

How Modern Finance, Monetary Policy, and Reagonomics Created the Largest Financial Crisis in History and
The New Policy Direction Needed to Rebuild Our Economy

SYNOPSIS

Eye of the Storm takes you to the core of the financial world and explains the dynamics that caused the largest economic crisis in history.

Despite the broad historical and political background and multifaceted circumstances that contributed to and defined the massive crisis we currently face, the linchpin to a resolution is understanding—and ultimately modifying—how the wholesale application of the theories of Modern Finance influenced our entire financial system.

Modern Finance—a rarely discussed phenomenon—supercharged ongoing leveraging, and its mathematical approach to risk dissociated our financial businesses from the real risks in our markets. It enabled harmful institutional transformations in our financial industry while operating with deeply flawed risk management tools for decades.

What got us here goes much deeper than mere lack of capital or regulation. Just as the large banks strayed from their core business—relationship banking—financial markets strayed from their core function—the efficient allocation of risk and capital.

The faster we realize that much of the past two decades' prosperity was not real but created by the multiplication of money, the better. And the more fully we can understand the pervasive influence of Modern Finance within the financial industry and its effects on individual, institutional, and systemic levels, the more effectively we can launch informed government policies to restructure our

banking and financial systems and get them back on track.