FILE NO. 3

De facto monopoly on the global financial web, and financial engineering.

I- De facto monopoly of the global financial architecture

- A study from Zurich
“The network of global corporate control” in French.
- The network of global corporate control” by Stefania Vitali 1, James B, Glattfelder 1, and Stefano, researchers at the Systems Design Department of the Swiss Federal Institute of Technology Zurich (ETH Zürich), whose summary reads as follows:

“The structure of the control network of transnational corporations influences competition and financial stability in the global market. Until now, only small national samples have been studied, and there was no appropriate methodology for assessing control at the global level.

We present the first study of the architecture of the international ownership network, and calculate the control exercised by each global player.

We find that transnational corporations form a giant bow-tie structure, and that much of the control is directed towards a small core of close-knit financial institutions.

This core can be seen as an economic “super-entity” that raises important new issues for researchers and policymakers.”

A study mapping the global oligarchy. A study that proves that the 1% do exist. The study shows that a network of multinationals influences market competition and financial stability worldwide. It also shows that a handful of large companies dominate the global economy. To understand this structure of economic and financial market control, the researchers studied the ownership relationships (corporate shareholders) linking 43,000 multinationals identified by the OECD (Organization for Economic Cooperation and Development) as transnational enterprises. Recursive searches were carried out based on the ownership (shareholding) of these multinationals. The result was :

- A presence on this super structure of 600,508 nodes and 1.1 million property links. Thus, a set of 1318 companies connected to at least two other companies at most.
This core represents 20% of global revenues.
The researchers also discovered that 147 companies held 40% of the complex's wealth. In other words, the famous 1%.

- Thus, 2016, a European Commission on Budgetary Control whose subject is “Anti-competitive effects of a global equity investment by large institutional investors”.

A parliamentary question was made on September 16, 2016 by the European Commission on budgetary control to the European Commission :

- The Commission monitors compliance with the Union's competition rules with the aim of ensuring fair and equal competition and improving the functioning of European markets. This should benefit consumers, businesses and the European economy as a whole.

According to our information, the ten largest institutional investors alone control some $22,000 billion and are also present in Europe.

Among these investors many are both large and diversified, like BlackRock or Vanguard. It's not uncommon for them to own large stakes in companies that are direct competitors, and sometimes even in all the companies in a sector. BlackRock, for example, holds stakes in all 30 companies on the German DAX.

Even if they rarely find themselves majority shareholders in a single company, the effects of this situation on competition are similar to those of an oligopoly situation. Since investors have a stake in a multitude of companies, there is no incentive for management to compete. This lack of competition leads to a loss of income for both consumers and the economy as a whole.

1 Have any studies been carried out on the impact of large, diversified institutional investors on European markets? In the Commission's view, what are the repercussions of global shareholding on European markets? What impact does it have on prices and innovation within the EU?
2 Does the Commission consider that existing competition rules are sufficient to deal with the possible anti-competitive effects of a global shareholding? If not, in what way does it consider that they should be modified?
3 What action does the Commission intend to take to promote competition in this area?

<u>Opinion of the European Commission</u>

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Civil Liberties, Justice and Home Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- Having regard to the recommendations contained in its resolution of October 23, 2013 on organized crime, corruption and money laundering: recommendations on actions and initiatives to be undertaken,

- Having regard to the information contained in the European Union anti-corruption report presented by the Commission on February 3, 2014 (COM (2014)0038).

- Having regard to the proposal for a Directive of the European Parliament and of the Council on the fight against fraud affecting the financial interests of the Union through criminal law (COM (2012)0363).

A. whereas organized crime, corruption and money laundering in the European Union and the rest of the world are growing and having a negative impact on the security of European citizens and the continent's economic interests, risking undermining public confidence in democracy and the Union's institutions;

B. whereas organized crime, corruption and money laundering pose serious threats to the economy of the European Union, affecting the tax revenues of the Member States and of the European Union as a whole, and constitute major risks to the reliability of projects benefiting from European public funds, as criminal organizations operate in a variety of sectors, many of which fall under public management ;

C. whereas the protection of the Union's financial interests must ensure that the revenue and expenditure entered in the budget contribute to the achievement of the Union's priorities and objectives, as well as increasing the confidence of citizens, who must be assured that their money is being used in full accordance with the Union's aims and policies ;

D.whereas in 2014, 1649 irregularities were reported as fraudulent and damaging to the Union's budget, for a total of 538.2 million euros, both in terms of expenditure and revenue, but there is no official data on the percentage of fraud attributable to organized crime...;

E. whereas in order to strengthen existing measures, such as the Convention on the Protection of the European Union's Financial Interests (PIF Convention), designed to combat fraud, corruption, money laundering and any other illegal activity affecting the Union's financial interests, the Commission has presented two proposals for criminal law instruments, namely the PFI Directive and the Regulation establishing the European Public Prosecutor's Office, designed to ensure more effective investigation and better protection of taxpayers' money in the EU area of freedom, security and justice;

F. whereas the fight against fraud, corruption and money laundering and the recovery of money from delinquency and crime in the Union must be a priority concern for the political action of the Union's institutions, and police and judicial cooperation between Member States is therefore of the utmost importance.
Etc.....

Everything written about this commission is, of course, accessible to the general public, via European websites and portals...

- Here is also an extract from the commission's anti-corruption report to the February 2014 parliamentary council:

"The independence of the judiciary is a key aspect of anti-corruption policies, both in terms of the justice system's ability to deal effectively with corruption cases, including those involving high-level officials, and in terms of the integrity standards applicable to the justice system itself. Within the judiciary, standards guaranteeing genuine independence and rigorous ethical rules are essential to create the framework that will enable magistrates to dispense justice impartially and objectively in corruption cases, free from undue influence. The independence of police forces and public prosecutors is reported to be a problem in some member states".

However, in file no. 2, the question prioritaire de constitutionnalité sent to French administrative courts, the Conseil d'État, the Conseil constitutionnel and the Paris high court on international accounting standards, the issue of the separation of powers was highlighted.

II-Capital ownership (percentage) of CAC 40 companies by these funds and links between directors.

The CAC 40 is the main stock market index on the Paris stock exchange. CAC stands for cotation assistée en continue. It is based on the prices of forty shares continuously quoted on the Premier Marché (First Market) of the 100 most heavily traded companies on Euronext Paris (Paris stock exchange), part of Euronext, Europe's leading stock exchange. These companies, representative of the various business sectors, reflect in principle the overall economic trend of major French companies, and their list is regularly reviewed to maintain this representativeness.

<u>A- Percentage of capital held by CAC 40 companies.</u>

An analysis of the capital ownership (percentage) of CAC companies on the zonebourse site (as at 15/03/2019) reveals that the same investment funds are recurring. Admittedly, the percentages may seem insignificant, but the study in paragraph I of this report shows that this capital sharing between the different funds is mathematically explained by the fact that holdings are held by small, close-knit groups of financial institutions.

These funds are :

1) Black Rock:

Split into two investment funds, Blackrock Fund advisors and Black Rock Investment Management (UK) Ltd.

Percentage breakdown of equity holdings in CAC 40 companies for Blackrock Fund advisors: (Zonebourse information as at 15/03/2019)

Air liquide	1,43%	VINCI	1,19%
BNP Paribas	1,32%	TECHNIP FM	3,04%
Bouygues	1,22%	TOTAL	1,42%
Cap Gemini	1,46%	STMICROELECT RONIC	1,19%
Crédit Agricole	0,59%	Société Générale	1,44%
Danone	1,33%	SODEXO	1,35%
Engie	1,24%	SANOFI	1,41%
Essilor Luxottica	1,01%	RENAULT	0,98%
St Gobain	1,32%	SAFRAN	1,13%
Carrefour	1,09%	ORANGE	1,24%
Michelin	1,45%	l'ORÉAL	0,90%
Legrand	1,37%	KERING	0,85%
ATOS	1,50%	SCHNEIDER	1,34%
Unibail Rodamco		1,81%	

Black Rock Investment Management (UK) Ltd. percentage holdings in CAC 40 companies: (Zonebourse information as at 15/03/2019)

Bouygues	1,11%	SAFRAN	1,61%
Cap Gemini	1,03%	VINCI	1,14%
UNIBAIL RODAMCO	2,02%	STMICROELECTR ONICS	2,55%

<u>2) The Vanguard Group:</u>

Vanguard Group's percentage holdings in CAC 40 companies: (Zone bourse information as at 15/03/2019)

AXA SA	2,15%	ORANGE	1,97%
ACCOR	1,93%	PERNOD RICARD	2,17%
Air Liquide	2,64%	PEUGEOT	1,64%
AIRBUS	1,91%	PUBLICIS	2,46%
ATOS	2,35%	RENAULT	1,70%
BNP Paribas	2,35%	SAFRAN	2,18%
Cap Gemini	2,56%	ST GOBAIN	2,44%
Carrefour	1,93%	SANOFI	2,36%
Crédit Agricole	1,09%	SCHNEIDER	2,40%
Dassault	1,41%	Société Générale	2,44%
Danone	2,36%	SODEXO	1,52%

ENGIE	1,78%	MICROELECT RONIC	1,90%
Essilor Luxottica	1,63%	TECHNIP FM	6,07%
HERMÈS	0,84%	TOTAL	2,57%
KERING	1,59%	UNIBAIL RODAMCO	2,86%
l'ORÉAL	1,14%	VIVENDI	2,01%
LEGRAND	2,73%	VINCI	2,11%
LVMH	1,36%	VEOLIA	2,45%
MICHELIN	3,10%	Bouygues	1,52%

3) Norges Bank Investment Management :

Percentage breakdown of Norges Bank Investment Management's equity holdings in CAC 40 companies (Zone bourse information at 15/03/2019)

AXA SA	1,64%	ORANGE	1,31%
Accor	1,23%	PUBLICIS	1,75%
AIR Liquide	1,17%	RENAULT	1,90%
Atos	1,99%	ST GOBAIN	1,52%
BNP Paribas	1,93%	SANOFI	1,92%
Bouygues	1,39%	SCHNEIDER ELECTRIC	2,55%
Cap Gemini	2,12%	Société Générale	1,35%
Carrefour	1,18%	SODEXO	1,37%
Crédit Agricole	1,36%	MICROELECTR ONICS	1,45%
Dassault	1,01%	TECHNIP FM	1,96%
ENGIE	1,46%	TOTAL	1,71%
Essilor Luxottica	0,77%	UNIBAIL RODAMCO	1,48%
HERMÈS	0,86%	VEOLIA	3,12%
KERING	1,36%	VINCI	1,79%
L'ORÉAL	1,02%	LVMH	1,19%
LEGRAND	4,57%	DANONE	1,75%
MICHELIN		2,52%	

4) Amundi Asset Management SA:

Percentage breakdown of Amundi Asset Management's equity interests in CAC 40 companies: (Zone bourse information as at 15/03/2019)

AXA SA	1,23%	St Gobain	7,48%
AIR Liquide	0,74%	SANOFI	1,26%
Bouygues	0,96%	SCHNEIDER ELECTRONICS	1,15%
Essilor Luxottica	1,01%	Société Générale	1,75%
LVMH	11,60%	VINCI	1,30%
Bouygues	0,87%	TOTAL	1,22%
MICHELIN	1,26%	VIVENDI	1,53%
ORANGE		1,35%	

5) Lyxor international Management:

Percentage breakdown of Lyxor international Management's equity holdings in CAC 40 companies: (Zone bourse information at 15/03/2019)

AXA SA	1,35%	TOTAL	1,00%
AIR Liquide	1,07%	SANOFI	1,07%
AIRBUS	1,34%	l'ORÉAL	0,44%
Cap Gemini	1,01%	VIVENDI	1,81%
Carrefour	1,08%	Société Générale	5,25%
Crédit Agricole	0,37%	ST Gobain	1,15%
Danone	1,52%	Kering	1,19%
Veolia		1,03%	

6) Capital research and management Co.

Split into two investment funds, World investor and Global Investor

Percentage breakdown of equity holdings in CAC 40 companies for Capital Research and management World Investor

ACCOR	2,94%	HERMÈS	0,93%
BNP Paribas	1,27%	KERING	1,48%
Essilor Luxottica	1,84%	LVMH	1,62%
PERNOD RICARD	3,65%	SAFRAN	3,19%

Percentage breakdown of equity holdings in CAC 40 companies for Capital Research and management Global Investor

AIRBUS	4,61%	PERNOD RICARD	3,97%
BNP Paribas	1,16%	SAFRAN société	2,63%
ENGIE	3,01%	Société Générale	1,89%
Essilor Luxottica	0,70%	TOTAL	1,20%
LVMH	0,85%	VINCI	1,31%

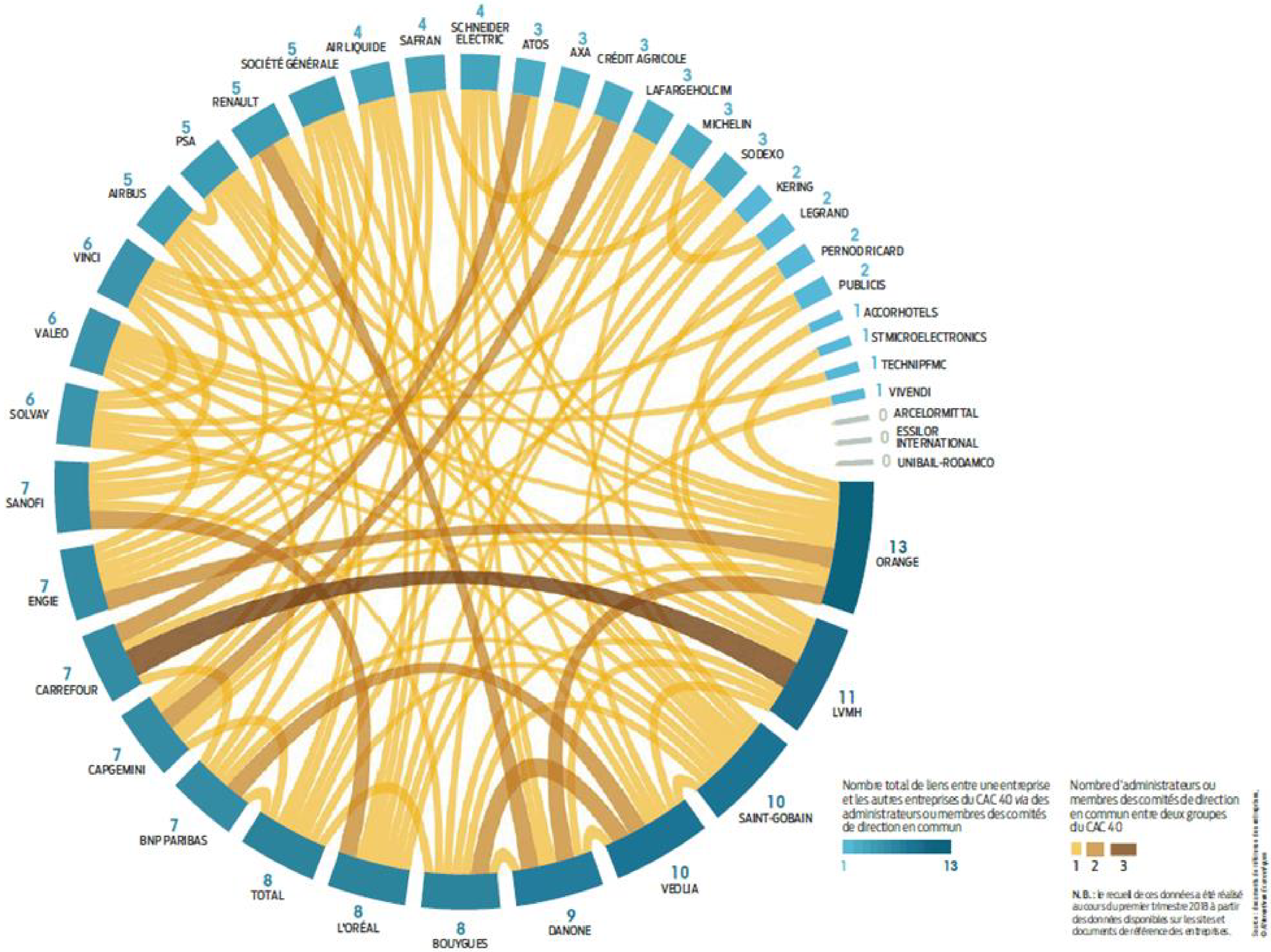
The list of these investment funds is not exhaustive.
We can already see that, for any given CAC 40-listed company, we have a recurring presence of the major investment funds we have studied above in all CAC 40-listed companies.

