

From: Whitney Tilson

Sent: Tuesday, December 13, 2016 12:15 AM

Subject: Elizabeth Warren Condemns the Wrong Man; why I still support her; Warren's FB post; Susan's email to Warren; my email to Warren's Chief of Staff; Wall Street Wins Again as Trump Picks Bankers, Billionaires

1) In his column in tomorrow's NYT (below), Andrew Ross Sorkin criticizes Sen. Elizabeth Warren for her attack on me in a Facebook post on Dec. 1st:

The hedge fund manager she condemned was Whitney Tilson, who runs Kase Capital. Ms. Warren — the fiery Massachusetts Democrat who is known for her stern mistrust of Wall Street — called him out by saying, “Tilson knows that, despite all the stunts and rhetoric, Donald Trump isn’t going to change the economic system.” Then she added, “The next four years are going to be a bonanza for the Whitney Tilsons of the world.”

There's one rather glaring problem with Ms. Warren's attack: Mr. Tilson happens to be one of the few financial executives who publicly fought Mr. Trump's election and supported Hillary Clinton. A lifelong Democrat who was involved in helping to start Teach for America, Mr. Tilson also happened to be one of the rare Wall Street executives who had donated to Ms. Warren and actively sought new regulations for the industry. Recently, he gave Mrs. Clinton \$1,000 so he could see Ms. Warren speak at a campaign fund-raiser. (He's also far, far from a billionaire.)

“I’ve donated money to her, attended her events, and did everything in my power to stop Donald Trump,” Mr. Tilson told me, talking about Ms. Warren and expressing dismay that he somehow became the target of her derision. “In addition, I agree with her 100 percent that large swaths of the financial industry have run amok and prey on vulnerable Americans, and thus strong regulation, including a muscular [Consumer Financial Protection Bureau](#), is sorely needed,” he said.

Ms. Warren appears to be suffering from the same affliction that Mr. Trump's critics accuse of him: a knee-jerk, fact-free reaction to something she had read in the news.

... When I spoke to Mr. Tilson on Monday, he said he felt that the senator had let him down in two ways: “Personally, I feel betrayed,” he said. “In recent years, I’ve really stuck my neck out by very publicly supporting her, the C.F.P.B., and a tough regulatory approach to banks — none of which wins me many friends — and this is how she repays me.”

Mr. Tilson added: “By engaging in factually incorrect, ad hominem attacks, she’s getting down into the gutter with Trump. This is misguided and counterproductive.

2) In spite of how badly Sen. Warren and/or her staff have handled this – I gave them every opportunity to fix this obvious mistake – I still support her (albeit with somewhat less enthusiasm) for two primary reasons: 1) I think she, far more than Donald Trump, is the true voice for the 60% of Americans whose real incomes today are lower than they were in 2000 (their anger/frustration is understandable; alas, their solution – electing an obvious madman/con man President – is likely, I believe, to make things worse, not better, for them...); and 2) I share her belief that banking should be boring, and that it's insane to allow our financial system to be a highly leveraged casino that preys on average Americans.

I wonder if she'll be smart and gracious enough to sit down with Susan and me so we can put this behind us and figure out how to work together? I'm not holding my breath – I think her fame and power may be going to her head (though I hope I'm wrong – we Democrats need strong, SANE voices now more than ever)...

3) Here's her inaccurate and misguided Facebook post from Dec. 1st (which is still posted [here](#)):

The image is a screenshot of the Facebook profile of U.S. Senator Elizabeth Warren. The profile picture shows her in a red jacket. The page name is "U.S. Senator Elizabeth Warren" with the handle "@senatorelizabethwarren". The post in question is dated December 1 at 4:05pm and is titled "Billionaire hedge fund managers like Whitney Tilson are thrilled by Donald Trump's economic team of Wall Street insiders: 'I think Donald Trump conned [voters]. I was worried that he was going to do crazy things that would blow the system up. So the fact that he's appointing people from within the system is a good thing.'" The text of the post continues: "Tilson knows that, despite all the stunts and rhetoric, Donald Trump isn't going to change the economic system – he's going to tilt the playing field even further for those as the very top. Trump's Treasury pick, Steve Mnuchin, helped peddle the products that led to the 2008 crisis, and then made another fortune aggressively foreclosing on families who were still reeling from the crisis. Mnuchin has already promised to push massive tax cuts for giant corporations and more lenient rules for his old buddies on Wall Street. If Trump gets his way, the next four years are going to be a bonanza for the Whitney Tilsons of the world – at the expense and pain of everyone else. It's up to Democrats to stand up for working families – and they can start by standing up against Steve Mnuchin." Below the text is a video thumbnail showing two men, one of whom is Whitney Tilson. The video title is "Wall Street Wins Again as Trump Picks Bankers, Billionaires" and the description says "Hedge fund manager Whitney Tilson was feeling happy Wednesday morning." The source is cited as "BLOOMBERG.COM". The right side of the page shows a search bar, a link to "http://warren.senate.gov/", and language options.

4) Here's the letter Susan sent her on Dec. 3rd: (I didn't ask her to write it nor did I edit a word of it; it's nice to know that, after 26 years together, my wife still loves me and will fight for me!):

Dear Senator Warren,

I have been one of your biggest fans ever since I was a student in your first Harvard Law School bankruptcy class in the fall of 1992. You deftly energized the entire classroom about a subject that many would find boring, and I marveled at your ability to break down complicated concepts into language that was easy to understand. I have followed your career with pride, cheering from the sidelines as you rose to national attention for your excellent work on behalf of consumers. I read and loved your book, and my husband and I supported your senatorial campaign. We are not Massachusetts residents and could not vote for you ourselves, but we did our best to encourage friends and family who could vote for you to do so. More recently, we donated \$1,000 to Hillary Clinton's campaign just so we could hear you speak at a Women Lawyer's for Hillary event at Skadden, Arps's offices in September. We believe that you are a profoundly intelligent and empathic person who is passionate about making our country better for all Americans.

