

## Billion-Dollar Blunders and Breakthroughs

October 28, 2024

- **In the Hot Seat** – TD Bank, the 10<sup>th</sup> largest bank in the United States, pleads guilty under the Bank Secrecy Act and money laundering conspiracy violations, agreeing to pay \$1.8 billion in penalties. Attorney General Merrick B. Garland states that TD Bank “made its services convenient for criminals.” This is the largest penalty ever imposed under the Bank Secrecy Act (source: Internal Revenue Service).
- **Exceeding Expectations** – Blackstone, an asset management company, beat its third quarter expectations with a record-breaking \$1.1 trillion in assets under management. For the third quarter ended September 30, 2024, Blackstone also cited 6.2% in asset appreciation and distributable earnings per share of \$1.01 (source: Reuters).
- **Fresh Funding** – SoFi Technologies, a fintech company, received \$2 billion in funding from Fortress Investment, a private wealth company, which caused an immediate 9% increase in its stock price on Monday, October 14<sup>th</sup> (source: Yahoo Finance).
- **Get the Checkbook** – Blue Cross Blue Shield, a medical insurance company, agreed to pay a \$2.8 billion settlement, stemming from 2012 antitrust claims alleging that hospitals, physician groups, and other healthcare providers did not receive the proper reimbursement amounts. This payment is the largest in any healthcare antitrust case to date (source: Bloomberg Law News).
- **Seller Stats** – The \*Producer Price Index remained unchanged in September, creating a 1.8% rise since 12-months ago. The 0.2% decline in the final demand goods index offset the 0.2% increase in the final demand services index. Notable movements included a 3.2% increase in final demand less foods, energy, and trade services (source: U.S. Bureau of Labor Statistics).
- **Hard Times in the Hardware Isle** – True Value, a hardware store, has filed for Chapter 11 bankruptcy, which contains an agreement to sell its operations to rival company Do It Best for \$153 million (source: CNN).
- **Steady Subscribers** – Netflix released its third quarter earnings report for the period ended September 30, 2024, citing the addition of 5.1 million streaming subscribers. The subscriber additions resulted in an earnings per share of \$5.40, which is much higher than the forecasted \$5.12 (source: Yahoo Finance).
- **Banks Bounce Back** – Morgan Stanley released its third quarter earnings report for the period ended September 30, 2024, citing a 56% year-over-year increase in investment banking fees to \$1.4 billion. In addition, net revenue was \$15.4 billion, a 16% year-over-year increase (source: Yahoo Finance).

- **Hidden History** – Archeologists discovered 12 full skeletons in a tomb beneath the Treasury, also known as Al Khazneh. The Treasury is a well-known tourist attraction and is the famous landmark in the movie *Indiana Jones and the Last Crusade* (source: National Public Radio).
- **Not a Bad Day** – A ‘Game of Thrones’ auction was one of Heritage Auctions’ most profitable auctions in history, receiving \$21.1 million. The cast from the on-screen throne of swords fetched \$1.4 million alone (source: Artnet).

## Definitions

\*Producer Price Index – This index measures inflation from the seller’s perspective, highlighting the average changes in prices.

## Definitions and Indexes

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