

DIVIDENDCAFE | PODCAST TRANSCRIPTION

FRIDAY, SEPTEMBER 12, 2025

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Hello and welcome to this Friday's Dividend Cafe. It is September the 12th, and I have intended all week, and actually I think I began planning this a few weeks ago. To do a 9/11 themed Dividend Cafe today. And that is what I'm gonna do. And it's a little different of a twist than you might be expecting. It's not a regular me memorialization or eulogy around 9/11, the paying respects of those who, whose lives were lost on 9/11 is something I hope we all do a lot, and it's something I've done over the years and I've personally talked about 9/11 in some past Dividend Cafes.

But I have a little different plan for today that's more specific to the economic nature of what I believe was intended in that horrific terror attack. I hesitated a little bit this week to go forward with this theme. The assassination of Charlie Kirk, who some of you may not know who he was, I promise you, if you don't your kids and grandkids likely do, but it was, it is regardless of one's political affiliation regardless of one's personal opinions it was a major event. And there's a lot that can be said about what it's done to my own mood, but also I think the mood. And tenor of the country right now. What it not only is done for it, but what it reflects about it there's also, even apart from that kind of awful tragedy that took place this week there's a lot of other economic news and things that I could do a Dividend Cafe about in the inflation data and the jobs data, the state of the current economy, updated perspective on tariffs.

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There, there's a lot of moving parts right now and some of those things, by the way, I will be talking about on Monday in the Dividend Cafe with some more particular granularity about inflation and so forth. But no as we sit here the day after the 24th anniversary of the 9/11 moment in our country, I do want to go forward with what my planned topic was and I think that there is a vital message.

In better understanding, one element of the 9/11 attacks that is very pertinent to investors, very pertinent to economic actors, that gets to a little bit more philosophical understanding, which was a topic of Dividend Cafe last week. The way we think about our economy itself and our financial markets here in this country.

I talked last week about how we as American investors have had a particular American advantage that is rooted to a distinctly successful implementation of an ideological framework for free enterprise. And part of the secret sauce of America's economic prosperity has been that framework, that commitment to economic philosophy of freedom and opportunity to.

Our also firm and diligent and robust commitment to capital markets, to the financial markets that have undergirded much of our risk taking and opportunity and success. And it's something I study a lot, think about a lot, and frankly, maybe obsessed with, but I believe the 9/11 attackers understood this too.

I don't think that's talked about a lot. I think their blood thirstiness, their hatred for America, obviously the political or religious fanaticism

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that undergirds it, the lack of regard for human life. All of those things are there. And yes, there's a foreign policy story there and there's a geopolitical story there.

And it's, major. But I also believe that understanding the reason the World Trade Center here in Manhattan was particularly targeted is very important. What the 9/11 Jihadists saw as symbolic significance matters to us for reasons I want to get to today in the Dividend Cafe. I recently watched an 18 hour documentary series that I had actually not seen before, even though I've been a bit of a New York history buff for a long time.

But Rick Burns and PBS had done a pretty authoritative like I said, 18 hour documentary series that ended up being seven episodes. On the history of New York City, going back to, the 16th century and then they added an eighth episode all about the trade center. The documentary series initially aired on PBS in 1999, but they ended up adding an eighth episode in the aftermath of the 9/11 attack on the trade center.

And I learned a bit more on the history of it than I knew before. But I think a lot of people know, that it, it was officially dedicated and opened, 1973. But it began construction in 66. But there was a kind of vision for a sort of renaissance downtown in the heart of our financial district.

A kind of urban renewal objective. Involved an awful lot of moving parts and there's a really vast story in the architecture, construction, the politics of it, whatever. I won't get into all of that now, but the

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aftermath of the trade center's construction, it did result in a real significant.

Home for many of our great financial companies and not just in the two twin Towers north and south, but in some of the adjacent buildings that were part of the World Trade Center ecosystem. And from Canner Fitzgerald to Morgan Stanley. I did not do my training into wealth management at Morgan Stanley.

I was recruited to Morgan Stanley away. From another company UBS. And so I'm gonna talk in a moment about me doing this program at UBS in Wee Hawk in New Jersey, across the Hudson River, but Morgan Stanley. Did their training program for new advisors in the trade center and so over the years, I've known a lot of people that had actually entered the business literally from Morgan Stanley's former spot in the Trade Center, but they had a lot of other functions that were done out of their lower Manhattan location.

Solomon Smith, Barney. Was down in the trade center ecosystem, Aon Corp, major, US insurer American Express Fiduciary Trust, credit Suisse, first Boston, Deutsche Bank. I'm doing this from memory, but there, there's, a who's who of a lot of American financial giants that had been down in the trade center.

