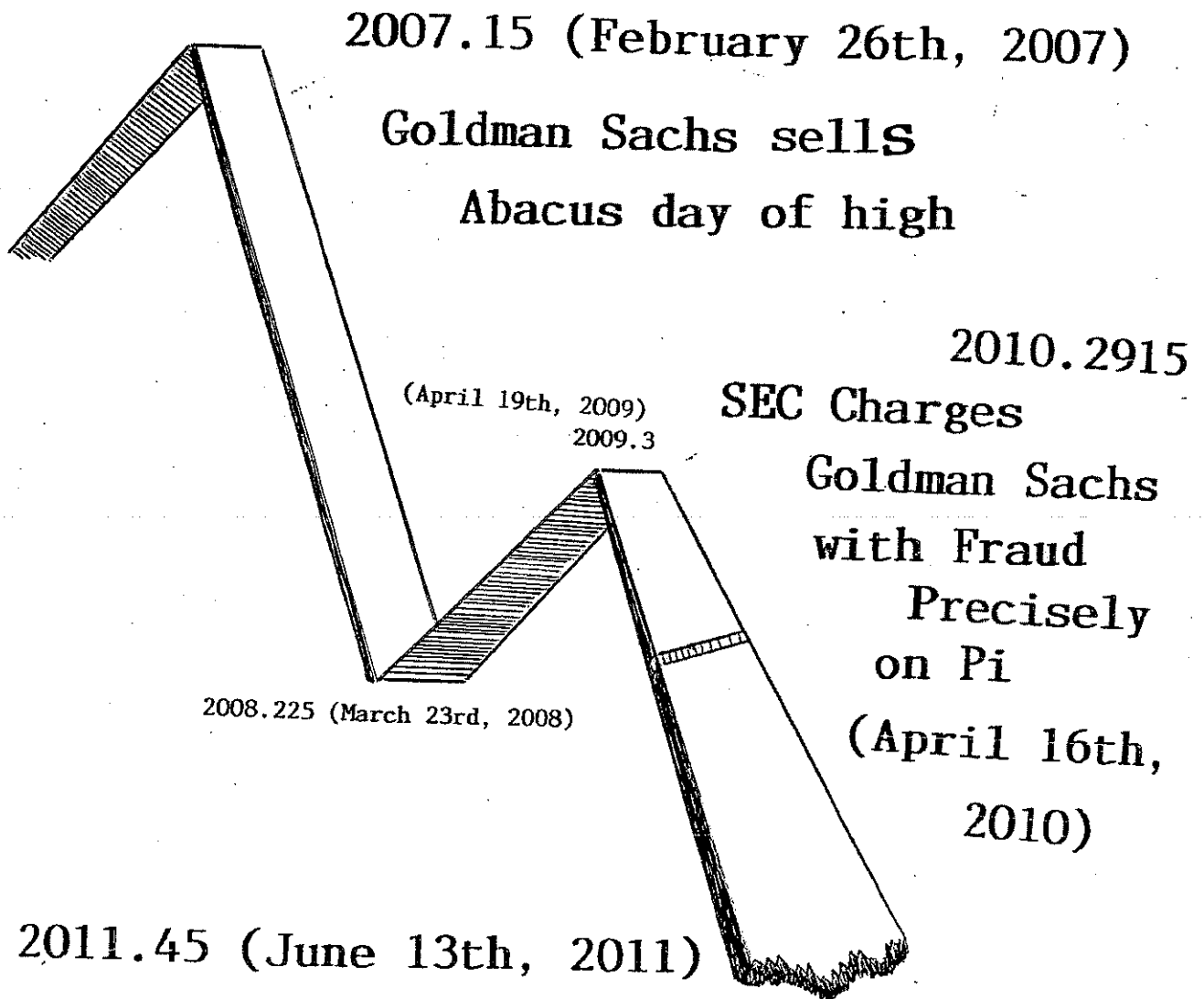


Is Goldman Following The Model?



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A C K N O W L E D G E M E N T S

I would like to thank all the former employees, associates, sources, and contacts for their ongoing support and efforts to contribute to the writings I have been able to continue through their great efforts. I would also like to thank those who have looked after not just myself, but my family, and shown them support and kindness.

