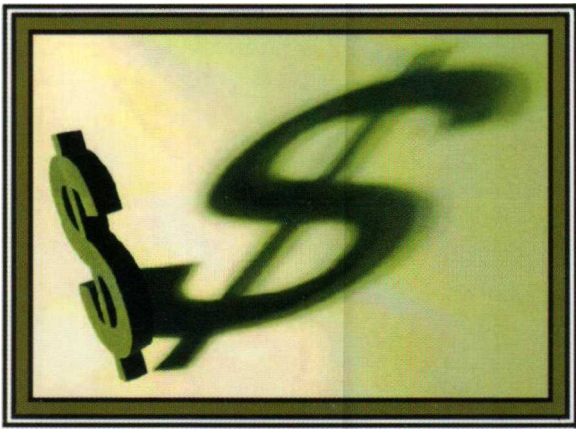
The American Voters

vs,

The Banking System



The teclmical guide to
"America's Hope"
Volume 2

Have the bankers tell
the whole truth and
nothing but the truth!

By: Thomas Schauf

VOLUME II

The American Voters vs. The Banking System
By Tom Schauf

This book is the sequel to Mr. Schauf's first book. Volume I was designed to bring everyone up to a certain level of knowledge. Volume II presumes you know the materials in Volume I and shows you why people lose in court. One judge and one attorney working for the banking interests accidentally gave us the information everyone needs in court. There are more quotes from the Federal Reserve Bank to prove our case, including FED quotes of false statements claiming they loan other depositors' money or they must admit they deposited the promissory note. Mr. Schauf has taught thousands of Certified Public Accountants on a national level in courses for continuing education to renew CPA licenses. These courses teach CPAs the art of testifying as an expert witness. Volume II will give you the training to dismantle the bank loan agreement and to ask the bank's expert witness hundreds and hundreds of questions to prove the borrower funded the check. Some questions are designed for the bank auditor, others for the banker. Volume II teaches you how to ask the same questions in different ways. Arguing with the banker without having Volume II is like getting half-dressed for your wedding. One of the secrets of winning is having the banker's expert witness agree that you are right. When they learn you own Volume II, they will know you have the training needed to destroy their arguments. Volume II will give you the ability to become the banker's worst nightmare. Volume I combined with Volume II teaches you why we ask the questions so you can follow the twists and turns of your opponent and expose them for who they are. Seminar leaders, legal counsel, and anyone arguing for a political change needs Volume II. Volume II is the advanced course and Volume I is the prerequisite.

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ABOUT THE AUTHOR

Thomas Schauf has a diverse background. He graduated from Northern Illinois University with a Bachelor of Science with double majors in accounting and finance. After graduation he worked as a staff accountant for Motorola. He worked for a small Certified Public Accounting firm, owned and operated his own business brokerage firm and Certified Public Accounting practice. Over a period of nearly ten years, he has testified in a number of cases as an Expert Witness in business valuation, and has taught the arts of business valuation, business acquisition and negotiations to buyers, CPAs and lawyers on a national level in colleges and major universities. He has taught lawyers and thousands of CPAs the art of valuation and negotiations in his copyrighted course designed to meet continuing education requirements. He has been a controller, head of purchasing and personnel for a major manufacturing company. He has been a real estate broker and aircraft flight instructor (CFII).

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The American Voters
Vs.
The Banking System

Volume 2 in the series
America's Hope: To Cancel Bank Loans
Without Going To Court

Tom Schauf

Tom Schauf, is now retired, having been a well known Certified Public Accountant and expert witness. He has taught thousands of CPAs nationally how to value and appraise businesses and testify as an expert witness in court.

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Las Vegas, NV 89193-7015

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Printed in the United States of America

Seventh Printing: April, 2002

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A note from Mr. Schauf:

I am NOT recommending that people stop making their bank loan payments. If you stop, they will foreclose. Court is unpredictable. I am not recommending that people sue banks. I believe that the borrower should repay the loan. The bank should repay the depositors or investors or the one who provided the original capital to fund the bank loan check. We know the borrower provided the capital to fund the bank loan check. If the bank repaid the depositor or investor who funded the bank loan check, the bank loans could be canceled.

What judge, sheriff, bank, attorney, CPA. or anyone else would argue the depositor or investor who provided the funds to issue the bank loan check should not be repaid? Who would argue that we should not have equal protection between bankers and non-bankers? Who would argue we should not have full disclosure? The banker uses your signature and promissory note in court as a false witness against us, claiming there was a loan when they know they acted merely as moneychangers and not as a true lender. They tricked us knowing no one would agree to hand the bank $100 back as a bank loan forcing us to repay the $100 plus interest.

It is our job to expose this magical trick to the world and tell everyone what the real bank loan agreement is so voters vote out the moneychangers. This is the ultimate question: is it the bank policy to have borrowers repay their loan so the bank can repay the depositors or investors whose monies or capital funded the loan? If they say yes, they agree your loan should be canceled. If they say no, they agree you were intentionally ripped off.

Teaching Method

In Volume 1, to make things simple, certain concepts were repeated occasionally, with new information added as we went along. Different illustrations were added with more sophisticated arguments and teaching given. The goal was to have an average non-banker able to argue the bank loan agreement like a CPA expert witness.

In Volume 2, I have not repeated concepts as often or used as many different examples of each concept. If you are unclear about any of the basic concepts, please refer to Volume 1 as needed to clarify them.

Please note also:

The Acknowledgements, Public Notice, Disclaimer and Definitions sections from Volume 1 also apply to Volume 2. For your reference, those sections have been reprinted at the end of this book. Please read the new foreword in the back as well. It has vital information. If you seek the truth, I hope you will read it.

CHAPTER 1
BEFORE THE TRIAL BEGINS

This book is a continuation of all the information from Volume I. Please think of Volume I as Banking 101, the prerequisite to Volume II (Banking 105). I do not wish to repeat myself as I did in Volume I.

The summary of Volume I is simple. Wealth is anything of value-a house, a car, gold, silver, diamonds, boats, planes, even your labor. Labor is the ability to obtain wealth. It can build a boat, house, etc. Money is merely a means to help facilitate the bartering of wealth. Money is used to trade wealth from one person to another. When a bank grants a $100,000 loan, all they are doing is taking $100,000 of actual cash value from you and transferring it to them for free. The bank did not loan one cent of other depositors' money for the $100,000 promissory note. They did it by recording the promissory note as a loan from you to the bank. The bank then used the $100,000 they obtained from you to create $100,000 of new money called checkbook money. Checkbook money has equal value to legal tender because the promissory note can be sold for legal tender. Then the bank uses the newly created checkbook money (counterfeit money) to transfer the stolen $100,000 back to you (the victim) as a bank loan.

This book goes into the bank loan agreement and how to expose the truth about it in greater depth. Once you have both volumes, you should be able to examine the bank's expert wit-

ness using the CPA expert training as provided in these books and expose the real bank loan agreement. The banker will not know if you have these books. This places fear in his heart. He does not know how much you know. He does not know who has read these books and who can apply what they've read. What the banks have concealed for all these years is now exposed. You have in your hands the book that is destined to change a nation and set the captives free.

Please use this book wisely to save the economy, nation and government I love. I am asking for a political change, not a courtroom change. Gold and silver coins or United States Notes issued interest free will give equal protection to all. My goal is to stop the economic effect of stealing and counterfeiting, and denying citizens equal protection under the law. I simply ask for equal protection for bankers and non-bankers alike, and full disclosure of the written bank loan agreement. If the people truly understood the truth about the real bank loan agreement, I am confident they would vote out every lawmaker, judge and law enforcement official now in power, voting in those who would support our Founding Father's Constitution.

PLAINTIFF FILES BANK LAWSUIT

The lawsuit alleges the following:

1) The defendant bank advertised that they loan money.

2) The plaintiff applied for a loan.

3) The defendant refused to loan the plaintiff legal tender or other depositors' money to fund the alleged bank loan check.

4) The defendant bank misrepresented to the plaintiff the elements of the alleged agreement.

5) The plaintiff's bona fide signature does not appear on the alleged promissory note.

6) The copy of the promissory note is a forgery.

7) The alleged original promissory note could not be produced by the defendant bank with the plaintiff's name on it: said copy purports to obligate the plaintiff to pay $10,000 plus interest, giving it value today of $10,000 if it were sold to investors.

8) The defendant bank recorded the forged promissory note as an unauthorized loan from the plaintiff to the bank as evidenced by a new bank asset and liability.

9) The bank recorded an unauthorized loan having actual cash value of $10,000 from the plaintiff to the bank. The bank returned $10,000 actual cash value back to the plaintiff. The bank made false statements claiming the unauthorized loan that they returned back to plaintiff was actually a loan from them to the plaintiff.

10) The defendant bank believes Plaintiff agreed to loaning the forged promissory note to the bank which in turn funded the loan from the defendant bank back to the plaintiff. Further, the defendant bank believes they have no obligation to repay the unauthorized loan from the plaintiff to themselves. The plaintiff's signature never validated such an unauthorized transaction.

11) By their refusal to loan other depositors' money or legal tender as consideration to obtain the alleged promissory note, and by recording the alleged forged promissory note as an unauthorized loan from the plaintiff, the bank changed the cost and the risk of the alleged loan.

12) The defendant bank claims they will be damaged if the plaintiff refuses to repay the loan, but the defendant refuses to acknowledge or repay the unauthorized loan from the plaintiff to them.

[Under no circumstances should you discuss the Constitution, gold, silver, or the fact that the bank loaned you a bank liability and created credit on the banks books. You only care about the agreement and who agreed to fund the bank loan check. I am not an attorney. If you use the courts, I must advise you to use proper legal counsel. This is for illustrative purposes only. It is intended to educate Americans about the truth so they can use their vote to correct the problem.]

If you win, it's because you've embarrassed them. They do not want the truth faxed to every American that proves we are right. Can a judge claim the bank wins because they have the legal right to forge the promissory note, changing it by stamping it "pay to the order of Bank XYZ" (just like a check shows "pay to the order of" followed by the name of the person receiving the money), and allowing the bank to receive money from you for free? The bank stamp "pay to the order of the bank" means the bank received the note just like they receive a check. The check and the note have equal value because they both can be exchanged for cash. Can a judge tell the nation that the bank can record an unauthorized loan from you to the bank and then never repay the loan? Not repaying a loan is a damage just like a theft. Clearly the judge cannot get away with this if enough Americans wake up to the truth and use their vote to correct the problem. The judge can only get away with it if Americans remain ignorant of the truth and do nothing to regain the freedoms our Founding Fathers gave us.

CHAPTER 2
EXAMINING THE BANK LOAN AGREEMENT

Many people call me saying the bank defrauded them. They ask me to look over the bank loan agreements, hoping I can help them. This morning at 6 a.m. a farmer called, asking me to look over his loan papers, hoping I had a silver bullet. I reviewed the bank loan papers. The security agreement, real estate mortgage, promissory note and other documents contain the following words:

loan purpose
a note evidences a loan pursuant to...
interest at 10% rate
lender
debtor
borrower
according to the terms of promissory note
no oral agreements
lender rights
expenditures by lender
line of credit and loan purpose
operating expense

If you look these words up in the law dictionary you will find that interest means a fee for the use of borrowed money. This means a loan. The words borrower, lender, and debtor all imply a loan. Many of the bank agreements have this or a similar wording: no oral agreements. This written agreement is the final expression of the agreement between lender and borrower and may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between lender and borrower. The banks wrote this into the agreements to stop you from claiming they said something or advertised such and such a thing. This wording can work to your advantage. It implies this is the final agreement. They have knowingly left out

the part of the loan from you to them. This is where you nail the coffin shut on their argument. You believe in repaying your loan and also believe the bank should repay their loan back to you; or use other depositors' money to fund the bank loan check. You want full disclosure and equal protection under the law. You refuse to allow the banks to steal your property or your nation's freedom.

CHAPTER 3
BANKERS' ADMISSIONS

If one argues fraud, the bank's attorney may claim you must give the name of the person who gave the false statement. The banker knows you do not remember who it was ten years ago or whenever you received the loan. To overcome this, we will use the Federal Reserve Bank publications to prove our case. You will be the judge and jury to decide whether they made false statements enticing you into an agreement.

Federal Reserve Bank of Chicago publication *Two Faces of Debt* (p. 19) discusses bank loans. It claims that the bank exchanges the borrower's promissory note or security for a check that other banks will deposit. Clearly the note funds the check. Two paragraphs later it continues: by issuing checks, "the borrower can spend the deposit acquired by borrowing." The bankers then accept checks to transfer these deposits from one bank to another as if they were money. So far these statements appear to be accurate according to the bookkeeping entries. If you read it carefully, the depositor (borrower) used the note to create a new deposit from which a bank loan check was issued. I enter this publication and its statements into evidence as the true transaction.

Key lesson: The publication claims they credit the depositors' accounts and loan the money. They admit that the money was deposited and loaned out.

Federal Reserve Bank of Chicago publication *Public Debt: Private Asset* (p. *2)* explains, "The bank owes us the money that is in our account." I enter this publication and statement into evidence as the truth. The bank created a new deposit in exchange for the note. This is like depositing cash or exchanging cash for a new deposit. The bank owes us the money in the new deposit account. The bank did not return the money it owed us as a return of the money earlier deposited. The bank withdrew the money and gave it to the seller of the house we were buying. The truth is, taking money from the depositor, writing a check off the deposit and returning the money back to the depositor, is a return of the money earlier deposited and is *not a* loan to the depositor. It is a return of earlier deposited funds earned by the alleged borrower's future payroll checks.

Key lesson: The bank owes us the money deposited.

Federal Reserve Bank of Philadelphia publication *Hats the Federal Reserve Wears* (p. *6)* explains, "banks...have the power, within limits, to create money." The publication calls the newly created money "checking-type accounts". If the bank lends money, the bank uses the promissory note like money to create a new deposit which it calls new money.

Key lesson: New deposits (checking-type accounts) are created and called new money.

Federal Reserve Bank of Boston publication *Banking Basics* (p. 15) explains that some of the money bank customers deposit in banks is set aside as bank reserves, but much of the rest is "loaned to people who need to borrow", so they can purchase cars, homes, etc. This publication is right on the money. The borrowers (customers) deposit the money and it is loaned back to them. Instead of repaying yourself the money you loaned

to yourself, you repay the bank as if the bank loaned you other depositors' money. Depositing the promissory note creates new money. The bank receives your new deposit money for free and returns it back to you as a bank loan. Later the publication goes on to describe how the bank charges interest to borrowers so that they can pay interest to savers. This is true, but the bank does not loan other depositors' (savers') money, the bank creates new money to loan out.

The publication explains fractional banking. If other depositors deposit $100 and there is a ten percent reserve, the bank allegedly loans out $90. The $90 is not part of the earlier $100, the $90 is new money deposited by the alleged borrower and returned back to the alleged borrower as a loan. The publication claims part of the money is set aside, held in reserve, and the rest is loaned out. That is false. The remainder, $90 of the original $100 deposited, is not loaned out, because the other depositors can spend the money and new money is created and loaned out. It would be more truthful for the publication to claim that if $100 is on deposit with a ten percent reserve, the bank can deposit a promissory note (asset) up to $90 in value to create a new $90 deposit (liability). A check is then written off the new deposit and given back to the same depositor as a bank loan. Loaning other depositors' money gives us equal protection. Creating money is similar to counterfeiting and stealing rolled into one transaction.

Key lesson: The publication claims depositors' money is loaned out. Money must first be deposited before it is loaned out. The depositor is the alleged borrower and the money deposited is the promissory note.

Federal Reserve Bank of New York publication *The Story of Checks and Electronic Payments* (p. 7) states, "You list each check you are depositing." It explains how one deposits checks and cash. This statement by the FED just destroyed them. They just admitted one must deposit cash or an instrument having actual cash value into a checking account. This is the evidence

we need to prove the bank never created a new deposit (liability/checking account balance) without receiving an asset that can be exchanged for cash.

Key lesson: A new deposit (liability) cannot be created without the customer giving the bank an asset like cash, a check or a promissory note. The bank cannot create new money called a new deposit without receiving an asset that can be converted into cash.

Federal Reserve Bank of New York publication A *Penny Saved* (p. 13) explains how bank depositors could directly bypass banks and directly loan their money to others. Many times a borrower needs more money than a single person has in savings to loan. One advantage of depositing money at banks is that banks can pool the savings of many depositors and "many different people, combining them into a single loan." Another advantage of depositing money at banks is that a borrower may keep the money longer than most of us are willing to part with it. Now we have the FED publications in direct conflict with each other. If the bank creates new money by depositing the note (asset) for a new deposit money (liability) created, then the bank is not combining depositors' money and loaning that money out to borrowers unless the borrower deposits the promissory note.

Key lesson: The publication explains how the bank loans other depositors' savings to borrowers.

Federal Reserve Bank of New York publication *The Story of Money* (p. 22) explains that if a bank has a ten percent reserve requirement, the bank cannot loan out that ten percent. For example a ten percent reserve requirement means if $100 is deposited the bank must keep ten percent or $10 in reserve and can loan out $90 of that $100 earlier deposited. If other depositors deposit $100, then the "bank can lend $90 of that $100 to someone else." This is a false or misleading statement. The bank did not loan $90 of the $100 other depositors previously depos-

ited. The bank created new money by depositing the borrower's $90 promissory note. This FED publication falsely made it appear that $90 of other depositors money was loaned, when in fact the new money was the borrower's promissory note deposited and returned back to him as a bank loan. I believe the FED publication should correct the way it is worded and say that the bank accepted a new promissory note in exchange for a new deposit of $90, which acts like $90 of new money created and loaned out. Creating money is denying the borrower equal protection. If a borrower relied on a false statement of the lender, believing the bank loaned other depositors' money, then the bank used deception to change the cost and the risk of the alleged loan. The bank knew exactly what was happening. It is the bank "policy" to write the bank loan agreement and use the standard bank bookkeeping entries.

Key Lesson: The bank claims that if $100 is deposited, $90 of the $100 is loaned to borrowers.

Federal Reserve Bank of New York publication *The Story of Monetary Policy* (p. 14) explains that if the bank reserve requirement is ten percent and if the bank receives a $100 deposit, then the bank can lend $90 of that earlier deposited $100. A bank receiving a "$100 deposit may lend $90 of that $100...", but it cannot lend the $10 reserve requirement. We know the bank does not loan $90 of that $100 if that $100 is other depositors' money. The only way the bank can loan $90 is if the bank deposited a $90 promissory note to create a new deposit and loaned the deposit back to the depositor/borrower as a bank loan. There is no mistake, they meant to say this because they repeated it in two publications. If the bank loaned out the $90 from the earlier deposited $100, the first depositor could not spend the $90. The $90 would be deducted from the bank statement so the savers could not spend the $90 loaned out. The truth is that the first depositor can spend the $90 and the borrower can spend the same $90, so it proves that the bank did not loan other depositors' money. Money cannot be in two places at the same time. Two people cannot spend the same $90. It

proves the bank used the $90 promissory note to give value to the newly created $90 deposit (bank liability) or check. The borrower loaned himself his own money when he thought the money came from other depositors to fund the bank loan check. It is very material and extremely important to decide whether the bank or borrower fund the bank loan check. That is the greatest concealment in the mind of borrowers. Borrowers believed the false or misleading statements resulting in a damage.

Clearly the alleged borrower is the depositor. The FED admits it owes us the money for the deposit and for the loan. The bank paid us once and owes us one more check per the FED publications. One must work to earn money that is deposited at the bank. Either one's past labor earns cash or one's promised future labor gives value to the promissory note deposited to create a new checking account balance acting like new money. The question is, who worked to earn the money that was deposited and loaned out at interest? The bank received the value of your future payroll checks for free and returned it back to you as a loan. The person receiving the check cares less who provided the labor to fund the check. It is not check kiting because you can get cash for the check. The question is, who agreed to earn the money to provide the value to fund the check, the borrower or the banker's other depositors?

Key lesson: The publication makes most people believe the bank loans other depositors' money to the alleged borrower. It also claims money was first deposited and then loaned out, which reinforces the fact that the promissory note must first be deposited. As judge and jury you must decide whether the bank publication created or reinforced a false impression and failed to correct it. If yes, it can be argued that the bank is involved in larceny by fraud or deception. Please look up the words fraudulent concealment, false pretense, false statement, false representation, false, fraud, false token, actual or constructive fraud, fraud by concealment, fraud in fact or in law, fraud in the execution, fraud in the inducement, and fraudulent misrepresentation and decide whether the bank is guilty.

Federal Reserve Bank of New York publication *The Story of Banking* (p. *9)* explains that if a landlord deposits your $5,000 rent check, the bank gained a $5,000 deposit. If the bank has a ten percent reserve requirement, the bank will loan up to $4,500 of the $5,000. If a non-banker did not read it carefully, they could falsely conclude that the FED publication said it loaned $4,500 of the earlier deposited $5,000. The FED publication correctly stated it could loan up to $4,500. I believe the wording is very tricky for an untrained individual to understand.

Key lesson: The publication claims that if another depositor deposits $5,000, the bank could loan $4,500.

Federal Reserve Bank of Dallas publication *Money and Banking* (p. 11) explains that when banks grant loans, they create new money. The new money, new "loan becomes a new deposit, just like a paycheck does." I can hardly believe they admitted that money (a new deposit) is created just like depositing a payroll check. You can receive cash for the payroll check just like you can sell the promissory note and receive cash. Both the payroll check and the promissory note are recorded as a bank asset and a new deposit (bank liability) is created. The liability is called the new money. This is proof the borrower funded the loan to himself.

Key lesson: The publication admits that the new money loaned is deposited like a payroll check. The publication is correct in that depositing a payroll check or promissory note results in a new deposit which is backed by cash by simply exchanging the payroll check or promissory note for cash.

Federal Reserve Bank of Chicago publication *Points of Interest* (p. *6)* explains that when banks grant loans they create new deposits (liabilities called checkbook balances or money). Instead of loaning cash, the bank merely increases the balance in a borrower's checking account. The borrower then writes a check from the money the bank owes in the new checking ac-

count balance. This new deposit created by granting loans is just as valid as depositing a ten dollar bill.

Now we have it straight from two FED publications. The new deposit loaned is just like depositing cash or a payroll check. We all know the cash or payroll check has equal value to the borrower's promissory note and that you can replace the word cash (asset) or check (asset) with the word promissory note (asset) in the bank bookkeeping entries resulting in a new deposit (bank liability). Page 6 above proves depositing the promissory note is just as valid as a ten-dollar bill being deposited. The promissory note creating a new deposit is just like depositing a payroll check. This is the proof the new deposit loaned came from the borrower's promissory note and the bank loaned nothing of value to obtain it. Past labor must be used to earn cash or a payroll check. Future labor must be used to give the promissory note value. The value of labor, past or future, is deposited to create a new checking account balance. The borrower promised to earn future payroll checks to repay the loan. This promise of future labor was given to the bank for free and used to create a new deposit. The value of the borrower's future labor was loaned back to the same alleged borrower and the bank never loaned any money they earned.

Key lesson: The publication admits that the banks loan newly created money which is deposited just like cash.

Federal Reserve Bank of Chicago publication *ABCs of Figuring Interest (p.* 2) explains that by depositing money in a savings account, an individual makes a loan to the bank. It continues to explain that if one buys a government bond, one makes a loan to the government. A savings account is a new deposit. This proves the borrower loaned the promissory note to the bank. The bookkeeping entries recording the promissory note as an asset with a new liability (new deposit) is the second proof. The loan back to the borrower is the check transferring the liability from the borrower's transaction account or checking account to another account.

Key lesson: The publication agrees that if you deposit an asset (cash, check, promissory note) at the bank and there is a new deposit (liability), you loaned the bank the value of the asset deposited. The bank is not obligated to give you back the same exact asset, but they must give you back the same value you loaned the bank as evidenced by the new liability (new deposit). The bank exchanged the promissory note for credit in the borrower's transaction account. The credit is a bank liability which is a new deposit. This proves that you loaned the promissory note to the bank or that the bank converted it and stole it.

Federal Reserve Bank of Richmond publication *The Federal Reserve Today* (p. 14) states, "The resulting loans create additional new deposits." We just learned cash, payroll checks and promissory notes "back" the new deposits. If a $100 cash deposit creates an additional $90 loan and new deposit, there is $190 in deposits backed by the original $100 cash deposit. This is impossible if the assets equal the liabilities. A $100 asset cannot create a $190 liability and balance. There must be a new $90 asset to create and "back" the new $90 liability, thus proving they deposited the promissory note.

Key lesson: The new loan creates a new deposit (liability). The promissory note is recorded as an asset. The promissory note was loaned to the bank and the new liability, new deposit, is the proof.

Federal Reserve Bank of Chicago publication *Points of Interest* (p. 4) explains that the lender loans out money, thus giving up the use of the funds to purchase goods and services. Lenders loan money that was earlier saved. Lenders cannot spend the money loaned, so they ask for interest plus repayment of the principle loaned. This sounds like the bank loaned other savers' money to the borrower. Earlier the FED acknowledged the saver is the lender to the bank. Earlier the FED acknowledged they did not loan other depositors' money and that the promissory note was deposited just like cash or a payroll check. You loaned the promissory note to the bank which funded

the loan back to you, so what funds did the bank give up and not use when it loaned you money? None. The bank gave up no cash or other depositors' money to obtain the promissory note. The bank never gave up funds they could use to buy a house or car. The only thing the bank lost was receiving the promissory note for free and the loan payments for free. Getting it for free proves there was no loan of cash or other depositors' money to obtain the promissory note. Earlier on they explain how they charge interest to borrowers for surplus funds of a savers loan. The only saver is the borrower loaning the promissory note to the bank without the borrower's knowledge, permission, or authorization.

Key lesson: According to the FED publication, banks loan funds they have saved. If savings increase, bank liabilities (new deposits) increase. This is proof the bank received the promissory note as savings from the alleged borrower.

Federal Reserve Bank of Chicago publication *Controlling Interest* (p. 11) explains that the credit loaned comes from the lender. It continues, "Banks must pay to secure funds to lend." If I was not a retired CPA, understanding banking operations, I would think the bank is implying that it costs them money to obtain the savers' money which they loan to me. The FED statement does not directly say I am the lender to the bank to secure funds to loan back to myself. The truth is, the FED is correct. The credit used to fund the loan comes from the lender. The borrower is the lender to the bank. The bank recorded the promissory note as an unauthorized loan from the lender/borrower to the bank.

Key lesson: In alleged loans, the asset (money) comes from the alleged borrower. The bank statement makes it sound like just the opposite is true.

Federal Reserve Bank of St. Louis publication *Who We Are And What We Do* (p. *8)* explains that the Truth-In-Lending legislation Congress passed in 1968 began, "requiring creditors

to provide clear and accurate information to borrowers." Did they provide clear and accurate information? You not only pay the interest, but the cost of the loan is that you lose the principle to the bank to begin with. The bank gets the promissory note for free (future payroll checks for free) and the funds you lost are returned back to you as a loan. They left out the part where you lose the funds to the bank for free. It was never clear and accurate information that the borrower gave the actual cash value to the banker for free and the bank returned it back to them as a bank loan.

Board of Governors of the Federal Reserve System publication A *Guide To Federal Reserve Regulations* (p. 21) explains that Regulation Z gives us a standard method of computing the "cost of credit" and other items. The lender is required to give the borrower "meaningful, written information on essential credit terms." I believe Regulation Z is the proof that the bank used false statements. They charged interest for the use of borrowed money, when in fact the borrower was the lender for the loan. The bank did not include the fact that the borrower provided the bank the money which the bank kept for free. It has the same economic effect as if the bank stole the funds, and this cost was not included. Only the interest was included in the cost and not the principle the bank stole and returned back as a loan.

Federal Reserve Bank of Richmond publications *Our Money* and *Your Money* explain it all. *Our Money* (p. 18) states, "Money is a medium of exchange." *Your Money* (p. 18) states, "Credit is the postponement of the payment of money." Did the loan agreement claim the bank loaned you credit? The postponement of the payment of money is proof they did not pay you. If you go to *Black's Law Dictionary* and look up the word check, you will see the Federal Reserve Board's definition. Their definition claims the check is payable in "a certain sum of money". Obviously credit is not money and a check is payable in money. A deposit is defined as placing money in a bank for safety or convenience, which the depositor has the right to withdraw. By

Summary: A good expert witness will know how to legally attack the opponent's expert when the bank tries to defend the court action. Volumes I and II have taught you how to argue the agreement and take on the banker's expert.

CHAPTER 7
WHY WE ASK THE QUESTIONS

The questions are the key. First know what the Federal Reserve Bank publications state. If the banker lies, you can point to the publication. Once he admits he must follow the Federal Reserve Bank policies and procedures, he must admit he refused to follow the FED policies and procedures or that the bank exchanged value for value and called it a loan.

We ask the questions to show how the banker redefined ordinary words to mean the opposite. They call checks `cash' and the opposite of money `money'. An exchange is called a loan. A loan from you to the bank is repaid back to you calling the repayment a loan from the bank back to you.

Our main questions are not concerned with what happened ten years ago at a bank that no longer is in business. The bankers strategy is to buy and sell banks covering up the original transactions. To counter this we ask the question, "According to your understanding of the alleged agreement...?"

The banker will then claim they loaned other depositors' money. Ask them to show proof that the banker loaned other depositors' money and the other depositors cannot spend the money and you can. We ask questions regarding bookkeeping entries. If the bank assets and liabilities increased, it proves the promissory note funded the check. If the promissory note funded the check, then the check never could be consideration loaned to obtain the promissory note. They cannot answer whether the

legal means to accomplish this. We use our freedom of speech and the vote to correct problems.

A good expert witness helps the judge make the right decision by allowing the other side to default or traverse into your trap. Allow the judge to save face so he or she can help you win. Example: You claim the note is forged and sold and recorded as a loan from you to the bank changing the cost and the risk. The bank refuses to give you a copy of the original note proving you wrong. The judge could save face and claim the bank must show the original. The bank will claim it was destroyed or lost and give a copy, without the stamp on the back. Now you demand to know if it is bank policy to stamp the bank of the note and use the note to fund the check. Now you are back to intent of the agreement. The bank wrote the agreement, advertised and wrote the bookkeeping entries but failed to sign it because they knew the truth. If they did not sign it, they have a problem. The bank claims you signed it which allows you to tell what your intent was. The intent was for the promissory note only to be used as a guarantee repaying a loan, a check the bank were to loan as consideration (money) loaned for the bank to legally obtain the note, not for the note to be given freely to the bank with no consideration loaned, and the note funds the check and the value of the note returned back to the alleged borrower as a bank loan.

An expert witness is used to persuade a jury to vote in your favor. Keep it simple and use everyday language they can understand. The bankers must keep it complicated to confuse a jury. It is your job to keep it simple. The bankers will never know who read my books and listened to my cassette tapes. They will not know if you are pretending to not really understand the material, leading them into a trap, or if you truly understand it. This unknown will keep them in line and fearful of arguing the agreement. Do not forget the special CPA report you need. This is kept confidential and is a trade secret of mine.

As an expert witness you must understand that the national bankruptcy makes the judges, police and lawmakers agents of the bankers. The judge and police have a secret agenda and job to enforce the banking system upon the uninformed voters. If you win, you win because they do not want this exposed. Your job is to expose the truth to the masses.

The new bank loan agreements avoid claiming they loaned you money. They reworded the agreement to claim you must repay the bank principal and interest for the "valuable consideration (money) the bank gave the customer (borrower)." They still delete the part about the bank receiving actual cash value from the alleged borrower or customer and exchanging it for actual cash value the banker returned. As an expert witness, it is your job to review the agreement and look for words such as lender, borrower, loan, money, credit and interest. The very definition of the word interest proves the alleged borrower intended to receive a loan and not an exchange.

People keep making one fatal mistake. I keep hearing people say, "If I win in court, I will fax it to everyone and that will sell books." Never forget the lawmakers, judges, police and media will never allow this to happen. It is their job to keep the truth quiet. To win you must get ten percent of the American voters outraged so the courts and lawmakers have no choice but to allow you to win or be voted out in the next election. Judges secretly helping us behind the scenes keep telling us they cannot rule in our favor unless the population first supports it. A good expert witness will organize a group showing the vision of winning America back by copying and distributing the brochure and tapes and recruiting others to do the same. Sheer numbers of voters joining will force us to win. No judge will want to rule against you if he or she believes next year, the majority of the voters will be outraged and wanting to place criminal charges against those aiding and abetting the bankers. History shows people have turned against their rulers and corrected their problems. As Americans we reject violence and il-

the bank calls the opposite of money (a bank liability owing legal tender) money. They call checks cash. Cash is the money and a check merely transfers the money. Money (bank asset) must first be deposited to write the check. The bank adds money and credit together to determine the total money supply. Credit is not money, it is the postponement of the payment of money, yet they charge you as if they loaned you other depositors' money. The bank acts like they fund the bank loan check, when in fact the borrower funds it. A good expert witness will capitalize on the opposing sides weaknesses and minimize your weaknesses.

A good expert witness will study their opponent's publications, picking out contradictions, false statements, and admissions you are correct. I have done this for you. An expert witness studies court cases, learns why we lost and develops a winning strategy. A qualified expert witness will have a set of questions the opposing expert witness cannot answer without exposing the truth and proving you are correct. To win, the bank must claim you signed the promissory note and were loaned a check. Volume I explained this and what you need to do to overcome the argument. The bank must try to claim they have the right to exchange, deposit or create money (bank liability). To win you must only argue the intent of the agreement and never allow the bank to prove money is a bank liability (deposit). You must argue the bank has no right to trick you, steal, breach the agreement and commit a fraud.

A BANK LIABILITY (DEPOSIT) IS NOT MONEY AND THIS IS THE PROOF. A check merely transfers money. If you have a checking account balance of $100, the bank owes you $100 of legal tender. If the $100 was money, the bank would never have to give you back the $100 of cash or allow you to write a $100 check. If you write a $100 check to receive your cash, the bank check transfers the cash from the bank vault to your pocket proving the liability (bank deposit, checking account balance of $100) is not money, but is owing money per the bank's operations.

tors. One of my students spoke up and claimed he was the auditor that went from bank to bank examining the records to be sure they were in compliance. At lunch time he gave me the bookkeeping entries. He said we credit (liability column) cash and replace it with promissory note recorded as an asset. He claimed this means the bank loaned other depositors' money. Then he showed the seller of the house receiving the money by debiting the cash (recorded as an asset) and crediting (recording as a liability) a new demand deposit account (checking account). Then he said, "Do you see the fraud?"

I said, "No, because you gave the borrower cash."

He said, "Look again, there is a new liability, cash cancels out. Oh yes," he explained, "we redefine words. We call checks cash, and we really gave them a check which is the opposite of cash." As he said the word fraud, the other CPAs standing around gasped, pretending they did not hear this conversation. The auditor explained, "We give the appearance of loaning other depositors' money, but we change the intent of the agreement and change the promissory note so it funds the check." Then he claimed the average American would never figure this out. He looked at me squarely in the eye and told me never to reveal this to anyone. He explained how it is like stealing and using the value of the stolen property to create new money and returning it back to the victim as a loan. He proceeded to explain that it is so profitable to those involved, they wanted to keep the secret for themselves. As long as the people never figured it out, the lawmakers, police, judges and professionals could keep transferring the wealth from the people to those who know the secret. The judges and police need the secret to continue or they cannot enforce it. It is too profitable to expose. Then he tried to get my commitment to never reveal the secret. I never agreed. As an American, I believe everyone should know the whole truth and nothing but the truth concerning the banking system and bank loan agreement, giving full disclosure and equal protection.

After reading my books you know legal tender is recorded as a bank asset and a bank liability is owing legal tender. Then

how the banks and courts operate. You be the judge and jury. If you agree with me, I ask you to wake up everyone in America to the truth.

CHAPTER 6
EXPERT WITNESS

A good court expert witness will use strategy to out think his opponent.

In one of the court cases the government sealed, I accurately predicted nearly every response the banker's accountant would say on the witness stand. Our side rehearsed every question and every possible response the banker could use. In a matter of fifteen minutes, it was like the sinking of the Titanic. Reports I received from eyewitnesses claim the sheriff fleeced everyone of any notes, materials and told everyone they could not discuss the case. Three days later, the judges picture was missing on the wall of the court building, replaced by another picture. The court claimed the judge never existed and the case never took place. Attorneys claim this could never happen. I talked to an individual who was there in the court and testified before a subcommittee of Congress in a special secret meeting concerning this case. National security was the concern. I have heard of a number of similar cases or settlements. I do not believe people will be released from bank loans in the future without waking up a nation and outraging at least ten percent of the voters. They can control the media and judges but not the fax, copy machine, and distribution of this book.

