**Talking Points**

1.  This case is about lying, cheating and stealing.

2. Who is lying - Wall Street.  How? They are telling the market (and you as a customer) the stock they are selling is real - in many cases it is not.

 Hundreds of millions of shares are sold each day electronically and not timely delivered.  Many shares are never delivered.

3. WHERE IS THE PROOF

1. Rob Shapiro report - 500 million to 1 billion shares per day.
2. SEC and FINRA fines Wall Street hundreds of millions of dollars.
3. More people showing up to vote when compared to the total issued and outstanding shares.
4. Our cases.

4. Cheating – Wall Street is cheating investors, including the pension funds of teachers and firemen, by making them think their stock is real.

5. Stealing – Wall Street is stealing by taking investors’ money and giving them an IOU for the stock, called a security entitlement.

6.  For hundreds/thousands of companies, Wall Street has illegally issued shares to millions of people who really do not own those shares, as they only own them electronically but there is no actual share.

 The problem/theft is estimated to be in excess of $100 trillion dollars.

**What is the problem and how did it get this large?**

1. Paper shares were issued for many years.

2.  Then Wall Street decided to start issuing shares electronically through the Depository Trust Corporation ("DTC").  The DTC is owned by brokers who are committing this fraud.

3.  The DTC repeatedly sells stock electronically that it does not deliver.

4. This DTC, which is owned in part by the brokers, regulates itself.  It is called a self-regulatory organization.

5. The brokers are not delivering millions of shares per day.  This means the shares are failing to deliver - FTD's.

**WHAT DOES THIS MEAN?**

 The system is rigged by creating supply that exceeds demand.

 For example, a company sells 1,000,000 shares per day - if I want to guarantee that the stock goes down in price, I will make sure I sell 1,000,000 more shares on a given day (a total of 2,000,000).  As supply is now double the amount of shares normally sold, the price goes down as supply exceeds demand.

 If you do this every day, the stock goes to -0-.

6.  Margin Accounts - your stock is lent.

      Brokers use those shares

7.  Cash Account Shares - Merrill's $420 million fine.

 This means if everyone took possession of their shares, many would have -0-.

8.  Rig also - SEC investigations, class actions.  Lies are written about the company.

**HOW DO WE FIX IT?**

1. Brokers must be required to deliver shares T+1 - no exception.  This especially is true in a short sale.  The share must be delivered.
2. If there is no delivery – impose massive fines and charge as a crime - felony.
3. Brokers must be required to report short sales daily, including ex-clearing trades.
4. No mismarking of tickets.
5. If brokers violate these rules multiple times, they should face jail time.
6. Non-brokers and brokers must report [like a 13(D)] how many short sales they have executed.
7. Brokers must report all fails to deliver daily.

**A HISTORY LESSON**

1. Fails to deliver started in 1968.  In 2018, proxy season - 134 out of 183 meetings received more votes than it had shares.

2. Between January 1, 2007 and June 2008, the SEC received 5,000 naked short selling complaints - only 123 (2.56%) were investigated.

**OTHER IMPACTS**

1. New technology is being destroyed in the interest of money.  Those technologies could better our lives - now they won't.  Wall Street destroyed, these technologies by killing the companies making the technologies.

2. Confidence in our capital market is at an all-time low.

3. Your votes no longer count.

4. The value of certain pensions have been reduced dramatically.

5. Corporate governance is a mess.

6. There is no equal justice under the law.  Wall Street gets bailed out - even after they steal.

7. It is ultimately financial terrorism on the U.S. and its citizens.