Literally whether the Twin Towers or the buildings that were part of the center that were lower in elevation. But it doesn't end there because Wall Street in the literal sense of the word, which nobody ever talks about, it literally sits right beneath where the trade center was. And in

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the shadows of this sort of financial district of lower Manhattan you had Goldman Sachs, you had Merrill Lynch, you had.

So many different names, but also you had the actual New York Stock Exchange that is still there now. Back then it was still a very functional building. It's really a museum and TV studio now because of the electronification of trading. But the New York Fed is across the street from there.

If I listed every law firm, small investment bank, what have you, that's down there, it would take all day. This was a capital of American financial markets, and this was all very much by design. There's a visualization, if you close your eyes of American financial markets, that brings one to some form of the trade center or the Twin Towers of Lower Manhattan of Wall Street.

You know these imagery, images, excuse me. Images are powerful and. What we will see from the actual words of the jihadist who perpetrated the 9/11 attack is that they were, for that reason their symbolic and literal role in American financial markets. For those reasons, they were targeted in these terror attacks.

I go through quote by quote in the Dividend Cafe.com today, and I'll do a sort of summary of some of these things here in the video and podcast. But Assam bin Laden said himself in 1996 that they wanted to kill the Americans and plunder their money. We wanted to make them taste the bitter consequences to drain them other money as we had drained Russians before them.

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He went on just to talk about the collapse of the Soviet Union. Happening because of this enormous sums they spent in their war that we had to drain their wealth and resources. And that was used as a parallel multiple times in 1996 and 1998. Fat was from Assam Bin Laden, where he was calling on Jihad Against America, but it was always a jihad based on calling for murder and death.

Also a war of economic attrition. The jihad positioned as an economic affair. We aim to make them pay a heavy price to bleed them to a point of bankruptcy. Just as they plunder our wealth, we shall drain theirs. And again, I'm just giving a couple highlights or lowlights, as the case is. But the, there is literal quotation from these 1996 and 1998 documents.

But bin Laden was off the radar after the 9/11 attack, as he was of course evading capture himself throughout the caves of Torah, Bora. But we ended up hearing from him for the first time, post 9/11, as he released a video. Through Al Jazeera in October of 2004. It largely in an attempt apparently to sway the mid the elections, the presidential election that would be taking place the next week.

He basically sent a video for the first time since 9/11 is a campaign commercial against George W. Bush. But in the course of it he reiterated. Economic nature of these attacks, we continue this policy in bleeding America to point of bankruptcy. This, in addition to having experienced in using gorilla warfare and a war of economic attrition to fight tyrannical superpowers as we, alongside the Mahaine bled Russia for 10 years until it went bankrupt and was forced to withdraw and defeat.

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He taunted the United States and basically referred to their attempt to bait us into wasting money. All that we have to do is send two mohadi to the furthest point east to raise a piece of cloth on, which is written Al-Qaeda to make their generals race. To cause America to suffer human economic and political losses without achieving anything of note for it, other than benefits to their private companies Had a real disdain for America's private enterprise system.

The underlying aim was connected to desire to make America squander economic resources. This had been foreshadowed by Osan bin Laden before the attack and it was reiterated after the attack time and time again. It was blood thirsty and it was murderous, as I have said. But it was not only that it was connected to a specifically economic context of agenda of warfare.

Now Khalid Sheikh Muhammad, who was the actual operational mastermind of 9/11, and for reasons I am unable to personally fathom is still alive. He is imprisoned at Gamo Bay. And there's a number of things that he has said in the aftermath of 9/11. In the. 9/11 commission report.

KSM. I'll say KSM, so I don't have to keep repeating. Khalid Sheik Mohammed KSM had told interrogators and I quote, they long been interested in striking high profile American targets, especially those with economic or symbolic significance. He and Bin Laden had identified the World Trade Center as the symbol of US economic power.

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It was Ks M's. Nephew Ramsey. Yes. Yusef, who my dear friend Andy McCarthy, successfully prosecuted, who had bombed the trade center in 1993. KSM claimed to be motivated by Yusef's conviction that these spectacular attacks would strike at the economic and symbolic heart of the United States. The rhetoric of the 9/11 perpetrators.

Left no ambiguity around their attacks as both violent and economic. They wanted to do economic violence to America, and they wanted to undermine symbols of American prosperity, American economic strength that the Twin Towers represented. My question is, in the course of the loss of human life, we suffered on 9/11.

The economic destruction that was done, the loss of property and the incalculable tragedy that took place for families, friends, loved ones, fallen heroes.