When I first heard about local banks being involved in a fraud, I was going to prove there was no fraud. I knew what the CPA audit requirements were and knew there could be no fraud. To prove my theory correct I began asking my CPA students and others who attend the class if any of them were bank audi-

tiff and deposited the funds. Instead of the bank loaning their money to the plaintiff as the plaintiff believed the agreement alleged, the bank withdrew funds from the plaintiff's transaction account without permission, authorization, or the plaintiff's knowledge and returned the funds to the plaintiff, falsely claiming the bank loaned the plaintiff money.

If the plaintiff said this and gave the proof as I suggest, what could the bank or judge say? If the bank's attorney claimed this is false, now you have proof of false statements and the attorney brought fraud on the court. If the bank attorney claims this is how the bank operates, you claim it was never agreed to. If it is true, then you admit the bank did not make a loan. Now the terms of the agreement are not clear and unambiguous as to whose account the money was to be withdrawn to fund the purchase of the merchandise. Now the judge's sights can be used in your favor. Now the judge has professional proof you are right, per the three audit tapes. The judge said you need two things to stop the summary judgment. You need a genuine material fact or issue. The issue is whose account funds the purchase of the merchandise, you or the lender? Now you have the professional proof needed if you follow the three audit cassette tapes. You just overcame the judge's two objections to stop the summary judgment.

Do not discuss money verses credit or creating money out of thin air or that they loaned you a bank liability or checkbook money or a bookkeeping entry. If you do, the judge and bank will make you look foolish. All they have to say is you got the merchandise and now will not pay back the loan. Make them look foolish. The judge does not want to make it public that you provide the funds for the bank loan check and then must repay the bank the principle and interest on the money the bank refused to loan. The government does not want this faxed all over the nation.

Remember, I am seeking a political solution, not a courtroom win. I am not giving legal advice, just illustrations on

22. Bank Y's Counterclaims

Bank Y has counterclaimed against plaintiff for breach of contract and money had and received. The counterclaims mirror plaintiff's claims in that they call for enforcement of the Agreement which plaintiff contends is unenforceable. In light of plaintiff's failure to raise any material issues which preclude enforcement of the Agreement, Bank Y's motion for summary judgment on its counterclaim is GRANTED.

Conclusion

Defendant's motion for summary judgment pursuant to Fed. R. Civ. P. 56 is GRANTED. Defendant is asked to submit to the Court its Claim for damages on the counterclaim and any claim for attorney's fees. Defendant's motion for attorneys fees should comply with New York Ass'n for Retarded Children v. Carey, 711 F. 2d 1136, 1154 (2d Cir. 1983).

On April 29, 1997 a Chief Judge in the State of Vermont signed this.

If you read and study the judge's writing, he just told you how to sue banks. No one should ever sue a bank without following this judges advice and the previous court case when that attorney told you how to sue a bank. Why make the same exact mistake others have made and lose the same way.

I disagree with the judge on the point that the credit card company sends you a credit card application. You apply. What document explains that the agreement is for the credit cardholder to fund the money to buy the merchandise and then repay the credit card company the principle and interest on the money the credit card company would not loan? None I have seen. The plaintiff gave the judge ammunition to fire back at the plaintiff and he lost. If the plaintiff used the proof I suggest in the three audit tapes I sell, it shows the bank took funds from the plain-

Furthermore, plaintiff has failed to demonstrate how or why Bank Y would have the intention to mislead or defraud him about its accounting practices.

Moreover, the provisions of the Visa Agreement are unambiguous. "a provision in a contract is ambiguous only to the extent that reasonable people could differ as to its interpretation." Trustees of Net Realty Holding Trust v. AVCO Financial Services of Barre, Inc. 114 Vt. 243, 248 (1984) (citations omitted). The question whether contract terms are ambiguous is for the court to decide as a matter of law. Id. (citations omitted). If the contract is unambiguous, it must be given effect in accordance with the plain, ordinary, and popular meaning of its terms. Id. (citing Douglas v. Skiing Standards, Inc., 142 Vt. 634, 636 (1983); and Cheever v. Albro, 138 Vt. 566,569 (1980).

The terms of the Visa Agreement are clear and unambiguous with respect to Bank Y's responsibility to reimburse vendors for plaintiff's charges, and plaintiff's responsibility to repay Bank Y those charges plus interest and fees. See Memorandum in support of Motion for Summary Judgment (Paper 42) Exhibit 1. Plaintiff admits he read and signed the Visa Agreement and that he understood the terms of the Visa agreement when he read it. Plaintiff admits he used the credit card to purchase valuable goods and services. He understood he would be responsible for repaying Bank Y for the amount he charged on the card and for interest payments on that amount. See Memorandum in Support of Motion for Summary Judgment (Papers 42), Exhibit 3, Deposition of Mr. Jones, at V.I 22-23 and V. II 44-45. This suggests the provisions of the Visa Agreement are unambiguous even to the plaintiff who now protests them.

Because there is no genuine issue of material fact for trial and defendant is entitled to judgment as a matter of law, summary judgment is GRANTED.

vor, then summary judgment is appropriate. See Anderson v. Liberty Lobby, 477 U.S. 242, 251-52 (1986).

Because plaintiff proceeds pro se, his complaint should be construed more liberally than complaints drafted by trained attorneys. Haines v Kerner, 404 U.S. 519, 520 reh'g denied, 405 U.S. 948 (1972). In general, courts "extend extra consideration to a pro se plaintiff who is to be given special latitude on summary judgment motions." Valentine v Honsinger, 894 F. Supp. 154, 156 (S.D.N.Y. 1995) (citing McDonald v. Doe, 650 F. Supp. 858,861 (S.D.N.Y. 1986). However, a pro se party's bald assertions, unsupported by evidence, will not overcome a summary judgment motion. Lee v Coughlin, 902 F. Supp. 424, 429 (S.D.N.Y. 1995) (citations omitted).

A. Plaintiff's Claims

Plaintiff's contentions, in essence, is that his Visa Agreement with Bank is void because Bank Y fraudulently concealed the nature of the credit it extended to plaintiff, thereby tricking him into signing the Visa Agreement and using the Visa card.

The elements of fraudulent concealment in Vermont are concealment of facts by one with knowledge, or the means of knowledge, and a duty to disclose, coupled with an intention to mislead or defraud. Bank of Vermont v. Lyndonville Sav. Bank & Trust Co., 906 F. Supp. 211, 226 (1995) (citing Silva v. Stevens, 156 Vt. 94, 103 (1991). There is no general duty to disclose facts absent inquiry, and liability for nondisclosure will arise only when there is a legal or equitable duty arising out of the relations between the parties. Id. (citing White v. Pepin, 151 Vt. 413, 416 (1989) (other citations omitted).

In this case, Bank Y had no obligation to give plaintiff a short course on its accounting procedures when he applied for a Visa card. Bank Y's accounting methods are perfectly legal, see supra note 2, and it had no "legal or equitable duty" to apprise plaintiff of the particular was it handled each transaction.

argues it is illegal for the bank to set up accounts and pay vendors with "money created out of thin air", and that Bank Y use of accounting methods which do not involve 100 percent cash exchange constitute both ultra vires acts by the bank and fraud against clients. Plaintiff further argues that even if such accounting practices are legal, his Visa Agreement with Bank Y is void because Bank Y fraudulently misrepresented and failed to disclose its accounting methods to plaintiff. Plaintiff contends he would never have signed the Visa Agreement, nor use the Visa card, had he known Bank Y's accounting methods.

Bank Y answers that 1) its accounting methods are sound and legal under state and federal law, and 2) the Visa Agreement between Bank Y and plaintiff is fully enforceable. Bank Y counterclaims for breach of contract, arguing plaintiff breached his commitment under the Visa Agreement to pay charges and interest.

2. Discussion

Summary judgment is appropriate when all discovery, "together with the affidavits, if any, show there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56 (c). When deciding a motion for summary judgment, a court must resolve all ambiguities and draw all reasonable inferences in the light most favorable to the party opposing the motion. Twin laboratories. Inc. v. Weider Health & Fitness, 900 F.2d 566,568 (2d Cir.1990); Shockley v. Vermont State Colleges, 793 F.2d 478,481 (2d Cir. 1986) (Citations omitted).

Once the movement has established a prima facie case demonstrating the absence of a genuine issue of material fact, the nonmoving party must come forward with enough evidence to allow a rational trier of fact to find for the nonmoving party. Matsushita Electric Industrial Co. v Zenith Radio Corp., 475 U.S. 574, 586 (1986). If there is no issue of genuine fact, and a rational fact finder could not find in the no-moving party's fa-

1. Background

In July, 1994, plaintiff applied for a Visa credit card with Bank Y. His application was approved. He received a Visa card and used it between July 1994 and January 1995 to obtain goods and services. During that time, plaintiff never disputed the accuracy of any of the Visa statements. He never complained about the quality of the goods or services he purchased with the Visa card.

Plaintiff made minimum monthly payments on the account until December, 1994 when he reached his $3,000 credit limit. In January, 1995, plaintiff failed for the first time to make his monthly minimum payment. Bank Y began sending plaintiff notices that his account was past due.

Plaintiff filed suit in Superior Court on February 20, 1996, alleging inter alia, breach of contract, fraud and the "intentional concealment of the creation of "money" prior to agreement," constructive fraud, failure to disclose, misrepresentation and involuntary servitude.

Bank Y removed the case to this Court pursuant to 28 U.S.C. 1446. Bank Y then answered the asserted counterclaims against plaintiff for the amount due in the account, interest, late fees and attorney costs (paper 12). Plaintiff has since filed an Amended Complaint (Paper 31), which Bank Y has answered (Paper 37).

Plaintiff's allegations of fraud and misrepresentation stem from the accounting method used by Bank Y. Plaintiff contends he did not understand, either from the language of the Visa Agreement or Bank Y's advertisements and materials, Bank Y's true accounting procedures. When he signed the Application and Visa Agreement, plaintiff believed Bank Y was loaning him actual money either from the bank's assets or out of money placed in the bank by depositors. In actuality, Bank Y keeps only a small percentage of its accounts in reserves. Plaintiff

borrower or the bank? The attorney can read my book. The attorney has the information and still brought fraud of the court by making false statements. The Federal Reserve Bank publications agree we are right and the bank attorney is wrong. I think the attorney should stop making false statements or leave the law profession.

CHAPTER 5
A JUDGE'S RESPONSE

(This is a real response, filed in a real court.)

An individual sued a credit card company alleging the bank defrauded the credit cardholder because the bank created money out of thin air and loaned it. The bank won. The judge wrote the following:

RULING ON DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

Plaintiff Mr. Jones, proceeding pro se, filed a complaint against defendant Bank Y, seeking to avoid paying his credit card bill and alleging, inter alia, Bank Y credit card and lending practices are fraudulent. Plaintiff claims as damages $40,000 plus interests and costs. Bank Y counterclaimed for the full amount due on the Visa Account, plus interest, penalties and reasonable attorney's fees as provided for under the terms of the Visa Agreement. Bank Y now moves pursuant to Fed. R. Civ. P. 56 for summary judgment on all counts of its counterclaims and against plaintiff on all counts of his complaint. For the reasons stated below, Bank Y's motion is GRANTED.

5) The attorney claims the bank has no duty to explain where the funds came from. The bank charged Mr. Smith as if the bank loaned the bank's money. The fact is, the bank received valuable consideration from Mr. Smith which was used to pay the merchants and the bank never loaned Mr. Smith their own money. The bank believes the agreement is that Mr. Smith provides the funding to pay the merchants when he uses the credit card and then must pay the bank back the principle and interest as if they loaned their money. The agreement only claims the bank is to loan their money. There is no agreement that Mr. Smith is to provide the funds to purchase the merchandise and then repay the bank as if the bank loaned their money. (In an actual lawsuit you would word this differently.) Why even bring up fraud? Why not just discuss a breach of agreement as to who is to provide the funding for the purchase or fund the check? All you want to do is embarrass the other side into saying the bank provides the funding, not you. That is all the attorney could say. When the attorney makes this false statement bringing fraud on the court, you nail them with the documentation.

6) Mr. Smith should have stated that the bank failed to loan the money and used the funds from Mr. Smith to return to him, falsely claiming it was a loan from the bank instead of the fact that it was a return of capital.

7) Mr. Smith need not discuss that he did not talk to anyone. He should have simply stated the credit card company mailed him an agreement of which he relied upon. The agreement claimed he was to borrow funds. It never mentioned he was to deposit money, exchange funds for a check which the bank then claims is a bank loan check back to him or that he was to be the lender or creditor to the credit card company.

A few corrections in the suit could have stopped the bank attorney from demurring.

Did the attorney commit a felony? The attorney knows contract law or he could not be an attorney. The attorney admitted he knew about the opposing arguments. The attorney refuses to tell us who provides the funds for the bank loan check. Is it the

4. CONCLUSION

The Court need only to look at the documentation generated by cross-complainants to see that the demurrer should be granted without leave of amend. There is no way such a cross-complaint can be amended and comply with accepted principles of California business law, including any accepted basis for alleged fraud. The court may suspect from their tactics that these cardholders are irresponsible debtors. They enjoy the benefits of a credit card and then refuse to repay the account.

Bank Z should be put to no further expense to deal with any more such foolishness, which would only add to the amount that will be owed by cardholder, and possibly add to a further uncollectible amount. Even sanctions may not deter this type of debtor, as these too may be uncollectible.

Therefore the demurrer should be granted without leave to amend, and perhaps this collection case can be quickly disposed of with some minimal discovery and a motion for summary judgment.

Signed by banks attorney.

This is a great example of what to expect if you sue a bank. If you examine this bank attorney document you will find:

1) He never proved the opposing party's banking arguments were wrong.
2) He called it bogus claims of fraud, quasi-legal arguments by anti-social groups.
3) He claims the bank was threatened.
4) The attorney claims Mr. Smith did not state what representation of material facts were made by the bank. Mr. Smith could have easily corrected this by taking the agreement and showing how the agreement claims bank was to loan and Mr. Smith was to be the borrower and the bank charged interest for the alleged loan.

The general rule with respect to pleading a cause of action in fraud and duress is stated in Witkin, California Procedure (2nd Edition), Section 574:

Fraud must be specifically pleaded. The effect of this rule is two fold:

(a) the general pleading of the legal conclusion of "fraud" is not sufficient; the facts constituting the fraud must be alleged:

(b) every element of the cause of action for fraud must be alleged in the proper manner (i.e. factually and specifically) and the policy of liberal construction of the pleading will not ordinarily be invoked to sustain a pleading (which is) defective in any material respect."

As to claiming a corporation committed fraud, the Court in upholding a demurred in Mason v Drug, Inc (1939) 31 Cal.App.2d 697 [Cert. Denied], stated at page 704:

"The corporation could speak and act only through their agents and servants. Therefore it was material to state the names of such agents and servants, what they said and did material to the cause of action..., when the event happened... [citations omitted] ...Fraud is never presumed. ...If the plaintiff would charge the defendant corporation with making fraudulent misrepresentations it was necessary for him to allege the name of the person who spoke, his authority to speak, to whom he spoke, what he said or wrote, and when it was said or written."

It is obvious from the cross-complaint that cross-complainants are alleging the sort of general facts about the credit structure of this country, particularly as it applies to credit cards issuers, and not to any representations made by Bank Z to these credit holder upon which they relied to request the card. Therefore the demurrer to these spurious causes of action should be sustained without leave to amend.

2. BASIS FOR DEMURRER

California Code of Civil Procedure 430.10 states that a party against whom a cross-complaint has been filed may object to the pleading on any one of several grounds including that "(e) The pleading does not state facts sufficient to constitute a cause of action.

Additionally, Code of Civil Procedures 430.50 states:

"(a) A demurrer to a complaint or a cross-complaint may be taken to the whole complaint or cross-complaint or to any of the causes of action therein." A complaint seeking punitive damages may not allege the amount of punitive s sought. Code of Civil Procedures 3295 (e).

3. THE CROSS-COMPLAINT DOES NOT STATE FACTS SUFFICIENT FOR THE STATED CAUSES OF ACTION

The Court needed only to look at the letters and threats sent to cross-defendant Bank Z by cross-complaints, which are attached to and made part of the cross-complaint, and at the wording of the cross-complaint, to see that not only are the damages claimed wholly without factual and legal foundation, but that the entire cross-complaint fails to state any legally recognizable cause of action.

The essential allegations of an action for fraud or deceit are false representations as to a material fact, knowledge of its falsity, intent to defraud, and justifiable reliance resulting in damage. Wilheim vs Pray, Price, Williams and Russel (1986) 186 Cal. App.3d 1324, 1331.

It is well established that in order to state a cause of action for fraud a complaint must state with particularity the facts upon which recovery may be had. As stated in Hall vs Department of Adoptions of Los Angeles County (1975) 47 Cal. App.3d 898,904:

fact were made by Bank Z. In the next paragraph the statement is made "in reality they only extended credit and did not have any money to lend..." Nowhere are facts pleaded which show that Bank Z made any misrepresentations of material facts.

Even if Bank Z did borrower money to pay the merchants with whom cross-complaints obtained credit card credit, this fact is not a basis for fraud. Bank Z obviously never represents to any potential cardholder where it gets its funds, and until cross-complaints state with some specificity who made any material representations to them on this point, and that it was the basis for their seeking a credit card, and that they were harmed as a result of the fact that Bank Z may have borrower its funds, cross-complainants have offered absolutely no facts upon which to base any cause of action for fraud.

Under the second cause of action, "FR-3; Concealment", cross-complainant has not stated any material facts which Bank Z had a duty to reveal. Again, there is no duty to reveal to an application for a credit card where the card company gets the funds that it pays the merchant with whom the cardholder deals and uses the card.

Under the third cause of action, "FR-4; Promise made without intent to perform", cross-complainants have failed to allege what acts Bank Z failed to perform. Since all Bank Z promised to do was furnish a card, credit the account of the merchant with whom cross-complainants used the card, and then allow cardholder to repay Bank Z on a monthly billing basis, there are no facts alleged to show that Bank Z did not do exactly that.

Finally, the Cross-complaint sets forth a dollar amount of punitive damages.

MEMORANDUM OF POINTS AND AUTHORITIES

1. STATEMENTS OF FACTS

Bank Z is attempting to collect on a defaulted credit card account. Bank Z requests that the Court take judicial notice of certain of the following facts which are not in the four corners of the cross-complaint, based on articles in the news media.

The Cross-complaint runs from the unintelligible to ridiculous and specious. Certainly it fails to state facts sufficient to support any of the causes of action therein. Attached to the complaint, and incorporated by references therein (paragraph FR-3 in the cause of action for fraud), are a series of letters and other documents from the debtors which contain a dose of the type of quasi-legal arguments that are being circulated on the Internet and elsewhere by persons who claim that such allegations will get debtors out of having to pay their debts.

There sales pitches, based on a rejection of the U.S. legal and economic system, also advocate threats against the creditor of what are nothing more than bogus claims of fraud, conspiracy, extortion and peonage (see letter attached to cross-complaint dated September 25, 1996). These pitches further represent that, if a lawsuit is filed by the creditor, the filing of a cross-complaint by the debtor accusing the creditor of fraud, and a flurry of motions and other documents, will discourage creditors from pursuing their claims.

The complaint filed by Bank Z is nothing more than a routine collection case on the balance of a credit card debt which is in default. In response, the cross-complaint sets forth the spurious causes of action which the anti-social groups advocate.

The first is: "FR-2: Intentional or negligent misstatement", in that Bank Z... was in the business to lend money." However, the cross-complaint does not state what represents a material

loan from you to them to fund the loan from the bank back to you? Did you agree to give the bank something of value for free and have them return the value back to you as a loan? Did you agree to loan the promissory note to the bank and for the bank never to repay the loan? I don't believe so. You need to be willing to help save America and get the truth out. We don't deserve to be taken advantage of.

CHAPTER 4
A BANK ATTORNEY'S RESPONSE

(This is a real response, filed in a real court.)

A number of people have filed lawsuits against banks. If you study the lawsuits, you will learn from other peoples mistakes. The following is a bank attorney's court response to a suit against the bank.

To Defendant Mr.Smith, IN PRO PER:

Please take notice that the plaintiff/Cross-defendant Bank Z will, and hereby does, demur to the Cross-complaint of cross-complainants Mr. Smith in the above-entitled case.

The Demurred is based upon the following:

1. This Demurrer is based on Code of Civil Procedures Paragraph 430.10 (e) in that the Complaint fails to state sufficient facts to support the causes of action set forth therein.

This Demurrer is based on this notice, the attached memorandum of Points and Authorities, the Cross-complaint on file with the Court, all other documents and records on file with the Court and on such oral arguments as the Court may require at the hearing on the Demurrer.

and new liability represent the same transaction of money the bank received from the borrower. The bank must try and argue that the money is a bank liability owing people money, never paying the bank IOU, and only transferring the bank IOU from one customer account to another by check, draft or wire transfer. The FED publications admit that cash and checking account balances are both bank liabilities that the banks never pay. You must argue that the new bank liability was created because the bank recorded the promissory note as an unauthorized loan from you to the bank, or a bank deposit, and that the bank refuses to repay the money back to you or loan other depositors' money.

These statements from the Federal Reserve Bank are just as valid as if the loaning officer at the bank implied or directly told you that the bank loans other depositors' money. False statements, false representations, false pretense, fraudulent concealment and fraudulent conversion are good reasons to make the agreement null and void. If the bank believes you should repay the loan, I agree both the bank and the borrower should repay their loans. I believe the bank should loan other depositors' money or repay the unauthorized loan from you to the bank which cancels the bank loan. The bank did not loan or risk one cent of cash or other depositors money the bank had on deposit before you signed the promissory note. How can they charge you interest on something they never loaned to obtain the promissory note?

Judge for yourself. It appears that the ultimate white collar crime is one where the victim does not know they were robbed, where, due to stealth and deceit, the crime has the appearance of a legal transaction but is actually a fraud. It is repetitive in nature and involves collusion of professionals and government, where the criminal uses government police and judges to enforce the fraud.

As judge and jury you decide whether there was deception, a trick or false and/or misleading statements. Was there a loan or an exchange? Did the bank record your promissory note as a

first deposit a bank asset (cash, check, etc.) which creates a bank liability owing you money. The account owing you money must exist before the bank is obligated to honor a check. If the bank does not owe you money, they have no obligation to use a bank asset (cash) to honor the check. Before I mentioned that the FED publications claiming the new deposit for a loan is just as valid as depositing cash or a check. This is correct in the respect that there must first be an asset deposited. This proves the new private bank money (new deposit, liability) has no value without first depositing an asset the borrower provided to give the check or bank liability value. This argument stops the bank from claiming they create money. The private bank money (liability) has no value because it is like writing a check one cannot receive cash for, because no asset was deposited to make the new private bank money valuable. The asset is the value behind the bank liability. This is the proof. The government gives the bank government bonds for free and the bank uses this asset to issue new bank currency to loan back to the government. The government gave the bank something of value for free to give the Federal Reserve Notes (a liability to the Federal Reserve Bank) value. A borrower gives the promissory note to the bank for free, which gives the new private bank currency (new deposit, liability) value so that the bank can sell the promissory note for cash, allowing the bank to cash the bank check (liability). If the bank ever claims it created money, then their money has no value without the asset they receive from the government or borrower. This is why they are pushing for a cashless society. No cash, and everyone must use the private bank money as the official currency.

Key lesson: To create a new deposit, one must deposit an asset at the bank. The asset can be cash, a check, or a promissory note.

For the bank to win in court, they must try to claim that only the bank liability is money. For you to win in court, you must prove the bank needs cash (a bank asset) to pay the check or new deposit (liability). You must prove the asset deposited

check because your IOU gave value to the bank check which proves your IOU has equal value to the bank check. The bank used your IOU like money, just as you used the bank's check like money.

Key lesson: According to the FED publication, the bank loaned you a new deposit which is not legal tender. It is a bank liability owing legal tender. Owing legal tender is the opposite of legal tender. Then the bank demands you pay the loan back in legal tender or money that the bank creates.

Federal Reserve Bank of New York publication *The Story of Checks and Electronic Payments* (p. *7)* explains that a check merely transfers money from one account to another. It continues, "On the deposit slip, list each check you are depositing." The publication explains that a check is just like a wire transfer, both transferring money from one account to another. It is important to understand the bank deposits cash (asset) and checks (asset) to create a new deposit (liability). The bank cannot create a new liability without a matching new asset (promissory note, cash or check). The bookkeeping records must balance and it requires a new asset to match the new liability (deposit). The new asset (cash, check or promissory note) deposited creates the new bank liability (deposit, checking account balance) proving the new asset and new liability represent the asset deposited. The new asset and liability represent the same transaction of depositing the money the bank received from the bank customer.

Page 10 of the above publication explains that you must have money in your checking account to write a check. Let us examine this. If you deposit a $100 check or cash, the bank credits your checking account for $100. The $100 credit is a bank liability showing the bank owes you $100. The $100 liability or credit is not money, it is a bank score card showing how much money the bank owes you. Because they owe you $100 you have the right to receive $100 in cash or you have the option to write a $100 check. The bank rightfully demands you

definition, the promissory note is money deposited to create the new deposit balance the bank loan check was written from. If the bank argues one can deposit the postponement of the payment of money, they must sell it (promissory note) to get the money to make the check payable in a sum certain in money, which proves the bank is acting as merely a moneychanger and never loaned cash or other depositors' money for the promissory note. How did the promissory note become money, deposited and withdrawn without the borrower's knowledge, permission or authorization? The bank has to admit that they loaned no money and that the borrower supplied the money. Explaining this is a CPA bank auditor's nightmare.

Key lesson: If credit is not money, and a check must be paid in "a certain sum of money", and a bank liability is owing legal tender, how can a check pay you credit which is the postponement of the payment of money?

Federal Reserve Bank of Richmond publications *Our Money* (p. 5) and *Your Money (p.* 7) both state, "While demand deposits... are not legal tender" banks accept them like money when used to purchase goods and services. The bank claims they loaned you a new deposit from which a check can be issued. This is not legal tender. It is merely private bank money just like casino tokens are money in a casino. It is something the bank created and called money, then loaned you hoping you would accept it as money just as everyone else does. If you want them to exchange it for real legal tender, they must sell the money (promissory note) you deposited for legal tender and exchange the legal tender for the newly created private bank money. You created money (IOU) which is not legal tender, and they deposited it creating new bank money (IOU) called checkbook money also called a new deposit. They exchanged IOUs and made no loan. Your newly created IOU money (promissory note) is just as much money and has just as much value as the newly created bank IOU money (new deposit or check or checkbook money) does. Your IOU can be exchanged for cash just like the bank check. Your IOU has more value than the bank

chicken or the egg came first. On a blank sheet of paper on the same line place these three words: note, check, note. If the note funded the check, the bank claimed they loaned no actual cash value for the note. If the check was loaned as consideration for the note, the bank must prove they violated the Federal Reserve Bank policies and procedures or the check is check kiting (no money first deposited for the check). The bank cannot expose the truth because of the written agreement and advertising.

Never ask a question of law regarding whether the promissory note is money. The judge will claim that is a matter of law and only he can rule. He will never rule. Always ask the banker, "Is it your policy that the promissory note is or is not money?" If it is, give them more money. If it is money, you provided the bank with money to fund the check so where is the money the bank loaned? If it is not money and the bank liability is owing money, a check is not money and the FED claims the bank did not loan other depositors' money, where is the money? The bank cannot own or sell the note until they legally gave consideration in accordance to the agreement.

Credit is not money and a check is payable in money so how can a check be paid in credit, the postponement of the payment of money?

The questions are asked to exploit the banks' weaknesses. If they cannot explain what the real agreement is, how can there be an agreement? The questions have many topics. They discuss the agreement, bank policy, intent, money, credit, who funded the check, bookkeeping entries, bank auditor, court cases, bankruptcy, etc. One main reason we ask the same type of question five ways is so the bankers will know every American is fully equipped to ask the pertinent questions. Just having the questions in both volumes means they dare not get into the argument with you.

Never forget the bank must claim they "do not know". Expect them to use direct lies, the lie of omission and the lie of equivocal behavior (You ask the question, they know the answer and they shrug their shoulders making you think they do not know.) You must make the question so simple any child can understand.

Many of the questions in this book are compound questions. If this were a real court, one would break the compound questions down into several questions. I used compound questions to cut pages in the book and help with understanding. The questions are designed to show you how to ask questions. Once you have the idea, you can rephrase it many ways. Do not ask the question you do not know the answer to.

This book discusses a universal banking problem. If you are in a real court, never, never make it appear to be a universal problem. You must make it appear to be only your problem. Your documents were forged, changing your cost and risk. You loaned the bank, they paid you back and they made a mistake by calling the repayment back to you a loan.

In the end all questions are centered around how the bank made false statements, used deception and changed the cost and the risk. Make it sound like no one in their right mind would ever agree to deposit money and have it withdrawn as a loan back to them. You cannot win because of the law. You may win because of the agreement/contract and because you embarrassed them. They can always change laws to suit themselves. They cannot change morals, and making the real agreement look so ridiculous no one would enter into it unless they were insane, only works in your favor.

The ultimate aim of asking questions is to expose the fact that they changed the cost and risk. The bankers end up with everything and risked and loaned nothing having any actual cash value to obtain the promissory note. They simply transferred your wealth to their pocket for free, used this new wealth to

create new money, and used the new money to return the wealth back to you as a bank loan.

CHAPTER 8
ACCOUNTING PRINCIPLES

The bank auditor must comply with all accounting principles. Each one of the following four accounting principles prove our case. Before we discuss the principles, however, we should define assets and liabilities. An asset is something one can sell. It has value. Assets consist of items like cash, promissory notes, cars and houses. A liability is owing money. A debt is a liability.

1) The principle of matching requires that the revenues (sales) matches the expenses associated with the revenues. It also requires assets to match liabilities. Example: if you loan a company $10,000 cash, the cash is recorded as an asset matched with an liability of $10,000 showing the company owes you $10,000. The liability is proof you loaned the cash to the company and they owe you the money. It is illegal for the company to receive a $10,000 loan from you and then claim they do not owe you the money, that they owe another person the $10,000 and pay the other person the $10,000 they owe you. The principle of matching demands that if the bank records the promissory note as an asset matched by a new liability, the new liability (deposit or check) is money they owe you. It is illegal to convert the liability to another person and not pay you. More precisely, the bank took your promissory note, recorded it as an unauthorized loan from you to them or deposited it, resulting in a new liability. They never told you about the transaction. The principle of matching demands that the bank return the value of the promissory note back to you, plus all interest. The bank auditor and banker cooperated together in keeping this knowledge from you. The bank's legal form (bank loan

agreement) claims there was a loan, when in fact, economically speaking, the bank owed you money for the unauthorized loan to them. They kept the money owed you by refusing to match the promissory note to the new liability that should have been recorded as debt to you.

2) Accounting principle representational faithfulness means, GAAP (Generally Accepted Accounting Principles) requires that the economic substance proves what event occurred regardless of what the legal forms said. See the book, *1997 Miller GAAS Guide* by Larry P. Bailey (p. 3.05). This book is used for CPA continuing education requirements of license renewal. The accountant recorded the economic event as a loan from the alleged borrower to the bank and the value returned as a loan back to the same alleged borrower. This was an exchange or deposit and a fee was charged as if there was a loan. The legal form only discussed the loan from the bank to the alleged borrower. GAAP (Generally Accepted Accounting Principles) requires the written agreement show the authorization, permission and knowledge to record the bookkeeping entries of a loan from the borrower to the bank. There was no knowledge so there is no authorization or permission. Without written permission or knowledge the auditor and banker failed in the accounting principle of representational faithfulness.

Clearly from these two principles, the bookkeeping entries are similar to fraudulent conversion of an asset (promissory note) to the hands of another, using the value of the asset to loan back to the victim it was taken from. These two principles clearly prohibit such a transaction.

3) The principle of conservatism simply states `when in doubt, do not overstate assets and income.' See the book *Intermediate Accounting* by Kieso and Weygandt (p. 37). This book is used in major universities to teach future CPAs. This simply means that the loan from you to the bank must be returned back to you as a return of the loan from you to the bank, and not as a loan from the bank back to you.

4) The objectivity (verifiability) principle means that CPAs who understand accounting information must depend on objectivity and verifiable information. The book *Intermediate Accounting* explains that if two CPAs examined the same bookkeeping entries, they should agree about what the agreement was (p. 34). The translated version means, if CPAs did not know anything about the bank loan agreement, and only saw the bookkeeping entries and asked what is the agreement per the bookkeeping entries, they would conclude there was a loan to the bank returned as a loan from the bank to the alleged borrower. That the bank deposited the promissory note or sold it and deposited the proceeds of the sale or a fraudulent conversion, or theft, or the borrower gifted the promissory note to the bank and that the bank never loaned one cent of actual cash value to the alleged borrower to obtain the promissory note. The bank auditor must come to the same conclusion if he had the competence to audit the bank.

The money trail and accounting principles prove our point: that the bank loaned nothing having any actual cash value or a check to obtain the promissory note. The agreement did not disclose that the bank simply obtained something of value from us for free and returned the value back as if they loaned us their money.

CHAPTER 9
CERTIFIED PUBLIC ACCOUNTANT AUDIT REQUIREMENTS

This chapter is merely a summary of the three cassette tapes "CPA Audit Requirements: Both Sides of The Argument" offered in the back of the book. In the tapes you will learn that the CPA must meet ten audit requirements. If they failed to follow the requirements and if they would have detected a fraud if

they were followed, the CPA is guilty. The ten audit requirements are:

1) adequate technical training
2) an independent mental attitude to be maintained by the auditor
3) due professional care
4) work is planned and supervised
5) evaluate internal controls such as standard bank bookkeeping entries
6) Test-investigate-confirm to see if financial statements are materially correct
7) use Generally Accepted Accounting Principles (GAAP)
8) use consistency
9) use disclosures, footnotes on financial statements to help the reader understand
10) give an opinion on the financial statements

The objective of the audit is to follow GAAP (Generally Accepted Accounting Principles) standard bank bookkeeping entries. GAAP must accurately record the bank loan agreement. The agreement claimed there was a check loaned as consideration for the bank to obtain the promissory note. GAAP proves the bank recorded the promissory note as a loan from the borrower to the bank as evidenced by recording the note as a bank asset matched by a new bank liability. This funded the loan from the bank back to the alleged borrower, proven by the check transferring the liability to another checking account. GAAP proves two loans were exchanged. GAAP proves the borrower exchanged actual cash value for actual cash value and was charged as if there was a loan of other depositors' money. The auditor was required by Generally Accepted Audit Standards to investigate and determine if the GAAP correlated with the written bank loan agreement. If the bank loaned other depositors' money, the bank could never record the promissory note as a bank asset. If the bank recorded the promissory note as a bank asset, there was a deposit, exchange or loan to the bank which must be agreed to in the written loan agreement. The

auditor's work papers must show the investigation and how the agreement matched the bookkeeping entries.

The auditor must recognize the accounting principles of matching and representational faithfulness. The auditor must now tell us if the intent of the bank loan agreement was for the alleged borrower to give the bank actual cash value for free and have the bank return it back as a loan. The alleged borrower signed it, so only he can tell you his intent. The borrower will discuss the advertising, and definition of exchange verses loan.

The auditor must know if anyone deposited anything at the bank or loaned anything to the bank. In either case a new liability will appear. The bank policy proves a new liability appears for each new loan, proving whether the auditor followed GAAS and knew or should have known. The CPA must know the answers to everything in both Volumes I and II or the CPA is not competent and therefore could not have taken on the audit assignment. The banker and judge must attempt to stop the CPA from testifying.

