



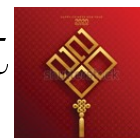
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Financial Crisis Report



Advancing in a Time of Crisis

Words of Wisdom “There is nothing government can give you that it hasn’t taken from you in the first place.” Winston Churchill

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We are experiencing the most economically unstable and socially erratic period in the history of the modern world. This period is marked with extreme fluctuations in the stock, commodity and currency markets accompanied by severe and sometimes violent and deadly social disruptions including historic pandemics, riots and wars. As is typical of such times, many fortunes will be made and lost during this period. After talking with many business owners, executives, professionals, scholars and government officials from around the world, the writer believes that for the financially astute investor, this is a time of unprecedented opportunity given the global trade unbalances and distortions in the stock, commodity and currency markets. *The Financial Crisis Report* is a free compilation of the opinions of David Miyoshi as well as of those advisors he himself subscribes to (with appropriate credits given) on how to benefit during this historic time of crisis. The writer receives no compensation of any kind from any advisors whose articles or ideas may appear in this report. The reader is welcomed to check on all sources of information mentioned herein. Because the opinions and observations of this writer and other advisors are provided herein without charge, the reader is asked to make his/her own judgment on the contents.

Football and Why American Colleges Dominate the World



My favorite spectator sport is college football. The tradition, spirit, pageantry, excitement and drama of two rivals giving it all they have on the field of play for their (and our) alma maters can’t be duplicated by any other sport in the world. And college football is both exclusive to and endemic in America.

But these days many say college football costs too much. That it exploits players and even damages their brains. That it glorifies violence and promotes a thuggish brand of masculinity. And it undermines the college’s academic mission.

No time in history has that question come up more than now during the COVID -19 lockdown. And no time in history have the colleges struggled more to revamp their team playoff schedules than now. I won’t comment on how the various conferences such as the SEC, the Big 10, the ACC, the Big 12 and the Pac 12 came to decide on their respective playing schedules. There simply is too much politics involved for it to mean anything for the average viewer.

But as to the claim college football costs a lot, there is some truth to this assertion. However, this assertion may simply be the other side of the claim that American higher education is revered around the world. Could it just be that football is part of the reason the American system of higher education has become so successful?

In a thesis written by David F. Labaree that appeared in the *Ideas* publications series on October 7, 2017, Labaree published rankings computed by Jiao Tong University in Shanghai that showed American institutions account for 32 of the top 50 and 16 of the top 20 universities in the world. Also, between 2000 and 2014, 49% of all Nobel recipients were scholars at U.S. universities.

Labaree’s thesis demonstrates that while the connection between brawny linemen and brainy physicists may seem remote, it’s really not. He posits that in order to support a large number of high-powered professors, U.S. universities need to attract a huge number of tuition-paying students, and they need to turn those students into loyal lifelong donors. In order to draw state appropriations, they also need to extend their reach beyond their own alumni by attracting the political support of citizens in the immediate community and in the state at large. And they need to do so within an extremely competitive higher education market consisting of nearly 5,000 degree-granting institutions.

In doing research for a book about the American system of higher education, Labaree discovered that the key to its strength has been its ability to combine elite scholarship with populist appeal. And football played a key role in creating this alchemy.

American colleges developed their skills at attracting consumers and local supporters in the early nineteenth century, when the basic elements of the higher education system came together.

America's Most Popular Ethnophaulism

These colleges emerged in a very difficult environment, when the state was weak, the market strong, and the church divided. Unlike European forebears, who could depend on funding from the state or the established church, American colleges arose as not-for-profit corporations that received only sporadic funding from church denominations and state governments and instead had to rely on students and local donors. Often adopting the name of the town where they were located, these colleges could only survive, much less thrive, if they were able to attract and retain students from nearby towns and draw donations from alumni and local citizens.

Like any other market-based institution, the early college had to develop an attractive brand and to foster, in both students and the broader community, strong loyalty to that brand. Ideally, this meant turning current students into loyal alumni and community members into fervent fans. As public colleges emerged later in the nineteenth century, they followed the lead of the privates in seeking their own sources of support because they too lacked secure public funding.

In this quest, American colleges and universities have been uniquely and spectacularly successful. Go to any American campus and you will see that nearly everyone seems to be wearing the brand—the school colors, the logo, the image of the mascot, team jerseys. Unlike their European counterparts (as well as schools in Asia), American students don't just attend an institution of higher education; they identify with it. It's not just where they enroll; it's who they are. In the U.S., the first question that twenty-year-old strangers ask each other is "Where do you go to college?" And half the time the question is moot because the speakers are wearing their college colors.

Football, along with other intercollegiate sports, has been enormously helpful in building the college brand. It helps draw together all of the members of the college community (students, faculty, staff, alumni, and local fans) in opposition to the hated rival in the big game. It promotes a loyalty that lasts for a lifetime, which translates into a broad political base for gaining state funding and a steady flow of private donations.

Thus, one advantage that football brings to the American university is financial. It's not that intercollegiate sports turn a large profit; in fact, the large majority lose money. Instead, it's that they help mobilize a stream of public and private funding. And now that state appropriations for public higher education are in steady decline (i.e. California and Michigan), public universities, like their private counterparts, are increasingly dependent on private funding.

This private support provides American colleges with a degree of autonomy from state control that has given them a big advantage over their international rivals, which are for the most part wholly dependent on government. This autonomy makes the institutions freer from political influence and nimbler in pursuing entrepreneurial opportunities, adapting to changes in the market, and besting their peers.

Another advantage that football brings is that it softens the college's elitism. Even the most elite American public research universities (Berkeley, Michigan, Virginia, UCLA) have a strong populist ap-

peal. The same is true of a number of top-level private universities (Stanford, Vanderbilt, Duke, USC). In large part this comes from their role as a venue for popular entertainment supported by their accessibility to a large number of undergraduate students. As a result, the U.S. university has managed to avoid much of the social elitism of British institutions such as Oxford and Cambridge and the academic elitism of the German university dominated by the graduate school. Go to a college town on game day, and nearly every car, house, and person is sporting the college colors.

This broad support is particularly important these days, now that the red-blue political divide has begun to affect colleges as well. A recent study showed that, while most Americans still believe that colleges have a positive influence on the country, 58% of Republicans do not. History strongly suggests that football is going to be more effective than Nobel prizes in winning back their loyalty.

So, for all you loyal Americans and fans of Ohio State, Alabama, Clemson, LSU, Georgia, Oklahoma, Oregon, Texas and the like, make sure you don your school colors and root for your team. I will be sure to get out my cardinal and gold sweat shirt and cheer for my USC Trojans. Fight On!

D. Miyoshi

America's Most Popular Ethnophaulism



What is an Ethnophaulism? It's an insinuation or allegation about a member of a given ethnicity, or a reference to them in a derogatory, disrespectful, pejorative, disapproving, contemptuous, or otherwise insulting manner.

So in America what is the most popular Ethnophaulism these days? Well, It's the term "racism"

Why is that?

The noted radio commentator Rush Limbaugh probably gave the

COVID LESSONS AND WHAT DO WE DO NOW

best explanation for this.

On September 14, Limbaugh said “One of the things that I don’t think gets enough comments—and it didn’t at the time—is the racial division created in this country by Obama and the Obama administration. And it was done purposefully. And it was a strategic part of implementing whatever aspect of the Obama agenda.”

Limbaugh was absolutely right about this, and time has shown it to be true.

Limbaugh continued: “There were a lot of white Americans who are not racists; they’re not bigots; they don’t even know what white supremacy means, and this white privilege stuff. All they knew was they’re sick and tired of being called racist just because they’re white. They’re sick and tired of the country’s being labeled as racist. So they couldn’t wait to vote for Obama. They didn’t care if Obama was a Communist, a Marxist, or whatever he was. He was black, and so they were going to vote for him. The reason they were going to vote for him was so it could be proven that they were not racist and that the country isn’t racist. ... They thought the fastest way to disprove those allegations was for America to elect an African-American president. Most powerful job in the world. And that’s what happened: America, with the support of untold millions of white voters, elected the first African-American president. ... [He] could not have been elected with black-only votes. The first African-American president needed millions of white votes, and he got them.”

So millions of people believed electing a black man would prove how much progress America has made with race relations. Not that it is perfect, but this should have eradicated the false idea that this nation is irredeemably racist.

The trouble is, leftists will never accept that assertion. In fact, they sought to use Mr. Obama’s election to divide the country even more.

How? “Very simple,” Limbaugh explained. “Any Obama proposal that was not universally agreed to and accepted by everybody was said to be racist.” So, whenever people criticized something President Obama did—even the very people who voted for him—they were labeled racist! “It was impermissible to criticize him; it was impermissible to criticize his policies. Imagine, folks, to not be able to criticize the president of the United States, the most powerful man in the country—to not be able, using the First Amendment, to criticize policies. You have to shut up, otherwise you’re a racist.” That was the plan, and leftists pushed it as hard as they could.

This diabolical strategy created even more racial division in America. And that is exactly what the left wanted! As a result, after eight years of an Obama presidency, our nation’s race problems are far worse! And that division is what led to Black Lives Matter and Antifa.

Those millions of white voters were trying to help end racial strife in this country. “They were trying to show that there isn’t racism in America—not like the left has claimed,” Limbaugh said. “They’d already made Oprah Winfrey the most popular and wealthy television performer in America. There were countless African-American athletes that were among the wealthiest athletes in America. And yet that didn’t matter. The charge still came that there was white supremacy, that there was white privilege, and that there was blatant racism everywhere. ... After America going to that length to prove it’s not racist, look at what is being said about America today: that it is racist and it is bigoted, that there is white supremacy, that there is white privilege. And it’s worse than ever. We need reparations.”

Nobody can disprove this powerful insight! It is an unusually profound understanding of American politics today.

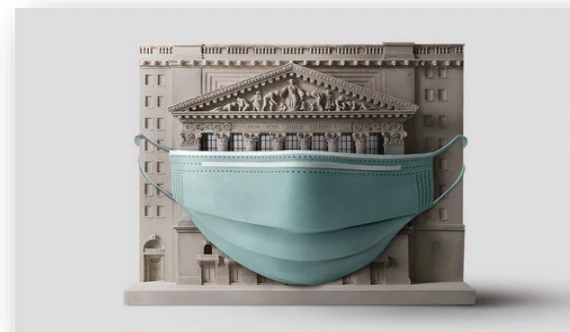
“So, what went wrong?” Limbaugh asked. “After electing the first African-American, now it’s worse than ever in America. How do you explain that? ... You know, it’s no small thing for a bunch of white people to band together to elect somebody on the basis of race so as to show that they’re not racists; that’s a big, big thing. And now it counts for nothing? ... Now it’s almost as though it never happened? Now America is a worse racist nation than it’s ever been since the Civil War?”

History can indeed be cruel to an empire.

So, for what it’s worth let’s take this lesson to heart and with God’s help we can survive.

D. Miyoshi

COVID LESSONS AND WHAT DO WE DO NOW



Here are some thoughts I jotted down after reading an analysis of the COVID lockdown by John Mauldin of Mauldin Economics. D. Miyoshi

What we learned

First, the median age of fatalities seems to be around 80. Deaths



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below that age level are highly associated with one or more conditions like obesity, hypertension, heart disease, diabetes, a weakened immune system, etc. Deaths among those under 20 are quite rare.

The estimated Infection Fatality Rate is close to zero for younger adults but rises sharply with age, reaching about 0.3% for ages 50–59, 1.3% for ages 60–69, 4% for ages 70–79, and 10% for ages 80–89.

That is not to say that every death does not matter, and when it is your loved one, it is tragic. I get that. Truly, I do. But according to CDC data, only about 6% of COVID-19 deaths were from COVID-19 alone. All the others had at least one comorbidity associated with them and, on average, all US deaths had 2.6 additional conditions.

