



Financial Crisis Report

Written and Edited by David M. Miyoshi

Advancing in a Time of Crisis

Words of Wisdom: “You can never make more money than everyone else by believing and investing in what everybody else already knows” this author

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Except for the Great Depression, we are experiencing the most economically unstable period in the history of the modern world. This period will be marked with extreme fluctuations in the stock, commodity and currency markets accompanied by severe and sometimes violent social disruptions. As is typical of such times, many fortunes will be made and lost during this period. After talking with many business owners, executives, professionals and government officials from around the world, the writer believes that for the financially astute investor, this is a time of unprecedented opportunity given the global trade unbalances and distortions in the commodity and currency markets. The *Financial Crisis Report* is a free compilation of the opinions of David Miyoshi as well as of those advisors he himself subscribes to (with appropriate credits given) on how to benefit during this time of crisis. The writer receives no compensation of any kind from any advisors whose articles or ideas may appear in this report. The reader is welcomed to check on all sources of information mentioned herein. Because the opinions and observations of this writer and other advisors are provided herein without charge, the reader is asked to make his/her own judgment on the contents.

Is Hillary (or anyone else) above the law?



In law school I learned that the rule of law is the principle that law should govern a nation, as opposed to being governed by arbitrary decisions of individual government officials. It primarily refers to the influence and authority of law within society, particularly as a constraint upon behavior, including behavior of government officials.

Rule of law implies that every citizen is subject to the law, including law makers themselves. In this sense, it stands in contrast to an autocracy, dictatorship, or oligarchy where the rulers are held above the law. But unfortunately, the lack of the rule of law can be found in both democracies and dictatorships, for example because of neglect or ignorance of the law, and the rule of law is more apt to decay if a government has insufficient corrective mechanisms for restoring it. Government based upon the rule of law is called *nomocracy* (this sounds like a certain Japanese baseball pitcher is above the law).

But in the last few decades the idea that in America no one is above the law has come under much suspicion. Just look at today’s headlines.

They show that the elite and well-connected in Washington play by a different set of rules.

As a case in point, when testifying before the

Benghazi Select Committee in October of 2015, Hillary Clinton said under oath, “there was nothing marked classified on my emails, either sent or received.”

We now know that statement is patently false, according to the FBI. Sadly, it isn’t the only false statement she has tried to push.

On July 5, 2016 in a press conference FBI Director James Comey laid out a series of egregious failures by then-Secretary of State Clinton in her handling of classified materials. He said she was “extremely reckless” with “very sensitive, highly classified information.”

The FBI investigation also noted that because of this reckless behavior, Clinton’s unprotected server and devices were potentially hacked by governments hostile to the U.S.

The FBI’s findings further show that Clinton falsely testified that her attorneys “went through every single email” looking for work-related content.

Hillary claimed that she only used one server during her time as secretary of State. False again.

A truth that was hidden until now is that the FBI, the Congress and most importantly the American people will likely never have all of Hillary’s work-related emails, because her lawyers “cleaned their devices in such a way as to preclude complete forensic recovery.” As Comey said, it’s likely that “there are other work-related emails that [Clinton’s lawyers] did not produce to State and that [the FBI] did not find elsewhere, and that are now gone.”

Whether through incompetence or willful disregard for security protocol, Hillary Clinton jeopardized national security for personal gain. Despite her statements to the contrary, Clinton sent and received top-secret classified information through her unclassified email system.

But, despite all these findings, Comey inconceivably claimed that the FBI recommend against crim-



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inal prosecution.

WHAT?

In my mind, it was at that moment, when American Justice drew her last labored breath, cursed our beleaguered and hopelessly corrupt government, and collapsed. That was the final and defining blow. Now, people can openly debate without criticism and fanfare whether the wealthiest and most elite and most liberal are indeed above the law and whether the charade of "law" can or should continue. Perhaps we are living under the rule of men, not of law and are subject to the whims of petty tyrants and bureaucrats who are subject to no one on Earth.

The clear message that was sent to all is "politics trumps justice" (no pun intended).

It's disappointing.....but frankly not surprising. We all kind of suspected this is the case.

But now that the "secret" is out that there are people who are, as a practical matter, actually above the law we can now openly review who these people are.

In answer to the question "is there anyone above the law?" Gil Silberman, Founding Partner of Equity LLP writes that there are certain people and groups who have "unique relationships" with the law. Who may they be?

