion-deal-a-new-no.html>

Salomon Brothers

<https://www.independent.co.uk/news/business/salomons-agrees-to-9bn-merger-with-smith-barney-1241098.html>

Smith Barney

<https://stocktrades.exchange/2019/03/02/the-board-determined-by-regulation-before-november-12-1999-that-engaging-as-principal-in-commodity-derivatives-federal-reserve-board-october-2-2003/>
<https://archive.is/dMgbh>

formerly Philbro

<https://www.ft.com/content/92f86602-a7f1-11e4-be63-00144feab7de>

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<https://www.wsj.com/articles/SB1036031024384061551>

basis necessities of life

<https://web.archive.org/web/20200308224349>

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it's a big club

<https://www.reuters.com/investigates/special-report/usa-fidelity-family/>

the status quo

other Prime Broker Defendants and refused to support SL-x.

226. For instance, on September 21, 2011—the same day as Brian Lamb’s rejection email to SL-x—Morgan Stanley’s Edward McAleer responded to SL-x concerning its overtures. McAleer indicated that he had spoken that same day with Anthony Schiavo—Managing Director at Morgan Stanley and a Director of EquiLend—concerning SL-x’s proposal. Schiavo’s view, as relayed by McAleer, was that SL-x should deal with EquiLend directly rather than through Morgan Stanley, and that “approaching a group of brokers outside the EquiLend arena is not an approach he wants to take.”

REVIEW OF EVIDENCE ON CLEARING HOUSE ASSOCIATIONS. 25

Association, which is fairly representative, a bank or trust company, no matter how well qualified, can not be admitted over the objection of one-fourth of those already members, who are its competitors, and on the other hand may be expelled by a majority vote; and in neither case need any reason be given nor is there any appeal. Nor, without the assent of the association can there be any change in the ownership, management, or charter of a member on pain of expulsion. Mr. Sherer, manager, and Mr. Cannon, member of the governing body, of this association, testifying as to its power in this regard, said among other things (Sherer, R., 112, 113, 145, 146):

Q. Assuming that it has all of those qualifications, the admissions committee is the sole judge of whether it will admit a member, is it not?

A. Yes.

Q. Having all those qualifications, it can be rejected or admitted in the judgment of the association, can it not?

A. Yes.

Q. And it requires the affirmative votes of three-fourths of the members to admit a member, does it not?

A. Yes, sir.

privilege

<https://www.investors.com/politics/editorials/fact-checkers-big-media/ge>

too many people on the planet anyways

<https://quotes.yourdictionary.com/author/duke-of-edinburgh-philip/181215>

Mark Pittman

<https://www.bloomberg.com/news/articles/2010-10-25/u-s-treasury-shielding-of-citigroup-with-deletions-make-foia-meaningless>

The Court of Delaware

<http://www.delawareonline.com/story/news/crime/2014/04/03/beau-biden-defends-handling-du-pont-heir-sex-case/7255629/>

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