Second, the lockdowns created a depression-like economic reaction in the first quarter and even though the economy has rebounded, it is still in severe recession territory. It's impossible to say otherwise when over 800,000 are people still applying for unemployment benefits every week.

Third, both health and economic impacts have skewed toward those of lower income and ability to recover. Those of us lucky enough to have jobs where we can work from home have seen relatively less damage, and in some cases even improvement, at least from an employment standpoint.

With the benefit of hindsight, I am sure that we would've made different choices in terms of our response to the disease. It would've been nice to have a stockpile of N95 masks and other PPE gear. Efforts are underway to remedy that problem, but those will likely take years to actually prove successful.

The Good News

The justifiable concern about hospitals being able to handle large numbers of cases seems to have improved. Further, treatment practices and medicines have increased and will continue to get better.

Likewise, hundreds of vaccines are in some stages of trial/testing. There are over 30 vaccines currently in a phase 3 trial. To put it in hockey or soccer terms, that is over 200 shots on goal.

Given the wide variety of approaches, most will either fail because they don't work or have harmful side effects, or they are uneconomical. But the good news is we only need a few to help bring the disease under control.

Further, as time passes, we get closer to herd immunity. And while that is a nebulous concept, as we are not sure quite what the number is for this particular virus (here the scientists strongly disagree with each other), like every flu pandemic that we have had in the past 70 years, herd immunity is eventually reached. We have to hope that immunity to this virus is long lasting, otherwise all bets are off.

As an aside, everyone has learned today that the elderly long-term care facilities are at risk. In many countries, 50% to 60% of COVID-19 deaths are from care facilities. In some countries, it approaches 80%.

While every death is horrible, life expectancy for those victims was often short already. The length of stay data are striking:

- The median length of stay in a nursing home before death was five months

- 65% died within one year of nursing home admission
- 53% died within six months of nursing home admission

There is a reason insurance companies that offer long-term healthcare insurance provide a significant discount for the first 90-day exclusion clause. That is because they know the risk of dying soon after you enter a healthcare facility is quite high. That's just a very sad actuarial fact.

Cases in the US are now trending down with the exception of locations associated with super spreader events like the Sturgis motorcycle gathering. It was more than just North and South Dakota, but you can track increases back to where a motorcyclist went home and see smaller spikes there.

What Do We Do Now

Many experts see high odds of an increase in both cases and hospitalizations (and thus deaths) as winter approaches. There will be a natural tendency to want to go back into lockdown mode. We can't do it.

A lockdown on the level that we had in the second quarter would throw the economy into yet another depression scenario that would be even harder to escape. Hundreds of thousands of small businesses, and a few larger ones, are simply going to go out of business as it stands today. That represents millions of jobs. Another lockdown would make the situation even worse.

Interestingly, according to the Wall Street Journal, "The U.S. Centers for Disease Control and Prevention, in its 2017 community mitigation guidelines for pandemic flu, didn't recommend stay-at-home orders or closing nonessential businesses even for a flu as severe as the one a century ago." The World Health Organization (WHO) Writing Group, after reviewing the literature and considering contemporary international experience, concluded that "forced isolation and quarantine are ineffective and impractical." Canada's pandemic guidelines concluded that restrictions on movement were "impractical if not impossible."

Of course, there were other authorities and government officials who disagreed with those suggestions and promoted lockdowns. I am not going to argue whether or not the decisions were proper. That's water under the bridge. I am arguing that we cannot pursue future lockdowns to the extent that we did.

So what do we do?

First, we have to figure out how to protect those who are most vulnerable. They must be supplied with N95 masks.

Second, we need to recognize that people are dying as a secondary effect to the lockdowns. There is a significant spike in deaths of despair, drug use, and suicide. Doctors in Denver noticed that there was a reduction of heart attack victims coming to hospitals. They found that the number of people dying of cardiac arrest at home in





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the two weeks following the statewide stay-at-home order was greater than the total number of people who died of COVID-19 in the city during that time.

New cancer diagnoses have fallen off significantly. That means people are not coming in for checkups, and when (or if) their cancer is eventually discovered, it will be later stage and thus more likely to be fatal.

In England, there was a 50% decline in admissions for heart attacks as people were concerned about going into hospitals with COVID-19 patients. The result was 40% more people dying from lower-risk treatable heart conditions. For strokes, the situation is further exacerbated by living alone and not having visitors as 98% of emergency calls for strokes are made by someone else.

There are other knock-on effects. Tuberculosis kills 1.5 million people each year. According to one estimate, a three-month lockdown across different parts of the world and a gradual return to normal over 10 months could result in an additional 6.3 million cases of tuberculosis and 1.4 million deaths. A six-month disruption of antiretroviral therapy may lead to more than 500,000 additional deaths from illnesses related to HIV, according to the WHO. Another WHO model predicted that in the worst-case scenario, deaths from malaria could double to 770,000 per year.

While lockdown may seem to protect us from an immediate known problem, the unintended consequences are killing just as many people from different sources and few of those deaths make it into the media.

Third, we need to do the obvious. While the use of masks is controversial in some quarters, and not legally mandated everywhere, I believe we should continue using masks in public places—especially if you are older (like me) or have a comorbidity. Social distancing is also effective. Interestingly, normal flus and other infectious diseases are down thanks to social distancing and mask usage. (Dr. Mike Roizen and I wrote about this last June, and it is still accurate.)

Fourth, until we have a vaccine or have clearly obtained herd immunity, and the risk is no more than that of a normal flu, we should avoid mass events like football games and arena sports. And it should go without saying to wash your hands frequently.

And speaking of herd immunity, let me refer to a country that is somewhat controversial: Sweden. It did not pursue a lockdown strategy. It kept its schools open and reopened them again. It had 5,800 deaths as of a few weeks ago. Seventy percent of those deaths were in long-term care facilities, most of them occurred early on, providing the spike in its initial death rates. And while everyone was agonizing over the deaths in Sweden, there were more deaths in Sweden in 1993 and 2000 from the flu than from

COVID-19 this last year.

Today, deaths and hospitalizations in Sweden are in the single digits and zero most days. Its policy worked, at least for the Swedes. Sweden may be a bad analogy for the US. Its population simply has less

comorbidities.

Fifth, we need to figure out more precise and reasonable social-distancing methodologies. Arbitrary 50% rules for restaurants may not make sense in every case. The actual distance between tables is what is important. Most restaurants, for example, can't be profitable at 50% capacity. The same goes for almost any retail business or public place.

Sixth, businesses should consider reserving times for those who need additional protective measures. Again, using the restaurant example, maybe dinner from four to six for those who are older or vulnerable so that they can feel comfortable getting out again, with more distancing between tables for that period of time.

Seventh, we clearly need to improve the availability of not just masks and other protective gear but also important drugs and medical supplies. Temporary tax breaks to encourage the building of facilities within the US may be useful. I know that a bill has been introduced in Congress to make it easier to produce pharmaceuticals and equipment within Puerto Rico.

(Interestingly, not that long ago, there were significant tax advantages for pharmaceutical companies to locate production in Puerto Rico. For whatever reason, those were removed and eventually the pharmaceutical companies left, but there are still enormous facilities that could once again be used for pharmaceutical production.

Eighth, I wrote about the potential for 205 to 222 nm ultraviolet light (UVC) to kill not only this coronavirus but all viruses and bacteria without harming humans. It turns out there are several companies working on such products. Right now, they are terribly expensive. But with the development of a simple LED capable of producing that light, the cost would drop by several magnitudes. Not only would this protect us from COVID-19, but it would protect us from other infections in the future. It would help in other ways, too. Fifty thousand people a year die from hospital-acquired infections. This would cut that into a fraction. This type of lighting should become ubiquitous not only in businesses but also in the homes of at-risk people.

It would not take a great deal of money to make many research centers focus on developing cheaper LEDs for UVC light. We would probably recover the investment quickly just by needing less PPE gear, which must be constantly replenished. Not to mention the future lives saved around the world. Honestly, this is probably the most productive suggestion I made so far, at least from a long-term standpoint.

End of article





Fires and Domestic Terrorism



It's now clear that left-wing arsonists are setting many of the wildfires that are exploding across Western states. Oregon fire officials have "officially" denied the fires are being set by human beings, instead claiming all the fires are Trump's fault because of "climate change."

Of course, most of the fires have naturally occurred as they usually do at this time of the year as a result of changing climate patterns and government land management programs.

But there is no doubt that in their effort to bring down America, the radical Left has embraced a "scorched Earth" policy that involves attempting to burn down the nation by setting fires. Already, Black Lives Matter terrorists are being arrested and charged after being caught setting fires.

The wildfires in Oregon have now displaced half a million residents there, and federal officials are investigating "mass arson" as the real cause behind these fires.

One map of real-time fires shows that all the fires magically stop at the U.S. / Canada border, revealing how these aren't natural fires but rather acts of arson being waged as wartime sabotage against the United States of America:



In addition, videos are already surfacing that reveal how the fires are "engineered" as weapons against America.

"Men with chain saws are cutting down telephone poles to set fires..."

We know that left-wing terrorists are now resorting to arson to set many of these fires, but the question remains: Why?

Grey terrorism... economic devastation and chaos

The best current theory reveals they are carried out as a kind of "grey terrorism" — acts of sabotage that aren't overtly attributed to any particular group but are surreptitiously carried out by politically motivated groups with specific agendas. Suspiciously the FBI is claiming anyone who says the fires are being intentionally set by human beings is a "conspiracy theorist." (This is after the FBI claimed the Russians stole the 2016 election)

It's also no coincidence that these fires are appearing in the same state — Oregon — where left-wing arsonists have spent the last 100 days trying to burn down federal buildings while torching police vehicles and apartment buildings.

We need to pray for America. Left-wing extremists, terrorists and psychopaths are now crying, "Death to America!" and "Kill the cops" as they rampage across left-wing cities and states.

For America to have a future as a democratic republic, the domestic terrorists who are trying to destroy it need to be stopped permanently.

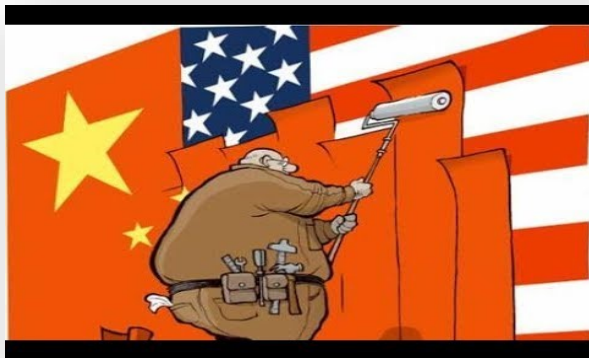
This is becoming serious.

D. Miyoshi





Invasion of the U.S. by China?



The 1984 movie *Red Dawn* directed by John Lilius and starring Patrick Swayze and Charlie Sheen made a big impression on me. The story is about the invasion of the U.S. by the Soviet Union along with Cuban and Nicaraguan allies and follows a group of American high school students who resist the occupation with guerrilla warfare, naming themselves "Wolverines," after their high school mascot. The story ends with the death of the Wolverines and the closing scene depicts a plaque set at a battle scene that reads:

... In the early days of World War III, guerrillas – mostly children – placed the names of their lost upon this rock. They fought here alone and gave up their lives, so "that this nation shall not perish from the earth."

It's a heavy and depressing movie but it outlines what is in the minds of many geopolitical analysts of today, the violent overthrow of the United States, a land that God blessed with tremendous natural resources and a multi-racial and ethnic population wielding talents and energies that have never been assembled before in world history. Never in the history of this planet has so much wealth and power been accumulated in one place in one time. And this fact has not escaped the attention of the rest of the world, especially China.

In the 1930's Hitler crafted a strategic program for world domination on the belief in the power of *Lebensraum*, the quest for living space based on the concept that the racially superior Aryans had the power to expel and destroy non-Aryan races who populated the territory of *Lebensraum*.