Police, prison guards, prosecutors, judges, the military, and so on have limited rights to do things in an official capacity that would be illegal for others to do.

People who are rich, crafty, secretive, popular, or well-lawyered may have ways to avoid detection for illegal actions, and to escape with less or no consequences when caught.

Children and people of diminished capacity (developmentally disabled, mentally ill, and so on) are not held to contracts, and are considered incapable of certain mental preconditions to various crimes.

People who are unconscious, insane, etc. are not considered capable of understanding criminal proceedings against them or participating in their own defense, so their trial is delayed until and unless they improve, sometimes while being held in a psychiatric institution.

Foreign diplomats generally cannot be tried in the US unless they or their government consent to it (You can tow their illegally parked cars though!).

Various government bodies, agencies, and officials have sovereign immunity.

People who are destitute or bankrupt are judgment proof, there is no point trying to sue them for money.

In cases of corruption, through bribes, favors, family ties, intimidation and so on, lawbreakers may get special treatment from law enforcement, prosecutors, and judges.

Justice may be blind, but society is not. Both personal and institutional racism, sexism, and other forms of bigotry lead to some

groups being treated more leniently than others.

Clandestine / covert / national security operatives often have no oversight, and get away with ignoring or subverting laws.

Carlos Yanez, Retired Attorney, Commissioner and environmental consultant adds his ideas as to who is above the law.

1. Foreign diplomats. Nearly all countries grant foreign diplomats, diplomatic immunity. In the US that means that certain foreign government officials are not subject to the jurisdiction of local courts and other authorities for both their official and, to a large extent, their personal activities. The only recourse is to expel the offending diplomat. His country might charge him or her with something, but the US cannot.

2. The President of the United States. There is a common law concept, "rex non potest peccare" which means the king can do no wrong. As law evolved it was the king to set and interpreted the laws. Therefore the king could not violate any. In the United States this absolute freedom has been limited, but not eliminated. The president, and in fact all government employees cannot be held to answer for violations of law unless there is a specific clause that allows them to be.

3. Judges while in their courtrooms: Judicial immunity is stated as providing "the maximum ability of judges to deal fearlessly and impartially with the public". The justification is as follows: because of the likelihood of innocent individuals being convicted in a court of law under false claims, the "burden" of being subjected to a court of law (a trial) would "dampen" the judges "enthusiasm" or "passion", even if the judge had corrupt or malicious intent. Historically, judicial immunity was associated with the English common law idea that "the King can do no wrong." Judges, the King's delegates for dispensing justice, so the sovereign immunity applies to them also.

So with all these different people who get a pass under the law, it's not really surprising that Hillary got one too. Now, I don't feel so bad.

As my liberal friend told me, just live with it.

Oh, I forgot one other person that is above the law.....O.J. Simpson.

D. Miyoshi

Is your state going to pot?

The Tenth Amendment to the United States Constitution states that the federal government possesses only those powers delegated to it by the United States Constitution. All remaining powers are reserved for the states or the people. The last time I reviewed the Constitution, I didn't see any reference that the federal government controlled marijuana. Therefore, I as-



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sume each state has control over pot.

But just how big is the market for legal pot? A new report by a leading marijuana industry investment and research firm found legal cannabis sales jumped 17%, to \$5.4 billion, in 2015 and they will grow by a whopping 25% this year to reach \$6.7 billion in total U.S. sales.

Why the market is growing

While the drug remains absolutely illegal on the federal level, the tide of public opinion has been moving in favor of legal marijuana for years, according to national polls. A handful of states could become the latest to allow the sale of recreational pot following expected votes in November. Four states already have legalized recreational marijuana, and a total of 23 states have legalized medical marijuana. Well-established medical pot markets in states like California still account for much of the country's legal marijuana sales, but recreational marijuana sales is expected to help fuel the cannabis market's soaring growth over the next few years, says ArcView Market Research. It projects that adult-use pot sales will account for more than half (53%) of the overall market by 2020. That would represent growth of more than 1,150% for recreational sales over the next four years.

But Hold On.

According to Katie Shapiro, although strides have been made on the decriminalization and medical front, the country as a whole is not as close to going to pot as it seems.



Shapiro combed through the laws of the 50 states for a look at what's legal, which could shed insight on when you might be able to partake freely. Her findings seem to indicate the pot revolution will take a bit longer than originally anticipated. Here is a compilation of each state's status on the legalization of marijuana.

