

"I don't know, investors and donors?"

"Like?" It was time for a break. Nick had been writing for an hour now while I ran him through a maze of names and dates, so we paused to ponder the warp set thereby, and to rethread the needles. We stood and stretched.

"Like, maybe, Ensign Peak Advisors."

"Who's that again?"

"EPA is the investment arm of the corporation sole, of the Church. But unlike Deseret Trust, or Deseret Mutual, EPA is not bound by certain rules. Nobody knows what they do, in fact, and for whom it is done. At least, nobody I know. It is a for-profit firm, I bet, which is funneling an unweighed mountain of funds directly from the Corporation of the Presiding Bishop."

"Sounds like wise stewardship of the widow's mite."

"Among the financial instruments they invest in are Cat Bonds."

"Pet investments? Come on." His attempt at humoring me while he locked up his laptop nearly diverted our discussion, but I refocused. We left the building through a revolving door that spun agonizingly slow, its delay made necessary by the shufflings of an elderly "service" missionary.

"Catastrophe Bonds," I read from my notes, "are issued by special purpose 'reinsurance' companies usually claiming an address in the Cayman Islands or Bermuda. These companies act as agents for actual insurance companies hoping to cover their butts in case of a hurricane or earthquake or something, for which they have issued, blindly, insurance policies to homeowners whose bathroom toilets of fine porcelain straddle sliding joints in the earth's tectonic plates. Most insurance companies would be bankrupted if a major disaster hit," I continued to explain, "because the rich seem oddly attracted to environments which will, note, will in time as a matter of probabilities eventually destroy their blessed mansions. Beaches, mountain tops, forests, penthouses, all will be returned whence it came."

"Cat bonds?"

"Investors buy the bonds hoping no natural disaster will strike over some specific duration, or that a minor disaster, only, occurs below an agreed-upon threshold, in damages to homes or whatever. Then they can collect a return on the bonds with interest, paid by the insurance company. But if a Katrina hits, then the insurance company 'defaults' on the bonds, and the investors are out their cash, screwed. Banks like Goldman Sachs, Lehman Brothers, and so on are [were] active brokers. It's quite a budding little market in the morbid world of insurance, particularly so after your September Nine-Eleven. There are even patents issued for these little bonds." I looked to Nick, and forgot my initial point as we rounded the corner and passed Nordstrom. Ah yes, Ensign Peak Advisors, thank you.

"EPA is a fat cat investor in energy firms, small ones, like DMU, Dakota-Montana Utilities Group, which was then bought by Carlson Capital acting on

behalf of Black Diamond Offshore. And there's Rio Vista, a Texas company; Riata Energy by way of TCW Energy and Asset Management, which also acquired for EPA California's KGen Power Corporation. TCW buys up other stuff on behalf of EPA, like Complete Energy, which has power plants in California, and the Batesville Project, another electricity plant in Mississippi."

"Sounds like Enron, or something."

"JP Morgan and Raytheon are also tied in with EPA. What? And, oh yeah, Ensign Peak was a defendant, alongside Bear Stearns, in a suit brought by, yes, Gay Ol' Enron. Or at least, the 'reorganized debtors' of Enron. Last May a New York judge decided in favor of the defendants, and said that Ensign Peak's purchase of 'collateralized loan obligations', supposed to mature in 2014, could be dismissed as a debt to Enron. Or something like that, the decision is kind of screwy. But Enron, Nick, there's your conspiracy link."

"You want to finish? I'm waiting for the links to come together." A homeless man offered to relieve us of exactly \$2.75. We walked around another, given the probability that at some point one would hit on exactly the amount I carried and deprive me of my excuse and my four dollars and seventeen cents.

"Ensign Peak invests internationally, too." I reeled off something approximating the following: "EPA holds shares in *Industria Macchine Automatiche S.p.A.*, twenty-four million shares of *Societa Finanziaria Macchine Automatiche S.p.A.*, thirty thousand shares in *Tredje Ap – Fonden*, another million shares in *Intesa Sanpaolo S.p.A.* All Italia, you know. And there's *Banca Profilo*, three-hundred thousand shares, *SAIPEM*, two-hundred and fifty thousand aziones, *UniCredit* for a million shares, *SOGEFI S.p.A* for another three-hundred thousand shares.

"Why Italian banks? The Mafia? The Vatican? A global *s.p.e.c.t.r.e.* group? The Templars? Puzzling, huh?" Nick cleared his throat, and looked to me and smirked. He asked about a project that we both knew to be "on hold."

"Oh yes. So, where did the SLOC get their money? Ensign Peak Advisors? Where did the Church get the idea, and the horse-power to set up a firm like that? They already had Deseret Trust, and DMBA, both of which, by the way, are heavily invested in 'mortgage-backed securities.' When the housing markets collapse the Church is going to lose a bundle, were talking billions."

"Oh yeah." I was sure he was thinking about something distant.

