BANK SCANDAL – NEW YORK TIMES

I have been warning members to be careful where they hold their cash on deposit (meaning liquid cash) as it may not be as liquid or as safe as it may seem. For years I have been citing the fact that our research had shown that many banks are in deep trouble. In fact, during summer 2011 I even posted an article entitled 'If your bank goes bust what should you do?'

You can read this article below

http://therioclub.com/investment-school/if-your-bank-goes-bust.shtml

The following article may therefore not come as a surprise to RIO members who took note of RIO reports. It would seem that the mainstream media are starting to finally take notice.

The NY Times has reported that the Banks recently rescued by public funds have turned into serial fraud offenders. JP Morgan is near the top of their list, with Goldman Sachs and Bank of America also mentioned. Only Citigroup seems to have fallen out.

Are the Securities and Exchange Commission (SEC) sending the wrong message with this no tough sanctions for large banks?

See below an excerpt of the NY Times recent report;

WASHINGTON — Even as the Securities and Exchange Commission has stepped up its investigations of Wall Street in the last decade, the agency has repeatedly allowed the biggest firms to avoid punishments specifically meant to apply to fraud cases.

By granting exemptions to laws and regulations that act as a deterrent to securities fraud, the SEC has let financial giants like JPMorganChase, Goldman Sachs and Bank of America continue to have advantages reserved for the most dependable companies, making it easier for them to raise money from investors, for example, and to avoid liability from lawsuits if their financial forecasts turn out to be wrong.

An analysis by The New York Times of SEC investigations over the last decade found nearly 350 instances where the agency has given big Wall Street institutions and other financial companies a pass on those or other sanctions. Those instances also include waivers permitting firms to underwrite certain stock and bond sales and manage mutual fund portfolios.

JPMorganChase, for example, has settled six fraud cases in the last 13 years, including one with a $228 million settlement last summer, but it has obtained at least 22 waivers, in part by arguing that it has "a strong record of compliance with securities laws." Bank of America and Merrill Lynch, which merged in 2009, have settled 15 fraud cases and received at least 39 waivers.

Only about a dozen companies — Dell, General Electric have felt the full force of the law after issuing misleading information about their businesses. Citigroup was the only major Wall Street bank among them. In 11 years, it settled six fraud cases and received 25 waivers before it lost most of its privileges in 2010.

I am just finishing a second report on Moody's recent actions relating to a large number of banks. This will be e-mailed to members this month.

Many members seem concerned about finding a safe/flexible haven for cash on deposit, not so simple in these dangerously uncertain times where even European countries are faced with the embarrassing prospect of publically entertaining the real possibility of default. The world indeed has changed.

To meet the need, RIO has had the foresight and taken the time to establish a special account offering superior protection to that offered by banks. This product is as always for members only! RIO never offers any of its financial products to the general public.

Information on RIO's new product offering 100% capital protection and immediate access to money in today's market is well worth considering in order to avoid heartache.

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