It is for all these reasons that I cannot shake the deep sense of disappointment that I have been feeling since I read your Facebook post on Thursday, December 1, in which you made highly critical and unfair statements about my husband, Whitney Tilson, without doing any fact-checking whatsoever. First, you called him a "billionaire hedge fund manager," which, I can assure you, is laughably far from the truth. Second, you clearly know nothing about him if you could ever characterize him as being "thrilled" about anything that Donald Trump is doing. In the months leading up to Trump's election, Whitney did little else but use his bully pulpit (through Facebook and vast e-mail lists that he typically uses to share information about investing and education reform, which is his passion) to keep Trump from the Oval Office. The two of us, inspired by your talk at Skadden, even spent a day with friends in Bethlehem, PA, going door to door to register voters for the Clinton campaign. We believe that Donald Trump personifies greed, corruption, and ignorance, and we are deeply dismayed by the reality of his election to the presidency. We have three daughters on the cusp of adulthood, and this is not the world we imagined for them.

That said, the quote you took from the Bloomberg piece as the basis for your rant was meant to be less of a statement in support of Trump's financial picks than one of relief that they weren't worse. Furthermore, if you had read to the end of the article, right before you are quoted, you would have seen the following:

Tilson, who was relieved Trump picked an industry veteran instead of a wildcard, still has concerns, especially because Trump promised to dismantle the Dodd-Frank Act, enacted after the financial crisis almost toppled the global economy.

"I'm a fan of Dodd-Frank, I think banking should be boring," said Tilson, who voted for Hillary Clinton. "I worry about Wall Street returning to being a casino."

Perhaps if you had read all the way through, you would have understood that there was nuance to his statement.

When you post on Facebook, people pay attention. As of Saturday morning at 11 a.m., your unfair and inaccurate post about my husband had over 14,000 likes, 5,922 shares, and 1,155 comments. You owe it to all of us to pick your fights with those who deserve it, and we all know that there are many who deserve it right now.

At a time when the person who is about to be the leader of the free world tells lies almost as frequently as he breathes, the rest of us have to continue to pursue truth and fact. I know you believe that, and that is why I felt I had to write to you to express how saddened I was by your ill-informed post. I expected more from you.

I would encourage you to delete that Facebook post and to get to know my husband for who he is—a man who has railed against the carried interest loophole for years despite it being against his self-interest, a man who co-founded Democrats for Education Reform to try to improve the educational system for all American children, a man who serves on multiple non-profit boards and climbs mountains (literally) to raise money for the causes he believes in, a man who stood directly behind President Obama in support of the Buffett Rule back in 2012. I think you would like him.

Best regards,

Susan Blackman Tilson (HLS '93)

5) After hearing from Warren's Chief of Staff, last Friday, in which he wrote that Sen. Warren decided to only remove the word "billionaire" from her post, I emailed him this reply on Sunday:

Thank you for getting back to me. Unfortunately, removing the word "billionaire" doesn't fix the fact that Sen. Warren's post still totally mischaracterizes what I said in the Bloomberg article and what I really believe.

I hate Donald Trump and his toxic agenda with a passion, and fought with every fiber of my being to stop this racist madman/con man from becoming elected. Thus, the reason I expressed "glee" at him screwing his supporters is that I'm angry with them for electing him so, emotionally, I'm delighted that they're getting their just deserts. More importantly, practically speaking, as he continues to betray his supporters over and over again (coal jobs are NOT coming back; wait until they see what Andrew Puzder has in store for them, etc.), this will hopefully undermine his support, making it: a) more difficult for him to actually implement his agenda; and b) more likely that he'll be a one-term President.

As for being "relieved [that] Trump picked an industry veteran instead of a wildcard," while I share Sen. Warren's concerns about Wall Street insiders like Steve Mnuchin being put in charge of our financial system, after some of Trump's other appointments, I was worried about him making someone like Sarah Palin Sec. of the Treasury.

To be fair and accurate, yet maintain its viewpoint and punchiness, Sen. Warren should change her post to read as follows:

Financial titans are thrilled by Donald Trump's economic team of Wall Street insiders. But despite all the stunts and rhetoric, Donald Trump isn't going to change the economic system – he's going to tilt the playing field even further for those at the very top. Trump's Treasury pick, Steve Mnuchin, helped peddle the products that led to the 2008 crisis, and then made another fortune aggressively foreclosing on families who were still reeling from the crisis. Mnuchin has already promised to push massive tax cuts for giant corporations and more lenient rules for his old buddies on Wall Street.

If Trump gets his way, the next four years are going to be a bonanza for Wall Street honchos – at the expense and pain of everyone else. It's up to Democrats to stand up for working families – and they can start by standing up against Steve Mnuchin.

Should you or Sen. Warren wish to speak with me about this, I'm at (646) 258-0687.

Sincerely yours,

Whitney Tilson

6) Below is the original article that triggered Warren's post.

Elizabeth Warren Condemns the Wrong Man



[Andrew Ross Sorkin](#)

[DEALBOOK](#)

NYT, DEC. 12, 2016

<http://www.nytimes.com/2016/12/12/business/dealbook/elizabeth-warren-whitney-tilson.html>

Senator [Elizabeth Warren](#), furious about President-elect Donald J. Trump's appointments of finance industry insiders, took to Facebook a little over a week ago to fire off a message to her nearly 2.5 million followers.

She took aim at an individual she described as a “hedge fund billionaire” who is “thrilled by Donald Trump’s economic team of Wall Street insiders.”

The hedge fund manager she condemned was Whitney Tilson, who runs Kase Capital. Ms. Warren — the fiery Massachusetts Democrat who is known for her stern mistrust of Wall Street — called him out by saying, “Tilson knows that, despite all the stunts and rhetoric, Donald Trump isn’t going to change the economic system.” Then she added, “The next four years are going to be a bonanza for the Whitney Tilsons of the world.”

There’s one rather glaring problem with Ms. Warren’s attack: Mr. Tilson happens to be one of the few financial executives who publicly fought Mr. Trump’s election and supported Hillary Clinton. A lifelong Democrat who was involved in helping to start Teach for America, Mr. Tilson also happened to be one of the rare Wall Street executives who had donated to Ms. Warren and actively sought new regulations for the industry. Recently, he gave Mrs. Clinton \$1,000 so he could see Ms. Warren speak at a campaign fund-raiser. (He’s also far, far from a billionaire.)

