

The first week of January 2018 Mark Nelson responded to Buffett's December 13, 2017 letter saying he would not contact Lubrizol and that Buffett was required to conduct due diligence on the LEGAL CLAIMS AGAINST LUBRIZOL and \$30 Billion damages. The second week of January, Bank of America mysteriously sold the mortgage on Nelson's home to Carrington Mortgage Services LLC, who shortly thereafter commenced a retaliation against Nelson, threatening foreclosure. See the exhibits.

Warren Buffett is now Bank of America's top shareholder

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(Photo: Nati Hamik, AP)

Billionaire investor Warren Buffett, who came to the aid of a struggling Bank of America back in 2011 with a \$5 billion investment, has turned that into a paper profit of more than \$11 billion after exercising his right to buy 700 million shares of the bank's common stock at a bargain-basement price.

After Tuesday's market close, Bank of America confirmed in a press release that Buffett's Berkshire Hathaway had exercised its warrants to buy 700 million of the bank's common stock at \$7.14 per share, a steep discount to the bank's Tuesday's closing price of \$23.58. The purchase was made with preferred shares Berkshire acquired through its investment in the bank in August 2011.

The deal makes Buffett's Berkshire the largest shareholder of Bank of America.

More: [Warren Buffett's Berkshire Hathaway builds stake in Synchrony Financial, trims GE position \(/story/money/2017/08/14/warren-buffetts-berkshire-hathaway-takes-stake-synchrony-financial/566222001/\)](#)

"In 2011, we welcomed Berkshire Hathaway as a shareholder, and we appreciate their continued support now as our largest shareholder," Bank of America CEO Brian Moynihan said in a statement.

Buffett's 700 million shares cost him \$5 billion to acquire, based on the deal terms set six years ago. The value of those shares at Tuesday's close were roughly \$16.5 billion, which translates into a tidy paper gain, or profit, of \$11.5 billion.

More: [5 Warren Buffett quotes can make you a better investor \(/story/money/personalfinance/2017/07/07/5-warren-buffett-quotes-can-make-you-better-investor/453993001/\)](#)

Back in June, Bank of America passed two rounds of so-called bank "stress tests" held by the Federal Reserve, which cleared the way for the bank to boost its annual dividend by 60% to 48 cents per share. That dividend boost prompted Berkshire to exercise its share warrants before they expired in 2021.

Buffett, in his annual letter to shareholders this spring, said publicly that if Bank of America hiked its annual dividend above 44 cents a share before 2021 that Berkshire would exercise its option to buy the 700 million shares of BofA stock.

Berkshire's \$5 billion investment back in 2011 in the bank's preferred shares paid an annual dividend of 6%. It also gave Buffett the right to buy \$5 billion in Bank of America common stock at \$7.14 by 2021.

More: [Warren Buffett says Berkshire could get \\$9 billion tax break from Trump \(/story/money/americanmarkets/2017/05/06/buffett-berkshire-tax-break-trump/101370572/\)](#)

At the time of the deal announced in 2011, when the bank was dealing with legal issues following the mortgage crisis, Buffett had said in a statement: "I am impressed with the profit-generating abilities of the franchise and that they are acting aggressively to put their challenges behind them."

Bank of America's stock has risen 209% since Buffett's \$5 billion investment made on Aug. 25, 2011. Buffett's stake in Bank of America is now roughly 6.5%.

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