

Goldman Sachs tries to shut down financial blogger

Interview of financial analyst Mike Morgan

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Mike Morgan is a registered investment adviser and a scrappy shoot-from-the-hip guy who doesn't mince his words. Recently Morgan has come under fire from investment giant Goldman Sachs for his hard-hitting web site "Facts about Goldman Sachs".

According to the U.K. Telegraph:

"Goldman Sachs is attempting to shut down a dissident blogger who is extremely critical of the investment bank, its board members and its practices. The bank has instructed Wall Street law firm Chadbourne & Parke to pursue blogger Mike Morgan, warning him in a recent cease-and-desist letter that he may face legal action if he does not close down his website.

According to Chadbourne & Parke's letter, dated April 8, the bank is rattled because the site "violates several of Goldman Sachs' intellectual property rights" and also "implies a relationship" with the bank itself.

Unsurprisingly for a man who has conjoined the bank's name with the Number of the Beast – although he jokingly points out that 666 was also the S&P500's bear-market bottom – Mr Morgan is unlikely to go down without a fight. He claims he has followed all legal requirements to own and operate the website – and that the header of the site clearly states that the content has not been approved by the bank.

On a special section of his blog entitled "Goldman Sachs vs Mike Morgan" he predicts that the fight will probably end up in court.

"It's just another example of how a bully like Goldman Sachs tries to throw their weight around," he writes." (UK Telegraph)

Morgan agreed to answer a few questions about Goldman Sachs, the TARP and the ongoing financial crisis.

Mike Whitney: Is Goldman Sachs trying to shut down your web site?

Mike Morgan: Yes

MW: Why?

Morgan: The legal answer to that would be . . . you need to ask them the question. I would think it is because we are exposing the truth . . . and the truth hurts.

MW: Have you libeled them or published privileged information?

Mike Morgan: No.

MW: Could you tell us something about yourself so that readers can trust your criticism of G-Sax?

Morgan: I am 53 years old and believe all of the answers for how we should live are in the Bible...God gave David the choice of paying the consequences at the hands of David's enemies or at the hand of God. David chose God's consequences. Hank Paulson and the thousands of wicked men like him deserve the wrath of the millions of lives they have destroyed. We must go after the crooks and make them pay the consequences for their greed and the total disregard for anyone other than themselves. We need to start with Hank Paulson, who as CEO of Goldman Sachs, was more responsible than any 10 men combined, for the violent Depression we are about to enter.

MW: Why was G-Sax given \$10 billion out of the TARP funds before federal regulators checked their books to see if they were solvent?

Morgan: Because King Henry (Henry Paulson) said so. As former CEO of Goldman Sachs, the last thing he wanted to see was a collapse of Goldman Sachs. And as Treasury Secretary with a big stick, he could do whatever he pleased . . . and he did.

MW: It was widely believed that most of the five biggest investment banks were leveraged 30 to 1. If that's the case, then G-Sax probably would not have survived the downturn in the market without government assistance. Do you agree with this analysis?

Morgan: I agree.

MW: After Bear Stearns and Lehman Bros. defaulted, Merrill Lynch quickly sold out to Bank of America.

Morgan: Merrill was being run by John Thain, the former Goldman Sachs executive that helped Hank Paulson force out Jon Corzine who at the time was c-CEO with Paulson.

MW: That left Goldman Sachs and Morgan Stanley as the next likely candidates to be taken down by short sellers.

Morgan: Short seller are not the issue. If short sellers drive down a stock below market value, then it becomes an opportunity for anyone that thinks the stock is a buy to bury the shorts.

MW: This is when SEC chief Christopher Cox—who had never intervened in the market prior to this—put emergency rules in place to stop the short selling of financial institutions. What was Cox's action all about?

Morgan: The SEC is toothless and I still don't know why Cox is not in jail. He not only looked the other way on the Madoff issue, but since he left, the SEC has gone after more than a dozen scams. Are you going to tell me everything was fine three months ago on Chrissy Cox's watch? No, but I can tell you there is much more to this story....As for the SEC and short sellers, that was King Henry. Period. Full Stop.

