



## Just in case it matters to you:

- DO YOU KNOW PEOPLE AGE 70 AND ABOVE WHO NEED LIQUID FUNDS TODAY more critically than to fund their 'estate' through death proceeds – Parents, Relatives, Neighbors, Business Associates? Many people own life insurance policies purchased years ago – before children grew up, spouses divorced or deceased, business loans & leases were paid off, or before they had accumulated personal wealth. But today those policies, beyond being unnecessary, are most likely sitting in a drawer collecting dust while requiring continuing payments to keep in force. In fact, an extremely high percentage of such policies end up "lapsing" when seniors realize their redundancy and eventually choose to drop the coverage. But there's a dramatically better option. Today's institutional marketplace will purchase such individual policies for "Life Settlement" asset portfolios. Like all financial vehicles, the market for life policies has been stagnant for several months but is now re-surfing. Cash purchase price is based on policy death benefit and the insured's life expectancy (age and health condition) -- often at 35 - 40% of policy face value. If you know people in this circumstance, please give DCG the opportunity to advise regarding the economics of this marketplace, and how you can do a favor for your relatives or friends, as well as yourself.
- "THE FINANCE INDUSTRY HAS EFFECTIVELY CAPTURED OUR GOVERNMENT... In its depth and suddenness, the U.S. economic and financial crisis is shockingly reminiscent of moments we have recently seen only in emerging markets: South Korea, Malaysia, Russia and Argentina... where global investors, afraid that the country or its financial sector wouldn't be able to pay off mountainous debt, suddenly stopped lending. And, in each case, that fear became self-fulfilling, as banks that couldn't roll over their debt did, in fact, become unable to pay. This is precisely what drove Lehman Brothers into bankruptcy last September, causing all sources of funding to the U.S. financial sector to dry up overnight. Just as in emerging-market crises, the weakness in the banking system has quickly rippled out into the rest of the economy, causing a severe economic contraction and hardship for millions of people. But there's a deeper and more disturbing similarity: *elite business interests – financiers – played a central role in creating the crisis, making ever-larger gambles, with the implicit backing of the government, until the inevitable collapse. More alarming, they are now using their influence to prevent precisely the sorts of reforms that are needed, and fast, to pull the economy out of its nosedive, while the government seems helpless, or unwilling, to act against them...* The American financial industry gained political power by amassing a kind of cultural capital – a belief system...

Over the past decade, the attitude took hold that what was good for Wall Street was good for the country...as Washington insiders believed that large financial institutions and free-flowing capital markets were crucial to America's position in the world... A whole generation of policy makers has been mesmerized by Wall Street, always and utterly convinced that whatever the banks said was true...and still, throughout the crisis, the government has taken extreme care not to upset the interests of the financial institutions, or to question the basic outlines of the system that got us here... The U.S. faces two plausible scenarios: the first involves complicated bank-by-bank deals and a continual drumbeat of (repeated) bailouts...which the administration will try to muddle through, and confusion will reign... The second is more bleak: the global economy continues to deteriorate, ...creditors take further hits and confidence falls further... until forcing the U.S. economy, already staggering, down onto both knees, while the baseline growth rates used in the administration's current budget are increasingly seen as unrealistic and the rosy 'stress scenario' becomes a source of great embarrassment. Under this kind of pressure and faced with the prospect of a national and global collapse...our leadership may wake up to the potential consequences and take dramatic action on the banking system to break up the old elite... Let us hope it is not then too late." [THE ATLANTIC – May 09]

- SOME 3,600 PUBLIC COMPANIES – NEARLY 25% – "MAY NOT BE GOING CONCERNS," according to their auditors, who "must consider several factors that may signal when a company won't be in existence 12 months later including: negative recurring operating losses, working capital deficiencies, loan defaults, unlikely prospects for more financing, work stoppages, and external issues such as legal proceedings and loss of a key customer or supplier." It might be that auditors are being overly cautious in this crisis environment, however "past academic studies have found audit firms have made going-concern qualifications for just over *half* of the companies that eventually go bankrupt." [CFO.COM – Apr 22, 09]
- THOUGHT FOR THE WEEK: "*The only thing worse than starting something and failing... is not starting something.*"