

LG Investments, LLC: A Family Business in Generational Transition (D)

TheCaseSolutions.com

Retirement Plan
The plan is a 401(k) plan, and the owner has been contributing to it since 2005. The plan is currently valued at \$1,000,000. The owner is currently 55 years old and has 10 years until he reaches age 65. The plan is currently in a rollover IRA.

Good Things to Know
The owner is currently 55 years old and has 10 years until he reaches age 65. The plan is currently in a rollover IRA.

Traditional V Shadow
The owner is currently 55 years old and has 10 years until he reaches age 65. The plan is currently in a rollover IRA.

Business Valuation
The owner is currently 55 years old and has 10 years until he reaches age 65. The plan is currently in a rollover IRA.

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Institutionalized Fraud

- Ireland - easy cheap money light reg
- Jim Stewart credit financial engineering
- Frank Quattrone jury ruling
- R. Sorkin - clearing house got overwhelmed
- European 15% of bank books via shadow system unsafe unregulated huge consequences



Traditional V Shadow

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- Traditional loans and deposits under regulation and on books
- Shadow bundles deposits, sells onto investors at low int rates
- Rates dependant on risk



Ireland V United States

- Ireland V United States
- Thecasesolutions.com
- Direct loans
- 100% loan up to 50%
- Ireland
- No capital, no collateral, no leverage
- 100% financing
- energy (McClintock)
- Tax haven, minimize taxes
- 0% taxes
- 100% loan up to 50%
- 100% loan up to 50%



Case Study: Depfa Ireland

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- 0% regulation of Irish branch of finance
- Securities worth 225 billion
- Taken over by German Hypo Real Estate in 07
- Lehman collapsed liquidity crisis
- Nationalized by Germany for 145 billion



DCB loans to Irish registered financial institutions

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Country	Year	Value
USA	2007	100%
USA	2008	100%
USA	2009	100%
USA	2010	100%
USA	2011	100%
USA	2012	100%
USA	2013	100%
USA	2014	100%
USA	2015	100%
USA	2016	100%
USA	2017	100%
USA	2018	100%
USA	2019	100%
USA	2020	100%
USA	2021	100%
USA	2022	100%
USA	2023	100%
USA	2024	100%

Case: Orpington Structured Finance

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- 4 Ambassadors Place
- One of Ireland's most valuable companies
- file no employee's, no machinery



Traditional V Shadow



Thecasesolutions.com

- Traditional loans and deposits under regulation and on books
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The fundamental difference

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- Government Involvement
- US safety net, checks and balances
- Shadow- no safety net, demand post Bretton Woods
- Now 60% of loans shadow and unregulated- central to economy -banking collapses .
- Recycling ,no actual wealth created

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Ireland V United States

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United States

- Reg T borrow up to 50%

Ireland

- No equivalent, unlimited leverage
- 'Entrepreneurial energy' (Mc, Creevy)
- Tax haven, unwritten laws (Shakson)
- Extractive, non contributing (Mc Cabe)



Case Study: Depfa ,Ireland

Thecasesolutions.com



- 90's regulation of irish bonds,dept of finance
- Securities worth 225 bil in 05 .
- Taken over by German Hypo Real Estate in 07
- Lehman Collapsed,liquidity crisis
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ECB loans to Irish registered financial institutions

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Kurzfristkredite der EZB an irische Banken

Bank	Kredite in Euro
<u>Depfa</u>	35 Milliarden
Anglo Irish Bank	28 Milliarden
Allied Irish Bank	27 Milliarden
Bank of Ireland	20 Milliarden
Irish Life & Permanent	11,7 Milliarden
Educational Building Society	5 Milliarden
Irish Nationwide	3 Milliarden

Quelle: Barclays Capital

Case : Orpington Structured Finance

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- 5 Harbourmaster Place
- One of Irelands most valuable companies
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The Central Issues

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- Central issue- extractive ,parasite analogy (Mc Cabe)
- Free riders
- Regional benefit from national policy
- Anglo constantly borrowing to service debt
- No real wealth being created, no growth
- Convergence of retail and commercial- Citi, ATB.

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