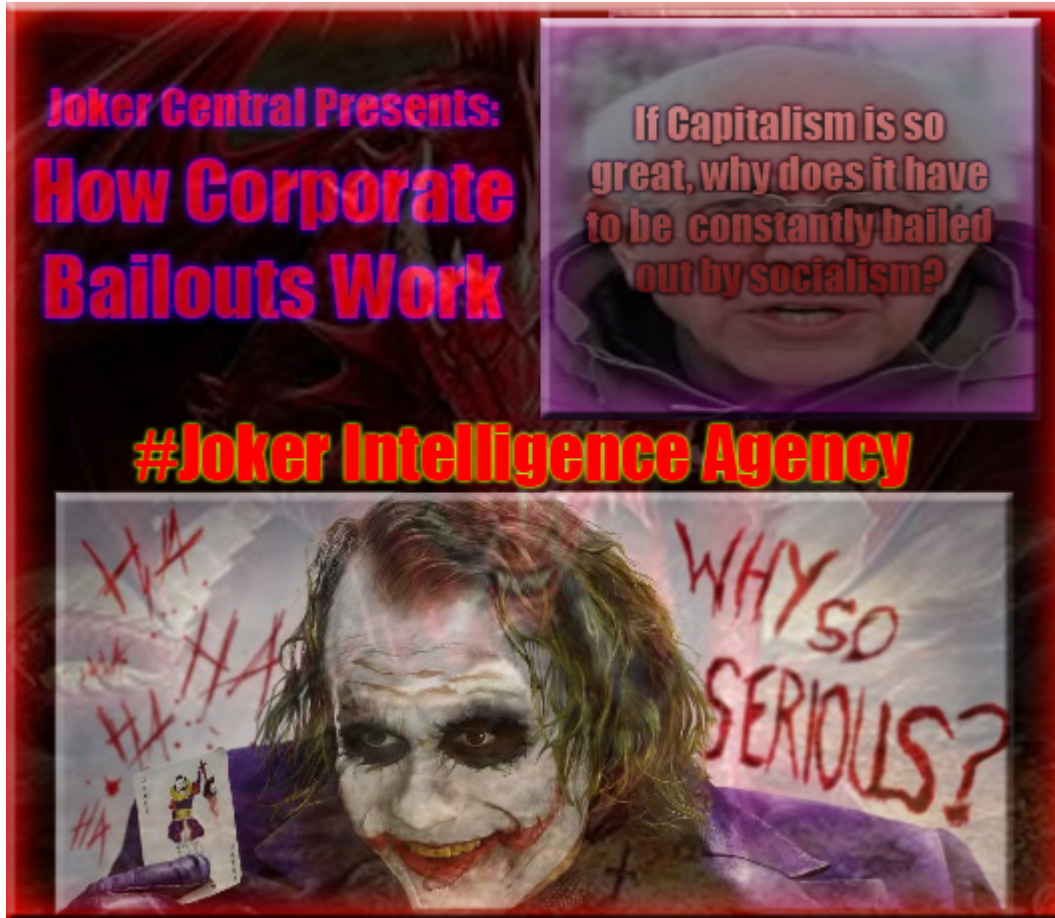


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To understand corporations you first have to understand that corporations are considered their own entity. This essentially means in a very legal sense they are like a person having their own private assets and properties. When you sue a corporation you can not usually touch the majority of that corporation's money. The reason for this is that smart businessmen will keep in the corporate account only the amount of money at bare minimum that the corporation needs to continue to function and the rest is given to all the stockholders. Therefore when you sue a corporation you can't touch the majority of the money that corporation made in doing whatever it did wrong, because it no longer belongs to the corporation.

The only exception to this is what is called "piercing the corporate veil." Lawsuits are a civil matter, but if a major stockholder has done something criminal that is part of the lawsuit then their assets are now liable to seizure as part of the lawsuit. However since most lawsuits focus only on civil prosecution the stockholders are very rarely affected. For this reason corporations are one of the most desirable types of companies to make, since the liability for any wrongdoing is minimal and rarely affects the individuals who own the company, which is the ones who own the majority of the stocks. Some corporations consist of literally one person solely to exploit this lack of accountability.