CPA ethics have a very high standard. CPA ethics demand objectivity, forcing the CPA to maintain impartial attitudes on all matters. The CPA must maintain a keen consciousness of the public interest and the needs of society. Ethics include responsibilities to colleagues. This is meant to promote the profession. The book *Auditing: An Integrated Approach* by Arens Loebbecke published by Prentice-Hall (p. 60) explains that the CPA has an obligation to assist other CPAs in complying with the Code of Professional Ethics and enforcing disciplinary action. It then explains that condoning serious fault, "can be as bad as to commit it." If there is serious fault, the CPA must consider protecting the public. "The welfare of the public" should guide the CPA's actions. This is why I am obligated to speak out, to follow the ethics and the law. The CPA must maintain the confidence of the public, it is a public trust. This book is designed to do just that. In short, the CPA is like a policeman investigating the financial statements and contracts and bank

loan agreements protecting the public interest. If you see an error, you must bring it to the attention of the victim to stop the problem.

Major Certified Public Accounting firms know about Volumes I and II and the information contained therein. They dare not go public and argue this information, allowing the nation to understand it like a CPA expert witness would.

The American Institute of Certified Public Accountants' pronouncements are the minimum standard of investigation, not the maximum. The audit requirements required the auditor to know the industry agreements, contracts and bookkeeping entries. The auditor knew whether there was an loan or an exchange and whether the customer was charged as if there was a loan.

I believe many CPAs have proper intent, while others are misinformed and still others have full knowledge. This book gives all CPAs full knowledge. For more details and information I suggest you order the three cassette tapes and learn about other audit tests the CPA was required to perform, a discussion of fraud discovery, CPA liability to third parties and much more.

CHAPTER 10
QUESTIONS TO ASK THE BANK AUDITOR

Having been trained as a Certified Public Accountant, having been an expert witness, and having trained thousands of CPAs nationally, I see questioning the bank accountant and expert witness as the cornerstone of winning. The CPA bank auditor should have the competence to answer any question in this book. If he cannot answer it, he should not have conducted the audit.

The following questions were derived from courses CPAs take for their required continuing education. There are hundreds of courses a CPA may chose to take. A CPA must take about five days of courses per year to renew the CPA license. The following questions were derived from these CPA review courses.

As the bank auditor, please accurately define what your client (bank) is?

As a bank auditor, have you ever run across a situation where the borrower provides money, or a check, or paper that can be exchanged for cash and deposit this at the bank and the bank withdraws the funds as a bank loan check back to the same borrower? The borrower then loses the deposit to the bank and must repay the bank back the principle and interest for the check the borrower received?

If no, how about the same situation where the borrower exchanges money for a check and then the borrower must repay the bank the principle plus interest?

From your experience as a bank auditor please answer the following questions:

1) Do banks deposit money? (This proves an asset is deposited and a new bank liability created cannot be called a deposit without a matching asset.)

2) Do banks deposit checks? (This proves bank liabilities are not money unless the liability is matched with the corresponding asset, that the asset represents the liability and the liability represents the corresponding asset, and that the asset and liability represent the same money deposited.)

3) Is a check redeemable in cash? (We ask the question to prove money is a bank asset.)

4) Must one deposit money into an account before writing a check from the account? (We ask the question to set them up, having them later admit they deposited the promissory note.)

5) Is it illegal to open up an account, not deposit any money and write a check from the account? (Make it obvious that one must first deposit money to write a check.)

6) Is a bank CPA auditor competent to know the difference between an exchange and a loan? (They must say yes.)

7) If a contract agreed to have Joe loan the bank something valued at $100,000 and the bank exchanged this loan for a loan from the bank to Joe in the amount of a $100,000 bank loan check, what would the bank bookkeeping entries look like? (The loan from Joe to the bank would be recorded by placing the $100,000 promissory note as a bank asset and a new offsetting bank liability of $100,000. The loan from the bank back to Joe would be a bank loan check transferring the $100,000 liability from one checking account to another. The Federal Reserve Bank publications claim this is the bank bookkeeping entry.)

8) When the bank grants loans, is there an exchange per the bank bookkeeping entries? (The bank auditor must have the competence to know that the bookkeeping shows an exchange just as page six of *Modern Money Mechanics* admits.)

9) As a bank auditor is it your belief that when a bank borrower asks for a $100,000 bank loan that the borrower knowingly agrees to swap negotiable instruments or commercial paper worth $100,000 with the bank? (Generally Accepted Auditing Standards, GAAS, requires the CPA auditor to determine whether the bank fulfilled the agreement and they legally own the promissory note. The auditor must answer this question or it is gross negligence on the part of the auditor. GAAS requires the CPA to know the bank policy, procedures and standard bookkeeping called Generally Accepted Accounting Principles, GAAP. This is why we want to put the bank CPA auditor on the

court witness stand. If the CPA says no to this question, the CPA admits the bank breached the agreement, and my book is correct, making the CPA audit report invalid. If the CPA says yes to the question, the CPA admits there was no loan, and if there is no loan, how can the bank force you to repay the loan? If yes, the CPA audit report is invalid. If the CPA cannot answer, the auditor is involved in gross negligence and his work is invalid. The auditor must follow GAAS or the audit report did not meet the CPA standards.)

10) A book offered by Western Schools for CPA continuing education CPE requirements called, *1997 Miller GAAS Guide* by Larry P. Baileyon (p. 3.05) explains an accounting principle called "Representational Faithfulness" of which he explains that GAAP prove what transaction took place. On the same page it discusses the accounting principle of matching (sales to expenses of the sales and assets to the liability represented by the asset). Do you agree with these accounting principles or not? (To get the $120 book call 800 438-8888.) The CPA must say yes, he has no choice. Now the CPA must agree the new bank liability is matched with the new asset called a promissory note and the economic substance of an event take precedence over its legal form when recorded (bookkeeping entries) or measured. This is a bank auditor's nightmare. The liability is a deposit that should have been credited to the borrowers account and the borrower should have been notified of the transaction. The auditor should have known someone other than the borrower withdrew funds from the borrower's transaction account without the borrower's knowledge and returned the funds to the same borrower as a loan from the one who withdrew the money.

11) As the bank auditor, did you evaluate management's integrity? [This is a audit requirement. The bank policy is to deny non-bankers equal protection under the law, money, credit and agreement. They claim they will loan you money if you sign an agreement to repay the money. They never loan you one cent of cash or other depositors' money to obtain your prom-

issory note. They make you the creditor or lender without your knowledge and they never repay the unauthorized loan from you to the bank. They call it a loan when in fact it is an exchange. The banks use the promissory note to fund the bank loan check and then bankers have the gall to tell me the bank loaned other depositors' money. What kind of integrity is this? If the bank lacks integrity, the CPA should decline performing the audit. To determine the bank's integrity the bank should talk to other CPAs and other third parties and read my books and listen to my cassette tapes.]

12) Does a CPA have CPA-client privileged communication under Federal Law? [According to the book *Accountants' Legal Liability Guide* by George Spellmire, Wayne Baliga and Debra Winiarski (p.1.27) the answer is no. This book is used for CPA continuing education CPE requirements. To order the book call Western Schools 800-438-8888. We ask the question because the CPA claims they have privileged communication with clients and cannot give us information. If you sue in federal court under federal law, you can breach this. The bank is using federal law to operate.]

13) Does your CPA firm carry professional liability insurance? (Some CPA firms go bare, but many carry insurance.)

14) Who is the insurance carrier?

15) Have they been notified?

16) May I have a copy of the insurance policy?

17) Is part of the audit requirement for the auditor to know the bank policy? (Yes.)

18) Is it policy for the bank to conceal who funded the bank loan check?

19) Is it bank policy to call an exchange a loan? (If yes, you have them on confusion and misunderstanding and possibly deception with intent to have you rely on false statements. If no, they must prove the Chicago Federal Reserve Bank's publication *Modern Money Mechanics* (p. 6) is wrong.)

20) Is it a bank policy to call the opposite of money money? (The FED calls a bank liability owing money `money'.)

21) Is it the bank policy not to loan any valuable consideration to the borrower and still claim the bank legally owns the promissory note the borrower signed? (The auditor must either claim a bank liability with no asset to pay the liability is valuable consideration, or that there was no loan.)

22) Is it the bank policy to claim that the bank loaned the borrower a bank loan check as the funds loaned for the bank to fulfill the agreement and legally obtain the promissory note? (If the auditor says yes, the promissory note can never fund the same check. The FED policy is that the bank never loaned cash or other depositors' money so there was no money to pay the check making the check illegal consideration. If the auditor answers no, he admits there was no check loaned to obtain the promissory note. The CPA auditor must know bank policy and must answer the question. Policy shows intent.)

23) Is it bank policy for the promissory note to fund the bank loan check? (If yes, the check was not the money loaned to obtain the promissory note because the bank owned the note to fund the check. If no, the bank auditor must prove the bank's policy is to violate FED policy which would make the CPA opinion a dirty opinion.)

24) Is it a bank policy to loan money to a borrower when the bank has never seen the money and cannot give a physical description of what the money looks like? (If yes, how can he prove he loaned money if he cannot tell us the physical size of the money or the color? I do not know what a bank liability

looks like. If he gives us the size and color of Federal Reserve Notes, he fell for our trap. We know the bank did not loan cash as consideration for the promissory note.)

25) Is it the bank policy to use non-legal tender money to fund the bank loan check? (The correct answer is yes. This means the note funded the check and the bank did not loan money, the bank acted merely as a moneychanger exchanging the value of the note for equal value of checkbook money and charging is as if there was a loan.)

26) Is it the bank policy to act as a moneychanger by exchanging the borrower's promissory note for credit in the borrower's transaction account and call this exchange a loan? [The correct answer is yes per *Modern Money Mechanics* (p. 6). If he says no, he must prove the bank is in violation of FED policy. If yes, he admits there was no loan.]

27) According to auditing standards, is an error an unintentional misstatement? (Yes.)

28) According to auditing standards, is an intentional misstatement or omission called an irregularity? (Yes.)

29) In your opinion, as a CPA bank auditor, when a borrower signs a promissory note believing the bank is to loan him money, should GAAP (Generally Accepted Accounting Principles) standard bookkeeping entries reflect the intent, mutual understanding and agreement of both the lender and borrower?

30) Was GAAP to record the economic transaction between the lender and the borrower? (He must say yes. If yes, the borrower must also be the creditor and lender to the bank or the bank received the note for free without loaning valuable consideration. If the borrower is the creditor and lender, the borrower wants his loan paid back, which cancels the bank loan to the borrower.)

31) Was the borrower to loan anything to the bank? (If no, how did the bank liability increase?)

32) If the bank recorded the promissory note as a loan from the borrower to the bank, would the bank record the note as a bank asset with a corresponding new bank liability? (Yes.)

33) Did the bank record the promissory note as a loan from the borrower to the bank? (Yes.)

34) Did the bank record a loan from the borrower to the bank and a loan from the bank to the borrower? (The book-keeping entries prove the answer is yes. If the auditor says no, the note was then stolen or the auditor must prove the bank has a policy to violate FED policy and procedures.)

35) Was there anything in writing where the borrower agreed to be the creditor or lender? (No.)

36) Do you believe the borrower agreed to be the creditor or lender? (You cannot agree to do something you have no idea you are supposed to do. This means there was no agreement.)

37) Do you believe the borrower agreed to have the promissory note deposited and the funds withdrawn back to the same borrower as a loan from the bank to the borrower? (If he says yes, you want to know about the, omission in the agreement about the deposit.)

38) Do you believe it is a wise business decision for a borrower to give the lender a $100,000 negotiable instrument (that is worth $100,000 cash) for free and have the lender return back to the same borrower a $100,000 negotiable instrument, calling it a $100,000 loan from the lender to the borrower? Do you believe the borrower knowingly participated in such a transaction? (If it is a wise business decision, tell them Tom Schauf wants to loan them money using the above transaction. Anyone on the jury can follow this example and see how stupid the bor-

rower must be to agree to such nonsense. We want the CPA to agree, he would not do this and he believes the borrower did not knowingly enter into this situation.)

39) According to the bank bookkeeping entries (Federal Reserve Bank policy for standard bookkeeping entries as outlined in *Modern Money Mechanics)* did the borrower give the lender a $100,000 negotiable instrument or commercial paper that can be sold for cash? Did the lender receive it for free and then return a $100,000 negotiable instrument back to the same borrower as a loan from the lender to the borrower? Is it your belief the borrower gave authorization, permission and had knowledge of this transaction? (If yes, we have a controversy. You want the CPA to show you where in the agreement it authorizes the transaction. If no, the bookkeeping entries did not comply to the agreement. The CPA acted beyond his authorization by giving your $100,000 away without permission, authorization or agreement.)

40) When the bank records the promissory note as a bank asset offset by a bank liability, did the bank receive the promissory note for free? (Yes, without exception. When you look at the bank trial balance or balance sheet always look for "loan account" listed as an asset. This is usually where they hide the promissory note. When you find they list promissory notes as an asset just before they sell them, it means they got the note for free.)

41) As an auditor did you determine whether the bank legally owns the promissory note? (Yes, this is a CPA audit requirement. Now he must tell you what the agreement is.)

42) Under what circumstances can the bank sell the promissory note before the bank legally owns it? (Must have permission.)

43) If the bank deposited the promissory note, should the borrower have given authorization to make such a deposit? (Of course the answer is yes.)

44) If money is withdrawn from the borrower's transaction account, should the borrower have authorized the funds withdrawn? (Of course the answer is yes again.)

45) In the audit, what tests did you conduct to determine there was proper authorization to deposit and withdraw funds in the borrower's transaction account? [The auditor should see a deposit slip and a signed authorization like a check or other instrument with the borrower's knowledge, permission and authorization. You want to see the CPA work papers of the audit showing the sample tests. It may not exist. Imagine the CPA claiming the bank does not need permission to take $100,000 from someone, deposit the funds, withdraw the money in the form of a check and then keep the money. I guarantee you the CPA does not want a jury to hear that. One bank claimed they do not use a borrower's transaction account as per *Modern Money Mechanics* (p. 6). They put it into someone's account or exchanged it for a check which is the same thing.]

46) What would be the bookkeeping if the bank:

a) deposited the promissory note?

b) recorded the promissory note as a loan from the borrower to the bank?

c) exchanged the promissory note for a check?

d) received the promissory note for free and returned the value back to the donor as a loan? (Materially speaking, the bookkeeping entries all result in the same thing. It results in a new asset and liability.)

47) Did the written bank loan agreement correctly match the standard policy of bank bookkeeping entries? (If yes, the agreement will show how the bank received the promissory note for free.)

48) Was there anything omitted in the agreement that was recorded in the bookkeeping entries? (The answer is yes because the written agreement did not discuss that the bank receives the bank loan agreement and promissory note for free and gives the value back as a loan to the victim. The bookkeeping proves that is what happened.)

49) Mr. CPA bank auditor, can you prove there was no material fact missing on the bank loan agreement?

50) Mr. CPA, did the bookkeeping entries record all material facts of the agreement? (He must say yes. We asked the question because if it is material to the bookkeeping entries, it is material to the written agreement. The bank wrote the agreement. The loan to the bank was omitted from the agreement. Now the CPA admits it is material, proving fraudulent concealment.)

51) Regarding what was written in the written bank loan agreement, did it match the banks bookkeeping entries?

52) Did the bank bookkeeping entries match what was in the written bank loan agreement? (Ask it both ways. We ask the question because the bookkeeping entries shows the bank received the promissory note for free and the written agreement omits the free provision.)

53) Would all the bank borrowers be in a different economic situation if they received loans as opposed to giving the bank a $100,000 negotiable instrument for free and then having the bank return a different $100,000 negotiable instrument back to them as a loan?

54) As a CPA, do you believe a lender is damaged if the borrower does not repay the loan? (If yes, then the borrower who loaned the promissory note to the bank as an unauthorized loan is damaged per the bank's CPA. If the CPA says no, you

do not have to repay the bank loan because there is no damage to the bank.)

55) According to the CPA profession, must auditors now asses the risk of management misrepresentations and not just assume management has integrity? (Yes. When you ask a technical CPA question, they will shrink in fear knowing you know how to argue with the best of them. This question means the bank management wrote the agreement, performed the accounting entries and that the two do not match, showing you the integrity of management. By the bank definition a check cannot transfer credit, again showing you integrity. Credit is the postponement of the payment of money per the FED policy, so if they loaned you credit, how can they charge you interest for the use of borrowed money? There is confusion and misunderstanding, so how can there be integrity?)

56) Did you evaluate clients policies and procedures in regard to illegal acts? (The audit requirements demand the CPA answer yes. The written agreement is the opposite of the policy for the bank bookkeeping entries. According to audit requirements the CPA had to have known this. See page 3.40 of the *Accountants' Legal Liability Guide.)*

57) If GAAS (Generally Accepted Auditing Standards) would detect material misstatements, is the auditor responsible to find such material misstatements? (Yes. GAAS requires the CPA to know if the bank fulfilled the bank loan agreement, the policy for bookkeeping entries. The CPA must know that if the bank loaned other depositors' money, bank assets and liabilities decreased. If the bank deposited or exchanged or if the borrower loaned the bank the note, the bank assets and liabilities both increase. The CPA must have known if he followed GAAS. See page 3.40 of the *Accountants' Legal Liability Guide* by calling 800-438-8888.)

58) If a check is written from one account and deposited into another account, is the bank liability transferred from one

account to another account? (Yes. This is the loan from the bank to the borrower.)

59) Is it part of an auditors responsibility to detect loans to a bank? (Yes, per page 3.50 of the *Accountants' Legal Liability Guide.* We asked the questions to prove the CPA must know there were two loans exchanged and the agreement only called for a loan. The bookkeeping shows an exchange of loans and the written agreement only called for one loan from the bank to the borrower and omitted any loan from the borrower to the bank.)

60) What are the auditor's options if the auditor finds the client (bank) intentionally distorts financial statements and will not correct the errors? (The CPA should withdraw from the engagement.)

61) Does a CPA owe a duty of "due care" to third parties? (Yes per page 11.01 of the *Accountants' Legal Liability Guide.)*

62) As a bank CPA auditor, can you prove the bank is in violation of Federal Reserve Bank policies and procedures? (The CPA must know.)

63) Can you prove the bank is not in violation of Federal Reserve Bank policies and procedures? (If the CPA says yes, then we know the bookkeeping entries and need not look at the actual bookkeeping entries and financial statements.)

64) Is it a Federal Reserve Bank policy to:

a) call an exchange a loan?
b) breach agreements?
c) call owing legal tender money?
d) omit material part(s) of the written bank loan agreement, but not omit the same part when the bank records the agreement on the bank's books? (Omitting the loan from the borrower to the bank.)

65) As an auditor, when you examine an agreement, do you believe the written agreement must be given effect in accordance with the plain, ordinary, and popular meaning of its terms? (Notice I did not ask per the law or court cases. If I did, he may refer me to his legal counsel. I asked according to his belief. He should answer the question yes. See the judges court report enclosed in this book agreeing that the answer is yes. Now take the agreement and use the plain, ordinary and popular meaning of the word loan, interest, borrower.)

66) Does a policy show a clear design to carry out an action? (We want to show a policy is a clear intended action.)

67) Were the bookkeeping entries planned? (Of course they were. GAAP is a bank policy.)

68) Did the bank plan and write the bank loan agreement? (This is to show they knew exactly what they were up to.)

69) Was it the bank policy to create checkbook money (liability) whenever they grant a loan, simply by adding new deposit dollars (liabilities) to accounts on their books in exchange for a borrower's IOU? [This question was derived from a statement taken from Federal Reserve Bank of New York publication *I Bet You Thought...* (p. 27). This way the CPA must say yes or we show him the publication, show him he lied and was not competent to conduct the audit. The beauty of this question is the word deposit. Another FED publication discusses depositing cash and checks. This one infers the IOU was deposited into an account. The IOU has equal value of cash or a check so why cannot it be deposited?]

70) Is it a bank policy to make deposits in customers' accounts without receiving funds from the customer? (The CPA must say no because a check must be payable in cash so the bank can deposit cash or something that can be exchanged for cash. Secondly *Modern Money Mechanics* (p. 6) explains that the bank exchanges the promissory note for credit in the

"borrower's" transaction account. Now the CPA must agree that the bank received the funds from the borrower and that the bank cannot create money out of thin air. The so called money the bank creates is a bank liability when the bank received the promissory note for free and loaned nothing of value to obtain it, thus violating the agreement. The bank claims checkbook money is money. It is a bank liability owing legal tender. The checkbook money is created only by depositing funds or exchanging a promissory note for a check and both are materially the same bookkeeping entry. The former is the long version and the later is the short version, both with the same results.)

71) Is it a bank policy to allow a customer to bring cash to the bank and exchange this cash for credit in the customers transaction account? (Yes. This just described a deposit crediting the customers bank statement)

72) Is it the bank's policy to allow a customer to bring a promissory note to the bank and exchange this promissory note for credit in the customer's transaction account from which the customer may write a check? [The answer is yes per *Modern Money Mechanics* (p. *6).* The customer is the borrower, but use the word customer. This proves the promissory note has value and that they simply refused to acknowledge the promissory note as money unless you were willing to exchange the promissory note for newly created bank tokens. You give the promissory note to the bank for free, they exchange it for the newly created bank tokens and return the same value back to you calling it a loan. It proves that the borrower provided the value for the loan and that there was an exchange not a loan. Now we have them on false advertising, false statements, etc. We use the word policy in the question to show they knew and had intent to deceive the common, ordinary man. We turned the statement in the FED publication into a question to force them to answer the question the way we want.]

73) Is it the bank's policy to credit a customer's transaction account without the customer's knowledge, permission or au-

thorization? (If yes, the customer would not know he has funds he could spend. If no, then the bank must notify the borrower the bank credited the borrower's transaction account in exchange for the promissory note.)

74) When a bank claims it grants a loan, is it the bank policy for the bank bookkeeping entries to record an exchange of equal value for equal value between borrower and the bank? Is it the bank policy to then tell the borrower there was a bank loan, charging the borrower the principle and interest for the exchange? (Yes to both questions. Now we have a policy with full knowledge and intent to make an exchange and charge as if there was a loan.)

75) According to bank policy, when the bank grants a $100,000 loan, how much money does the bank risk of other depositors or investors or lenders other than the borrower? (The bank risked nothing.)

76) Is it a bank policy that a bank liability is owing money? (Yes. This question is to stop the bank from claiming they create money?)

77) Is it bank policy that the borrower creates money by signing the promissory note and depositing it or exchanging it for credit (liability) on the banks books? If yes to the previous question, then are you calling a new bank checking account balance money? If yes to the previous question, can you exchange checkbook money for legal tender? (The answers are yes, yes and yes. Why ask the questions? It proves the bank loaned no asset to obtain the promissory note the borrower provided, and the bank liability has no value.)

78) Is it bank policy for the bank to obtain legal ownership of the promissory note for free? (Recording the promissory note as a bank asset with a new bank liability proves the bank obtained it for free. Free means there was nothing of value loaned to obtain it.)

79) According to bank policy, if a customer brings funds to the bank, deposits or exchanges the funds for credit in the customer's transaction account, when the bank returns the funds back to the customer, is it called a loan from the bank to the customer? (Your goal is to prove intentional fraud or misconduct, lack of due care by the CPA. Policy shows an intentional purpose, a plan and a design to influence a customer into believing a false statement that management knew was false, designed to obtain the borrower's property for free.)

80) Does the bank legally own the promissory note?

81) Is it your belief that the bank owns the promissory note if the bank refused to loan the borrower the bank loan check?

82) Is it your belief the bank owns the promissory note before or after the bank issues the bank loan check?

83) Is it your belief the bank owns the promissory note simply by depositing the promissory note?

84) Is it your belief the bank owns the promissory note if the bank uses the note to fund the bank loan check?

85) Is it your belief the bank owns the promissory note if the bank records the promissory note as a bank asset without loaning one cent of legal tender?

86) In the $100,000 bank loan transaction, it is your belief that the borrower first gives the bank something of value or a negotiable instrument or commercial paper that can be sold for $100,000 for free, and that the bank then legally owns the $100,000 and returns it back to the same borrower as a loan?

87) If the bank loaned the borrower a check that could not be redeemed in cash, would the check be legal?

88) According to your understanding of the agreement, was the bank loan check to be written from an account the bank deposited funds into?

89) According to your understanding of the agreement, was the borrower to bring funds to the bank, deposit funds into an account, withdraw the money and call this money a loan from the bank to the borrower?

90) Are checks, cash, and drafts deposited into checking accounts? (Checks and cash are assets, something of value, and if they are deposited, the bank cannot later claim they credit accounts (create a liability) without offsetting the credit with a debit (asset) to balance the accounting books. This proves the so-called new bank checkbook money (liability) is created when the bank receives something of value like a deposit or a promissory note recorded as an asset.)

91) Can banks make deposits without receiving money, or something of value that can be sold for cash? (They must say no to this because to balance the books you must agree the answer is yes. This means the borrower funded the bank loan check, making the borrower the depositor and creditor. This means the bank cannot create money without receiving something of value from the borrower to give the new bank created money value so it can be redeemed in cash. This means the value for the loan came exclusively from the borrower.)

92) Do you believe the alleged borrower agreed the lender would own the borrower's promissory note without the lender depositing other peoples money to issue a bank loan check as consideration loaned to the borrower?

93) Do you believe the borrower agreed the bank loan check was to be issued from an account that other people deposited money into or from an account the borrower provided the funds to be deposited into? (According to the FED publications the answer is from an account the borrower provided the funds for.

If the FED is correct, where is the money the bank loaned? The bank reinterprets the agreement, redefines the words and claims that when the alleged borrower funds the check it is a loan.)

94) Do you believe the alleged borrower agreed for the bank to receive the promissory note for free and then loan him back the value of the note and call it a bank loan? (If they say yes, then they agreed the bank gave no valuable consideration for the promissory note. If yes, it means nearly all the property of the non-bankers is converted to the bankers for free, and then the non-bankers must pay interest on the property they just gave away for free. If they say no, then they must prove the FED Publication showing the bank bookkeeping entries are wrong.)

95) Why would a customer give a lender $100,000 valuable consideration for free and then have the lender return the $100,000 back to them as a loan? Do you believe this is a wise business decision for the customer? If yes, would you agree to give me $100,000 so I can loan it back to you?

96) When a bank records a new deposit (liability), does the money for the new deposit come from customers bringing money (assets) to the bank? Any exceptions? [The FED publications claim there are new deposits (liabilities) created when a bank loan is granted. If they answer yes to the first question, it proves banks deposit cash, checks and things of value into checking accounts offset by deposits (liabilities), showing the bank owes money for the asset the customer deposited. This being the case, when the customer brings the bank the promissory note and records the promissory note as an asset, it is offset by a deposit (liability) and the bank loan check is written from that deposit. We want the banker to agree that all deposits are created by customers bringing money or funds to the bank, having the funds deposited and creating a new bank asset and liability called a deposit. How else can the money become deposits if the customers did not deposit it? The bank will insist they can create new deposits by granting loans, so we ask the next question.)

97) If a bank has a deposit, upon demand will the bank convert the deposit into cash? (We ask the simple question knowing they must say yes. They need the borrower's note to convert it to cash to make the new checking account balance have value.)

98) When the bank pays the deposit balance or a check in cash, do bank assets and liabilities decrease? (Obviously yes.)

99) Do deposits increase when banks grant loans. (Yes.)

100) Do bank assets and liabilities increase when banks grant loans? (Yes.)

101) Is a deposit a bank liability? (Yes.)

102) If a customer demands the bank pay the deposit, is the bank obligated to do so? (They must say yes and now we have them. They were thinking payment is a transfer of the bank liability to another account, but that is only a transfer. The question is payment. If the bank paid all the deposits (liabilities) the bank must cancel all the loans.)

If the bank paid all the deposits owed to customers, would the bank have to use the value of the promissory notes to pay the bank deposits (liabilities)? (Yes.)

103) Is it true the bank cannot pay all the bank deposits, bank liabilities, and collect interest on the bank loans? (Yes. Even if the bank created more cash, cash if a liability of the Federal Reserve Bank. If the bank paid their deposits, debts, they must return the promissory notes or sell them and return the proceeds canceling the loans. If they cancel the loans, the bank cannot collect the interest.)

104) Is it true that if the bank paid all their debts, this money could cancel the debts borrowers owe banks? (Any CPA bank auditor knowing the bookkeeping entries and glancing at the

bank balance sheet must have the competence to know the answer is YES. If he does not have the competence to know the answer is yes, it is gross negligence. If yes, it proves the bank never paid their debt owed to borrower's. Once the CPA admits this, the obvious question is how can the bank own the note if the bank still owes a debt to the borrower? The true answer is because the bank denies equal protection and refuses to pay the debt and forces us to use the bank's debt as currency. A Federal Reserve Note and checkbook money are bank liabilities.)

105) Does a bank deposit, liability, need an asset to pay the deposit if the customer demands the bank deposit balance be paid in cash? (Yes. This means the bank needs the promissory note to pay the liabilities because a new liability was created when the bank recorded the promissory notes as an asset.)

106) If a bank customer deposits $100, is the cash recorded as a bank asset offset by a new deposit called a bank liability? (Yes.)

107) Does the value of the new asset and liability represent the new money deposited? (Yes.)

108) Does the new liability mean the bank owes an asset to the depositor? (Yes.)

109) Is legal tender, cash, recorded as an asset? (Yes. This proves the real money is an asset.)

110) If a bank deposits $100 cash that the bank received from Joe, does the bank show a $100 liability indicating the bank owes Joe $100? (Yes, the $100 shows up as a credit to Joe's Bank statement.)

111) If a bank deposits a borrower's promissory note into a transaction account, did the bank give up money or receive money, or receive something that can be exchanged for money?

(The bank received money or something that can be exchanged for money.)

112) If the bank deposited the promissory note, where is the money the bank claims it loaned to obtain the promissory note?

113) If a bank deposits the promissory note or exchanges the promissory note for a check, do the bank assets and liabilities increase? (Yes.)

114) When a bank grants loans do the bank assets and liabilities both increase? (Yes.)

115) If the bank deposits the promissory note, does the new bank liability and new bank asset represent the new funds deposited? (Yes. We ask the question so they cannot divorce the asset and liability and only claim the liability is money. Both the asset and liability represent the same transaction. The new asset and liability are married, linked and bound together and cannot be economically separated. For the bank to win they must divorce the asset and liability and the above questions prevent them from divorcing the two.)

116) If a bank records a new deposit, is there an offsetting asset that can be converted to cash to pay the new deposit in cash upon demand?

117) When a new bank deposit is recorded, does the bank receive as asset from a bank customer which can be used to pay the new deposit (liability)? (Yes.) Any exceptions?

118) When banks grant loans do banks record new deposits (liabilities)? (Yes.)

119) When banks grant loans, does the bank granting the loan receive an asset from the borrower which is used to create the new deposit? (Yes.)

120) Can a bank create a new deposit without receiving an asset from someone? (No. It is mathematically impossible.)

121) Does the asset give value to the new deposit (liability)? (Yes.)

122) Did the alleged borrower's promissory note give the new bank deposit value? (Yes.)

123) Did the bank simply record a new deposit and write a check from the new deposit? (Yes.)

124) Is creating a new deposit a loan? (No.)

125) To make a check valid, must there be a bank asset behind the check to make the check payable in cash? (Yes.)

126) In the case of a bank loan, who provides the asset to fund the check, the bank or the borrower? (Borrower.)

127) Did the bank provide money or a check loaned as consideration to obtain the promissory note? (No.)

128) Did the promissory note fund the bank loan check? (Yes. This means the bank owned the promissory note without loaning one cent.)

129) If yes, does the bank admit it loaned no money to issue the bank loan check?

THE FOLLOWING ARE QUESTIONS PERTAINING TO GENERALLY ACCEPTED AUDITING STANDARDS.

130) If a credit union borrows funds, do the credit union's liabilities increase by the amount of the funds borrowed? [Yes,

per page S/B 19.19 of the book *GAAS (Generally Accepted Auditing Standards).* To order call 800-618-1670.]

131) When Auditing a credit union, does the auditor examine a sample of credit rating information, loan applications, executed notes and approvals of loans? (Yes, per page 19.18.)

132) When credit unions grant loans, do they record promissory notes as bank assets? (Yes, per page 19.07.)

133) Is matching a principle of accounting? (Yes, per page 3.05. This is extremely important because it means the new asset is matched with the new liability. This means the liability and asset represent the same deposit transaction. The new asset and liability are married and cannot be separated. The bank must divorce the asset and liability and deny the principle of matching to win their argument. The bank wants to claim only the new bank liability is money, but we know the check cannot be paid in cash without the matching bank asset.)

134) Per the principle of accounting called matching, if a promissory is loaned to the bank, is the new asset matched with the new liability? (Yes. It means the borrower is the lender and the bank liability is not really money, it is a substitute for the real money which is the bank asset.)

135) Would an auditor know if a bank or credit union received a loan? (Yes.)

136) Is it part of the auditing standards for the auditor to be aware if a credit union or bank received a loan? (Yes.)

137) If a credit union or bank received a loan, how would it affect the assets and liabilities? (The assets and liabilities increase by the amount of the loan.)

138)) If a bank or credit union issued a check as a loan to a borrower, would their checking account balance decrease by

the amount of the check, and would the checking account that the check is deposited in increase by the amount of the check? (Yes.)

139) Is the economic substance of a bank granted loan similar to a loan from the borrower to the bank exchanged for a loan from the bank to the borrower in which the borrower must repay the loan but the bank does not? (Yes.) Is this what the bank bookkeeping entries show? (Yes.)

CERTIFIED PUBLIC ACCOUNTANTS MUST KNOW BUSINESS LAW AND CONTRACT LAW TO BECOME A CPA.

140) To become a CPA, did you have to take a law course? (Yes.)

141) To pass the CPA test, did you have to pass a section on law? (Yes.)

142) Is a CPA expected to understand the basics of contract law? (Yes.)

143) Please explain the basic elements of a contract or agreement to make it valid.

144) Do you believe a contract needs the following 6 elements to be valid:

1) an agreement
2) between two competent parties
3) based upon the genuine assent of the parties
4) supported by consideration
5) made for a lawful object
6) in the form required by law

(obviously the answer is yes per the law book I took in college for the CPA requirement.)

145) If a contract said there was to be a $100,000 check, in your opinion do you think it is material or important to know, which party is to fund the $100,000 check? (Obviously the answer must be yes. We said the word material because if you look up fraudulent concealment it means the hiding or suppression of material facts...)

146) If the lender refused to fund the $100,000 check, do you believe the lender would legally own the $100,000 promissory note? (You ask the outrageous questions to embarrass them so they have to agree with you.)

147) Do you have the training as a CPA to know what consideration is loaned in order for the bank to legally own the promissory note? (If the CPA took on the audit assignment, he must know.)

148) Must the auditor know who legally owns the promissory note? (Yes. This is a fundamental requirement. This means the auditor must know what the bank must do to fulfill the agreement and when ownership shifted from the borrower to the bank.)

149) Would it be important to know who funds the check to see if the agreement was fulfilled to determine who owns the promissory note?

150) To the best of your knowledge as a CPA would the intention of the parties of the agreement give us a clue as to who agreed to provide the consideration to fund the bank loan check? (Yes.)

151) Do you believe the borrower intended to provide the consideration to fund the bank loan check? (If yes, there was no bank loan. If no, the agreement was breached and the opposite happened.)

152) According to GAAP, FED policy, did the borrower provide the consideration to fund the bank loan check? (Yes. The CPA must have known this if the CPA was competent. Do not ask the question per the bank bookkeeping entries because they may have sold the bank and such entries may not exist. Ask per the FED policy.)

153) "Do you believe" the borrower agreed to bring money or paper that can be sold for cash to the bank, to deposit this at a bank and have these funds withdrawn as a bank loan check to himself? (The CPA must decide if the bank fulfilled the agreement and legally owns the promissory note. If the bank deposited the promissory note, the bank owns the deposit.)

CHAPTER 11
TITLE INSURANCE

(True story)

A doctor went to the bank for a loan of approximately $1 million. When he read Volume I, he investigated. The Mortgage company originating the alleged loan was out of business. The doctor went to the title company and asked for help. The title company had all the records including the bank who originated the wire transfer. A federal bank on the East Coast issued a wire transfer to another bank for the alleged loan. The title insurance company faxed the doctor the paperwork on the wire transfer. Talking to an auditor, we learned the mortgage company deals with many banks. The mortgage company takes the promissory note to a bank who will deposit it and return a check. The bank knew what the agreement said, knew it said loan and they ignored the loan and made an exchange, thus changing the cost and the risk. The exchange means nearly all the nations assets are converted to the banker for free and the citizens have a debt in place of the assets they lost to the bank.

I suggested to the doctor that if the title insurance company fully cooperated in the investigation, they would not be named in the suit. One can attract more with honey than with vinegar.

