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The Multi-Trillion Dollar Question

As many of you know, my primary forecast regarding Europe is that the EU will be broken up and/or collapse within the coming months.

The reasons for this are political, financial, and monetary in nature. In bullet form they are:

1) France is about to elect a hard core Socialist. This will greatly alter political dynamics in the EU and will weaken Germany's push for austerity.

2) Spain's stock market and banking system are on the verge of collapse. The markets are flashing major warning signs here both in terms of technical developments in the markets as well as Spanish sovereign bond market yields.

3) The ECB's interventions in the European banking system are now politically toxic (the markets punish those banks relying on the ECB for aid) as well as monetarily impotent (the positive effects of spending hundreds of billions of Euros are only lasting a month at most).

4) The US Federal Reserve's Operation Twist 2 Program ends in June. Currently there are not new monetary programs planned at the Fed and it is unlikely they will launch anything before the US Presidential election in November (unless forced to by a Crisis).

Short-Term Trends
-Markets are forming a top.
-Deflation is just around the corner.

Intermediate Trends
-Very very ugly charts indicating European collapse within the coming weeks
-China economic deterioration to affect commodities and global GDP
-Weaker economic data in the US as seasonal adjustments come back to haunt us.

Long-Term Trends
- -Global debt implosion.
- -Markets to go to new lows either nominally or in terms of purchasing power depending on whether we get hyperinflation or severe defltation
- -Trade wars and very likely REAL warfare

In simple terms, we have a confluence of negative factors hitting this month and the next. Now, nothing in the political or financial worlds is static and we could see any number of changes made to the above items (for instance, France's soon to be President Francois Hollande might backtrack on some of his more aggressive socialist policies).

Having said that, while individual changes to the above items *might* temporarily delay the collapse I've forecast, said collapse *is* coming and will hit before the year-end.

The reason for this is that we have reached the End Game for Central Bank intervention: the time during which Central Bank interventions either result in negative consequences that far outweigh their positive benefits (inflation/ increases in the cost of living vs. a rise in "good" asset prices such as stocks) or have negligible impacts.

We've already assessed the first one of these items in numerous past issues of ***Private Wealth Advisory***. The most obvious example of this was the Fed's QE 2 program which spent $600 billion, resulted in at most three months of upturned economic data for the US, but also sent food prices to all time highs inciting revolutions and riots around the globe.

Indeed, as noted previously on these pages, as far back as May 2011, Fed Chairman Ben Bernanke explicitly stated that QE was less "attractive" as a monetary option:

> Q. Since both housing and unemployment have not recovered sufficiently, why are you not instantly embarking on QE3? — Michael A. Kamperman, Waco, Tex.
>
> **Mr. Bernanke:** "Going forward, we'll have to continue to make judgments about whether additional steps are warranted, but as we do so, **we have to keep in mind that we do have a dual mandate, that we do have to worry about both the rate of growth but also the inflation rate…**
>
> "**The trade-offs are getting — are getting less attractive at this point**. Inflation has gotten higher. Inflation expectations are a bit higher. It's not clear that we can get substantial improvements in payrolls without some additional inflation risk. **And in my view, if we're going to have success in creating a long-run, sustainable recovery with lots of job growth, we've got to keep inflation under control**. So we've got to look at both of those — both parts of the mandate as we — as we choose policy"
>
> http://economix.blogs.nytimes.com/2011/04/28/how-bernanke-answered-your-questions/

This is critical as it indicates that the Fed, despite all of its verbal interventions and posturing, is aware that its *monetary* interventions are having negative consequences that outweigh their benefits.

The same is occurring in Europe where the relationship between Germany and the ECB is deteriorating as the former finds its push for austerity counteracted by the latter's monetary profligacy. Indeed, as noted in last issue of ***Private Wealth***

Advisory, Germany is now facing its most dreaded consequence of the ECB's money printing: inflation.