“I’ve donated money to her, attended her events, and did everything in my power to stop Donald Trump,” Mr. Tilson told me, talking about Ms. Warren and expressing dismay that he somehow became the target of her derision. “In addition, I agree with her 100 percent that large swaths of the financial industry have run amok and prey on vulnerable Americans, and thus strong regulation, including a muscular [Consumer Financial Protection Bureau](#), is sorely needed,” he said.

Ms. Warren appears to be suffering from the same affliction that Mr. Trump’s critics accuse of him: a knee-jerk, fact-free reaction to something she had read in the news.

In this case, Ms. Warren seems to have come across a Bloomberg News article that includes some quotations from Mr. Tilson. But she didn’t read to the bottom or dismissed it before firing off her zingers.

[In the article](#), Mr. Tilson had said, “I think Donald Trump conned them,” in reference to voters. “I worried that he was going to do crazy things that would blow the system up. So the fact that he’s appointing people from within the system is a good thing.” (He even said he took “glee” in voters’ anger over that.)

The part Ms. Warren may have missed toward the bottom was this: “I’m a fan of Dodd-Frank, I think banking should be boring,” he was quoted as saying, where he was also identified as a Clinton supporter. “I worry about Wall Street returning to being a casino.”

In fairness, depending on how you look at the situation, it is possible some readers and supporters of Ms. Warren will give her kudos for criticizing one of her own well-heeled donors. “She can’t be bought,” might be a generous way to consider the situation. But even a quick Google search of Mr. Tilson’s involvement in the recent political discourse over financial reform would reveal what he clearly meant by his quotation: that he was nervous about Mr. Trump appointing reckless and uninformed people to guide financial policy and that he was heartened that he had not.



Whitney Tilson, who runs Kase Capital, was criticized in a recent Facebook post by Senator Warren.

As Ms. Warren has made clear, she abhors the idea of anyone who has worked in the financial industry working in government on policy that could affect the economy and Wall Street. This column has covered what I've described as her misguided view.

That's not to say any administration wouldn't benefit from bringing in some outsiders who could offer new and different perspectives, but that can't be a qualifying measure. The next time you need heart surgery, do you want to go to a heart surgeon or a psychologist?

In fairness, Ms. Warren's ambitious efforts to overhaul [financial regulation](#) are not without merit: There are large parts of the Dodd-Frank Act that have done a ton of good to protect the American public. She played a hugely important role recently in grilling the chief executive of Wells Fargo about his bank's sham-accounts scandal, and her questioning appears to have helped bring about his resignation. And at a time when one party is in power — in this case, the Republicans — Ms. Warren's position is even more important to help hold our leaders accountable.

However, her ad hominem attack on Mr. Tilson only serves to undermine her credibility and some of the good work she wants to achieve.

To make matters worse, Mr. Tilson's wife, Susan Blackman Tilson, was one of the students in the first Harvard Law School bankruptcy class that Ms. Warren taught, in fall 1992. The student has remained loyal to her professor; Mrs. Tilson wrote in a letter to Ms. Warren last week that she had been "cheering from the sidelines as you rose to national attention for your excellent work on behalf of consumers."

Both of the Tilsons sent letters to Ms. Warren last week, which they shared with me, seeking to set the record straight and asking her to remove her Facebook post.

The response? An aide emailed them: “She asked me to relay to you that she is removing the word ‘billionaire’ from the post, as you have indicated that is factually inaccurate. The senator has decided, however, not to remove the overall post.”

A spokesman for Ms. Warren declined to comment on the exchange.

When I spoke to Mr. Tilson on Monday, he said he felt that the senator had let him down in two ways: “Personally, I feel betrayed,” he said. “In recent years, I’ve really stuck my neck out by very publicly supporting her, the C.F.P.B., and a tough regulatory approach to banks — none of which wins me many friends — and this is how she repays me.”

Mr. Tilson added: “By engaging in factually incorrect, ad hominem attacks, she’s getting down into the gutter with Trump. This is misguided and counterproductive.”

Despite all of that, he said, “I still support her because I share her belief that banking should be boring.”

Naturally enough, he added, her Facebook post, coupled with her response, “certainly reduces my enthusiasm for her.”

The original Bloomberg article that Sen. Warren was reacting to:

Wall Street Wins Again as Trump Picks Bankers, Billionaires

by Max Abelson

November 30, 2016 — 1:49 PM EST November 30, 2016 — 4:51 PM EST

<https://www.bloomberg.com/news/articles/2016-11-30/wall-street-wins-again-as-trump-chooses-bankers-and-billionaires>

- Mnuchin would be third Goldman Treasury secretary since 1990s
- ‘I think Donald Trump conned them,’ says hedge fund manager

Hedge fund manager Whitney Tilson was feeling happy Wednesday morning.

After Donald Trump ridiculed Wall Street on the campaign trail, the President-elect tapped former Goldman Sachs Group Inc. executive Steven Mnuchin to be his Treasury secretary and billionaire investor Wilbur Ross to lead the Commerce Department. Trump [even met](#) with Goldman Sachs President Gary Cohn inside Trump Tower.

It would suit Tilson just fine if voters who backed Trump because he promised to rein in Wall Street are furious now that he’s surrounding himself with bankers and billionaires.

“I can take glee in that -- I think Donald Trump conned them,” said Tilson, who runs Kase Capital Management. “I worried that he was going to do crazy things that would blow the system up. So the fact that he’s appointing people from within the system is a good thing.”

Goldman Alums

If Mnuchin becomes Treasury secretary, he’ll be the third Goldman Sachs alum in three decades to get the job. As Trump switches from using Wall Street as a punching bag to a [farm team](#), bank stocks are roaring and executives and investors are sighing with relief. They’re not too worried about fury from Trump’s voters.

“Some say that those who elected him may be disappointed in some way,” said Scott Bok, who heads boutique investment bank Greenhill & Co. “But I think all those people want is a stronger economy. If tax cuts and infrastructure spending get them that, I think they’ll be happy.”