CHAPTER 12
COMMON BANK DEFENSES

If you sue a bank, you are likely to hear the following: the Federal Reserve Bank publications are hearsay evidence; they sold the mortgage company who originated the loan and therefore cannot find the original bookkeeping entries; failure to state a claim upon which relief can be granted; the banker does not understand your questions and they cannot find the original promissory note.

If you have the special CPA report and expert witness, the banker has a major problem with their common defenses. If you received the alleged loan 30 days ago, it is easier to get the evidence than if it occurred 10 years ago. The bank will try and use courtroom procedures to win as they attempt to bar any evidence from entering the court to prove you are right. They know they cannot cooperate and give you the evidence you need to nail them. If the bank exists, ask for an annual report showing the audit firm and the financial statements proving the bank records the promissory note as an asset. If the bank exists, have your friends go to the bank asking for a loan. Ask the right questions proving the lending officer gave you false statements. Have your friends sign an affidavit as to the date, time and what was said.

I believe it was the bankers strategy to buy out other banks so you could not get the records. Demand the FDIC Call Report, financial statements banks give the FDIC every three months. This report shows the promissory note is recorded as a bank asset. The banker will then claim you have no evidence

your specific promissory note was recorded as an asset. A common banker defense is to never allow any one from the bank to testify that has any knowledge.

The bankers will usually say, "How did you get the house if there was no loan." Your reply could be, "The bank took actual cash value from me in the amount of $100,000. They recorded it as an unauthorized loan from me to the bank and then returned it back to me. The problem is when they returned my money, they falsely claimed the $100,000 was a loan to me, when actually it was a return of the loan from me to the bank."

CHAPTER 13
THE SIGNATURE IS ON TRIAL

The bank attorney places the borrower on the witness stand. The borrower is sworn in to tell the truth and nothing but the truth. The bank attorney asks the borrower, "Is this your signature on this promissory note?"

The borrower thinks to himself and remembers what a forgery of a document is and the difference between a signature and handwriting, for he had read my first book explaining it. The borrower decides to act stupid and responds, "I do not know what this document is, so I cannot testify whether this is my signature or not." He asks if the attorney could stipulate what the document is. The attorney responds that it is a promissory note. The borrower continues and asks the attorney if he could stipulate whether the bank was to loan $100,000 of legal tender as consideration to legally own this promissory note. The attorney agrees.

The borrower asks the attorney to stipulate whether the promissory note is or is not money. The attorney refuses to stipulate. The borrower asks if the bank was to give cash or a check as consideration loaned to legally own the promissory note. The attorney refuses to stipulate. The borrower asks if the attorney

could stipulate whether the bank was to loan lawful money to legally own the promissory note. The bank attorney refuses to answer. The borrower asks if the attorney would stipulate whether the borrower or the bank was to provide the funds to issue the bank loan check. The attorney refuses to answer and demands that the borrower answer yes or no to whether the borrower's hand went from the left to the right, with a pen in hand, placing this signature on this document. The borrower responds, "I do not know what the agreement is and you refuse to tell me what this document stands for. You refused to show me an original promissory note which I believe is forged. It looks like it may be my name but it cannot be a signature testifying to the validity to this document because I do not even know what this document stands for or what the agreement is, and you have refused to explain the details. How can I possibly testify to something I do not understand, or know what this document is. The signature looks like a masterful forgery. I do not understand what this document is, so I cannot possibly testify to something I do not know or understand."

The attorney asks the borrower, "Where did you get the money?"

The borrower answers, "I believe the bank used false statements and false advertising claiming they loaned money. They used a false pretense, promissory fraud and other felonies to steal my name on the bottom of a forged document; stole it or recorded it as a loan from me to the bank and refused to repay the loan. The unauthorized loan to the bank, or theft, was worth $100,000 of actual cash value. The bank received $100,000 from me and refused to return the stolen property. The bank then took the stolen property and returned the value back to me. Instead of returning the stolen property as stolen property, they lied and falsely claimed the money was now a loan from them to me. I never agreed to having $100,000 stolen from me or loaned to the bank, and they never repayed the loan back to me. That is what the argument is all about. I never agreed to be the depositor, creditor, lender or victim of a fraudulent conversion and fraudulent concealment."

The bank attorney did not know what to say. He placed the notary public on the stand who testified that the borrower signed the promissory note. When the notary public was cross examined, the notary could not prove who was to fund the check, what the bank must do to legally own the promissory note, whether the promissory note is or is not money, or prove that the promissory note was not forged. The notary could not explain the difference between a signature and handwriting. The notary was asked, "If the promissory note was forged, would you testify that the signature gave validity to the forged document?" The notary agreed that if the document was forged, the signature was not valid.

In examining the borrowers of various banks, the bank attorney had a problem. If the bank sold the promissory note, there was no witness from the original lender to testify as to the validity of the original agreement, document or who funded the check. If the lender were still in town and in business, the lender could not answer the borrower's questions and did not want to show the bank's bookkeeping entries. In either case the original lender or the bank who bought the promissory note could not explain what the original agreement was. The borrower kept asking questions such as, "According to your understanding of the agreement, answer the following questions..." The banks could not answer.

The bank attorney asked the borrower how he was damaged. The borrower responded, "Anytime someone has property stolen from them or is not repaid a loan, they are damaged. The bank claims they are damaged if I do not repay the loan, and I claim I am damaged if I am not repaid the stolen property or loan the bank refuses to pay. I have been denied equal protection under the law, money, credit and agreement and that has damaged me. The bank changed the cost and risk by making me fund the bank loan check instead of the bank loaning other depositors' money. If someone keeps stealing from me and returning the value of the stolen property back to me as a loan, I will be poor, broke and in debt, while the thief will be rich. The bank claims I agreed to being the victim of a theft. I claim I never agreed to being that stupid."

The bank attorney asked the borrower if he believed the banks followed the Federal Reserve Bank policies, procedures and publications. The borrower responded that the bank bookkeeping is the opposite of what the written agreement said. The written agreement never agreed to the borrower being the depositor, creditor, lender, or funder of the bank loan check, nor the victim of a theft. The agreement and advertising only discussed a loan from the bank to the borrower and never discussed an exchange of equal value for equal value and a fee charged as if there was a loan. The bank hid the truth of the real cost and risk knowing that if the American people understood the true bank loan agreement, they would vote out every lawmaker, judge and police aiding and abetting the banks.

The bank attorney was presented the promissory note, bank loan check and the fact that the borrower bought homes, cars and boats using the check from the bank. The borrower made payments showing an agreement existed. The bank attorney could not explain the agreement as to who was to fund the bank loan check, the borrower or the other depositors of the bank. The bank could not prove the promissory note was not forged and refused to present the original promissory notes showing the bank stamp on the back. The bank could not prove the promissory note did not fund the check. The banks refused to explain what is money, credit and how the banks redefined the word money to make it mean the opposite. The banks could not explain how they obtained the liens on the nations assets for free.

WHAT DID YOUR SIGNATURE GIVE VALIDITY TO? WHO WAS TO FUND THE CHECK?

Mr. Crawford questions a national bank in a Maryland county court.

Mr. Crawford asked the bank accountant, "Are you an expert in this field?"

The Accountant said he had a four year college degree in accounting and ten years experience in the bank accounting department.

Mr. Crawford said, "Now look at the jury and explain, because they all have homes and they want to know, when they sign the promissory note, bank loan agreement, was this promissory note used as consideration to fund the bank loan check?"

The accountant said he did not understand.

Mr. Crawford said, "Did you use the promissory note as currency to deposit it in a checking account or transaction account, set up under the borrower's name, to issue a check? And was that check the money loaned to the borrower?"

The accountant coughed and said, "That is correct." The jury gasped. The accountant explained how the borrower created the funds that the bank used to loan back to the borrower and then they charged him interest on top of it.

Mr. Crawford asked, "Are promissory notes accepted as money?"

Yes, the accountant admitted.

Mr. Crawford said, "I want to know from your experience how this works." The accountant said, "When you sign the promissory note it is currency to the bank but it is a promissory note to the people."

Mr. Crawford asked, "Where is that agreed to under the contract?"

"It is not mentioned under the contract", said the accountant.

Mr. Crawford asked, "If it is currency to the bank, what do we get?"

The accountant said, "We loan back to you what you gave us, which is your collateral, and we put it on our books as an asset to the bank and liability to the bank."

Mr. Crawford said, "What does that mean?"

He said, "If the bank got $40 million in promissory notes, there is a $40 million offsetting liability. The liability is what the bank owes."

Mr. Crawford said, "So the bank is broke, owing $40 million for the $40 million it claims it loaned."

He said definitely.

Mr. Crawford said, "So there is no way the bank can pay that bank liability for the loan?"

He said, "Definitely not, the bank can never pay that liability. It is a little misleading."

Mr. Crawford said, "That is fraud. You say you took in $40 million of promissory notes recorded as a bank asset offset by $40 million in bank liabilities, and the bank cannot pay the liabilities for the money owed for the loans."

He said that is how it works.

Mr. Crawford said, "Does the bank advertise that it loans its money to obtain promissory notes?"

He said yes.

Mr. Crawford said, "Is that what happens, or is that advertising deceptive?" The judge broke his pencil.

I heard a witness who listened to the whole trial give details including the fact that the jury took 15 minutes to decide the bank was guilty. Those on the inside know what happened, but today there is no evidence the trial took place.

The only evidence I have is an eye-witness.

CHAPTER 14
COURT RULES

Court rules were placed into evidence and labeled as exhibit 101 (Illinois).

Exhibit 101 read as follows:

1) A lawyer shall not counsel a client to engage or assist a client, in conduct that the lawyer knows is criminal or fraudulent.

2) A lawyer shall not present, participate in presenting, or threaten to present criminal charges or professional disciplinary actions to obtain an advantage in a civil matter.

3) In representation of a client, a lawyer who knows a client has, in the course of the representation, perpetrated a fraud upon a person or tribunal shall promptly call upon the client to rectify the same, and if the client refuses or is unable to do so, the lawyer shall reveal the fraud to the affected person or tribunal, except when the information is protected as privileged com - munication. A lawyer who knows that a person other than the client has perpetrated a fraud upon a tribunal shall promptly reveal the fraud to the tribunal.

4) Conduct before a tribunal. In appearing in a professional capacity before a tribunal, a lawyer shall not:

a) make a statement of material fact or law to a tribunal which the lawyer knows or reasonably should know is false; b) fail to disclose to a tribunal a material fact known to the lawyer when disclosure is necessary to avoid assisting a criminal or fraudulent act by the client; c) offer evidence that the lawyer knows to be false. If a lawyer has offered material evidence and comes to know of its falsity, the lawyer shall take reasonable remedial measures; d) Participate in the creation or perversion of evidence when the lawyer knows or reasonably should know the evidence is false; e) counsel or assist the client in conduct the lawyer knows to be illegal or fraudulent.

Fairness to opposing party and counsel
a) A lawyer shall not:

1) unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. A lawyer shall not counsel or assist another person to do any such act.

2) falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;

Trial Publicity

a) A lawyer shall not make an extrajudicial statement the lawyer knows or reasonably should know is likely to be disseminated by public media and, if so disseminated, would pose a serious and imminent threat to the fairness of an adjudicative proceeding.

Impartiality of the tribunal

In summary, a judge cannot receive a bribe but can receive a campaign contribution and volunteer services. (What is the difference between a bribe and a political contribution? One bank reportedly gave a judge a $150,000 campaign contribution. The judge repeatedly ruled in favor of the banks.)

As judge and jury you must determine whether a bank foreclosure attorney knew or should have known the truth of the fraudulent concealment and used false statements to bring fraud on the court to foreclose and steal your home. Many a time the bank foreclosure attorney stops evidence into court to show the how the promissory note was altered by the bank stamp and used to fund the check. Did the attorney violate his or her oath of office to uphold the U.S. Constitution? The lawyers knew the law, the contract, or agreement and knew and should have known the whole truth.

Verdict: The American people decide the bank foreclosure attorneys knew and should have known of the fraudulent concealment and fraudulent conversion of the promissory note and participated in the activity with the bank.

CHAPTER 15
THE SIMPLE MESSAGE TO THE JURY

If the jury understands that the bank recorded an unauthorized loan of actual cash value from you to the bank, and that when the bank returned the actual cash value back to you, the bank claimed they loaned you their funds, I believe you will win. It is your job to make it simple while the banker must keep the jury confused. If the bank must argue that the check was not a return of an earlier loan from you to the bank and that the check was money the bank owned and loaned to you to legally obtain the promissory note, they must prove that they violated the Federal Reserve Bank policy, or that they violated the agreement, or that they knew they loaned nothing of value to obtain the promissory note. You simply want to watch and see how they will self-destruct trying to answer.

CHAPTER 16
PYRAMID

Illinois law 505/1 defines a pyramid: "The term `pyramid sales scheme' includes any plan or operation whereby a person, in exchange for money or other things of value, acquires the opportunity to receive a benefit or thing of value, which is primarily based upon the inducement of additional persons, by himself or others, regardless of number, to participate in the same plan or operation, and is not primarily contingent on the volume or quantity of goods, services, or other property sold or distributed or to be sold or distributed to persons for purposes of resale to consumers."

Even McDonalds is based on the inducement of additional persons but deemed legal because it sells product to the consumer. Amway, the leader in multi-level marketing, must induce people to join so those on the top earn more money.

The Arizona Daily Star, Sunday 7-20-97, condemned the pyramid scheme, the argument being that there was no product sold. The article explained how eight new recruits give $2,000 to the top person in the pyramid, profiting $16,000 less the initial $2,000 investment. The goal of a new recruit was to end up at the top of the pyramid and receive $16,000 from new recruits. The problem is that if everyone in America gave $2,000, only the ones at the top would profit while all the others lose their money. If one received $2,000 of product for a $2,000 investment, then no one loses.

Let us investigate the banks. The banker remains at the top of the pyramid. The other class of citizens do not give the banker $2,000, they give the banker the value of their future wages (promissory note) for free which qualifies for "another thing of value" acquired. For this the non-banker citizens entering into the pyramid receive a thing of value which is money to trade wealth. The government forces nearly everyone to enter into the pyramid because the government refuses to arrest the bankers, the government refuses to issue lawful United States money interest free and the government enforces the banking system by forcing everyone to use bank created money which banks issue when they claim they grant loans. Nearly all property/ wealth is obtained by the one at the top of the pyramid. Under the law, the government qualifies as the "OTHERS" forcing the citizens to add more and more people into the plan to add more and more exchanges called bank loans to add more and more money to stall off a recession or depression. The bankers sold no product and never loaned anything of any cash value to obtain the promissory note.

Equal protection is denied. The government enforces one pyramid of which the government leaders receive part of the profit to get reelected. The same government leaders place criminal charges on people if one participates in a pyramid they do not benefit from.

One's Constitutional right to contract is denied. You are prohibited from giving $2,000 to another and receiving $16,000 if eight other people wish to give you $2,000. The lawmakers, judges and police who take an oath of office to uphold the Constitution must breach their oath, contract with you, in order to put you in jail. As explained in Volume I, if a law violates the Constitution, the law is null and void. Clearly the pyramid laws are a "void for vagueness doctrine". I highly suggest you look up the definition of "void for vagueness doctrine in *Black's Law Dictionary*.

Illinois law 505/2 "Unlawful Practices" will shed more light on the bank activity. The law states: "Unfair methods of competition and unfair or deceptive acts or practices, include but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment or any practice described in Section 2 of the *Uniform Deceptive Trade Practices Act."* Never forget no rights can be acquired by fraud.

Please look up the words "void contract" and "voidable contract" in *Black's Law Dictionary*. Simply stated, if an essential element in the contract is missing, it may look like a contract, but is has no legal force or binding effect. No legal rights were created. As judge and jury you must decide whether the bankers and government are involved in a pyramid and/or unlawful practices and/or void or voidable contracts or agreements.

CHAPTER 17
COURT EXHIBITS

The following exhibits are entered into the court for the jury to review and for the witnesses to explain and comment on.

Court exhibit #1
THE BANKER'S MANIFESTO OF 1892

"We (the bankers) must proceed with caution and guard every move made, for the lower order of people are already showing signs of restless commotion. Prudence will therefore show a policy of apparently yielding to the popular will until our plans are so far consummated that we can declare our designs without fear of any organized resistance.

The Farmers Alliance and Knights of Labor organizations in the United States should be carefully watched by our trusted men, and we must take immediate steps to control these organizations in our interest or disrupt them.

At the coming Omaha convention to be held July 4th (1892), our men must attend and direct its movement, or else there will be set on foot such antagonism to our designs as may require force to overcome. This at the present time would be premature. We are not yet ready for such a crisis. Capital must protect itself in every possible manner through combination (conspiracy) and legislation.

The courts must be called to our aid, debts must be collected, bonds and mortgages foreclosed as rapidly as possible.

When, through the process of law, the common people have lost their homes, they will be more tractable and easily governed through the influence of the strong arm of the govern-

ment applied to a central power of imperial wealth under the control of the leading financiers. People without homes will not quarrel with their leaders.

History repeats itself in regular cycles. This truth is well known among our principal men who are engaged in forming an imperialism of the world. While they are doing this, the people must be kept in a state of political antagonism.

The question of tariff reform must be urged through the organization known as the Democratic Party, and the question of protection with the reciprocity must be forced to view through the Republican Party.

By thus dividing voters, we can get them to expand their energies in fighting over questions of no importance to us, except as teachers to the common herd. Thus, by discrete action, we can secure all that has been so generously planned and successfully accomplished."

It is believed Charles A. Lindbergh Sr. exposed the above information to the nation, with hopes to warn the citizens by making the bankers' plans known.

Court exhibit #2
THE BANKER'S MANIFESTO OF 1934

"Capital must protect itself in every way, through combination and through legislation. Debts must be collected and loans and mortgages foreclosed as soon as possible. When through a process of law the common people have lost their homes, they will be more tractable and more easily governed by the strong arm of the law,. applied by the central power of wealth, under control of leading financiers. People without homes will not quarrel with their leaders. This is well known among our principal men now engaged in forming an IMPERIALISM of capital to govern the world. By dividing the people

we can get them to expand their energies in fighting over questions of no importance to us except as teachers of the common herd. Thus by discreet action we can secure for ourselves what has been generally planned and successfully accomplished."

The above was printed from the Banker's Manifesto for private circulation among leaders bankers only, taken from the Civil Servants' Year Book. "The Organizer" of January, and the "New American" of February, 1934. It is also found in the book, LIGHTNING OVER THE TREASURY BUILDING by John R. Elsom (p. 67).

One can expect the banks to claim the above was never written by a banker. The next question is, would you believe the same bankers that lead you to believe they loaned other depositors' money?

As judge and jury, you are asked to decide not if the bank wrote the above bank manifestos, but whether the bankers show signs of controlling our government leaders and the intention to take your property through the appearance of legal means. Current evidence from the Federal Reserve Bank publications claim the banks create money and loan it out at interest enabling the bankers to expand and contract the money supply to create recessions or depressions, allowing the banks to foreclose. Federal Reserve Bank publications only confirm material concepts and ideas within the Banker's Manifestos.

Court exhibit #3

Around the time of the Civil War the bankers wanted the lawmakers to pass "The National Bank Act of 1863". The bankers opposed Lincoln's Greenbacks because the banks did not receive the money and/or interest for free. "The Hazard Circular" of London, was distributed among the banking fraternity here in America. It read as follows:

"Slavery is likely to be abolished by the war power. This I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborers, while the European plan, led on by England, is that capital shall control labor by controlling wages.

The great debt that Capitalists will see to it is made out of the war must be used to control the value of money. To accomplish this government bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury of the United States to make that recommendation.

It will not do to allow greenbacks, as they are called, to circulate as money for any length of time as we cannot control that. But we can control the bonds and through them the banking issues."

You be the judge and jury. See how they admitted they did not want slaves from Africa because they must physically care for the slaves. Slaves give you labor that the banker seeks for free and they wanted to get your free labor by creating money and charging you interest. Americans give the money interests between a third and half of citizens' labor for free. The judges, police and lawmakers are forcing this money system on us, forcing us into slavery by forcing us to give our labor to the bankers for free. The voters cannot vote to end it if the media remains silent and the voters do not understand how the bankers receive the money or actual cash value from the citizen for free and loan it back at interest.

Court exhibit #4

Lincoln's "Greenbacks" caused a furor among the banking circles. An editorial written in the London Times spoke of the bankers' policy which read, "If this mischievous financial policy, which has its origin in North America, shall become indurated

down to a fixture, then that Government will furnish its own money without cost. It will pay off its debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous without precedent in the history of the world. The brains and the wealth of all countries will go to North America. That country (government) must be destroyed or it will destroy every monarchy on the globe."

The bankers then hurriedly met at a convention in Washington to find vulnerable Congressmen and Senators to support The National Banking Act of 1863.

Court exhibit #5

History shows that bankers hated Lincoln's interest free Greenback. The outraged bankers persuaded Congress to pass a Bill ruling "Lincoln's Greenbacks" could not be accepted in payment of interest on government bonds or on import duties. This caused the Greenback to lose value, because they could refuse to accept them unless they were discounted. The bankers forced the value of the Greenback down to 30 cents on the dollar. Bankers then bought them at 30 cents on the dollar and then sold them for one dollar to buy government bonds at par value, full value, making a 70 cent profit on each dollar purchased. They practiced the ancient art of moneychangers at the expense of the other citizens. Money buys Congressmens' votes to take money from the pocket of the citizens and transfer it back into the hand of the banker for free. Then the banker returns your property back to you as a loan from the banker to the borrower. The code of ethics is to have the lawmaker, judges and police make it appear legitimate and legal. The informed citizen knows stealing is stealing and it is not moral. Obviously the Congress represented the bankers and not the other citizens.

Court exhibit #6

Below are two very revealing letters showing how the bankers intended to plot against America through a National Banking Act.

"ROTHSCHILD BROTHERS: BANKERS"

London, June 25, 1863

Messrs. Ikelheimer, Morton and Vandergould,
No. 3, Wall St.,
New York, U.S.A.

Dear Sirs:

A Mr. John Sherman has written us from a town in Ohio, U.S.A., as to the profit that may be made in the national Banking business, under a recent act of your Congress; a copy of this act accompanies this letter.

Apparently this act has been drawn up on the plan formulated here by the British Bankers Association, and by that Association recommended to our American friends, as one that, if enacted into law, would prove highly profitable to the banking fraternity throughout the world.

Mr. Sherman declares that there has never been such an opportunity for capitalists to accumulate money as that presented by this act. It gives the National Bank almost complete control of the National finance. `The few who understand the system', he says,' will either be so interested in its profits, or so dependent on its favors that there will be no opposition from that class, while, on the other hand, the great body of people, mentally incapable of comprehending the tremendous advantages that Capital derives from the system, will bear its burden

without complaint, and perhaps without even suspecting that the system is inimical to their interests.

Your respectful servants,
Rothschild Brothers

Responding letter.

"New York City, July 6, 1863

Messrs. Rothschild Brothers,
London, England

Dear Sirs:

We beg to acknowledge receipt of your letter of June 25, in which you refer to a communication received of Honorable John Sherman of Ohio, with reference to the advantages and profits of an American investment under the provisions of the National Banking Act.

Mr. Sherman possesses in a marked degree the distinguished characteristics of a successful financier. His temperament is such that whatever his feeling may be they never cause him to lose sight of the main chance.

He is young, shrewd and ambitious. He has fixed his eyes upon the Presidency of the United States and is already a member of Congress (he has financial ambition, too). He rightfully thinks that he has everything to gain by being friendly with men and institutions having large financial resources, and which at times are not too particular in their methods, either of obtaining government aid, or protecting themselves against unfriendly legislation.

As to the organization of the National Bank here and the nature and profits of such investments we beg leave to refer to our printed circulars enclosed herein, viz: Any number of persons not less than five may organize a National Banking Corporation.

Except in cities having 6,000 inhabitants or less, a National Bank cannot have less than $1,000,000 capital. They are private corporations organized for private gain, and select their own officers and employees. They are not subject to control of State Laws, except as Congress may from time to time provide. They may receive deposits and loan the same for their own benefit. They can buy and sell bonds and discount paper and do a general banking business. `To start a National Bank on the scale of $1,000,000 will require purchase of that amount (par value) of U.S. Government Bonds. U.S. Government Bonds can now be purchased at 50% discount, so that a bank of $1,000,000 capital can be started at this time for only $500,000. These bonds must be deposited in the U.S. Treasury at Washington as security for the National Bank currency, that will be furnished by the government to the bank. The United States Government will pay 6% interest on the bonds in gold, the interest being paid semi-annually. It will be seen that at the present price of bonds the interest paid by the government itself is 12% in gold on all money invested. The U.S. Government on having the bonds aforesaid deposited with the Treasurer, on the strength of such security will furnish National currency to the bank depositing the bonds, at an annual interest of only one per cent per annum. The currency is printed by the U.S. Government in a form so like greenbacks, that the people do not detect the difference. Although the currency is but a promise of the bank to pay. The demand for money is so great that this money can be readily loaned to the people across the counter of the bank at a discount rate of 10% at thirty to sixty days time, making it about 12% interest on the currency. The interest on the bonds, plus the interest on the currency which the bonds, plus incidentals of the business, ought to make the gross earnings of the bank amount to from 28% to 33 1/3%. National Banks are privileged

to increase and contract their currency at will, and of course, can grant or withhold loans as they may see fit. As the banks have a National organization and can easily act together in withholding loans or extending them, it follows that they can by united action in refusing to make loans cause a stringency in the money market, and in a single week or even a single day cause a decline in all products of the country. National Banks pay no taxes on their bonds, nor on their capital, nor on their deposits. Requesting that you will regard this as strictly confidential.

Most respectfully yours,
Ikelheimer, Morton and Vandergould.

Every major point in these letters can be found in today's Federal Reserve Bank publications and bank policies and procedures which proves the bankers' intent.

Court Exhibit #7

Just before President Abraham Lincoln's assassination, he is quoted as having said: "I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my Country; Corporations have been enthroned, an era of corruption in high places will follow, and the money power of the Country will endeavor to prolong its reign by working upon the prejudices of the people, until the wealth is aggregated in a few hands, and the Republic is destroyed."

History records that Booth assassinated the President who would not give money to the bankers only to be given back by them as a loan. Judah P. Benjamin, a Civil War campaign strategist for the House of Rothschild had in his possession Booth's trunk which contained a secret message. Just as the London

Times editorial stated, the bankers could not allow Lincoln to succeed or he would destroy every monarchy in the world.

Court exhibit #8

President Kennedy signed an executive order to issue cash, interest free, which stopped the bankers from obtaining the cash for free and returning the cash back to the government as a bank loan, charging interest. Within a few months he was assassinated. Ten days before he was assassinated, at Columbia University he said, "The high office of the President has been used to foment a plot to destroy America's freedom, and before I leave office I must inform the citizens of their plight."

I, Tom Schauf, owned a Kennedy dollar, and personally talked to an individual who heard President Kennedy make the speech at Columbia University. When this man listened to the news later that same day, expecting to hear more, the media was silent. Columbia University later claimed the President never made a speech that day. History shows that the next President immediately withdrew the Kennedy dollar and continued with the Federal Reserve Note, allowing the banks to receive the cash at the cost of printing and loan it back to the government at interest.

If President Kennedy had continued, the Federal Reserve Bank would have been ended, the national debt zeroed out, personal income tax would be eliminated and the average American could have owned their home, car and business, debt free. Kennedy's death meant trillions of dollars were merely transferred from the citizens' hands to the bankers' for free, and returned back as a loan. Kennedy knew that if he wished to stop the Kennedy Dollar from being printed, all he had to do was stop it. He also knew that if you had a Federal Reserve Note and a United States Note in your wallet, that you would ask, "what is the difference?" The answer would have ended the Federal Reserve Bank.

For the price of one bullet for Lincoln and one for Kennedy, the wealth of the nation's citizens was transferred to the bankers for free and returned back to the citizens as a bank loan. The power of the government was transferred from the citizen to the bankers. The free press could be controlled by the bankers through money creation and manipulation of loans. Each American President who was assassinated spoke out against the banks. Assassination attempts were made on Presidents Jackson and Reagan after they spoke out against the bankers. The bankers had the most to gain by the deaths of these Presidents.

The media remained silent about the Kennedy dollar, its economic ramifications and how the bankers benefited from Kennedy's and Lincoln's death. Today the media remains silent as to how the bankers receive cash or actual cash value for free and return it back as a loan. They are quick to report the news about balancing the budget, but remain silent about our Founding Fathers' intent to never allow a Federal Reserve Bank to create a national debt the bankers received for free. The media remains silent about the 16th Amendment, which many have evidence was never lawfully passed, which became the IRS tax that was allegedly passed in 1913 along with the Federal Reserve Bank. They needed a new tax to pay the interest the bankers would receive by creating money and loaning it back to the government. Both passed the same year, showing the bankers' intent. The media talks about the Constitution, making us think we are under its authority, as we are denied a Republican form of government, gold and silver and rights that they exchanged for privileges.

Clearly the bankers need lawmakers, judges, police, Certified Public Accountants, attorneys and the media to carry out their current banking system.

Court exhibit #9

May 15, 1940

Honorable Franklin D. Roosevelt
President of the United States,
The White House
Washington, D.C.

My Dear Mr. President:

The little pieces of paper (marks) have done it.

While unrestricted issuance of paper money twenty years age caused inflation of currency and the collapse of the German nation, restricted issue of paper money (requiring a mark's worth of goods production or services rendered for every mark issued) caused an inflation of production exactly commensurate with the inflation of the currency, and made the German nation one in purpose and great in power - great enough to very probably command the whole globe.

"We were not foolish enough to try to make a currency coverage of gold of which we had none, but for every mark that was issued we required an equivalent of a mark's worth of work done or goods produced."

- Adolph Hitler

Little pieces of paper made Germany, in six years, a nation whose power challenges the world——because those little pieces of paper put people to work, gave them food, unified them into a phalanx behind their leaders, and builded an empire whose boundaries if they continue to extend will encompass the earth.

Why can't American statesmanship take this lesson to heart? Why wait to raise money by taxation or issue more bonds before putting people to work?

There is, on the books, authority for issuing three billion in currency. Why not issue it, as Germany did, a dollar bill for a dollar's worth of actual production or labor, and thus make a unified, contented, loyal people?

Of course it would not suit the coupon clipping bondholders-the moneychangers in the temple. But is there not a record, a promise that they were to be driven out? And are not the people awaiting for the fulfillment of that promise?

This is all that stands in the way of a unification and solidarity hitherto unknown in the United States.

I am an American.

Faithfully yours,
Judge John Curtis Hamm
Temple City, California

History will prove that Hitler took a nation from the pits of economic ruin and within six years made it one of the most prosperous nations on earth by issuing a mark debt and interest free. This mark built a war machine that threatened the world. Hitler spoke out against the bankers issuing money and charging interest, as well as Communism. Hitler simply followed Lincoln's earlier example of money. The German families became so wealthy that they pledged allegiance to their dictator and followed him____looking the other way when he committed atrocities. Hitler believed that if the war went on long enough, he would have to win simply because the opposing nations issued debt currency that would eventually destroy the Allied's economy and war making ability. The Allied bankers hoped to create huge debts and profit from the interest. Eventu-

ally, sheer numbers of Russian, British and American manufacturing, and our numerous population of soldiers, destroyed Germany. To believe our leaders did not know the facts on banking, is to believe that our CIA and leaders are incompetent in international affairs. Our government and bankers knew ____ they passed the laws so they had to have known. This letter and Congressman McFadden exposed the truth in the halls of Washington D.C.

History will show that Presidents Hoover and Roosevelt were international bankers. Presidents Carter and Nixon were connected to Rockefeller, one of the highest ranking international bankers in America. The bankers placed President Wilson in office with an intent for him to pass the Federal Reserve Act. It is believed Presidents Bush and Clinton have full knowledge of the banking situation and may be directly linked by business and family ties. Obviously these Presidents knew they were representing the banking interests.

Court exhibit #10

Mrs. Deevy Kidd presented more than 1.7 million petitions to the House of Representatives on September 29, 1993. The petitions asked the lawmakers to follow the intent of the U.S. Constitution and end the Federal Reserve Bank allowing us to follow Lincoln. They ignored 1.7 million people's request and decided to follow the banksters even though lawmakers took an oath (contract with the people) of office to follow the Constitution (gold and silver giving equal protection).

Judges have seen the bank lawsuits and thrown them out, so they know, or should know, exactly how the bank operates, and they approved even though they took an oath of office to follow the Constitution.

Sheriff departments and the FBI were repeatedly told the truth, they have the information proving we are correct. In re-

turn, they have threatened Americans for exposing the truth, and foreclosed, taking their property away. The law enforcement did not enforce their own oaths of office to uphold the intent of our Founding Fathers' Constitution and Bill of Rights.

The lawyers have been told how the banks operate and they decided to follow the bankers even though they know the law, bank loan agreement, bank bookkeeping entries and took an oath of office to uphold the Constitution.

Certified Public Accountant bank auditors knew the bank policy, procedures, bank bookkeeping entries, Generally Accepted Accounting Procedures (standard bank bookkeeping entries) and Generally Accepted Auditing Procedures (The investigative part of the audit) and ignored the exchange, calling it a loan when in fact the CPA knew, or should have known, that the bank never loaned any actual cash value to obtain the promissory notes.

My two books, Volumes I and II, are the evidence that the leaders and people enforcing the law knew the truth and deliberately enforced the banking system, taking America's wealth and giving it to the bankers for free, returning the actual cash value back to the citizens as a loan. They knew the truth was concealed in the written bank loan agreement, tricking most Americans. The government leaders allow the bankers to get away with this as they refuse citizens the right to expose the whole truth in front of a jury of our peers. The media remains silent as the basic fundamentals of American law and tradition of equal protection and full disclosure in a written agreement are denied to citizens.

Court exhibit #11

My first book, Volume I, America's Hope To Cancel Bank Loans Without Going To Court, plus my research of court cases on banking.

Court exhibit #12

All the Federal Reserve Bank publications and the bank loan agreements.

Court exhibit #13

U.S. Constitution Article 1, Section 8, Part 5 "Congress shall have Power to Coin Money and Regulate the Value Thereof" which states, "Congress cannot delegate or sign over its authority to any individual, corporation or foreign nation. (16th Corpus Juris Secundum, 141.)"

"The general rule is that an unconstitutional statute, whether federal or state, though having the form and name of law, is in reality no law, but is wholly void, and ineffective for any purpose, since unconstitutionality dates from the time of its enactment, and not merely from the date of the decision so branding it. No one is bound to obey an unconstitutional law and no courts are bound to enforce it. (16th American Jurisprudence, 256, 2nd Ed.)"

"The money creation of the banks forced the nation into bankruptcy", the United States is bankrupt on the authority of Perry v. United States (294 U.S. 330-81, (1935):79 L.Ed 9121).

"The Federal Reserve Banks are privately owned, locally controlled operations. [Lewis vs. U.S., 680 F.2d 1239,1241 (1982)]"

"From a legal stand point these banks are private corporations, organized under a special act of Congress, namely the Federal Reserve Act. They are not in the strict sense of the word, `Government banks'. [William P.G. Harding, Governor of the Federal Reserve Board (1921)]" (Today the FED is a federally charted mentality.)

Congressman Louis T. McFadden, Chairman of the House Banking and Currency Committee, addressed the House on June 10,1932: "We have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. Some people think the Federal Reserve Banks are U.S. government institutions. They are not. They are private credit monopolies; domestic swindlers, rich and predatory money lenders which prey upon the people of the United States for the benefit of themselves and their foreign customers. The Federal Reserve Banks are the agents of the foreign central banks. The truth is the Federal Reserve Board had usurped the Government of the United States by the arrogant credit monopoly which operates the Federal Reserve Board. (75 Congressional Record 12595-12603)"

"The powers of the legislature are defined, and limited; and that those limits may not be mistaken, or forgotten, the constitution is written. To what purpose are powers limited and to what purpose is that limitation committed to writing, if these limits may, at any time, be passed by those intended to be restrained? The distinction between a government with limited and unlimited powers, is abolished, if those limits do not confine the persons on whom they are imposed, and if acts prohibited and acts allowed, are of equal obligation. It is a proposition too plain to be contested, that the constitution controls any legislative act repugnant to it; or, that the legislature may alter the constitution by an ordinary act. (U.S. Supreme Court in Marbury v. Madison, 5 U.S. 368)"

Results: The government is a corporation as defined in title 28 USC 3002 (15), and the corporation is bankrupt.