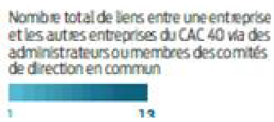
Let's take a few examples:
- Air Liquide with shareholders Black Rock, Vanguard Group, Norges Bank Investment management, Amundi Asset Management.
- BNP Paribas with Black Rock, Norges Bank Investment, Capital Research and management co. as shareholders.
- Crédit Agricole with Black Rock and Norges Bank Investment Management as shareholders.
- Hermes with shareholders The Vanguard Group, Norges Bank Investment Management, Capital Research and Management co.

- Société Générale with shareholders Black Rock, The Vanguard Group, Amundi Asset Management, Lyxor international Management and Capital Research and management co.

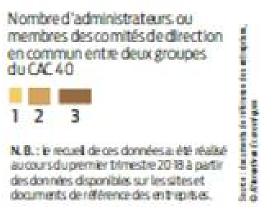
B.Links in common with CAC 40 executives.

Enlarge the image to make it easier to read





Total number of links between a company and other CAC 40 companies via shared directors or members of management committees



Number of directors or members of management committees shared by two CAC 40 groups

Nota Bene This data was collected during the first quarter of 2018 from data available on company websites and reference documents.

Alternative économique diagram (monthly). This diagram on the previous page and the comments on it are taken from the monthly magazine Alternative économique.

A number of links have been identified between CAC 40 companies, depending on the directors or management committee members in common, as reported by Alternative économique, a monthly business magazine. For example, LVMH has a total of 11 links with other CAC 40 companies, including 3 links with Carrefour alone, via 3 directors or members of management committees common to both groups. The same person may be at the origin of several links, if he or she sits on more than one Board of Directors.

Admittedly, the number of directorships held in France is limited to 5 (Board of Directors and/or Chief Executive Officer). This limit applies only to French companies, and therefore has no impact on companies headquartered outside France. This limitation also does not take into account directorships or supervisory board memberships in controlled companies (i.e. owned by the company in which the person holds a position), and directorships or supervisory board memberships held by the managing director, members of the management board or sole managing director of companies whose main activity is to acquire and manage equity interests.

Loïc Dessaint, Managing Partner of Proxinvest, observes that "progress is being made": people now send their wives or children in their place, so as not to arouse suspicion.

<u>C. Other links between CAC executives and/or institutional investors and French public bodies.</u>

The elevator between this microcosm and certain organizations is also quite revealing in the composition of their members.

<u>Organizations such as :</u>

<u>1. APE</u>
The Agence des participations de l'État (APE), created in 2004, is a French national public administration responsible for embodying the shareholding of public establishments and companies wholly or partially owned by the State. It was involved, for example, in opening up the capital of Paris airport and in the merger of SAGEM/SNECMA to create the Safran group, whose shareholders today include Vanguard Group and Black Rock.

Here is a non-exhaustive list of its members:

- Hélène DANTOINE Freshly appointed on March 1, 2019 as Executive Vice President who from 2011 to 2019 held executive positions in the Total company. In 2011, Hélène Dantoine joined the Total Group, where she held a number of management positions for 7 years: New Business Project Director, Logistics and Operations

Support Director for the Exploration & Production Division, Africa Director for Exploration Subsidiaries and Group Public Affairs Director. She also represents the French State on the boards of Safran and Orange.
- Claire VERNET-GARNIER is Head of Finance. She began her professional career at Société Générale, and joined Bank of America Merrill Lynch's Equity Capital Markets department as an Analyst in 2010. She joined Société Générale CIB again as Senior Analyst and then Associate in the Corporate Finance / Equity Capital Markets Large Caps teams in 2012. Then, in 2015, she joined pan-European stock exchange operator Euronext to head up its Pre-Listing activity. Claire VERNET-GARNIER has notably taken part in the structuring and execution of fundraising and/or share sales operations on the equity markets (IPOs, capital increases, accelerated share placements) and bonds convertible or exchangeable into shares.
- Martin VIAL commissioner: His professional career has taken him from senior civil servant to executive on several occasions. In 1993, for example, he was appointed Chairman and CEO of l'Aéropostale, a joint Air France subsidiary, and from 2003 to 2014 he was CEO of the Europ Assistance Group, world leader in the assistance market with 44 subsidiaries in 33 countries, and Director and CEO of Europ Assistance Holding. He also chairs the boards of several Group companies.

<u>2. AMF (Autorité des marchés financiers).</u>

The Autorité des marchés financiers (AMF) is an independent French administrative authority created on August 1, 2003, by the Financial Security Act, with legal personality and financial autonomy. Its mission is to ensure the protection of savings invested in financial instruments, investor information and the smooth operation of financial instrument markets.

This subject and some of its members are analyzed below.

We'll mention here just a few examples to illustrate the relationship with CAC executives

Patrick Suet has been appointed to the AMF by the French Senate. He is listed as a “Baron de la Bourse” on the Zone Bourse website. He is also a director of Crédit du Nord and Société Générale Côte d'Ivoire.

<u>Our analysis on French soil ends here.</u>

Indeed, the aim of this report is to make a quick analysis, but surely we could take the members and public bodies, one by one, and dissect them. However, I can't help pointing out in this report that the current president of the French republic, Mr Macron in his professional career joined the investment bank Rothschild et Cie, where he became managing partner in 2010.

He has since resigned, of course. However, this investment bank happens to be in this so-called de facto monopoly. We should also mention Mr Nicolas Sarkozy, former President of the French Republic, whose half-brother Olivier Sarkozy is listed as a Baron de la Bourse on the Zone bourse website.
His half-brother Olivier Sarkozy is listed as a “Baron de la Bourse” on the Zone Bourse website, having held a senior executive position with the Carlyle Group, an American global asset management company specializing in private equity. The company's senior executives have included many famous figures, such as George Bush. Olivier Sarkozy also joined UBS as Global Co-Head of Financial Services, and was the principal advisor on major multi-billion dollar acquisitions. He is or has been a member of the Board of Directors of Bank United, Butterfield Bank and other financial entities.

Here too, a quick analysis of the curricula vitae reveals that some members are directly or indirectly involved in a de facto monopoly, which we continue to analyze in this dossier N° 3. Worse still, some are present on institutions such as:

- The AMF is responsible for overseeing the stock market in France.
- The APE, which, I would remind you, is responsible for acting as shareholder for public establishments and companies wholly or partially owned by the State.

Here, too, the question arises: how can people with such a Curriculum Vitae, in their past and present professional lives, having worked with financial establishments whose interest is the interest of capital, which, as I reminded you in dossier No. 1, is the inverse function of fundamental rights, be members of structures charged with “policing the French stock market”, or defending the interests of French public assets in the context of shares (financial securities) held by the French state?

<u>III- Institutional investors' behind-the-scenes involvement at national and international level as advisors and shareholders to other major investment banks.</u>

We'll look below at the curricula vitae of some members of public bodies, to see the relationships they have directly or indirectly with these institutional investors. For now, let's focus on recent and past events.

<u>A- “Choose France” Summit</u>

- In January 2018, the “Choose France” Summit organized by the President of the Republic. Mr. Macron president of the French republic receives around a hundred CEOs and managing directors of major national and international groups including:

- Lloyd Blankfein, CEO of the powerful investment bank Goldman Sachs (whose shareholders include Vanguard Group and Black Rock)
- Dominic Barton, head of McKinsey, (accounting and management engineering, most of whose clients are multinationals, worldwide).
- David Abney, head of transport group UPS, (whose shareholders include Vanguard Group, Black Rock, Fidelity...)
- Jonas Prising, CEO of temporary employment giant Manpower, (whose shareholders include Vanguard and Black Rock...)
- James Quincey, head of Coca-Cola, (whose shareholders include Vanguard Group, Black Rock, Fidelity...)
- Bill McDermott, CEO of software publisher SAP (whose shareholders include Black Rock and Vanguard Group...)
- Richard Liu, CEO of JD. Com, the Chinese online retail giant. (including shareholders Vanguard Group, Black, Fidelity...)
- Maurice Lévy representing Publicis (including Vanguard Group shareholders...)
- Jean-Laurent Bonnafé representing BNP Paribas (including shareholders Black Rock and Vanguard Group...)
- Thomas Buberl representing Axa (including shareholders Black Rock and Vanguard Group, BNP Paribas...)
- Emmanuel Faber representing Danone (including shareholders Black Rock and Vanguard Group...)
- Satya Nadella, CEO of Microsoft. (including shareholders Vanguard Group, Black Rock, Fidelity...)
- Aliko Dangote, head of the Nigerian conglomerate Dangote and Africa's number-one fortune. The Dangote Cement Group's shareholders include Morgan Stanley Investment, Black Rock...). And as we shall see below, Morgan's shareholders include Black Rock and The Vanguard Group.
- Lakshmi Mittal, founder of the Mittal Group
- Larry Culp, CEO of General Electric ;(whose shareholders include Vanguard Group, Black Rock, Fidelity....)
- David Taylor, CEO of multinational Procter & Gamble. (including shareholders Vanguard Group, Black Rock....)
- Larry Fink, CEO of Blackrock (BlackRock, an investment fund, will be developed further below).

<u>B- Black Rock's advice to the European Central Bank.</u>

- In 2018, the European Central Bank (ECB) is calling on the world's largest asset management fund, Black Rock, to carry out its health check of the European banking sector. The stress tests are led by the European Banking Authority (EBA), which tests the region's systemic banks. At the same time, the ECB is focusing its attention on smaller lenders, such as Banco Popular. Banco Popular is controlled by Banco Santander SA (whose shareholders include Vanguard Group, Black Rock...)

- In 2014, the European Central Bank hired Black Rock Solutions, an advisory unit of Black Rock, to advise on the design and implementation of the central bank's forthcoming purchase of asset-backed securities. A few weeks later, the ECB launched its “Quantitative Easing” program * The largest in world history. The ECB sought the advice of one of the world's largest asset managers, the company most invested in the assets it intended to buy.
- Quantitative Easing (QE) stands for “quantitative easing”. It refers to a specific monetary policy instrument used by central banks to influence the cost of credit, thereby influencing inflation and growth.

In addition to traditional (or “conventional”) tools, central banks can vary the quantity of money in circulation in the economy using “unconventional” means. Quantitative Easing is one such tool, through which they massively purchase assets from banks. This encourages commercial banks to lend to businesses and individuals.

<u>C- Wave of privatizations</u>

One of the reasons for privatization is the justification that the French state is heavily in debt, and that privatization revenues are an immediate means of reducing public debt. It's worth noting that no one in the French executive or legislative branches has argued that this reduces the French state's revenues in the long term. The reasons put forward were mainly pressure from the European Union in terms of economic competition. EU policy prevents the government from playing the normal role of a shareholder by prohibiting any recapitalization of companies in difficulty, or simply in a development phase, if this would interfere with the sector's competitive situation. Article 106 of the Treaty on the Functioning of the European Union (TFEU) is the legal basis for this privatization.

<u>Let's take an example:</u>

- The wave of privatization under Jacques Chirac's government (1986-1988)
- Société Générale floated 100% of its capital on the stock market, which we'll look at below, but which today has The Vanguard Group and Black Rock, among others, as shareholders.
- Crédit Commercial de France privatized in 1987 and floated 100% of its capital on the stock market. In 2000, Banque HSBC acquired Crédit Commercial de France. HSBC is listed on the stock exchange and today has as shareholders The Vanguard Group Inc and Blackrock Fund Advisors, Norges Bank Investment management, BlackRock Investment Management (UK) Ltd, Blackrock Advisors (UK) Ltd. HSBC has holdings (as of June 30, 2020 Zonebourse information) in:

1 Hang Seng Bank Limited
One of Hong Kong's leading banking groups with a 62.1% stake at June 30, 2020. Hang Seng Bank Limited's shareholders at that date include The Vanguard Group, Norges banks Investment Management, Black Rock Advisor (UK) Ltd, JP. Morgan Investment management, Capital Research. And, as we have seen, these funds all have a recurring presence in the shareholdings of companies listed on the CAC 40. As for Morgan, as we shall see below, it is identified as having a de facto monopoly over the 4 largest US investment banks for derivatives on the world's stock exchanges.
2- Bank Of Communication Ltd.
40.4% stake. Bank of Communication is owned by The Vanguard Group Inc, Black Rock Fund Advisors.
3- The Saudi British Bank: 29.2%.
The Saudi British Bank with shareholders Blackrock Fund Advisors, Black Rock Fund Advisor (UK) Ltd, The Vanguard Group.

- TF1's reference shareholder becomes Bouygues. Bouygues in 1987 Amundi Asset Management, The Vanguard Group Norges Bank investment Management, Blackrock Investment Management (UK) Ltd.
- Saint Gobain, whose shareholders are Amundi Asset Management SA, The Vanguard Group, Amundi Asset Management SA (Investment Management), Norges Bank Investment Management, Lyxor International Asset Management SAS. Saint Gobain has stakes in (information at June 30, 2020 zone Bourse):
  1- Sika AG: 2.99%. Sika AG's shareholders are Capital Research and Management, Blackrock Investment Management, Norges Bank Investment Management and The Vanguard Group.
  2- Grindwell Norton Limited with 51.6%. Grindwell Norton Limited is owned by Goldman Sachs Asset Management. As we shall see below, Goldman Sachs is one of the 4 major US investment banks with a de facto monopoly over financial derivatives on the world's stock exchanges.