Mnuchin, 53, the son of a Goldman Sachs partner, [thrived](#) at the institutions Trump mocked during the campaign. He was tapped into the Skull and Bones secret society at Yale, joined the bank and became a top executive, ran a hedge fund and invested in Hollywood blockbusters. When he saw TV news shots of customers lined up outside a branch of California bank IndyMac trying to pull their money in 2008, he spotted an opportunity.

“I’ve seen this game before,” he recalled saying in an interview earlier this year. “This bank is going to end up failing, and we need to figure out how to buy it.”

Mnuchin gathered billionaires including George Soros and John Paulson and assembled a \$1.6 billion bid to buy IndyMac. They rebranded it OneWest and sold the bank in August 2015 for \$3.4 billion. It carried out more than [36,000 foreclosures](#) during Mnuchin’s reign, according to the nonprofit California Reinvestment Coalition, which accused OneWest of shoddy foreclosure practices and avoiding business in largely black or Latino neighborhoods, claims the bank has denied.

‘Mission Accomplished’

Former Minnesota Governor Tim Pawlenty, a Republican who leads the Financial Services Roundtable, a bank lobbying group, thinks any rage over Mnuchin’s pedigree will fade if he does his job well. “If those results are really good for everyday Americans, it will be ‘mission accomplished,’” Pawlenty said. “The public’s focus will soon shift.”

On Wednesday morning, as a former Goldman Sachs executive was getting into his car in the suburbs to drive into New York, he said he was relieved by the Mnuchin [news](#). The executive, who asked for anonymity to talk politics, brushed aside a question about populist fury over Trump’s Wall Street picks by saying a blue-collar high school graduate wouldn’t belong at the head of the Treasury Department.

Shares of all the big Wall Street firms climbed Wednesday, with Goldman Sachs rising 3.6 percent, the best performance in the Dow Jones Industrial Average.

Bank Bashing

Another former Goldman Sachs banker, SkyBridge Capital founder Anthony Scaramucci, is said by analysts to be under consideration for a job as a top Treasury deputy. He's well known for once asking President Barack Obama when he'd stop bashing Wall Street. Stephen Bannon, Trump's chief strategist, worked at Goldman Sachs, too.

Tilson, who was relieved Trump picked an industry veteran instead of a wildcard, still has concerns, especially because Trump promised to dismantle the Dodd-Frank Act, enacted after the financial crisis almost toppled the global economy.

"I'm a fan of Dodd-Frank, I think banking should be boring," said Tilson, who voted for Hillary Clinton. "I worry about Wall Street returning to being a casino."

Massachusetts Senator Elizabeth Warren is worried, too. "Mnuchin is the Forrest Gump of the financial crisis -- he managed to participate in all the worst practices on Wall Street," the Democrat said in a statement. "His selection as Treasury secretary should send shivers down the spine of every American who got hit hard by the financial crisis."

From: Whitney Tilson

Sent: Wednesday, December 14, 2016 11:26 AM

Subject: In Warren, some are seeing shades of Trump's antics; Liz losing her grip after Dems' losses; Elizabeth Warren Is Sorry She's Not Sorry For Accidentally Trashing Her Biggest Fan

Andrew Ross Sorkin's [column](#) in yesterday's NYT has been picked up by the Boston papers and elsewhere (see attached and below).

Don't worry about us -- we're sort of having fun with our brief moment of fame, and it's heartening to receive so much support from family, friends, email acquaintances, and total strangers via email, Facebook, etc.

But I am concerned that, in making Sen. Warren, one of the most powerful progressive voices in the country, look bad, this incident is undermining the issues Susan and I believe in. Hopefully we will have the opportunity to sit down with her so we can put this behind us and figure out how to work together.

1) The Boston Globe interviewed me yesterday and ran the story on the front page of today's paper (attached):

A little over a week ago, a powerful politician read something disagreeable in a news article, logged on to social media, wrote a post blasting a private citizen, and sent it to millions of loyal followers.

The politician wasn't Donald Trump. It was Elizabeth Warren.

And the private citizen, a wealthy hedge fund manager named Whitney Tilson, is going public with his belief that Warren misunderstood the comments he made to a Bloomberg News reporter that prompted the Facebook denunciation from the liberal Massachusetts senator.

Tilson is, it turns out, an outspoken critic of president-elect Trump and a big fan of Warren's — and, according to him, one of the few people on Wall Street who agree with much of what she says.

"I wasn't surprised at all about her views on the financial industry and about Donald Trump. I was shocked that she was using me as an example, given that she had obviously completely misread the article and what my views really are, 'cause my views are the same as hers," Tilson said in an interview with the Globe.

Warren's critics see the dust-up with Tilson — which got a very public airing in a prominent New York Times business column Tuesday — as an example of the progressive champion's occasional tendency toward ideologically driven impulsiveness.

... Tilson, who runs a hedge fund called Kase Capital, said that Warren's reading of what he said was so off base that he sort of chuckled when he read it. He had donated \$2,500 in 2012 to Warren's campaign, and more recently he and his wife gave \$1,000 in order to see Warren speak at a Hillary Clinton fund-raiser in New York. He also spoke out forcefully against Trump throughout the campaign.

... Even Tilson is reluctant to completely criticize Warren's instincts in attacking him.

"I think being a bit of a bomb-thrower is a good and healthy thing," said Tilson. "But you have to be clever . . . and pick your battles wisely."

That includes her efforts to prevent a revolving door between Wall Street and the federal government. He agrees with the goal, generally, but "she's too dogmatic about it," Tilson said. "She should have been doing handsprings that someone like Antonio Weiss would be brought into the administration. He and I are about her only two supporters in the financial industry and we're the two she's choosing to take shots at."

2) The Boston Herald also ran this op ed:

U.S. Sen. Elizabeth Warren is coming unglued. Maybe it's the looming inauguration of President-elect Donald Trump. Or maybe it's the realization that had she — rather than a 75-year old socialist — challenged Hillary Clinton in the Democratic presidential primary season, her party could have had a different nominee.