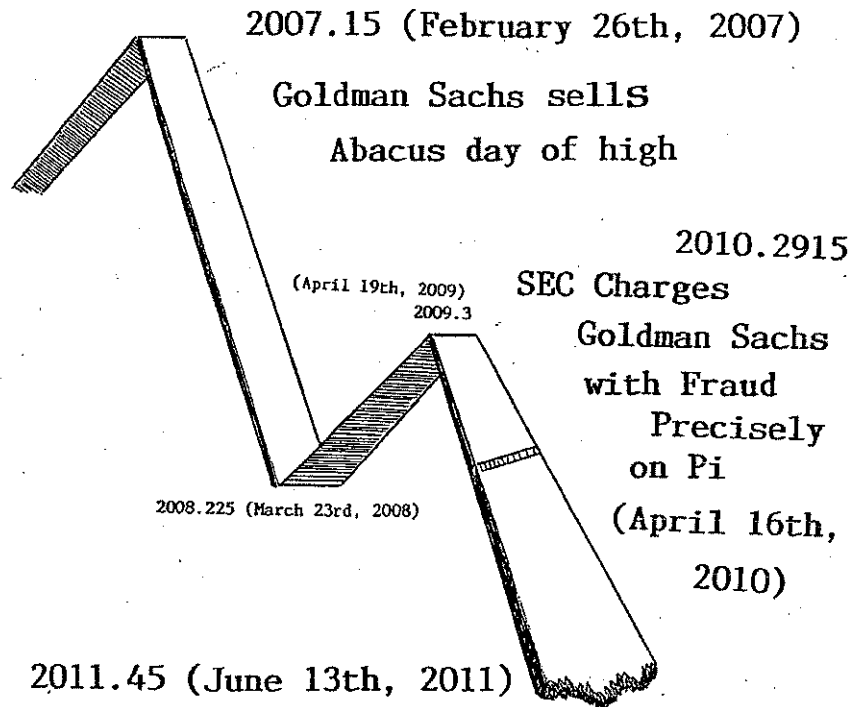
The purpose of these reports is to broaden the understanding that is so vital to our personal survival. Government cannot save us, and will only assist the very economic disaster we face. This is a Sovereign Debt Crisis that threatens our core survival. There is no plan to ever pay off debts. The majority of debt increase is paying interest perpetually to roll over without any long-term plan. What you see in Greece and in the States, we have run out of other people's money. The socialists keep pointing to the rich. But to fund the deficits, we need to borrow now from foreign lands. We ran out of money domestically and to support the current system like Greece, we need foreign capital. But all governments are facing the same crisis and we are on the verge of another widespread government default. Adam Smith warned in his Wealth of Nations that in 1776, no government paid off their debt and had always defaulted. We will have no choice either.

There is no hope that politicians will save us, for they only form committees to investigate after the shit-hits-the-fan. They will NOT risk their career for a future problem that may hit on someone else's watch. There was a politician and a average man standing on top of the Sears' Tower when a gust of wind blew them off. The average man being a realistic-pessimist, immediately sees he is about to die and begins praying. The politicians, the ultimate optimist, can be heard saying "Well so far so good!" as he passes the 4th floor.

At Princeton Economics, our mission was simply to gather global data and to bring that together to create the world's largest and most comprehensive computer system and model that would monitor the world capital flows. By creating that model, all the fallacies of market and economic theories were revealed. The world is far more dynamic and every change even in a distant land can alter the course of the global economy. Just as has been shown with the turmoil in Greece, a CONTAGION takes place and now capital begins to look around at all countries. We can no more comprehend the future but looking only at domestic issues today than we can do so in every other area, such as disease and the spread of flu.

We live in a NEW DYNAMIC GLOBAL ECONOMY where capital rushes around fleeing political changes and taxes just as it is attracted by prosperity. All the people who migrated to the United States in the 19th and 20th Centuries, came for the same reasons as those still coming from Mexico - jobs and prosperity. In the 19th Century, America was said to have so much wealth, its streets were paved in gold. We must now look to both the past and the entire world to understand where we now are today,

Is Goldman Following The Model?