The list here is also non-exhaustive. But there's nothing to stop you doing the research yourself. A number of stock market sites are available online, allowing you to piece together this global financial web for yourself.

So what do we find?

- Firstly, that the same Black Rock, The Vanguard Group, Lyxor International Management and Capital Research and Management and Co. are still present in the shareholder base of companies listed on the CAC 40.
- Secondly, these same companies are present on international stock exchanges such as the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the New York Stock Exchange (Wall Streets), the London Stock Exchange (the City), Euronext, the Eurozone's main stock exchange, the Tokyo Stock Exchange...

D- Other international investment banks.

- Lloyds Banking Group, formerly Lloyds TSB, is a British banking group.
  The shareholders of Lloyds Banking Group are as follows:

Harris Associates LP	5,00%	Hargreaves Lansdown Stockbrokers Ltd.	2,26%
Norges Bank Investment Management	3,03%	Artisan Partner LP	1 69%
The Vanguard Group Inc.	2,99%	Longview Partner LP	1,59%
Legal General Investment Management Ltd	2,36%	Mondrian Investment Partners Ltd	1,53%
Black Rock FundAdvisors	2,33%	M and G Investment Manager Ltd.	1,49%

- Barclays is a British bank based in London, UK.
  Here are the Barclays shareholders.

Qatar Holding LLC	5,87%	The Vanguard Group Inc.	2,97%
Crédit Suisse Asset Management	5,85%	Causeway Capital Management LLC	2,70%
Sherborne Investors Management LP	5,44%	Capital Research and Management Co.	2,63%
Dodge and Cox	3,37%	Black Rock FundAdvisors	2,27%
Norges Bank Investment Management	3,00%	Barclay Solution, Ltd	2,19%

- Royal Bank of Scotland, "Banca Rìoghail na h-Alba" in Scottish Gaelic, is one of the oldest British banks, having been founded in Edinburgh in 1727.
  Here are the shareholders of Royan Of Scotland:

HM Treasury	62,10%	Artisan Partners LP	1,05%
Schroder Investment Management Ltd	1,83%	Invesco Asset Management Ltd.	1,03%
Harris Associates LP	1,75%	Ruffer LLP	0,93%
Norges Bank Investment Management	1,35%	Legal and general Management LTD.	0,90%
The Vanguard Group	1,09%	Black Rock Advisors	0,89%

- Nordea Bank is a banking group based in Helsinki and present in the Nordic countries.
  The shareholders of Nordea Bank are

Sampo Oyj	19,90%	The Vanguard Group.	2,38%
Didner et Gerge Fonder AB	4,91%	Norges Bank Investment Management	1,95%
Cevian Capital AB	4,35%	Swedbank Robur Fonder AB	1,55%
NordeaFonden	3,91%	Keskinäinen Työeläkevakuutusyhtiö	1,49%
Alecta Pension Insurance Mutual	2,75%	Black Rock FundAdvisors	1,32%

- Standard Chartered est une banque britannique fondée en 1853, dont le siège social est à Londres.

Voici, les actionnaires de Standard Chartered :

ShampoO yj	19,90%	The Vanguard Group Inc.	2,38%
Didner et Gerge Fonder AB	4,91%	Norges Bank Investment Management	1,95%
Cevian Capital AB	4,35%	SweebankRobu Fonder AB	1,55%
NordeaFonden	3,91%	KeskinainenTyealakekuutusyhtioVarma	1,49%
Alecta Pension Insurance Mutual	2,75%	Black Rock FundAdvisors	1,32%

It's not an exhaustive analysis, but on a global scale, we find the same shareholders recurring all the time, and this applies to all the world's stock markets.

IV- Financial derivatives and market dominance.

When the stock market crashed in 2008, the rules changed.

The structure of financial markets has changed. Pre-2000s markets no longer exist. Markets have been automated.

Investors and algorithms respond to well-defined levels and strategies. Markets follow their own laws. Modifications have forced, altered the structure of the markets and completely changed the way they operate. With automation, the probabilities of movement in the financial markets are predetermined.

There are 4 crucial points to understand:

1. the explosion of high-frequency trading.
2. the rise in power of derivatives
3. the creation of a manipulation mechanism
4. the rise to power of the 4 major US investment banks.

A. Derivatives

A derivative or derivative contract is a financial instrument (IFRS 9 since January 1, 2018, formerly IAS 39):

- Whose value fluctuates according to changes in the rate or price of another product called the underlying (option),
- Requires little or no initial investment,
- whose settlement takes place at a future date.

The underlying asset or option, what the option relates to, can be, for example :

- A listed stock,
- a bond,
- A stock market index, such as the CAC (French listed company) or the consumer price index,
- A tradable unit of a commodity (wheat, oil, copper, sugar etc....) also known as commodity,
- an exchange rate,
- Interest flows generated by a loan with a given starting date, duration and interest rate,
- Cash flows linked to the occurrence of an event specified in the contract, such as the default of a company, a climatic event, a natural disaster, etc.

Some derivatives are derivatives of derivatives, i.e. composed of a basket of derivatives.

The complexity of these financial tools and their exponential growth on the financial markets means that risk dilution is very difficult to establish, and has infested all the world's stock markets.

- In view of the complexity of these financial tools, it is difficult to quantify and understand their movement statistics for future quotation.

Let's take the example of the 2008 subprime crisis. This crisis stemmed from the so-called “rotten” real estate loans, but the problem was that once financial creativity had intervened in these loans, which were securitized, mixed, broken down and redistributed to dozens of financial intermediaries, no one knew which loan was which, or how risky it was. The slightest problem on the sub-prime market, due to non-repayment of the initial (real estate) loans, paralyzed the entire financial world.
because the complexity had become far too great on far too large amounts.

<u>B. The leverage effect</u>

Derivatives are synonymous with leverage. Leverage is a tool that allows you to control much more money or capital than you actually have. These are important speculative tools, since they multiply your firepower in terms of stock market gains. In concrete terms, leverage creates capital without capital. In other words, a multiplier coefficient applied to the real initial capital gives the final capital.
Leverage is an accounting measure of the impact of using capital contributions from third parties in relation to the company's own capital. This enables the company's shareholders and associates to measure the extent to which they can accept indebtedness, i.e. the deterioration in the Solvency ratio.

Leverage enables a company to acquire assets with a minimum of equity capital, which is equivalent to building up capital through debt.

The sub-prime crisis thus impacted the entire world with derivatives whose amounts far exceeded the initial underlyings.

The development of these tools led to an increase in liquidity that benefited all borrowers, and governments in particular.

Thanks to these credit derivatives, the claim remains legally held by the buyer, who is nevertheless protected against credit risk.

But continued presence on the markets, particularly in terms of borrowing, enables economies of scale to be achieved and a sort of affectio societatis to be established between the state and its investors. And this is precisely where the major problem of this global financial system arises: the relationship between a state and its investors.

Since, as we saw in dossier no. 1, the interests of capital are an inverse function of fundamental rights. Since affectio societatis designates the common will of several individuals or legal entities to associate, if the interest is contrary between a State that is the guarantor of the fundamental rights set out in the French constitution and investors who have no interest in the presence of fundamental rights, it is the paradigm itself that needs to be reviewed.

C. The rise of high-frequency trading on the financial markets.

High Frequency Trading is a trading program that uses powerful computers to process large numbers of orders (buys and sells) in fractions of a second. High frequency trading is therefore the king of trading. High-frequency trading (HFT) is the high-speed execution of financial transactions by computer algorithms. This is one of the categories of automatic trading (based on statistical decision making), which is increasingly managing stock market data in the manner of a Big Data that has become inaccessible to traditional human and banking analysis.

- 80% of markets are on autopilot (HFT). A study by the European Securities and Markets Authority (ESMA): HFT accounts for 50-70% of orders executed on European markets.

Traders have disappeared from the financial landscape.

For example, Business Insider wrote that the working class on Wall Street is dead. Also in 2017, Bloomberg published an article entitled “Robots are coming for these Streets jobs”. (In French, traders (human beings) have been replaced by robots).

- A December 2019 quarterly report from the BIS (Bank for International Settlements) indicates that OTC interest rate derivatives markets are also migrating to electronic platforms, at the expense of voice brokers. In the same report, Andreas Schrimpf and Vladyslav Sushko explain how this electronification is reshaping foreign exchange markets.
- In 2000, Goldman Sachs in New York had 600 traders buying and selling shares on behalf of the investment bank's major clients, compared with just two today.
- This major development has completely changed the landscape of the stock markets.

From 2008/2009 onwards, investment banks began to develop High Frequency Trading programs.

- Jean-François Gayraud (General Commissioner of the French National Police, a former student of the French National Police Academy), for his part, makes three main criticisms of this form of trading:

● It imposes an invisible tax on sound, real-economy investors who flee the market,

● It makes markets increasingly unstable,

● It is very costly and sterilizes many resources that could be used elsewhere.

High-frequency trading is a cash machine that doesn't give small investors a chance.

- Indeed, when you play a zero-sum game like the stock market, if you want to win, someone has to lose.
- Investment banks using HFT therefore increase their chances of winning, since this is one of the categories of automatic trading (based on statistical decision). The calculation of these winning statistics is much faster in high-frequency trading.

The chances of other participants, such as small investors, winning are reduced or even crushed.

A BFM Business article with a revealing title: “How some funds (almost) never lose thanks to algorithms”.

<u>D. The rise of derivatives</u>

Between 2008 and 2009, the number of derivative transactions exploded, to the detriment of the stock markets.
In short, we have gone from a cash market, where investors bought what they could with what they had in their securities account (cash), to a speculative market based on derivatives.

Derivatives are a professional market, as they are mainly used by large investment banks and professionals. This transition to the stock market was fuelled by investment banks. These derivatives are sophisticated. The rise of derivatives has created a mechanism for manipulation.

E. Handling mechanism

1.general information

Derivatives are based on underlyings, such as shares.
Leverage therefore enables you to control large amounts of capital from financial derivatives whose underlyings have a lower capital value. Derivatives are not used by small investors, but by large financial institutions.

If investment banks' positions in derivatives on underlyings are sufficiently large, they are technically able to influence the price of the underlyings. After all, all derivatives are based on underlyings. This can lead to stock market manipulation.

2. Some market manipulation practices

Quote stuffing

This technique consists of stuffing the quote with completely useless orders in order to force the competition to analyze these thousands of orders and thus slow them down. These orders will be ignored by the system issuing them, and in any case will not be executed as they are outside the best buy/sell pairs. This can give you an edge, where every millisecond counts.

Layering

Access to the order book and its analysis in a very short space of time makes this strategy possible. For example, if you want to sell a package of shares as high as possible, you'll place a series of buy orders up to a certain level, creating layers of orders. Once this level has been reached, the strategy is to sell massively and, at the same time, cancel all the remaining buy orders that have been placed. It's based on the hope that other players will fill the buy order book and close the gap, then surprise them by reversing the trend.

Spoofing

This technique is very similar to layering, except that there is no order execution. The aim is to load the order book in one direction or the other, then withdraw orders before execution. The strategy is to attract the market by inflating the volume of the order book, without any economic reality behind it.

Cancelling

This technique, which is often the consequence of the preceding techniques, consists of cancelling a very large number of orders in the hope of manipulating the market, with only a small proportion of orders actually being executed. According to the AMF, the execution rate is only 1 to 5%.

If there is a risk of manipulation, we need to know whether the derivatives markets are superior to the underlying markets.

V-The rise to power of American investment banks.

According to a report published by the Washington-based OCC (Office of the Comptroller of the Currency), whose parent agency is the US Treasury Department, 90% of derivatives markets are controlled by just 4 major banks.

Here following are a few extracts from the report:

Derivatives Quarterly Report: fourth quarter 2019 report to March 30, 2020

Office of the Comptroller of the Currency (OCC) quarterly report on banking and derivatives activities are based on call report information provided by all banks and savings associations; reports filed by U.S. financial holding companies; and other published data.

A small group of large financial institutions continue to dominate the trading and derivatives activities of the US commercial banking system. In the fourth quarter of 2019, the Big Four banks accounted for 85.7% of the total banking sector notional amounts and 83.2% of the industry's net current credit exposure (NCCE).

The four banks with the most derivatives activity hold 85.7% of all bank derivatives, while the top 25 banks account for nearly 100% of all contracts.

So there are hundreds of trillions of dollars controlled by banks. So banks have become the market. Banks are so big that markets will go where banks say they will. So the stock markets are in the grip of these big 4 US investment banks.

So at the end of 2013, derivatives were worth $710 trillion.

A BIS Quarterly Report from December 2019 indicates that on derivatives on underlyings alone, these amount to 6,500 billion.

In an article by BFM Bourse, from May 2016, it mentions that derivatives represent 1 million billion dollars, representing more than all the world's stock exchanges.

Since the derivatives market is larger than the underlyings, there is a risk of manipulation.

Risk of manipulation is evident in the context of the monopoly on the derivatives market, worldwide, by the 4 largest American investment banks.

VI- Shareholders of the 4 major American investment banks.

A.JP Morgan Chase and Co.

JP Morgan Chase & Co. is one of the leading American banking groups. It is listed on the New York Stock Exchange.

JP Morgan Chase and Co have interests in Barrett Business Services Inc. At 6.52%.

Barrett Business Services is a provider of business management solutions for small and medium-sized businesses. Barrett Business Services Inc. has as shareholders as of June 22, 2020:
The Vanguard Group Inc. At 6.04%.

Here is the composition of the shareholders of JP Morgan Chase and Co. (information as of June 22, 2020, Zone Bourse website).

The Vanguard Group Inc.	7,53%
Berkshire Hathaway, Inc(Investment Management)	1,89%
SSGA Funds Management Inc.	4,62%
Wellington Management Co.LLP	1,86%
Capital Research and Management Co(Worldinvestors)	2,99%
Geode Capital Management Co. LLC	1,48%
Black Rock Advisors	2,46%
Northern Trust Investments Inc.(Investment Management)	1,43%
Capital Research and Management Co.	2,44%
Fidelity Management and Research Co.	1,33%

B.Goldman Sachs Group Inc.

The Goldman Sachs Group, Inc. specializes in investment services.
It is one of the leading American banking groups.
It is listed on the New York Stock Exchange.

The Goldman Sachs Group Inc. has interests in Ningxia Jiaze Renewables Corporation Limited (33.9% as of June 22, 2020 information Stock Market Zone). Ningxia Jiaze Renewables Corporation Limited has as shareholder as of June 22, 2020 Goldman Sachs Group Inc. at 33.9% and The Vanguard Group at 1%.

"Goldman Sachs Group Inc." has interests in Accordia Golf Trust (commercial trust). Accordia Golf Trust has as shareholder as of June 22, 2020
The Vanguard Group at 1.94%,
Blackrock Fund Advisors at 0.72%.