Whatever the reason, the post-election weeks have not been kind to the former Harvard professor. Consider the most recent head-scratcher. On Monday night, The New York Times published a lengthy story about the Massachusetts senator taking to Facebook to blast a "hedge fund billionaire" who she accused of being "thrilled by Donald Trump's economic team of Wall Street insiders."

As the Times noted, there are several major problems with this attack. First, the target of her ire, Whitney Tilson, is not a billionaire. Second, he was not a Trump supporter. He's actually a longtime and extremely generous donor to the Democratic National Committee and such candidates as Barack Obama, Joe Biden, John Kerry, Hillary Clinton and, you guessed it, Elizabeth Warren.

Adding insult to injury, Tilson's wife was a student in Warren's classroom in Cambridge in the early 1990s, according to the Times. When both Tilsons reached out to Warren to notify her of the error, she responded, via an aide, to let them know they would remove the word "billionaire" from the post.

The Facebook fiasco is only one in a litany of Warren's recent missteps.

3) Vanity Fair also ran a story about it:

Senator [Elizabeth Warren](#) is not a fan of **Donald Trump** and she's not a fan of Wall Street getting rich at the expense of ordinary Americans. So the fact that Trump was elected president of the United States *and* has spent the last month stocking his closest circle not just with people from Goldman Sachs but a Goldman alum who made millions running a "[foreclosure machine](#)" has left her feeling a little bit salty. She understandably [unleashed some serious shade](#) on **Steven Mnuchin** upon the announcement that he'll be running Treasury, and she's generally—and with good reason!—been slamming Trump for appointing his corporate-world buddies to Cabinet positions for which they appear wholly unqualified ([unless being super rich is a qualification](#)).

Warren, in other words, is in her groove. So when she read [an article](#) quoting a hedge-fund manager named **Whitney Tilson**, who said he took some "glee" in Trump having "conned" his supporters by trashing Wall Street on the campaign trail and then inviting Wall Street right into his administration, [it was off to the races](#). She fired up her Facebook account and tapped out a post scorching Tilson as a "hedge fund billionaire" who is "thrilled by Donald Trump's economic team of Wall Street insiders," adding, "The next four years are going to be a bonanza for the Whitney Tilsons of the world." What the screed didn't take into account was that:

Why did Warren blast a hedge fund manager who has criticized Trump?

[The title of the article on the front page of the Boston Globe was: *In Warren, some are seeing shades of Trump's antics*]



Senator Elizabeth Warren.

By Victoria McGrane Globe Staff December 13, 2016

<https://www.bostonglobe.com/news/politics/2016/12/13/why-did-elizabeth-warren-blast-hedge-fund-manager-who-has-criticized-donald-trump/L7pMHqUf6p2b45cyCQhTXJ/story.html>

WASHINGTON — A little over a week ago, a powerful politician read something disagreeable in a news article, logged on to social media, wrote a post blasting a private citizen, and sent it to millions of loyal followers.

The politician wasn't Donald Trump. It was Elizabeth Warren.

And the private citizen, a wealthy hedge fund manager named Whitney Tilson, is going public with his belief that Warren misunderstood the comments he made to a Bloomberg News reporter that prompted the Facebook denunciation from the liberal Massachusetts senator.

Tilson is, it turns out, an outspoken critic of president-elect Trump and a big fan of Warren's — and, according to him, one of the few people on Wall Street who agree with much of what she says.

"I wasn't surprised at all about her views on the financial industry and about Donald Trump. I was shocked that she was using me as an example, given that she had obviously completely misread the article and what my views really are, 'cause my views are the same as hers," Tilson said in an interview with the Globe.

Warren's critics see the dust-up with Tilson — which got a very public airing in a prominent New York Times business column Tuesday — as an example of the progressive champion's occasional tendency toward ideologically driven impulsiveness.

Andrew Ross Sorkin, the Times columnist who featured Tilson's saga, accused Warren of displaying behavior that resembled that of Trump's social media outbursts, with what the columnist called her "knee-jerk, fact-free" response to a news story.

"She has a tendency to shoot first and ask questions later," said Mark Calabria, director of financial regulation studies at the libertarian think tank, Cato Institute, who shares Warren's skepticism of giving Wall Street insiders plum government jobs but doesn't see eye to eye with her on most policy issues.

"The attack seems gratuitous. She appears to be equating rich with evil," said Jeffrey M. Berry, a political scientist at Tufts University. He predicted the hubbub wouldn't hurt Warren's image, since she's beloved by those who love to see folks lash out at Wall Street, "but she could have thrown darts at half the addresses in Greenwich, Conn., and come up with better targets than Mr. Tilson."

The spark of this fight was a Nov. 30 Bloomberg article on Trump's emerging choice of Wall Street bigwigs for prominent administration posts, teeing off the news that he had tapped former Goldman Sachs trader Steven Mnuchin to run the Treasury Department. The article prominently featured Tilson, quoting him in the opening paragraphs as saying he can "take glee" at Trump's supporters being angry that the president-elect is stocking his Cabinet with rich Wall Street types.

"I think Donald Trump conned them," the article quotes Tilson saying of Trump's supporters. "I worried that he was going to do crazy things that would blow the system up. So the fact that he's appointing people from within the system is a good thing."

The next afternoon, Warren let loose. "Hedge fund managers like Whitney Tilson are thrilled by Donald Trump's economic team of Wall Street insiders," she wrote to her more than 2.4 million Facebook followers, quoting from the Bloomberg article. "If Trump gets his way, the next four years are going to be a bonanza for the Whitney Tilsons of the world — at the expense and pain of everyone else."

Tilson, who runs a hedge fund called Kase Capital, said that Warren's reading of what he said was so off base that he sort of chuckled when he read it. He had donated \$2,500 in 2012 to Warren's campaign, and more recently he and his wife gave \$1,000 in order to see Warren speak at a Hillary Clinton fund-raiser in New York. He also spoke out forcefully against Trump throughout the campaign.

Tilson tried to explain later to Warren's chief of staff that he meant he was angry at those voters who supported Trump so was taking pleasure that they were getting what he considered their just deserts. And the Bloomberg article clarified further down in the story that Tilson's praise of Mnuchin and other Cabinet choices was an expression of relief that Trump didn't name completely unqualified picks for important economic policy posts.