> **German unions turn up volume on pay rise demands**
>
> German labor leaders urged May Day demonstrators on Tuesday to fight for big pay rises after a decade of restraint that had seen wages in crisis-hit southern Euro zone nations soar.
>
> The head of the powerful IG-Metall union, demanding a 6.5 percent rise, described an offer of 3 percent over 14 months as a farce...
>
> "If we don't have a result (from talks) by Pentecost, then there will be a strike ballot and strike," said Berthold Huber, referring to the May 27/28 holiday…
>
> **IG Metall, with a membership of 3.6 million**, **(Graham's note: about 4% of German population) held warning strikes at the weekend and is planning more for Wednesday in Germany's industrial heartland of North Rhine-Westphalia…**
>
> **There are signs German policymakers are already starting to worry about inflation**, although it continues anchored around two percent. Last week, Economy Minister Philipp Roesler said the European Central Bank should refocus on price stability.
>
> http://www.reuters.com/article/2012/05/01/us-germany-mayday-idUSBRE8400VU20120501

Remember, the core driving force in European policy-making is politics. Angela Merkel faces re-election in 2013. If inflation is already becoming a political issue in Germany now (though data shows that inflation actually slowed in April) Merkel is going to be highly incentivized to get it under control by appearing even *more* pro-austerity/ anti-monetization (more on this later). And if things get truly ugly she could even publicly threaten to pull out the Euro.

Indeed, the dissolution of the Euro has now entered the political arena in a public way (back-room discussions have been occurring since September 2011).

> **IMF: Euro Break-Up Cannot Be Ruled Out**
>
> The International Monetary Fund (IMF) has for the first time accepted the prospect of the euro breaking up.
>
> **In its flagship economic survey of the world economy, the IMF acknowledged there were fundamental "flaws" in the design of the**

single currency and said that one prospective "tail risk" is a "disorderly default and exit by a euro area member".

http://news.sky.com/home/business/article/16210466

This is extraordinary. Remember, the IMF originally claimed Greece *wouldn't* need a bailout back in 2010. Put another way, these folks only admit the obvious *long* after it's guaranteed to happen. With that in mind, the Euro *will* be broken up.

Indeed, by the look of things it won't be long. Various key figures have seen the writing on the wall and are now stepping down in advance of what's coming:

Juncker Says Ceding Euro Job Due to Franco-German Interference

Luxembourg Prime Minister Jean-Claude Juncker said he's stepping down as head of the group of euro-area finance ministers because he's tired of Franco-German interference in managing the region's debt crisis.

"They act as if they are the only members of the group," Juncker said today at a podium discussion in Hamburg. At the same time, Juncker said he'd "fully support" a **potential candidacy of German Finance Minister Wolfgang Schaeuble to succeed him at the helm of the Eurogroup.**

http://www.bloomberg.com/news/2012-04-30/juncker-says-ceding-euro-job-due-to-franco-german-interference.html

Thus we find that Central Banks both in the US and Europe have their hands tied as far as major monetary interventions are concerned. Specifically:

1) Barring a major Crisis, the Fed will not unleash QE 3 this year (it's an election year)
2) The ECB has now backed itself into a political corner (Germany won't stand for more monetization) at the precise time that a major issue (Spain) is surfacing.

Another sign that we've entered the End Game for Central Bank interventions is the fact that their interventions are now having negligible impacts.

Regarding the latter point, the most pressing example is Japan where the Bank of Japan announced it would increase its asset purchases by ¥10 trillion intervention (roughly $124 billion). It also announced that it would increase its purchasing of ETFs and funds linked to real estate.

Put another way, the Bank of Japan announced it would supply a good deal of more juice *and* that it would buy even more ETFs and funds directly *on* the Nikkei stock

market. And it announced this on April 27, in a clear attempt to push the Nikkei higher for month-end.

Despite all of this, the Nikkei finished April with its worst performance in seven years: a 5.6% loss.

Now, to provide some context, the Nikkei had experienced a blistering first quarter performance (along with the rest of the developed world), rallying more than 19%. So in some regards, the Nikkei was due for some kind of correction.

However, the Nikkei's collapse in spite of this intervention is significant for two reasons:

1) The Bank of Japan's interventions are no longer having an impact of significance.
2) Japan is fast approaching a sovereign Crisis on par with that of the PIIGS

Regarding #1, the Nikkei actually *reversed* and closed *down* for the session after the announcement. That is simply stunning: a $124 billion increase in asset purchases and Japanese stocks closed *down*. Let that sink in for a moment.

Regarding #2, this is the *second* ¥10 trillion increase in Japanese Government Bond (JGB) purchases by the Bank of Japan in 2012. The Bank of Japan is now on schedule to hold ¥90 trillion in JGBs by the end of 2012. To put that number in perspective, the Japanese Government is issuing just ¥44 trillion in new bonds this year to finance its budget.