Colorado

With recreational marijuana legalized in 2014 and early on medically in 2000, it's basically ground zero of the green rush. The historic Amendment 64 in 2012 made Colorado the first state in the country to regulate weed like alcohol. It's also paving the way on the edibles front -- setting the precedent with stringent regulations continually evolving. Rocky Mountain high, indeed.

Oregon

After years of debate, on election day in 2014 voters said yes to legalization, but it wasn't until October 1, 2015 that adults could purchase a limited amount from a licensed dispensary and grow their own, though edibles are still limited to medical patients and Panic shows.

Washington

Following in Colorado's footsteps, business is booming for both medical and recreational sales in dispensaries across the state. But don't even think about growing your own. Initiative 502, which legalized the recreational market in Washington State, did not include home growing, so it's still a class C felony.

Alaska

Although it was the second state to legalize medical marijuana in 1998, there's still a lot of work to be done on the dispensary front since officially going recreational in 2015. But just last month, the Marijuana Control Board recommended licensed marijuana cafes for smoking on site and rules for regulating the retail market. It's all under review for next year.

District of Columbia

This one's tricky: Initiative 71 legalized possession and cultivation for adults, but doesn't allow sales. A big part of DC is considered federal land, so it has no effect on federal law either. The Marijuana Legalization and Regulation Act of 2015 is in the works, while the medical program is growing and decriminalization now even extends to those under 21.

California

The Golden State was the first to legalize medical marijuana in 1996, but hasn't made much progress since. The Marijuana Policy Project is planning to put the California Marijuana Legalization Initiative on the ballot in 2016. So, it's probably just a matter of time now.



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Connecticut

In 2012, a medical-marijuana program was enacted, protecting patients from prosecution if they have a valid ID card and allowing for up to 2.5oz monthly from a licensed dispensary, with a number of new outlets slated to open in June 2016. Growing your own is prohibited, and possession punishment is a fine of up to \$150.

Delaware

Delaware signed a decriminalization bill into law earlier this year -- the 20th state to do so -- making possession of up to 1oz of marijuana a civil violation punishable by a \$100 fine with no possibility of jail. As of December 2nd, the Delaware Department of Health and Social Services is accepting nonprofit proposals to operate medical dispensaries throughout the state slated to open by fall 2016 -- five years after it was originally legalized.

Maine

Medical marijuana in Maine passed early on (in 1999), with eight dispensaries statewide to serve patients with qualifying conditions. Decriminalization was enacted in 2009, making possession of up to 2.5oz a civil penalty.

Maryland

Originally passed in 2014, improvements were made this year. The requirement that patients had to enroll as guinea pigs in a medical-marijuana research program for access was removed, along with an application for removal of possession misdemeanors from individuals' records.

Massachusetts

Despite going medical in 2012, the first dispensary opened in 2015. The sluggish system now has approved 15 dispensaries for registered patients, who have only been able to apply since October 2014. The Campaign to Regulate Marijuana like Alcohol in Massachusetts is gunning for a ballot position in the Bay State for 2016.

Minnesota

The Minnesota Medical Marijuana Law was enacted in May 2014, and on July 1, 2015 the first medical-marijuana dispensary opened. But it's pretty restrictive, including prohibiting patients from using cannabis flowers in their natural form, aka anything smokable.

New York

As the 23rd state to adopt a medical-marijuana program, it leaves out many a condition, and is awaiting certification from the commissioner of health before implementation.

Online training is mandatory for recommending physicians, and a bill just passed that allows expedited access to some patients -- although they can't even get any before January at the earliest.

Nevada

The medical and regulated dispensary system is just now starting to see implementation, two years after the state passed the laws. The medical law here also includes out-of-state patients as long as they're qualified in their own state. A recreational legalization move failed this year, but is likely to get on the ballot in 2016. Regardless, people will finally be able to enjoy once-illegal substances in Vegas for the first time in history.

Rhode Island

The Rhode Island Legislature didn't vote on the issue this year, but advocacy groups are pushing for the Marijuana Regulation, Control, and Taxation Act for Providence in 2016. Medical marijuana was legalized in 2006, allowing for 2.5oz and 12 plants for home cultivation. Patients with qualifying conditions have access to three dispensaries across the state.