The Bloomberg article also noted Tilson's support for the Dodd-Frank financial law.

Tilson is also an outspoken education reform advocate who supports charter schools. A group he cofounded, Democrats for Education Reform, spent \$500,000 to try to sway Massachusetts voters to support a ballot measure allowing more charter schools, a question Warren opposed.

Tilson's wife, Susan, who in 1992 was a student in Warren's first-ever Harvard Law bankruptcy class and considers herself one of Warren's biggest fans, was not amused at her eruption.

She wrote Warren an e-mail expressing disappointment in the "inaccurate" Facebook post and asked the senator to delete the post and take some time to get to know her husband. "I think you would like him," she wrote.

In response, Warren's staff told the Tilsons they would delete the description of Tilson being a billionaire, but otherwise leave it as-is.

A Warren aide told the Globe that while Tilson and the senator agree on some things, she finds it unsettling he would be happy that the American people were "conned" by Trump and his economic promises. The aide also said Warren strongly disagrees with Tilson's praise of the appointments of Wall Street insiders to key positions.

Certainly being a Democratic donor or expressing support for Dodd-Frank hasn't shielded others from Warren's ire, particularly when it comes to her focus on who is getting key economic policy positions.

Most famously, the Massachusetts liberal sunk the nomination of Antonio Weiss, an investment banker who was also described by allies as a progressive Democrat, after President Obama named him as his pick to be a top official at the Treasury Department. After he withdrew his name from consideration for that job, Weiss joined the department as an adviser to the secretary.

Warren was also involved behind the scenes in helping scuttle the candidacy of Larry Summers — another longtime Democrat who professed support for Dodd-Frank, but one with less progressive economic views than Warren — to be Obama's nominee for Federal Reserve chairman.

When it comes to her signature issues, Warren has been known to use her megaphone to criticize people who are hardly household names. In September 2015, she publicly challenged economist Robert Litan and the highly regarded think tank he was associated with after he gave testimony in a congressional hearing critical of a financial rule she supports.

Warren charged that Litan's research had been done at the behest of financial interests opposed to the rule who funded his report. Her complaints about the conflict of interest ultimately led Litan to resign his "nonresident" position at the Brookings Institute, even though he considered Warren's criticism largely unfair. He, too, is on the record supporting many of the financial changes Warren has championed, including the creation of the Consumer Financial Protection Bureau.

Litan declined to comment for this article, noting his past experience.

To be sure, many on the left think Warren's style is exactly what Democrats need, particularly in the era of Trump.

“Senator Warren is one thousand percent right. Donald Trump is betraying his own voters by appointing Wall Street elites and billionaires who will fight for big corporations at the expense of working families,” said Adam Green, cofounder of the Progressive Change Campaign Committee.

Even Tilson is reluctant to completely criticize Warren’s instincts in attacking him.

“I think being a bit of a bomb-thrower is a good and healthy thing,” said Tilson. “But you have to be clever . . . and pick your battles wisely.”

That includes her efforts to prevent a revolving door between Wall Street and the federal government. He agrees with the goal, generally, but “she’s too dogmatic about it,” Tilson said. “She should have been doing handsprings that someone like Antonio Weiss would be brought into the administration. He and I are about her only two supporters in the financial industry and we’re the two she’s choosing to take shots at.”

Nicole Hernandez of the Globe staff contributed to this report. Victoria McGrane can be reached at victoria.mcgrane@globe.com. Follow her on Twitter [@vgmac](https://twitter.com/vgmac).

Liz losing her grip after Dems’ losses

Colin Reed Wednesday, December 14, 2016

http://www.bostonherald.com/opinion/op_ed/2016/12/reed_liz_losing_her_grip_after_dems_losses

U.S. Sen. Elizabeth Warren is coming unglued. Maybe it’s the looming inauguration of President-elect Donald Trump. Or maybe it’s the realization that had she — rather than a 75-year old socialist — challenged Hillary Clinton in the Democratic presidential primary season, her party could have had a different nominee.

Whatever the reason, the post-election weeks have not been kind to the former Harvard professor. Consider the most recent head-scratcher. On Monday night, The New York Times published a lengthy story about the Massachusetts senator taking to Facebook to blast a “hedge fund billionaire” who she accused of being “thrilled by Donald Trump’s economic team of Wall Street insiders.”

As the Times noted, there are several major problems with this attack. First, the target of her ire, Whitney Tilson, is not a billionaire. Second, he was not a Trump supporter. He’s actually a longtime and extremely generous donor to the Democratic National Committee and such candidates as Barack Obama, Joe Biden, John Kerry, Hillary Clinton and, you guessed it, Elizabeth Warren.

Adding insult to injury, Tilson’s wife was a student in Warren’s classroom in Cambridge in the early 1990s, according to the Times. When both Tilsons reached out to Warren to notify her of the error, she responded, via an aide, to let them know they would remove the word “billionaire” from the post.

The Facebook fiasco is only one in a litany of Warren’s recent missteps. She made headlines for being at odds with President Obama and the all-Democratic Massachusetts congressional delegation on popular legislation to fund medical research and addiction treatment.

Even in this era of hyper-partisanship, the bill, known as the “21st Century Cures Act,” passed 94-5 in the Senate and 392-26 in the House. In Massachusetts, the job-creating biotechnology and medical

device industries, as well as leading advocates for addiction treatment, threw their enthusiastic support behind it.

Warren's fellow Massachusetts Democrat, U.S. Sen. Ed Markey, declared the "funding will provide hope to the individuals and families suffering with addiction."

None of this was good enough for Warren, whose loud opposition caused an alarmed Obama White House to reach out to the uber-popular Gov. Charlie Baker for a bipartisan public endorsement, which they received.

Warren has never let the absence of facts get in the way of a good political attack, but this tactic has backfired of late. During a recent CNN appearance, Anderson Cooper pointed out "there's no evidence" to support Warren's accusation that incoming top White House aide Steve Bannon is a "white supremacist." Other than an irritated eye roll and audible sigh, Warren had no rebuttal to Cooper's interjection.