Put another way, the Bank of Japan is buying more than TWICE what the Japanese Government is issuing this year to cover its budgetary requirements. Japan is now officially entering a debt spiral in which it has to monetize more and more debt just to meet its *budget* requirements.

Regarding #1 and #2 combined, have a look at the Nikkei's chart year to date. When you compare the rise in asset prices in February following the first intervention, it is clear that we're now at the point at which more monetary intervention is no longer having a positive effect.

The ECB is seeing similar results from its monetary interventions. Despite spending over €1 trillion propping up the financial system, EU economies continue to weaken:

> **European Unemployment Rate Rises to Highest in Almost 15 Years**
>
> **Euro-region unemployment rose to the highest in almost 15 years and manufacturing contracted for a ninth month**, adding to signs the economy continues to weaken.
>
> The jobless rate in the 17-nation euro area increased to 10.9 percent in March from 10.8 percent in February, the European Union's statistics office in Luxembourg said today. That's the highest since April 1997, when the rate reached a record high, according to Bloomberg News data going back to 1990. A manufacturing gauge in the region fell to 45.9 in April from 47.7 in March, Markit Economics said.
>
> http://www.bloomberg.com/news/2012-05-02/european-unemployment-rate-rises-to-highest-in-almost-15-years.html

Moreover, European financials (as measured by the European financials ETF) have proven that the ECB is finding itself in the same shoes as the Bank of Japan: additional interventions are having negligible effects.

Thus we have entered an *extremely* dangerous environment: one in which the primary prop for asset prices (Central Banks) are running out of ammunition. This will have *profound* consequences for all asset classes as well as the financial system at large.

This was the real problem with Central Bank responses to 2008 all along: by attempting to prolong a peaked economic/ credit cycle, they have set the stage for an even larger Crisis, one that will see the Central Banks themselves collapse along with numerous sovereign defaults.

These are the key take home points ALL investors must come to grips with:

1) **Going forward, the Easy Money props are going to be removed from beneath the market.**
2) **Sovereign defaults are coming. Whether it's through hyperinflation, reneging on promised future social welfare / pension/ healthcare spending, or outright messy defaults (or various combinations of these) we will see most of the Western world defaulting on its debts in the coming years.**

How soon all of this unfolds remains to be seen. The Multi-Trillion Dollar Question is whether the markets realize that Central Banks are virtually powerless sooner rather than later.

By the look of things, it's coming relatively soon. Spain, which is now at the forefront of the Great Western Debt Default Collapse, has opted to seek funding from the

mega-bailout fund, the European Stability Mechanism (ESM) rather than going directly to the ECB or the IMF.

The reasons for this are clear: the IMF doesn't have the funds (nor will it as the US won't fund a European bailout during a Presidential election year). And the ECB is now backed into a political corner with Germany.

However, as Spain has discovered, even ESM funding doesn't come without strings attached:

> **Germany Rejects Spain Banks Tapping Bailout Fund, Meister Says**
>
> Spain's rating downgrade at Standard & Poor's doesn't alter Germany's stance that banks can't have direct access to Europe's financial backstops, a senior lawmaker from Chancellor Angela Merkel's party said.
>
> "The German position is absolutely strict," Michael Meister, the deputy caucus chairman of Merkel's Christian Democrats, said in a phone interview in Berlin. "And since such aid programs require unanimity, there's not going to be any change. All sorts of people can try to set things in motion, but Germany won't vote for it."
>
> http://www.bloomberg.com/news/2012-04-27/germany-rejects-spain-banks-tapping-bailout-fund-meister-says.html

The ESM funding idea is really just Spain playing for time (the ESM doesn't actually have the funds to bail Spain out). But the fact that Germany is now making the ESM a political issue indicates the degree to which political relationships are breaking down in the EU. And once the political relationships break down… so will the Euro.

Indeed, Germany has no choice. If it decides to prop up Spain it will receive a ratings downgrade (something which France is about to experience anyway). Europe with a downgraded Germany is not a pretty sight.

Moreover, Germany's decision to prop up the Euro is finally beginning to arouse furor from the German population. In particular, the below story which reveals that Germany has in fact put German taxpayers on the hook for over €2 trillion in back-door EU rescue measures could be the proverbial tipping point that sends German voters over the edge.

> **German tempers boil over back-door euro rescues**
>
> Professor Hans-Werner Sinn, head of Germany's IFO Institute, said German taxpayers are facing a dangerous rise in credit risk from a plethora of bail-out schemes. "The euro-system is near explosion," he told Austria's Economics Academy on Thursday.