"Goldman Sachs Group Inc." has a stake in Liqun Commercial Group Co, a Chinese commercial chain, of 4%. Liqun Commercial Group Co has as shareholders Goldman Sachs Capital Partner, of 4% itself a subsidiary of Goldman Sachs Group Inc.

"Goldman Sachs Group Inc." has a stake in Providence Resource, of 7.07%.
Providence Resource specializes in the exploration and production of oil and gas specializes in the exploration and production of oil and gas. Providence Resource has as shareholders Blackrock Investment Management Ltd, of 2.51%.

Here is the composition of Goldman Sachs shareholders (information as of June 22, 2020, Zone Bourse website).

Goldman Sachs and Co LLC (private Banking)	20.50%
Massachusetts Financial Services Co.	3.26%
The Vanguard Group Inc.	7.00%
Black Rock FundAdvisors	2.19%
SSgAFund Management Inc.	5.75%
Eagle Capital Management LLC	1.98%
Dodge and Cox 3.69% Putnam LLC	1.68%
Goldman Sachs Group Shareholders Agreement	3.33%
T.Rowe Price Associates Inc. (Investment Management)	1.61%

<u>C.Bank Of America</u>

Bank of America is one of the leading American banking groups.
It is listed on the New York Stock Exchange.
Its parent company is Black Rock.
Bank of America has 100% stakes in Black Rock Muniyeld Quality PFD and 100% stakes in Black Rock Muni Holding NJ Q FD VRDP.

Here is the composition of Bank Of America shareholders (information as of June 22, 2020, Zone Bourse website).

Berkshire Hathaway Inc. (Investment Management)	10.90%
Black Rock FundAdvisors	2.24%
The Vanguard Group.	6.82%
Capital Research and Management Co.	1.81%
Ssga Funds Management Co. LLP	4.00%
Dodge and Cox	1.56%
Wellington Management Co. LLP	2.72%
Geode Capital Management LLC	1.34%
Fidelity Management and Research Co.	2.45%
Norges Bank Investment Management	1.13%

All information concerning the shareholders of these large investment banking groups comes to us from the Zonebourse website as of June 22, 2020.

D. Citibank

Citibank is one of the leading American banking groups. Citibank.
Citibank City with a public offering.
Its parent company is Citigroup.
Citigroup is listed on the New York Stock Exchange.
Citigroup has interests in Black Rock Muni Yield Quality Fund III.
(0.10% information zonebourse June 22, 2020)
BlackRock MuniYield Quality Fund III, Inc. is a closed-end investment company.

Citigroup shareholders
(information zonebourse as of June 22, 2020)

The Vanguard Group Inc 8.28% Geode Capital Management LLC 1.57%
SSgAFund Management Inc. 4.54% Harris Associates 1.55%
Black Rock FundAdvisors 2.52% Invesco Advisers Inc. 1.40%
Massachusetts Financial Services Co. 1.66%
Northern Trust Investment Inc(investment Management) 1.35%
Fidelity Management and Research Co. 1.62%
Norges Bank Investment Management 1.31%

E. Analysis of certain shareholders.

We note that by aligning these figures and the names of the different shareholders on these different groups, as well as their participations, we come across recurring shareholders and the main group studied in the previous paragraphs and their participations and their shareholders.

So:

1. As a recurring shareholder we have Blackrock Inc., and/or its subsidiaries and holdings.

Black Rock Inc. which also has safe holdings:

- Sumitomo Mitsui Financial Group, Inc. is among the leading Japanese financial services groups with a stake of 0.45%. Sumitomo Mitsui Financial Group, Inc., which itself has Norges Bank investment management as its shareholder with a stake of 1.52%. Norges Bank Investment Management is a shareholder of Bank Of America with a stake of 1.13%.
Sumitomo Mitsui Financial Group, Inc. has The Vanguard Group as its shareholders with a stake of. The Vanguard Group, which we find as shareholders in Citibank, Bank Of America, Goldman Sachs Group Inc. and JP Morgan Chase and Co.

- Resona Holding Inc. with a stake of 0.43%. Resona Holding Inc. is a Japanese bank.
Rexona Holding has The Vanguard Group as its shareholder with a stake of 2.76%. I would remind you that The Vanguard Group is a shareholder of the 4 major American investment banks.

- One Liberty Property Inc. with a stake of. One Liberty Property Inc. is a real estate investment trust. One Liberty Property Inc. has as shareholder Northern Investment Inc. which is itself a shareholder of Citigroup.

- Kamigumi. Co at 0.35%. Kamigumi. Co has as shareholder The Vanguard Group.

Etc.....

Here are the shareholders of Black Rock Inc.:

PNC Bank NA (Investment Management)	22,00%
ManagedAcountAdvisors	2,09%
The Vanguard Group Inc.	5,62%
China Investment Corp. (Investment Management)	1,99%
Capital Research and Management Co. (WorldInvestors)	3,95%
Mizuho Financial	1,99%
SSgA Funds Management Inc.	3,23%
Black Rock FundAdvisors	1,76%
Wellington Management Co. LLP	3,07%
JP Morgan Investment Management Inc	1,59%

2. Other recurring shareholder The Vanguard Group: The Vanguard Group is an American investment fund company. It is the largest shareholder of Goldman Sachs.

<u>This fund is a shareholder of :</u>
- Apple. Apple also having as a shareholder a subsidiary of Black Rock. Black Rock or its subsidiaries being shareholders of the 4 major American investment banks.
- Michelin. Michelin also having as a shareholder Norges Bank Investment Management. Norges Bank Investment Management being a shareholder of Citigroup and Bank Of America.
- Monsanto. Monsanto which has as a shareholder Bayer. Bayer has as a shareholder as of June 23, 2020 (Zonebourse information) The Vanguard Group at 3.06%, Norges Bank investment Management at 3%, Blackrock Asset Management Deutschland AG at 1.4%.
- Exxon Mobil. Exxon Mobil having as shareholder as of June 23, 2020 The Vanguard Group at 7.97%; Black Rock Fund Advisor at 2. 45%, Norges Bank Investment Management at 1.04%. And, you will notice that all of these entities that we have just mentioned are present in the shareholding of the 4 largest American investment banks.

This survey of holdings at the level of the global financial web is not exhaustive. But, the study of the architecture of the network of international and national properties, as well as the calculation of the control exercised by each global player as a whole reveal to us a de facto monopoly on the economy of nations around the world with an emphasis on the analysis of French companies listed on the stock exchange (CAC 40).

We note that transnational companies form a giant structure of bow ties and that a large part of the control goes to a small core of very united financial institutions.

This core can be considered as an economic "super-entity" that raises important new problems for researchers and decision-makers.

We are therefore on a systemic financial risk of global financial markets.

A financial risk described as "systemic" implies that there is a significant probability of a major malfunction, i.e. a serious deterioration - if not paralysis - of the entire financial system: across an entire economic sector, over a vast geographical area, or even on a global scale. Through cross-commitments, domino effects, and then chain bankruptcies.

VII- Shareholder analysis of rating agencies

"We now know that the power to rate, due to the generalization of covenants and triggers in loan transactions, is equivalent to the power of life and death over companies."
"Accounting standards and the post-Enron world"

In France, rating is mandatory under Article L 214-44 of the Monetary and Financial Code, which specifies:

"A document containing an assessment of the characteristics of the shares that the fund is called upon to issue and the debts that it proposes to acquire and assessing the risks that the latter present is established by an organization appearing on a list drawn up by the minister [..]. It is annexed to the information note and communicated to subscribers of shares."

They are therefore essential players on the financial markets.

The agency market is oligopolistic: only three agencies share 95% of rating requests worldwide.

This type of agency does not include any environmental or social criteria in its ratings. The only evaluation criteria taken into account are financial. Consequently, it evaluates financial risks, and not global risks, particularly in relation to sustainable development criteria.

The ratings of these agencies are studied closely by international financial markets, which sometimes criticize them, as during the 2007-2010 financial crisis or the Greek crisis of 2010.

They have a very important status, because they have entered into the functioning of finance, because American regulations require financial players to take these ratings into account.

The role played on financial markets by rating agencies has only increased since the 20th century, with rating agencies now being considered a "thermometer" of global financial markets.

The role of rating agencies in the Greek debt crisis of 2010 and its consequences has also been criticized by European governments and the European Commission. It is believed that they fuel speculation in financial markets.

Since June 7, 2010 (European Regulation 1060/2009), they have been required to register with the financial markets authority.

We will present the 3 most important, nicknamed the "Big Three".

A- Moody's Corporation

Headquarters United States

It has 40% of the market share in the field of credit estimation worldwide.

Shareholders Moody's corporation (Stock Market Zone information on 03/09/2019)

Berkshire Hathaway, Inc. (Investment Management)	12,9%
The Vanguard Group, Inc.	8,67%
BlackRock Fund Advisors	4,21%
SSgA Funds Management, Inc.	3,89%
Baillie Gifford & Co.	3,13%
Fiera Capital Corp. (Investment Management)	3,12%
Akre Capital Management LLC	2,97%
Massachusetts Financial Services Co.	2,74%
Harris Associates LP	2,00%
Capital Research & Management Co. (International Investors)	1,69%

Major shareholder Berkshire Hathaway Inc.: Investment company based in the United States

The directors of Berkshire Hathaway are all stock market barons. Among others Stephen Burk shareholder of JP Morgan (0.42%)

Participations
Icra Ltd 50.5%. Icra Ltd is headquartered in India.
Shareholders Icra Ltd (information from the Stock Market Zone on 03/09/2019)

Moody's Corp	50.50 %
Aditya Birla Sun Life AMC Ltd.	9,64%
Life Insurance Corp. of India	9,05%
Pari Washington Co. Advisors Pvt Ltd.	5,52%
General Insurance Corp. of India (Invt Port)	5,28%
Franklin Advisers, Inc.	3,07%
Capital Research & Management Co. (World Investors)	2,54%
HDFC Standard Life Insurance Co. Ltd. (Investment Portfolio)	1,53%
Platinum Investment Management Ltd.	1,43%
Naresh Takkar	0,42%

As of March 9, 2019, the directors of Icra Ltd on the Zonebourse website are all referenced as Baron de la Bourse.

Moody's Directors

As of March 9, 2019, the directors are all barons of the stock market. One of the directors is a director of the Trilateral Commission, others represent Trusts or are directors of industrial conglomerates

Justice and Moody's

In January 2017, Moody's was ordered to pay $864 million to the United States following the erroneous ratings of high-risk mortgage securities before the 2008 financial crisis (subprime crisis).

B-Standard & Poor's

Its headquarters are in the United States

Standard and Poor's shareholders (Stock Market Zone Information as of 03/09/2019)

The Vanguard Group, Inc.	8,00%
SSgA Funds Management, Inc.	4,81%
Black Rock Fund Advisors	4,62%
Fidelity Management & Research Co.	3,57%
Edgewood Management LLC	2,61%
JP. Morgan Investment Management, Inc.	1,80%
OppenheimerFunds, Inc.	1,75%
Jennison Associates LLC	1,68%
Egerton Capital (UK) LLP	1,26%
Northern Trust Investments, Inc.	1,17%

Majority shareholder Vanguard Group Corp.: American investment fund company.

The directors of Vanguard Group Corp. are all stock market barons (Zonebourse on 03/09/2019) with the exception of one: Debra Edward (shareholder of American Vanguard Corp. at 0.056%).

Shareholder of Vanguard Group Corp.

Black Rock Fund Advisors	12,7%
The Vanguard Group, Inc.	8,94%
Dimensional Fund Advisors LP	8,41%
Herbert A. Kraft	6,82%
T. Rowe Price Associates, Inc.	6,56%
Wellington Management Co. LLP	5,32%
Cove Street Capital LLC	3,17%
Eric Glenn Wintemute	3,01%
Heartland Advisors, Inc.	2,92%
SSgA Funds Management, Inc.	2,51%

Standard & Poor's Holdings

Crisil Ltd: 67.6%. Crisis Ltd is headquartered in India.

Shareholders Crisil Ltd

Standard & Poor's	67,6%
Life Insurance Corp. of India	6,62%
Rakesh Radheshyam Jhun jhun wala	3,77%
General Insurance Corp. of India (Invt Port)	3,70%
Matthews International Capital Management LLC	1,82%
Rekha Rakesh Jhunjhunwala	1,73%
Black Rock Fund Advisors	0,48%
Aditya Birla Sun Life AMC Ltd.	0,36%
Dimensional Fund Advisors LP	0,35%
ODIN Forvaltning AS	0,29%

Crisil Ltd's directors are all stock market barons, some are trustees and have senior management positions in investment funds and companies. Among them is Amish Pramod Mehta, a member of the Chartered Accountants Institute of India.

Standard and Poor's Directors.

All directors (Zonebourse on 03/09/2019) are stock market barons. One of the directors is a member of the Council on Foreign Relations, some are members of Trustees, senior executives in other companies.

Justice and Standard & Poor's.

On November 10, 2011, Standard & Poor's announced to its subscribers that France's sovereign debt rating was downgraded, then the agency published a denial and acknowledged an error. This affair contributed to the discrediting of rating agencies.

In November 2012, Standard & Poor's was convicted by the Australian courts for having made misleading ratings by rating financial products AAA that were in fact toxic.

In February 2013, the Department of Justice (DOJ, United States Department of Justice) attacked it for having inflated the rate of mortgage bonds in order to increase shareholders' interests, and wanted to sentence it to a fine of 5 billion dollars. An amicable agreement allowed it to pay only one billion dollars.

In January 2015, Standard and Poor's signed a settlement with the Securities and Exchange Commission (SEC), which included a $77 million fine and a one-year ban on rating real estate securities in the United States.

C- Fitch Rating

A private limited company not listed on the stock exchange. Its registered office is in London.

Owned by Hearst Corporation. Until April 2018, Fitch Rating was listed on the stock exchange: the majority shareholders were Hearts corporation and Fimalac. At that date, Fimalac sold all of its shares in Fitch Rating to Heart corporation.

FIMALAC

Its head office is in France.

Gradual sale of its shareholding (80%) on Fitch Rating for a final sale of 20% to Hearst corporation in April 2018, remaining of its interests in Fitch Rating.

Fimalac was listed on the stock exchange until 2017.

All of Fimalac's directors are stock market barons, former senior executives at Renault, Deutsch Bank, Crédit Mutuel, Groupe Casino, Schneider Electric, EDF, Banque Lazard, etc.….

HEARST CORPORATION

Its headquarters is in the United States American media group not listed on the stock exchange. The CEO is William Randolph Hearst 3, American businessman. He is a partner of the venture capital firm Kleiner Perkins Caufield & Byers of Silicon Valley. One of the largest providers of venture capital in Silicon Valley who have participated in capital in companies such as Amazon, Google, American On line etc ..... This venture capital company not listed on the stock exchange had as strategic advisor Colin Powell from 2005 (general of the American army retired).