Vermont

No really, it's still not fully legal in Phish-land. In 2015, Senator David Zuckerman introduced S. 95, which would introduce a regulated system and Rep. Chris Pearson introduced an identical bill in the House, laying groundwork for 2016. The medical program continues to develop with four dispensaries statewide -- delivery included!

Arizona

Despite a strong medical program, Arizona has some of the most severe recreational marijuana laws in the country. The Campaign to Regulate Marijuana like Alcohol in Arizona, sponsored by the Marijuana Policy Project, has filed a ballot initiative with the secretary of state awaiting signatures to get on the 2016 ballot.

Georgia

Medical marijuana might now be legal in Georgia, but good luck getting it. "Haleigh's Hope Act" allows only a small percentage of patient's possession of oils containing CBD (cannabidiol) and small amounts of THC, but there's no legal cannabis production or distribution within the state. Lawmakers are already looking at improvements, though.





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Hawaii

Hawaii legalized medical marijuana in 2000, so it's surprising that not much has changed since. The original law permitted patients to grow their own, but not for dispensaries. This year, two medical bills that allow for dispensaries and patient decriminalization were introduced.

Illinois

November 9th, 2015 marked the first day of medical-marijuana sales under the pilot program (which expires in 2017) for 3,300 registered patients at five dispensaries in five cities. Decriminalization continues to struggle though, with convictions resulting in the fifth-highest arrest rate for marijuana possession in the nation.

New Hampshire

A failed decriminalization bill this year still makes possession of up to 1oz punishable by up to a year in jail or a fine of up to \$2,000. It's said to be revisited in January. Although passing in 2013, the state's medical program is just now starting to take registrations for patients' ID cards.

New Jersey

The notoriously dysfunctional medical program was legalized in 2010, but there are still only three operational treatment centers available to patients. A few policy changes on decriminalization and recreational use are under consideration but are slow-moving as well.

New Mexico

This year's election killed a bill that would have decriminalized marijuana. But, it is one of 23 states that has removed criminal penalties for medical patients, who are served by nonprofit producers through the program.

Michigan

With marijuana available to patients but not yet through a dispensary system, Michigan has four bills on deck to expand access, allow extraction-infused products (i.e. edibles), implement a "seed to sale" tracking system, and end prohibition in the Mitten.

Montana

Montana's on the map as one of the only states that has tried to reverse its medical-marijuana program, which was first introduced in 2004. The fight is still stuck in court, but if successful, 75% of current patients would have to grow it themselves or find a free hookup due to a lack of regulation. Given that towns are about 1,000 miles apart that might be tough.

Mississippi

The traditionally conservative state passed a law in 2014 allowing for limited use of high-CBD, low-THC cannabis extracts, but it only protects a small percentage of patients. And who knew: since 1968, Ole Miss has been the sole producer of federally legal marijuana in the United States.

Nebraska

The Nebraska Legislature has adjourned for 2015, and medical-marijuana legislation was left on the table (not, like, literally). However, the state made progress toward legislation up for passage next year, which would allow the seriously ill to use and obtain medical marijuana with the approval of their doctors.

North Carolina

In 2014, a CBD-centered law was enacted but it fails to provide an in-state source for cannabis extracts. This year, a comprehensive medical marijuana bill was put on the ballot for 2016 and would cover most serious conditions along with a system for cultivation, production, and distribution. Some degree of decriminalization treats minor marijuana offenses as traffic violations.

Ohio

On November 3rd, voters said no to the contentious Issue 3, sponsored by Responsible Ohio, which would have legalized marijuana for both medical and recreational use. But a monopoly was at play. Decriminalization is in effect with possession of up to 3.5oz treated as a minor misdemeanor with no threat of jail time.

Missouri

A number of marijuana-policy reform bills across all issues were introduced this year, and all failed. But it's barely decriminalized. In 2014, lawmakers lessened penalties for those possessing up to 10g of marijuana, but that doesn't begin until 2017.

Iowa

There is a law that allows for the use of cannabis extracts that are high in CBD and low in THC to treat severe, debilitating epileptic conditions. In 2013, some lawmakers tried to loosen it, but it didn't pass. And somebody should help this guy!

Oklahoma

"Katie and Cayman's Law" was signed into law this year, allowing access to high-CBD oil for patients with serious seizure conditions, when recommended by a doctor. It's





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very limited, leaving behind patients with other illnesses, and the state is without any regulated mechanism for the production of state-compliant cannabis oil for patients to use.