> **Dr Sinn said Germany is on the hook for much of the €2.1 trillion (£1.72 trillion) in rescue measures for EMU debtors - often by the back-door - that will saddle Germans with ruinous losses one day.**
>
> "It is a horror scenario," he said, warning that the euro system is splitting friendly countries into blocs of mutually hostile creditors and debtors, exactly the opposite of what was hoped.
>
> Earlier this week, the Foundation for Family Business in Munich filed a criminal lawsuit against the Bundesbank, accusing the board of disguising the true scale of risk born by German citizens.
>
> http://www.telegraph.co.uk/finance/financialcrisis/9215232/German-tempers-boil-over-back-door-euro-rescues.html

This is the *last* thing Angela Merkel needs right now. Between this and inflation arising in Germany she's in *major* political hot water. So expect Germany to push even harder when it comes to fiscal austerity in the future…

Which means that the European mega-bailout funds (the ESM and EFSF) will be much less likely to put out money for Spain. This is why Spain has now opted to follow Germany's steps in establishing a "Plan B."

> **Spanish lenders in talks over 'bad bank' plan**
>
> As their losses from mortgages grow, Spanish banks have begun discussions about **creating a separate entity -- a "bad bank" -- to take on these assets and relieve pressure on the country's financial sector.**
>
> The goal of the new organization would be to reduce the financial strain on banks and prevent the need for either a more costly government bailout or an international rescue along the lines of Greece, Portugal and Ireland…
>
> **The official for Spain's Economy Ministry confirmed Monday that the Spanish banking industry is discussing creating a private entity that would assume their toxic assets.** The new asset management organization is designed to take the burden of trying to sell foreclosed properties off the banks and allow them to concentrate on providing credit to the private sector.
>
> http://www.businessweek.com/ap/2012-04/D9UFC7U84.htm

This is similar to Germany's **Special Financial Market Stabilization Funds, or SoFFin for short.**

The SoFFin is essentially Germany's emergency bailout fund for times of Crisis. It was created in October 2008 to help the German financial system get through the 2008 Collapse by allowing German banks to dump toxic mortgage assets and other items into the fund so they could clear their balance sheets.

Once things improved, SoFFin was essentially put on hold in December 2010. But in the last three months, Germany has brought it back. And it's brought it back with one *very* crucial difference:

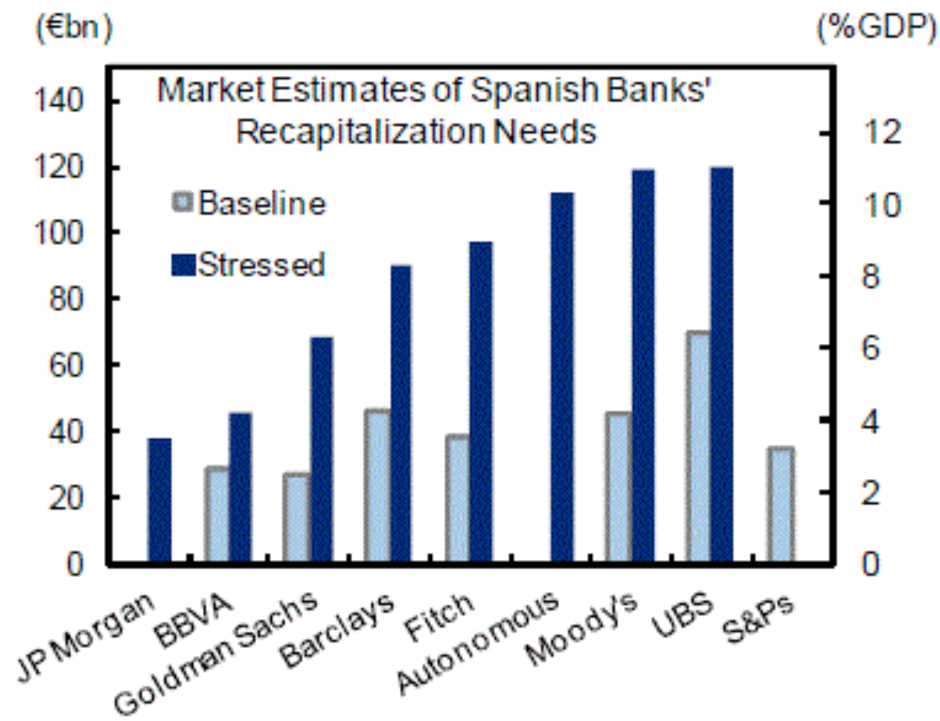
> **Germany Approves Bank Bailout Bill**
>
> The SoFFin will give up to €400 billion ($524.24 billion) in guarantees for banks and provide up to €80 billion for recapitalization. **The fund, which for the first time will accept euro-zone government bonds**, will be operational until Dec. 31 2012.
>
> http://online.wsj.com/article/SB10001424052970204573704577184362262410868.html?mod=googlenews_wsj