By: Martin A. Armstrong

Former Chairman of Princeton Economics International, Ltd.
and the Foundation For The Study Of Cycles

It will soon be time for Goldman Sachs to respond to the SEC in the New York Fraud case before Judge Barbara Jones in the Southern District of New York. This is going to be a real watershed case for what is necessary to reveal, is the true guts of the claimed tough on Wall Street posture. It does seem that the Democrats are focusing in on Wall Street for the elections and the Republicans are standing behind Wall Street. Unless we end up with some sweeping trend of throwing out professional politicians, there appears to be little hope to save our way of life and by that I mean not just America, but the rest of Western Civilization. The concentration of military power in the hands of the United States drowns-out any real debate globally. The United States will never admit error, and that being the case, there can be no debate. Worse still, there is NEVER any PROSPECTIVE hearings on managing the economy. All we have are witch hunts to throw somebody in jail after the fact. So the Goldman Sachs case is going to be a revelation of how corrupt the system truly is behind the curtain.

Yet there is something very curious about this entire Goldman Sachs deal. I have made it known that I believe Alan Cohen who is Goldman Sachs' head of global compliance stole every line of code he could find and bit of research from our offices as the court appointed Receiver running Princeton Economics. Goldman was

the only firm who turned bearish on the mortgage market in December 2006 and sold the high. I believe it was behind keeping me in prison for 7½ years on civil contempt on its motion by Alan Cohen to prevent forecasting and on October 3rd, 2000, insisted that the Princeton Economic Institute be closed and all staff fired.



ABACUS 2007-AC1

\$2 Billion Synthetic CDO

Referencing a static RMBS Portfolio

Selected by ACA Management, LLC

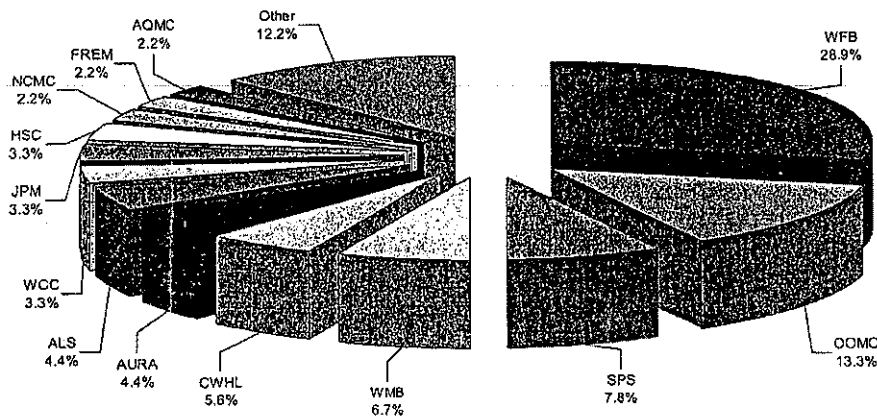
February 26, 2007

The information contained herein is indicative only and the actual terms of any transaction will be set forth in the definitive Offering Circular. Capitalized terms but not defined herein shall have the meanings set forth in the definitive Offering Circular.



Reference Portfolio Summary

Servicer Diversification^{(1), (2), (3)}



- Reference Obligations in the Reference Portfolio are serviced by 24 different servicers.
- Wells Fargo is the most represented servicer in the ABACUS 2007-AC1 Reference Portfolio, servicing 28.9% of the Reference Obligations.



(1) As of February 26, 2007, Goldman Sachs neither represents nor provides any assurances that the actual Reference Portfolio on the Closing Date or any future date will have the same characteristics as represented above.
 (2) Source: Bloomberg
 (3) Percentages are based on notional amounts

I was held for 7½ years with no lawyer, no trial, and no right to appeal because it was CIVIL CONTEMPT not criminal! I was held demanding I turn over assets for a POSSIBLE future restitution, that it turned out I did NOT owe! It was Alan Cohen who personally lied to the court on January 7th, 2002 after Republic National Bank and HSBC agreed to a criminal restitution of \$606 million making all alleged victims whole.

Alan Cohen told the court there were additional victims before 1995 when we dealt with other firms - BEFORE Republic that were not included. So I was then held with NO description of any fraud, no listing of who such victims were, or how much and how did such a fraud take place. For you see, the fraud was suppose to be FALSE Net Asset Value letters, but they were written by the bank to Princeton, not to any client. So if there was a fraud that took place BEFORE dealing with Republic, who or what institution had also written FALSE Net Asset Value Letters when I am NOT the author of any such letters?

