



# Iron Mountain Mines, Inc.

P.O. Box 992867, Redding, CA 96099

Tel (530) 275-4550 Fax (530) 275-4559

IMMI Developments

**“The revised PHG of 300 g/L is two orders of magnitude greater than the applicable numeric chemical-specific standards identified in ROD 5 for the protection of freshwater “**

**THE ARMAN MINES LOST HUMAN USE REMEDIATION AND RESTORATION TRUSTS ANNOUNCES PLANS FOR THE COMMUNITIES OF MINNESOTA, IRON MOUNTAIN, COPLEY MOUNTAIN, DEMOCRAT MOUNTAIN, SUGARLOAF MOUNTAIN, MAGEE, CAMDEN, SALLEE, CORAM, VOBIS, WHITEHOUSE, KESWICK, MATHESON, NOBLE, SCOTT, LAWSON, RICHMOND, TAYLOR, MOTION, KEYSTONE, MOCOP, CROWN POINT, SPRING CREEK, FLAT CREEK, BOULDER CREEK, SLICKROCK CREEK, SOUTHFORK CREEK, BATTLE CREEK, BUENA VENTURA RIVER, CHAPPIE-SHASTA, BRANDEIS, AND SO FORTH.**

**THE COMMUNITIES WILL FEATURE THE LATEST AMMENITIES IN SUSTAINABLE LIVING WITH FENCED AND RAISED VEGETABLE GARDENS FOR EVERY YARD AND NON-SEPTIC WASTE DISPOSAL, WATER, COMPLETE SOLAR-BATTERY INDEPENDENCE, WITH ASSISTANCE AND TRANSPORTATION FOR SENIORS, DISABLED, VETERANS, WIDOWS & ORPHANS, AND NON-FLAMMABLE AND EARTHQUAKE RESISTANT CONSTRUCTION WITH PRECAST CONCRETE FROM MINING WASTE ROCK, MINE TAILINGS, & DRAINAGE.**

**THE ARMAN MINES INSTITUTE DEVELOPS SOIL RESTORATION INITIATIVES AND PROVIDES REMINERALIZATION OF SOIL FOR HUMAN FOOD CROPS & FARMLAND.**

## **SUMMARY OF IRON MOUNTAIN MINES PRIVATE SUPERFUND TRUSTS**

### **IRON MOUNTAIN MINES AIG – EPA –DOJ SUPERFUND CLEANUP REMEDIATION FUNDS**

**\$336,706,450 + \$93,590,773 = \$430,297,223 PAYABLE TO BEGIN SUPERFUND REMEDIATION**

**Since 2009 - Mr. T. W. Arman, mistaken for 'ARMAN' aka "TWO MINERS AND 103 MILLION ACRES OF LAND" fka - Iron Mountain Mines; the Arman Mines Ministries of Natural & Mineral Resources Federation, the Arman Mines Institute, the Hummingbird Institute, the College of the Hummingbird, Arman Mines Iron Mountain Railway, Arman Mines Iron Mountain Tramway, Arman Mines Iron Mountain Road, Arman Mines Iron Mountain Airport, THE HUNDREDS OF THE ARMANSHIRE, NATIVE PIGMENTS, ARMAN PIGMENTS, AMD&CSI, IMMI, HU/MOUNTAIN, ARMAN MINES MINISTRY OF NATURAL RESOURCES, THE ARMAN MINES MINISTRY OF MINERAL RESOURCES FEDERATION, THE ARMAN LOST HUMAN USE REMEDIATION AND RESTORATION TRUSTS, THE ARMAN MINERALS RESOURCE DEFENSE COUNCIL, THE GUYS OF JUSTICE, THE ARMAN MINES MINISTRY OF MINING & PRINCIPLES OF PIGMENTS; THE ARMAN MINES HAZARD AND REMEDIATION DIRECTORATE, THE ARMAN MINES DISASTER ASSISTANCE DIRECTORATE, AND THE ARMAN MINES HUMMINGBIRD INSTITUTE COLLEGE OF THE HUMMINGBIRD CENTER FOR HEALTH INSTITUTE FOR LIBERTY AND INDEPENDENCE.**