The SoFFin and Spain's "Bad Bank" represent essentially the same idea: attempting to make bad bank debts magically disappear by removing from the private banks' balance sheets *AND* keeping them off the public's balance sheet (they'd be parked in an external entity).

First and foremost, this is the equivalent of just sweeping bad debts "under the rug." The debts *still* do in fact exist and *still* pose a threat to the financial system. The markets know this, which is why Spanish banks continue to collapse:

Santander is one of the largest most liquid banks in Spain. For it to be breaking down like this is a sign that the Spanish banking system as a whole is on the brink of collapse.

Indeed, the following chart revealing various estimates of Spanish bank recapitalization needs should give you an idea of just how much trouble the Spanish Banking system is in:



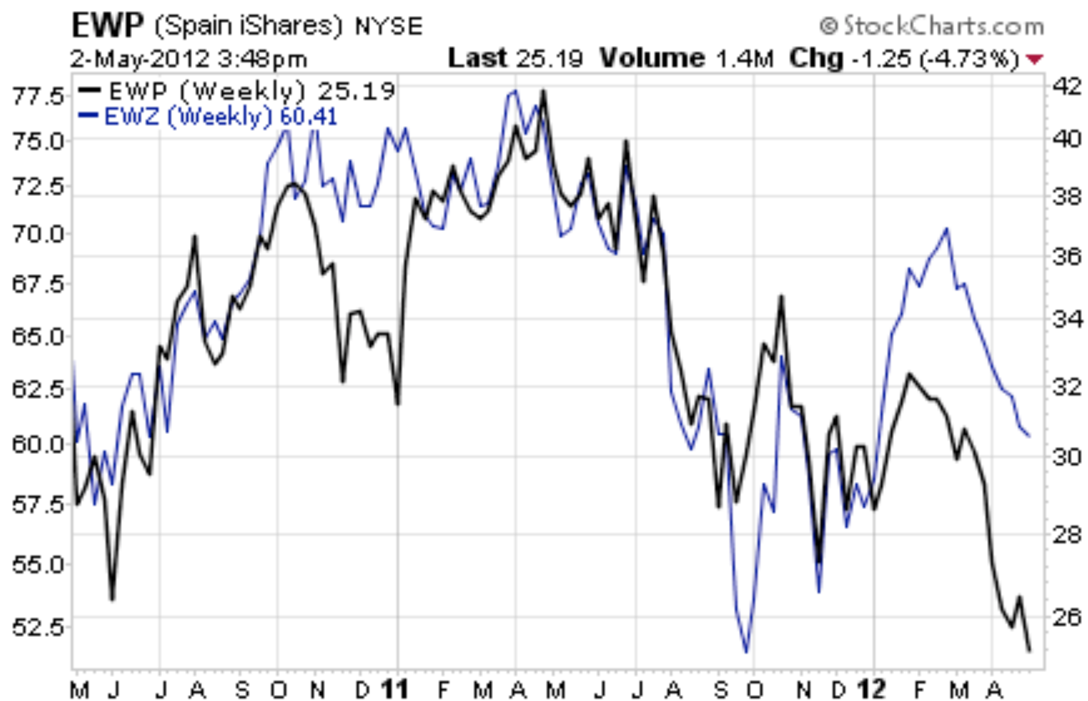
Indeed, the larger perspective of STD shows that once we take out $6 with conviction, we're in full-scale Crisis mode.

Outside of the Spanish banks, the IBEX in general is staging a small dead cat bounce off of support. Once we take this out, we're going to 6,000 in a hurry.

With that in mind, I'd look to short the Spanish iShares (EWP) here:

Action to Take: Short the Spain ETF (EWP).