Ninety years later, there are now indications that the leaders of the Communist Part of China have adapted their own form of *Lebensraum* and are looking to implement it in America.

In a recent talk before the leaders of the People's Republic of China, their Minister of National Defense, General Wei Fenghe said the following:

"When we decide to revitalize China based on the German model,

we must not repeat the mistakes they made.

Specifically, the following are the fundamental causes for the defeat of Germany and Japan: First, they had too many enemies all at once, as they did not adhere to the principle of eliminating enemies one at a time; second, they were too impetuous, lacking the patience and perseverance required for great accomplishments; third, when the time came for them to be ruthless, they turned out to be too soft, therefore leaving troubles that resurfaced later on."

This statement made by the Chinese Defense Minister should give every America grave concern. Let's break down this three-tiered statement:

The Chinese will focus on defeating only one enemy, the United States.

The Nazis lacked patience. The Chinese are willing to bide their time and plan their military conquests over a larger time frame.

The Germans were too soft, meaning that they were not brutal enough and did not kill enough people.

All Americans must be exterminated.

Essentially Chinese Defense Minister, Wei Fenghe's gave a private declaration of war against America in which he called for genocide against the United States and announced their intention to create hundreds of millions of Chinese colonists the opportunity to become "good Americans".

Dave Hodges, host of the *Common Sense Show* recently presented a five-part audio series in which he shows the Chinese have ample motivation and the means to carry out this attack. Here is the outline of the series:

Part 1- The domestic reasons the Chinese Communists feel it necessary to send millions of colonists to the United States.

Part 2- The planned methodology for the elimination of the American threat by committing genocide against the United States through the use of bioweapons that are genetically based.

Part 3- The Chinese are facilitating a Chinese takeover of the planet.

Part 4- The Chinese are beta testing the use of bioweapons against the United States through the weaponization of selected immigrants (Interview with Paul Martin).

Part 5 Deals with the number one economic reason that Chinese



It's All About the Money

want hundreds of millions of colonists to occupy the United States.

And let us not think that Wei Fenghe is an aberration that will pass because the previous two Chinese Defense Ministers, dating back to 2003, had the exact same foreign policy goals.

It's no secret that the Democrats (at least those now in command) are far more aligned with the Chinese Communist Party than the Republicans. At least President Trump and his press secretary have the courage to tell America about the communists and their threat to America and our way of life.

D. Miyoshi

It's All About the Money



Several clients have asked me what I thought could be the real motive for the social justice messaging of Colin Kaepernick's 2016 defiance against the National Anthem and LeBron James current militant cry for justice for Black Lives Matter.

I believe I found the answer to that question, in an article written by Jason Whitlock that appeared in the July/August edition of *Imprimis*, the publication of Hillsdale College. It all has to do with China and Nike. To answer the question, I quote below a selected part of that article for your reading consideration. D. Miyoshi

"Look at how China, with its 1.4 billion consumers, rules the National Basketball Association and its de facto parent company, Nike, the same way it rules Hollywood. Access to China's consumers and Asia's cheap labor (even sometimes slave labor) is the key to Nike's economic growth. The Portland-based shoe and apparel manufacturer generates \$40 billion a year in revenue. Its global reach, agenda, and revenue streams dictate the strategy of the \$8-billion-a-year NBA. Many are unaware that Nike, and not the NBA, controls basketball. One could make a fair argument that the NBA is nothing more than the in-house marketing department of Nike.

Both Nike and the NBA kowtow to China, which explains their silence on the horrific human rights abuses inside China and the suppression of Hong Kong freedom fighters by China's communist government. More important, Nike and the NBA's China agenda helps explain why Nike pitchmen LeBron James and Colin Kaepernick enthusiastically smear the United States as inherently racist and evil. From Joseph Stalin to Fidel Castro to our own time, the communists' favorite propaganda tactic has been to paint the West, and the U.S. in particular, as racist.

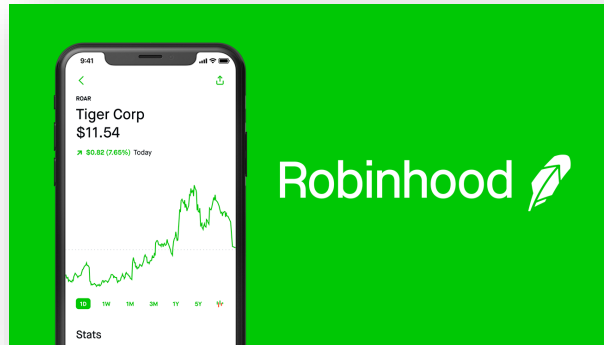
The militant social justice messaging of James and Kaepernick serves the interests of not only the Chinese Communist Party and globalist corporations like Nike, but also our political Left. Kaepernick's National Anthem defiance in 2016 gave the Left an opportunity to politicize football, America's new national pastime, and force it into the kind of "progressive" posturing already commonplace in the NBA and Hollywood. Arrogance, lack of foresight, and the advice of an inner circle that included former Clinton administration press secretary Joe Lockhart as the NFL's vice president of communications, explain commissioner Roger Goodell's laissez-faire approach to Kaepernick's protest. Underestimating the determination of the Left and the power of social media to intimidate corporate America, Goodell and the NFL's TV partners wrongly thought that the Kaepernick controversy would fade over time.

Instead, four years after Kaepernick first knelt, the Leftist mob has forced the National Football League, Major League Baseball, the National Hockey League, and the National Basketball Association to take their own knees and pay homage to the dishonest Black Lives Matter narrative on police brutality. The NFL plans to paint social justice messages across its end zones this season and to allow players to wear helmet decals with the names of alleged police victims. The San Francisco 49ers fly a BLM flag next to an American flag at Levi's Stadium. MLB opened its COVID-shortened season with "BLM" carved into pitcher's mounds, and the Boston Red Sox put up a 254-foot BLM billboard outside Fenway Park. NHL players are now regularly kneeling during the National Anthem. The NBA's basketball bubble at Disney World is a virtual shrine to BLM: "Black Lives Matter" is painted on the court, players wear social justice messages on the back of their jerseys, and it's major news when a player stands during the National Anthem.

The entire American sports world—a culture that traditionally celebrates victors, meritocracy, colorblindness, and patriotism—has suddenly immersed itself in black victimization and left-wing radicalism. This immersion threatens to do permanent damage to American culture as a whole. It has certainly undermined national pride. A country that no longer believes in its founding ideals cannot prosper and survive."

End of Article

Robinhood, Is It Taking From the Rich or the Poor?



Millions of young Americans have begun investing in recent years through the trading app Robinhood, which was founded in 2013 with a sales pitch of no trading fees or account minimums. The ease of trading has turned it into a cultural phenomenon and a Silicon Valley darling, with the start-up climbing to an \$8.3 billion valuation. It has been one of the tech industry's biggest growth stories in the recent market turmoil.

But at least part of Robinhood's success appears to have been built on a Silicon Valley playbook of behavioral nudges and push notifications, which has drawn inexperienced investors into the riskiest trading, according to an analysis of industry data and legal filings, as well as interviews with nine current and former Robinhood employees and more than a dozen customers. And the more that customers engaged in such behavior, the better it was for the company, the data shows.

More than at any other retail brokerage firm, Robinhood's users trade the riskiest products and at the fastest pace, according to an analysis of new filings from nine brokerage firms by the research firm Alphacution for The New York Times.

In the first three months of 2020, Robinhood users traded nine times as many shares as E-Trade customers, and 40 times as many shares as Charles Schwab customers, per dollar in the average customer account in the most recent quarter. They also bought and sold 88 times as many risky options contracts as Schwab customers, relative to the average account size, according to the analysis.

Velocity of Options Trading at Leading Retail Brokers

Options contracts traded for every dollar in the average customer's account.

Robinhood	25,840
TD Ameritrade	2,188
E-Trade	1,844
Charles Schwab	292

Note: Figure is the number of options contracts traded in the first quarter of 2020, per dollar in the average customer account. Robinhood does not provide data on customer holdings, but Alphacution estimated that the average account holds \$4,800, based on customer cash holdings listed in financial filings.

By The New York Times | Source: Alphacution Research Conservatory based on company filings

The more often small investors trade stocks, the worse their returns are likely to be, studies have shown. The returns are even worse when they get involved with options, research has found.

This kind of trading, where a few minutes can mean the difference between winning and losing, was particularly hazardous on Robinhood because the firm has experienced an unusual number of technology issues, public records show. Some Robinhood employees, who declined to be identified for fear of retaliation, said the company failed to provide adequate guardrails and technology to support its customers.

Those dangers came into focus last month when Alex Kearns, 20, a college student in Nebraska, killed himself after he logged into the app and saw that his balance had dropped to negative \$730,000. The figure was high partly because of some incomplete trades.

"There was no intention to be assigned this much and take this much risk," Mr. Kearns wrote in his suicide note, which a family member posted on Twitter.

Like Mr. Kearns, Robinhood's average customer is young and lacks investing know-how. The average age is 31, the company said, and half of its customers had never invested before.

Robinhood is free, and as we know, if you're offered something for free, like a search engine or a social media page, then you're the product, as in, your information is being sold. When it comes to Robinhood, they sell their trade flow, so the clients don't get the best execution, but they saved \$1.95 on the transaction, so that's cool, right?

The newly minted Robinhood crowd has been driving up the prices of equities, mostly high-tech names, by purchasing call options, which institutions on the other side have to hedge by purchasing the stock. We know that small investors are the culprits because single-option contract trades recently made up 12% of all volume, up from 6.5% at the start of the year, and 60% of all contracts purchased expire within two weeks, up from 45% in January. That reeks of new

Takedown of the U.S.-Step 1-Covid-19

money looking for home runs.

For a while, they were rewarded, which has been very nice for the rest of us. As the option buyers drove institutions to hedge, they drove up the prices of the underlying stocks, which showed up as a lot of green in my investment account. But I must admit, I do like to take short-term trades, and I've been known to play the options market, which is where I've really become a fan of Robinhood investors.

This group has been gracious enough to pile into options and drive the time premiums to the moon. So far this year, implied volatility, which is what determines how cheap or expensive options are, has gone through the roof. That gives me and a zillion other people who like to play the other side of options the ability to sell the Robinhood investors what they want at a high price. In other words, I'm making a little money here and there by selling them options and pocketing the time premium. Of course, I hedge my positions. I'm way too old and have made too many mistakes to sell naked options.

All of this is fun and games until the underlying stocks favored by the Robinhood crowd hit a wall, much like Tesla, Apple, Nvidia, Shopify, and a number of other stocks did the week before Labor Day. Then there comes a reckoning, and we can only hope that the newest gunslingers lose only their premium paid, that they haven't sold naked options and left themselves open to very deep, very ugly, losses.

Robinhood is trying to add some safeguards to its trading systems, essentially flashing a message when investors trade options telling them to make sure they have a plan. Yep, that'll work.

Having their clients pay through the nose when trading options can't be what Robinhood intended when it set about "democratizing investing." Since many option sellers (unlike me) are professional investors who spend their days taking money from option buyers, the system would be better described as a "reverse Robinhood," where the brokerage firm has made it possible for the wealthy professional investors to consistently take money from those who are likely not-very-rich, novice investors.

Experience can be expensive. And contrary to the aims of the original Robin Hood, the rich are apparently getting richer.

D. Miyoshi

Takedown of the U.S.-Step 1-Covid-19



The 1918 Spanish Flu pandemic was the most severe pandemic in modern history. It was caused by an H1N1 virus with genes of avian origin. Although there is not universal consensus regarding where the virus originated, it spread worldwide during 1918-1919. In the United States, it was first identified in military personnel in spring 1918. It is estimated that about 500 million people or one-third of the world's population became infected with this virus. The number of deaths was estimated to be at least 50 million worldwide with about 675,000 occurring in the United States.