Incredibly, Warren also became a leading advocate for shutting down the government in a dispute over health insurance and retirement benefits for coal miners.

Surely she must have a short memory about an issue that arose during her 2012 Senate campaign.

It was disclosed that during the 1990s, Warren represented the conglomerate LTV Steel as it fought requirements to pay millions of dollars toward, yup, you guessed it again, health care benefits for retired coal miners. It would be difficult to fathom a more compromised messenger on benefits for coal miners.

Even Warren's simple act of cutting a check for a fellow Democrat running for U.S. Senate in Louisiana didn't go off without a hitch, as the candidate, who was running as a pro-gun, pro-life Democrat, was forced to answer why he was being supported by the ultra-liberal Warren.

As a leaderless Democratic Party seeks a path out of the wilderness, Warren is clearly trying to fill the power vacuum. But in politics, timing is everything. Warren's best chance to take over was *before* a serious challenger emerged to take on the fatally flawed Hillary Clinton.

Now, her odds of leading the party may be even longer than getting another check from Whitney Tilson.

Colin Reed is the executive director of America Rising, a Republican communications Super PAC.

Oops

Elizabeth Warren Is Sorry She's Not Sorry For Accidentally Trashing Her Biggest Fan

Hedge-fund manager Whitney Tilson still supports Warren, though he is slightly less enthusiastic now.
by

- [Bess Levin](#)

December 13, 2016 1:26 pm

<http://www.vanityfair.com/news/2016/12/elizabeth-warren-whitney-tilson>

Senator [Elizabeth Warren](#) is not a fan of **Donald Trump** and she's not a fan of Wall Street getting rich at the expense of ordinary Americans. So the fact that Trump was elected president of the United States *and* has spent the last month stocking his closest circle not just with people from Goldman Sachs but a Goldman alum who made millions running a "[foreclosure machine](#)" has left her feeling a little bit salty. She understandably [unleashed some serious shade](#) on **Steven Mnuchin** upon the announcement that he'll be running Treasury, and she's generally—and with good reason!—been slamming Trump for appointing his corporate-world buddies to Cabinet positions for which they appear wholly unqualified ([unless being super rich is a qualification](#)).

Warren, in other words, is in her groove. So when she read [an article](#) quoting a hedge-fund manager named **Whitney Tilson**, who said he took some "glee" in Trump having "conned" his supporters by trashing Wall Street on the campaign trail and then inviting Wall Street right into his administration, [it was off to the races](#). She fired up her Facebook account and tapped out a post scorching Tilson as a "hedge fund billionaire" who is "thrilled by Donald Trump's economic team of Wall Street insiders," adding, "The next four years are going to be a bonanza for the Whitney Tilsons of the world." What the screed didn't take into account was that:

(1) In the same article, Tilson commented, "I'm a fan of Dodd-Frank. I think banking should be boring. I worry about Wall Street returning to being a casino."

(2) Tilson is not a billionaire by a long shot.

(3) Tilson went out of his way to warn against Trump being elected president, [calling him](#) "a monster" with "no coherent ideas or policies . . . just about fomenting hatred, nothing more."

(4) Tilson canvassed for Hillary in Pennsylvania and [donated around \\$40,000 to her](#) "and other Democratic candidates."

And (5) Tilson himself has been a huge supporter of Warren and the policies she advocates, [agreeing](#) "with her 100 percent that large swaths of the financial industry have run amok and prey on vulnerable Americans, and thus strong regulation, including a muscular Consumer Financial Protection Bureau is sorely needed."

As **Andrew Ross Sorkin** [reports](#), Tilson mentioned all of these points in a letter to the senator following her post, in an effort to convince her to take it down (and to show her that they're in agreement on Trump and Wall Street regulation). But sorry, Elizabeth Warren is not sorry.

The response? An aide e-mailed them: “She asked me to relay to you that she is removing the word ‘billionaire’ from the post, as you have indicated that is factually inaccurate. The senator has decided, however, not to remove the overall post.”

Pretty harsh! Yet Tilson told Sorkin: “I still support her because I share her belief that banking should be boring.” The *incident*, however “certainly reduces my enthusiasm for her.”

From: Whitney Tilson

Sent: Thursday, December 15, 2016 10:31 AM

Subject: I just spoke with Sen. Warren and she took the post down; From Senator Warren, a regret; A millionaire for higher taxes

Sen. Warren just called to tell me that she’s taken the post down. She was very gracious and we had a pleasant conversation for about five minutes.

I won’t share anything she said during our call, other than to say that the column (below), which appeared in the Boston Globe this afternoon, captures her sentiments well. Here’s an excerpt from it:

Elizabeth Warren is still mad as hell at the Wall Street takeover of the next White House. But she’s also a little mad at herself.

That Facebook excoriation of hedge fund manager Whitney Tilson? She shouldn’t have done it, the US senator said Wednesday afternoon, and she planned to call Tilson to tell him that.

“I think I took it too far,” Warren said in an interview.

After we spoke, she removed the post, which called Tilson “thrilled by Donald Trump’s economic team of Wall Street insiders,” and warned that “The next four years are going to be a bonanza for the Whitney Tilsons of the world.”

The problem was, Whitney Tilson isn’t that kind of guy. While he is relieved Trump isn’t putting lunatics in charge of the financial system, Tilson is a vehement critic of the president-elect, and a huge fan of Warren.

Warren sees that now.

“There are many things I agree with Whitney on, and I wish my tone had been less heated,” she said.

During the call, I explained what I meant when I said it was “a good thing” when Trump appointed Mnuchin (because I feared worse) and why I expressed “glee” that Trump “conned” his supporters (because I’m angry with them for electing him and, more importantly, as he continues to betray his supporters over and over again (coal jobs are NOT coming back; wait until they see what Andrew Puzder has in store for them, etc.), this will hopefully undermine his support, making it: a) more difficult for him to actually implement his agenda; and b) more likely that he’ll be a one-term President.).

I also told her that I think establishing the Consumer Financial Protection Bureau is one of the most important and much-needed regulatory actions in the last half-century.