A number of you have written in stating that it's difficult for you to short shares. With that in mind, I want to note that Brazil's stock market is tracking Spain's quite closely:



With that in mind, if you cannot short Spain's ETF, you'll likely get a nice profit from the **UltraShort Brazil ETF (BZQ).**

BZQ returns 2X the inverse of the Brazil ETF. So if Brazil's market falls 5%, BZQ returns 10% and so on. With Brazil's market tracking Spain this closely and on the verge of a break-down:

We're likely going to 55 here in short order.

Action to Take: Buy the UltraShort Brazil ETF (BZQ).

I've received a number of emails asking me why Spain is such a big deal for the global banking system. To fully understand the implications of Spain, you first need to understand how the global financial system works "behind the scenes."

We'll start first with the US financial system, particularly the Primary Dealers which are the *real* controllers of the monetary supply (via lending).

If you're unfamiliar with the Primary Dealers, these are the 18 banks at the top of the US private banking system. They're in charge of handling US Treasury Debt auctions and as such they have unprecedented access to US debt both in terms of pricing and monetary control.

The Primary Dealers are:

1. Bank of America

2. Barclays Capital Inc.
3. BNP Paribas Securities Corp.
4. Cantor Fitzgerald & Co.
5. Citigroup Global Markets Inc.
6. Credit Suisse Securities (USA) LLC
7. Daiwa Securities America Inc.
8. Deutsche Bank Securities Inc.
9. Goldman, Sachs & Co.
10. HSBC Securities (USA) Inc.
11. J. P. Morgan Securities Inc.
12. Jefferies & Company Inc.
13. Mizuho Securities USA Inc.
14. Morgan Stanley & Co. Incorporated
15. Nomura Securities International Inc.
16. RBC Capital Markets
17. RBS Securities Inc.
18. UBS Securities LLC.

These are the firms that buy US Treasuries during debt auctions. Once the Treasury debt is acquired by the Primary Dealer, it's parked on their balance sheet as an asset. The Primary Dealer can then leverage up that asset and also fractionally lend on it, i.e. create more debt and issue more loans, mortgages, corporate bonds, or what have you.

Put another way, Treasuries, or US sovereign bonds, are not only the primary asset on the large banks' balance sheets, they are in fact the asset against which these banks lend/ extend additional debt into the monetary system.

A similar banking system exists in Europe though in that case there are no single unified EU bonds/ Primary Dealers. Instead we have 17 countries all of which issue sovereign bonds that their largest banks purchase and park on their balance sheets as assets against which they lend.

So, let us consider Spain.

According to data collected from the Bank for International Settlements, IMF, World Bank, UN Population Division, UK banks are sitting on €74 billion worth of Spanish sovereign debt while French banks and German banks are sitting on €112 billion €131 billion, respectively.

So, as a ballpark estimate, roughly €317 billion worth of Spanish sovereign debt is sitting on banks' balance sheets in these three countries. This debt is then recorded as an *asset* against which these banks have leant out money to corporations, property developers, etc. at a ratio of more than 10 to 1.

Let me explain this last point. Basel III requirements which have yet to be implemented will require banks to have equity and Tier 1 capital equal to roughly 10% of risk weighted assets. Before this, Basel II only required equity and Tier 1 capital equal to 6% of risk weighted assets thereby permitting leverage of 16 to 1.

However, these ratios are only for ***risk-weighted assets***. Let me explain this term: a bank's risk weighted assets are determined on its in-house models based on how likely it is that a given asset (loan) will enter default.

In other words, the banks get to determine themselves how risky their loan portfolio is and then leverage their balance sheets accordingly. This is like asking an alcoholic to assess how much alcohol he should have.

Oh, and bank executives are *highly* incentivized to downplay the risks as their pay is often based on returns on equity (which in turn is based on leverage). So it shouldn't be a surprise that EU banks are downplaying the risk to their portfolios.

What I'm trying to say here is that the entire EU banking system is based on capital requirements that are an absolute joke. The *banks* not the regulators determine how risky their assets are and leverage their balance sheets to the maximum levels possible based on their in-house assessments.

And to top it off, modern financial theory believes sovereign bonds to be "risk free." So banks can use their sovereign bond exposure as a *strength* against which to balance out their riskier loans.

THIS is the fate that awaits the European banking system. Every single EU bank has leveraged itself based on financial models that consider sovereign bonds to be "risk free." Moreover, EVERY EU bank is leverage to the hilt based on its OWN in-house assessment of the riskiness of its loan portfolio.