Contrast this with the effects of Covid-19. Worldwide up to now there has been detected a little over 33 million cases of Covid-19 with a little over one million deaths. The Spanish Flu rampaged the world over a two-year period and resulted in 50 million deaths. For comparison, so far Covid-29 has rampaged the world about one year and has resulted in about one million deaths.

The authorities are calling Covid-19 a "pandemic" just like the Spanish Flu. But is this an accurate description of what is actually going on?

Have you wondered how we can call this a pandemic? Where are the bodies in the street? What does it say about the general health of America, except for the very elderly and people with serious underlying health conditions, about the veracity of the claim that we must lockdown in the face of the alleged pandemic, yet, it takes a test to determine if one has even contracted or been exposed to this "pandemic." If only all of our pandemics were so obscure.

On April 18, 2020, the Commissioner of the FDA stated that test manufacturers were not going to be required to validate the accuracy of their tests. This is why there are endless allegations of fabricated



Takedown of the U.S.-Step 1-Covid-19

numbers and that nobody really knows what the numbers entail. It now appears the goal was to provide a pretext to shut down by perpetuating an environment to exist in which fraudulent numbers could be used to shut America down. And this is not only happening in the United States, but it is occurring throughout the entire western civilization. As a result, the global economy has collapsed. However, in this process of deceit, on an unparalleled scale, the multiple agendas are transparent for all who have eyes to see.

The remainder of this article is taken from a report by the David Hodges of the *Common Sense Show* detailing how Covid-19 is step one of a global plan to gain economic and social control of the world by very powerful interests.

Is this just another conspiracy theory being circulated? Conspiracy means something planned by more than one party. I think it is reasonable to assume if there is such a plan, more than one person is involved. So, the word “conspiracy” is basically irrelevant.

So, is it a theory? The definition of a theory is “a proposed explanation whose status is still conjectural and subject to experimentation, in contrast to well-established propositions that are regarded as reporting matters of actual fact”.

I think Hodges’ ideas go beyond mere conjecture because news articles have been circulating for a long time that support his allegations. But the ultimate conclusion whether this is a theory is up to the reader. So, with that proviso, I present Hodges’ report for your reading consideration. D. Miyoshi

The 5 Globalist Goals Related to the Introduction of COVID-19



The Manipulative Goals of the “Plandemic” Lockdown

In ascending order, ranging from least important to most important, the following represent the goals of the lockdown:

Goal #1: The Compromised Democratic Party Are Leading a Bolshevik Revolution Against the Constitution and Populism

SIMULTANEOUS GOVERNMENTAL AND REGIME CHANGE of the United States and the rising tide of populism is the first level target of the lockdowns resulting from the “plandemic.” It is quite clear that destruction of the middle class and the upper middle class of the United States is the primary objective of the so-called pandemic and subsequent lockdowns. The two primary goals of the lockdowns consist of the destruction of all civil liberties and to crush the economic strength of the group most inclined to stand up to this tyranny, the small business owners of the middle and upper middle class. The economic goals will be handled separate and apart from the political goals of this attack upon the Constitution.

It is at this level that America is presently preoccupied in the moment in a never-ending struggle between civil liberty and imposed communist lockdowns. The real battle has to do with imposing a communist/Marxist government on the people of the United States.

This is where the Pelosi’s, Biden’s, Harris’ et al come into play. They are the modern-day Brownshirts. As the public representatives of the Deep State, these Brownshirt Democrats primary task to destroy the rule of law. Their secondary goal is to demoralize any potential resistance through a constant discrimination against the people and their rights. This is why casinos are open and churches are discriminated against. Public employees in California can work out in government gyms, but public gyms are closed. There is no hiding the duplicity and it is deliberate and is designed to remove any thoughts of successful resistance. From published CDC documents and even Fauci’s March of 2020 statements, we know the masks do not work. However, these ineffective masks are the modern symbols of enslavement.

The dehumanizing effects cannot be overlooked as well. The economic goal will be handled separately from the political destruction of the United States. In order to transfer the governmental power structure TOTALLY away from the people, the Constitution must be totally destroyed and it is. Local Democrats have eviscerated the Bill of Rights especially for Christians. Social media is allowed to censor in violation of Open Forum Law, Section 230, and they do so with impunity. As is happening in Australia and New Zealand it will soon be a crime in America to speak out against tyranny of autocratic rule. And let’s not forget that the mainstream media is a partner to these modern day Brownshirts with the constant reference to “social-distancing, wear your mask and “we are all in this together”. This is the dominant PSYOP of the day. This MSM mantra is demoralizing and conditions the public to obey.

Goal #2 of the Lockdowns: The Economic Destruction of the United States

The second and simultaneous goal of the lockdowns is the economic



Technology Creates a Wealth Gap

destruction of the United States. This runs hand in hand with destruction of representative government and the Constitution.

America is the world's home to entrepreneurship and economic mobility. Further, in order for the Democrats to establish a Marxist government, ruled by the business elite, all competition to the global corporate oligarchy must be eliminated. That means the destruction of the corporate elite as a corporate oligarchy takeover is being executed and will supersede previous political rights and economic independence of the American people. Any economic independence which fosters self-determination must be eliminated.

In the so-called pandemic, the large corporations were declared "essential" and enjoyed record profits while their small business competitors were closed and largely eliminated.

There can be no New World Order if there is a country such as America, that has a robust economy that allows for social-economic mobility. There can be no New World Order if there are citizens in one of the planet's most populous countries, armed with advanced weaponry and who have never experienced defeat. This is why America must become New Babylon. In 2012, I had a long-term personal friend, who worked for FEMA, bug out, with like-minded colleague. He told me that the hammer was coming down because of the rising tide of populism and this was in 2012, long before Donald Trump's candidacy.

Many, most Americans believe that if we can just get Donald Trump elected, the pandemic-related lockdowns will be eliminated and a return to normalcy is possible. That is not the case as that ship has sailed. Trump may not send you to a FEMA camp, however, that is about all he can offer because the globalists have already destroyed America, it is just that the illusion of normalcy exists and cognitive dissonance rules the day. And even if Trump is re-elected, there is not guarantee that he will survive assassination especially not that Ginsburg dead and a deciding-Supreme Court seat lies in the balance. Because of these factors and more, a civil war lies in our immediate future. It will not end for the globalists and their Democratic minions and their subversive groups, until this country is in ruins.

One might wonder what will replace the Republic? Wrong question as there more goals to ponder

Goal #3- The Destruction of the United States

When America is sufficiently weakened, China and Russia will attack the United States. Unless there is a miracle, America will lose 90% of its population by 2025, according to the think tank projections of the Deagel group. Our predicted GDP will be about 12% of what it is today and people wonder why I say store guns, ammo, gold, silver, natural medicine etc. A future article will focus on this aspect.

Goal #4-The Consolidation of Totalitarian Gains

For those left alive, a nightmarish hellhole of constant surveillance, FEMA camps and purges will be the rule of the day as this is typical of a Bolshevik regime and the blue-helmeted Chinese will not be interested in co-occupancy of this country that will be occupied by the new world policeman and they don't take prisoners. Another article will be forthcoming on this point as well.

Goal #5- The Rise of the 4th Industrial Revolution

A new paradigm of commerce and culture will arise and AI will replace all industry which is why our industrial base is being destroyed today in order to make way. This will mark the rise of the Age of Transhumanism. Another article will be forthcoming on this point as well.

Conclusion

As America is beset with an economic collapse and the takeover of our government along with the further elimination of any semblance of freedom, it is understandable that in today's world, we are fixated on these points. However, what lies ahead beyond the immediate is literally hell on earth. Satan is indeed preparing a temporary residence for us to live in.

End of Article

Technology Creates a Wealth Gap



Nature and Technology have always imparted their respective impact upon the world.

Eric Fry of *Smart Money* tells of these impacts through the ages.

The Great Plague of Athens, in 430 BC, was devastating. It killed up to 25% of the Greek city-state's population – more than 100,000 people.

Plus, it was largely responsible for the unravelling of Ancient Greek society and Athenian democracy.



Technology Creates a Wealth Gap

On the other hand, the Black Death – the bubonic plague that hit Europe in the 14th century – led to the end of the Middle Ages and the start of the Renaissance.

The 1918 Spanish flu and World War I wrought death and devastation around the globe, but it led directly into the Roaring Twenties – a decade of economic prosperity in the United States.

Then, following World War II, the United States became the greatest of great powers. A long period of economic expansion followed, lifting the middle class to heights never seen before.

Clearly, pandemics, wars, and depressions cause great social changes. And just as clearly, you cannot predict whether those changes will be for good or ill.

So we don't know yet what will follow the COVID-19 pandemic.

A re-flowering of democracy and robust economic expansion? Or prolonged recessions and renewed clashes with China? No one knows yet.

But we can make some preparations for whatever comes...

America's "Preexisting Condition"

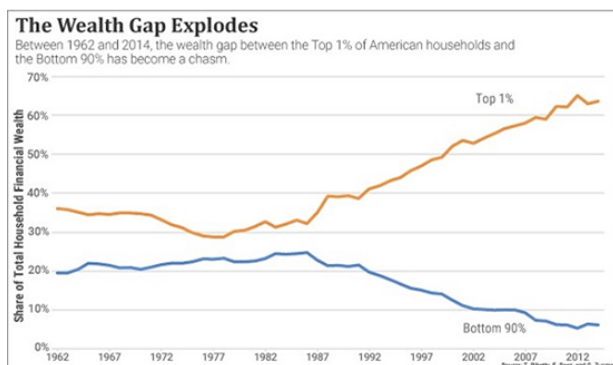
Crises like COVID-19 shine a light on a society's current problems.

More than anything, the coronavirus has exposed for all to see the huge and growing wealth gap between the very rich and everyone else.

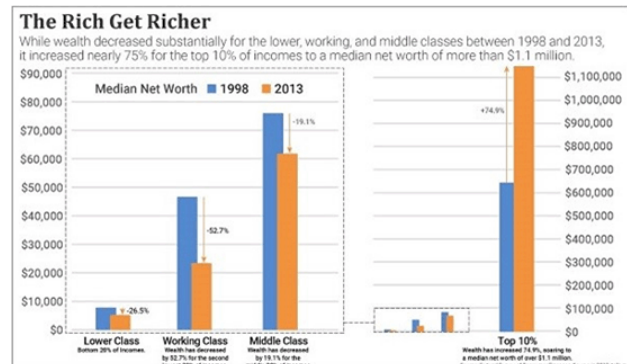
But even before the pandemic, we were already in the midst of one of the widest wealth gaps on record.

Forty years ago, in 1980, the richest 1% of Americans owned about 30% of all household wealth in the country... and the bottom 90% owned about 24% of all household wealth.

But by 2012, the share of all household financial wealth owned by the top 1% had skyrocketed to more than 60%... and the share owned by the bottom 90% had plummeted below 10%.



When you compare the average net worth of America's lower class, working class, and middle class to the net worth of the top 10%, it's like comparing a tiny office building to the Empire State Building.



That's where we were before the COVID-19 pandemic arrived.

Since then, 45 million middle-, working-, and lower-class Americans have filed for unemployment, putting jobless rates at their highest levels since the Great Depression.

But at the exact same time that was happening, between March 18 and June 17, the combined wealth of America's 600 or so billionaires soared by \$584 billion, according to the Institute for Policy Studies.

That's the wealth gap.

More recently, another 1.5 million Americans just filed for unemployment, according to the U.S. Department of Labor.

The "temporary" damage caused by the pandemic is rapidly becoming permanent. As of July 10, Yelp Inc. (YELP) had listed 132,580 closures on its crowd-sourced business review website. According to the company's July 23 Economic Average Report, 55% of those closures – more than 72,000 businesses, most likely mom-and-pops – are now considered permanent.

So it's apparent that this divide between the very rich and everyone else will grow in the coming years.

But like I showed you before, this wealth gap was already here.

As Chuck Collins, the coauthor of the Institute for Policy Studies study, recently said, as the U.S. entered the pandemic, "in some ways the extreme inequality was the preexisting condition."