Tennessee

Last year, a bill was signed that legalized medical-cannabis oil for seizure patients, but it has proved ineffective because it's inaccessible and now requires them to travel between states to obtain -- a federal offense. Lawmakers are expected to discuss a broader medical-marijuana bill for 2016.

Utah

In 2014, a limiting bill was signed into law allowing individuals suffering from intractable epileptic disorders to legally possess and use CBD oils if certified to do so by their neurologists. This year, a bill that would have created a comprehensive medical-marijuana program failed by one vote on the Senate floor.

Virginia

Earlier this year an epilepsy-only medical-marijuana measure was signed into law, but a decriminalization bill was put on hold indefinitely. Maybe it's more progressive neighbor states can help influence further change?

Louisiana

Things are looking up in Louisiana with the passage of two bills in 2015 that reduce penalties for possession and allow the creation of a medical-marijuana program. Marijuana-related incarceration rates are notoriously high, and the medical bill only permits physicians to prescribe, but it's currently prohibited in the state by federal law.

Kentucky

The Bluegrass State is taking small steps toward going green with its new governor acknowledging that "there is unequivocal medical evidence" that medical marijuana is beneficial. A bill was introduced this year without the legislature taking action, but will reappear in 2016.

Pennsylvania

It's been over a year since the Senate first approved medical-cannabis legislation, and it continues to stall. Majority Leader David Reed is a strong supporter in the House, though, and has helped to advance the bill to the floor along with filing a number of amendments as recently as last month. Philadelphia has a decriminalization ordinance replacing penalties for possession of up to an ounce with a

\$25 ticket, but if you're caught under state law, you could face 30 days in jail with a fine up to \$500. Where's the Brotherly Love?

South Carolina

Sponsored by both Republicans and Democrats, the South Carolina Medical Marijuana Program Act was just chatter this year, and tabled until 2016. The Put Patients First Act was also introduced this year -- a more comprehensive attempt to make medical products available to a limited class of patients.

Texas

According to a poll conducted by the University of Texas and the Texas Tribune this year, 68% of the state supports reducing penalties for low-level marijuana possession -- and no, it wasn't all just people from Austin. Turns out, lawmakers are messing with Texas, introducing nine bills for a medical system and decriminalization this year alone. The Compassionate Use Program was signed into law, but is unable to function without changes.

Wisconsin

Nothing's official yet, but Wisconsin is making moves in Madison with both a legalization and a decriminalization bill under consideration for 2016. Think of the benefit to the cheese industry.

Wyoming

A decriminalization bill will defeated this year, but two progressive bills became law in July: one giving the option not to prosecute first-time offenders under the influence of marijuana and the second allowing full usage of CBD oil to treat seizures. But don't even think about packing heat when crossing the border from Colorado.

Alabama

The Yellowhammer State throws down against dope. In 2015, a modest penalty-reduction bill was signed and last year, the CBD-focused Carly's Law passed. Still, possession of just a joint is punishable by up to a year of incarceration. Roll Tide. But don't roll joints.

Arkansas

The new nickname of the "Natural State" clearly doesn't include the cannabis plant, with harsh laws and an extremely high arrest rate for possession. In 2012, 48.56% of voters said yes to a medical-marijuana measure, so the 2016 Arkansas Medical Cannabis Act sounds promising.





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Indiana

Attempts at medical bills this year didn't even receive a public hearing. Nothing to see here, well except for the First Church of Cannabis -- formed under a new religious objections law in the state.

Florida

This state passed a medical CBD law allowing the use of cannabis extracts for qualifying conditions last year, but the Department of Health has faced implementation challenges. The Florida Medical Marijuana Act -- including taxation -- didn't pass earlier this year, but United for Care is working toward a spot on the ballot in 2016.

Idaho

Governor Butch Otter vetoed a limited CBD oil bill without in-state access earlier this year. Yes, that's his real name.

Kansas

Despite a 70% approval rate for medical marijuana, the blue hairs of the state legislature aren't budging, and continue to enforce draconian laws. Two identical bills for a medical-marijuana system failed in 2015.

North Dakota

Marijuana users -- including those using marijuana to treat debilitating pain or the effects of cancer or wood-chipper injuries -- are still branded criminals. The state won't revisit the medical bill that failed this year until 2017.

South Dakota

The Flandreau Santee Sioux Tribe legalized cannabis in June to sell on official lands, making them the first tribe in the nation to do so. But in 2015, no marijuana-policy reform was proposed at all in the South Dakota Legislature.