So I was now held for another 5 years to keep my mouth shut and I believe to then allow Alan Cohen and friends to personally profit by seizing Princeton's Research. I say this, because at the end of those 5 yrs the contempt was just vacated.

Yet the nagging problem has been that Cohen lied to the SEC, CFTC, Courts, and to the people of the United States and Japan, for he was under oath to tell the truth. The notes were simply purchases of toxic portfolios in Japan, not solicitation for management and no account involved in the dispute had EVER belonged to any Japanese. For there was not even a limited power of attorney since we just PURCHASED portfolios, we did not manage money for them!

Now comes this case. For the CFTC and others who were in the pocket of the New York banks, and listened to their bullshit that I manipulated the world economy because nobody can possibly predict a single day in advance for highs and lows as the model has done for decades, well try this one on for size!

The very transaction that Goldman has been charged with FRAUD itself, was put together and the prospectus is dated the precise day of the high for the Mortgage ABX market with the model - February 26, 2007.

ABACUS 2007-AC1 \$2 Billion Synthetic CDO was sold by Goldman the very day of the high of the model. Did they have the model through Alan Cohen? Or is this just me manipulating the world including Goldman from a cell?

Now comes the SEC. If we add Pi to the high of the model 2007.15 we come to 2010.29 which works out to 16.43 days into April. Was it not that precise date that the SEC filed its charges against Goldman? I guess I also caused that to happen.

The point is simply this. I do believe that Mr. Cohen turned over proprietary research to Goldman Sachs. I believe he did his best to manipulate the courts and to keep me in prison on civil contempt with no lawyer, all funds frozen, constantly argued I had no rights at all to be heard in any court on appeal as if this whole process was a throw back to medieval days.

Finally, it appears Congress (who some members are readers) at last instructed the Inspector General to investigate the SEC for lawyers there often leave and are hired by the very people they regulate. This has come out of the BP mess showing that there was a complete breakdown in regulation when the person regulated can hire the inspector.

Andrew J. Geist
Partner
O'Melveny & Myers
former Regional
Director SEC
NE Regional
Office



Andrew Gist, was the person who was the the head of the SEC NE Enforcement. He is the man who authorized the action against Princeton. He is the man who requested Alan Cohen who was a partner at O'Melveny & Myers, LLP law firm. After setting it in motion, he then left the SEC and became a partner in the firm now running Princeton Economics as counsel to Alan Cohen.

Money is just not safe in New York. The system is far too corrupt, and they can throw you in jail for life on civil contempt for something that only MIGHT be necessary. Go elsewhere until corruption in NY is wiped out!

MONEY & INVESTING



**Calls on the CBOE:
IPO Rallies 12%**
DEALS & DEALMAKERS C3



**Big-Cap Oil Firms
Weigh on Indexes**
HEARD ON THE STREET C16

UBS tax-names deal is approved in Switzerland, but with a catch — INTERNATIONAL FINANCE... C2
The IPO for electric-car maker Tesla Motors is set for June 20 on Nasdaq — DEALS & DEALMAKERS... C3
Vanguard's bond chief is still bullish on Treasuries as the economy improves — CREDIT MARKETS... C6

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THE WALL STREET JOURNAL

Wednesday, June 16, 2010 C1

SEC 'Revolving Door' Under Review

Staffers Who Join Companies They Once Regulated Draw Lawmakers' Ire; Ms. King and Getco

By Tom McGarry

A SENATE PANEL asked the Securities and Exchange Commission's inspector general to review the agency's many SEC staffers into jobs with the companies they once regulated.

In a letter sent Monday, Sen. Charles Grassley (R., Iowa), the ranking minority member on the Senate Finance Committee, asked David Kotz, the inspector

general, to review the recent departure of a top official in the SEC's Division of Trading and Markets who took a job with a prominent high-frequency trading firm.

That move coincided with a continuing SEC examination of how high-speed, computer-driven trading in stocks and other securities is affecting markets.

Mr. Grassley also cited a Wall Street Journal article in April that reported how many former

SEC employees have quickly turned around and represented clients before the commission, sometimes within days of leaving the agency.

"We need to ensure that SEC officials are more focused on regulation and enforcement than on getting their next job in the industry they are supposed to oversee," Mr. Grassley said in a statement.