To get rid of this condition, we should take a cue from America's billionaires.

Act Like a Billionaire

Of course, that \$584 billion owned by the country's billionaires isn't cash – it's not literally lining their pockets.

It's mostly stock market wealth.

Since the S&P 500 Index bottomed out in mid-March, it's climbed fairly steadily back and is approaching its all-time highs.

But you can't just dump your money in an index fund and expect to join Jeff Bezos at Davos a few years later.

You see, this wealth gap is not just between the very rich and everyone else. It's also between the world's top tech companies and future



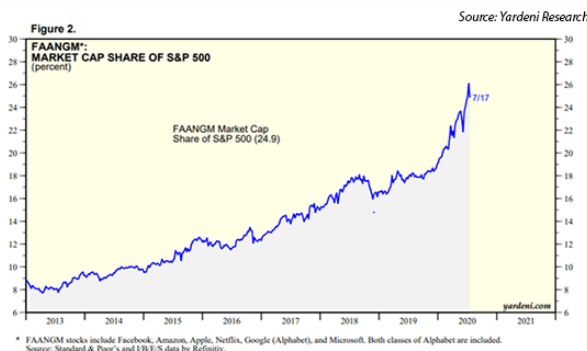
Ten Movies Financial Advisors Should Watch

top tech companies... and everyone else.

That's why I call it the "Technochasm."

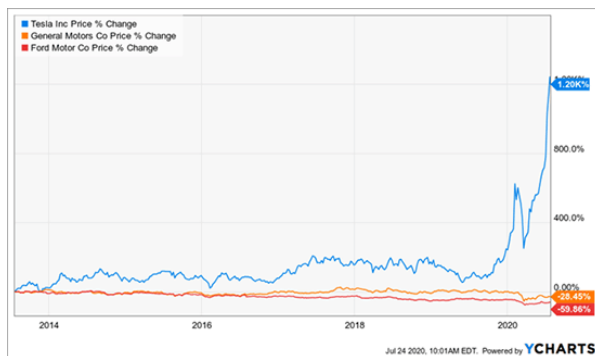
In early 2013, the FANG stocks – Facebook Inc. (FB), Amazon.com Inc. (AMZN), Netflix Inc. (NFLX), and Alphabet Inc. (GOOGL) – accounted for a little more than 3% of the S&P 500's market capitalization. Since then, the value of these stocks has grown so much that they now account for about 12% of the index's market cap.

Expanding the acronym to FAANGM by adding in Apple Inc. (AAPL) and Microsoft Corp. (MSFT) boosts the grouping's share of S&P 500 market cap from 12% to a whopping 25%.



Or consider electric vehicle and battery maker Tesla Inc. (TSLA) over the past seven years – it's up an astounding 1,200%.

Meanwhile, Ford Motor Co. (F) and General Motors Co. (GM) are showing negative returns. They're roadkill.



That's a story of market dominance. No wonder these stocks in particular and technology stocks in general have been the darlings of Wall Street for years. The more these companies keep earning, the more investor money flows to them.

And the richer their billionaire executives get.

Once we get past the current pandemic – whether we're heading into a new Renaissance or another Dark Age – there will be two kinds of investors.

There will be investors who understand technology and exponential progress and harness its incredible power... and there will be roadkill.

Don't be roadkill. Make sure your portfolio is on the right side of the Technochasm.

D. Miyoshi

Ten Movies Financial Advisors Should Watch

At Harvard, I recall one of the most effective methods the school employed to teach economic and business principles was by showing movies. In Management class, through watching movies, I learned the principle of questioning what is truth (*Rashomon*), how to discern truth (*Twelve Angry Men*) and what is effective leadership (*Twelve O'Clock High*). The enduring lessons I learned through this particular teaching method have not diminished through the years.

On August 28, *Wealth Management.com*, a financial advisory website that I follow published its list of the 10 best movies that every financial advisor should see. Some of us have seen a few of these movies (such as *Wallstreet*, *The Big Short*, *Moneyball* and *The Wolf of Wallstreet*) and would probably agree that they do impart valuable and important fundamental lessons (both financial and moral) in business that would be more challenging if we had to absorb it through a book.

The list is in alphabetical order and I present it here so you can enjoy and learn the lessons these movies contain. D. Miyoshi



1. Arbitrage

Year Released: 2012

Available on Amazon and Hulu

It's always fun to see a Master of the Universe meet his comeuppance. Hedge fund magnate Robert Miller (Richard Gere) is in big

Ten Movies Financial Advisors Should Watch

trouble. After an investment loss, he cooked the fund's financials and borrowed \$412 million in order to make the fund appear solvent to a buyer. Fraud is the least of his troubles. He has a dead mistress, a suspicious daughter and a relentless detective to deal with. Melodrama aside, "Arbitrage" offers some valuable lessons in how not to manage chaos of your own making.

Awards: Golden Globe Award for Best Actor (Gere).

Quotes:

- ▶ "World events all revolved around five things... M.O.N.E.Y."
- ▶ "Confidence equals contracts."

Lessons:

- ▶ Understand the gap between perception and reality.
- ▶ The coverup is worse than the crime.
- ▶ Listen to your lawyer.
- ▶ Don't implicate family members in your fraud.



2. Bad Banks

Year Released: 2019

Available on Hulu

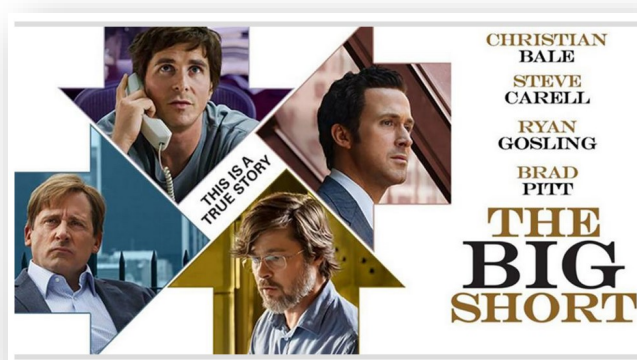
If money talk turns you on, this German-Luxemburg miniseries is for you. "Bad Banks" is filled with highly technical financial jargon spoken in a seamless polyglot of German, French and a delightfully off-kilter English. The action of season one starts and ends in Frankfurt. Jana Liekam, a young structurer, is explaining the investment deal at hand, putting her unprepared supervisor in bad light. Soon Jana is bluffing her way to a job at an investment bank called Deutsche Global Invest by promising to deliver a deal the bank has abandoned as impossible. That deal and all the deals that follow are described in highly technical and highly amoral terms. Unlike a Hollywood production, "Bad Banks" locates the financial shenanigans at the center of the drama. There are no good guys here. Even Jana, the protagonist, is not above spying for a competitor to get ahead and is revealed to be motivated by naked ambition untethered from any purpose.

Quotes:

- ▶ "Don't expect 90% from me. I can only do 100."
- ▶ "It's a job, just a bloody job."

Lessons

- ▶ Avoid upstaging your supervisor in front of clients.
- ▶ A team is only as good as its weakest member.
- ▶ Don't burn bridges with colleagues.



3. The Big Short

Year Released: 2015

Available on Netflix

Years after the financial crisis of 2007-2008, people still didn't have a good understanding of what went wrong. "The Big Short," based on Michael Lewis' 2010 book *The Big Short: Inside the Doomsday Machine*, tells the story of how a housing bubble triggered the worst financial crisis since the Great Depression. The film's narrative is irreverent and unconventional. The story emerges from the gradual realization of actual investors, such as Michael Burry (Christian Bale), who perceived that real estate was getting overheated and made the unprecedented decision to bet against the housing market. The big banks, too big to fail, and clueless of their exposure, gleefully accept the wager. Because explaining the basics of subprime mortgages, credit default swaps and collateralized debt obligations would be dramatically deadly, the filmmakers occasionally break the fourth wall by cutting to celebrities, such as Margot Robbie (in a bubble bath), chef Anthony Bourdain, and economist Richard Thaler, who put the concepts in terms that moviegoers can understand.

Awards:

Won for Best Adapted Screenplay.

Nominated for Best Picture, Best Director, Best Supporting Actor (Christian Bale) and Best Film Editing.

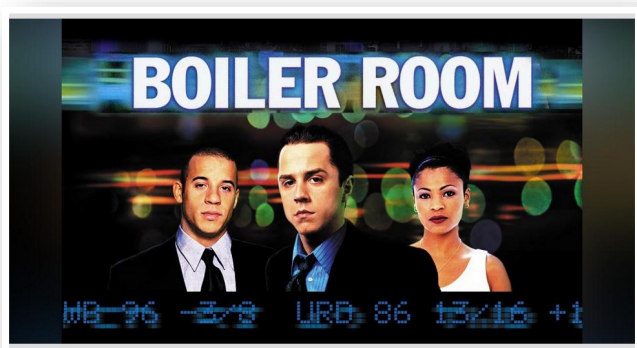
Quotes:

Ten Movies Financial Advisors Should Watch

- ▶ "No one can see a bubble. That's what makes it a bubble."
- ▶ "Tell me the difference between stupid and illegal, and I'll have my wife's brother arrested."

Lessons:

- ▶ Your theory may be sound, but if your timing is off you can get stuck with big losses
- ▶ When you're right, stick to your guns.
- ▶ Don't bet the farm on the efficient market hypothesis.
- ▶ Ratings from the agencies do not measure risk.
- ▶ Stay away from illiquid markets.



4. Boiler Room

Year Released: 2000

Available on Netflix and other platforms

"Boiler Room" grew out of a job the screenwriter had with brokerage firm Sterling Foster, renamed in the movie as J.T. Marlin, a cold calling, dialing for dollars brokerage based far from Wall Street on the outlands of Queens. Our hero, Seth, joins the firm as a stock-broker trainee. His first task is to close 40 accounts. The firm, he soon learns, operates mostly by pumping and dumping, using its brokers to create artificial demand in the stock of expired or fake companies and speculative penny stocks. When the firm is done pumping the stock, the firm founders sell and trade for record profits. Soon, Seth is in the crosshairs of the FBI, which hopes to flip him as an informant. Seth embarks on an elaborate IPO scheme designed to bring his firm down. The FBI runs out of patience and arrests Seth for violating 26 SEC and NASD regulations. The movie ends with federal agents raiding the brokerage.

Quotes:

- ▶ "Either you sell the client some stock or he sells you a reason he can't. Either way a sale is made, the only question is who is gonna close? You or him?"
- ▶ "We don't hire brokers here; we train new ones."
- ▶ "Fine! I'll take you off my list of successful people today!"

Lessons:

- ▶ Fake it till you make it as a powerful mantra.
- ▶ When you hire a team, first create a new value system.
- ▶ Inexperienced minds are the best for innovation.
- ▶ Moving forward often involves sacrifice.
- ▶ Sometimes to succeed, it's tempting to keep blinders on.
- ▶ A narrow path can only hold so many people.



5. Margin Call

Year Released: 2011

Available on Hulu, Vimeo

"Margin Call" was written by the son of an investment banker, and it shows. Few Hollywood movies get the little details as right as "Margin Call." The action of the movie takes place over an intense 24 hours in the life of an unnamed investment bank on the verge of implosion. The existing volatility in the firm's portfolio of overleveraged mortgage-backed securities exceeds the firm's thresholds. It seems the loss may be greater than the total value of the firm. The drama centers on the sales team's desperate attempts to dump all of the toxic assets before the market learns of their worthlessness. That doing so will destroy the firm's partnerships with its counterparties is of no consequence. "Margin Call" is a painfully accurate drama about the moral compromises required of investment bankers to create and trade complex derivative instruments they themselves barely understood.

Awards:

Academy Award for Best Screenplay

Quotes:

- ▶ "There are three ways to make a living in this business. Be first, be smarter or cheat."