# **Iron Mountain Mines, Inc.**

**Mr. T.W. Arman**, proprietor, Iron Mountain Mines, Inc., & 'ARMAN'  
(for Archaeal **Richmond Mine Acidophilic Nanoorganisms**)

**All the rights, privileges, and immunities** of the Camden and Magee Military Scrip Warrants for the United States of America State of California Morrill Act University of California San Buena Ventura Agricultural College Patent. May 1, 1862 - President Abraham Lincoln - Charles Camden – William Magee - Iron Mountain Investment Co. - United States of America Lode and Placer Mining Patents, Arman Mines Apex Relocations, Apex Discoveries, and Apex mining law applications, Arman Mines Flat Creek mining district vested and accrued existing rights of the locators of the Lost Confidence Mine, & their successors and assigns, (Ted Arman) and to their and their heirs and assigns and successors use and behoof, forever.

**TO HAVE AND TO HOLD** said mining premises, together with all the rights, privileges, immunities, and appurtenances of whatsoever nature thereunto belonging, unto the said grantee above named and to its successors and assigns forever; subject, nevertheless, to the above-mentioned and to the following conditions and stipulations:

**FIRST.** That the premises hereby granted shall be held subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local laws, customs, and decisions of the courts. And there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States.

**SECOND.** That in the absence of necessary legislation by Congress, the Legislature of California may provide rules for working the mining claim or premises hereby granted, involving easements, drainage, and other necessary means to its complete development

**Since 1849 - Flat Creek Mining District**

**Since May 1, 1862 - Camden & Magee Agricultural College, Military Scrip Warrant Freehold Estate; 360 acres of land in lieu of Rancho Buena Ventura grant patent title, President Abraham Lincoln - Morrill Land-Grant Colleges Act**

**1844 Mexican Land Grant and Bounty Warrants prior rights; Perdido Californio Bosque del Norte Since January 4, 1875 - Shasta County Recorder; Morrill land grant Act of Congress - Camden & Magee University of California Agricultural College Patent by Governor Newton Booth.**

**Since April 8, 1880 - Lost Confidence Mine, Camden & Magee; Bears Den et al lode Mining Claims.**

**Since 1895 - Mountain Copper Co. Ltd., Iron Mountain Investment Co. 2898 ACRES OF LAND (Jardine Matheson/ Rothschilds/ Keswick, et al), Iron Mountain Investment Co. The Noble, Scott, &c.**

**Since 1967 - Stauffer Chemical Co., (AstraZeneca, Bayer Crop Sciences et al), Responsible Parties/**

**Since 1976 - Iron Mountain Mines, Inc., Innocent landowner, operator - T.W. Arman**

**Since 2001 - Essential Solutions, Inc. Agricultural & Horticultural Products Research.**

**Since 2008 - Hu/Mountain jv Relocation, Remission, Reversion, Remainder, &c.**

**Since 2009 – T.W. Arman, sole proprietor, innocent owner & patron of 'ARMAN'**

**MINERAL EXPLORATION & MINE DEVELOPMENT \* MINING \* PROCESSING 2  
PRODUCERS OF INDUSTRIAL AND AGRICULTURAL MINERALS**

**[www.ironmountainmine.com](http://www.ironmountainmine.com)**

# **Iron Mountain Mines, Inc.**

**OLD WORLD MIX – AGRICULTURAL MINERALS, PAINTS, STAINS & DYES, CATALYSTS**

**PAHOMAKI BRAND NATURAL CORN GLUTEN FOR NITROGEN FERTILIZER ADDS IMMEDIATELY AVAILABLE ORGANIC AGRICULTURAL MINERALS SLOW RELEASE ESSENTIAL MICRONUTRIENTS**