Partners and executives of Hearst Corporation

Some partners and executives are stock market barons (Information Zonebourse) and have or have had executive positions at Google, Microsoft, Morgan Stanley (American Bank), etc.....
One of the partners is Mamonn Hamid, representative of an American-Pakistani venture capital company.
On the Subject: Open archive on the internet. Report "The international control of financial rating agencies". Charles Bergier, Côte d'Azur University. Laboratory of international and European law. Doctoral thesis.

In conclusion on the rating agencies, here too, we note the recurrence of the same shareholders such as Black Rock, Vanguard Group, Northern Trust Investments, Inc. JP Morgan, Capital Research & Management Co, directly or through funds or participations.

VIII- The GAFA

These are the giants of the WEB.
The giants of the web hold a quasi-monopoly on the flow of information and, as such, are able to manipulate public discourse and much more. This is what we will analyze below.

Below you will find the analysis of 3 major GAFAS and the CVs of the leaders and executives of these GAFAS.
These analyses are of course not exhaustive, the holding of capital through subsidiaries and CV analyses being in cascade through monumental holdings.

By Baron of the Stock Exchange, we must understand an important figure in the stock market field.
Most senior executives are also shareholders of the companies where they hold this position.

A-MICROSOFT

Listed company.

Microsoft has been registered in the transparency register of interest representatives with the European Commission since 2009. In 2015, the company declared expenses for this activity of between €4,250,000 and €4,500,000. It indicates that it received €1,144,480 in subsidies from the European Union in the same financial year, and won contracts from the EU worth €23,015,454.

Microsoft and the Justice System:

- Antitrust Trial in the United States:

"The stakes of the battle in the federal court in Washington between Bill Gates and Joel Klein (assistant attorney general in the antitrust office of the Department of Justice) go far beyond the fate of Microsoft or the sharing of the browser market.

In ruling that the government's accusation of monopolistic practices against Microsoft was valid, Judge Thomas Penfield Jackson rejected the very popular theory that the "new economy", born of the technological revolutions currently underway, is creating a capitalist order radically different from the one under which Western industrial societies have lived since the 19th century.

This theory is invoked by Microsoft's lawyers to argue that antitrust law (the Sherman Act, passed in 1890) cannot apply to high-tech industries, and that the government should not (and cannot) have any role in controlling the markets of this "new economy".

For Justice Thomas Penfield Jackson, there is no fundamental difference between Bill Gates and John D. Rockefeller, between Microsoft and Standard Oil.

- European Competition Lawsuit:

On March 24, 2004, following four years of investigation by European Competition Commissioner Mario Monti, the European Commission issued its decision in the anti-Trust lawsuit against the firm.

The decision condemned Microsoft's monopolistic position and its illegal practices. It imposed a historic fine of €497.5 million on Microsoft.

Finally, the firm will have to publish the technical specifications of its products, sell certain applications separately, and ensure interoperability between its software and that of its competitors.

Microsoft will have to sell a version of Windows without Windows Media Player. This decision will not be effective, as Microsoft has decided to sell Windows Limited Media Edition at the same price as the full version.

The firm filed an appeal with the High Court of the European Union on June 7, 2004. Since this was not suspensive, the fine was paid on July 1, 2004.

On July 12, 2006, the Commission imposed a new fine (280 million euros) against Microsoft to punish the group's delay in publishing its specifications.

On September 17, 2007, the High Court of the European Commission essentially confirmed the European Commission's decision regarding Microsoft's abuse of a dominant position.

On February 27, 2008, since the company had still not changed its behavior, it was fined a new 899 million euros.

The list of Microsoft and justice cases is not exhaustive.

Microsoft shareholders (Stock Market Zone information as of 03/11/2019)

The Vanguard Group, Inc.	7,38%
Black Rock Fund Advisors	4,31%
SSgA Funds Management, Inc.	3,99%
Fidelity Management & Research Co.	2,96%
T. Rowe Price Associates, Inc.	2,49%
Capital Research & Management Co. (World Investors)	2,42%
Capital Research & Management Co. (Global Investors)	1,42%
Bill Gates	1,35%
Geode Capital Management LLC	1,21%
Northern Trust Investments, Inc.	1,20%

Microsoft Holdings (Stock Market Information as of 03/09/2019)

- Okwave: Headquartered in Japan. Not listed on the Stock Exchange... Social media company and multilingual translation support. The executives are all stock market barons.
- kabu.com Securities Co. Ltd. It is a Japan-based company mainly engaged in the trading of financial products through the network, as well as related activities. The Company provides securities brokerage, trading, offering and selling services. It also provides bank agency services, foreign exchange margin trading and other financial services. The executives are all stock market barons.
- GMO CLOUD K. K. K. provides information technology services. Its headquarters is in Japan. The executives are all stock market barons.

Microsoft Executives:

- Satya Nadella, CEO of Microsoft. He was appointed to the board of directors of Starbuck Corporation in 2017. Starbuck Corporation shareholders include Morgan Stanley, Vanguard Group, Black Rock, etc.
- Bradford L. Smith, Microsoft board of directors. Appointed to the board of directors of Netflix (whose shareholders include Vanguard Group, Black Rock, Fidelity, etc.).
- John Thompson: On the board of directors of Illumina Inc. since 2017.

Illumina Inc. is an American company incorporated in April 1998, which develops, manufactures and markets integrated systems for the analysis of genetic variation and biological function. Illumina's shareholders include Vanguard Group, Blackrock, Morgan Stanley, etc.

- Bill Gates, founder of Microsoft. Having interests among others in Grupo Télévisa SAB. Grupo Télévision SAB is a media company headquartered in Mexico City. Its shareholders include, among others, Vanguard Group, Black Rock....
- The list of Microsoft executives is not exhaustive. The executives are all stock market barons, some are members of trustees, senior executives of listed companies and members of industrial conglomerates.

B- APPLE

Apple is an American multinational corporation that designs and markets consumer electronics, personal computers, and computer software.

Publicly traded company:

- According to the Center for Responsibility Politics, Apple's lobbying expenses in the United States amounted to $7,150,000 in 2017. These expenses have increased significantly since 2011.

- Apple has been registered in the transparency register of lobbyists with the European Commission since 2013. In 2017, it declared annual expenses for this activity of between €1,000,000 and €1,250,000.
- For the year 2017, Apple France declared to the High Authority for Transparency in Public Life that it was carrying out lobbying activities in France, but did not declare, as it was legally required to do before April 30, 2018, all of its activities and the amounts spent.

Apple and Justice:

- The European authorities in Brussels have launched an investigation into the very generous tax regimes enjoyed by certain multinationals via their subsidiaries in Ireland, the Netherlands and Luxembourg. Joaquin Almunia, European Commissioner for Competition, has therefore decided to launch an investigation into Apple and its tax optimisation practices. If the Irish state aid is recognised, a substantial reimbursement could be required. On 30 August 2016, European Commissioner for Competition Margrethe Vestager announced that Apple would have to pay 13 billion euros, plus interest, to Ireland for taxes it should have paid between 2003 and 2014. On 24 April 2018, the Irish government announced that it had signed an agreement with Apple allowing the payment, into a blocked account, of the 13 billion euros in tax benefits deemed undue by the European Union.
- This is a non-exhaustive list of Apple's run-ins with the courts, as Apple has been sued in anti-competitive and other legal cases, just like Microsoft... These cases are available online.

Apple shareholders (Zonebourse information as of 03/09/2019):

The Vanguard Group, Inc.	6,99%
Berkshire Hathaway, Inc. (Investment Management)	5,32%
Black Rock Fund Advisors	4,21%
SSgA Funds Management, Inc.	4,06%
Fidelity Management & Research Co.	2,18%
Northern Trust Investments, Inc.	1,23%
Geode Capital Management LLC	1,16%
Norges Bank Investment Management	1,07%
Invesco Capital Management LLC	0,90%
Black Rock Investment Management (UK) Ltd.	0,65%

Apple Executives:

- Tim Cook: CEO of Apple. On the board of directors of Nike (including shareholders Vanguard Group, Black Rock...). Former executive at IBM (including shareholder Vanguard Group, Black Rock...).
- Arthur Levinson: Chairman of Apple. Also director of Calico Inc. 100% owned by Alphabet. (owned by Google). Calico Inc. is a company specializing in transhumanism, biotechnology and artificial intelligence.

- Andréa Jung: Independent non-executive director on Appel. Having a senior executive position on Unilever (England and United States). Unilever is an Anglo-Dutch multinational headquartered in London specializing in agri-food and hygiene. It is listed in the top 10 global players by its sales volumes. Its shareholders include Black Rock, Vanguard Group, Fidelity....
- Ronald Sugar. Also a senior executive position on Chevron corporation. Shareholders include Vanguard Group, Fidelity, Black Rock...Chevron Corporation is the second largest oil company in the United States behind Exxon Mobil. Also a senior executive position at Amgen (including shareholders Vanguard Group, Black Rock, Fidelity...). Amgen is an American company that is a world leader in the medical biotechnology industry. Senior executive position at Northrop Grumman, which is an American conglomerate whose activities revolve around defense. (Aeronautics, electronics, space...). Shareholders include Fidelity, Vanguard Group, Black Rock......

Also a senior executive position at Air Lease corporation, which is an American aircraft leasing company. Air Lease acquires new commercial aircraft through direct orders from Boeing, Airbus, Embraer and ATR, and leases them to its airline customers worldwide through specialized aircraft leasing and financing. Air Lease’s shareholders include Black Rock, Fidelity, Vanguard Group, among others.

- Robert Iger: Also a senior executive position at Walt Disney. Co (including shareholders Vanguard Group, Black Rock, Fidelity, etc.).
- Susan Lynn Wagner: Also a senior executive position at Black Rock. Senior executive position at Swiss Re, which is among the world's leading reinsurance groups (including shareholders Black Rock, Vanguard Group, etc.).
- The list of executives is not exhaustive. Apple's executives are all listed as Stock Market Barons.

<u>C- GOOGLE INC.</u>

The Google search engine, which gave the name to the Google company, is the most used web search engine in the world. In 2018, 90% of Internet users use it worldwide.
Google has been a subsidiary of Alphabet Inc. since August 2015, which became the parent company. Alphabet Inc. is an American company based in California (United States), created in 2015 as a conglomerate of companies previously owned by the Google company.

<u>Alphabet Inc. has interests and shareholders in:</u>
Development and production of home automation solutions (Nest Labs): Wi-Fi-synchronized networks with automated programs for thermostats, smoke detectors and security systems.

- Research and development of biotechnologies (Calico): dedicated to the treatment of aging and degenerative diseases;

- Research services in artificial intelligence (Google X);
- Investment services: management of an investment fund dedicated to young companies operating in the new technologies sector (Google Ventures) and an investment fund for already developed companies (Google Capital);
- Operation of a fiber optic Internet access network infrastructure (Google Fiber)

Non-exhaustive list.

Shareholders Alphabet Inc. (Zone bourse information as of 03/14/2019)

The Vanguard Group, Inc.	6,07%
Larry Page	5,86%
Sergey Brey	5,52%
Black Rock Fund Advisors	3,64%
Fidelity Management & Research Co.	3,21%
SSgA Funds Management, Inc.	3,14%
T. Rowe Price Associates, Inc.	2,72%
Capital Research & Management Co. (Global Investors)	1,84%
Norges Bank Investment Management	1,60%
Eric Schmidt	1,17%

Example of Participation Alphabet Arris International

ARRIS International Plc is a provider of multimedia entertainment and data communications solutions. Its headquarters are in the United States

Arris International Shareholders

Hotchkiss & Wiley Capital Management LLC	9,62%
The Vanguard Group, Inc.	9,04%
Black Rock Fund Advisors	7,94%
Alphabet Inc.	5,58%
Scopia Capital Management LP	5,18%
Columbia Management Investment Advisers LLC	4,16%
Lyrical Asset Management LP	3,26%
Dimensional Fund Advisors LP	2,85%
SSgA Funds Management, Inc.	2,51%
Neuberger Berman Investment Advisers LLC	2,25%

Arris International Plc Executives:

- David Bernard Potts: Also a senior executive position in the company Internat Corp, whose shareholders are Vanguard Group, Black Rock...
- Doren A. Tobeen: Also a senior executive position in the company New York Times. Co (Publishing), whose shareholders are Vanguard Group, Black Rock, Fidelity....
- The executives are all stock market barons. The list is not exhaustive.

Alphabet Inc. Executives:

- John Leroy Hennessy: He has interests in Cisco Systems. Cisco Systems is the world leader in the design, development and marketing of network equipment for the Internet. Cisco Systems' shareholders include Black Rock, Vanguard Group, etc. He also has interests in Alphabet Inc. and Alphabet Internet (see below for shareholding analyses).
- Ruth Porat: Ruth Porat has been Chief Financial Officer of Alphabet Inc. and Google Inc. since May 2015. Previously, she was Executive Vice President and Chief Financial Officer of Morgan Stanley, a position she held since January 2010. She joined Morgan Stanley in 1987. She has also served as Vice President of Investment Banking, Global Head of the Financial Institutions Group and Co-Head of Technology Investment Banking. Throughout the 2008 financial crisis, Ms. Porat was responsible for the company's coverage of financial institutions and governments worldwide. She led the Morgan Stanley teams advising the U.S. Treasury on Fannie Mae and Freddie Mac and the Federal Reserve Bank of New York on AIG. She is vice chair of the Stanford University Board of Trustees and a member of the Stanford Investment Management Company Board of Trustees. She is also a member of the Advisory Board of the Hutchins Center on Fiscal and Monetary Policy at the Brookings Institution. She is a member of the Relations Council.
- John Doher: He also has a senior executive position at Bloom Energy Corp (including shareholder Vanguard Group...) in which he is a 6.39% shareholder. He also has a senior executive position at Amyris Inc. (including shareholders Vanguard Group, Black Rock...)
- Diane Green: She also has a senior executive position at SAP (including shareholders Vanguard Group, Black Rock...). SAP is a German company that is a world leader in the development and marketing of integrated software packages. (Accounting software among others...).
- Anne Mater: Also a senior executive position at Netflix (including shareholders Vanguard Group, Fidelity, Black Rock...). Netflix. Netflix specializes in online streaming services for films and television series under subscription. Also a senior executive position at Arista Networks (including shareholder Fidelity, Vanguard group, Blackrock...). Arista Networks specializes in the development and marketing of Ethernet Cloud network switches. Also a senior executive position at Shutterfly Inc. (including shareholder Vanguard group, Black Rock...). Also a senior executive position at Glu Mobil Inc. including shareholders Black Rock, JP Morgan, Vanguard Group...). Glu Mobile Inc. develops, publishes and markets a portfolio of mobile games. The Company develops and publishes a portfolio of mobile games designed to appeal to a wide audience of smartphone and tablet users.