Lessons:

Ten Movies Financial Advisors Should Watch

- ▶ Don't invest in something you don't understand.
- ▶ If you can't explain it so a two-year old can understand it, you have no business selling it.
- ▶ If you borrow to invest, you can end up owing more than you're worth.
- ▶ Stay clear of buying assets sold at a discount.
- ▶ Success is predetermined by the metrics used.
- ▶ Success often depends on forgetting what you know.
- ▶ Believe in using new technologies.
- ▶ Changing the game requires changing entrenched beliefs.



6. Moneyball

Year Released: 2011

Available on Amazon Prime

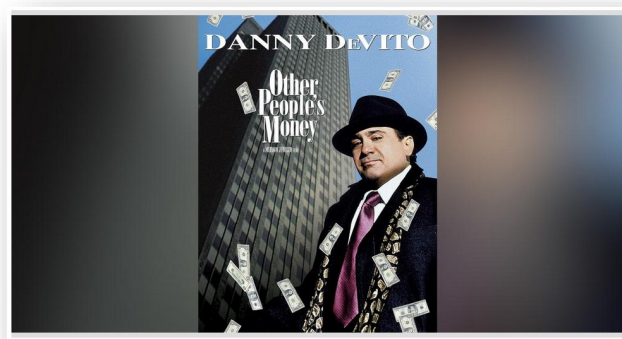
The text is baseball. The subtext is investment. The story is really about what value is, how to recognize it, and how to exploit it when others don't. Based on Michael Lewis' book: Moneyball: The Art of Winning an Unfair Game, this film charts the education of Billy Beane (Brad Pitt), manager of the Oakland Athletics baseball team as he rejects years of recruiting tradition in favor of a statistics-based approach to recognize undervalued talent. The analogy to investing couldn't be clearer. Baseball scouts have no better success knowing which players will succeed than traders have in knowing which stocks will go up. The quants prevail. Aaron Sorkin, the screenwriter, deftly describes the mathematical underpinnings of the winning strategy.

Quotes:

- ▶ "There are rich teams and there are poor teams. Then, there's fifty feet of crap. Then there's us."
- ▶ "People who run ball clubs, they think in terms of buying players. Your goal shouldn't be to buy players, your goal should be to buy wins. And in order to buy wins, you need to buy runs."
- ▶ "Adapt or die."
- ▶ "When your enemy's making mistakes, don't interrupt them."
- ▶ "You get on base, we win. You don't, we lose. And I hate losing. I hate it. I hate losing more than I even wanna win."

Lessons:

- ▶ Different is not always better, but better is always different.



7. Other People's Money

Year Released: 1991

Available on Amazon Prime

The specter of Nobel Prize winning economist Milton Friedman informs "Other People's Money." Lawrence "Larry the Liquidator" Garfield (Danny DeVito) is a corporate raider who has become rich buying up struggling companies and stripping their parts. He is up against the benevolent CEO of a besieged company that makes wire products. It's a battle between the proposition that the purpose of a corporation is to maximize profits for shareholders and a triple bottom line model that embraces the interests of employees, the environment and the community. The drama culminates at the annual shareholder's meeting, where the antagonists make their case about the takeover. The financial debate is thrilling to watch; the script does a good job of laying out the timeworn arguments. The CEO makes an impassioned plea to save the company. The movie ends with the shareholders voting.

Quotes:

- ▶ "I love money. I love money more than the things it can buy. There's only one thing I love more than money. You know what that is? Other people's money."
- ▶ "I take from the rich and I give to the middle class. ... Well, the upper middle class."
- ▶ "I don't take money from widows or orphans, I make them money!"
- ▶ "You invested in a business, and this business is dead. Let's have the intelligence—let's have the decency—to sign the death certificate, collect the insurance and invest in something with a future."

Lessons:

Ten Movies Financial Advisors Should Watch

- ▶ It's always preferable to bet other people's money.
- ▶ Don't waste resources on fighting off a takeover. Get top dollar and move on.
- ▶ Creative destruction is never pretty.
- ▶ There are more winners than losers when capital and labor are put to their highest and best use.
- ▶ The distinction between illegal and immoral matters.

Lessons:

- ▶ Breaking small rules usually leads to breaking big rules.
- ▶ Don't be too proud to ask for help when you are in over your head.
- ▶ Don't confuse brains with a bull market.
- ▶ Sometimes, the best strategy is to take the loss.



8. Rogue Trader

Year Released: 1999

Available on Amazon Prime

Hollywood loves biopics about individuals destroying the financial system. "Rogue Trader" dramatizes how Nick Leeson single-handedly caused the downfall of Barings Bank. The film is based on Leeson's 1996 book, *Rogue Trader: How I Brought Down Barings Bank and Shook the Financial World*. Narrated by Ewan McGregor, this British production starts with Leeson in Singapore working as General Manager of the Trading Floor on the SIMEX exchange. While he appears to thrive as a trader, Leeson is actually hiding over £800 million in losses, twice Baring's total trading capital. Before he is sentenced to six and a half years in jail, the film offers a key lesson about how insufficient compliance, governance and risk management allowed losses to go undetected for so long.

Quotes:

- ▶ "I've discovered it's not actually terribly difficult to make money in the securities business."
- ▶ "A futures contract is like if I agree to sell you this cup of cappuccino, which I don't yet own, at 45 cents a month from now; if I can buy the cappuccino at say, 43 cents, I make a profit. If the price goes the other way, I have to pay more and I lose."
- ▶ "He doesn't do things by the book. He just doesn't respect the rules. Is he really the kind of person we should be employing at Barings?"
- ▶ "I therefore have to inform you that Barings is insolvent and will go into immediate liquidation."
- ▶ "That's what you get for hiring the wrong sort of person."



9. Wall Street

Year Released: 1987

Available on Amazon Prime

"Wall Street" is the prototype of all finance movies. No list of finance movies would be complete without it. The movie introduces the archetype of greed in the character Gordon Gekko (Michael Douglas). Directed by Oliver Stone as a tribute to his stockbroker father, the character of Gekko is said to be a composite of a lineup of rogues, including Ivan Boesky, Carl Icahn, Asher Edelman and Michael Milken. A critical mass of people working in finance today admit the movie influenced them to become traders. Bud Fox (Charlie Sheen) is a junior stockbroker who is determined to work with the legendary Gekko. Under Gekko's dubious tutelage, Fox becomes more and more compromised. When Gekko's criminality becomes too much, Fox devises a plan to stop his mentor. Here the financial machinations become complex, but it's a tribute to the storytelling that it all makes sense because the motive behind everything is so consistent: greed.

Awards:

Academy Award for Best Actor (Douglas).

Quotes:

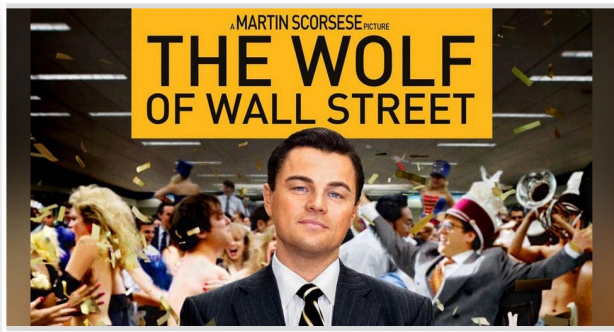
- ▶ "The point is, ladies and gentleman, that greed, for lack of a better word, is good."
- ▶ "Money never sleeps, pal."
- ▶ "You've got that killer instinct. Stick around pal, I've still got a lot to teach you."
- ▶ "If you need a friend, get a dog."

With this Economy What Do We Do Now?

- ▶ “Money's only something you need in case you don't die tomorrow.”
- ▶ “This is your wake-up call, pal. Go to work.”
- ▶ “I'm tapped out. American Express' got a hit man lookin' for me.”

Lessons:

- ▶ Greed may be legal, but it corrodes character.
- ▶ High-pressure tactics damage both salespeople and customers.
- ▶ Instant gratification is no long-term solution.
- ▶ Heed the time value of money.
- ▶ In every transaction, there are winners and losers.



10. The Wolf of Wall Street

Year Released: 2015

Available on Amazon Prime

Another Wall Street movie based on an actual trader, “The Wolf of Wall Street” chronicles the rise and fall of infamous stock scammer Jordan Belfort (Leonardo DiCaprio). The action centers on the real-life events in and around Stratton Oakmont, the notorious over-the-counter brokerage firm that feasted on clueless investors through unrelenting pump and dump schemes. The technical detail is overwhelmed only by depictions of depravity of Wall Street traders in the pre #MeToo 1980s. The film still holds a Guinness World Record for the most instances of profanity in a Hollywood motion picture.

Awards:

Nominated for Best Picture, Best Director (Martin Scorsese), Best Adapted Screenplay, Best Actor (Leonardo DiCaprio) and Best Supporting Actor (Jonah Hill).

Quotes:

- ▶ “Was all this legal? Absolutely not.”
- ▶ “Without action, the best intentions in the world are nothing more than that: intentions.”

- ▶ “There's no nobility in poverty.”

- ▶ “I want you to back yourself into a corner. Give yourself no choice but to succeed. Let the consequences of failure become so dire and so unthinkable that you'll have no choice but to do whatever it takes to succeed.”

Lessons

- ▶ When you socialize with employees and treat them well, they will do anything asked of them.
- ▶ Do not avoid hiring someone because of past issues.
- ▶ Be careful about what you are sacrificing for money or success.
- ▶ Quit while you are ahead.
- ▶ Keep the sales message simple.
- ▶ Be your own best salesman.

That's the list. I hope you will have a chance to watch them. They are entertaining and very instructive.

D. Miyoshi

With this Economy What Do We Do Now?

My clients have asked me this question much too often these days. While I have degrees in finance, business and law, I don't have all the answers. But what I can do is provide you good articles from noted experts in economics, business, and finance that I believe clearly explain the situation we are in and expound an economic program that in my opinion can resolve our economic problems in the shortest span of time. Here is an article by noted economic consultant John Mauldin of Mauldin Economics published September 19, that I think makes a lot of sense and offer it to you for your thoughtful consideration. D. Miyoshi

Stall Speed Economy

When Cornwallis surrendered to George Washington at Yorktown in 1781, tradition has it that the British band played an old English children's folk tune, “The World Turned Upside Down.”



With this Economy What Do We Do Now?



Painting by John Trumbull

*If buttercups buzz'd after the bee,
If boats were on land, churches on sea,
If ponies rode men and if grass ate the cows,
And cats should be chased into holes by the mouse,
If the mamas sold their babies
To the gypsies for half a crown;
If summer were spring and the other way 'round,
Then all the world would be upside down.*

In this letter I find myself recommending policies that not that long ago would have been extraordinarily distasteful to me. Yet, unless we pursue them, our economy will truly be turned upside down. I fully recognize these things have a cost. But the cost of inaction is much higher.

Our economic prospects looked bleak back in March and April. Much of the economy was closed down, we didn't know how bad the virus would get, and it was hard to see a good outcome.

Now the outlook is relatively better. Unemployment, GDP, and other indicators aren't great but they've improved. Yet a "better" outlook isn't necessarily a good one. It's just "not as bad." Today's numbers would be considered terrible if we weren't comparing them to truly disastrous numbers from last spring. We avoided the worst because generous fiscal income replacement and business lifelines maintained consumer spending, and in some cases increased it.

If you fly a lot as I do (or used to), you've heard the term "stall speed." An airplane needs to go a certain speed in order to stay aloft. The math behind that idea is pretty simple: lift from the wings must be equal to or greater than the plane's weight. Lift, in turn, comes from the engine creating forward motion relative to the air. No air flow over the wings means no lift and no flight.

In economic terms, we stayed above stall speed by forcing extra fuel into the engine. The resulting forward motion gave the economy the lift it needed. Now the fuel is running out.