**HEMATITAN © COATED IBDU/UREA & ARMAN MIX NURSERYMANS SPECIALTY BLEND**

**HUMATE RICH CORN GLUTEN MICROBIAL INNOCULANT FOR ARMAN COMPOST MIX**

**ARMAN MINES MINISTRY PLEDGES BILLION LBS. FOR SOIL MINERALS RESTORATION**

**IRON MOUNTAIN MINES, INC. PIGMENT CO. OFFERS 72% GYPSUM 22% IRON OXIDES NATURAL IRON MOUNTAIN COLOR FOR CEMENT, CONTACT BY FAX MR. T.W. ARMAN**

**July 26, 2010 EPA Releases Rulemaking Guidance on Environmental Justice**

**WASHINGTON -- The U.S. Environmental Protection Agency (EPA) is releasing an interim guidance document to help agency staff incorporate environmental justice into the agency's rulemaking process. "Historically, the low-income and minority communities that carry the greatest environmental burdens haven't had a voice in our policy development or rulemaking. We want to expand the conversation to the places where EPA's work can make a real difference for health and the economy," said EPA Administrator Lisa P. Jackson. "This plan is part of my ongoing commitment to give all communities a seat at the decision-making table. Making environmental justice a consideration in our rulemaking changes both the perception and practice of how we work**

**Mr. T.W. Arman has been trying for years to supply his minerals to farmers, gardeners, landscapers, horticulturalists, and others who work in agricultural enterprises that provide our food and sustain our environment, and it is well documented that minerals are necessary for soil fertility, for instance:**

**“Minerals in the soil control the metabolism of plants, animals and man. All of life will be either healthy or unhealthy according to the fertility of the soil.”**

**This was a statement made by Dr Alexis Carrel, Nobel Prize Winner, in 1912. Almost a hundred years later, agriculturist and writer, Graham Harvey, wrote in The Daily Telegraph , 18 February 2006: “ Britain 's once fertile soil has been systematically stripped of its crucial minerals by industrial farming, leaving our fruit and vegetables tasteless and a nation in chronic ill health.”**

**William Albrecht (1896-1974 Illinois), referred to as the Father of Soil Research for his pioneering studies of the effects of infertile soil on plants and animals, warned in 1930s that if the land was not remineralised, there would be a massive increase in human degenerative diseases.**

**Iron Mountain Mines minerals were naturally distributed by the cycles of the seasons and the annual flooding that for half a million years fertilized the great valleys of California. In 1943 the United States of America State of California constructed the Shasta dam forever destroying this process.**

**MINERAL EXPLORATION & MINE DEVELOPMENT \* MINING \* PROCESSING 3  
PRODUCERS OF INDUSTRIAL AND AGRICULTURAL MINERALS**

**[www.ironmountainmine.com](http://www.ironmountainmine.com)**

# Iron Mountain Mines, Inc.

matters for which the courts may wish to take judicial notice

Rancho Buena Ventura (also called "San Buena Ventura") was a 26,632-acre (107.78 km<sup>2</sup>) Mexican land grant in present day Shasta County, California, given in 1844 by Governor Manuel Micheltorena to Major Pierson B. Reading (1816–1868). The land grant is named for the former name of the adjacent Sacramento River, Buena Ventura, which meant good fortune in Spanish. The grant extended some nineteen miles on the west side of the Sacramento River, from Cottonwood Creek on the south to Salt Creek on the north, and extended approximately three miles west of the Sacramento River the length of the grant. The grant encompassed present day towns of Anderson, Cottonwood and Redding. This was the northernmost land grant in California. Redding, however, was not named for Major Reading; it was named for B. B. Redding, a land agent for the Central Pacific Railroad