Also a senior executive position at Airbnb Inc. Shareholder at Glu Mobile, Alphabet Inc. Alphabet Internet, Arista.
- The directors of Alphabet Inc. are all stock market barons. The list is not exhaustive.... Some are members of trustees.

Alphabet Internet Shareholders:

The Vanguard Group, Inc.	6,99%
Fidelity Management & Research Co.	5,26%
Black Rock Fund Advisors	4,17%
SSgA Funds Management, Inc.	3,55%
T. Rowe Price Associates, Inc.	2,20%
Capital Research & Management Co. (Global Investors)	1,77%
Northern Trust Investments, Inc.	1,22%
Geode Capital Management LLC	1,20%
Wellington Management Co. LLP	1,19%
Capital Research & Management Co. (World Investors)	1,15%

Google and the courts:
- On February 21, 2008, Google was ordered to pay €150,000 for counterfeiting the documentary film The World According to Bush.
- The European Union has imposed several heavy fines on Google for abusive monopoly over other minority companies.
- Google's video branch, YouTube, has been repeatedly ordered to pay fines of up to $1.6 million for illegal broadcasts or non-compliance with copyright.
- On December 18, 2009, Google was ordered to pay €300,000 in damages to the publishers du Seul, Delachaux and Nestlé and Harri N. Abrams, as well as a symbolic euro in damages to the Syndicat national de l'édition (SNE) and the Société des gens de lettres (SGDL) for having reproduced in full and made accessible excerpts from works without the authorization of the rights holders. The Paris High Court also banned Google from continuing to digitize books without the publishers' permission.
- On September 8, 2010, Google was convicted in France of defamation by algorithm for having associated certain keywords with the terms "rape", "convict", "Satanist", "prison" and "rapist".
- On August 24, 2014, Google preferred to pay a fine of 500 million dollars to the American authorities, rather than be prosecuted for having promoted illegal drugs.
- In July 2018, the European Commission fined Google 4.3 billion euros for abuse of dominant position

D- AMAZON

Amazon.com, Inc. is an e-commerce company. Its headquarters are in the United States.
Amazon's initial specialty was the sale of books, but it has diversified into the sale of other products, first by expanding the cultural products available for purchase, then by gradually making products of all types available.
Amazon Europe has been registered in the transparency register of interest representatives with the European Commission since 2015. In 2017, it declared annual expenses for this activity of between 1,750,000 and 2,000,000 euros.

For the year 2017, Amazon France declared to the High Authority for Transparency in Public Life that it carried out lobbying activities in France for an amount not exceeding 200,000 euros.

Amazon shareholders (Zone bourse information as of 03/14/2019).

Jeff Bezos	16,1%
The Vanguard Group, Inc.	5,93%
Fidelity Management & Research Co.	3,48%
Black Rock Fund Advisors	3,47%
SSgA Funds Management, Inc.	3,24%
T. Rowe Price Associates, Inc.	3,18%
Capital Research & Management Co. (Global Investors)	1,24%
Capital Research & Management Co. (World Investors)	1,04%
Geode Capital Management LLC	0,97%
Northern Trust Investments, Inc.	0,96%

Amazon Executives:

- Tom A. Alberg: Also a senior executive at Impinj Inc. (including shareholders Vanguard Group, Black Rock...). Impinj, Inc. is a provider of radio frequency identification (RFID) solutions. He is a shareholder of Amazon, Redfin (as well as Vanguard Group, Black Rock...).
- Jamie Gorelick: Also a senior executive at Verisign (including shareholders Vanguard Group, Black Rock...). Verisign is one of the world's leading IT services companies specializing in securing telecommunications and Internet infrastructures. Member of the Council on Foreign Relations and the Trilateral Commission.
- Wendell Weeks: Also a senior executive at Merck and Company (including shareholders Vanguard Group, Blackrock...). Merck and Company specializes in the development, manufacture and marketing of therapeutic products and vaccines sold under prescription. Also posted this executive at Corning Incorporated, shareholders Vanguard Group, Blackrock …) Corning Incorporated is the world leader in the production and marketing of specialty glass and ceramic substrates.
- Amazon's executives are all stock market barons. Some are members of trustees.

Amazon and the justice system:

- In 2012, the French Ministry of Finance announced to Amazon France a tax adjustment in arrears and penalties for the years 2006 to 2010. This tax adjustment amounted to nearly 252 million euros. Initially, Amazon's management vigorously contested this decision and the estimate of the French tax authorities. It also announced its intention to contradict it and to "use all administrative remedies at its disposal". The management of the American firm also justified their discontent by arguing that its commercial activities in France were managed from Luxembourg, where its European headquarters are located (the tax system in the Grand Duchy being more advantageous than in France). Subsequently, in February 2018, the French press announced that the American giant had reached an agreement with Bercy (the Ministry of Finance).

- On December 18, 2017, the Minister of the Economy, Bruno Lemaire, summoned Amazon before the Paris Commercial Court, demanding a fine of 10 million euros for abusive practices by the North American group towards its French suppliers

- In October 2017, Amazon was condemned by the European Commission: accused of having benefited from a tax advantage of 250 million euros from Luxembourg, the company was ordered to reimburse this sum.

E- Conclusion:

Monopoly by GAFAS on the global web and internal security risks for France.

On February 16, 2016, the FBI asked Apple to create a tool to get around the safety of its system and therefore have access to the iPhone of Syed Rizwan Farook, author of the San Bernardino shooting which took place on 2 December 2015. Apple having given the FBI all the data saved in their possession concerning Farok, however refuses the creation of such a tool because the latter would endanger the security of millions of users and would be an attack on civil freedom.

Apple is involved in the revelations made in 2013 by Edward Snowden concerning the PRISM surveillance program set up by the NSA. The following data are targeted: contacts, SMS and instant discussions (text, video, voice), emails, photos and videos, stored data, voice to IP, file transfer, videoconferences, notifications concerning activity, details of online social networking, GPS contact details and "special requests".

On June 8, 2013, the Director of National Intelligence (National Intelligence) published an information sheet indicating that PRISM "is not an undisclosed data collection program", but rather "an internal computer system of the government" used o facilitate the collection of foreign information information under judicial surveillance, in accordance with article 702 of the Foreign Intelligence Act (FISA).

- Article 702 provides that "the Attorney General and the National Intelligence Director can jointly authorize, for a maximum period of one year from the date of entry into force of the authorization, the targeting of those reasonably supposed to Be located outside the United States to acquire foreign goods intelligence information. This article 702 authorizes the use of the surveillance programs used by the National Security Agency (NSA) and the FBI, as PRISM whose existence was revealed on June 6, 2013 by the Guardian and the Washington Post following the revelations of the launcher 'Edward Snowden alert'

About article 1881 (FISA)

According to the report commissioned by the Commission of Civil Liberties of Justice and Internal Affairs of the European Parliament, this article can be seen as a major risk for the sovereignty of European data.
Indeed, according to this report, the novelty "introduced" by this law, and in particular article 1881 (FISA), is that this law:
• Specifically applies to cloud computing service providers (and not just telecommunications operators),
• only targets data outside the United States and belonging to non-American people,
• and deletes certain constraints which hitherto prevented permanent and large-scale electronic monitoring, and recover any type of data.

According to Caspar Bowden, one of the authors of this European Parliament report, if the cloud computing service provider decided to inform the European authorities about the existence of such a device, it would be liable to the Federal Court relating to foreign information (United States Foreign Intelligence Court Surveillance) and would probably influence the US Espionage Act law, which prohibits the publication of information classified on intelligence methods. In addition, this law, just as the Patriot Act can be applied "secretly" to each company on the "same European" planet from the moment it has a commercial activity on American soil.

The FISA Amendments Act of 2008 added a new chapter VII to the initial law Foreign Intelligence Act of 1978. This new chapter contains similar, but not identical provisions, to the provisions of the Protect America Act of 2007 which had expired in February 2008. The new provisions of Chapter VII of the FISA were to expire on December 31, 2012, but two days before the deadline, the US Senate extended the law for a period of five years (until December 31, 2017). This new chapter gives authorization to the US government to monitor electronic communications from foreigners abroad.

We are in the presence of global and mass monitoring on information circulating on the web that is the Internet, some American laws allow access to the latter and this very easily by the holding of the almost monopoly GAFA. In addition, by analyzing (in a non -exhaustive way the capital of capital detention being monumental), we realize that it is most of the time the same investors funds which appear on these capital detentions directly or indirectly by the through managers and executives of the GAFAS.

Extraterritoriality of American law, GAFAS monopoly, IFRS standards an open door to unfair competition, Theft of financial and personal data and violations of fundamental rights.

The extraterritoriality of American law such as the "Cloud Act" is a federal law of the United States adopted in 2018 on the surveillance of personal data, particularly in the Cloud, allowing law enforcement (federal or local, including municipal) to force American service providers, by warrant or subpoena, to provide requested data stored on servers, whether located in the United States or in foreign countries.

The extraterritoriality of American law is the application of laws passed in the United States to individuals or legal entities from third countries due to sometimes tenuous links with the United States. The use of the US dollar for example.

Extraterritoriality covers fields as diverse as export control on prohibited countries, personal taxation and the fight against corruption. In addition, IFRS standards allow the disclosure to the United States of strategic information of our French and European companies subject to these standards. (Study from the economic war school on accounting standards, the internet link to which is provided by the economic war school above at the beginning of file No. 2).

These tools are a devastating weapon of war for the French economy, in the economic model desired by a Europe in an ultra-liberal globalized market where reciprocity between countries through so-called free competition is rigged by the latter.

IX- The authorities responsible for the control and regulation of financial markets.

A- Financial Markets Authority (AMF) France

The Financial Markets Authority (AMF) is a financial institution and an independent French administrative authority created on August 1, 2003 by the Financial Security Act, endowed with legal personality and having financial autonomy, whose missions are to ensure the protection of savings invested in financial instruments, the information of investors and the proper functioning of financial instrument markets.
It contributes to the regulation of these markets at the European and international levels. The AMF is a legal entity with investigative powers in the context of insider trading and other offenses.
We will analyze the CVs of the members of the AMF.

Members:

PRESIDENTS

- President from 2003 to 2008: Michel Prada, Director of Public Accounting from 1978 to 1985, then of the Budget until 1988. He was Chairman of the Trustees of the IFRS Foundation from 2011 to 2018.
- President from 2008 to 2012: J.P Jouyet, senior civil servant and lawyer, currently French Ambassador to the United Kingdom. In 2000, he was Director of the Treasury, in 2005 Chairman of Barclay (whose shareholders are Blackrock, Vanguard Group, etc.) France, set up on the AMF by Sarkozy, he works on banking and financial regulation.
- President from 2012 to 2017: Gérard Rameix. Auditor at the Court of Auditors from 1978. He moved between positions at the Court of Auditors until 1986, when he was appointed as a senior civil servant as technical advisor to the Prime Minister. Then, Director of Industrial Affairs (1989) and then of Financial Operations and Investments (1990) at the company Hottinguer Finances, he became Chairman of the company Finindex (capital fund manager) in 1990. Frédéric Hottinguer has been liquidator of the company Finindex since 2017. In 1993, he was appointed Director of the Health Insurance Fund. In 1997, Deputy Director of the Prime Minister. Director in 1997 of COB (Stock Market Operations Commission), the forerunner of the AMF. Secretary General for the Creation of the AMF until 2009. Then credit mediator, to become President of the AMF from 2012.
- President from 2017 to today: Robert Ophèle: Joined the Banque de France from 1981.

Senior civil servant Seconded to the FED from 1990 to 91 then generated various senior civil servant positions responsible for representing the Bank of France. Second Governor of the Bank of France 2012, then at the AMF. This appointment raises questions because of the family connection of Robert Ophèle, father-in-law of Julien Denormandie, friend and protégé of Emmanuel Macron.

OTHER MEMBERS

– JC Hassan Member of the Council of State. Responsible for ensuring the replacement of the President of the Financial Markets Authority in the event of a vacancy or inability of the President. 2001, advisor to the Minister of Economy and Finance on the transition to the Euro.

– <u>Claude Nocquet</u>, Magistrate appointed by the Court of Cassation. Specialized in financial affairs
– <u>Jean de Gaulle</u>: chartered accountant auditor, appointed to the Court of Auditors He was indicted on September 12, 2003 in the investigation into fictitious jobs in the city of Paris, accused of having benefited in 1990 and 1991 from the assistance at the Assembly of an employee paid by the city of Paris who would never go there and would not perform any function there. He was sentenced on December 15, 2011 by the Paris Criminal Court to a three-month suspended prison sentence for receiving stolen goods and receiving stolen goods; since the alleged facts took place before 1995, his sentence was amnestied by the law of August 3, 1995.
– <u>Denis Beau</u>: Seconded to the FED as a senior official, between 1993 and 2007, he held management positions in the Capital Markets Directorate and the Payment Systems and Market Infrastructures Directorate and was seconded for a year as a representative of the Banque de France to the Federal Reserve Bank of New York (one of the 12 FED Banks where tax havens such as the Virgin Islands are present). Former director of the DGOS (Director of Financial Stability of the Bank of France's operations), member of the ECB's supervisory board, etc. In 2012, he became director general of the DGOS. In this capacity, he chairs the National Committee for Cashless Payments and represents the Banque de France in European and international bodies dealing with prudential regulation of the banking sector, financial stability and monetary policy (Basel Committee on Banking Supervision, Committee on the Global Financial System, Euro Payments Council).
– <u>Patrick de Cambourg</u>: Chairman of the International Accounting Standards Authority. Former Chairman of Mazars Audit. The Mazars Group is one of the few auditors composed of audit firms of French origin. A salient feature of this group is its French origin in an audit market largely dominated by Anglo-Saxon firms such as Deloitte, Ernst and Young, KMG and Price Water Coopers. Mazars ranks fifth in Europe behind the latter, commonly called the Big Four". In 1995, Mazars chose to become an integrated organization and merged with a firm of equivalent size: Guérard Viala. In 1998, Mazars merged with the British firm Neville Russell, one of the independent audit leaders in the United States. After multiple international partnerships (Sweden, India, Egypt, etc.).
– <u>Marie-Christine Caffet</u>: Appointed by the President of the National Assembly. Head of the financial product banking department and then of the direct clientele of Sofinco (subsidiary of Crédit Agricole (shareholders: Black Rock, Vanguard Group, etc.), then at Crédit Mutuel, mediator with the French banking federation.
– <u>Delphine Lautier</u>: Professor of economics, former business manager at Adequat Intérim, Randstad (including shareholders Vanguard Group and other hedge funds), Manpower (shareholders Vanguard Group, Black Rock and other hedge funds).
– <u>Jacqueline Eli-Namer</u> appointed by the Minister of Finance and Economy. Successively Director and Managing Director of Crédit Agricole Indosuez, CEO of Oudart Gestion (at the time belonging to a Swiss bank Banque du Gotthard prosecuted for money laundering in Monaco, a bank belonging to SwissLife and sold to Generali in 2008).
– <u>Muriel Faure</u> appointed by the Minister of Finance and Economy. To work as a fund manager on ABN AMRO (commercial investment bank in the Netherlands), Fortis, Paribas, Crédit Lyonnais. She founded IT Asset Management, a portfolio management company specializing in the management of growth stocks in the global information technology industry. From 2012 to 2016, Muriel Faure managed FOURPOINTS (formerly IT Asset Management, following an external growth operation).