MW: Was this mainly an attempt by Washington elites to pull G-Sax's bacon out of the fire?

Morgan: Goldman Sachs and other companies affiliated with Goldman Sachs. Kinda like the old MCI Friends and Family Program.

MW: Recently it was revealed that G-Sax had been paid more than \$12 billion for credit default swaps (CDS) it held with insurance giant AIG. Financial institutions that buy these CDS know that they are accepting additional risk because they are unregulated and outside government oversight. That said, Treasury's payoff to G-Sax on these CDS was equivalent to paying off a gambler's losses at the race track. Why was G-Sax compensated for their CDS; why was it kept secret; and who authorized it?

Morgan: King Henry and his loyal lieutenant Neil Kashkari. Most people don't realize, Neil Kashkari was King Henry's lieutenant at Goldman Sachs. Neil is 35 years old with little experience other than being a very private executive assistant to King Henry when he was CEO of Goldman. Let's ask ourselves . . . why exactly is Kashkari still on the job? Easy answer . . . because our President and Chris Dodd were both bought with Goldman Sachs' money. These two men have received more money from Wall Street than any politician in the history of the United States. By the way, Obama was only around for two years, while

Dodd was there for more than a decade. Obama received more money from Wall Street in two years than Dodd did in a decade.

MW: What is the nature of the relationship between G-Sax and the political establishment in Washington?

Morgan: If I answered that question I would need to increase the thickness of my Kevlar body suit.

MW: Why is Treasury a revolving door for investment bankers that are tied to Wall Street?

Morgan: Because the American public allows it. Benjamin Franklin said . . . Well done is better than well said. Too many Americans gripe and moan, but when it comes time to doing anything . . . they sit back on the couch with a bag of chips and the TV. We think it is cute to use the TV to amuse our toddlers. Do you think it is any different for 75 per cent of the American public?

MW: Are special interest groups dictating policy in the Obama White House?

Morgan: I can't count that high. But if you just look at Wall Street and where the money came from, you will realize that Barack Hussein Obama is nothing more than a puppet of Wall Street.

MW: an article which appeared in The Atlantic Monthly, a former chief economist of the IMF, Simon Johnson, had this to say:

"The crash has laid bare many unpleasant truths about the United States... recovery will fail unless we break the financial oligarchy that is blocking essential reform. And if we are to prevent a true depression we're running out of time."

Do you agree with Johnson that banks have a stranglehold on the political process and that "we are running out of time"? If so, how do we go about removing these people from office and replacing them with people who will operate in the public's interest?

Morgan: First, I think guys like Simon Johnson are the guys that should be running the show. Simon along with William Black, Elizabeth Warren and Ron Paul. There are more, but if we had that trio at the helm, we'd be moving to a world of light, instead of a world of deep, violent darkness.

As to your question about how to remove these people from office, I believe it will be very violent . . . and very well deserved. We are two Biblical generations removed from the Great Depression of 1929. In 1969 we had race riots. We lost a true leader when we lost Martin Luther King, and the country paid the consequences. Here we are 40 years later . . . a Biblical generation, as we enter what I believe will be a period of violence beginning this summer. When you can't feed your kids, and the folks at Goldman Sachs are sitting around the pool sipping cocktails and munching on snacks . . . that's when those without go after those with.

The problem now is very simply . . . companies like Goldman Sachs created a financial system that was double stacked. One, they skimmed trillions of dollars out of our pension fund and other fiduciary money under their management. Two, like drug dealers they provided very creative financing to hundreds of millions of people around the world . . . which those folks can no longer afford to pay back. But the boys and girls and Goldman Sachs have already walked off with the money, leaving the people that bought the debt with little more than a piece of paper . . . and those that owe the debt, with the inability to ever pay it back.

MW: Will you fight Goldman in court?

Morgan: Yes. I'm prepared to fight them with several attorneys and law professors that are anxious to take this one on. I hope they do press the issue in court, but I kinda doubt it.

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