## History

Governor Micheltorena and John Sutter, his alcalde granted Rancho Buena Ventura to Pierson B. Reading (listed as Pearson B. Reading in the land case documents) in 1844. Reading, who was at that time working for John Sutter at Sutter's Fort in Sacramento as a clerk and trapper, visited the land grant but did not move onto it. He stocked the land with cattle and built a house for his overseer but it was burned down by natives in 1846. Reading was active in promoting the Bear Flag Revolt of 1846. After serving as an artillery lieutenant then as paymaster at the rank of major in a battalion led by John C. Frémont, he built a permanent adobe dwelling and settled on his grant in 1847. He became the second (after Lansford Hastings) permanent settler of what was to become Shasta County

With the cession of California to the United States following the Mexican-American War, the 1848 Treaty of Guadalupe Hidalgo provided that the land grants would be honored. As required by the Land Act of 1851, a claim for Rancho Buena Ventura was filed with the Public Land Commission in 1852. The US appealed the claim on the grounds that Reading was not a Mexican citizen. In 1854 Reading went to Washington, D.C. for the hearing before the US Supreme Court on his land grant claims. There he met and married Fanny Wallace Washington. The claim was upheld by the Supreme Court and the grant was patented to Pearson B. Reading in 1857.

The first land sale was made in 1853. By 1866, over 5,000 acres (20.2 km<sup>2</sup>) of the land grant was sold. In 1866, Reading borrowed from the estate of his longtime friend Samuel J. Hensley, using the remaining rancho lands as collateral. After Reading's unexpected death in 1868, the remaining rancho lands were sold to James Ben Ali Haggin at public auction in 1871 to satisfy the unpaid debt. After the auction, the only remaining land from the original land grant was the one square mile (640 acres (2.6 km<sup>2</sup>)) Washington section purchased by Fanny Washington's mother.

William Magee was the U.S. deputy surveyor for Shasta County. He served as caretaker for Reading. Charles Camden was the most successful miner in Shasta County, he bought and sold much of the land at the Rancho, 800 acres for Military Scrip Warrants (U.S. Patent Title). They were partners. Under their rights of Pre-emption The U.S. Land Office at Marysville granted 360 acres of land on Iron Mountain in lieu of land in the Rancho Buena Ventura. Mining was insignificant until James Sallee discovered a seam of silver in the ore and the Lost Confidence Mine was recorded April 8, 1880.

# Iron Mountain Mines, Inc.

## ***EPA To Hold Listening Sessions on Potential Revisions to Water Quality Standards Regulation***

07/30/2010 Contact Information: Dave Ryan Ryan.dave@epa.gov 202-564-7827 202-564-4355

WASHINGTON – The U.S. Environmental Protection Agency (EPA) will hold two public listening sessions on potential changes to the water quality standards regulation before proposing a national rule. The current regulation, which has been in place since 1983, governs how states and authorized tribes adopt standards needed under the Clean Water Act to protect the quality of their rivers, streams, lakes, and estuaries. Potential revisions include strengthening protection for water bodies with water quality that already exceeds or meet the interim goals of the Clean Water Act; ensuring that standards reflect a continued commitment to these goals wherever attainable; improving transparency of regulatory decisions; and strengthening federal oversight.

Water quality standards are the foundation of the water quality-based approach to pollution control, including Total Maximum Daily Loads and National Pollutant Discharge Elimination System permits. Standards are also a fundamental component of watershed management.

The public listening sessions will be held via audio teleconferences on August 24 and 26, 2010, from 1 p.m. to 2:30 p.m. EDT. At the sessions, EPA will provide a review of the current regulation and a summary of the revisions the agency is considering. Clarifying questions and brief oral comments (three minutes or less) from the public will be accepted at the sessions, as time permits. EPA will consider the comments received as it develops the proposed rulemaking. EPA will also hold separate listening sessions for state, tribal and local governments.