"The inspector general's work," said Mr. Grassley, "can be a valuable tool to help the SEC

become more open and transparent about its employees' ties to the industry it regulates."

Mr. Kotz declined to comment. But in a response to Mr. Grassley on Tuesday, he revealed a new revolving-door investigation he has undertaken.

"We are currently conducting an investigation of allegations very recently brought to our attention that a prominent law firm's significant ties with the SEC, specifically the prevalence of SEC attorneys leaving

the agency to join this particular law firm, led to the SEC's failure to take appropriate actions in a matter involving the law firm," Mr. Kotz wrote.

It couldn't be determined which law firm he was referring to.

SEC officials began examining the impact of high-frequency trading last summer, but the review took on new urgency after the "flash crash," which sent the Dow Jones Industrial Average

**Blue Chips
Leap 213.88;
S&P, Nasdaq
Up for Year**

By Peter A. McLeer

Stocks surged as euro-zone jitters ebbed and the technology sector benefited from an improved outlook for sales of chips and electronics.

All the major indexes ended near or above where they began the year. The Dow Jones Industrial Average soared 213.88 points, or 2.1%, to 10404.77, leaving it within 24 points of its 2009 close. For the first time since May 19, the blue-chip measure also ended above its 200-day moving average, a key level watched as a potential indicator of future strength.

The S&P 500 was up 2.4%, breaking back into the black for the year. The Nasdaq Composite rallied 2.9%, also turning positive for the year, after Best Buy said that it saw strength in notebook PC sales. The comments helped to push the Philadelphia Stock Exchange's Semiconductor Index up 5.5%.

The rally came as successful debt auctions in Spain and Belgium allayed some fears that euro-zone countries could face problems in tapping international capital markets. The euro continued to climb, hitting a two-week high above \$1.23.

Greater investor appetite for riskier assets also was evident in other markets, with crude-oil futures rising near \$77 a barrel, their highest price in more than a month. Crude futures in New York have gained nearly 7% in the past week, rising in five of the past six trading days.

Still, some stock-market traders cautioned against reading too much into the rally.

SEC Probes Meeting Held By Mylan

By John Jannarone

The Securities and Exchange Commission is investigating whether generic-drug maker Mylan Inc. disclosed confidential information about its coming earnings to a group of hand-picked investors, allowing them to snap up the shares before a big rally, people familiar with the matter said.

The SEC has contacted several investment banks whose analysts cover Mylan asking about a meeting the company hosted last September with those analysts and a group of investors, according to people familiar with the matter. A day after the meeting, Mylan shares surged 7% on three times the previous month's average daily volume.

Mylan said the SEC also asked it for information related to the meeting, but declined to elaborate.

Threatened: The oil spill is hurting real-estate projects and lenders

The Wall Street Journal reported on June 16th SEC 'Revolving Door' Under Review. The Journal reported that a Senate Panel has asked the SEC Inspector General to review the agency's "revolving door," whereby SEC staff take jobs directly in the firms being regulated.

"SEC employees have quickly turned around and represented clients before the commission, sometimes within days of leaving the agency."

Id/pC1 6/16/10 WSJ

I have been writing about this corruption for years now. When the very SEC senior staff authorizes the charging of myself and Princeton Economics, then asks for a receiver and then leaves becoming a partner in getting the very fees, and people have the guts to point at me for anything? Prosecutions have become so corrupt, you can no longer sort out the bullshit from real issues.

When William Shakespeare wrote in his famous play Henry VI, "the first thing we do is kill all the lawyers," a lot has been lost in what he was really saying. For you see, in England you could not hire a lawyer nor was one appointed to you in criminal cases. Our 6th Amendment is what what created the right to lawyers for defendants they still denied me. The ONLY person who was allowed to hire lawyers was the king. However, this places Shakespeare's phrase in a completely different light. The lawyers he is talking about are **GOVERNMENT PROSECUTORS** not private lawyers. So the complete ethical corruption that has been exposed by the BP deal, is that government lawyers are available to the highest bidder. There is NO ethical rules, no enforcement, and then the judges are typically former prosecutors. There is NO hope for saving anything until the **Rule of Law** is restored. The Senate Judiciary Committee will NEVER investigate! This inquiry is the Senate Finance Committee. We need real people on the Judiciary Committee who care about us and the Constitution not prosecutors!