

## **A SALUTE TO THE HOUSE OF SHAME WEB BUZZ 2007.10.09**

*“More than 65% of investors in mortgage-backed securities are struggling to find bids for their holdings, according to a survey of 251 institutions last month by Greenwich Associates, a Greenwich, Connecticut-based consulting firm. Among holders of CDOs (collateral debt obligations) the figure is 80%.”*

The above is a quote from an article by Bloomberg on October 2, 2007 by one of their financial writers, Caroline Salas. The name of the article is *Fed Fails to Restore Creditor Confidence, Pimco Says*.

Why do we make note of this? For the very reason that mainstream bond managers all over the country are calling for immediate help from the Federal Reserve and Congress to bail them out of their bond funds. For years and years, orthodox bond managers have bought into Wall Street’s structured finance mania. Now that the marketplace has discovered that many of these bond instruments are poor junk, they seek our help (tax dollars) to make them whole. Please click on the link below to read an article from Bill Gross in his October 1, 2007 investment outlook piece.

**[Investment Outlook: What Do They Know?](#)**

In response to Mr. Gross, we say, “Why, then, if you are so modern and economically superior, did you buy into this magnificent financial innovation? We will tell you why—you have built your reputation and bond management company on just such innovations, which may be leading your clients to the slaughterhouse.”