According to the state supreme court, “[i]t is misconduct... to elicit or attempt to elicit inadmissible evidence... Because we consider the effect of the prosecutor's action on the defendant, a determination of bad faith or wrongful intent by the prosecutor it is not required for a finding of prosecutorial misconduct.” (*People v. Crew* (2003) 31 Ca) The role of the prosecutor differs significantly from that of others who practice law, including criminal defense lawyers.

“ A Prosecutor is held to a standard higher than that imposed on other attorneys because of the unique function he or she performs in representing the interests, and in exercising the sovereign power, of the state. ... the prosecutor represents “a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall 'win a case,' but that justice shall be done.” (*Berger v. United States* (1935) 295 U.S. 78, 88.) ” (*People v. Hill* (1998) 17 Cal.4th 800, 820.)

“Prosecutors have a special obligation to promote justice and the ascertainment of truth. ... ‘The duty of the attorney general is not merely that of an advocate. His duty is not to obtain convictions, but to fully and fairly present... the evidence...’ ” (*People v. Kasim* (1997) 56 Cal.App.4th 1360, 1378.) “The prosecutor's job isn't just to win, but to win fairly, staying well within the rules.” (*United States v. Kojayan* (9th Cir. 1993) 8 F.3d 1315, 1323.) “As an officer of the court, the prosecutor has a heavy responsibility... to the court and to the defendant to conduct a fair trial ...” (*United States v. Escalante* (9th Cir. 1980) 637 F.2d 1197, 1203.)

MINERAL EXPLORATION & MINE DEVELOPMENT \* MINING \* PROCESSING 5  
PRODUCERS OF INDUSTRIAL AND AGRICULTURAL MINERALS

[www.ironmountainmine.com](http://www.ironmountainmine.com)

# Iron Mountain Mines, Inc.

Federal decisions addressing void state court judgments include (*Kalb v. Feuerstein* (1940) 308 US 433, 60 S Ct 343, 84 L ed 370; *Ex parte Rowland* (1882) 104 U.S. 604, 26 L.Ed. 861:) "A judgment which is void upon its face, and which requires only an inspection of the judgment roll to demonstrate its wants of vitality is a dead limb upon the judicial tree, which should be lopped off, if the power to do so exists." (*People v. Greene*, 71 Cal. 100 [16 Pac. 197, 5 Am. St. Rep. 448].) "If a court grants relief, which under the circumstances it hasn't any authority to grant, its judgment is to that extent void." (1 Freeman on Judgments, 120-c.) An illegal order is forever void. Decision is void on the face of the judgment roll when from four corners of that roll, it may be determined that at least one of three elements of jurisdiction was absent: (1) jurisdiction over parties, (2) jurisdiction over subject matter, or (3) jurisdictional power to pronounce particular judgment that was rendered, (*B & C Investments, INc. v. F & amp ; M Nat. Bank & amp ; Trust* , 903 P.2d 339 (Okla. App.Div 3, 1995). "Court must prove on the record, all jurisdiction facts related to the jurisdiction asserted." (*Latana v. Hopper*, 102 F. 2d 188; *Chicago v. New York* 37 F Supp. 150)

When judges act when they do not have jurisdiction to act, or they enforce a void order (an order issued by a judge without jurisdiction), they become trespassers of the law, and are engaged in treason. (The Court: *Yates v. Village of Hoffman Estates* , Illinois , 209 F.Supp. 757 (N.D. Ill. 1962)

"The most obvious misconduct is to present false testimony or false evidence." *Napue v. Illinois* (1959) 360 U.S. 264; *United States v. Young* (9th Cir. 1993) 17 F.3d 1201; *United States v. Valentine* (2nd Cir. 1987) 820 F.2nd 565; SEE: Bus. & Prof. Code § 6068(d); Penal Code § 1473(b), and Rule 5-200, Rules Prof. Conduct of State Bar.)

