

## **Pre-War German Gold Bonds – Renewed Hope for Payment 06/15/2015**

There is a group of 85 different issues of old German bonds that were sold to Americans between the years of 1924 and 1930 by the German government and various other entities within Germany. Hundreds of millions of (1920's) dollars were raised from the sale of those bonds which helped the German government become the superpower it is today and helped numerous other German corporate conglomerates come to power in their respective industries as well. To date most of that debt has never been repaid.

All of the 85 bond issues in question were denominated in U.S. gold dollars [i.e. a \$1,000 face value bond represented roughly 54 ounces of gold at approximately \$18.50/ounce], when issued. The bonds each carried interest rates of between 5 1/4% to 7% and were all bearer bonds. Now with over 80 years of accumulated interest on each of the bonds and the price of gold staying consistently over \$1,000 per ounce, many highly respected accounting and actuarial firms have calculated that the average "legal claim value" represented by each \$1,000 bond is now roughly \$3,000,000.

However, over the past several years various U.S. courts have ruled that these "German Gold Bonds" are not enforceable in the U.S. unless the bonds have been "validated". "Validation" is a process detailed in the 1953 treaty ("[The Agreement on German External Debts](#)" otherwise known as "The London Debt Accord") whereby Germany unilaterally mandated that bondholders prove the physical whereabouts of their bearer bonds as of 1945 (8 years prior) before the bonds would be enforceable. This unlawful modification of the original bond contracts was deemed necessary due to an alleged looting of supposedly uncanceled bonds by Russian soldiers at the close of World War II. However, testimony, under oath, by German government officials in a 2010 U.S. Court proceeding ([World Holdings LLC vs Federal Republic of Germany](#)) has confirmed that the looting story was a total fabrication. While it is true that hundreds of thousands of individual German bonds were held in a warehouse in the Russian zone of Berlin between 1945 and 1951, Russia voluntarily returned control over the warehouse and all of its contents back to Germany two years before the Treaty was signed in 1953. German representatives intentionally failed to disclose this fact and led the American congress and president to believe that the bonds were still missing so that the "validation" con could be perpetrated on American bondholders. It was a great way for Germany to tell the world that they were willing to take responsibility for their old debts full well knowing that very few American bondholders could meet the requirements since most held their bearer bonds in safe deposit boxes, under mattresses or in wall safes, none of which could be documented or otherwise proven.

Consequently, the 1953 Treaty, with its unlawful and unnecessary "validation" requirements was signed into law without the consent of any of the individual American bond owners. Since then it has prevented the vast majority of American bondholders from obtaining payments due to them for over 60 years.

Fortunately, however, the discovery and confirmation of this ongoing fraud has now removed any "statute of limitations" issues and opened the door to the filing of claims and suits in every country in the world, including those countries that were not original signers to the 1953 Treaty.

For decades false information has been circulated by agencies of both the U.S. and German governments that has led most to believe that either the statute of limitations had run out on the claims represented by these old German bonds or that the bonds were not collectible because of the "validation" requirements. Consequently the bonds have been bought and sold as nearly valueless "collectibles" for years. Nevertheless, these new findings have now inspired some bondholder groups to pursue ways of getting either congressional or executive action to correct the courts misinterpretation of the Treaty to once again open the door to collection actions through U.S. courts.

Other groups are now exploring ways to monetize or securitize the "legal claims" represented by the bonds while others are now working with foreign governments that are interested in offsetting debts that they owe to Germany using these bonds. Still others are pursuing suits against the U.S. Government under the "eminent domain" laws, suits against successor entities in various foreign jurisdictions, and suits against publicly traded successor corporations that have failed to disclose their contingent liabilities resulting from these old bonds.

Some legal experts suggest that while these actions are in process, with proper legal and accounting disclosures, these old German gold bonds may once again be tradable as viable monetary instruments or be useable as balance sheet assets for corporations or hedge funds with distressed debt portfolios.

At this time there is only one source of information that covers the ongoing developments regarding the nearly \$1 trillion dollars worth of outstanding claims against the German government and other German entities and that is

the "*German Gold Bond - Privileged Information Newsletter*". It is written by one of the world's only remaining experts on the bonds, Mr. Jeffrey Weston. Mr. Weston was the first to expose the truth regarding these bonds in his book "*The German Financial Time Bomb*" and in the documentary he co-produced, "*The Betrayal of the American Investor*", which can now be viewed for free on Vimeo. A number of attempts have been made to stop him from blowing the whistle on this massive fraud but he persists to see that justice is served. He offers, those who are interested, a sample issue of his newsletter which can be viewed at [www.GermanGoldBonds.com](http://www.GermanGoldBonds.com). Mr. Weston has also just announced the upcoming release of his new book "*Detonation- The German Bond Saga Reaches Critical Mass*", which is due out on October 15th, 2015.

In any event, those that own any of these bonds should be sure to hold on to them because the fight to see that bondholders get properly compensated has only just begun. Some say that people should just let the past be the past but Germany rose to be the superpower it is today partially by using the hard earned dollars from nearly a million individual American mom's and pop's that got conned into buying these bonds and a great many of the huge corporate conglomerates in Germany, that trade publicly in the U.S. markets, rose to power the same way. Very few of these debts were ever repaid and investors have been defrauded repeatedly over decades with cover-ups going to the highest levels. German Bond advocates like Mr. Weston maintain that this is wrong and the fight will continue until it is rectified.