FDIC
Federal Deposit Insurance Corporation
550 17th Street, NW, Washington, DC 20429 Legal Division

March 18, 2020

VIA U.S. MAIL/EMAIL

Mr. David Schroeder
Monetary Gold
21800 Oxnard Street, Suite 1120
Woodland Hills, California 91367

Re: "Wall Street's Worst Nightmare" advertisement

Dear Mr. Schroeder:

I am a Counsel in the Legal Division of the Federal Deposit Insurance Corporation (FDIC). As part of my responsibilities, I am frequently asked to review advertisements from companies that either claim to offer FDIC insured products or make representations about the FDIC. I review the advertisements to determine if they are misleading to consumers.

Your email advertisement from Newsmax.com, which may also appear on other media, entitled, "Wall Street's Worst Nightmare," has been brought to my attention. A copy of that advertisement is attached to this letter.

The advertisement contains numerous misrepresentations, all related to the assertion that Federal law permits a bank to "take its depositors' funds (i.e., your checking, savings, CDs, IRA & 401(k) accounts) and use those funds when necessary to keep itself, the bank, afloat." You state that accounts are not FDIC insured when the bank takes customers' funds. We have found similar misrepresentations on your company's webpage.

You apparently base that misstatement on an erroneous interpretation of the "Orderly Liquidation Authority" given to the FDIC by Congress in 2010 under the "Dodd-Frank Wall Street Reform and Consumer Protection Act" (Dodd-Frank Act).

The Orderly Liquidation Authority set forth in the Dodd-Frank Act does not apply to insured depository institutions, does not affect the level of deposit insurance coverage provided to bank depositors, and does not eliminate deposit insurance. Rather, the Authority allows the FDIC to resolve a large bank holding company or a systemically important non-bank financial institution when its bankruptcy would have serious adverse effects on the financial stability of the United States.

In the event of a failure of an insured depository institution, regardless of its size or whether it is part of a larger enterprise, the FDIC would resolve the insured depository institution using authorities granted in the Federal Deposit Insurance Act (FDI Act)—not the Dodd Frank Act—and customers' deposits would be fully insured up to the $250,000 limit.

As the primary Federal regulator charged with interpreting the FDI Act and insuring consumer deposits up to the relevant limits, we have a statutory and regulatory interest when representations are made regarding deposit insurance. In our view, your representations may violate various Federal and state laws. The FDI Act prohibits any person from "knowingly misrepresent[ing] . . . the extent to which or the manner in which any deposit liability, obligation, certificate, or share is insured under this chapter, if such deposit liability, obligation, certificate, or share is not so insured, to the extent or in the manner represented." 12 U.S.C. § 1828(a)(4)(B)(ii). This FDI Act provision, along with 12 U.S.C. § 1828(a)(4)(E), gives FDIC the authority to take enforcement actions against any company violating this law, including but not limited to the authority to issue civil money penalties up to $10,245 per violation per day.

Federal criminal law prohibits "falsely advertis[ing] or otherwise represent[ing] by any device whatsoever the extent to which or the manner in which the deposit liabilities of an insured bank or banks are insured by the Federal Deposit Insurance Corporation." 18 U.S.C. § 709. In addition, Section 5 of the Federal Trade Commission Act, (15 U.S.C. § 45) prohibits unfair or deceptive advertisements, as does the California Deceptive Practices statute.

We expect your company to correct your advertisements and oral presentations. We also expect you to contact me with your response. You can reach me by email (to rischwartz@fdic.gov).

Sincerely,

/s/

Richard M. Schwartz
Counsel
Legal Division

From: Newsmax.com <newsmax@latest.newsmax.com>
Sent: Tuesday, March 17, 2020 10:00 AM

Subject: Wall Street's Worst Nightmare

Dear Newsmax Reader:

Please take a moment to read the special message from our advertising sponsor, Monetary Gold. Our sponsors help us keep our news service free, though we do not necessarily endorse this message.

Newsmax.com

Picture This, You Wake Tomorrow To Discover That Your Bank Emptied Your Checking and Retirement Accounts And Used The Money To Pay Its Debts

You Have No Legal Standing, No FDIC Coverage, And No Money In Your Account - It's Gone

FOREVER!

Look My Friend,

I write this to you with the utmost urgency. What I just described to you is the new law of the land and It was signed into law in 2010 under then President Barack Hussein Obama.

It's known under many different names:

- The Dodd-Frank Act.

- Wall Street Reform and Consumer Protection Act
- Public Law 111–203
- H.R. 4173
- Bank Bail-In (Google this search phrase: Dodd–Frank Bail–In)

The law states that a U.S. bank may take its depositors' funds (i.e. your checking, savings, CD's, IRA & 401(k) accounts) and use those funds when necessary to keep itself, the bank, afloat.

That means:

- if your bank makes bad investments in derivatives
- or makes bad loans to sub-prime borrowers
- or manages the bank poorly and can't service its debt
- or even worse the U.S. economy has another 2008 collapse

Instead of that bank going bankrupt and the bank's assets sold off to be given back to its depositors…

Now the bank simply keeps your money and guess what? The bank is no longer bankrupt. Did you read that? <u>***The Bank Keeps Your Money***</u>. And here is the kicker,

YOUR ACCOUNT IS NOT FDIC INSURED WHEN THE BANK TAKES YOUR MONEY. NOT ONE SINGLE PENNY.

<u>*It's the law of the land and there is nothing you can do about it!*</u>

Welcome to the 21st Century in the United States of America.

But It's Not Too Late

You Can Do Something About It

Don't just sit idly by thinking this won't happen to you. If you have more than $10,000 in any financial institution, that institution is eyeing your money.

They know that if they make bad decisions and run the bank into the ground, it's ok. They can take your money and live to see another day.

By making one simple change to your savings strategy you can protect some or all of your retirement.

HOW TO TAKE ACTION NOW

Before anything, get your complimentary copy of: How To Protect Your Savings From Bank Seizure.

This guide will simply arm you with the necessary information you need to protect yourself, your savings, and your peace of mind.

Secondly, get your questions answered. DON'T WAIT! DON'T PUT OFF TILL TOMORROW WHAT NEEDS TO BE DONE TODAY! TOMORROW IS TOO LATE!

Pick up your phone and call one of our IRA/Asset Protection Specialists for a 15-minute complimentary consultation at (888) 411-GOLD (4653).

They will be able to answer all of your questions, but more importantly they can show you what smart investors are doing right now to keep their money safe from the money-grubbing hands of the banks.

Take action now. Grab your complimentary copy of: How To Protect Your Savings From Bank Seizure and protect your hard-earned retirement savings.

Sincerely,

David Schroeder
Monetary Gold

P.S.

The stock market is down 30% in the last three weeks. If the nation gets quarantined, the markets will lose another 30%. Don't gamble with your retirement. Learn what you can do now to protect yourself in times like this. Get a copy of the: Market Asset Protection Guide. The most important things you need to know about keeping your retirement safe in the stock market are in here