Due process is violated when false evidence is presented, whether offered intentionally or inadvertently. "Under well-established principles of due process, the prosecutor cannot present evidence it knows is false and must correct any falsity of which it is aware... even if the false evidence was not intentionally submitted." (*Giles v. Maryland* (1967) 386 U.S. 66... *Napue v. Illinois* (1959) 360 U.S. 264... *People v. Sakarias* (2000) 22 Cal.4th 596, 33 ..." *People v. Seaton* , 26 Cal.4th 598, 647; see *People v. Bolton* (1979) 23 Cal.3d 208, 213-214; *People v. Morales* (2003) 112 Cal.App.4th 1176, 1192-1196.) "Rulings made in violation of Due Process are void." (*Sabariego v Maverick* , 124 US 261, 31 L Ed 430, 8 S Ct 461)

:" Rules of Professional Conduct - 3-200, Prohibitive Objectives -- Rules of Professional Conduct - 5-200 Deception to Court -- Business and Profession Code Section 6068 – SEE: Model Rule of Professional Conduct Rule 1.1, cmt. 5 (1983) (amended 1998) "...competent handling of a particular matter involves inquiry into analysis of the factual and legal elements of the problem and use of methods and procedures meeting the standards of competent practitioner."

When a breach of ethics, and a duty of omission results in a wrong of commission, it is often because of ignoring empirical evidence, i.e., then the abused victim and the laws that protect the victim -- even though it is relatively easy to know that a crime has, or has not been committed through empirical evidence, and the law -- but if the agents turn a blind eye to both evidence and the law, justice is lost . This is NOT "harmless error," rather it is unethical, blatant, deliberate and willful misconduct, and may be moral turpitude, *malum in se*, (*State v. Stiffler* , 788 P.2 2205 (1990); Bus & Professional Code 6107-6109).

# Iron Mountain Mines, Inc.

*. Obviously a judgment, though final and on the merits, has no binding force and is subject to collateral attack if it is wholly void for lack of jurisdiction of the subject matter or person, and perhaps for excess of jurisdiction, or where it is obtained by extrinsic fraud. [Citations.]" 7 Witkin , Cal. Procedure, Judgment, § 286, p. 828.). ( Burns v. Municipal Court (1961) 195 Cal.App.2d 596, 599 .)*

**A void judgment or proceeding founded on a void judgment is void: 30A Am Jur Judgments**

**ABUSE OF DISCRETION :** A failure to take into proper consideration the facts and law relating to a particular matter; an Arbitrary or unreasonable departure from precedent and settled judicial custom.

The human condition, which can be ignorance and fallibility -- especially for those in authority, perhaps deceived by their own, as Shakespeare says, "insolence of office" -- is what makes the presumption of innocence a good principle, if it is put into practice, for it is the basis for the protection of the innocent, allowing for the lay citizen to have the protection of the law beyond their own familiarity or understanding of it.

**A judge is mandated to report attorneys for misconduct: Cal. Bus. & Prof. Code § 6086.7(a)(2). The State Bar sends out a letter each year reminding judges of the statutory requirements. California Code of Judicial Ethics: Currently, the code directs a judicial officer to "take appropriate corrective action whenever information surfaces that a lawyer has violated ethical duties." ( Cal. Canons of Jud. Ethics, Canon 3D(2).) and, ABA Model Rule 3.8, covers the conduct of prosecutors.**

**Judges have the option to hold those responsible in prosecutorial misconduct in contempt of court -- and to impose upon them fines, or even temporary imprisonment.**  
"Attorneys should be disciplined for conduct that violates clearly established law, or conduct so outrageous that its illegality is obvious,"

**MANUFACTURED JURISDICTION:** "the circumstances relied upon to establish federal jurisdiction over the offenses charged were artificially created by the Government in an attempt to exceed the proper scope of federal law enforcement." 501 F.Supp. at 1205.