West Virginia

Bills have been introduced in the West Virginia House every year for the past four years attempting to legalize marijuana for medical use. All failed to advance, and the state won't revisit the issue until 2016.

Well, that's what's happening in our states. Those in certain states who were looking forward to having some raucous pot parties, may have to wait a little longer. But be patient. Like many have said since the 60's "the country is going to pot."

D. Miyoshi

Japan, Land of the Setting Sun?

As a Japanese American, this story saddens me.

Rodney Johnson, Senior Editor of Economy & Markets reported that there's a village in Japan where the dead outnumber the living, and he didn't mean the ancestors in the cemetery. The bodies are dispersed around the small town of Nagoro.

It's a small community of some 35 people, most in their 60s or older. The place is so sparsely populated that the locals consider their 150-plus dead a part of their community.

So they aren't literal dead bodies. Instead, the locals erected scarecrow-like figures in their likeness. Scarecrows fill the schoolhouse whose students long since graduated. They wait by an old bus stop, even though there's no bus to pick them up.

For the residents remaining, they replace the memories of those that have either passed away or simply moved away.

This is a stark example of Japan's most systemic issues.

With all of the economic, social and security problems in Europe and the financial problems in China, the troubles in Japan have been forgotten for the moment. However, their issues may be far greater and there are no obvious no solutions.

Among Japan's biggest problems is a disproportionately large elderly population. That's not going away anytime soon.

The country is in desperate need of an economic upheaval. Yet no matter what Japanese Prime Minister Shinzo Abe does to reform their economy, they only amount to small changes.

The first arrow he fired in his three-arrow approach to revitalize the economy involved printing new yen with abandon. He was trying to push down the value of the currency,





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and it worked like a charm – it drove the currency down by 40%. Japanese companies selling cheaper exports raked in profits.

So far so good – but little of it flowed down to workers.

The second arrow involved a lot of government stimulus spending, like building bridges, tunnels, and earthquake-resistant roads – but the effects on the economy have been modest. Government spending did not lead to a buildup in private investment.

The third and final arrow calls for structural reforms. Those won't happen until Japan stands at the edge of ruin. Changing the way business is done, particularly how companies hire, fire, and interact with workers, seems close to impossible. Total dedication to the company might not be how young Japanese view the system today, but it is certainly how all of the aging professionals who still have jobs see things. It won't matter though. The structural changes won't fix their bigger issues.

For all of the money and effort poured into shaking up the Japanese economy since 2012, the economy fell back into recession at the end of 2014.

The one positive sign was back in May of 2015. Household spending jumped by 4.8% over the previous April. Unfortunately, that was the first positive reading in 14 months!

Japan can't seem to get out of its own way. As of yet, no one has found a solution for the problems that ail them.

25% of its population is over 65. The birth rate remains stuck at roughly 1.4 children per woman of child-bearing age. That number would need to increase to two simply to replace the parents.

In terms of overall population, Japan has been shrinking for years.

In 2014, about one million children were born, but more than a million people died. The country shrank by 268,000 people in 2014, following a decline of 244,000 in 2013. The population has fallen every year since 2004 and shows no signs of stopping anytime soon.

By 2060, research shows the population will have fallen by 30%, while the percentage of people over 65 grows to 40%.

There are no plans of how to handle this eventuality.

The Chief Cabinet Secretary suggested that if the elderly moved out of expensive areas such as Tokyo, and took up residence in remote villages that have been shrinking, the cost of care would decline.

That's a great idea on paper, but in reality few people in their twilight years want to uproot and move to a distant place where they have no relatives or friends. Besides, no one's suggested how to pay for new facilities, staff, and treatments that would be necessary in each town.

Japan technically came out of recession in early 2015, but it is expected to fall back again. However, this break does provide Japan with investments in new opportunities. Such a bright opportunity is the government Feed-In-Tariff program to encourage new investment in solar, wind and biomass including biofuel energy sources. This program is providing a huge lift to these necessary forms of clean energy to power Japan's economy in the face of dwindling sources of fossil fuels. Much profit and gain is expected to flow from these investments in these energy sources of the future.

Beyond that, there's also the opportunity to ride the Japanese stock market higher, since the central bank is buying shares to drive up share prices (for awhile anyway).

But still, more needs to be done to truly fix Japan's core issues. Massive immigration might help, but the Japanese seem to be very anti-immigration.