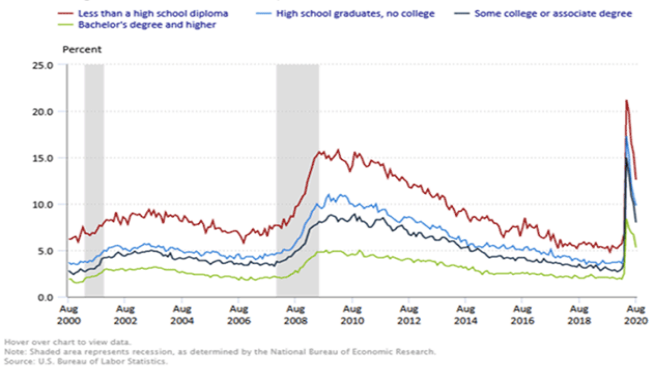
If this plane stalls, as is a real possibility, we won't like the result. Today we'll talk about why that is and how to stop it.

No Reserves

The first point to observe: unlike airline passengers, we don't all share the same forward momentum. Some of us are even going backwards.

Income loss comes mainly from job loss. This year's job losses have been concentrated in lower-wage service jobs, often held by less-educated workers.

Unemployment rates for persons 25 years and older by educational attainment, seasonally adjusted
Click and drag within the chart to zoom in on time periods



Unemployment rose across the board but was much higher for those with less education. As of August, the headline unemployment rate was 8.4%, but it was 11.8% for non-high school graduates and only 5.6% for college graduates.

Continued unemployment claims from states suggest the monthly report undercounted the jobless workers. I assume there was some seasonal adjustment that made the difference, but seasonal adjustments are worthless during this crisis. "U-6" unemployment is a far better indicator of where we really are.

HOUSEHOLD DATA
Table A-15. Alternative measures of labor underutilization
[Percent]

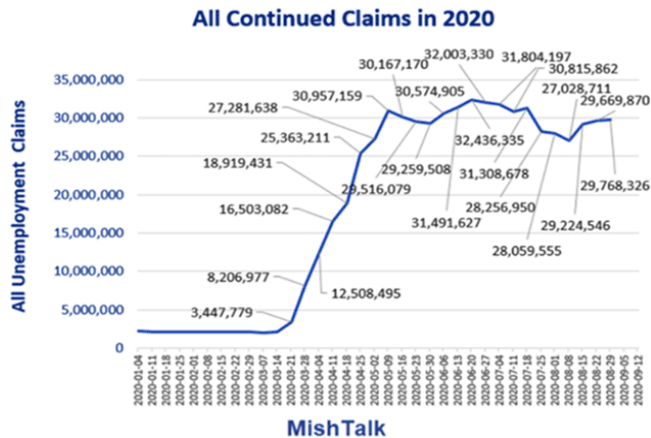
Measure	Not seasonally adjusted		
	Aug. 2019	July 2020	Aug. 2020
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	1.2	4.9	5.0
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	1.8	8.1	6.4
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate)	3.8	10.5	8.5
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers	4.1	10.8	8.8
U-5 Total unemployed, plus discouraged workers, plus all other persons marginally attached to the labor force, as a percent of the civilian labor force plus all persons marginally attached to the labor force	4.7	11.6	9.7
U-6 Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force	7.3	16.8	14.3

My good friend Mike Shedlock (Mish) does an extraordinarily good job tracking the vagaries of unemployment during this crisis. Including both state and federal benefits shows a far larger number. The chart below includes gig workers, the self-employed, people who have exhausted their state benefits, etc.





With this Economy What Do We Do Now?

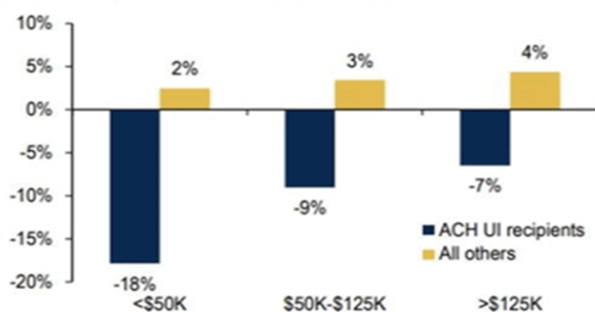


Anybody with any connection to the real economy knows people are still falling through the cracks. We just have no way to measure it. As I mentioned, U-6 is 14.3%. I'll bet you a dollar to 47 doughnuts that real unemployment is closer to 16%. The rest of Mike's post points out that while things are improving, the rate of improvement is slowing down. But back to my main point.

For a while, "unemployment" didn't necessarily mean income loss because Congress temporarily increased jobless benefits by a flat \$600 weekly, while also sending out \$1,200 per person checks, actually raising some workers' incomes. That expired at the end of July. Trump's stopgap measures have replaced some of it, in some states, but the amounts are much smaller.

This is already showing up in consumer spending. Banks can track this because most of the benefits are delivered electronically. They can analyze spending patterns for unemployment benefit recipients vs. everyone else. Here is what happened at Bank of America in August.

Chart 9: The change in total card spending growth for UI recipients vs. all others (change in the 7-day moving average for %yoy total card spending, August 29th relative to August 1st)



Source: BAC internal data. UI recipients include all households that received unemp benefits through direct deposit. Some in the non UI recipients group could receive UI through other methods (incl checks or prepaid debit cards) which the BAC data does not track.

As benefits dropped, bank card spending growth fell for UI recipients while continuing to grow for everyone else. The drop was worse for lower-income consumers.

This shouldn't surprise us. Long before COVID-19, a large part of

the population spent practically all its income. Those who lost their jobs in March/April and haven't been rehired have little choice but to cut spending. They have no reserves and little borrowing ability.

A few years ago, I wrote that 60% of America had less than \$500 in savings. I haven't seen recent data, but it is hard to imagine it's gotten any better. The point back then was that Americans were living paycheck to paycheck. The point now is that many Americans are living unemployment check to unemployment check.

It's easy to forget that the enhanced unemployment benefits helped more than the unemployed people. In many cases, the "recipients" were simply conduits. They received money from the government and immediately sent it on to their lenders and landlords. The fiscal stimulus kept those people afloat, too. And its ending will hurt them, too.

In fact, the income loss hits across the board. Bank of America also knows where unemployment recipients have been spending, since it processes their card transactions.

Chart 1: The change in spending growth for UI recipients vs. all else by major sector (change in the 7-day moving average for %yoy spending, August 22nd relative to August 1st)



Source: BAC internal data. UI recipients include all households that received unemp benefits through direct deposit. Some in the non UI recipients group could receive UI through other methods (incl checks or prepaid debit cards) which the BAC data does not track.

We see spending affected most in discretionary items like clothing, but also in grocery stores. And remember, this is only just beginning. Benefits payments come in arrears, so many people still got the higher amount in early August.

Quick math: If 20% of the adult population reduces spending 25%, the net effect is consumer spending falls 5%. That, alone, leads to an even deeper stall-speed recession. It will generate more layoffs and bankruptcies, meaning more unemployment, until something gives the economy the lift it needs.

Pointing Fingers

Our gridlocked US political system initially reacted to this crisis with surprising speed, passing several relief bills in March and April. At that point, they expected it would be a few weeks of lockdown then everyone would go back to work. The goal was to "freeze" the economy in place, compensate those who couldn't work, and target aid to small businesses, airlines, and other affected sectors. The plan had flaws but, under the circumstances, was an impressive example of cooperation and compromise.

Less impressively, the Federal Reserve began throwing liquidity in all directions. This kept financial markets functional and banks open, but at the cost of blowing a market bubble that will, when it pops, negate most of the benefits. Fed officials knew this, I suspect, but also knew they had to do something. They don't have the tools to directly stimulate employment or capital spending. Jerome Powell has said many times that fiscal policymakers need to do their part.

The politicians, predictably, split on partisan lines. House Democrats





With this Economy What Do We Do Now?

passed a \$3+ trillion bill that would extend the pandemic unemployment programs, disburse aid to states and localities, give benefits to their favored groups, etc. It has gone nowhere in the Senate, where Republicans object to both the bill's size and some of the recipients. Pelosi had to know it was a nonstarter, just as Senate Republicans knew their \$650 billion bill was a nonstarter. But I admit that I am surprised that it has taken them this long to find a compromise. It's getting to the point where it is beyond serious.

The economy is just barely at stall speed, coasting along on the previously generated momentum but unable to accelerate. It can only stay in the air so much longer, and our pilots are pointing fingers at each other instead of restarting the engines.

Blood Sport

"Wait a second, Mauldin," you may be saying. "You're sounding mighty Keynesian here." You are correct. My track record for the last 40 years is pretty much in favor of smaller government and government spending, lower taxes, etc. But now the world is upside down. Quoting John Maynard Keynes, "When the facts change, I change my mind. What do you do, sir?"

We are in an unprecedented situation. Close to 30 million workers are on unemployment benefits, and that's after a partial recovery that is now tapering off. Those benefits are the only thing keeping us out of an outright depression that frankly could be worse than the Great Depression (and I don't think that's a hyperbolic statement), and they are about to disappear. I fully recognize my own philosophical flip-flop here. But I would rather be called a hypocrite than see millions suffering.

The fact is, we haven't seen anything like this before. It's not just another recession. The pandemic and our efforts to control it unleashed economic demons. We need an exorcist or at least some holy water. Instead we get boring sermons. I'm alarmed and you should be, too.

Philippa Dunne and Doug Henwood calculated this week the stop-gap benefit payments, cash for which is coming from FEMA disaster relief funds, are almost exhausted (my emphasis):

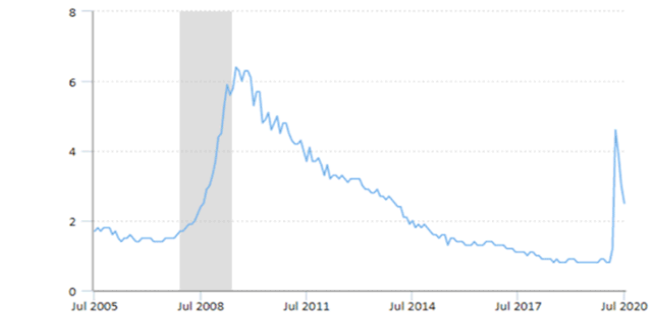
FEMA is reporting that it's spent \$30 billion of the \$44 billion allocated by the executive order, though all that spending has not showed up in the Daily Treasury Statement yet. In any case, the program will run out of money in a week or two. In fact, a number of states have already run through their allowances. The program will be history before the month is over. And that \$44 billion is a bit more than half what the CARES Act program spent in its peak month, June—\$80.4 billion. With nearly 28 million people drawing traditional and expanded pandemic benefits, a lot of people are suffering sharp cuts in income now and Congress doesn't seem to be motivated to address the problem.

I think we have to give Trump at least an A in creativity, if not strict constitutionality, for his \$300 a week plan. Congress has "power of the purse" but refuses to use it. I'm sure administration lawyers are looking for other creative financing, but there are important limits as to what the president can do. The much better way would be for Congress to do its job, because so much more is needed.

One objection to the extra unemployment benefits is they give some recipients more than they made while working, thereby creating a disincentive to work. That is indeed a problem, though with the Labor Department reporting 2.5 unemployed workers for every job opening, it is far from the only challenge (see chart below). But it's

easily solved if the right people want to solve it.

Number of unemployed people per job opening, seasonally adjusted, July 2005–July 2020



Click legend items to change data display. Hover over chart to view data.
Shaded area represents a recession as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics.

In fact, some in Congress are actually talking sense. A new bipartisan House Problem Solvers Caucus unveiled a compromise proposal last week that may break the stalemate. It would, among other things, resume the pandemic benefits at \$450 a week for two months, then cap the amount to not exceed \$600 or the worker's previous wage, whichever is less.

From my point of view, an even better compromise would be to very slowly reduce the unemployment benefits to provide incentive to go back to work. But that means jobs have to be available. Right now, we have already lost 100,000 businesses and it wouldn't surprise me if that number doubles, or at least significantly increases, over the next 6 to 12 months. That will be partially offset by new businesses being created, but there will be a lag time.