There was significant economic loss for fomented by the attacks. But did they destroy American financial markets? Did they succeed in striking at the heart of our economic system? Did the symbolic value that was embedded in these lower Manhattan buildings undermine did the loss of those buildings undermine capital markets in America?

And the answer, of course, is no. I recall I mentioned that I did my time in Wock, New Jersey, which is just, a very short ferry ride across the Hudson River from Manhattan. It happened to be the location of Payne Weber, which UBS had bought, where they had a kind of whole operational ecosystem.

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And I was there for the whole month of January, 2002, just a few months after 9/11. And me and colleagues would spend many evenings, of course, at the bar, at the hotel after a day of meetings and sessions and whatnot and just talking shop and all that kind of stuff.

We, financial guys love getting together and talking finance. Finance. And I remember meeting someone at the hotel bar. That was not with our group, was not part of UBS, but was a real senior IT executive at a very large financial institution. And one night he spent a couple hours, I didn't talk much at all 'cause I was so absorbed into listening.

I remember this like it was yesterday. I'm not kidding you him walking through what they had done exactly that literally had them on three days later. Ability to trade, ability to transact, ability to function, the sophistication of preparation that took place before the attack without any knowledge of an actual attack, but just the sort of contingency planning and how the mobility dynamism, that, that word sophistication's important here. It's a technology sophistication in a way, but it's fascinating because while American investors and Psyche was incredibly damaged by 9/11. The fact of the matter is that American financial firms and their function in capital markets was not. We kept our stock market closed for three or four, basically three and a half days.

Really four days 'cause it, 'cause if you count the 9/11 day itself. But trading was up and running days later. The need for financial institutions to be a liquidity provider and there was significant need for liquidity provision. I should add the ability to make markets in financial instruments, the capacity for advice and giving around capital allocation

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to governments, to corporations, to institutions, to investors, to businesses.

Absolutely. Uninterrupted asset prices were down, of course the loss of life property tragedy in every sense of the word, but their attempt to undermine American economic power symbolically failed. And you can call it resilience, but it was not surrender. We did not surrender in this key component.

And I think that this is where it's important for me to get to an incredibly important part of American exceptionalism. I'm all for people having different points of passion and priority when they think about what they love most about America. When we look at what is the uniquely American ideal I do believe there is a philosophical exceptionalism.

In our understanding of natural rights, the source of those rights and the relationship of the state to the citizen and how those rights are secured. I do not believe that we are the only free country on earth, but we have been the most prosperous or successful country over the last 250 years as our execution of our application of.

Some of those key founding principles has been so phenomenally wondrous in the lives of communities, families, states, across our great country. You cannot understand. The history of post-industrial Revolution life and post and 20th century life without seeing the way that America's financial markets superior to other global financial markets, helped and coupled to our free enterprise system drove such

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a remarkable result in prosperity, in value creation, in productivity, in economic growth.

Our robust capital markets are the envy of the world. It is absolutely unquestionably important that we protect our capital markets no matter what the temptation is to demonize Wall Street, which largely comes from the ancient sin and still modern sin of covetousness. There are bad financial actors that give a bad name, but the wholesale demonization of private equity, of investment banks, of Wall Street, of market making, of the various elements that help bring capital to ideation, that help bring investment to risk taking.

Are financial markets sophisticated as they may be? Embedded in commercial banking, investment banking, private markets, venture capital. These our, this is a sort of financial habitat that the terrorists were after on 9/11, and I believe that our need to defend our financial markets against internal forces, ideological enemies of capital markets is important.

Just as I believe that our need to continue defending ourselves against external enemies who wish to harm us in our way of life is important. There are people who believe you can have capitalism without capital markets, and you cannot.

The 9/11 terrorists knew this, and I believe that they tried and failed. But those of us who create Wealth Steward Wealth Invest Act purposely for the purpose of producing goods and services. Those of us who engage in the commercial society, involved in acts of investment,

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involves in acts of trade, partnering with others in these types of activities.

We function day-to-day as economic actors when we are investors, when we are entrepreneurs, when we are employees, and we are employers, and we do this because we are striving for a better life for ourselves, for our loved ones, all of that. But we can't ever forget that our way of life involves markets.

And those markets are worthy of being defended. Some people knew this so well, they thought our markets were worthy of being attacked. Thank you for listening, watching reading the Dividend Cafe. Thank you for bearing with me through a, a very difficult week in a lot of ways. And thank you for your ongoing, those of you clients of the Bahnsen Group, your ongoing support, faith confidence.

The way we steward your affairs, utilizing America's robust financial markets as a tool in what we do. It's a great privilege to serve you. Have a wonderful weekend and we'll be back with you. I'll be back Monday for a Dividend Cafe Monday, one day for a Dividend Cafe.