– Anne Gobert appointed by the Minister of Finance and Economy. Anne Gobert began her career in 1998 at Club Méditerranée in London. After various positions in Finance and Treasury at Club Méditerranée, she joined Veolia Environnement (whose shareholders are Blackrock, Vanguard Group, etc.) in 2003 as Finance Project Manager, then bioMérieux (whose shareholders are Vanguard Group, Black Rock, etc.) as Group Treasurer. In September 2007, she was appointed Director of Treasury and Financing at Club Méditerranée, then in 2014 as Vice President of Financing, Treasury and Credit Risk Management at IPSEN (whose shareholders are Vanguard Group, Black Rock, etc.). In November 2015, Anne Gobert joined Ingenico (whose shareholders are Vanguard Group, Black Rock, etc.).
– Sophie Langlois: Appointed by the Minister of Finance and Economy. A chartered accountant, Sophie Langlois began her career in 1980 at Ernst & Young before becoming Administrative and Financial Director of Banque de Marchés et d'Arbitrage until 1990. She was then appointed Secretary General of Crédit Suisse First Boston (whose shareholders include Vanguard Group, Black Rock, etc.), a position she held until 1993, when she joined the SBC France group, where she was Administrative and Financial Director of French activities and a member of the Executive Board. She held the same position at Aurel from 1996 to 1999, and joined the Instinet group as Managing Director France. Since 2006, Sophie Langlois has been Deputy Managing Director of Dexia Securities France.
– Helman le pas de Sécheval: Appointed by the Minister of Finance and Economy. He is in charge of the financial engineering mission Banexi (company in charge of managing venture capital funds owned by BNP merged with Rhône Alpes created in 2016 to form Kreaxi). Kreaxi is a management company specializing in investing in the capital of innovative and technological startups with high potential CFO Groupama (subsidiary GAN (shareholders 3 barons of the Stock Exchange and investment funds) Amaguiz and Orange Bank (shareholder Orange and Groupama). Orange (shareholder: State, Vanguard Group, Blackrock and other funds) Then, Secretary General of Véolia (including shareholders Blackrock, Vanguard Group…).
– Thierry Philipponnat: Appointed by the Minister of Finance and Economy
– Charles Keller representing employee shareholders, appointed by the Minister of Finance and Economy
– Patrick Suet is appointed by the Senate to the AMF. He is a Baron of the Stock Exchange

He is also the director of Crédit du Nord and Société Générale Côte d'Ivoire
Technical advisor in charge of tax affairs in the office of Alain Juppé, Minister of the Budget, and Édouard Balladur, Minister of the Economy and Finance (1986-88), head of office and deputy director of the tax legislation department at the Ministry of the Budget (1988-93), deputy director then director of the office of Édouard Balladur, Prime Minister, general treasurer-payer of Hauts-de-Seine (1995-97), advisor to the president then administrative director of the Elf Aquitaine group (1999). Deputy Secretary General (1990), Secretary General and Head of Group Compliance (2009) of Société Générale.

Let's analyze the companies where Mr. Patrick Suet has made his professional career.

- Crédit du Nord: Not listed on the stock exchange. A single shareholder, Société Générale since 1999. Crédit du Nord was 20% owned by DEXIA and was bought by Société Générale

The group is made up of 8 banks: Courtois, Kolb, Laydernier, Nuger, Rhône Alpes, Société Marseillaise de crédit and Crédit du Nord and a stock exchange company called Gilbert Dupont.

- Société Générale Côte d'Ivoire: Subsidiary of Société Générale. It is located in Abidjan. It is the Société Générale bank in Côte d'Ivoire. It ranks 22nd among West African banks (and 1st Ivorian bank).

It has two subsidiaries:

1) Sogepar: It is a UCITS (collective investment organization in transferable securities). UCITS under French law are organizations whose activity consists of investing savings collected from their unitholders on the markets. They must receive prior approval in general, or a posteriori in certain cases, from the Financial Markets Authority (France) (AMF). Let us recall that Mr. Suet is director of Société Générale Côte d'Ivoire and member of the Financial Markets Authority.

2) Sogebourse: Public limited company with a Board of Directors, it was approved by the Regional Council for Public Savings and Financial Markets (CREPMF) as a Management and Intermediation Company (SGI). The CREPMF is an organ of the West African Monetary Union (WAMU). It was created on July 3, 1996 by decision of the WAMU Council of Ministers, as part of the establishment of the regional financial market, which it supervises.

Societe Generale Group

Shareholders:

Lyxor International Asset Management SAS	5,25%
Dodge & Cox	4,08%
Caisse Des Dépôts & Consignations (Investment Management)	2,55%
The Vanguard Group, Inc.	2,44%
Capital Research & Management Co. (Global Investors)	1,89%
Amundi Asset Management SA (Investment Management)	1,75%
Société Générale SA	1,57%
BNP Paribas Asset Management France SAS	1,54%
Black Rock Fund Advisors	1,44%
Norges Bank Investment Management	1,35%

Directors of Société Générale:

- Chairman and CEO = Frédéric Oudéa Also director at Capgemini (including shareholder Vanguard, Blackrock, Fidelity, etc.)
- Lorenzo Bini Smaghi = Also senior executive position at ITALGAS (Gas Suppliers) whose shareholders include Vanguard Group, Black Rock, etc.
- Philippe Amestoy = Also senior executive position at Antarius. Antarius is the personal insurance company dedicated to the Crédit du Nord network. Since April 1, 2017, Antarius has been 50% owned by Sogecap (majority shareholder) and 50% by Crédit du Nord.
- Nathalie Rachou Emba: Also senior executive position at Veolia Environnement (including shareholders Vanguard Group, Black Rock, etc.). Also senior executive position at Altran Technologies (including shareholders Vanguard Group, etc.).
- Jean-Bernard Lévy: Also a senior executive position at Electricité de France (including shareholders: French Government, Vanguard Group, Blackrock, etc.).

Also a senior executive position at Edison Spa including shareholders: Black Rock, etc.). Also other senior executive positions at other structures such as Framatome, etc.
– Anne Maria Llopis Rivas: Also a senior executive position at DIA specializing in mass distribution (including shareholders: Vanguard Group, etc.)
– The list is not exhaustive. The directors of Société Générale are all stock market barons. Some have or have had a senior executive position at Société Générale, a London-based company.

It should be noted that the members worked in their professional lives in structures whose shareholders also include those that we regularly find in the analyses above. That is to say Blackrock, Vanguard Group. Worse, one of the members of the AMF, Patrick Suet, is himself Chairman of Société Générale. And, as we have also seen here on Société Générale, we find again and again shareholders such as Blackrock, Vanguard Group INC, Norges Bank Investment Management.

A little novelty here, we find in the analysis of the CVs of members who have worked in accounting audit firms. And, not just any, audit firms from the Big Four. The Big Four are the four largest financial audit groups worldwide. And remember in file No. 2 concerning the corruption file on international European accounting standards, companies listed on the stock exchange have the obligation when auditing their accounting accounts to go through one of the 4 Big Four. The clients of the latter are overwhelmingly listed companies. A monopoly on accounting audits that earns its turnover from clients who themselves have a monopoly on the real economies of nations.

B - United States Capital Markets Regulatory Committee.

It is an independent and non-partisan research organization dedicated to the regulation of capital markets in the United States. This committee was created in 2006 by Henry Paulson, former CEO of Goldman Sachs, former deputy secretary of defense of the Pentagon, former member of the Nixon administration, former secretary of the American treasury (under Bush). H Paulson is at the origin of the Paulson plan which occurred following the subprime crisis.

The members are 36 including:

– S O Connor: Director of Regulatory Affairs at Morgan Bank. This person is no longer a member today.
– B Welche Head of Policy in the United States (BNP Paribas, 5% of which is held by Blackrock). This person is no longer a member today.
– A. Berry (UBS) Managing Director and Head of Regulatory Strategy and Initiative America.
– Tim Buckley Managing Director of Vanguard Group.
– J. Finley, Senior Managing Director and Chief Legal Officer of Black Stone. Blackstone was mentioned in the 2017 Paradise Papers for its (legal) tax optimization practices using the firms Appleby, Pricewaterhousecoopers and Deloitte. It should be noted that Blackrock was created within Black Stone.
– A. Gilbert Co-Director of Risk and Regulation at PricewaterhouseCoopers (an American audit firm).
– Gregory Babyak, Global Head of the Regulation and Policy Group, Bloomberg. Bloomberg LP majority owned by stock market magnate Michael Bloomberg.

- Kenneth C Griffin: Chairman and CEO, Citadel Investment LLC. Citadel, one of the world's largest alternative asset managers with over $25 billion in assets under management; and Citadel Securities, one of the world's leading market players, trades products including equities, equity options and interest rate swaps (derivatives) for retail and institutional clients.
- Barbara Novick Vice President of Blackrock
- Michael Mendelson: Director of AQR Capital Management is a global investment management firm based in the United States
- W Slitch Head of Global Banking Ernst & Young (American Audit Firm)
- J Oksuzoglu Chairman and CEO Deloitte & Touch (American Audit Firm).
– Makato Takashima: President and CEO Sumitomo Mitsui Banking Corporation. It is the second largest bank in Japan by assets and is a wholly owned subsidiary of Sumitomo Mitsui Financial Group. (Whose shareholders are Vanguard Group, Black Rock, Fidelity...)
– Roel C Campos: Former SEC Commissioner. Corporate lawyer and partner in one of the largest law firms Hughes Hubbard & Reed LLP.
– The list is not exhaustive.

It should be noted that Abigail Johnson, CEO of Fidelity Investments, was a member of the Financial Markets Regulation Committee.

C-European Securities and Markets Authority (ESMA in English AEMA in French).

Whose President Maijoor Steven has held several international positions, including the presidency of IFAR (International Forum of Independent Audit Regulators)
The President of ESMA is Steven Maijoor.
His CV: Dean School economics Maastricht University, CEO of the Dutch financial markets regulator AND President of IFIAR... (International Forum of Independent Audit Regulators).

D-IFTAR

So what is IFTAR: Volunteer members are committed to delivering concrete results that will improve audit quality by participating in a number of formal working groups and liaison teams, which meet regularly throughout the year. IFAR's six working groups focus on deliverables in the following areas: engagement with the six largest global audit networks; inspections; enforcement; international cooperation; investors and other stakeholders; and standard setting.
Audit Quality Working Group: IFIAR maintains an ongoing dialogue with the six largest international audit networks that are members of the Global Public Policy Committee (BDO, Deloitte Touche Tohmatsu, EY, Grant Thornton, KPMG, PwC) with the aim of improving audit quality globally...
Investor and Other Stakeholders Working Group: Organizes IFTAR's dialogue with investor representatives and other stakeholders, particularly audit committees, and publishes information about this dialogue on the IFIAR website.
Standards Coordination Working Group: The SCWG is responsible for providing a forum for IFIA members to share their views and concerns regarding IAASB and IESBA standards. As part of its activities, the SCWG provides preliminary information on projects and develops consensus views on behalf of IFIA members on proposals or documents issued by standard setters. President of this group Marjolein Doblado, also on the high council of the audit office.

X- Monetary creation mechanism

A- Mechanism

The counterpart of the issue of money is done by debts. This is the first thing to understand in the mechanism of monetary creation. Mechanism that applies to individuals (therefore citizens) and to nations by sovereign debts.

This is what we call the Principle of monetary creation ex nihilo.
The creation of wealth in a so-called capitalist economy indexed on a support convertible into Capital that we will call money is only possible and effective in the long term, from the moment when this support is not subject to a market whose monetary creation mechanism allowing to produce this money is in the hands of the creators of wealth coming to us from the real economy resulting from the work of man.

If this creation of money or monetary is given to third parties whose function is only to produce this support convertible into Capital without producing wealth from the real activity of nations, it is these third parties who hold the valorization of this so-called global capitalist economy, given that the sovereign power to mint money for France is no longer relevant. Since it was transferred to private banks in 1973 by the Pompidou law known as Rothschild. And taken up by the European Treaty of Lisbon in its article 123. This law no. 73-7 of January 3, 1973 on the Bank of France is a French law which modifies the status of the Bank of France and specifies in particular the conditions authorizing the State to borrow from the Bank of France. It was repealed by the Treaty of Maastricht and taken up in the Treaty of Lisbon.

One wonders whether the construction of the European Union could well be motivated mainly by a hold-up, in particular through Article 104 of the Treaty of Maastricht, transposed in France in the law of 4 August 1993:

"The European Central Bank and the central banks of the Member States, hereinafter referred to as "national central banks", shall be prohibited from granting overdrafts or any other type of credit to the institutions or bodies of the Community, to central administrations, to regional or local authorities, to other public authorities, to other bodies or to public enterprises of the Member States; the direct acquisition of their debt instruments from them by the European Central Bank or the national central banks shall also be prohibited.", since transformed into Article 123 of the Treaty of Lisbon.

Article 123 of the Treaty of Lisbon (European Treaty)

Article 123 of the Treaty of Lisbon stipulates that: "1. The European Central Bank and the central banks of the Member States, hereinafter referred to as the 'national central banks', shall be prohibited from granting overdrafts or any other type of credit to institutions, bodies, offices or agencies of the Union, to central governments, regional or local authorities, other public authorities, other public bodies or public undertakings of the Member States; the direct acquisition from them by the European Central Bank or the national central banks of their debt instruments shall also be prohibited.'

B-Monopoly on the mechanism of money creation by private banks.

- Now this mechanism of monetary creation is in the hands of the de facto monopoly on the real economies of the countries.
- Our globalized capitalist economies interconnected by the free movement of capital, have given this role to private institutions since according to the Bank of France more than 90% of the scriptural money circulating worldwide comes from loans granted by private banks.
- Banks which themselves have a shareholder base whose composition of members links us to a de facto monopoly on the real economies of the nations that we studied a little earlier.

These third parties therefore control:

- The circulation of money in the system by issuing loans to individuals (consumer loans and commercial loans) and to nations (sovereign debts) since Article 123 of the Lisbon Treaty obliges European nations (sovereign debts) to borrow on the financial markets.
- The mass of monetary creation
- The valorization of our economies by a de facto monopoly indexing the real economy produced by human labor on a money medium convertible into capital.

Which amounts to saying that if man is a tool of production of capital on the universal accounting level, he is therefore dependent on private banking entities for the payment of his work activity (his salary for example), entities linked to the de facto monopoly on the real economies of countries.