We ended the call by agreeing that we'd both enjoy sitting down in person someday.

Susan and I feel a lot better and are glad we can go back to being enthusiastic supporters of hers once again!

PS—A friend reminded me of this op ed, *A millionaire for higher taxes* (https://www.washingtonpost.com/opinions/a-millionaire-for-higher-taxes/2012/04/11/gIQA07jLAT_story.html), that I published in the Washington Post in 2012, which I just sent to Sen. Warren's Chief of Staff. Excerpt:

I am part of the 1 percent of the 1 percent. By that I mean that I am fortunate to be a wealthy American and I say, "It's okay to raise my taxes."

This morning I was at the White House supporting President Obama in his call for Congress to pass the "Buffett rule." This legislation — inspired in part by Warren Buffett's exasperation upon learning that his assistant paid a greater percentage of her income in federal taxes than he did — would require anyone whose income exceeds \$1 million a year to pay a minimum 30 percent in taxes. It would hit me hard.

...Why am I okay with this? The answer has to do with simple math and basic fairness.

This country is running enormous and unsustainable budget deficits that will bankrupt us all if they are not narrowed — and there is no way to do that without both cutting spending and raising revenue. (Grover Norquist's anti-tax pledge is pie-in-the-sky fantasy and dangerous demagoguery.) Everyone is going to have to make sacrifices as part of a comprehensive budget deal along the lines of Simpson-Bowles, with tens of millions of people getting smaller entitlement benefits, for example, and tens of millions of people paying higher taxes.

It's not class warfare to say that people like me — who aren't suffering at all in these tough economic times, who are in many cases doing the best we've ever done and who can easily afford to pay more in taxes with no impact on our lifestyle — should be the first to step up and make a small sacrifice.

...I am grateful for the effective government we have in this country, which is the absolutely necessary foundation for our wonderful capitalistic economic system that has benefited me so greatly. And I'm willing to do my fair share — in fact, more than my fair share — to help rein in our deficits and put this country on a more sustainable path.

From Senator Warren, a regret



Senator Elizabeth Warren



By [Yvonne Abraham](#) December 14, 2016

<https://www.bostonglobe.com/metro/2016/12/14/from-senator-warren-apology/VyK2UF8ytm9aVMj1PAV8iJ/story.html>

Elizabeth Warren is still mad as hell at the Wall Street takeover of the next White House. But she's also a little mad at herself.

That Facebook excoriation of hedge fund manager Whitney Tilson? She shouldn't have done it, the US senator said Wednesday afternoon, and she planned to call Tilson to tell him that.

"I think I took it too far," Warren said in an interview.

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[View Story](#)

Why did Elizabeth Warren blast a hedge fund manager critical of Donald Trump?

[Senator Elizabeth Warren's condemnation of a longtime Democratic supporter has caused some confusion — from the supporter himself.](#)

Warren sees that now.

“There are many things I agree with Whitney on, and I wish my tone had been less heated,” she said.

Heated it was. The whole thing began when Tilson was quoted in a Bloomberg article on how President-elect Donald Trump was stacking his administration with the brand of bankers and fat-cats the candidate had decried on the campaign trail. Trump had “conned” voters, Tilson said, by actually appointing some experienced and knowledgeable Wall Street insiders. And Tilson took some pleasure — “glee,” he said — in voters’ anger at that.

But you didn’t have to read very far into the article to learn that Tilson wasn’t just another shameless rich guy celebrating a president-elect who was sticking it to the little people foolish enough to believe he would keep his word.

Tilson is a big Warren supporter, put \$40,000 into Hillary Clinton’s campaign this cycle, and is a fan of Dodd-Frank, the legislation meant to protect us from another big bank meltdown.

“I worry about Wall Street returning to being a casino,” Tilson said near the end of the Bloomberg story.

If you didn’t read that far — if you only read the first couple of paragraphs — Tilson came out looking like a callous jerk — exactly the kind of callous jerk whom Warren has made a career of standing up to.

The senator wasn’t aware Tilson was a supporter of hers, and on board with her ideas, when she wrote the post, she said. And she said she still objects to Tilson saying he felt “glee” at Trump’s betrayal. To be fair, she wasn’t the only one who missed the nuance of his views. A [couple of stories](#) written off the Bloomberg interview omitted his views on the finance industry, making Tilson seem like he was happy about what Trump was doing, and had no regard for voters who were duped.

“I was sort of quoted out of context,” Tilson said in an interview. “I don’t fault her at all for misunderstanding what I was saying.”

It's a common thing these days, people popping off without fully understanding their targets, rushing to social media before reading to the bottom of stories — or reading beyond the headlines at all.

But it made Warren look awful — especially after Tilson and his wife, a former student of Warren's, reached out to explain who they were and how they really felt.

"I agree with the point she was making," Tilson said. "But using me as an example was incorrect."

A New York Times columnist [picked up on the rupture](#), and Warren's critics — eager to defuse the rhetorical potency that has made her a political force — pounced, condemning her for popping off without cause. Warren is brilliant, and devastatingly eloquent in defense of the little people battered by the deal-makers on Wall Street. She is fearless, saying things too few politicians are willing to say. She took the fight to Trump during this presidential race, her Twitter burns besting the bully on his home turf.

That voice is even more vital now, with precious few on Capitol Hill willing to truly stand up to the president-elect. Warren's Facebook post squandered some of her precious capital, and her authority, giving her critics grounds to suggest, with not a little sexism, and plenty of glee, that Warren rants for ranting's sake.

She has lately even been compared by some to Trump himself, the hot-headed master of knee-jerk reactions. That is something Warren must avoid in the future at all costs. This embarrassing episode dragged on longer than it should have, doing actual damage.

Tilson said yesterday that he and his wife would like to go to DC and sit down with Warren. Warren said she'd be happy to do that, and was planning to call Tilson to express her regret.

But we all make mistakes. Unlike her chief adversary, Warren is willing to admit it.

Globe columnist Yvonne Abraham can be reached at yvonne.abraham@globe.com. Follow her on Twitter [@GlobeAbraham](#).