*(See *Economic Solutions* by Peter Kershaw, page 2.)

Court exhibit #14

A nation can survive its fools and even the ambitious, but it cannot survive treason from within. An ENEMY at the gate is least terminable, for he is known and carries his banner openly. BUT THE TRAITOR moves among those within the gates freely, his sly whispers rustling through all the alleys, are heard in the halls of government itself. FOR THE TRAITOR appears not a traitor. He speaks in the accents familiar to his victims, and he wears their face and their garments. He appeals to the baseness that lies deep in the heart of all men. He notes the soul of a nation. He works secretly and unknown in the night to undermine the pillars of a city. He infects the body politic so that it can no longer resist.

-Cicero, 42 BC. Cicero was a Roman statesman and orator.

The lawmakers, judges and police take an oath to uphold the U.S. Constitution. I enter into evidence the law dictionary definition of treason and conspiracy.

Court exhibit #15

United States Code, Title 22, Section 611-613, Registration of a Foreign Agent. It is believed many professionals, judges, IRS and BATF, police are foreign agents and it can be argued whether the courts are fair and have fully informed juries with all evidence presented.

Court exhibit #16

The Federalist Papers, intent of our Founding Fathers' Constitution, Bill of Rights, Original 13th Amendment, Federal Reserve Act, and all banking laws and bank loan agreements, bankruptcies and bankruptcy laws.

Court exhibit #17

Bank presidents and CPA bank auditors have refused to accept my challenge to take the reward and answer all of my questions, to give full details of bank operations, bank loan agreements, and laws under penalty of perjury and tape recorded for the nation to hear. The bankers have refused to sign my affidavit proving their innocence.

Court exhibit #18

The banker can describe the physical dimensions of Federal Reserve Notes as being approximately 2 7/16 inches by 6 1/8 inches, on high quality paper with black and green ink and a picture of an American President. The bank charged interest for the use of borrowed money, yet when the bank loaned credit, the bank never saw the credit loaned. The bank cannot give the physical size of the credit or the color. Bank credit is a bank IOU on the bank's ledger sheet, showing that the bank owes the borrower money. Federal Reserve Bank of Richmond publication *Our Money* (p. 18) and *Your Money* (p. 18) both say, "Credit is the postponement of the payment of money." If he loaned credit, the banker cannot give a physical description what the credit looks like, and they admit they did not loan money, but postponed loaning the borrower money. *Your Money* (p. 7) and *Modern Money Mechanics* (p. 6) explains that the bank did not loan you legal tender or other depositors' money as consideration to obtain the promissory note.

Court exhibit #19

The new bank loan agreement does not say the word loan. It says for consideration received or given. If you examine the agreement, you find the words interest, borrower, repayment, etc. This change of words indicates the bankers know exactly

what they are up to. This way they can claim they never agreed to make a loan.

If you look at the definitions of these words, such as interest, you will find there was to be a loan. Interest means a charge for the use of borrowed money. Borrowed means loaned.

Court exhibit #20

The bank merely redefines words to mean the opposite. An asset such as gold, silver, cash is no longer money. The bank publication now claims a bank liability owing gold, silver or cash is money. The banks call checks money and an exchange a loan. Redefining words changed the cost and risk of the agreement. The bank loaned no actual cash value to obtain the promissory note, forcing the alleged borrower to fund the bank loan check. Clearly, the opposite of what most alleged borrowers believed was agreed to, happened.

Court exhibit #21

The banker hired attorneys having competence to write an agreement. The attorney is just as capable of writing an agreement stating that the bank loans no actual cash value to obtain the promissory note. The attorney could explain how the bank opens up a checking account, deposits the promissory note and returns the money you just deposited back to you with the cost as if the bank loaned other depositors' money. The actual cost of the transaction is the interest plus nearly all wealth of non-bankers transferred to the bankers for free. Regulation Z only showed cost of interest, not the cost of the principle the alleged borrower lost to the bank.

Court exhibit #22

The bankers' stamp, used to stamp the promissory note, stating "pay to the order of..." and allowing the note to be deposited.

Court exhibit #23

The Federal Reserve Bank publications and bank financial statements proving that when banks grant loans, the assets and liabilities increase showing a loan to the bank, or a deposit or theft, and proving the bank did not loan other depositors' money.

Court exhibit #24

Nearly every American citizen and business owes the bankers money or credit, proving our case. If we were following Lincoln and not allowing the banks to create money, there could not be a $100 loan without having first having $100 in savings to loan out. If the bank loaned other depositors' money, the bankers could not shift the wealth from the citizen to the bank at the beginning of the loan and use this newly transferred wealth to fund the bank loan check.

Court Exhibit #25

The standard bank bookkeeping entries per Chicago Federal Reserve **Bank** *Modern Money Mechanics* shows the Generally Accepted Accounting Principles of all bank loans. The accounting principles and Generally Accepted Auditing Standards prove our case.

Court Exhibit #26

The national bankruptcy, gold fringe flag in court, denied a Republican Form of government with gold and silver coins as lawful money in circulation. The Constitution suspended, as proven by rights replaced with privileges. For further proof just demand your Constitutional rights in court and the judge will not only deny your rights, but may throw you in contempt of court for making the demand.

Court Exhibit #27

"Those who create and issue credit and money, direct the policies of government, and hold in the hollow of their hands the destiny of the people. (The Right-Honorable Reginald McKenna, Midland Bank of England, Secretary of the Exchequer)"

"Give me control over a nation's currency and I care not who makes its laws. (International Banker, Baron M.A. Rothschild)"

"God would not have created sheep, unless he intended them to be shorn. (International Banker, J.P. Morgan)"

"Whoever controls the money in any country is master of all its legislation and commerce. (President James Garfield)"

"The one aim of these financiers is world control by the creation of inextinguishable debts. (Henry Ford)"

"We have got the best politicians money can buy. (Will Rogers)"

"As we have advised, the Federal Reserve is currently paying the Bureau approximately $23 for each 1,000 notes printed. This does include the cost of printing, paper, ink, labor, etc.

Therefore, 10,000 notes of any denomination, including the $100 note would cost the Federal Reserve $230. In addition, the Federal Reserve must secure a pledge of collateral equal to the face value of the notes. (William H. Ferkler, Manager Public Affairs, Dept. of Treasury, Bureau of Engraving and Printing)"

"Banks create money by monetizing debt. *(I Bet You Thought,* Federal Reserve Bank of New York)"

"A note is a specific and unconditional promise to pay. (UCC-304-1)"

"To lay with one hand the power of the government on the property of the citizen, and with the other to bestow it on favored individuals...is none the less robbery because it is done under the forms of law and is called taxation. (Loan Association v. Topeka 1874, U.S. Supreme Court)"

"The legal tender acts do not attempt to make paper a standard of value. We do not rest their validity upon the assertion that their emission is coinage, or any regulation of the value of money; nor do we assert that Congress may make anything which has no value money. [Bates v. U.S., 108 F.2d 407, 408 (1939)]"

"It is easy to understand why the law is used by the legislator to destroy in varying degrees among the rest of the people, their personal independence by slavery, their liberty by oppression, and their property by plunder. This is done for the benefit of the person who makes the law, and in proportion to the power that he holds. *(The Law,* Frederick Bastiat)"

"A Federal Reserve Note [is] merely and IOU. Here's how it works. When the politicians want more money, they dispatch a request to the Federal Reserve for whatever sum they desire. The Bureau of Printing and Engraving then prints up bonds indenturing taxpayers to redeem their debts. The bonds are then

`sold' to the Federal Reserve. But note this unusual twist —— the bonds are paid for with a check backed by nothing! It is just the same as if you were to look into your account and see a balance of $412 and then, hearing that government bonds were for sale, write a draft for $1 billion. Of course, if you did that, you would go to jail. The bankers do not. In effect, they print the money that enables their check to clear. (James Dale Davidson, Director, National Taxpayers Union)"

"Man can live and satisfy his wants only by ceaseless labor; by the ceaseless application of his faculties to natural resources. This process is the origin of property. But it is also true that a man my live and satisfy his wants by seizing and consuming the products of the labor of others. This process is the origin of plunder. Now since man is naturally inclined to avoid pain-and since labor is pain in itself-it follows that men will resort to plunder whenever plunder is easier than work. When plunder becomes a way of life for a group of men living in society, they create for themselves, in the course of time, a legal system that authorizes it and a moral code that glorifies it. *(The Law,* Bastiat)"

"There is a distinction between a debt discharged and one paid. When discharged, the debt still exists, though divested of its character as a legal obligation during the operation' of the discharge. Something of the original vitality of the debt continues to exist, which may be transferred even though the transferee takes it subject to the disability incident to the discharge. The fact that it carries something which may be a consideration for a new promise to pay, so as to make an otherwise worthless promise a legal obligation, makes it the subject of transfer by assignment. (Stanek v. White, 215 N.W. 784)"

On January 13, 1932, Congressman Louis T. McFadden, Chairman of the House Banking and Currency Committee, introduced a resolution against the Federal Reserve Board of Governors. It read: "Whereas I charge them, jointly and severally, with the crime of having treasonably conspired and acted

against the peace and security of the United States and having treasonably conspired to destroy constitutional government in the United States." McFadden had understood Section 19 of the Coinage Act which states: "If any of the said officers or persons shall embezzle any of the metals...every such officer or person who shall commit any or either of the said offenses, shall be deemed guilty of felony, and shall suffer death."

Court Exhibit #28

FDIC Insurance. The FDIC refuses to insure the deposited promissory note and pay the depositor (borrower) the money. The FDIC insurance protects the bank who obtained the deposit for free. If it was not deposited or sold and proceeds deposited, then they admit there was no deposit of actual cash value to fund the **check.** It appears to be a policy of insurance fraud.

CHAPTER 18
SUBPOENA DOCUMENTS

We demand the following information from the banker:

Any documents proving there was not a loan from the alleged borrower to the bank, and that the loan paid to the alleged borrower was not to be repayed in the same kind of money earlier deposited to issue the alleged bank loan check.

Servicing agreements between the promissory note owner and the one collecting the loan payments.

Agreements between the original lender and the one purchasing the promissory note. This includes the stamp of the

back of the promissory note claiming the purchaser bought it "without recourse."

Any stamp used to stamp the promissory note.

The FDIC "Call Report". This is a bank report issued every three months to the FDIC. It will show the promissory notes recorded as a bank asset.

The name of the bank issuing the alleged bank loan check.

Journal entries of the bank issuing the alleged bank loan check.

Journal entry showing the bank recorded the promissory note as a bank asset.

The date, checking account number, and dollar amount of the funds deposited which created the new deposit balance which the alleged bank loan check was issued from.

If the bank claims there was no new deposit balance, then show the source of the funds that was deposited and the account which the check was issued from.

The bank ledger showing which account the funds were deposited into and from which the check was issued for the alleged bank loan check.

Any bank policies and procedures showing the bank alters the promissory note.

Any bank policy or procedure showing the bank stamps the original promissory note "pay to the order of"

Any bank policy or procedure showing the bank stamps the original promissory "without recourse" or "with recourse".

Any stamp the bank or bank agent has used to stamp the promissory notes.

Training policies for lending officers and employees connected to lending.

Standard bank bookkeeping entries regarding lending, promissory notes and the alleged bank loan check.

Bank policy regarding whether the promissory note funds the check or the check is loaned as consideration for the promissory note.

Any advertising the bank was involved in regarding loans.

The bank's definition of the following words; exchange, loan, bank liability, interest, promissory note and money.

Any bank policy to determine whether it is bank policy to deposit promissory notes or exchange promissory notes for credit in a transaction account or use promissory notes to fund checks.

Any bank policy that regards the alleged borrower's promissory note as money.

All files of the title insurance company regarding the alleged loan, what bank funded the alleged bank loan check.

Any surety agreements, laws.

Any agreements to buy or sell the promissory note without recourse.

Any agreements between the mortgage broker and the bank.

CHAPTER 19
ACCOUNTING QUESTIONS

To the best of your knowledge, if a bank receives a loan from someone, will the bank assets and liabilities increase by the amount of the loan the bank received?

(The bank bookkeeping entries are similar to the bank receiving a loan from the borrower or the bank receiving stolen goods from the borrower and returning the value of what the bank received for free from the borrower back to the same borrower as a loan. We want the bank to prove this is not the case.)

To the best of your knowledge, if a bank records a deposit from a customer, do bank assets and liabilities increase by the amount of the deposit?

(It looks like we were the customer providing the funds that were deposited without our knowledge, permission or authorization. The bookkeeping entries prove the money trail. Make them prove we were not the depositor. Make them prove there was no fraudulent conversion or fraudulent concealment.)

To the best of your knowledge, if the bank exchanges a borrower's promissory for credit in the borrower's transaction account, do bank assets and liabilities increase by approximately the amount of the promissory note?

(The answer is yes. The question is asked to make them defend that it was exchanged and concealed in the agreement, changing the cost and risk of the alleged loan.)

Do you know of any way bank's assets and liabilities both increase other than a deposit or a loan to the bank or where a bank customer brings funds to a bank which are exchanged for a check?

If yes, please give all the details.

(We ask the question because they cannot explain it, and this is the winning argument. We want the bank to admit they took something of value from the borrower and deposited it, exchanged it or received it as a loan to the bank. A loan that they refuse to repay is like a theft.)

According to the Federal Reserve Bank publications, policy and procedures, when banks grant loans, do the bank assets and liabilities increase by the amount of the alleged loan?

(We ask the question because the FED policy claims the answer is yes. If yes, the bank deposited or we loaned the bank or there was an exchange and the bank never loaned other depositors' money to obtain the promissory note. We are the depositor or creditor or lender, which was concealed, or the bank stole our property and returned the value of the stolen property back to us as a loan.)

According to the Federal Reserve Bank policy and procedures, on a typical bank loan, when a bank grants a $100,000 loan, does the borrower hand the bank something of value worth approximately $100,000 and the bank hand the borrower back something worth about $100,000 without loaning other depositors' money or other investors' money?

(The answer is yes. If the bank cannot answer, they cannot defend, because they cannot explain the agreement or the bank procedures. Any jury can understand this question and that is why we ask it.)

According to the Federal Reserve Bank policy and procedures, when a bank grants a $100,000 loan, is the economic effect similar to the borrower loaning the bank $100,000 and the bank using this loan to fund the $100,000 loan back to the borrower? (Replace the word loan with deposit.)

(The bank must say yes. We ask the question about the economic effect because that determines the true cost and risk which is not shown on regulation or schedule "Z".)

Does the bank then demand that the borrower repay the loan from the bank to the borrower but never repay the $100,000 loan from the borrower to the bank?

(This shows the concealment, and makes the bank look silly for refusing to acknowledge the loan from the borrower to the bank.)

If the bank recorded the borrower's note as a loan from the borrower to the bank, would the bank assets and liabilities increase by the amount of the loan to the bank?

(Without exception the answer must be yes.)

If the bank then used this loan to the bank to fund the loan back to the customer, would the new bank liability be transferred by check or similar instrument from one transaction account to another transaction account or checking account or Demand Deposit Account or similar account?

(The answer is yes. We ask the question to show the bank never loaned an asset, legal tender, or other depositors' money and never paid the new bank liability created when the bank granted the loan. The bank merely transferred the liability. In the previous questions the bank cannot explain how a new bank liability is created without a deposit or a loan to the bank or an exchange.)

The above questions prevent the bank from claiming they received a loan from the Federal Reserve Bank and loaned you these funds. If the bank received a FED loan and loaned you these funds, the bank could never, repeat never, record the

borrower's note as a bank asset which creates as a new bank liability. If the bank received a loan from the FED, it is temporary, and they need your promissory note to pay it. The bank still never loaned an asset to obtain the borrower's note.

Please explain all the ways the bank obtains government bonds, securities, and bank assets other than cash.

(This exposes that the bank receives the asset for free simply by increasing the bank liabilities.)

When banks purchase government securities, do the bank assets and liabilities ever increase in such a transaction?

(It is the standard bank policy to purchase or obtain government securities and promissory notes by simply increasing the bank liabilities and transferring these liabilities to another checking account to make it appear that a payment was made. The bank obtained the asset for free.)

When the bank pays the telephone bill or utility bill, do the banks assets and liabilities decrease by the amount of the check or cash used to pay the telephone or electric expense?

(The answer is yes. When money leaves the bank to pay an expense, assets and liabilities decrease by the amount of money withdrawn from the bank and given to another person.)

According to bank policy, does the borrower create money?

(When the bank receives a cash deposit, a new bank liability is created. The new liability is often called a checking account balance or checkbook money. The bank liability is merely a substitute for the real money recorded as a bank asset called cash. The cash and bank liability are one in the same and cannot be separated. Cash, promissory note, check and a checking

account balance all have equal value and can be interchanged. If you exchange $100 of cash for a $100 check, the check is represented by the cash giving the check value. The two are married. The cash gives the check value. The promissory note has equal value as legal tender and can be sold for cash. The promissory note represents your future payroll checks, cash represents money you earned in the past. That your promissory note can be exchanged for a check merely means the bank can take something of value (today's value of your future payroll checks) and return it back to you as a check, calling it a loan. You and your labor gave it value. The bank never worked to earn the value, like you did to fund and give the check value. Now we have a question or two to slam dunk the bank.)

If I deposit money at the bank, do the bank assets and liabilities increase by the amount of the deposit?

(They must say yes.)

Does the new liability represent money that is owed for the new asset?

(They must say yes.)

Does the new liability act like, or is similar to, a substitute for the asset deposited that created the new liability?

(The bank must say yes.)

Does the new bank liability act like a deposit slip that is represented by the money deposited?

(Again, the bank must say yes.)

Economically speaking, is the value of the asset represented by the offsetting liability money owed by the bank for the asset, even though the bank pools money from depositors?

(If they say yes, the promissory note is represented by the new bank liability and the new liability is represented by the value of the promissory note, or the proceeds of the sale of the promissory note. The token at the casino represents the cash you used to buy the casino token. The token is the bank liability and the promissory note is the cash. This proves the bank returned the value back to us what the bank earlier received from us. The bank used the value of the promissory note in a manner other than what most people intended it to be used for, changing the cost and the risk against the borrower and in favor of the bank.)

CHAPTER 20
IS COUNTERFEITING LEGALIZED FOR ONE CLASS OF CITIZENS?

Do counterfeiters create money?

Do banks create money?

What is the difference between banks creating money and a counterfeiter creating money?

Where does Congress receive authority to allow banks to act like counterfeiters?

In the Constitution, Article One, Section Eight, it says, "The Congress shall have power... to borrow money on the credit of the United States." When banks create money, are they using this clause as the means to create money and loan it out to citizens?

Is the money banks create really an IOU?

Do the banks trade these bank IOUs like money?

Do banks ever pay the IOU?

If banks are using this part of the Constitution to create money, does the bank admit to being a foreign agent under United States Code (USC) Title 22, Section 611 & 612?

Are the bank and their attorney registered as foreign agents?

Are the bank, its officers, employees or agents acting like nobility?

Is the money that the bank loaned foreign to the Republican Form of Government guaranteed under the Constitution, Article Four, Section Four?

If the banks stole property from the citizens and returned the value of the stolen property back to the citizens as a loan, would the economic effect be similar to that of the current bank loan operation?

Is the economic effect of the current bank loan operation of granting loans similar to that of a counterfeiter in the respect both bank and counterfeiter create money?

Is the economic effect of a bank loan similar to stealing the value of the promissory note or receiving it for free and creating new money called bank liabilities?

Does the bank receive the promissory note in a similar manner to receiving a deposit or a loan to the bank, or do they exchange the promissory note for a check?

If yes, are you claiming the borrower understood this and agreed?

Where was this disclosed in the bank advertising or agreement?

Was it the bank's policy to not return the deposit or loan to the bank to the original customer providing the funds?

Is it the banks understanding that an exchange is trading value for value and charging a fee as if there is a loan?

CHAPTER 21
THE KINDERGARTEN QUESTIONS: SET #1

Remember, as we ask these questions, all we want is equal protection under the law between bankers and non-bankers, plus full disclosure in the written agreement.

1. Did the bank loan gold or silver to the alleged borrower?

2. Did the bank loan credit to the alleged borrower?

3. Did the borrower sign any agreement with the bank which prevents the borrower from repaying the bank in credit?

4. Is it true that your bank creates checkbook money when the bank grants loans, simply by adding deposit dollars to accounts on the bank's books, in exchange for the borrower's mortgage note?

5. Has your bank, at any time, used the borrower's mortgage note (promise to pay) as a deposit on the bank's books from which to issue bank checks to the borrower?

6. At the time of the loan to the alleged borrower, was there one dollar of Federal Reserve Notes in the bank's possession for every dollar owed in Savings Accounts, Certificates of Deposits, Checking Accounts, and Demand Deposit Accounts?

7. According to the bank's policy, is a promise to pay money the equivalent of money?

8. Does the bank have a policy to prevent the borrower from discharging the mortgage note in funds of like kind to that which the bank deposited and from which they issued the check?

9. Does the bank have a policy of violating the Deceptive Trade Practices Act?

10. When the bank loan officer talks to the borrower, does the bank inform them that they use the borrower's mortgage note to create the very money the bank loans out to them?

11. Does the bank have a policy to show the same money in two separate places at the same time?

(If the bank loans out other depositors' money, do the other depositors have the same money that the bank loaned out to the borrower?)

12. Does the bank claim to loan out money or credit from savings and certificates of deposit while never reducing the amount of money or credit from savings accounts or certificates of deposit which customers can withdraw from?

13. Using the banking practice in place at the time the loan was made, is it theoretically possible for the bank to have loaned out a percentage of savings accounts and certificates of deposit, and immediately after the loan was made, for the bank's customers to withdraw all monies from their savings accounts and certificates of deposit and the borrower still have the money the bank loaned him?

14. If the answer is "no" to question #13, explain why the answer is no.

15. In regard to question #13, at the time the loan was made, were there enough Federal Reserve Notes on hand at the bank to match the figures represented by every savings account, certificate, checking account, or demand deposit account?

16. Does the bank have to obey the laws concerning: Uniform Commercial Code; Commercial Paper; Commercial Transactions; Commercial Instruments; Negotiable Instruments; Title 15 U.S.C. Section 1692?

17. Did the bank lend the borrower the bank's assets, or the bank's liabilities?

18. What is the complete name of the banking entity which employs you, and in what jurisdiction is the bank chartered? (Chartered in the federal jurisdiction. How can the bank foreclose in the county court, if federal, unless the foreclosure triggers a county jurisdiction due to real estate taxes. Once the bank forecloses it may make all real estate taxes due, including the last year the county has not billed you for, forcing a real estate tax sale under the guise of a foreclosure.)

19. What is the bank's definition of "loan credit"?

20. Did the bank use the borrower's assumed mortgage note to create new bank money which did not exist before the assumed mortgage note was signed?

21. Did the bank take money from any Demand Deposit Account (DDA), Savings Account (SA), or a Certificate of Deposit (CD), or any combination of any DDA, SA, or CD, and loan this money to the borrower?

22. Did the bank replace the money or credit which it loaned to the borrower with the borrower's assumed mortgage note?

23. Did the bank take a bank asset called money, or the credit used as collateral for customers' bank deposits, to loan this money to the borrower, and/or did the bank use the borrower's note to replace the asset it loaned to the borrower?

(Many times I've heard accountants claim they loaned other depositors' cash and replaced the promissory note where the cash was. If they did this, the result is a new asset and liability creating the new money.)

24. Did the money or credit which the bank claims to have loaned to the borrower come from depositors or money or credit made by the bank's customers, excluding the borrower's assumed mortgage note?

25. Consider the balance sheet entries of the bank's loan of money or credit to the borrower, did the bank directly decrease the customer deposit accounts, (i.e. DDA, SA, CD) for the amount of the loan?

26. Describe the bookkeeping entries referred to in question #13.

27. Did the bank's bookkeeping entries to record the loan and the borrower's assumed mortgage note ever, at any time, directly decrease the amount of money or credit from any specific bank customer's account?

28. Does the bank have a policy or practice of working in cooperation with other banks or financial institutions to use a borrower's mortgage note as collateral to create an offsetting of new bank money, credit, checkbook money, or DDA generally to equal the amount of the alleged loan?

(You ask because others could be involved in RICO)

29. Regarding the borrower's assumed mortgage loan, give the name of the account which was debited to record the mortgage.

30. Regarding the bookkeeping entry referred to in question #17, state the name and purpose of the account which was credited.

31. When the borrower's assumed mortgage note was debited as a bookkeeping entry, was the offsetting entry a credit to cash or certified check or money order or checking account, and what is the name of the account?

32. Regarding the initial bookkeeping entry to record the borrower's assumed mortgage note and the assumed loan to the borrower, was the bookkeeping entry credited for the money loaned to the borrower, and was this credit offset by a debit to record the borrower's assumed mortgage note?

33. Does the bank currently or has it at anytime used the borrower's assumed mortgage note as money to cover the bank's liabilities referred to above, (i.e. DDA, SA, and CD)?

34. When the assumed loan was made to the borrower, did the bank have every DDA, SA, and CD backed up by Federal Reserve Notes on hand at the bank?

35. Does the bank have an established policy and practice to emit bills of credit which it creates upon its books at the time of making a loan agreement and issuing money, or so called money or credit, to its borrowers?

(The Constitution prohibits emitting bills of credit. We want to show the bank has a policy, an intent per the Federal Reserve Bank, that they did not tell us the whole truth in the agreement, mislead us, deceived us in the agreement.)

36. Has the bank used the borrower's assumed mortgage note as money or credit at any time?

(If the bank recorded the promissory note as a bank asset at any time, the answer is yes. If yes, the borrower provided the money or credit to issue the check.)

37. Did the bank provide the mortgage note forms for the borrower to sign?

(This shows the bank knew exactly what they were attempting to do. They knew what the standard bank bookkeeping were.)

38. Did the bank use other borrowers' mortgage notes as money or credit to issue bills of credit and/or bank money which the bank loans out?

(To hide the fact, the bank will claim they pool the money and loan it out so you never know who provided the money. We are looking at policy. If the bank did not use other borrowers' promissory notes (mortgage notes), if a check is not money and if a bank liability is owing money, and the bank does not loan other depositors' money, where is the money the bank loaned out?)

39) Did the bank, in cooperation with other banks, use the borrower's assumed mortgage note to create an equal amount of bank checkbook money and bills of credit, which was loaned back to the borrower?

(We wish to expose the whole industry including the banking institute who purchased the mortgage note. We wish to show they all worked in cooperation to deceive you when you signed the agreement.)

40. Did the bank by itself, and/or in cooperation with other banks, take the borrower's assumed mortgage note and use it to

create money which did not exist before the loan. Did the bank then loan the bank money created by a bookkeeping entry back to the borrower?

(We want to show the bank created money by a bookkeeping entry, which is easier than counterfeiting and is just as economically destructive to non-bankers.)

41. Did the bank take the borrower's assumed mortgage note and use it as a deposit, and then use the assumed mortgage note from which to issue money to the borrower?

42. Does the bank advertise that it loans money and/or credit?

(If they say yes, then you ask which one, money or credit? Then ask what is the difference? The two are opposites. If they loaned you the opposite, wouldn't you want to know?)

43. Does the bank inform its borrowers that it uses a borrower's mortgage note as money, that the money supply is increased by the mortgage note, and that the effect of the transaction is that the bank, in connection with other financial institutes, uses the mortgage note to create checkbook money and or credit which the bank loans out?

(If the bank creates checkbook money it must be redeemable in cash, and they got the cash by selling your note. Your future labor bought the cash they loaned you. If they will not answer the questions, it shows a fraudulent concealment.)

44. Does the bank inform its borrowers that it uses borrower's mortgage note as money or as an asset to increase the money supply by the amount of the mortgage note through bookkeeping entries in cooperation with other financial institutions?

(The advertising and written agreement concealed this fact. We believed there was only one loan. A loan from the bank to us, not the concealed loan from us to the bank. If the bank comes back and defends themselves by saying you should have known because of the FED publications, we must realize that we were not obligated to research the agreement, looking for a concealment of a loan from us to the bank. Now that we found out about the loan from us to the bank, will the bank pay the loan?)

45. Did the bank tender to the borrower the bank's own credit?

(If yes, the bank admits they own the promissory note without loaning anything of value to obtain the note and returned the value back as a loan. If no, The bank had to loan money or loaned nothing of value.)

46. Did the bank tender to the borrower a combination of the bank's own credit and the borrower's credit?

(If yes, what percent loaned what? We ask the question because the bank claims they pool money and it is all combined and cannot tell what or who loaned what to whom.)

47. Did the bank, by itself or in combination with other financial institutions, at anytime use the borrower's assumed mortgage note as an asset to create new money or credit?

(The answer is yes. It created checkbook money. How can one create a checking account balance without first depositing money? Obviously they got the money deposited from the borrower.)

48. Did the bank at anytime use the borrower's assumed mortgage note as an asset, used in cooperation with other financial institutions, to increase the money supply?

(The answer is yes because the other banks used the new bank liability, checkbook money, as money when the check transferred the funds from one bank to another. So all the banks knew the truth and cooperated together. RICO.)

49. Does the bank belong to any organization which has an established practice and policy whereby banks, and other lending institutions--including institutions which purchase borrower's mortgage notes use borrowers' mortgage notes to create new bank deposit money, Demand Deposit Accounts, Savings Accounts, or Certificates of Deposit in amounts generally equal to the amount of the borrowers' mortgage notes?

(We ask the question because we want them to say yes, the Federal Reserve Bank has a written policy and the policy and the written loan agreement are the opposite, and the bank knew it and deceived the borrower.)

50. When the bank loaned money or credit to the borrower, did the bank decrease an equal amount of money or credit from customer bank deposits (i.e. DDA, SA, and CD, or any combination thereof) through a bookkeeping entry?

51. Did the bank loan the borrower money or credit, from money or credit deposited in the bank by the banks other customers?

(If the bank cannot tell you who and where the money came from to loan you the money, there is no agreement, no understanding of material facts. The bank therefore refused to explain the true cost and risk. Refusing to answer the questions shows the concealment. We ask the questions to show the fraudulent concealment, theft and that there is no agreement.)

CHAPTER 22
KINDERGARTEN QUESTIONS: SET #2

1. Did the bank have a policy to issue a non-redeemable note(s) from a private bank to the alleged borrower or bank customer?

(The Federal Reserve Note is non-redeemable as well as the checkbook money. Banks exchange their notes for other bank notes but never pay the notes making them non-redeemable.)

2. Is the bank required to follow the Uniform Commercial Code?

(We ask the question hoping to discharge the first interest bearing note with a second non-interest bearing note. UCC 1-201:8, "No agreement in the absence of mutual consent." UCC 3-305:16, "The Holder in Due Course (owner) of a mortgage note takes the mortgage subject to such defense as the mortgagor (borrower) could assert against payment of the note." UCC 3-101:68, "Commercial paper is not valid if found upon an illegal consideration or growing out of an illegal transaction, that is, a transaction which violates a provision of a constitution, a statute, or common law, public policy, or good morals." See UCC for Holder in Due Course and I believe they bank violated 2 out of the 5 requirements, good faith and giving value in accordance to the agreement. UCC numbers vary from the different books.)

3. Did the borrower sign any agreement with the bank, which prevents the borrower from repaying the bank in the same like kind funds the bank accepted as a deposit from which to issue the check?

(We ask because it does not matter how they answer as long as they say yes or no. They must explain whether the note funded the check and if the check was the consideration loaned for the

bank to legally obtain the note. Which came first, the chicken or the egg? If yes, show me the agreement. If no, see if they accept a second non-interest bearing note.)

4. Did the bank, by itself or in combination with other financial institutions, use the borrower's assumed mortgage note from which to issue the check, or bank draft, or other funds which the bank claims it loaned the alleged borrower?

(If yes, I want to interview the other institutions. If yes there was no valuable consideration loaned to obtain the mortgage note or promissory note. If no, the bank must prove they violated the Federal Reserve Bank policy and procedures.)

5. For the funds that the bank issued the alleged borrower, did the bank decrease any liability from other depositors' accounts (other than the alleged borrower's mortgage note that may have been deposited), Demand Deposit Account (DDA), Savings Accounts (SA), Certificates of Deposit (CD)?

(If yes, the bank must prove they violated the Federal Reserve Bank policy and procedures. If no, we want to see the written agreement giving the bank permission to take funds from the borrower, deposit or exchange the funds for a check and call the check a bank loan check and show us the agreement, that it is not a fraudulent conversion or fraudulent concealment.)

6. Did the bank release a bank check (a bank instrument to transfer funds), or cash (Federal Reserve Notes) to obtain the mortgage note?

7. If the bank claimed it loaned cash, or the equivalent, did the bank liabilities of the member banks increase in the same amount of the mortgage note?

(The bank knows according to Federal Reserve Bank policy and procedure the answer is yes. The banker knows that bank liabilities increase when the bank receives a deposit or a loan

to the bank or an exchange of new money for a check. Now we want to know which of the three it is.)

8. Did the bank deposit the mortgage note on the bank's books before the bank loaned money or credit to the alleged borrower?

(If no, then the bank loan check had no deposit to validate the check. If yes, the borrower provided the deposit or money to fund the check or the borrower provided the note which was exchanged for a check or the bank recorded the note as a loan to the bank or the bank received the note for free. We want to know the details.)

9. According to the bank's policy, is the mortgage note legal tender?

(The answer is no and the bank liability, DDA, is not legal tender according to *Your Money*. If they say yes, then the bank must accept more legal tender. If no, no legal tender was loaned. The check, Demand Deposit Account, promissory note and cash all have equal value and all the value came from the borrower's promissory note (mortgage note).

10. According to the bank's policy is the mortgage note or promissory note money?

(If no and the bank liability is owing money and a check is not money, where is the money the bank claims it loaned or used to fund the check? If yes, the bank admits the borrower provided the money to the bank to fund the bank loan check. This being the case, where is the money the bank loaned to obtain the promissory note? Money, legal tender, promissory notes, government bonds are recorded as a bank asset. The substitute or tokens for money is recorded as a bank liability. The token, bank liability, and the offsetting dollar, bank asset, are one in the same. They are married and cannot be separated. The

token represents the real money and the real money is represented by the token.)

11. Is it the bank's policy to claim that it owns the mortgage note or promissory note before the bank loans money to the borrower?

(If yes, they admit they loan nothing of value to obtain the promissory note. If no, they must prove they violated the Federal Reserve Bank policy and procedures or the written agreement. The newly created bank liability is not money unless it is married to a bank asset that can be exchanged for cash. If the new money, bank liability is not married to the promissory note or mortgage note, the bank liability has no value and is worthless and is not valuable consideration loaned.)

12. If one deposits $100.00 of cash in a checking account, the bank records the Federal Reserve notes as an asset and a liability, showing the bank owes the $100 to the depositor. Is the bank asset, cash, the legal tender, or is the bank liability the legal tender?

(We ask the question to prove legal tender, cash, is recorded as a bank asset and the new bank liability is really owing the cash. The bank liability is not the real money as banks try and lead us to believe.)

13. What is the bookkeeping entry to issue the alleged borrower the funds loaned, to fulfill the contract or agreement, to give value, to be a Holder in Due Course of the borrower's note?

(We ask the question because the UCC claims to be a Holder in Due Course (owner) of the note, the bank must give value in accordance to the agreement and have good faith, no deception. They must tell us what the agreement is and what the valuable consideration they were to loan to legally obtain the note.)

14. According to bank policy, does the bank issue a check to obtain the mortgage note and use the mortgage note as the deposit from which to issue the check, or does the bank loan the bank's funds, either bank capital, or other depositors' funds, to fulfill the contract or agreement to obtain the mortgage note?

(We ask the question many different ways to try and get them to lie under penalty of perjury or repeat the lie the loan officer made to the borrower at the beginning of the alleged loan. If they cannot tell us what the agreement is, how can there be an agreement. If they will not explain it, it shows the concealment.)

15. According to bank policy, when one deposits money, the bank shows an offsetting liability showing the bank owes the money deposited to the depositor. Can the depositor write a check on the money deposited, or withdraw the cash?

16. Is it true, if one deposits money at the bank, that the bank's assets and liabilities increase by the amount of the new money deposited?