- So if the money circulating in this system and its quantity are controlled not by the creators of the real economy, therefore the men represented by the states / Nations, but by third parties producing the money support, that is to say the banks, this amounts to saying that the system controls the presence of work or not necessary for man to produce wealth. Since remember without money, that is to say without investment (File No. 1), the economies go into recession. And without work of man no economy.
- We are therefore on a system which allows the economies to be dependent on a monetary creation mechanism held by private banks. Private banks which themselves produce in almost all the money necessary for the survival of the system. Since the circulation of capital therefore of money is an absolute necessity for the existence of a productive and healthy economy. If money does not circulate or liquidity regardless of the geographical sector where it is in this globalized system, the economy will go into recession.

C-Money creation a loan contract between individuals/Nations and banks

This production of money is done by issuing loans to States and individuals by banks. This is what we call ex-nihilo monetary creation meaning in Latin from nothing, since banks do not create money from physical wealth, but from a contract between them and borrowers against a promise of repayments to banks and a security pledge which in the event of default of repayment will allow the seizure of the physical assets pledged. Certainly private banks are constrained to certain obligations such as solvency ratio and leverage effect etc. ... but these subjects do not fall within the scope of this file intended to set up a complaint.

We are therefore on a monetary creation by the creation of loans granted to States and individuals whose survival of the economic system can only take place through debt. Loan contracts issued by private entities (private banks) themselves identified in the de facto monopoly on the real economies of nations.

It is therefore a pyramidal system based on the debt of nations and individuals as natural persons.

We saw in file No. 1 that men are classified as tools of production of capital in the universal global accounting plan in the great global balance sheet.

Which amounts to saying that, depending on the state of the real economy (which depend on banks through this mechanism of monetary creation), man can be considered as a debt. The place of fundamental rights linked to the human being has no place in the universal accounting plan. Which is quite logical since the supreme standard of our so-called capitalist economies by making man tools of exploitation, have valued man as an exploitable commercial right.

It is mechanics by the very structure in tree structure of the global accounting plan. And let's not forget that as we have seen, the image of our global economy (File No. 1) is a balance sheet whose objective is to value the latter (the global economy) has an income statement which is a debt account for the global economic accounting entity (balance sheet).

In France in particular, money, the sovereign power par excellence, but also weights and measures (meter, liters, etc.) for example, delimit one of the oldest fields of application of standardization, even if the term, if not the concept, appears later. This sovereign power of nations over time was legally given to financial circles subject to a de facto monopoly.

We can therefore speak of private money, since the monopoly on issuing money was granted to commercial entities Private Legal Entities that are banks.

XI- Sovereign debts.

A- General

Sovereign debt securities are one of the financial benchmarks for markets in France. Individuals no longer have access to (sovereign) debt securities on the primary market because only credit institutions with an account at the Banque de France can participate.

So not only through the mechanism of monetary creation, the quasi-monopoly of monetary creation has been legally granted to private banks, but in addition individuals (citizens) cannot buy this debt.

In addition, as we have already seen above, France has an obligation to contract loans by Article 123 of the Lisbon Treaty on the financial markets, and, moreover, it cannot do so within its population, it is obliged to do so on a so-called primary financial market whose access is only possible by credit institutions and institutional investors. And, the latter, I remind you, are subject to a de facto monopoly that we have analyzed above.

In these circumstances, the fight against over-indebtedness aims to discipline trapped customers, but not to prohibit these practices.

We discover that banking organizations, which produce nothing tangible, actually have, thanks to this private currency that they create from scratch, control over the destinies of nations and the world economy: they can control the world's monetary resources, lead governments to beg, they can even manipulate them, and thus make and unmake entire nations.

<u>Banks are unduly drawing very large dividends</u>

- Of a currency created ex nihilo, since in accounting terms on the balance sheet of banks, the banks make a delivery of goods that they create (the currency) to themselves on their balance sheet, the counterpart of which in double-entry accounting is a loan granted to individuals (consumption, commercial and nations)
- Of interest (financial) linked to the loans that they grant.

The monetary creation granted to private banks is therefore a perpetual annuity granted to private financial institutions. But, like any capitalist society, loans are subject to interest rates. Which means that the interest on the debt is also a perpetual annuity for the latter.

<u>B-Debt service or interest on the debt is a perpetual annuity for the services of financial institutions.</u>

At this stage of the reasoning, it is essential to separate debts from interests.

The fact that money is created ex nihilo is not abnormal. It is the established fact that a few individuals have the power to decide on these investments to generate a profit for themselves and paid by taxpayers. Because these interest payments, which we call debt servicing, correspond to one of the most important lines of the French budget. This is a political choice that has nothing to do with the general interest. On the contrary, this monopoly legally granted to financial institutions, **the fact of this way in which money is created condemns all taxpayers to pay an annuity to financial institutions.**

An annuity in finance is a perpetual loan (without repayment of capital, but with payment of regular and fixed interest) issued by a State, constituting a source of income for an individual. The question then arises, should this perpetual annuity return to nation states (for France before the 1973 law known as the Pompidou law known as the Rothschild law), or to a de facto monopoly on the real economy of nations analyzed above, qualified as an economic super entity by the analysis of its shareholders?

The annuity is perpetual when it is always paid.

- The rents constituted by sovereign debts dominate the real economy. For example, of the 861 billion euros of increase in the French State debt between 1980 and 2004 - in constant euros: the new capital borrowed represents only 211 billion for 650 billion of interest that the community, forced to borrow on the financial markets a currency that it could create, must pay, by direct or indirect tax to individuals.

In short, the signatory states of the Lisbon Treaty prohibit themselves from financing themselves directly at zero rates from their central bank or the European Central Bank. They are obliged to contact private banks that offer them the rates they decide while currently financing themselves at a rate from the European Central Bank.

Which therefore amounts to the transformation of part of the profit linked to the real activity of nations into income on a private banking monopoly.

The expression sovereign debt is a paradox in itself. Indeed, debt is in the realm of obligation because as we have seen in the accounting entity that is the global economy and its markets, the goal being a debt account (income statement), while the word sovereignty places the State/Nation at a level higher than this constraint.

This mechanism of monetary creation that directly impacts the sovereign debts of nations linked to this global system that goes unnoticed by the populations amounts to a misappropriation of public securities of nations. Indeed, security being a guarantee, an assurance of order and collective security.

<u>C-A privatized global debt and certain international bodies.</u>

The structure of borrowing has evolved. Historically, it was the richest states that took on the role of lender in bilateral relations through the conclusion of financial agreements. These international treaties constituted aid intended for specific development projects or more general financing, particularly in times of war. Since the end of the Second World War, international financial institutions and development banks have taken precedence over these bilateral loans.

The supports of sovereign debt, mainly private law contracts, are internationalized due to their circulation between financial market operators

The current absence of an international legal framework is mainly due to a lack of specific legal status for sovereign debt.

We have moved to a financialization of sovereign debt through debt treatment mechanisms that seem external to public international law.

<u>Because as we have seen, international law in finance is subject to:</u>
- A de facto monopoly on the real economy of nations.
- Financial engineering favoring financial circles (accounting standards, financial derivatives, treaties requiring nations to borrow on financial markets, monetary creation mechanisms, etc.).
- In addition, the global financial system is de facto moving from public international law to private international law, if only by analyzing the de facto monopoly on the real economies of nations. And remember in file No. 1, States are obliged to adopt behaviors from States governed by the rule of law to Merchant States induced by the fundamental law; the interests of capital are an inverse function of fundamental rights.

The financing of States is not an isolated manifestation, but the result of a set of mechanisms and instruments born of contractual relationships between economic operators.

The growing internationalization of financial activities linked to the sovereign action of States is at the root of the problem.

In these conditions, it is private international law that intervenes to the extent that financial instruments are based on domestic law contracts.

The public interests of nations and sovereign debts are then fixed using private instruments and standards.

The contractualization of debts, debt supports and their defaults (bankruptcy) are in fact privatized.

Thus, the application of defects of consent, error, fraud, corruption and coercion exerted on representatives of States/Nations by loan contracts on a global economy whose balance sheet is analyzed as a debt by the image that is the balance sheet when merging the accounts with the income statement and a de facto monopoly on the real economies of nations are possible and legal.

Because, private law came to propagate directly through loan contracts made directly with the final borrowers. These contracts having been made with participants from the financial markets, they are integrated into international public financing. (Sovereign debts).

Worldwide, the applicable law concerning sovereign debts is legally defined by the origin of the financing. If this origin is a private monopoly, then the debts are private.

Thus all the clauses on these debt contracts defining privileged creditors by the rule to big too fail (i.e. too big to fail), are contractually affected by dole.

Since this rule obliges States to borrow in order to be able to lend to private banks in the event of serious financial difficulties and that in parallel private banks and financial institutions issue loans supported by nations, to this we add that private banks and financial institutions have a de facto monopoly on the real economies of nations.

With this rule too big to fail, the risks are borne by populations and nations.

Faced with a default of payment under international law such as the World Bank which benefits from a privileged creditor status without commercial banks benefiting from the same treatment, these clauses are null and void.

These privileges are, in the eyes of the law, also illegal.

Since it is the entire global economic system and loans issued within the framework of the global economy which are subject to a de facto monopoly. And therefore affected by fraud legally concerning loan contracts.

A reset of global sovereign debts because all debts contracted within the framework of a de facto monopoly on the real economy of nations, leaving no chance to nations and populations surrounded by a system of debts whose securities of nations are called into question and legally analyzed as a system of slavery. (File No. 5).

By positioning itself as a lender of last resort, the World Bank benefits from a de facto privileged creditor status, while no legal basis supported by a rule of international law founds this situation.

The same is true for the IMF, which is not an international central bank, because it acts as a lender of last resort to fill an institutional void in the international monetary system.

We also note the gradual insertion of private law through international treaties. Like Article 123 of the Lisbon Treaty which obliges European States to borrow on the financial markets. And it is not for want of repeating it, let us not forget that it is subject to a de facto private monopoly.

In this context, debts subject to private rights under the conditions of the financial markets are contrary to the security of nations. Since economic sovereignty has shifted from the public domain to the private domain.

The privatization of the supports of sovereign debt is characterized by the imposition of a global financial market where private creditors and their interests are against the privileges arising from the sovereign status of nations, banking intermediation and financial circles constituting the basis of the functioning of sovereign debt.

When debts are contracted in the form of a loan contract subject to the domestic law of the debtor State, the creditors are subject to the legislation of the latter.

But by the insertion of international treaties such as Article 123 of the Lisbon Treaty, and the insertion of a clause waiving any immunity from jurisdiction almost systematically inserted in sovereign debt contracts, these loan contracts are all legally affected by Dole.

When a State contractually waives its immunities from jurisdiction and execution in matters of international public financing, it abandons the fact of availing itself of any action brought against it and resigns itself to not protecting its assets.

In such conditions, the State renounces, within the framework of its monetary and loan policy, the general interest and becomes de facto in its financial and economic management a State governed by the rule of law.

We are therefore on a system of debt organized by private operators subjecting the real economies of nations to a de facto monopoly, an abuse of market domination.

The privatization of sovereign debt is a multiplier factor of sovereign debt crises and sovereign debt has become closely linked to the financial industry.

In the past, the law granted almost absolute protection to sovereign borrowers, but for several years, American and Anglo-Saxon courts have continued to limit the scope of this principle, by protecting lenders, by legally defining priority creditors.

And as we have seen, lenders, that is to say financial institutions and private banks, subject the process of monetary creation and loans by their shareholders to all nations to a de facto monopoly.

In addition, the presence through members closely or loosely connected to this de facto monopoly on public institutions (studied above), allows this de facto monopoly to be both the lenders and the judges on the validity of such contracts. To take as an example, the French Financial Markets Authority, whose membership composition has been described previously.

However, sovereign debt is carried out at more than eighty percent with these market operators.

In the absence of a formal international legal framework, it is financial standards that serve as safeguards against the crisis. However, as we have seen, it is the standards themselves that have been truncated in favor of financial circles, such as accounting standards.

The losses due to debt are compensated by the taxpayer and not by the shareholders of the de facto monopoly. Which amounts to saying that we are on a collectivization of the debt by the populations and a privatization of the gains on this de facto monopoly.

This massive raising of sovereign funds (debts) on the financial markets responds to a logic of opportunity to establish the law of the market, where the interests of capital are inverse functions of fundamental human rights.

And the interest of the de facto monopoly on the real economies of nations is contrary to sovereign debt reduction. Since, the higher the debts, the higher the interests and the lower the debts, the lower the interests will be.

The establishment of sovereign debt restructuring mechanisms amounts to creating at an international level a procedure for the bankruptcy of States.

The problem is that a bankruptcy procedure is based on initial loan contracts that must be legally formed outside of a de facto monopoly on the real world economies.

Bankruptcy procedures, such as those inspired by North American bankruptcy law, in particular the provisions of Chapter 11 of the US Bankruptcy Code. US bankruptcy law favours the reorganisation of companies over their liquidation.

Chapter 11 of the Bankruptcy Code thus prohibits bankrupt debtors from immediately repaying their creditors, so that the company can be restructured without the latter threatening its activity.

There are, however, exceptions to the reorganisation objective sought by this chapter, one of the most important of which is that granted to counterparty creditors in derivatives transactions who become preferred creditors.

In such circumstances, risks are mainly transferred from derivatives and transaction markets to creditors outside these markets. The 4 largest American investment banks (Goldman Sachs, Morgan, City Bank and Bank of America studied above) are the most important external creditor to which these risks are transferred, by virtue of their role as legal guarantors or because of financial institutions considered too big to fail. (To big too fail)

And, as we saw at the beginning of this file No. 3, there is abuse of dominance of derivatives markets concerning the large American investment banks, to which we add the extraterritoriality of American law.

In this type of case, we are also on a transfer of security that leaves no chance for the Borrowing countries to defend themselves.

XII-Investment funds and justice

Following the Argentine economic crisis in 2001 and the legal battle to recover the debts, investment funds have attracted all the attention.

They can have various characteristics: for example, pension funds collect employees' retirement contributions to invest them, while so-called "vulture" funds are in a procedural logic.

They buy debt securities on the secondary market and then take legal action against the issuing States.

Some funds have hit the headlines in recent years: Elliott Associates and its subsidiary NML Capital, Pravin Banker, LNC Investments, FG Hemisphere, Donegal International, among others.

They demand full payment of the face value of the debt securities in their possession. Peru, Nicaragua, Argentina, the Democratic Republic of Congo and Zambia have suffered from this.

And, examples in this area abound.

XIII- Conclusion

We are in the presence of a de facto private monopoly:

- On the real economies of nations linked to this financial system
- On the mechanism of monetary creation
- Sovereign debts all affected by nullity. Since initially contracted within the framework of a de facto monopoly, which in the law of obligations or contract law is analyzed as a defect of form and fraud.
- Of tools linked to financial engineering favoring a de facto private monopoly.