(Sidebar: Let's get real. Economists and analysts who use historical precedent to predict this recovery are committing mathematical economic malpractice. There is no historical analogy. This recovery is going to take longer, absent a vaccine which may be available later this year, but will take 6 to 9 months to actually deploy. And it may have to be an annual vaccine. There is just so much we don't know about this virus. Back to the letter...)

On the downside (from my perspective), the Problem Solvers compromise bill would give state and local governments \$500 billion. I think states and local governments should cover their own expenses with their own taxes. But that's the nature of a compromise: No one gets everything they want. You get a little, give a little, and move forward.

That last item is a major sticking point for Senate Republicans. Yet, even there may be a compromise. Limiting the grants to actual revenues lost should get enough Republicans to go along. It would work like this. Say under the current compromise proposal, state A would get \$4 billion. But its revenue is actually only down \$2 billion, still a large sum. If you replace just the lost revenue, they would at least get something. Neither side will be happy, but that is the nature of a compromise.

I realize we are in a contentious election season. Feelings are running high. I wish more people would realize our economic challenges transcend politics. We will still be in deep trouble whether Trump or Biden is president next year, and regardless of which party controls the House and Senate. Neither side has all the answers. We





Nov 3 is Only the Beginning of the Struggle

need them to set aside the rhetoric and take care of all Americans.

My friend the late Pat Caddell, the famous Democratic pollster, used to say later in life (and on my stage to great applause) he wasn't a Democrat or a Republican, but an American. In these tough times, I'm trying to adopt that same attitude. Politics shouldn't be a winner-take-all blood sport. Making it one invites chaos because winners and losers still have to live together.

And living together becomes difficult if you don't even have a place to live. Eviction notices are on hold right now, but not for long. Look at this chart:



We feel sorry for the poor people who are evicted, especially those with children. But landlords are quite often small businesses too, with mortgages that banks expect to be paid. It's a vicious circle.

I plan to write another letter about the forces that brought us to this place. For now, I hope everyone understands we are on the edge of a cliff. Moves that would normally be harmless could spell disaster. We need leaders to represent all their constituents, not just those who voted for them. This necessarily means compromise. Yes, I'm using that word a lot. It's not profane. It is a way to get things done. And right now, compromise may be the only way to keep this plane in the air.

Keeping the plane in the air is more than just avoiding a crash. It's giving us the chance to bring it to a future runway safely.

It's not all bleak. Even if true unemployment is 15%, it means 85% of us are employed. A free market economy with 100,000 "unemployed" entrepreneurs will soon figure out how to create jobs for the rest.

I am not saying a recovery is years off or impossible. I am optimistic we will recover, but it is not going to be a typical 12-month cycle to see recovery begin. We have to buy ourselves and those entrepreneurs some time to figure out what a post-COVID-19 world looks like. The more time we can buy, the stronger the recovery will be.

I get that adding debt will be a drag on economic growth. That can't be helped. There's a hole in the boat and we have to plug it, and while doing so we have to bail and row.

The world is going to be repriced. Everything. We are going to have to find new uses for a lot of things now in surplus, like strip malls and office space, lots of equipment, and those new uses may require lower prices. All while technology is disrupting our world in ways we don't understand. No one ever said it would be easy.

The 85% of us who are working need to help those who aren't. Bigger tips. Donations to food banks (have you seen some of the lines for food banks? Depressing.). Look around your own community. Are there ways you can help the at-risk population? We are seeing an epidemic of depression and suicide. Reach out to your neighbors who are lonely. I am sure you can think of your own ways. Then just do it.

In the meantime, call your senators and representatives and tell them to do their @\$%# job. Don't yell at them for compromising. Support them when they do. We can resume yelling at them when unemployment is 6%.

End of Article

Nov 3 is Only the Beginning of the Struggle



What a way to start! The first presidential debate was held in Cleveland Ohio. However, it was anything but presidential with very little substance being exchanged except for the concepts of stupid, clown, racist and liar. But there was one point of substance that did come out. Moderator Chris Wallace asked the challenger Joe Biden if he supported the New Green Deal and to refresh Biden's memory read to him the points of his own energy plan to which Biden replied he did support his own plan and not the New Green Deal. President Trump constantly interrupted both Biden and the moderator Wallace and so the abrasive award for the night should go to Trump. Biden constantly laughed defensively at Trump's allegations, indicating there was some truth to the allegations. But if president Trump was expecting Biden to commit a gaffe, as he is often known to do, it did not happen and so Biden survived to fight another day. Also, president Trump's dis-respectful behavior likely did not win over many undecided voters. If anything it may have dissuaded them against him.

In any case, in a little over 30 days from now, the 2020 presidential election will be held. But as noted economist and critic Jim Rickards has constantly warned us, we should not expect the election to end on that day November 3. Rickards cautions that both the Biden and Trump campaigns have about 300 lawyers each to contest the election results. This potential election struggle presupposes that key battleground states will be close. It may take days or weeks to count the millions of expected mail-in ballots.





Nov 3 is Only the Beginning of the Struggle

This opens the door to legal challenges based on unsigned ballots, late delivery, non-postmarked ballots, ballots mailed without postage, and ballots misdirected or otherwise not delivered by the U.S. Postal Service. Other lawyers will raise the issue of long lines or other types of alleged voter suppression.

Election Day may just be round-1 of a 15-round fight. Once the legal contests get going, the riots in the streets may be right behind. This will be an election night to remember – and not in a good way.

Armies of lawyers have already been recruited, reasons to question the legitimacy of the 2020 election results are already being floated, and top politicians on both sides are already urging a fight to the bitter end. Initially, it appeared that we might avoid this sort of a scenario. For several months Joe Biden had a large lead in all of the major national polls, and some people were even discussing the possibility of a “landslide”. But now the polls are tightening up, and this is especially true in the swing states which will ultimately decide the outcome of the election. If the race is quite tight once we get to election night, it is likely that neither side will be willing to concede until every conceivable legal challenge is completely exhausted. That could mean an extended legal battle lasting for months, and that is something that none of us should want to see.

But it appears that such an outcome could be quite likely. In fact, former FEC chair Michael Toner is warning that the 2020 election could potentially be “Bush v. Gore on steroids”...

“The 2020 election might be Bush v. Gore on steroids,” said Michael Toner, a former chairman of the Federal Election Commission and former chief counsel at the Republican National Committee.

This time around, both sides have recruited “armies of volunteer lawyers” in the key battleground states...

President Trump and presumptive Democratic nominee Joseph R. Biden’s campaigns have enlisted armies of volunteer lawyers in battleground states and swing districts to fight out close calls on Election Day. Both sides have already filed multiple lawsuits.

The Biden campaign has been particularly aggressive in rounding up lawyers. At one point, Biden bragged that his campaign had already recruited 600 lawyers...

On multiple occasions, President Trump has also indicated that he may challenge the outcome of the election, and one of the biggest things that he is concerned about are mail-in ballots. The following is what he told “Fox and Friends” not too long ago...

“Now with that being said, I have to tell you that if you go with this universal mail-in, where you send millions of votes—in California tens of millions of ballots being sent to everybody and their dogs, okay? Dogs are getting them, okay? People that have been dead for 25 years are getting them—you have to see what’s happening. Then you’re never going to have a fair election.”

In this case, Trump has a very legitimate point.

In some states, millions of mail-in ballots are being sent out to voters whether the voters request them or not. That opens a door for all sorts of potential vote fraud, and is something that should concern us. Not long ago, I also received an unrequested ballot in the mail in Los Angeles.

In this election, every single vote in the battleground states is going to matter, and the integrity of the voting process is of paramount importance.

At first, Joe Biden had built up impressive leads in many of the most important swing states, but now those leads are deteriorating. Just check out the following numbers that pollster Frank Luntz just posted on Twitter in late August

Swing state polls on August 25th:

Pennsylvania

- 2016: Hillary +9.2
- 2020: Biden +5.7

Michigan

- 2016: Hillary +9.0
- 2020: Biden +6.7

Wisconsin

- 2016: Hillary +11.5
- 2020: Biden +6.5

Florida

- 2016: Hillary +2.9
- 2020: Biden +4.8

Those numbers should definitely set off alarm bells for Democrats.

And today Real Clear Politics has posted four new battleground polls that show how much the race is shifting. One poll shows Biden up by only 3 points in Florida, another has him up by only 2 points in Arizona, a third has him up by only 1 point in North Carolina, and a fourth poll actually has Trump up by 1 point in Wisconsin.

Trump was definitely not supposed to win Wisconsin this time around, and so that should definitely be freaking Democrats out.





Nov 3 is Only the Beginning of the Struggle



Advancing in a Time of Crisis



Financial Crisis Report

So why are the polls moving in Trump's direction?

Well, it appears that all of the violence that is going on around the country is backfiring on the Democrats in a major way. Trump is perceived to be the "law and order candidate", and Biden is making a massive political mistake by not strongly speaking out against the riots that are happening on a nightly basis.

According to one recent survey, 59 percent of voters say that violent crime is a "very important" factor in deciding who to vote for...

And Zogby Analytics has just released new numbers that seem to show that the chaos in our major cities is helping Trump significantly...

"I think maybe Joe Biden may be afraid to do it. I'm not sure. Maybe he won't, maybe he is. He's got to address it. He's got to come out and talk about it. He's got to do a speech like Barack Obama did about race. He's got to come out and tell people that he's going to deal with the issue of police reform in this country, and that's what's happening now is happening under Donald Trump's watch. When he is the president, Kamala Harris is the vice president. Then they will take care of this problem. But guess what? The rioting has to stop. Chris, as you know, and I know it's showing up in the polling, it's showing up in focus groups. It is the only thing right now that is sticking."

If the election had been held a couple of months ago, Joe Biden probably would have won by a large margin, but now everything is changing.

"As violent protests and violent crime continue to spike in cities like Chicago, Milwaukee New York City, and Portland, Trump's standing with urban voters in large cities (59% at least somewhat approved/38% at least somewhat disapproved), and small cities (51% at least somewhat approved/49% at least somewhat disapproved) continues to climb higher."

It truly is ironic what we are witnessing. All of these protesters think that they are promoting the cause of "social justice", but their actions may be giving us four more years of Trump instead.

At this point, even CNN's Don Lemon is realizing that Joe Biden's inaction on these issues is moving the poll numbers...

"That's all you. This is where I come in. We'll get to that. But when you said it's too little too late, I don't know about that. I mean, we still have a lot of time left until election day. I do think that this —what you said was happening in Kenosha is a Rorschach test for the entire country. I think this is a blind spot for Democrats. I think Democrats are hoping this will go away, and it's not going to go away."

At this point it appears that we could have a very tight election with legal challenges that could last for months afterwards. If such a scenario plays out, that could definitely set the stage for the sort of civil unrest that I warn about in my new book.

Could you imagine the national temper tantrum that we would see if Trump has a very, very narrow lead after election night?

Of course, the left will pull out every legal trick in the book in order to try to deny Trump a second term, and Trump has his own army of lawyers ready to fight back.

Things are going to get very, very ugly, and that is very unfortunate.

D. Miyoshi



David M. Miyoshi is a California attorney at law with a Martindale-Hubbell AV Preeminent Rating for Attorneys. He earned his Bachelor of Science degree from the University of Southern California, a Juris Doctor degree from the University of California, an MBA degree from Harvard University and an International Graduate degree from Waseda University in Tokyo.

He is Managing Attorney of Miyoshi Law, an International Law Firm where he approaches legal issues through a commercial lens and is a trusted legal and business advisor to his corporate and estate clients. In military service in Vietnam, he led a Combined Action Platoon as an officer in the U.S. Marine Corps and received the Naval Commendation Medal with "Combat V".

He appears in 14 Who's Who publications throughout the world and is listed as a specialist in international business, real estate and estate planning.



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