(By now everyone knows the answer is yes. We ask the question to show if the bank liabilities increase, it is because there was a deposit.)

17. According to bank policy, if the bank owes us money and we receive cash or a check does the bank liability or our checking account balance decrease by the amount of funds withdrawn and given to the bank customer?

(The answer is yes. We ask the question because if the bank loaned other depositors' money, the bank assets and liabilities must decrease. If the bank received money, the bank assets and liabilities increase. This proves who funded the money to issue the check. We use the bank policy to prove the standard bank method of operation which shows knowledge and intent. *Modern Money Mechanics* shows us all the banks bookkeeping en-

tries and proves the bank assets and liabilities increased for the loan the bank granted. Now we go back to the agreement and show the borrower never knew he or she was the lender, creditor or depositor to fund the bank loan check. The bank policy shows the intent to conceal the truth.)

18. If the member bank of the Federal Reserve loans money to obtain the mortgage note, why do the member bank liabilities increase by the amount of the mortgage note?

(We ask to show they had the intent to make the borrower the depositor or the one to fund the check. If they answer this question, it shows the bank knew exactly who funded the check and concealed the truth.)

19. In the Chicago Federal Reserve Bank publication *Modern Money Mechanics* (p. *6)* it says that banks "accept promissory notes in exchange for credits to the borrower's transaction account." Is the Chicago Reserve Bank publication in error?

(You ask the question because it shows they knew, or should have known the truth, that the agreement did not tell the truth showing the concealment. A loan is different than the borrower providing the funds to be exchanged for credit in the borrower's transaction account and a check written from the borrower's transaction account. This is the opposite of what the agreement said, significantly changing the cost and the risk to the borrower. The bank must know the borrower would not be that stupid, so they concealed material facts to change the cost and risk in favor of the bank.)

20. According to the bank policy, is new money created when loans are granted?

21. If yes to the previous question, is the new money the mortgage note or promissory note, or is the mortgage note or promissory note not money? Is the new bank liability called

money? Can the bank pay cash for the new bank liability without selling the mortgage promissory notes for cash to fund the checks and pay the checking account balances? Can the bank pay the new bank liability without returning the borrower's note or selling the note and returning the proceeds to the borrower?

(We ask the questions to prove the new bank liability has no value and the real value comes from the borrower's note. The note and bank liability are married and cannot be separated and the bank liability is merely the substitute, like a token, for the real money which is a bank asset.)

22. Is a check money, or is a check merely an order to transfer or pay money?

(A check is not money, it is merely an order to pay money. We ask the question because bank attorneys claim we received a check. We do not dispute we received a check, we argue who provided the funds to issue the check, borrower or bank?)

23. According to the agreement, was the bank to loan money in order to legally obtain the borrower's note or was the bank to loan the modem day counterpart of a bank note, which is a newly created bank liability, and the bank never pays this liability?

("Modern day counterpart of a bank note" comes right out of the FED publication. The bank never pays the liability and merely transfers the liability making it appear it was paid. If the bank still owes money for the note, it never paid for the note.)

24. The bank's balance sheet shows nearly ten times the amount of bank liabilities in Demand Deposit Accounts, Savings Accounts, and Certificates of deposits than it has in Federal Reserve notes. Is there more liabilities in DDA, SA, and CDs than Federal Reserve Notes because the banks deposited borrower's notes on the bank's books or exchanged the

borrower's notes for credit to the borrowers transaction account creating check book money as the banks allegedly made loans?

(The answer is yes according the FED publications. We ask the question to show the bank had a policy that was concealed in the agreement.)

25. Is it a bank policy to sell the borrower's note before the bank loans money to the alleged borrower?

(We ask the question because if the bank had a policy to sell the note before the bank fulfilled the agreement to own it, they can be in real trouble. If they answer no, they must prove they loaned us money, not the opposite, which is the new bank liability which is married to the same borrower's note. The borrower handing the bank a note and the bank handing it back to the same borrower and then telling the borrower to repay the bank is economically similar to the bank using the note to fund the check.)

26. Is it bank policy to claim that it loans cash, or cash equivalent, to obtain the borrower's note and owes depositors nearly ten times the amount the bank owns in Federal Reserve notes, and therefore the alleged loan, the member banks assets, and liabilities increase by approximately the amount of the borrower's note?

(The first bank auditor who explained this to me pointed this out to me and showed me the new bank liability means the bank has an unpaid obligation to pay money for the promissory note. The liability means the bank received a loan or deposit or an exchange from the borrower. This was never disclosed.)

27. Does a bank liability mean the bank owes cash?

(Yes. The bank owes cash for the borrower's note.)

28. For the alleged loan, is it true that the bank deposited the borrower's note to issue or fund a check, or exchanged it for a check? Was this disclosed in the bank advertising or written agreement?

(Does the bank now agree that we funded our own loan, and that it was not disclosed?)

29. Do you agree with UCC 1-201:364 which says, "What is not money? The following is not money: a check even when certified."

(If the check is not money and a bank liability is owing money and married to the asset deposited, where is the money loaned to legally obtain the promissory note?)

30. How can you claim that the bank loaned valuable consideration to legally obtain the borrower's note if the banks transactions show the bank owes more money after the alleged loan than it did just before the alleged loan was granted?

(The bank must redefine money to mean a bank liability to get out of this mess. To win you must show the new bank liability is married to the borrower's note and the note gave value to the new bank liability. The bank liabilities increase when there is a deposit or a loan to the bank or an exchange of money from a customer to fund a check.)

31. Do you agree with the following court case, Young v Hembree, 73 P 2nd 393 which says, " a check is merely an order on a bank to pay money."?

32. Did the bank loan me the postponement of the payment of money?

33. Did the bank obtain an asset, an instrument that can be traded for legal tender, from the alleged borrower by merely increasing the bank liabilities and not paying the liability?

(The answer is yes. You must show them you know the bank liabilities increased when the bank granted the alleged loan. After the alleged loan the bank merely owed more money and never paid it. This was the bank policy and it was the policy to conceal this in the written agreement. In the agreement the bank redefined the word loan to mean an exchange, charging a fee as if there was a loan.)

34. Could the bank pay all the liabilities it owes to the alleged borrowers without returning the alleged borrowers' notes or selling the notes and using the proceeds to pay the bank liabilities?

(The answer is no. The bank knows the answer is no and the bank knows they never planned on paying the bank liabilities. Transferring the bank liability by check from one deposit account to another deposit account is not payment of the bank liability. We ask the question to bring up promissory fraud, fraudulent conversion, fraudulent concealment, false pretense, false statements, fraudulent misrepresentation, larceny and other felonies.)

35. If banks paid the depositor's liabilities, DDA, SA, CDs, would the bank have to return the borrowers' notes or sell the notes and return the proceeds?

(The bank demands you pay your debt to the bank when they never intended to pay the liabilities owed for the borrowers' notes the bank obtained.)

36. What was the bookkeeping entry to loan the bank's money to fulfill the agreement or contract allowing the bank to record the borrower's note on the bank's books as an asset?

37. If the borrower's note is money, did the bank credit a Demand Deposit Account or checking account or transaction account in the borrower's name or did the bank just claim they owned the note without loaning the bank's money or cash?

(Same question again, asking whether the note is money. All we are doing is repeating the FED publications in the form of a question. If they lie, we show the publication. The publications show the policy, procedures, intent and method of bank operations.)

CHAPTER 23
BANKERS DEPOSITION

The following is an illustration of what could take place if you were to question a banker. Test yourself to see how many times the banker lied or refused to tell the truth and nothing but the truth.

Q) What was the purpose of borrower coming to the bank?

A) A loan.

Q) Were the funds to be paid to the alleged borrower or seller of the house?

A) The check was written to the seller.

Q) The check written-does it represent an asset of the bank?

A) I do not know.

Q) Is it a bank policy to first deposit money into an account before writing a check on that account?

A) I think so.

Q) Where did the funds originate to fund the check?

A) What do you mean originate?

Q) Did the bank originate the funds for the check or did the borrower originate the funds for the check?

A) I do not know, the money came from a pool of money at the bank.

Q) According to your understanding of the agreement, do you believe the bank or borrower was to originate the funds to issue the bank loan check?

A) I think the bank was the one.

Q) To the best of your knowledge where did the funds originate from?

A) From a liability.

Q) So you say a liability. Banks have assets and liabilities, can you explain to the court the difference between an asset and liability with respect to a mortgage?

A) An asset is something you own and can sell. A liability is what you owe.

Q) Is it your position you own the mortgage note?

A) Yes, the bank owns it.

Q) Did you issue a check based on the value of the mortgage note?

A) Yes.

Q) Then the asset you used to issue the check was that of a mortgage note?

A) Yes.

Q) Is it your belief that the bank has a standard operating policy?

A) I think so.

Q) Are banks bookkeeping entries in compliance with bank laws?

A) Yes.

Q) Are you aware that in this country, banks can loan money?

A) Yes.

Q) Does the law provide what kind of money the banks can loan?

A) I don't know. I am not an attorney.

Q) Is there any particular definition of money under that act?

A) I don't know.

Q) Is it your position that your bank loans the kind of money reported by the act?

A) Yes.

Q) Is it presumed that the bank will not act unlawfully given the nature of the laws governing the activities?

Q) Do you know what money looks like?

A) Yes.

Q) Can you describe what the money looks like that was to be loaned to the borrower?

A) Yes.

Q) Please describe what money looks like.

A) It is black and green paper with pictures of George Washington, Abraham Lincoln, Hamilton, Jackson, Grant and Franklin. The money is about 6 1/8 inches by 2 5/8 inches. It says Federal Reserve Notes.

Q) Is that all the money in the United States you are aware of the banks using?

A) Yes.

Q) What is credit?

A) The same as money.

Q) How much was the loan?

A) $100,000.

Q) Is that $100,000 in cash or cash equivalent?

A) Yes.

Q) What did the bank have to loan the borrower in order for the bank to legally own the promissory note?

A) $100,000.

Q) If the bank refused to loan $100,000, is it your position that the bank still owns the promissory note?

A) If the bank refused to loan the $100,000, the bank would not legally own the promissory note.

Q) Was the borrower to loan the bank anything?

A) No.

Q) Was the borrower to deposit anything?

A) No.

Q) Was the borrower to exchange the promissory note with credit in the borrower's transaction account?

A) I never heard of that before.

Q) Was the borrower to give something of value worth $100,000 to the bank before the bank loaned the borrower $100,000 of legal tender?

A) I never heard of that before.

Q) How would you define an exchange?

A) $100,000 cash swapped for a $100,000 check.

Q) How would you define a loan?

A) The bank gives $100,000 to a borrower and the borrower must repay the money plus interest.

New witness. The bank auditor or head accountant for the bank is sworn in and takes the stand.

Q) Are the bank bookkeeping entries to correlate to the bank loan agreement?

A) Yes.

Q) According to your understanding, who owns this promissory note?

A) The bank.

Q) Was someone to loan something to someone according to this paper?

A) Yes.

Q) Tell me who you think was to loan exactly what to whom according to this?

A) The bank was to loan $100,000 to Mr. Victim.

Q) In your opinion, do the banks today, when making loans based on mortgages, part with an asset when they grant loans when the bank pays the seller of the house or the alleged borrower?

A) Yes.

Q) On 2-28-87, the moment before, the second before the promissory note was signed, did the bank have the funds it loaned to the borrower?

A) Yes.

Q) Where did the asset come from?

A) From a pool of bank money.

Q) Did the bank assets decrease by the amount of the loan?

A) I don't know because I did not review the bank book-keeping entry.

Q) On a standard bank loan, if the bank loaned an asset, would the bank assets decrease by the amount of the loan?

A) No, not all the time.

Q) When would it not decrease?

A) When the bank replaces the borrower's promissory note with other depositors' cash.

Q) Did the bank actually loan cash as opposed to a check?

A) Normally it is a check?

Q) Do bank liabilities increase if this check is deposited at a bank?

A) Yes.

Q) If this same check is deposited, do bank assets increase?

A) Yes.

Q) Do bank assets decrease by the amount of the loan?

A) No.

Q) Do bank assets increase as a result of a bank loan?

A) Yes.

Q) If a bank customer withdraws money from his account, do bank assets decrease?

A) Yes.

Q) If a bank customer deposits funds into his account at the bank do bank assets increase or decrease?

A) Increase.

Q) Please explain why bank assets and liabilities increase when banks grant loans.

A) The promissory note is recorded as a bank asset offset by a bank liability.

Q) How was the money paid to the borrower?

A) By a check.

Q) Read *Black's Law Dictionary's* definition of a check. Do you agree or disagree with this definition?

A) I agree.

Q) Who supplied the money to fund the check?

A) From a pool of bank money.

Q) Whose asset is the promissory note?

A) The bank's.

Q) How did it become the bank's asset?

A) Because the borrower gave it to the bank.

Q) Was the borrower loaned a bank asset for the promissory note?

A) Yes, the borrower received a check you can get cash for.

Q) Was the promissory note available to sell for cash and this cash was available to be used to fund the check?

A) It is complicated and I cannot answer yes or no.

Q) Was the money to fund the check in existence before the promissory note was signed by the borrower?

A) No. (See promissory fraud).

Q) According to your understanding when did the bank legally own the promissory note?

A) When the borrower received the bank loan check.

Q) Was the bank or the borrower to provide the funds to issue the bank loan check?

A) The borrower.

Q) How was the borrower to fund the check if the bank was to loan the borrower money?

A) That is just the way banks operate.

Q) Did the bank own the promissory note without loaning the borrower legal tender or other depositors' money or a check?

A) Yes.

Q) Was the promissory note used in any way to fund the bank loan check?

A) Yes.

Q) According to your understanding, did the bank own the promissory note before or after the bank issued the bank loan check to the borrower?

A) Before the check was issued.

Q) Is it your understanding the bank did not loan the cash to the borrower and still claimed the bank owned the promissory note?

A) Yes.

Q) Is it your understanding that the bank owned the promissory note without loaning one cent.

A) Yes.

Q) Is it your understanding the bank received something of value from the borrower, returned the value back to the borrower in a different form and then called it a loan, telling the borrower to repay the principle and interest as if there was a loan?

A) Yes.

Q) Was this disclosed in the written bank loan agreement?

A) No.

Q) Did you ever see this disclosed in the bank advertising?

A) No.

Q) Does the bank have to own the asset before they can use the asset to issue the loan check and claim the bank loaned its money to the borrower?

A) I am not a lawyer.

Q) Did the bank fulfill the agreement to legally own the promissory note?

A) Yes.

Q) What exactly was to happen concerning the money trail and the promissory note trail between the bank and borrower in order for the bank to legally own the promissory note? Did the bank receive the promissory note in a way similar to receiving a gift?

A) Yes.

Q) Did the bank sell the promissory note without fulfilling the written agreement?

A) Yes.

Q) Does the check represent a liability to pay money?

A) Yes.

Q) To whom is the money owed in respect to the money loaned?

A) To the borrower and then the person to whom the check was issued?

Q) Did the bank record the promissory note as a bank asset?

A) Yes.

Q) Did the bank balance the bank books by crediting an account to offset the asset?

A) Yes.

Q) According to the standard bank practice, what account would the credit or liability be to?

A) Cash or a check or a transaction account.

Q) Would the net result be to the check issued to the borrower or seller of the house?

A) Yes.

Q) If a check is deposited, does it transfer funds from one account to another?

A) Yes.

Q) To fund this check, do you know of any source other than depositors' money or money the bank received as a loan, that the bank may have used to fund this check?

A) No.

Q) Do you have any knowledge of the borrower agreeing to be the depositor and to use this deposit to fund the bank loan check back to the same borrower?

A) No.

Q) Do you have any knowledge of the borrower agreeing to fund the bank loan check back to the same borrower?

A) No.

Q) Do you have any information showing the borrower provided the funds to issue the bank loan check to the same borrower?

A) Yes.

Q) Where did you get this information?

A) From the Federal Reserve Bank publications.

Q) Do you have any knowledge of the written bank loan agreement in conflict with the written Federal Reserve Bank policies and procedures?

A) Yes.

Q) Please give all the details according to your understanding.

A) I plead the 5th.

Q) Did you sign this receipt from the Post Office Showing you received a package from the borrower?

A) Yes.

Q) Did you receive a package from the Post Office regarding this registered mail receipt?

A) Yes.

Q) Did the receipt show the contents were insured to be sure you received the contents?

A) Yes.

Q) Did the contents have a letter and copies of the Federal Reserve Publications *Modern Money Mechanics, I Bet You Thought* and *Your Money?*

A) Yes.

Q) Do you have any proof these publications enclosed in the package were materially incorrect?

A) No.

Q) If these publications are correct, do they show the Federal Reserve Bank policy and procedures regarding loans from member banks of the Federal Reserve Bank?

A) Yes.

Q) Do you have any proof the bank assets and liabilities do not increase as a result of a bank loan?

A) No.

Q) Have you any knowledge of any bank operation of the bank receiving funds from a customer and depositing the funds or using the funds to issue a check without the customers knowledge, permission or authorization?

A) No.

Q) Do you have any knowledge of the borrower giving the bank written permission or authorization to take funds from them to fund the bank loan check, then the bank gives the same check back to the same borrower or the seller of the house, claiming they loaned the borrower the check?

A) No.

Q) Do you have any knowledge of being able to write a check unless the funds are first deposited in an account to make the check valid?

A) No.

Q) Are bank checks redeemable in cash upon request?

A) Yes.

Q) Is cash or cash equivalent first deposited before issuing a check?

A) Yes.

Q) Do you know of any exceptions?

A) No.

Q) If a bank customer brings the bank funds and the bank deposits the funds, does the customer have the right to withdraw the funds?

A) Yes.

Q) If the customer withdraws the funds, is the money withdrawn a loan from the bank or a return of capital earlier deposited?

A) It is a return of capital.

Q) In this situation, do you have any knowledge of the funds being withdrawn as a loan to the customer who brought the funds to the bank?

A) No.

Q) Do, you have any knowledge of the borrower agreeing to sign a bank signature card?

A) No.

Q) Do you have any knowledge of the bank creating a borrower's transaction account?

A) No.

Q) Do you have any knowledge of the bank exchanging the promissory note for a check, thus using the promissory like money or sold it for money to fund the bank loan check to the same borrower?

A) Yes.

Q) How did you obtain this knowledge?

A) From the package the borrower mailed me showing me the Federal Reserve Bank publications.

Q) Is it your opinion the banks follow the written Federal Reserve Bank policies and procedures?

A) Yes.

Q) To the best of your knowledge, is it the policy of the bank to allow one to write a check from another depositor's account without that depositor's knowledge, permission or authorization to use the deposit to fund the check?

A) No.

Q) To the best of your knowledge does the bank receive deposits from customers without giving the customer a deposit slip or giving the customer a bank statement showing the deposit?

A) No.

Q) To the best of your knowledge does the bank receive funds from customers and use the funds to fund checks without the customer's knowledge, permission or understanding?

A) No.

Q) What was the purpose of having the borrower sign the promissory note?

A) The borrower signed the promissory note agreeing to repay the money the bank loaned to the borrower?

Q) According to the bank policy, please give me details of exactly what you are calling money?

A) Cash and checkbook money?

Q) Is cash legal tender?

A) Yes.

Q) Is checkbook money Legal Tender according to the Federal Reserve Bank?

A) Checkbook money is not legal tender.

Q) Is checkbook money a bank liability?

A) Yes.

Q) Is checkbook money a bank liability owing cash or legal tender?

A) Yes.

Q) Does the bank deal in money that is legal tender and non legal tender?

A) Yes.

Q) Does the bank pool legal tender and non-legal tender together calling it money?

A) Yes.

Q) Please give me a physical description of what the non-legal tender money looks like?

A) It is really the borrower's promissory note and bank assets like government bonds but the bank redefines the word money and calls the offsetting bank liabilities money such as checkbook money.

Q) Does the bank record cash as a bank asset or a bank liability?

A) As a bank asset.

Q) Does checkbook money represent the bank owing legal tender or cash?

A) Yes.

Q) Is owing cash, the opposite of cash?

A) Yes.

Q Does the bank call cash and the opposite of cash money?

A) Yes.

Q) According to the bank policy, is the promissory money?

A) It is money to the bank but not money to the borrower?

Q) If it is money, then is it the bank policy the borrower gave the bank money?

A) Yes.

Q) Did this money fund the check?

A) Yes.

Q) Do you believe the borrower agreed to give the bank money and the money was used to fund the same check back to the same borrower calling it a bank loan?

A) Yes.

Q) Was the cost of the borrower giving the bank the money shown on regulation or schedule Z showing the cost of the principle and the interest?

A) No.

Q) Do you believe the borrower agreed the promissory note is money according to the bank policy?

A) No.

Q) Are you saying the promissory note represents a deposit or the equivalent of a deposit?

A) Yes.

Q) Does that not represent an asset of the borrower?

A) I do not know.

Q) Is it your opinion the bank owns the promissory note without the bank giving consideration in accordance with the agreement?

A) No, the bank has to give money to the borrower according to the agreement.

Q) Do you believe the borrower owns the promissory note until the bank gives consideration in accordance with the agreement?

A) Yes.

Q) According to your understanding, what is the full agreement?

A) I plead the 5th.

Q) When the promissory note is deposited, is it an asset of the borrower?

A) It becomes an asset of the bank and the bank owns what ever is deposited.

Q) If a customer deposits something at the bank, is there a new offsetting liability?

A) Yes.

Q) Is the liability an indication the bank owes the depositor money?

A) Yes.

Q) If the bank deposits the promissory note, does the bank owe money to the depositor?

A) The bank owes money to the seller of the house the borrower is purchasing.

Q) If the borrower deposited cash instead of a promissory note, would there be an offsetting liability?

A) Yes.

Q) Would the bank owe the seller of the house this liability just as if the borrower deposited a promissory note?

A) Yes.

Q) In both cases, did the money come from the borrower?

A) Yes.

Q) In both cases, did the bank obtain the bank loan agreement without the bank risking or investing one cent of other depositors' or investors' money?

A) Yes.

Q) Did the bank obtain the bank loan agreement for free?

A) No the bank gave a check.

Q) Did the bank pay the liability the bank created when recording the promissory note as a bank asset?

A) No.

Q) Do you have any proof the bank intended to pay the liability?

A) No.

Q) Is transferring the liability from one checking account to another by means of a check payment of the liability?

A) No.

Q) Is it your understanding that when the bank deposited the promissory note, that deposit transferred ownership of the promissory note to the bank?

A) Yes.

Q) Can you show me in the loan agreement, where this was agreed too?

A) I do not know where it shows that.

Q) If the borrower was really the borrower and not the depositor, is it fair to say the bank had the funds at the bank to issue the check before the borrower signed the promissory note or before the bank claimed ownership of the promissory note?

A) Yes.

Q) Was the borrower really the lender or creditor or depositor to the bank?

A) Yes.

Q) In your opinion, was the bank intending to repay the loan or deposit from the borrower?

A) No. The bank did not want the borrower to know he was also the creditor, lender or depositor.

Q) According to your knowledge, what is the whole truth as to the real bank loan agreement?

A) The bank and the borrower were both lenders. There was an exchange of a loan from the borrower to the bank which funded the same loan back to the same borrower and only one loan was disclosed and repaid.

Q) Do the bank bookkeeping entries show a debt owed for the promissory note the bank obtained?

A) Yes.

Q) If the bank paid this debt, could it cancel the promissory note?

A) Yes.

Q) If the bank recorded the promissory note as a loan from the borrower to the bank, would the bank bookkeeping entries be materially different than the standard bookkeeping entries for issuing a standard bank loan?

A) There is no difference.

Q) If the bank recorded the promissory note as a loan from the borrower to the bank, could it cancel the loan from the bank to the borrower?

A) Yes.

Q) Did the bank return the loan or pay the debt associated with the promissory note?

A) No.

Q) Do you believe the borrower agreed to loan the promissory note to the bank and not have the bank repay the loan?

A) No.

CHAPTER 24
COURT CASES

When you read the Constitution, you will clearly read, "No State shall... emit Bills of Credit; make anything but gold and silver Coin, a Tender in Payment of Debts." The following court cases are only designed to show you how judges, a century ago,

viewed gold, silver, paper money and credit. Compare this to today and you will see how the government took away gold and silver, forced us into national bankruptcy and into perpetual debt.

An individual in southern California volunteered to research the following court cases. I believe the following are correct, but before using, please do your own research. Please view these cases only as how one could argue the money issue. Because these cases are before 1938, the national bankruptcy, today's judges may not allow these cases into court.

Judges over a century ago enforced the Constitution to prohibit a national bankruptcy. Judges today act like trustees to the creditors (bankers) of the bankruptcy, forcing us to continue with credit money forcing the nation to remain in bankruptcy and its citizens in perpetual debt to the bankers.

The following court cases give a short summary of how people viewed money over a century ago.

Calder v. Bull, 3 Dall. 20 (393) (1798):

The prohibitions not to make anything but gold and silver coin a legal tender in payment of debts, and not to pass any law impairing the obligations of contracts, were inserted to secure private rights.

Sturges v, Crowninshield, 4 Wheat. 122, 17 U.S. 122 (204) (1819):

We are told they were such as grow out of the general distress following the war in which our independence was established. To relieve this distress, paper money was issued, worthless lands and other property of no use to the creditor were made a tender in payment of debts; and the time of payment, stipulated in the contract, was extended by law. These were the peculiar evils of the day. So much mischief was done, and so

much more was apprehended, that general distrust prevailed, and all confidence between man and man was destroyed.

Was the general prohibition intended to prevent paper money. We are not allowed to say so because it is expressly provided that no state shall `emit bills of credit'; neither could these words be intended to restrain the states from enabling the debtors to discharge their debts by the tender of property of no real value to the creditor because for that subject also particular provision is made. Nothing but gold and silver coin can be made a tender in payment of debts.

Ogden v. Saunders, 12 Wheat. 213, 25 US. 213 (248) (1827):

It declares that, `no state shall coin money, emit bills of credit, make any thing but gold and silver coin a tender in payment of debts.' These prohibitions, associated with the powers granted to Congress `to coin money, and to regulate the value thereof, and of foreign coin' most obviously constitute members of the same family, being upon the same subject and governed by the same policy.

This policy was to provide a fixed and uniform standard of value throughout the United States, by which the commercial and other dealings between the citizens thereof, or between them and foreigners, as well as the moneyed transactions of the government, should be regulated. For it might well be asked, why vest Congress the power to establish a uniform standard of value by the means pointed out, if the states might use the same means, and thus defeat the uniformity of the standard and, consequently, the standard itself? And why establish a standard at all, for the government of... be entered into, if those contracts might afterwards be discharged by a different standard, or by that which is not money, under the authority of tender laws.

Craig v. Missouri, 29 U.S. 4 Pet, 410 (1830):

The Constitution, therefore, considers the emission of bills of credit and the enactment of tender laws as distinct operations, independent of each other which may be separately performed. Both are forbidden.

Dissenting opinion of J. Johnson: (442) (1830):

The great end and object of this restriction of the power of the States, will furnish the best definition of the terms consideration. The whole was intended to exclude everything from use as a circulating medium except gold and silver, and to give to the United States the exclusive control over the coining and valuing of the metallic medium. That the real dollar may represent property, and not the shadow of it.

Carter and Carter v Penn, 4 Ala. 140 (141) (1842):

The note does not stipulate for the payment of a debt in Bank bills, but is an undertaking to pay `current money of the State of Alabama.' It is true that an infinite variety of commodities have been used as money in different periods and countries... and in common parlance all these different representations of the common standard of value have been designated as money. But the notes of the Bank which are not redeemable in coin, on demand, cannot, with any propriety be regarded as such; in fact, the best bank paper passes as money by consent only, and it cannot be otherwise so long as the inhibition of the Federal Constitution upon the rights of the States to dispense with gold and silver as the only lawful tender continues in force.

Dillard v. Evans, 4 Ark. 175 (23,24) (1842):

Bank issues are not, in the Constitutional sense of the term, lawful money or legal coin. Gold and silver alone are a legal tender in payment of debts, and the only true Constitutional currency known.

Bone v. Terry, 16 Ark. 83 (87) (1855):

The judgment was for dollars, and the payment so far as the facts are before us, could only have been made in gold or silver, the constitutional coin.

Foquet v. Hoadley, 3 Conn. 534 (536) (1821):

A promissory note, payable in money, cannot be discharged, by the act of the debtor, without the cooperation of the creditor, unless in gold and silver coin. Const. U.S. Article 1 Section 10. Bank notes are not a legal tender, if the creditor objects to receiving them.

Prather v. State Bank, 3 Ind. 356 (358) (1852):

No clerk, nor sheriff, nor constable, as such, has a right, under the Constitution and law, to receive payment of a judgment in anything but the legal currency of the country.

McChord v. Ford, 19 Ky. 167 (168) (1826):

But as bank notes are not money, it also follows that this note can not intend bank notes, but gold or silver.

Sinclair v. Piercy, 28 Ky. 63 (64-65) (1830):

The result from an examination of all the cases is that money, in its strict legal sense, means gold or silver coin, and that an obligation for money alone can not be satisfied with any thing else.

Pryor v. Commonwealth, 32 Ky. 298 (298) (1834):

Yet, that its true technical import is lawful money of the United States, in other words, gold or silver coin, and when used in judicial proceedings it is always to be taken in this technical sense.

Cockrill v. Kirkpatrick, 9 Mo. 697 (701) (1856):

But if the note was payable in the currency money of Missouri, as the obligor subsequently stated, then all necessity for construction in absolutely excluded, for the terms explain themselves, and can only mean "tender money," gold or silver coin.

Gray v. Donahoe, 4 Watts Pa. 400 (400) (1835):

No principle is better established or more necessary to be maintained than that bank notes are not "money" in the legal sense of the word... Coins struck at the Mint or authorized by act of Congress are alone lawful money. They possess a fixed and permanent value or, at least, as nearly so as human affairs admit of, bank notes are merely promissory notes for the payment of money-ordinarily, it is true, convertible into coin on demand at the bank where they are issued.

McClarin v. Nesbitt, 2 Nott. and McC. (11 S.C.) 519 (686) (1820):

If the Congress can create a legal tender, it must be by virtue of the `power to coin money', for no where in the Constitution is the power to make a legal tender expressly given to them, nor is there any other power directly given, from which the power to make a legal tender can be incidentally deducted.

At common law, only gold and silver were a legal tender... In this State, where the common law has been expressly adopted, anterior to all legislative and Constitutional provisions on the subject, gold and silver were the only tenders.

From the passages of this act to the adoption of the Constitution of the United States, the only legal tenders in this State were gold and silver and those were so by virtue of the common law. Prior to the adoption of the Constitution of the United States, the States, respectively, possessed the exercised jurisdiction over the "legal tender".

If Congress did not possess the power of creating a legal tender under the confederation, they do not posses the power under the Constitution, for the grant in both instruments is the same, "to coin money." The States have been limited in their exercise of power over the legal tender to gold and silver, but it does not follow, because power has been taken from the States, it has been given to Congress.

They have further said, that nothing but gold and silver coin shall be a legal tender for the payment of debts. The language of the 10th Section of the 1st Article, is, "no State shall make any thing but gold and silver coin a legal tender in the payment of debts." The language of the 5th clause of the 8th Section of the 1st Article, is, "Congress shall have power to coin Money, and regulate the Value thereof." Construe the two sections together, and the Constitution appears to intend to limit the power of the States over the legal tender, to gold and silver. This Constitution is further supported by the two following considerations.

1) One of the great objects which led to the adoption of the Constitution was the annihilation of a spurious currency, which had for years afflicted the people of this country. Give to Congress the power to making a legal tender, and you but change the hand from which the affliction is to proceed; so construe the Constitution as to restrict the legal tender to gold and silver, and one of the great objects for which it was ordained, is accomplished. 2) The Constitution, no where gives to Congress any control over contracts. It is indeed scrupulously avoided. If, however, they derive the power of making a legal tender from the power of coining money, they indirectly obtain that which was intended to be withheld.

Townsend v. Townsend, 7 Tenn. 1 (5,6) (1821):

With respect to the discords produced by paper money and tender laws, both theory and experience presents them to view. Who will be so imprudent as to give credit to the citizens of a State that makes paper money a tender, and where he can be told, take for a gold and silver debt depreciated paper, depreciating still more in the moment it is paid. Who would trust the value of his property to the citizens of another State or of his own State, who can be protected by law against the just demands of creditors by forcing them to receive depreciated paper, or to be delayed of payment from year to year until the legislature will no longer interfere?

One of the most powerful remedies was the tenth Clause of the First Article, and particularly the two sentences which we are now considering. They operated most efficaciously. The new course of thinking, which had been inspired by the adoption of a Constitution that was understood to prohibit all laws for the emission of paper money, and for the making anything a tender but gold and silver, restored the confidence which was so essential to the internal prosperity of nations.

Ogden v. Slade, 1 Tex. 13 (14) (1846):

The note calls for four hundred dollars, lawful funds of the United States. What is the plain meaning of "lawful funds"? Gold and silver is the only lawful tender in the United States. It must therefore mean payment in gold or silver. By equivalent, the parties must have meant such paper currency as passed at par with gold and silver.

Wainwright v. Webster, 11 Ver. 576 (580) (1839):

No state is authorized to coin money or pass any law whereby anything but gold and silver shall be made a legal tender in payment of debt... This conventional understanding that

bank bills are to pass as money is founded upon the solvency of the bank and upon the supposition that the bills are equivalent in value to specie and are at any time convertible into specie at the option of the holder.

First National Bank of Montgomery v. Jerome Daly, credit River, Minnesota, 1968. Honorable Martin Malone, Justice of the Peace.

It has never been doubted that a note given on a consideration which is prohibited by law is void. It has been determined, independent of the acts of Congress, that sailing under the license of an enemy is illegal. The emission of bills of credit upon the books of private corporations for the purpose of private gain is not warranted by the Constitution of the United States and is unlawful. (see Craig v. Mo., 4 Peters 912). This court can tread, only that path which is marked by duty.

It is clear that over a century ago judges gave citizens equal protection by enforcing the Constitution, gold and silver. As time went on judges redefined the Constitution, money, and credit and made the opposite of money, money. Today the bankers pay the lawmakers, sheriffs, judges and lawyers to enforce a banking system forcing the citizens to transfer their wealth to the bankers. This forces the citizen into debt and to lose property that was transferred to the banker for free. The property and the control of the government was transferred to the bankers by the vote of the lawmakers, the opinion of judges and by the gun law enforcement. They forced us into a feudal system, making Americans serfs and the government and bankers the nobles. These nobles receive 3 to 6 months of the serfs' labor for free.

Today's judges have used every means available to stop the following questions from being answered:

If the bank loaned the equivalent of a bank promissory note to the alleged borrower and if the alleged borrower's promis-

sory note gave value to the bank's promissory note, what was the valuable consideration loaned to the alleged borrower? Nothing.

If the bank paid the debt owed to the borrower, would it cancel the debt owed to the bank? Yes.

Did the bank ever loan cash or the equivalent to obtain the promissory note? The bank must answer no because they did not loan other depositors' cash.

Did the bank loan the alleged borrower the equivalent of "owing cash", never paying the cash and never able to pay the cash? Yes. See promissory fraud.

Did the bank loan the borrower a bank promissory note or equivalent which the bank cannot pay without canceling the alleged borrower's debt to the bank? Yes.

Did the bank loan cash or actual cash value equal to obtain the promissory note? No.

Did the bank and alleged borrower exchange equal amounts of actual cash value? Yes.

Did the two parties agree to a loan, or an exchange? A loan.

Did the alleged borrower first give or loan the bank something having actual cash value which the bank returned back to the alleged borrower calling the returned actual cash value a bank loan? Yes.

How can a lender owe cash or cash equivalent to a borrower, never pay the cash and still claim the lender loaned money to the alleged borrower?

Did you loan cash or owing cash?

Did the bank obtain ownership of the promissory note without loaning one cent of actual cash value to the alleged borrower?

Are there material facts concealed? If no, give us the answers to all our questions. In your opinion, if the party who is obligated to pay a debt does not pay the debt, was the money owed to the person paid?

In your opinion, if you give me a note owing me $1,200 and I hand the same note to Joe, did you pay the note or is the note still outstanding (unpaid)? It is unpaid just like a bank liability is when it is transferred by check?