"Billions." In fact one of the Corporation's many insurance-financial firms, Beneficial Financial Group, had its financial-strength rating reviewed "with negative implications" in 2007.^a What status Cob investments claimed after the subprime-evaporation of capital in late 2008 remains to be assessed,

^a Deseret News 25 October 2007.

because, of course, corporations sole don't reveal financial information. Patches of information can be salvaged from various sources. For example, Deseret Trust bought all the shares in a particular class offered by Amedica Corporation, a Salt Lake firm whose new vice president of finance had previously served as an internal auditor for Deseret Management Corporation (the holding company for the for-profits controlled by the corporation sole). And Deseret Trust and other financial groups have buried much treasure, even to overflowing, with the likes of Chase Mortgage Finance Corporation, Greenpoint Mortgage Securities, JP Morgan's Mortgage-backed Securities Fund, Wells Fargo's High Yield Bond Fund (invested with other corporate securities), and so on. How much has slipped away? Someone ought to ask. A brief search of the SEC's website also reveals that LDS Church corporations invest with Vanguard Fund's "short term investment grade bonds"; an international stock fund offered by Marshall Investor Services; Strong Capital Management's "high yield fund"; another "International Growth Fund" offered by Goldman Sachs; a similar international fund with William Blair & Co.; and the same with Brandes; and yet another international growth fund offered by Columbia Management Group.

It should be noted that those investments listed above register the Cob entity as a major share holder. I'll not bother with the stated figures in the documents. Is there any truth to these numbers after the melt down of 2008? And I wonder what all that money buys, which Mormons are driven from their ancestral lands and made to work for multinational corporations, or sent to tin mines and paid in coca leaves, or introduced to "free-market" capitalism (i.e., state supported theft) by other devices, as a result of the Church's investment of tithing dollars? Let the dead bury the dead, certainly, and we will loan them money to do it, at a fair interest rate.

You want for bread, for clothing, for education? We have the Perpetual Education Fund which is promoted as something like a student loan service for Mormons in less-developed lands. Yet, the fund itself generates interest, and now at a rumored \$800 million that's a fair bit of interest. And that interest alone is loaned to poor Mormons to attend tech and trade schools, loaned at a rate of interest that calculates to something like eight percent. Is there even a word for this sort of usury? And, here's the kicker: the rate is adjusted for inflation, so if any hyper-inflation happens to devalue the local currency, the Cob will readjust the total amount owed by the debtor to reflect the inflation. As the Cob says, [deleted] you; that is, let our money do the talking. Maybe there's some truth to all the hubbub about "the next global religion."

Corporations sole are, I might point out, not regarded as *non-profits*. They just *are*: are exempt from taxes, from audits, from all the joys of citizenship, apparently. That status encourages all sorts of zany mischief. And there are other investments few people know of, stocks and bonds donated as "tithes"

(the process is streamlined for your convenience). And properties. Most are listed on websites, so I'll not take the space to list them here. But they stretch from Australia to Hawaii to Florida (hence the interest in cat bonds), and these are income producers rather than "sacred" sites like temples and chapels. Temples and chapels too are built as part of a long-term investment strategy where capital is put into real estate (see above), and justified as somehow making the Latter-day Saints more spiritual at the same time.

Who can measure the span of it all? Less constrained by the more risk-averse postures demanded of church trusts and insurance firms, Ensign Peak Advisors would find itself filing with the International Swaps and Derivatives Association in September of 2008 a document concerning investments made in Freddy Mac and Fannie Mae. Later it would file the same for Washington Mutual's Credit Default Swaps. I can't say what any of this actually means, but, Reader, you are invited to call Ensign Peak Advisors at +801-240-3053, to visit or mail inquiries to their offices at 50 East North Temple, RM 1592s, Salt Lake City, UT 84150-4600. I expect they'll be eager to sit ye down, and explain it all to you.

"Where did Ensign Peak get its formation, its guidance? Bain Capital? It was full of Mormons, and some actually moved from one to the other. What if Bain was advising EPA, and EPA was drawing ungodly amounts of money from the Corporation, and Romney saw a chance to fluff up a one-dimensional resume? So he puts in a call to pressure the IOC, and then a word to a few media cronies, say at Bonneville or Clear Channel, and he's off saving the Games. And then he gets ambitions, fed to him by Lardner, or Stirling, or Holla? Save the Olympics, Mitt, and you'll be a ready to save our economy during the next recession. Hail, President Romney."

"Then?" I pointed Nick the way toward the city's best bakery, and thither we walked. The wind was bearing down from the west and we leaned into it.

"Then the Church comes in, with its interest in surrounding downtown properties, after the Olympics there's all this irrelevant junk, and it looks shabby after so much oversized fan fare and tickertape, and Kem Lardner is right there to help. And this where it gets interesting. Lardner actually is the downfall of Romney's future presidential campaign."

"Because of the *Globe* story?"

"No. Because he backs The Gateway. And Nordstrom wants to move, and the Church can't let that happen, or its ZCMI Center becomes rather less valuable. So it buys Crossroads, and pressures the city council, via Zion's Securities, to not rezone. And then Lardner and the Church are at cross-purposes, financially speaking. Both want Nordstrom. So the Church plays its hand, offers to rebuild the entire surrounding area, and who arranges it? Romney puts in a call to Taubman, who then finds that, surprise, Lardner's firm would be best able to manage the development of City Creek Center. I