So… when Spain defaults (and it will) you will very likely find the entire Spanish banking system collapse. This in turn will bring the entire EU banking system to its knees as collateral calls and margin calls are made across the board when EU banks' portfolios take a "haircut" on their senior most assets.

This is why Greece was a big deal and why the ECB and EU political leaders were so careful to manage its default… because they know that if anything resembling a messy default occurs, the ENTIRE banking system can be taken down.

With that in mind, the clock is ticking on Europe. Indeed, European financials are on the verge of breaking the trendline that has sustained them since late November 2011 when talk of LTRO financing first began.

Once this trendline breaks, then we will start to see some REAL fireworks in Europe. Spain's already heading for a market Crash:

After Spain will be Italy, which sports a massive Head and Shoulders pattern:

France is not far behind:

Last will be Germany, which will not be isolated from the carnage:

Finally, the European currency is close to entering a free-fall:

Once we take out this trendline, it's GAME OVER for the EU in its current form.

During the European fall-out, the US Dollar and US stock markets will outperform. However, this does not necessarily mean that US stocks will post *gains*. Indeed, we have a number of very startling negative divergences developing in US stocks.

The first is the divergence between the Dow Jones Industrial Average and the Dow Transports:

Secondly, while the NASDAQ has hit new bull market highs, the Russell 2000 (the risk index of the US markets) has failed to hit new highs:

Finally, the market leaders, Google and Apple, have begun to decline while their underlying index (the NASDAQ) continues to climb.

None of these are market positive. Indeed, I fully believe the markets are in the process of making a top. The Russell 2000 looks like it will be the first to go:

With that in mind, be on the lookout for an alert from me suggesting we open our Crisis trades. Stocks have now entered a period that is seasonally weak. Operation Twist 2 ends in a month. France is about to become Socialist, breaking up the Merkozy alliance that kept Europe together over the last two years. Spain is literally on the brink of a banking collapse. And numerous negative divergences are appearing in stocks.

This is a very dangerous environment. We have reached the End Game for Central Bank monetary intervention. What's coming will not be pretty.

Should anything change, I'll send you an alert via email. But the financial system is now on RED ALERT. I fully expect we'll see a collapse begin in the coming weeks.

As always…

Best Regards,

Graham Summers

OPEN POSITIONS

Inflation Portfolio (OPEN BUYS NOW)

Company	Symbol	Buy Date	Buy Price	Current Price	Gain/ Loss
Gold bullion	N/A	3/17/10	$1,120	$1,654.00	48%
Silver bullion	N/A	3/17/10	$17.50	$30.69	75%
Centamin Mining	CEE.TO	5/25/11	$2.01	$1.07	-47%

Deflation Portfolio (OPEN BUYS NOW)

Company	Symbol	Buy Date	Buy Price	Current Price	Gain/ Loss
Dollar ETF	UUP	5/23/11	$21.79	$21.90	1%
Rydex Strengthening Dollar 2x Strategy	RYSDX	12/14/11	$14.39	$13.46	-6%
UltraShort Euro	EUO	9/21/11	$19.13	$19.45	-2%
UltraShort China	FXP	11/2/11	$32.64	$23.54	-16%
UltraShort Materials	SMN	11/2/11	$20.23	$14.95	-14%
Deutsche Bank* (short)	DB	12/14/11	$35.33	$42.29	-6%
HSBC* (short)	HBC	12/14/11	$37.07	$45.76	-13%
Barclays* (short)	BCS	12/14/11	$10.65	$13.97	-11%
UltraShort Gold ETF	GLL	12/14/11	$19.76	$16.96	-14%
Euro Financial Fund (Short)	EUFN	4/13/12	$16.19	$16.42	-1%
Santander (Short)	STD	4/13/12	$6.44	$6.03	6%

*** Opened 12/14/11 at 11:13AM, averaged in second prices on 1/27/12**

RECENTLY CLOSED POSITIONS

Company	Symbol	Buy Date	Buy Price	Current Price	Gain/ Loss
BNP Paribas (Short)*	BNPQY.PK	4/13/12	$19.96	$18.73	6%
Societe General (Short)*	SCGLY.PK	4/13/12	$4.67	$4.38	6%
Credit Agricole (Short)*	CRARY.PK	4/13/12	$2.55	$2.33	9%

* Shorted 4/13/12 (2:19 PM) and sold 4/23/12 (2:58PM)