Remember history. Just before the American Revolutionary War, the British judges and soldiers enforced the same banking system our judges and police enforce today. When enough Americans found out the banker's secret, it erupted in a full scale war. The bankers and judges understand this. They know if they do not keep it a secret, history will repeat itself and they are out of business. This time we want to use the vote, not the bullet. After the vote corrects the banking problem, then we will use a court to correct all wrongs. All that was taken from the people will be restored to the people. The Bible demands the thief repay back seven times what he stole. The thief will soon realize it is not profitable to steal if he must pay restitution to the victim. My hope is to transfer all the wealth back to the victim by prosecuting all aiding and abetting the bankers. Require them to pay their future wages to us just like they used the court and gun to extract it from us.

The faster we wake up America, the faster we will get our wealth and freedoms back. Freedom costs, because others will steal it away if we are not watching. If we are real Americans, we must act like it. Use our freedom of speech while we still have it. If everyone joined me, do you think the bankers would stay in this country or flee?

One day God will judge the judges for violating God's law. Liars, deceivers, thieves and counterfeiters belong to the devil's kingdom. If they insist on following the devil, God will force them to live with the devil for all eternity. They not only lie to us, they lie to themselves. These deceivers became so good at deception and lies, they began believing their own lies.

These deceivers give the appearance of upholding their oath of office to obey the Constitution. They only give lip service with the intent to reword, redefine, and give a whole new meaning to the intent the framers of the Constitution gave us.

I need you to help elect me President so I can restore law and order and correct the wrongs. I cannot get elected without your help. You can make the difference. It is up to you to inform the voters.

CHAPTER 25
LETTERS

The following is a representation of various letters individuals have sent to banks and the bank correspondence. As judge and jury, please decide if the banker can understand what the letter to the bank means and if he is attempting to hide the truth as he responds.

Dear Mr. Banker,

For the last XX years, you have forced me to make extortion payments which you are calling loan payments. Your legal staff and the illegal lien you placed on my property have forced me to make the extortion payments to stop you from foreclosing. Extortion payments do not ratify any alleged agreement.

You charge me interest as if you loaned me your money. First we need to get the facts straight. First, banks record legal tender as an asset and owing legal tender as a bank liability. The asset is the money and the bank liability is a score card showing how much the bank owes its depositors.

I came to the bank for a loan. The bank claimed they would loan me a check if I signed a promissory note agreeing to repay the check. The opposite happened. The bank assets and liabilities increased by $100,000 proving the bank recorded received a loan from me to the bank.

The promissory note is simply a promise to repay an alleged loan. A $100,000 promissory note can be sold for $100,000 cash giving the promissory note actual cash value of $100,000. The $100,000 value comes from my future labor and future payroll checks and lien on the property. A future payroll check had equal value to a past payroll check. A $1,000 payroll check has equal value to a $1,000 car. All the bank did was refuse to loan me money other people earned and used the value of my future payroll checks, called a promissory note worth $100,000 of actual cash value today, and recorded it as a loan from me to the bank. The bank received $100,000 worth of my future labor for free. Then the bank returned the same $100,000 it just received from me for free back to me. You recorded an unauthorized loan from me and refused to repay it making it a theft.

All the alleged lender did was receive $100,000 of my wealth for free and used it to create $100,000 of new checkbook money. Then the alleged lender use the new money to transfer the $100,000 of wealth you just took from me back to me calling it a $100,000 bank loan. I never agreed to allow you to take $100,000 of my wealth and return it back to me as a loan.

If I stole your payroll check or car, cashed in the asset I just stole from you and returned it back to you as a loan, you would refuse to repay the loan and you would have me arrested. What

you have done is no different. If I am wrong, show me the written agreement where I was stupid enough to agree to give you $100,000 of my future labor for free and have it returned back to me as a loan.

Recording the $100,000 promissory note as an unauthorized loan from me to the bank, and then returning the $100,000 back to me in the form of a check is simply a repayment of the loan you owe me. The problem is when you returned the $100,000 you owe me, you falsely claimed you loaned me $100,000 instead of the truth, that the $100,000 was simply a return of the unauthorized loan from me to the bank you earlier recorded.

I have the policies and procedures of your bank proving this occurred plus the bookkeeping entries prove it.

I know of no one stupid enough to loan the bank $100,000 worth of their future wages and have the bank never repay the money. Then the bank takes this $100,000 loan from me to the bank to fund the loan from the bank back to me. It is illegal for the bank to record an unauthorized loan from me to the bank and then refuse to repay it, demanding I repay the bank the $100,000 the bank just stole from me. Why should I repay the alleged loan from you to me, if you took $100,000 from me and returned it back to me as a loan? That is like stealing my car and then telling me if I want it back, you will loan me my car back to me forcing me to make loan payments back to you.

If you loaned me other depositors' money, then we have equal protection under the law. No one class of citizens stole the value of future wages, promissory note, and used the stolen property to create new money called checkbook money and then returned the value of the stolen property back to the victim as a loan. The one receiving something for free and creating new money will own everything like a thief or counterfeiter.

Fact is, you refused to give me full disclosure and equal protection. You received $100,000 of actual cash value from

me as proven by the bank's assets and liabilities increasing by $100,000. Then what you took from me you returned back to me and called it a loan from you to me.

If you refuse to immediately correct the situation, the whole population will learn of the fraud and I predict the voters will vote out every judge, lawmaker and police who is aiding and abetting this fraud and treason against the Constitution. Then I predict the voters will bring every fraud to a criminal trial with a real judge who hates bank fraud. My goal will be to inform every American about our history against this bank fraud and why we wrote the Constitution. You may have power today, but the voters hold the future of the country. We expect you to attempt to force us into a depression, have a United Nations takeover or cashless society, a national ID, constitutional convention or a massive gun grab so citizens cannot defend themselves. When you upset the masses, they will listen to us and we will be there with the answers. They will learn the truth and turn against all the fraud. We fought the Revolutionary War to end this bank fraud.

I will offer you several options to give me equal protection and do one of the following: 1) return promissory note the lender recorded as an unauthorized loan from me to the lender, 2) return the principle plus all interest payments you received from me so I receive "its equivalent in kind" for the unauthorized loan from me to the lender, 3) repay the unauthorized loan from me to the bank which cancels the alleged loan from the bank/lender to me, 4) use your money to fund a bank loan check to me, which I will use to cancel the alleged loan from you to me, 5) sign the enclosed affidavit proving you did not receive actual cash value from me and return it back to me calling it a bank loan through the bank creating new money or credit, 6) prove you loaned me other depositors' money, 7) prove to me the value of the promissory note was not used to issue the alleged bank loan check, 8) prove to me you are not in receipt of stolen goods and property, 9) have a knowledgeable officer of your company be willing to answer all my questions, telling

the whole truth and nothing but the truth under penalty of perjury and tape recorded to prove your innocence. If you have nothing to hide, then answer the charges with proof, 10) prove to me you are not following the Federal Reserve Bank policies and procedures or prove the Federal Reserve Bank publications are false regarding bank loans, 11) allow me to discharge the alleged loan by issuing a promissory note with no interest or lien and when I sell my assets, you may use the note to purchase my assets.

You have 30 days to correct the problem to my satisfaction or prove I am wrong by signing the enclosed affidavit and returning it to me or I will tell the masses of Americans the truth so they will join me. You cannot fight a whole population. We demand justice and we will get it even if it means waking up an entire nation by brochure, cassette tapes, faxes, books, E-mail and the internet.

If you cancel the loan within 30 days from the date of this letter, I will agree to sign a confidentiality agreement and remain silent. If not, I will organize groups of people and educate everyone to the truth and use the full extent of the law to correct the problem.

I will place in the legal section of the paper a notice of fraud so people can receive a copy of this letter by simply sending me a self addressed stamped business size envelope and $1.00. I will advertise by brochure having groups of people pass it out. The county recorder is required to record all legal notices. This way I have proof the court and sheriff has been notified.

All I want is equal protection and full disclosure of the alleged bank loan agreement. You have insisted on denying me equal protection and full disclosure. You demanded two classes of citizens. One class of citizens: bankers, who conceal that they take [steal it] the wealth from the other class of citizens and return it back as a loan. I make no threat to you. I ask you

to follow the law and contract law, giving full disclosure and equal protection.

I challenge you to prove me wrong.

Sincerely,

A freedom loving American.

After banks have received letters similar to the one above, they wrote back. Below are two written responses from two major banks. In the bank responses please look for the lies. Lies come in three categories. The "direct lie" and the "lie by omission", by refusing to include the whole truth. They leave out vital material details of the transaction. The third kind of lie is called "equivocal behavior". Acting uncertain about something when you know the answer. Acting evasive and ambiguous. You ask them a question, they know the truth and merely shrug their shoulders indicating they do not know the answer.

Below is a real letter from a major bank.

Dear Mr. Bill:

Thank you for your recent inquiry concerning your bank credit card.

Your letter is virtually identical to others we have recently received from other cardholders. It is apparent to us that you have read some article or perhaps purchased some sort of kit promising that, if you follow the directions provided, you may avoid paying your credit card debt. The legal theories behind this and similar schemes are completely without merit.

Our position on these matters is quite simple, you used our credit card to make purchases and/or cash advances. When you did this, you borrowed money from us. You are obligated to

repay the money you borrowed according to the terms set forth in your cardholder agreement. If you fail to pay according to your agreement, we may take certain legal actions to collect the debt and your credit rating may be severely damaged.

To avoid these undesirable results, we urge you and expect you to comply with the terms of your cardholder agreement.

Correspondence Department
Credit Card Division.

A mortgage company wrote the following letter in response to one of their customers asking about bank loans.

Dear Mr. Bill:

I am responding to your letter dated May 28, 1996, which we received on May 30, 1996, addressed to the president of the bank.

I reviewed the transaction commentary on your loan and it appears that your loan remains delinquent. Therefore, this mortgage company, as servicer, continues to have a legal right to pursue collection of the delinquent loan payments.

You have intimated in your letter that you did not receive "full disclosure" and cited the federal Truth In Lending statute, the Generally accepted accounting practices" rule ("GAAP"), the Uniform Commercial Code, and in general refer to "court cases" and "legal opinions" without specificity. If you feel full disclosure of your loan has not been made, I will need specific citations of the statute or the non-disclosed item in order to fully research the issue and respond. I have concluded after reviewing the file that the full disclosure was provided to you at the close of your loan.

If you are represented by an accountant or an attorney, please advise them that they are welcome to address any additional letters directly to me.

Sincerely,

Senior Vice President and General Counsel

Please notice how the banks are evasive and refuse to answer questions in the alleged borrower's letter. I believe the banks must know the Federal Reserve Bank policies and procedures, bank loan agreement, bank loan bookkeeping entries, and are concealing the truth. I believe the banks are using direct lies, lies of omission and the lie of equivocal behavior. They simply evade the truth and answer by letter making you think there was a loan when in fact there was an exchange of equal value and you were charged as if there was a loan.

Many sheriff's departments have received letters from citizens regarding banks. Below is a sample of what people have sent to Sheriff departments.

Dear Sheriff,

I am here to report a crime. This is not a contract dispute. I am here to report a forgery of a document with my name on the bottom of it. Fraudulent papers were filed in the public record with a bogus lien on my property. A financial institution stole a $100,000 paper having actual cash value of $100,000. This same financial institution used extortion, mail fraud, larceny by fraud or deception, extortion, embezzlement, illegal lien, grand theft, filing forged documents in this county record to carry out theft, fraudulent concealment, and threatened to use fraud on the court to collect their extortion payments, along with many other felonies.

This letter has been sent to you using registered mail, insured so there is no question you have full knowledge. I have evidence these people are using one or more of your deputy sheriffs to carry out these felonies. If you do not correct the problem to my satisfaction, I will blanket the whole county with information proving you knew and refused to arrest the criminals.

I will contact you so we can fill out a full criminal report.

Sincerely,

A voter.

Several years age I flew from Illinois to Washington to speak at a seminar. At that time a famous sheriff from Arizona, who was on national TV for challenging a national gun law, spoke at the seminar with me. I explained the bank fraud to the sheriff. He quietly explained to me he could never arrest the bankers. He said, "I have lunch with bankers every week. They were the ones instrumental in funding my election. I need the bankers to get reelected." He refused to get involved, claiming he did not understand banking enough to arrest a banker. There we have it, lies by omission, equivocal behavior and direct lies to cover up the truth.

Volume I discussed a conversation I had with one of the largest bankers in the country. Remember how he claimed the bankers controlled the lawmakers, judges and law enforcement. A sheriff just admitted he will not arrest a banker because the banker gave him money to get elected. This famous sheriff agreed to deny you equal protection. This sheriff is allowing the bankers to transfer $100,000 of actual cash value from the alleged borrower to the banker for free and return the value

back to the victim as a loan. All of it is done without the alleged borrower's knowledge, authorization or permission.

Clearly the banks need the approval of the lawmakers, judges, CPAs, lawyers, police, and media to take $100,000 of your wealth, future payroll checks, receive it for free (like or similar to stealing), use it to create new money of equal value (economic effect similar to counterfeiting), and then use the new money (checkbook money) to transfer the stolen wealth back to you, calling it a loan. The leaders of this nation allow one group of citizens to create an economic effect similar to waging war against another group of citizens by allowing the bankers to use weapons similar to stealing and counterfeiting to obtain your property for free. The lawmakers allow it, the judges decree it, the police take your property and the sheriff is paid to make it look legal.

You wonder why the churches do not speak out? The bankers, through the Federal Reserve Bank, International Monetary Fund, and IRS as the collecting agent pay the church leaders to ignore the Bible and remain silent.

It is common for churches to tell people to pay taxes and repay the bankers their loans. Did you ever wonder why the churches do not tell the whole truth? First they like to claim ignorance even after you give them proof of the banking system. Is it possible they forgot about the lie by omission and lie of equivocal behavior? Truth is they are paid money by the IRS to keep the truth quiet. They are afraid to tell the truth and lose the charity donations of the bankers. The IRS charitable 501(C)(3) corporate tax deduction for the church legally stops the church from preaching the truth. The church made an agreement with the IRS not to speak on political matters like banking and taxes unless the church supports the current system. The churches agreed not to get politically minded. In my opinion the churches committed idolatry. The churches are supporting the anti-christ banking system as outlined in the Bible instead of what the Bible teaches true followers of Jesus to prac-

tice. The religious leaders of Jesus' day thought Jesus was wrong and their religious practices were correct. That is just like man. Man believes he is right. Jesus overturned the moneychangers tables. He exposed truth. John the Baptist called sin, sin. He told Herod to stop committing adultery with his brother's wife. Both spoke out against stealing when they made it clear to follow God's laws and to love your neighbor. How can you love your neighbor and remain silent when one steals from him?

If the church leaders have no idea how the current banking system works, I do not blame them. If they are told the truth and lie by omission or lie by equivocal behavior, then I squarely blame the church leaders and ask them to repent. Church history shows the church directly speaking out against charging interest and stealing. If the church joins us, the church will have more money. If one keeps stealing your wealth, and uses the stolen property to create more money to transfer the stolen wealth back to the victim as a loan, the victim will be poor and bankrupt. Poor non-bankers who are the victims have financial problems leading to divorce, stress, stealing to survive and other problems. When the church wakes up and follows the Bible and leads it's members to correct the problem, the average mother will have the choice to stay home and have her husband work giving the family the same standard of living it takes both spouses working today. All we have to do is stop the economic effect of one stealing the value of your future payroll checks, depositing them and returning the money back to you as a loan. Stop the economic effect of stealing and the wife can have the option to stay home with the children and raise them to obey the law and not join gangs or use drugs. By the church remaining silent in order to get the IRS tax deduction, the wife must work to pay for the economic effect of stealing and counterfeiting.

If the church leaders refuse to follow the Bible, is it right to tithe to that church? Should you not tithe to a church who will follow all of the Bible and refuse to lie and remain silent of the stealing which harms the members of the congregation? If their

love of money stops them from telling the whole Biblical truth, then we must pray for that church priest or pastor. Should your money be used to deceive people or to get the truth out and win the nation back?

Letters are having a very powerful effect. One bank told us they are receiving hundreds of letters a day asking questions about their loans. Letters to churches are the best. If enough people write to churches and share this information with church leaders, the sheer weight of enough letters will some day cause the church to speak out just as the church did before the American Revolutionary War.

The responsibility is squarely on your shoulders. You know the truth. You must get the information out to enough people to effect a change. I thank you in advance for your support.

CHAPTER 26
BEAR TRAP QUESTIONS

When asking the banker questions, you may take any set of bear trap questions and begin asking questions. The various sets of questions are merely designed to begin questioning and trap them very quickly. In all sets of questions we will presume there was an alleged $100,000 bank loan.

BEAR TRAP QUESTIONS: SET NUMBER ONE

Q) Does the borrower or the bank legally own the promissory note?

A) They have no choice but to say the bank owns it. If they say no, the borrower must own it. If they say the bank owns it,

then they must know what consideration the bank agreed to loan in order for the bank to legally own the promissory note.

Q) How much legal tender must the borrower repay the bank regarding the principle amount?

A) $100,000.

Q) How much legal tender did the lender have to loan the borrower for the lender to legally own the promissory note?

A) They must answer $100,000 or zero. Remember a checking account balance is not legal tender and a check is not money.

Q) Was the bank loan check or similar instrument the consideration the bank loaned in order for the bank to legally own the promissory note?

A) If they say no, they agree they loaned nothing in order for the bank to own the promissory note. If they say yes, they cannot use the Federal Reserve Bank standard operating policy of using the promissory note to fund the check. If they say yes, they must prove the bank violated the FED policy and procedures.

BEAR TRAP QUESTIONS: SET NUMBER TWO

Q) How much money did the lender loan the borrower?

A) $100,000.

Q) Is a check money or merely an order to pay money?

A) They must answer, an order to pay money. If they say it is money, we could write checks without depositing money because the check would be money.

Q) Does a checking account or a demand deposit account show how much cash or legal tender the bank owes a customer?

A) They must say yes or they admit they never have to pay us the money in our account.

Q) Do you have any knowledge of the bank depositing money or using money that is not legal tender which is used to fund checks?

A) If they say yes, we want all the details. If they say yes, the lender admits they loaned nothing and the borrower supplied the money to fund the check. If they say yes, we want to use non-legal tender money the bank used to loan to us. If they say no, then they admit the promissory note is legal tender and they must accept more legal tender. You hope to twist the argument were they claim the promissory note is legal tender, forcing them to accept a second promissory note from you without interest or lien. Legal tender is recorded as a bank asset, the offsetting liability merely shows the bank how much legal tender the bank owes. Owing legal tender and legal tender cannot both be legal tender at the same time. This logic and *Your Money* (p. 7) prove the liability is not legal tender.

Q) Did the lender loan legal tender or non-legal tender?

A) We have proof they did not loan us legal tender per the FED publications, so it must be non-legal tender. If non-legal tender, we wish to repay in non-legal tender. They must answer non-legal tender.

Q) Is it the bank policy to prohibit the borrower from discharging the loan in the same kind of funds used to issue the loan check?

A) Now the bank must disclose what exactly the bank used to fund the bank loan check. If they answer yes, it proves they are moneychangers and loaned no valuable consideration to

obtain the promissory note. If they say no, they agreed to accept a second promissory note with no interest or lien to discharge the first one. If they will not tell us, it shows there is no mutual understanding as to what the agreement is.

Q) Have you ever seen a bank issue a bank loan check that was not redeemable in cash?

A) They must say no or it is illegal.

Q) Must one first deposit cash or cash equivalent before issuing a check?

A) Obviously they must say yes. If they say no, have them explain the details.

Q) Is the borrower's promissory note the equivalent to cash or actual cash value per the bank policy?

A) Makes no difference what they say. The key part to the question is bank policy which shows intent. If they say yes, the borrower gave the bank the cash equivalent used to fund checks. If they say no, they cannot use the promissory note to fund the check because it is not cash equivalent.

Q) Is it your understanding of the alleged agreement, the alleged borrower gave the bank authorization to sell the promissory note and use the proceeds to fund the bank loan check to the borrower or seller of the house or use the value of the promissory note to fund the bank loan check?

A) If they say yes, they admit they loaned nothing to own the promissory note and received something of value from the borrower for free, sold it and returned the proceeds back to the borrower as a loan. If they say no, they cannot sell the promissory note for cash or cash equivalent to fund the check. We ask the question because who funded the check is fundamental in determining the true cost and risk of the loan.

BEAR TRAP QUESTIONS: SET NUMBER THREE

Q) According to your understanding of the alleged agreement, was the borrower to loan or give the lender something of value before the bank granted the alleged borrower a bank loan?

A) If yes, we prove there was no asset loaned to the borrower as consideration to obtain the promissory note. If no, the lender cannot use the promissory note to fund the check.

Q) According to your understanding of the alleged agreement was the promissory note used as consideration to fund the bank loan check?

A) If yes, the banker admits the bank loaned nothing of value to obtain the promissory note and the money to fund the check came from the borrower. If no, the banker must prove the bank violated Federal Reserve Bank policy and procedures. If the banker cannot tell us what the understanding of the agreement is, there is no agreement.

Q) According to your understanding of the alleged agreement, did the lender give the borrower a check as consideration loaned to borrower in order for the bank to legally own the promissory note?

A) If yes, the lender cannot use the promissory note to fund the check. If no, The lender admits they did not loan anything of value as consideration to obtain the promissory note.

BEAR TRAP QUESTIONS: SET NUMBER FOUR

Q) Is the promissory note money according to the bank policy?

A) If it is, the borrower gave the bank money to fund the check. If yes, did the borrower's signature agree and authorize it to be money? If no, it is check kiting. Did the bank sell the

promissory note before the bank legally fulfilled the agreement to own the promissory note? Never ask in court if the promissory note is money. A judge will claim only he can determine the law and he will never make that determination. Always ask, "according to the bank policy..."

Q) According to the loan agreement, as you understand it, explain to me the whole truth and nothing but the truth as to the complete money trail, bank bookkeeping entries between the borrower and the lender in order for the lender to legally own the promissory note.

Q) Explain where on the written agreement it gives details of all material facts concerning the money trail and what the lender must do to own the promissory note.

Q) Is it legal for the bank to receive funds from a bank customer, deposit these funds and write a check from these funds without the bank customers knowledge, permission, or authorization?

Q) Is it a bank policy to receive funds from a bank customer and exchange the funds for credit in a transaction account and issue a check from this transaction account without the bank customer's knowledge, permission or authorization?

Q) According to this written bank loan agreement, did the borrower give the bank authorization to receive funds from the borrower and use the funds to issue a check back to the same customer and call it a bank loan?

BEAR TRAP QUESTIONS: SET NUMBER FIVE

Q) How much money was the lender to loan to the borrower?

A) $100,000.

Q) Is a check money, or merely an order to pay money?

Q) Is a bank liability an indication the bank owes legal tender?

Q) Does a Demand Deposit Account (liability) mean the bank owes someone money?

A) They must say yes because when you want to write a check or receive cash from your Demand Deposit Account (checking account) the bank must give you the money. If they did not owe the money, they would not be obligated to give you the money.

Q) Explain exactly what the money was that was to be loaned to the borrower in order for the bank to legally own the promissory note.

A) They must claim the bank liability is money. We know it is merely a substitute for money/asset and the liability by itself has no actual cash value.

BEAR TRAP QUESTION: SET NUMBER SIX

Q) According to this loan agreement, when it says loan, does loan really mean an exchange or swap?

We are using the words right out of *Modern Money Mechanics* (p. *6)* when the Federal Reserve Bank is calling a loan an exchange.

BEAR TRAP QUESTION: SET NUMBER SEVEN

Q) Please explain what money is according to the bank, or according to this bank loan agreement?

Q) Is money really a non-redeemable bank note which the bank never pays?

A) Money is a bank liability which the bank does not pay, making it non-redeemable. The Federal Reserve Note and deposits are bank liabilities.

BEAR TRAP QUESTIONS: SET NUMBER EIGHT

Q) Did the bank fulfill the agreement to legally own the promissory note?

A) If they say yes, then they must know exactly what the bank must do to fulfill the agreement. If he says no, he is trapped. If he says yes, he is trapped because he must answer the questions.

Q) What exactly did the bank have to do to legally own the promissory note?

A) If they say loan a check to the borrower, they have a problem. If they say the borrower loaned the bank the promissory note, the borrower will want the loan repaid. If they say the promissory note was stolen, they have a problem. If they cannot answer, they cannot argue or defend themselves.

Q) How much actual cash value must the bank loan to the borrower to fulfill the agreement and for the bank to own the promissory note?

BEAR TRAP QUESTIONS: SET NUMBER NINE

Q) According to the bank loan agreement, describe exactly who was to loan what to whom?

Q) According to the Federal Reserve Bank's policy, procedures and standard bank bookkeeping entries, who loaned exactly what to whom?

BEAR TRAP QUESTIONS: SET NUMBER TEN

Q) According to the standard bank **bookkeeping** entries and the Federal Reserve Bank policy and procedures, do the bank's debts increase when the bank grants loans?

A) The bank must answer yes.

Q) If the bank paid their debts created in the alleged bank loans, would the bank have to return the promissory notes or sell the promissory notes and return the proceeds to the alleged borrowers?

A) The bank can only say yes. If the bank issued more cash or Federal Reserve Notes, it just created more bank debt which does not pay the debt.

Q) Does a check merely transfer a bank liability from one checking account to another checking account?

A) The answer is yes. The bank liability was never paid and the bank never intended to pay the bank liability. It had the appearance the bank paid because of the checking account showed money being transferred but it was only an unpaid bank liability being transferred.

BEAR TRAP QUESTIONS: SET NUMBER ELEVEN

Q) Is it a bank policy for bankers to obtain the liens on the nations homes, cars, farms, aircraft and businesses simply by creating non-redeemable bank notes or equivalent and loaning these notes?

If they say yes, it embarrasses the bank and shows they never intended to pay these notes. It shows the bank obtains the nations assets for free, forcing the non-bankers into debt paying the banks interest on the notes, money, the banks refuse to pay. See promissory fraud. Banks redefined the word money and made it mean the opposite of what the U.S. Constitution said, without an Amendment to change the definition.

BEAR TRAP QUESTIONS: SET NUMBER TWELVE

Q) Is the promissory note the consideration to fund the bank loan check, or is the bank loan check the consideration (money) loaned for the bank to legally obtain the promissory note?

A) If the promissory note is the consideration for the check, the bank loaned nothing to own the promissory note. The promissory note was stolen or loaned to the bank. In either case the borrower will want it back. If the bank claims the check was the consideration for the promissory note, they must prove the bank violated the Federal Reserve Bank's policies and procedures.

BEAR TRAP QUESTIONS: SET NUMBER THIRTEEN

Q) Is the borrower to repay the loan?

Q) Was the borrower to repay the loan in peanuts?

Q) Was the borrower to repay in the same specie of money that funded the bank loan check?

Q) What kind of money was used to fund the bank loan check?

Q) For the loan, who was to provide the money?

Q) For a check to be valid, must cash or something having actual cash value first be deposited to fund the check? Any exceptions?

A) Legal tender is recorded as a bank asset just as government bonds and promissory notes. To win we must establish a bank liability has no value by itself and the asset gives the bank liability value.

Q) Did the lender have the legal right to sell or own the promissory note before the lender loaned a check or cash to obtain the promissory note?

A) If yes, then they admit they own it without loaning any legal consideration. If No, then they cannot use the note to fund the check or sell the note to obtain cash to fund the check.

BEAR TRAP QUESTIONS: SET NUMBER FOURTEEN

Q) Did the bank fulfill the bank loan agreement?

A) If they say yes, they must know what the bank had to do to fulfill the agreement. If no, they cannot argue and defend.

Q) What did the bank have to do to legally own the promissory note?

Q) Did the bank loan consideration in accordance with the written agreement to legally own the promissory note?

Q) Did the borrower loan the bank the promissory note in accordance with the written agreement?

Q) Did the borrower make the promissory note a gift to the bank and the bank returned it back as a loan?

Q) Did the bank loan the borrower a bank asset or liability?

Q) When was the liability paid?

A) When the check transfers the bank liability from one checking account to another it is not paid. To pay it the bank needs to return the promissory note. The liability remains outstanding, unpaid, even if the bank forecloses on you.

BEAR TRAP QUESTIONS: SET FIFTEEN

Q) Is it the bank policy to stamp the promissory note before the bank loans the check to the borrower?

Q) Is it bank policy to place a stamp or other writing on the promissory note after the borrower signed the note?

Q) We want to know what the bank policy is on altering the document changing the cost and risk of the transaction.

Q) What is the purpose of stamping the note, "pay to the order of '?

Q) Would the transaction change if "pay to the order of' was not stamped on the note?

BEAR TRAP QUESTIONS: SET SIXTEEN

Q) Is it the bank's policy to receive funds from a bank customer and issue a check from the same funds without the customers knowledge, permission or authorization?

Q) The bank received funds from the borrower, used these funds to issue the check to the borrower, and most borrowers had no clue as to what happened. Is that correct?

BEAR TRAP QUESTIONS: SET NUMBER SEVENTEEN

Q) If the bank receives a loan of money from the Federal Reserve Bank, do the bank assets and liabilities increase?

A) Yes,without exception.

Q) If the bank receives a deposit, do the bank assets and liabilities increase?

A) Yes, without exception.

Q) When banks grant loans do banks record the promissory note as a bank asset with a new bank liability offsetting the asset?

A) Yes.

Q) Did the bank record the promissory note as a loan from the borrower or as a deposit from the borrower?

BEAR TRAP QUESTIONS: SET NUMBER EIGHTEEN

Q) Does the bank advertise or claim it loans money?

Q) What was the purpose of the borrower coming to the bank?

Q) Was the purpose of the borrower coming to the bank for the borrower to hand the bank a piece of paper worth $100,000 and have the bank uses this $100,000 to give value to a negotiable instrument (check) worth $100,000 so the bank could hand the $100,000 back to the borrower who must pay the bank back $100,000 plus interest?

Q) If yes, when the borrower swaps the $100,000 with the bank $100,000 negotiable instrument, is that part of the transaction an exchange?

Q) Is the fee for the exchange $100,000 plus interest?

Q) Is the exchange disclosed in the written agreement?

BEAR TRAP QUESTIONS: SET NUMBER NINETEEN

Q) What exactly do you mean by cash? What is included when you mean cash?

Q) When you say cash, do you mean negotiable instruments like checks or other paper that banks use which can be converted to cash?

A) Promissory notes are converted to cash in a matter of moments. One telephone call and it is converted just like a check. Banks redefine cash to include checks so we will just ask the question and add promissory notes (negotiable instruments). If a Promissory note is also called cash like a check, the borrower gave the bank cash or cash equivalent to fund the check.

Q) Did the bank loan cash to the borrower or something other than cash?

Q) Did the borrower give the bank cash or something having equal value to cash or a cash equivalent or similar instrument and this was used to fund the bank loan check?

BEAR TRAP QUESTIONS: SET NUMBER TWENTY

Q) Have you read the agreement?

Q) Do you believe the agreement is written to give plain, ordinary and popular meaning to words and terms in the agreement? Example:

Q) Does the word loan mean loan?

Q) Does borrower mean borrower?

Q) Does interest mean the charge for the use of borrowed money?

Q) Does money mean legal tender or owing legal tender?

Q) If legal tender it means the bank must loan an asset?

Q) According to your interpretation of the agreement, does the bank loan a check to the borrower in order for the bank to legally own the promissory note or does the borrower give the bank the promissory note for free and then the bank return the value of the promissory note back to the borrower as a loan?

Q) According to your interpretation of the agreement, does the bank legally own the promissory note without loaning the borrower a check or similar instrument or must the bank first loan the borrower a check or similar instrument in order for the bank to legally own the promissory note?

A) If they claim the bank legally owns the note without loaning a cent they admit they did not give consideration. If they claim they just loan a check to own the note, then the note cannot fund the check.

Q) Do you believe the bank owned the promissory note before or after the bank issued the bank loan check?

A) If before, it means the bank agreed they deposited the note. By law, once the bank deposits funds, those funds automatically become the bank's property at the time of the deposit. This means when the bank records the note as an asset, the bank claims it owns the note without loaning one cent. That means the bank receives it for free and loans the value of the note back to you.

BEAR TRAP QUESTIONS: NUMBER TWENTY-ONE

Q) As a banker, tell me your understanding how banking operations work. If the bank records a new deposit, liability, does it mean the bank received money from a bank customer?

A) Yes.

Q) Any exceptions?

A) About ninety percent of the deposit balances were created by banks granting loans. The alleged borrower is the customer. We want to ask the questions to prove the bank receives something of value from the borrower for free and then the bank returns it back to the same alleged borrower calling it a bank loan. This was not agreed to because the alleged borrower had no idea so could not have given authorization or permission for the bank to receive it for free. Without knowledge of the transaction there is no agreement or mutual understanding. Do you know of any situation where a customer brings funds, or something that came be exchanged for cash, to the bank creating a new deposit and then the bank receives this new deposit for free? I just described the first half of the bank transaction for a loan. If they say no, then they are just as confused as most Americans, or they are lying or they are playing with words. If the bank claims they loaned their money, they had to get the promissory note and new deposit for free call it their property and then loan it back as their property.

Q) Do you believe the alleged borrower agreed to bring a promissory note to the bank to create a new deposit and then the bank issue a check from the new deposit and return the check back to the same alleged depositor or borrower or seller of the property and the check is called a bank loan?

Q) If yes, where is this explained in the written agreement?

Q) Did the promissory note and new deposit become the bank's property before the bank loan check was issued?

A) If yes, the bank owned the promissory note before there was any loan to the borrower.

Q) Does the new deposit mean the bank owes money to the one who earlier brought funds to the bank to be deposited?

Q) Any exceptions?

Q) Before writing a $100 check, must one first deposit at least $100 at the bank before issuing the check?

Q) Any exceptions?

Q) Do banks create new deposits without first receiving funds, an asset like cash or checks, from a customer or investor or lender?

A) If yes, the bank cannot have the cash to redeem the checks and the bank's books would not balance if there is not an asset received on the bank books to offset the new liability, new deposit.

Q) Does the new deposit, liability, represent owing money the bank earlier received?

Q) Any exceptions?

Q) If the bank records a new deposit, liability, to balance the banks books does there need to be a new asset to offset the new liability called a deposit?

Q) When there is a new deposit, do bank assets and liabilities increase by the amount of the deposit?

A) Yes.

Q) Would the new asset come from the bank customer, investor or lender?

A) Yes.

Q) Any exceptions?

A) No.

Q) If a bank received $100 cash from Joe and the cash is deposited, creating a new $100 deposit, would the bank own the cash? (Yes.) Would the bank owe Joe $100? (Yes.) If Joe deposited a check or a promissory note into a checking account, would the bank owe Joe money? (Yes.)

Q) Does a deposit mean the bank owes money?

A) Yes.

Q) If there is a new deposit, does the bank owe money to the one whom brought the funds to the bank to be deposited?

A) Yes.

Q) According to your understanding, did the bank use the promissory note to create a new deposit on the banks books?

A) Yes.

Q) To whom does the bank owe for this new deposit? Does the bank owe someone money for the new deposit?

A) The alleged borrower can expect the bank to claim the bank owes the seller of the property the money and not the alleged borrower. The agreement is with the alleged borrower so the bank owes the alleged borrower for the conversion of the promissory note plus the loan, and the bank only paid once.

Q) Can a check be issued from this new deposit?

A) Yes.

Q) Is it a bank policy to issue a check from this new deposit?

A) Yes.

Q) If yes, to whom is the check given to?

A) The seller of the house the alleged borrower is buying.

Q) According to the bank policy, did the borrower provide the funds to create a new deposit? (Yes.)

Q) If yes, was this agreed to in the written bank loan agreement?

Q) Is it bank policy to issue checks without first depositing money, bank asset, or using money, bank asset, to fund a check?

A) They have to say no. They know they received the asset from the borrower to issue the bank loan check.

BEAR TRAP QUESTIONS: NUMBER TWENTY-TWO

Q) When a bank grants loans, is there a new deposit that never existed before the loan was granted? (Yes.)

Q) Is it bank policy to deposit cash or something of equal value to cash?

A) Yes. When you ask the question this way, the bank is thinking an instrument of equal value to cash is a check and you are thinking the instrument is a promissory note that can be traded for cash. The promissory note has the equivalent value of a check. The proof is the note funds the check so the asset (note) equals the check (liability).

Q) Does the borrower sign the promissory note?

Q) Is it a bank policy to record the promissory note as a bank asset?