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This concept is very important in understanding how corporate bailouts work. See the people who own the majority of the stock of any corporation are the ones who are making the most money, but they are also the ones who are in charge of making all the major decisions on the board meetings. This includes the decisions of what to do to increase profits, such as providing terrible health insurance and ridiculously low wages and of course what to do with all the money left over at the end of the year.

In the extremely popular political practice of demonizing the poor many people are blamed for not saving up their money for emergencies, such as the corona-virus epidemic we are currently facing while this document is written. Therefore you might say why don't corporations simply create a hedge fund so that they don't go broke instead of keeping a bare minimum in the corporate account. Why don't they save for emergencies.

Doing this is simply impractical. See our government allows a practice called lobbying. In theory anyone can lobby a politician with their political ideas, but in practice successful lobbying really requires money. The golden rule of capitalism is "He who has the gold makes the rules" and this is especially true during the practice of lobbying. Here's how a bailout works.

A member of a corporation is assigned the job of lobbying the government. Some corporations have employees whose primary or only function is to lobby the government from time to time. These corporations can provide stock options to politicians or even money sent into their personal bank accounts as part of this lobbying process. For example a corporation can send corporate funds of \$100,000 directly into a Congressman's bank account and in return that Congressman will write and promote legislation to "bail out" the corporation for say \$10,000,000. This is all completely legal so there is no piercing of the corporate veil. The best part is the people who own the company don't even have to use their own money. They can just use the corporate account.

Through this practice members of Congress can become millionaires and multimillionaires. Their primary income is not actually the mere hundred grand or so they get on their government salary. If they bail out a company for stock options or just a hundred grand in cash they don't lose any money of their own as it is tax payer money. They only make money. They can continue to enjoy the luxurious life of working less than 20 hours a week or even a month, not bothering to even read the majority of the documents they vote on, and their government salary and extensive health insurance. However the real perk that makes them into millionaires and multimillionaires is the stock options and deposits into their bank accounts. They can make their entire yearly salary in a single bail out. The best thing about getting stock in a company you bail out is being part of the continued profits you will get for the rest of your life even after you leave office with no liability.

See? Everyone wins. Congress makes money during a bailout, and don't pretend this practice isn't bipartisan. Companies get paid money. So when you ask why don't these corporations follow their own advice and have a hedge fund for emergencies the answer is simple. There is no reason to. For \$100,000 to maybe 50 Congressman a return investment of \$10,000,000 can be made and you know with everyone getting paid they're going to vote in your favor no matter what the common people want. He who has the gold makes the rules.

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The only people who do not win of course are the taxpayers. People who work minimum wage make just under \$1,200 a month at a 40 hour job. The Corona-virus check payout is basically a full time salary on minimum wage. Of course minimum wage and poor health insurance in the time of this crisis is how the stockholders are able to make so much money. As the middle class continues to disappear and grow smaller and smaller and more people enter into poverty we have the answer to our other question.

If capitalism is so great, why does it have to be constantly bailed out by socialism? By any standard at which Bernie Sander's campaign exists as "socialist" the bailouts to these corporations are socialist as well. Make no mistake that these are bipartisan examples of capitalism's golden rule. Socialism is needed to bailout capitalism, because he who has the gold makes the rules. They control what our politicians vote for. Capitalism's golden rule is literally the reason socialism is needed to bail out capitalism.

Of course the majority stockholders who own the companies could make a hedge fund instead of deflecting the idea onto the poverty stricken in an act of blatant self projection. They could technically say "Oops I made 5 billion this year, but I should have kept that money in the corporate account. I'll just put some of it back." However as you see in this document, this is simply not the most financially prudent way of doing things.

After the bailouts are done and profits are back in swing you can rest assured the primary stockholders will once again decide to take those profits and convert them into stock payouts. Those stock payouts will go to all the Congressmen who got stock in exchange for voting on the bailout, so they have no reason to complain. It's not that the corporate owners or congress haven't learned anything. They have learned how to make more money, and they have learned that the public still hasn't figured all this out. The only one who hasn't learned anything is the taxpayers breaking their back, working at ridiculously low wages with terrible insurance, some needing two or even three jobs just to pay the bills, because they haven't read this document yet.

