Silicon Valley Bank's Gavin Newsom Loves His Insider SVB Bailout

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CHEERING SILICON VALLEY BANK BAILOUT, GAVIN NEWSOM DOESN'T MENTION HE'S A CLIENT

At least three of the California governor's wine companies are held by SVB, and a bank president sits on the board of his wife's charity and SVB funds his political campaign.

Vivek Ramaswamy tells DailyMail.com Biden has intervened with Silicon Valley Bank to 'pander' to rich Democratic donors - and vows to fire 90% of the Federal Reserve for trying to 'play God'

By Ken Klippenstein

ON MONDAY, California Gov. Gavin Newsom praised the Biden administration's decision to intervene on behalf of Silicon Valley Bank's clients after the bank was taken over by the FDIC on Friday amid a bank run. The White House "acted swiftly and decisively to protect the American economy and strengthen public confidence in our banking system," Newsom said in a statement. What Newsom didn't mention is that it also protected his own companies if they held over $250,000 in deposits.

CADE, Odette, and PlumpJack, three wineries owned by Newsom, are listed as clients of SVB on the bank's website. Newsom also maintained personal accounts at SVB for years, according to a longtime former employee of Newsom's who handled his finances, and who requested anonymity to avoid professional reprisal.

"Governor Newsom's business and financial holdings are held and managed by a blind trust, as they have been since he was first elected governor in 2018," Nathan Click, a spokesperson for Newsom, told The Intercept in an email.

Newsom also didn't mention his wife Jennifer Siebel's professional ties to the bank. In 2021, Silicon Valley Bank gave $100,000 to the charity founded by Siebel, the California Partners Project, at the request of Newsom. John China, president of SVB Capital and responsible for SVB's funds management, is himself a founding member of the California Partners Project's board of directors.

Newsom added on Monday that he had been in close contact with the administration about SVB. "Over the last 48 hours, I have been in touch with the highest levels of leadership at the White House and Treasury," Newsom said of SVB's collapse in a statement released on Saturday. Asked about the nature of the interactions, the governor's deputy communications director Brandon Richards did not respond.

NEWSOM, A MULTIMILLIONAIRE who was a businessman before becoming a politician, has been dogged for years with ethics questions about his corporate holdings. When asked during his 2018 campaign for governor if he would sell his companies, Newsom reportedly replied, "These are my babies, my life, my family. I can't do that. I can't sell them."

Instead, in December 2018, Newsom announced that he would establish the blind trust and give control of his trust to a family friend and attorney, Shyla Hendrickson. Under the arrangement, his sister, Hilary Newsom, retained her role as president of the governor's PlumpJack Group, which includes hotels, wineries bars, restaurants, and liquor stores founded by Newsom.

The move echoed President Donald Trump's decision in 2017 to move his companies into a blind trust that would be run by his sons. Ethics experts criticized the move as misleading, saying it was not meaningfully blind since Trump knew which companies he owned and put his sons in charge of his businesses in his stead. Walter Shaub, then the director of the U.S. Office of Government Ethics, slammed Trump's arrangement as "not even halfway blind."

Newsom also recently came under fire in the California press for allegedly abusing what are called behested payments: donations requested by politicians for any "legislative, governmental or charitable purpose." Though California law stringently regulates campaign contributions and gifts to elected officials, there are no limits on behested payments like the $100,000 donation that Newsom requested from SVB for his wife's charity. Last year, Newsom reported at least $23.7 million in payments to such groups at his behest.

SVB's implosion on Friday represented the second-largest bank collapse in U.S. history and the first since the financial crisis of 2008. Over 90 percent of the bank's depositors have over the $250,000 amount federally guaranteed by the FDIC.

The unmistakable class overtones of a bank whose clientele includes many tech investors — and wineries — has made for a bitter debate over the merits of the intervention.

"There is definitely a class element," economist Dean Baker of the Center for Economic and Policy Research said of the federal intervention in an email to The Intercept. "Look at how easily we can toss tens of millions of dollars at people who couldn't figure out how limits on FDIC deposit insurance work, but the idea of giving $10k in debt relief to a student who might have used bad judgment in taking out a loan when they were 18, gets so many people upset about moral hazard and individual responsibility."

Perhaps no one embodied this contradiction more than Larry Summers, former Treasury secretary and a vocal critic of student debt relief. "This is not the time for moral hazard lectures or for lesson administering or for alarm about the political consequences of 'bailouts,'" he said in a tweet on Sunday.

The bank where no one had a clue: Only ONE member of failed SVB's board had career in investment banking - the rest were Obama and Clinton mega-donors who 'grieved' when Trump won

Just one member of Silicon Valley Bank's board of directors had experience in investment banking, while the others were major Democratic donors, it has been revealed. Tom King, 63, was appointed to the board in September after previously serving as the CEO of investment banking at Barclay's. He has had 35 years of experience in investment banking. But he is the only one on the board with experience in the financial industry, while others are a former Obama administration employee, a prolific contributor to former House Speaker Nancy Pelosi and even a Hillary Clinton mega-donor who prayed at a Shinto shrine when Donald Trump won the 2016 presidential election. The board is now being investigated by federal authorities after it failed to prevent the bank from going under while it was investing clients' money in risky low-interest government bonds and securities. It has previously been accused of being too focused on woke issues.

Billionaire investor Charles Schwab loses $3BN from personal fortune in just THREE DAYS after SVB collapse: GOP donor whose glamorous granddaughter was given job in Trump White House slides down Rich List

Moody's cuts outlook for the entire US banking sector to 'negative' - but troubled regional bank shares surge more than 50% in stunning rebound


The Moody's report on Tuesday morning came even as shares of troubled regional banks jumped after a steep selloff in the prior session, with some rising more than 50 percent.

Meta staff bloodbath continues as Zuckerberg confirms another 10,000 layoffs - 13% of its remaining staff - as he warns 'new economic reality will continue for many years'


Facebook parent company Meta slashed 11,000 jobs in December last year. This morning, the company confirmed another 10,000 would be cut.

Justice Department investigates Silicon Valley Bank's CFO and CEO who cashed out millions in shares two weeks before collapse: Staff slam 'idiotic' leadership

Ousted CEO Gregory Becker and CFO Daniel Beck both sold their shares while panicked customers made a run on the bank before it was seized. The Wall Street Journal today cites law enforcement sources who say those transactions will now be the subject of an investigation, with both Becker and Beck on the line for charges.