Many wonder: "What's going to happen to Japan?" The pessimists say if things remain the same, the country will fade from existence. I hope they are wrong.

D. Miyoshi



Making Money in Russia

Making Money in Russia

Many have asked me can we make money in Russia. According to a multitude of financial experts in the not too distant future Russia will control much of the world's energy resources. But is it now time to invest in Russian stocks?

According to Dr. Steve Sjuggerud, of Stansberry Research, in order to make lots of money in the stock market (any stock market), one needs to follow a fundamental rule:

You have to step up and buy what nobody else is willing to buy.

Baron Rothschild famously said "Buy when there's blood in the streets"

Right now, there's blood in the streets – metaphorically, at least – in Russia.

The price of oil (a main source of Russia's revenue) has crashed. International sanctions against Russia due to the conflict with Ukraine are really hurting. Times are getting a bit desperate.

All of this has made Russia the world's cheapest stock market – by far. It's currently trading at a price-to-earnings (P/E) ratio of 4 – about as cheap as valuations ever get.

For your best chance to make hundreds of percent in a stock market, you need to start from "blood in the streets" valuations like we're seeing in Russia today.

If Russia's stock market soars threefold, the P/E of the market would still be cheap by historical standards.

Sjuggerud is confident that he will make a triple-digit return in Russian stocks someday soon.

But he is not buying Russia today.

Why not?

You need a bit more than just blood in the streets...

Sjuggerud looks for three things when he invests. Ideally he wants to buy an investment that is:

- 1) cheap,
- 2) hated, and
- 3) in the start of an uptrend

Today, Russia meets only one out of those three things. (It's cheap.)

You might think Russia is hated as well... but it's not, from an investment standpoint...

Surprisingly, investors have not shied away from Russia. American investors, for example, keep buying more and more Russian shares, even as they keep falling.

The chart below shows the main Russian stock fund RSX. As you can see, the share price is going down. But the shares outstanding of RSX are going up.



Making Money in Russia



Advancing in a Time of Crisis



Financial Crisis Report



David M. Miyoshi is a California attorney with a Martindale-Hubbell AV Preeminent Rating for Attorneys. He earned his Bachelor of Science degree from the University of Southern California, a Juris Doctor degree from the University of California, an MBA degree from Harvard University and an International Graduate degree from Waseda University in Tokyo.

He is Managing Attorney of Miyoshi Law, an International Law Firm where he approaches legal issues through a commercial lens and is a trusted legal and business advisor to his corporate and estate clients. In military service in Vietnam, he led a Combined Action Platoon as an officer in the U.S. Marine Corps and received the Naval Commendation Medal with "Combat V".

He appears in 14 Who's Who publications throughout the world and is listed as a specialist in international business, real estate and estate planning.

Sjggerud doesn't think Russian stocks will bottom until Americans stop buying shares in Russia. He believes the Russian stock market won't bottom out until Americans (and foreigners in general) give up on Russian stocks.

There's another stage that Russian stocks need to hit before the bottom is officially in:

Russia needs to leave the headlines. Russian stocks won't bottom until that happens.

There is a stage that's worse than the "hated" stage – and that's the "apathy" stage.

If you recall the Asian financial crisis in 1997-1998, Asian countries were falling like dominos in slow motion – at a rate of about one per month. Thailand, Malaysia, Indonesia, etc., just kept falling. The news was horrible – and front page – for months.

These markets didn't bottom until they reached the crazy point where there was so much bad news, so consistently, that the bad news was no longer newsworthy anymore.

Asia eventually left the headlines. And that's when the magic finally happened...

Indonesia – for example – fell more than 90% peak to trough in 1997-1998. And then – after everyone forgot about it – it soared more than 400% in less than 12 months.

Russia is cheap today. But its not time to buy yet. Sjggerud's reasons are simple...

Even though Russia seems hated, he believes it's not hated enough yet. Americans are still buying... It's still in the news. And Russian stocks are still in freefall – there's no legitimate uptrend yet.

So right now, Russia has only one of the three criteria going for it... It's cheap. That's it.

Someday soon, we can make triple-digit profits (possibly even hundreds-of-percent profits) from Russia. But the usual script is playing out here...

It's not hated enough... yet, and there's no uptrend... yet.

So even though it's cheap, it's not quite time to buy Russia.

But be patient. There may come that time.

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