**Neil Barofsky, the special inspector general for TARP says that Treasury Secretary Timothy Geithner is "ultimately responsible"**

## **Geithner Acting Director of Consumer Bureau During Transition**

**July 29 (Bloomberg) -- Treasury Secretary Timothy F. Geithner is acting director of the Consumer Financial Protection Bureau, the Treasury said in a statement today.**

**AIG has published their quarterly earnings., via [AIG](#) :**

**Second quarter 2010 adjusted net income was \$1.3 billion (compared to \$1.1 billion in the second quarter of 2009), including operating income of \$2.2 billion from continuing insurance operations, Mortgage Guaranty operating income of \$226 million, \$604 million in income from the Asia life**

# Iron Mountain Mines, Inc.

insurance operating segment (principally American International Assurance Company, Ltd. (AIA)), and fair value gains on Maiden Lane III of \$358 million, partially offset by interest and amortization on the Federal Reserve Bank of New York (FRBNY) Credit Facility and third party debt, invested asset impairment charges and other net restructuring and legal settlement charges, and a decrease in the net deferred tax asset. More good news is that adjusted net income has stabilized. The bad news is that it is way insufficient to repay the government what it is owed.

The total outstanding debt and equity assistance given by the government is \$132.1 billion. Of that amount, the amount requiring repayment from AIG to taxpayers is \$101.2 billion. The difference between the \$132.1 billion in government assistance outstanding and the \$101.2 billion debt and equity balance requiring repayment is attributable to the \$30.9 billion outstanding on the Maiden Lane II and III loans as of June 30, 2010.

Recap of the amount outstanding, via [AIG](#) :

**Debt:** Federal Reserve Bank of New York (FRBNY) initially provided AIG with a revolving credit facility of \$85 billion. The current outstanding balance of \$26.5 billion at June 30, 2010 includes accumulated interest and fees. Accumulated interest does not reduce the available balance of the revolving credit facility. **EQUITY:** U.S. Dept. of Treasury TARP Shares were issued to pay down the FRBNY Revolving Credit Facility. These shares were later exchanged for TARP Series E noncumulative preferred shares. Unpaid dividends on the series D shares were added to the liquidation preference of the Series E shares. As of June 30 2010, the balance outstanding on the series E shares was \$41.6 billion. **EQUITY:** Preferred Interests in AIA and ALICO Held by FRBNY: In December 2009, AIG transferred to the FRBNY preferred equity interests in newly-formed special purpose vehicles (SPVs) in exchange for a \$25 billion reduction of the balance outstanding and the maximum credit available under the FRBNY Credit Facility. As of June 30, 2010, the equity balance outstanding was \$25.6 billion. The debt to equity swaps that the FRBNY has done has hidden the true nature of the problem. Looking at strictly the current earnings and ignoring the restructuring plans, it will be next to impossible for the taxpayers to be paid back with a return above inflation. AIG probably will be able to eventually payoff the 26.5 Million. Their quarterly earnings are at roughly 1BB which means it would take approximately 7 years for the taxpayers to get repaid with a 6% interest rate if all of their earnings were diverted into debt repayment. If only half of their Earnings go to debt repayment, then it will take approximately 15 years.

If we take all earnings and plug back into debt reduction, in seven years we have a company which is approximately worth 56 Billion if we have a discount rate of 10% with a 2% growth rate. The taxpayers aren't getting paid back this way. As of today we are owed 26.5 in debt and 75 Billion in equity. The 55 Billion that is still owed the taxpayers is almost exactly equal to what the company is worth at the end of seven years. However, the assumption which is being made is that the pieces that are being sold off will not materially be affecting earnings. That assumption is highly unrealistic.

So from the companies own financial statements, it should be clear that AIG will begin paying back the money which it is owed. However, that the taxpayer gets paid in full out of this is a pipe dream. Three or four years down the road we will hear that the AIG rescue was effective and the taxpayer received all the money owed. Don't buy it... LIQUIDATE AIG!