A) Modern Money Mechanics published by the Federal Reserve bank of Chicago shows all the bookkeeping entries proving the answer is yes.

Q) When the borrower signs the promissory note and the bank records the note as a bank asset, does this result in a new deposit (liability)?

A) Yes, per Federal Reserve Bank publications.

Q) When the bank records the promissory note as a bank asset, is the result a new check issued, funded by the note, or a new deposit created as a result of the note, or both?

A) Yes.

Q) Does the promissory note become the bank's property when the bank records the promissory note as a bank asset with a matching liability to new deposits or checks?

A) If you deposit cash or a check, the cash or check become the bank's property and they then owe you the money? An exchange and a deposit are materially the same economically, and bookkeeping wise, the same or similar.

Q If the bank records the promissory note as a bank asset with a matching new liability called a deposit, to whom is the deposit owed?

A) This proves the bank received the promissory note for free. Free means they loaned nothing to obtain the note.

Q) Does the new deposit mean the bank owes cash or cash equivalent (check) for the promissory note recorded as a bank asset?

A) According to the bookkeeping the answer is yes. We ask the question to stop them from claiming the new liability is new money.

Q) To whom does the bank owe the new deposit or check to?

A) The money is owed to the depositor.

Q) Do your believe the alleged borrower intended the promissory note to be used in any manner other than an agreement to repay the loan?

Q) Do you believe the alleged borrower agreed the promissory note was to be used to fund the loan?

A) If yes, then the borrower had to give permission, authorization and had knowledge. Very few borrowers I talked to had any idea about this transaction so they could not have agreed.

Q) On a $100,000 bank loan, does the bank receive $100,000 of value from the borrower for free and then return $100,000 of value back to the same borrower as a $100,000 bank loan?

A) Yes.

Q) Was the lender to loan money to the borrower according to the written agreement?

Q) If yes, where was the money the bank was to loan the borrower?

Q) Did the money for the loan originate from the bank or the borrower according to the standard bookkeeping entries?

A) If from the borrower, then the bank agrees the bank loaned nothing of value and the borrower provided the funds to issue the bank loan check. The bankers knew this when they

advertised and wrote the agreement. They reinforced a wrong impression that they had to have known was a false impression or false statement, and failed to correct a false impression. Many borrowers are deceived about the concealment of the bank receiving the funds for the loan from the borrower for free. This changes the cost and the risk. If you give the lender the money, the lender gets it for free and then lends it back to you at interest, you will remain in debt, poor and lose the homes, cars, farms and businesses to the lenders for free and then must keep paying interest on what the lender received for free. Only a stupid person would agree to this or allow it to continue.

BEAR TRAP QUESTIONS: NUMBER TWENTY-THREE

Q) Does a new bank deposit (liability) indicate the bank received a new bank asset?

A) Yes.

Q) If the bank records a new deposit (liability), does the bank receive a new asset from a customer or investor or lender?

A) Yes.

Q) If a customer deposits cash or a check or similar instrument, does the bank own the asset (money) deposited?

A) Yes. The bank does not have to give you back the exact same dollar you deposited, the bank has to give you back the value of the deposit not the exact piece of paper as if you put it is a safety deposit box. If the bank deposits the note, then they own it without loaning one cent.

Q) If the bank records a new deposit (liability), does the bank owe money to the customer who provided the asset that matches or created the new deposit (liability).

A) Yes.

Q) If a customer provides the money to a bank to issue a check and the check is given back to the customer or to a party designated by the customer, did the bank loan any money in this transaction?

A) We ask the question because the bank does not know if you are describing a normal deposit in the lobby of a bank or a deposit by the alleged borrower to fund the bank loan check. No matter how they answer, they have a major problem.

Q) If a customer provided the bank with an asset, the bank can sell or exchange for cash, the bank used the value of the asset to create a new deposit, in this transaction did the bank loan any money?

Q) To whom is the new deposit (liability) owed to?

A) To the one to whom provided the asset to the bank.

Q) If a bank customer provides an asset to the bank that can be exchanged for cash and as a result of this asset a new bank deposit is created and a check is issued from this new deposit, did the bank loan anything in this transaction?

Q) If a bank customer provides the bank with an asset that can be exchanged for cash and this is used to issue a check back to the same customer, is the check a return of capital or is the check a bank loan to the customer?

Q If the bank claims it is a bank loan to the customer, what did the bank loan to obtain the asset that was used to issue the check or create the new deposit?

A) Nothing of value.

Q) Do you believe it is the bank policy for the bank to obtain the bank loan agreement and promissory note without loan-

ing the borrower anything of value as consideration to obtain the bank loan agreement and promissory note?

Q) If the bank records a new deposit (liability), did the bank receive an asset from a depositor or customer to issue a check or receive an asset that was used by the banking system to create a new deposit?

Q) Do you know any situation where the bank receives an asset from the bank customer used to issue a check or create a new deposit (liability) and the bank receives the asset and check or new deposit for free?

A) Yes. This is the first half of the agreement that is not in writing.

Q) Can the bank write a check without first depositing money at the bank?

A) If they say no, then they admitted they received money from the alleged borrower. Is the promissory note money or did they sell it for money to deposit money?

Q) When banks grant loans, do banks receive an asset from the borrower which results in a new deposit?

A) Yes.

Q) Do banks deposit checks, cash, into checking accounts?

A) We ask the question because the bank must say yes, admitting one deposits something having actual cash value to create a new bank liability. This stops the bank from claiming they can just create a bank liability and calling the liability money. It proves the real money is an asset (cash).

Q) Does the bank write a check from the new deposit and call this a loan to the borrower?

A) There can be no new deposit (liability) without depositing cash or a check or promissory note. A new deposit proves the bank did not loan other depositors money so they must have deposited the promissory note.

Q) If yes, what did the bank loan to obtain this new asset and new deposit?

A) Nothing.

Q) Is it the bank policy to receive something of value from a customer, and then return the value back to the same customer and call it a loan?

A) Yes.

Q) Where is it agreed that the customer gives the bank something for free and the bank returns the value back to the same customer calling it a bank loan?

A) One cannot agree if you have no knowledge of a situation. There can be no permission or authorization if you do not know what you agreed to.

BEAR TRAP QUESTION: NUMBER TWENTY-FOUR

Q) If a customer brings an asset (money or paper that can be exchanged for money) to the bank and the bank uses the asset to create a new deposit, did the bank loan anything by recording a new deposit?

Q) If a customer deposits an asset and the bank records a new deposit (liability) which increases the bank's assets and liabilities and the customer writes a check based on the new deposit, did the bank's other depositors or investors lose any money in this transaction? Did the bank loan any money in this transaction?

Q) When a bank grants loans is it accurate to say the bank receives an asset from a customer which creates a new deposit (liability) and a check is written from this deposit, or the asset directly funds a check, and the check is given back to the one who brought the asset to the bank? (Yes) Is the asset that was brought to the bank of equal value to the check? (Yes) Did the bank loan anything of value to obtain the asset? (No)

Q) Is recording a new deposit a loan?

A) No. Recording a new deposit is proof the bank received funds. A loan is giving away money.

Q) Is a bank loan really a bank transaction of receiving funds and issuing a check against those funds? (Yes.)

Q) In reference to the previous question, did the bank receive the funds from the alleged borrower? (Yes.)

Q) When a bank grants loans, is it accurate to say the bank receives funds from a customer that has value and can be converted into cash, the funds are used to issue a check, the check is given back to the one who provided the funds to issue the check and the bank calls this a bank loan?

A) Yes.

Q) Does the bank receive the funds from the customer for free?

A) Yes.

Q) How much money did the bank risk or loan to obtain the promissory note?

A) Nothing.

BEAR TRAP QUESTIONS: NUMBER TWENTY-FIVE

Q) Is there anything in this written bank loan agreement where the alleged borrower agreed to give the lender $100,000 of actual cash value to fund a bank loan check or similar instrument having actual cash value of $100,000 and have the same $100,000 value returned back to the alleged borrower as a bank loan?

Q) Do you have any proof the lender's policy was not to receive actual cash value of $100,000 from the alleged borrower and this was used to fund a $100,000 bank loan check or similar instrument back to the same alleged borrower?

Q) Do you have any proof the lender did not follow the Federal Reserve Bank policies and procedures regarding loans?

Q) If one deposits cash or a check or negotiable instrument that can be exchanged for cash into a transaction account or checking account, is there a new bank deposit (liability)? (Yes.)

Q) Is the cash or check or negotiable instrument recorded as a bank asset?

Q) Does the new deposit mean the bank owes the depositor money for the funds the depositor brought to the bank?

Q) Does the bank balance sheet show checking accounts, demand deposit accounts, saving account and certificate of deposits?

Q) Are these bank liabilities?

Q) Were these bank liabilities created when the bank received or deposited something of value from a bank customer?

Q) Do you know of any situation where the bank creates a new deposit without receiving cash, check, draft, wire transfer or negotiable instrument or commercial paper that can be exchanged for cash from a bank customer? (Note that the question left out promissory notes.)

Q) If the bank pays the bank liability called a deposit, does the bank need an asset to pay the liability? (Yes.)

Q) If yes, did the asset to pay the liability come from an earlier depositor? (Yes.)

BEAR TRAP QUESTIONS: NUMBER TWENTY-SIX

Q) Do you know how a bank can create a new deposit without receiving a bank asset of equal value from a bank customer, lender or investor?

A) No. The only way a bank can record a new deposit (liability) is by receiving a bank asset of equal value to the new deposit. The proof is the banks books must balance and the assets must equal the liabilities. We ask the question to prove the bank received an asset (money or paper that can be exchanged for cash having actual cash value) of equal value from the depositor or alleged borrower that that created the new deposit.

Q) If the bank records a new deposit (liability), is there then a depositor?

A) Of course the answer is yes.

Q) If there is a new deposit in an account (checking account), was there money deposited?

A) Yes. They can argue it could be a check. Our goal is to show one can only deposit checks, cash and things having actual cash value (promissory notes).

Q) Do you know of any way there can be a new deposit without a depositor and money being deposited?

A) This exposes the promissory note (proceeds of the sale of the promissory note) being deposited when banks grant loans.

Q) Do depositors deposit checks, cash and drafts which credit a transaction account or demand deposit account or similar account increasing the bank liability?

A) Yes. We ask the question to prove the new deposit (liability) cannot exist without the bank receiving an asset (cash or check or promissory note) of equal value to the new liability.)

Q) Does $100 of cash have equal value to a $100 check?

A) If they say yes, then logic tells us it is equally true a promissory note has actual cash value to the check the promissory note funded.

Q) When a bank grants a $100,000 loan and the borrower signs a $100,000 promissory note for the loan, does the $100,000 promissory note have approximately the same value as the $100,000 bank loan check?

A) Yes. The proof is that the bank recorded the promissory note as a bank asset and the check is the offsetting new bank liability. The new liability is the new deposit. The assets and liabilities must equal to balance the bank's books. We ask the question to prove the borrower and bank traded equal value for equal value and the bank loaned nothing of value to obtain the promissory note. Both have equal value because the note funded the check. The note has the value and gave value to the check. Without the note the check has no value.

Q) If the bank records a new deposit, is it like someone loaned the bank something of value like money or something that can be exchanged for money?

A) Absolutely yes without exception. Even the Federal Reserve Bank publications prove the answer is yes. Federal Reserve Bank of Chicago publication *ABCs of Figuring Interest* (p. 2) states, "By opening a savings account, an individual makes a loan to the bank." Now we have the proof the bank cannot record a new deposit without the bank receiving an asset from the borrower and the borrower loaned the asset, promissory note, to the bank. This proves two loans were exchanged. The borrower loaned the promissory note to the bank and this loan was exchanged for a bank loan check to the borrower. The promissory note and the check have equal value. Please look up larceny by fraud or deception and fraudulent concealment. You just nailed them using their own publication on the unauthorized loan to the lender of which they kept or stole and concealed thereby changing the cost and risk of the alleged loan.

Q) Did a loan from the borrower to the bank fund the loan from the bank to the same borrower?

A) Yes. The FED publications prove the answer is yes. The bookkeeping entries in *Modern Money Mechanics* prove the answer is yes. The new bank asset and liability is the proof. If the bank paid their debt, it could cancel your debt to the bank. Why not simply call your loan back just like the bank would if you do not make the monthly payments?

BEAR TRAP QUESTIONS: NUMBER TWENTY-SEVEN

Q) At any time do you believe the lender owns the promissory note without the lender first lending the alleged borrower $100,000 actual cash value or a $100,000 check or similar instrument as consideration loaned to the alleged borrower in order for the lender to obtain the promissory note?

A) If they say yes, then they agree they loaned nothing of value to obtain the promissory note? If no, then they admit they do not own the promissory note.

Q) Prior to the bank making the loan to the alleged borrower, was the alleged borrower required to deposit $100,000 of actual cash value at a bank or lend $100,000 of actual cash value to the lender or make a gift of $100,000 actual cash value to the lender?

Q) Do you believe the lender was to receive $100,000 actual cash value from the alleged borrower for free and the lender was to use this $100,000 of actual cash value received from the alleged borrower to fund the bank loan check to the same alleged borrower?

A) What American do you know that does not know it is a crime to take someone's $100,000 without authorization? Stealing a $10,000 car or past or future payroll checks amount to the same thing. In each case wealth is transferred from the victim to the thief. The victim lost wealth and the thief gained wealth.

Q) If the bank owes $100,000 as evidenced by a $100,000 bank liability, does that mean the bank owes $100,000 of cash or actual cash value to someone?

A) Obviously the answer is yes. We ask the question to prove the bank liability is not money because it has no cash value without an asset, cash or promissory note, to pay the bank liability. Once the liability is proven to not be money, then the bank cannot claim they have a right to create liabilities and claim they are money. This proves the real money is a bank asset.

Q) If the bank was loaned $100,000 or if there was a $100,000 deposit or if the bank was given $100,000 or if the bank stole $100,000 and the bank used the $100,000 to fund a

bank loan check, would the bank assets and liabilities increase by $100,000?

A) Absolutely yes. There are no exceptions. The money trail proves our case.

Q) When banks grant loans, do bank assets and liabilities increase by the amount of the alleged loan?

A) The answer is yes according to the Federal Reserve Bank publications. For the bank to prove the answer is no, he must prove he violated the Federal Reserve Bank policies and procedures which could land him in jail.

Q) Do you believe it is the same thing if you give me $1,000 for free and I return it back to you as a loan compared to if I loan you $1,000 without you first giving me $1,000 for free.? Which one do you think is the best business deal for the borrower? Which one do you believe is the best business deal for the lender?

Q) Would you feel you were damaged if you went to a lender for a $1,000 loan and they took $1,000 from you and gave it back to you and called it a $1,000 loan you must repay?

A) Please notice I did not ask a legal question or claim another was damaged. I asked about his feelings. The question is to find if he is mentally competent or insane. He has no choice but to say he feels he was damaged. You must prove damages to win. The goal is to have the banker claim and agree you were damaged.

Q) Do you feel if someone does not repay a loan, the lender is damaged?

A) We ask the question, because you were the lender to the bank and you were not repaid. If they claim there is no dam-

age, then they admit the bank is not damaged if you stop paying the loan. If yes, you were damaged according to the bank.

Q) Do you have any proof the alleged borrower was not the lender or depositor or provider of the funds for the bank loan check?

Q) If banks recorded an unauthorized loan from the alleged borrower to the bank which funds a loan from the bank back to the same alleged borrower and the bank refuses to repay the unauthorized loan to the bank, would wealth shift from the alleged borrower to the bank before the bank made a loan to the alleged borrower?

A) Obviously the answer is yes.

Q) Do you still believe the lender is damaged if a loan is not repaid?

Q) What is the difference if one receives an unauthorized loan and refuses to repay it or if someone simply stole the same property?

A) You ask the question because you want them to agree you were damaged.

CHAPTER 27
QUESTIONS ON BANK POLICY

We ask questions on bank policy because policy shows a play with intent to carry out a routine company sanctioned activity. Policy will prove what the past bookkeeping entries were without every having to examine the bank's accounting records.

Is it Federal Reserve Bank (FED) policy that banks obtain the promissory note and liens without loaning one cent of legal tender or other depositors' money?

Is it (FED) policy the banks act similar to a counterfeiter and licensed to create bank liabilities the bank never pays and forces the citizens to use as credit or money?

Is it (FED) policy the banks do not disclose all material facts in the agreement or contract regarding the bank stole or received a loan from the borrower?

Is it (FED) policy to violate oaths of office?

Is it (FED) policy to deny Constitutional rights in court?

Is it (FED) policy for banks to be involved in fraud or fraudulent concealment or false statements or false pretense?

Is it (FED) policy to allow banks to breach agreements?

Is it (FED) Policy for banks to obtain promissory notes without the banks loaning one cent of lawful money according to the Constitution and State Constitution?

Is it (FED) policy to allow the bank agreement to say loan when in fact the loan is really an exchange of the promissory note for a newly created unpaid liability the banks will never pay?

Is it (FED) policy the borrower cannot repay the loan in the same kind of funds that were used to fund the bank loan check?

The banks typically use one of several tricks. One trick is to claim the original bank loaning the money is no longer in business and it is impossible to determine the bank bookkeeping entries. Another trick is to only allow a bank employee to

testify who has no knowledge about anything. One trick is to call checks cash or checkbook money money. The bank who bought the promissory note will claim they know nothing other than the borrower has made payments and the promissory note is valid.

To overcome this we need to ask if the bank followed the Federal Reserve Bank policies and procedures and standard bank bookkeeping entries. They must agree they followed the Fed rules. Now we ask them what they believe the agreement is according to their understanding. They bought the promissory note, they read the agreement and are trying to enforce it. They have to know what they think the agreement is. It is our goal to prove they agree standard bank bookkeeping entries are the opposite of what the agreement called for. To reveal the truth, the following questions may embarrass the bank and have them admit to the truth.

According to you understanding of the alleged agreement, how much cash or legal tender was the alleged lender required to issue the alleged borrower in order for the bank to legally own the alleged promissory note?

If the bank does not know, they cannot defend themselves. If they say $100,000 of cash or legal tender, they cannot ever record the promissory note as a bank asset and create a new bank liability. If they say $100,000 of cash or legal tender, they admit the bank does not legally own the promissory note or they must prove the bank is in violation of Federal Reserve Bank policy and procedures. If they say zero, then they admit they loaned nothing of value to the borrower to obtain the promissory. Present the agreement and ask them to show where the bank claimed it was to loan a $100,000 check redeemable in cash.

According to your understanding of the alleged agreement, who was to provide the money to fund the check issued to the borrower: A) the bank loaned legal tender or other depositors

money to fund the check, B) the bank obtained the promissory note without loaning one cent of legal tender or other depositors' money and used the promissory note to fund the check or sold the promissory note and used the proceeds to fund the check to the alleged borrower, C) the bank recorded the promissory note as a loan from the alleged borrower to the bank, then the bank used the value of this loan to the bank to fund a loan back to the same borrower who allegedly signed the promissory note.

The bank may claim none of the above because they received a loan from the FED. If the FED makes a loan, a new bank liability is created. FED publications claim this type of loan rarely happens, and it is to be repaid back. If they claim we loaned the bank something, we want our loan back. How was the bank to receive $100,000 of value from us without loaning us $100,000 first? If they say "A", we have the FED publications to prove they lied. If they say "B" or "C", they breached the agreement or concealed something that materially changes the cost and risk. If it is a loan to the bank or if it was stolen the borrower wants the loan repaid in its equivalent in kind which is the principle and interest payments previously made to the bank. The two loans cancel and you have the difference in interest.

According to your understanding of the alleged agreement, was the bank loan check or similar instrument the consideration the lender loaned which in turn allowed the bank to legally own the promissory note?

If they say no, then they will have trouble explaining what the bank loaned. If they say yes, then they cannot ever use the promissory note to fund the check and they agreed they violated the FED policy and procedures and do not legally own the promissory note. If the promissory note did not fund the check, then they opened up themselves to questions on check kiting which is illegal.

According to your understanding of the alleged agreement, was the borrower to act as or in a similar capacity of a depositor, lender or creditor to the bank?

If they say no, how did the bank obtain the promissory note to fund the check if they did not steal it? If yes, they admit they owe you money which cancels the loan.

According to your understanding of the alleged agreement does the word loan really mean exchange?

We can show deception of words with intent to deceive. False statements, false pretense, false representations and false and misleading advertising and the purchaser of the promissory note knew about it from the very beginning. The bank wrote the agreement and used the standard bank bookkeeping entries. The bookkeeping entries show an exchange the agreement only said there was a loan. A loan is the opposite of an exchange.

According to your knowledge, does a bank liability indicate the bank owes money?

If they say no, they disagree with the Federal Reserve Bank publications. If they say no, it means the bank does not have to pay depositors money. If they say yes, they agree the bank gave us the opposite of money which is owing money and they never intended to pay the money.

According to your understanding of the alleged agreement, is owing money the same as actual money?

We ask the question this way because they do not know if you are talking about the bank owing money or the borrower owing money. This proves there is no equal protection under the law between bankers and non-bankers.

According to the alleged agreement was the alleged lender to record the promissory note as a bank asset?

Anytime the bank uses the note to fund the check the bank records the promissory as an asset offset by a new bank liability. This is the new money the bank claims is created. The new money was created by receiving money from the borrower, deposited the money and the money became the property of the bank, without the bank giving up one cent. Promissory note money was exchanged for equal value of checkbook money and you were charged a fee as if there was a loan. Promissory note money and checkbook money are all convertible into legal tender because all three have equal value.

According to your understanding of the alleged agreement, must the lending bank follow the Federal Reserve Bank policy and procedures and standard bank loan bookkeeping entries?

They have to say yes. This means it is standard practice to use bookkeeping entries showing an exchange when the agreement only said a loan. This policy shows intent.

To the best of your knowledge does the bank or holder of the alleged promissory note able to legally or contractually deny equal protection under the law, money, credit and agreement to the alleged borrower?

This becomes a Constitutional issue. If yes, you want them to prove they can deny you equal protection. To do this they must prove the bankruptcy of the government showing the government is no longer sovereign and cannot put people in jail if the victim objects. They must show the government operates using marshal law or Emergency War powers because of the bankruptcy caused by the banks denying us equal protection. They do not want this exposed.

According to your understanding of the alleged agreement, did the bank legally own the promissory note before or after the bank loaned the borrower the money?

If before, the bank breached the agreement and never made a loan to obtain the promissory note. If after, the bank cannot use the note to fund the check. Imagine a banker claiming the bank owns the promissory note before the loan was made.

According to your understanding of the alleged agreement, must the borrower discharge or payoff the loan in a different currency than the bank used to fund the bank loan check?

If they say yes, we want them to explain all the different currencies the bank uses and what the first currency is we cannot use and what the second currency we must use. If they say yes, they admitted to being moneychangers loaned no valuable consideration to obtain the promissory note. If they say no, they gave you permission to use a second promissory, interest free and lien free, to discharge the first one.

According to your understanding of the alleged agreement, what was the valuable consideration the bank was to loan the borrower in order for the bank to legally own this promissory note?

A bank liability has no value if it cannot be paid in legal tender or cash. Valuable consideration must be a bank asset.

According to your understanding, is it the bank policy to never pay all the money owed to the bank creditors?

If they say no, the bank redefined the word money to mean the opposite of gold, silver or cash. If they say yes, they admit they did not pay the borrowers a bank asset as consideration to obtain the promissory note.

If the bank or holder of the note cannot tell us what the agreement is, they cannot defend, or disagree with what we believe the agreement is. If they refuse to explain what the agreement is, it proves our point there is a fraudulent concealment.

According to your understanding, is it the bank's policy to write or create the bank loan agreement?

If they wrote it and used the standard bookkeeping entries, it shows intent and they knew or should have known the bookkeeping showed an exchange and the agreement said loan. This shifted the wealth of the non-bankers to the bankers by the flick of a pen or alleged loan agreement. Economically speaking it is similar to stealing and the bank concealed it knowing no one in their right mind would agree to be the victim of a theft.

According to your understanding, is it the bank's policy to advertise they loan money?

If yes, they need to give me their definition of money. You want to show false and misleading advertising, to show the bank advertised that it loans money and no credit.

According to your understanding, is it the bank's policy to follow the Federal Reserve Bank's policy and procedures and standard bookkeeping entries regarding loans?

They must say yes. We ask the question because if they say yes, we know the bank's bookkeeping entries. If we did not ask the question, they will say they do not know the bookkeeping entries of the bank who originated the loan.

According to your understanding, is it the bank's policy to use unpaid bankers debts as money?

If it is an unpaid debt, how can it be money unless they redefined the word money to mean the opposite of money. According to the Federal Reserve Bank publications this is true.

According to your understanding, is it the bank's policy to use non-redeemable bank notes or the equivalent as money?

Federal Reserve Notes are non-redeemable in the sense they will not give you silver or gold. They will simply exchange a ten dollar bill for ten one dollar bills. The bank refuses to pay these notes.

According to your understanding, is it the bank's policy to use the borrower's promissory note or debt as currency or credit or money?

According to your understanding, is it the bank's policy to exchange the borrower's promissory note for credits in the borrower's transaction account and call this exchange a bank loan?

Ask the question exactly as I worded it. This comes directly from Federal Reserve Bank of Chicago publication *Modern Money Mechanics* (p. 6). They must answer yes.

According to your understanding, is it the bank's policy to create new money based on the borrower's promissory note or promise to pay secured by collateral or lien on the borrower's property?

Ask the question exactly as I worded it because it came directly from Federal Reserve Bank of New York publication I *Bet You Thought...* (p. 27). They must say yes. This means the borrower provided the asset or money to give value to the new money the bank created and loaned back to the borrower. It proves the bank gave no value for the loan other than being a monopoly the people are forced to deal with.

According to your understanding, is it the bank's policy to exchange the borrower's IOU for a newly created bank IOU or

equivalent and loan the borrower the bank IOU calling the bank IOU money or credit loaned to the borrower?

We ask the question so we can embarrass the bank. Next time they say they create money, you come back and say is the money the bank created the unpaid bank IOUs they refuse to pay?

According to your understanding of the bank policy, is it the bank policy not to pay the bank IOUs circulating as money?

According to your understanding of bank policy, does the borrower's IOU give value to the bank's IOU?

They must answer yes.

According to your understanding of bank policy, does the bank record the borrower's IOU as a bank asset and this creates a new bank liability which is a bank IOU?

If the bank paid this new bank IOU, would the bank need to use the borrower's IOU to pay the bank IOU or create another bank IOU.

The banker must say yes. We ask the question to prove the bank must violate equal protection and refuse to pay the bank debt and merely redefined the word money to mean the opposite.

Is it a bank policy to create new bank IOU's or equivalent when banks grant loans?

Yes. We ask the question to show the new money is really an unpaid bank IOU.

If the bank paid all the bank IOU's created when they grant loans, could it cancel the borrower's IOU's?

Yes. We ask the question to show the bank still owes the borrower a bank asset to pay the bank IOU the bank issued the borrower. The bank asset is the promissory note or the proceeds of the sale of the promissory note.

According to your understanding of bank policy, is it bank policy to fund a check with credit, or transfer credit with a check?

The check must pay a sum of money or a bank asset, not credit or an IOU.

Is it the bank policy to create the same or similar economic effect as stealing the borrower's IOU and returning the value of the stolen property back to the victim calling it a loan?

Is it the bank policy to use the same or similar bank book-keeping entries to record the borrower's IOU as a loan from the borrower to the bank as evidenced by the new bank liability?

Is it then the policy of the bank to use the same or similar bank bookkeeping entries as using this loan to fund the bank loan back to the same borrower?

Is it then the bank policy not to repay the loan from the borrower to the bank?

Is it then the bank policy not to disclose this loan from the borrower to the bank?

Can you prove according to the bank bookkeeping entries the bank never recorded the promissory note as a loan from the borrower to the bank or the promissory note was stolen?

The bank can redefine words and call a loan an exchange or a deposit, but it is all the same. They cannot prove there was no loan or theft from the borrower to the bank unless there was a

fraudulent conversion and/or a fraudulent concealment, or that it was agreed too.

If the bank did record the promissory note as a loan from the borrower to the bank, would the bank record a new bank liability in the amount of the loan to the bank?

The answer is an absolute yes.

Is it the bank policy to record the promissory note as a bank asset offset with *a new* bank liability?

They must show how the promissory note became an asset with a new liability. If the bank did not record it as a loan from you to the bank or if it was not stolen or agreed to, how did the promissory note become a bank asset offset with a new bank liability?

Is it a bank policy to not loan other depositors' money to the borrower?

Is it a bank policy to not loan the borrower a bank asset?

Is it a bank policy to loan the borrower a bank liability?

Is it the bank policy the bank cannot pay the bank liabilities and merely trade the bank liabilities like they are money?

Is it the bank policy to use laws and rules pertaining to the national bankruptcy of the United States?

We ask the question to show the bank follows the rules of bankruptcy, the Uniform Commercial Code.

Is it the bankers policy to force or keep the nation in bankruptcy? (Yes.)

If banks create money and loan it to the government and citizens and this is the only money, the nation and citizens are forced into debt for every dollar the banks create and loan out. The result is bankruptcy. We can show they forced us to surrender our assets to the bank for free and then were forced to pay interest on what the bank received for free. If we followed the Constitution or Lincoln, the bank could not force us into bankruptcy. It was the bank policy that created the situation. Policy proves intent.

CHAPTER 28
QUESTIONS ON ALTERING THE PROMISSORY NOTE

Is it a bank policy to stamp "pay to the order of' or similar words on the front or back of the promissory note?

If yes, is this done before the bank loan check is issued to the borrower?

According to your understanding of the alleged agreement, was the bank to loan the borrower a bank asset or liability as consideration loaned for the bank to legally own the promissory note?

If the answer is a bank liability, do you have proof the liability was paid and not just transferred to another deposit account?

Was the original promissory note altered in any way after the borrower signed the note?

If yes, explain exactly how it was altered.

Does the bank legally own the promissory note?

Was it altered before or after the bank legally owned the promissory note?

Does the copy of the promissory note given to the borrower show the same alteration?

Does the promissory note shown in the public records, deed of trust or county filings, show the alteration?

Is it the bank's policy to stamp the promissory notes or alter the promissory note it receives from borrowers?

What does the stamp or imprinting device or alteration say?

What is the purpose of stamping the promissory note?

Is the original promissory note a negotiable instrument? commercial paper? money?

Was the stamp needed to monetize the promissory note?

Do you have any knowledge of a bank using the promissory note without altering it to fund a bank loan check?

(They almost have to say no. This only leaves the fact, the bank altered the note so the note can be used like money or as money to fund the bank loan check.)

Change the above questions to ask, "according to your understanding..." and "is it company policy to..." When the banker claims they lost your promissory note, demand to see the inventory of promissory notes they hold to prove it is bank policy to stamp the promissory notes "pay to the order of' allowing the bank to deposit the promissory notes. The inventory of promissory notes proving our case shows policy, intent, and how the current banker holding your note had full knowledge of the agreement and the bank policy to alter the note and perform

bookkeeping entries which were the opposite of what you agreed to, changing the cost and the risk.

CHAPTER 29
QUESTIONS ON MONEY AND BOOKKEEPING ENTRIES

If a bank customer deposits $100 of cash into a demand deposit account, do bank assets and liabilities increase by $100? They must say yes.

Does the bank liability indicate the bank owes the depositor $100? Yes.

Can the $100 bank liability act LIKE money or as a substitute for the cash that was deposited? Yes.

(This question destroys the bank's notion that they create money and the money is a bank liability.)

Does the new $100 bank asset and liability act together representing the $100 deposited? Yes.

Does the asset and liability represent the same money deposited? They must say yes.

(You need to show the asset and liability are one in the same, representing the same money.)

Does the bank need the $100 cash to pay the $100 liability? Yes.

Economically speaking, does the liability show the cash was loaned to the bank? Yes.

Once these questions are established, replace the word promissory note with cash. The new bank liability was created when the bank recorded the promissory note as a bank asset proving it is directly married, associated with and connected to the promissory note, just as it is with cash. You could replace the words "actual cash value" in the place of promissory note or cash in the above questions.

When a bank grants a $100,000 loan, it is bank policy to record receiving $100,000 actual cash value from the alleged borrower?

When a bank grants a $100,000 bank loan, is it bank policy to have the bank assets and liabilities increase by $100,000? Absolutely yes without exception.

If bank assets and liabilities increase by $100,000, does that indicate the bank received a loan of $100,000 or a deposit of $100,000? Absolutely yes.

When banks grant loans, does the money banks owe increase by the amount of the alleged loan? Yes, because the bank liabilities increased by depositing the promissory note.

Is it bank policy to create new bank liabilities in the amount of the borrower's promissory notes? Yes.

In your opinion, what value does a check have if one cannot receive cash for it? They must answer it has no value without cash behind it proving the alleged money the bank has loaned us has no value without the promissory note giving it value proving they loaned us nothing of value to obtain the promissory note. It proves we handed the bank $100,000 actual cash value and they returned an equal amount of actual cash value back to us, falsely claiming they loaned us their money when it was merely a return of our own money.

CHAPTER 30
MONEY DEPOSITED

Did the bank or bank customer or investor or other depositor or someone deposit the money used to fund the bank loan check?

(You want to show that somehow the money was deposited.)

How can a check be issued without first depositing the money?

(Make them look silly for saying no. We must get them to say yes to win.)

If the bank does not deposit funds to issue a check, what does the bank call it if they receive funds from a customer and the funds are used to fund a check?

Is legal tender recorded as a bank asset? Yes.

(This stops them from calling checking account balances money.)

If the bank customer gives the bank teller $100 of cash with a bank deposit slip saying I am asking you to deposit this money into my checking account and the bank teller does so handing back the customer a $100 deposit slip, is the cash presumed then to be deposited?

(We must get them to admit they deposit cash, checks, wire transfers and drafts so they cannot say they deposited money simply by increasing bank liabilities without admitting the asset, be it cash or promissory note, was deposited. For us to win the jury must agree we deposit assets like cash and checks. For

the banker to win the jury must decide a deposit is merely increasing a checking account balance, i.e. bank liability, without first depositing an asset, promissory note.)

Was the depositor, the one who funded the bank loan check, also the borrower?

[According to *Public Debt: Private Assets (p. 2)* and *Modern Money Mechanics* (p. *6)* the answer is yes.]

Did the bank deposit anything from the borrower?

Did the bank receive anything of value from the borrower and exchange it for a check?

(Use the wording from *Modern Money Mechanics* to force them to say yes.)

Do you know of anyway a Demand Deposit Account or checking account balance can increase, or a check can be issued, without depositing cash, checks, drafts or wire transfers?

What is a deposit?

Explain all ways a bank receives a deposit.

Is there any deposit associated with loans? If yes, give all the details.

Truth is if there is a 10% reserve with $1,000,000 in bank deposits, and if the bank can create a new $900,000 in bank deposits, liabilities acting like money, the bank deposits $900,000 of new promissory notes. The banks receives actual cash value (promissory note) from the depositor for free. The bank deposits the $900,000 of promissory notes (actual cash value because they can sell the notes for cash) and the bank is $900,000 richer. The new deposit creates new checkbook money in the amount of $900,000. The bank receives $900,000 of

wealth from the alleged borrower for free and uses the new money, bank liability, to transfer the wealth back to the victim, alleged borrower, as a loan from the bank to the victim. The victim lost $900,000 in future payroll checks given to the banker for free. The banker gives the victim back $900,000 of debt and the banker never invested one cent of the bank's own money (asset).

Does the bank operate under the laws of a national bankruptcy? Yes. It is called the U.C.C. (Uniform Commercial Code, law of negotiable instruments). Your promissory note is a negotiable instrument or commercial paper traded like money.

Is it the bank policy to force me to use unpaid bank liabilities as money? Yes. This forced the nation into bankruptcy. The unpaid bank liability is a bank IOU called cash labeled Federal Reserve Note.

Did the bank or government redefine the word money with respect to the U.S. Constitution? Yes. The government forced us to stop using gold and silver (asset) and forced us to use bank created money (liabilities) issued at interest as money.

Can the bank lawfully operate in the REPUBLIC of united states? (Little u and little s. The answer is NO.)

Does the bank only have authority to operate in the Federal Areas of the United States? Yes.

Is the bank insolvent? It can be argued yes or no. The real answer is yes, but can be said it is no, only because the bank never intended to pay the liabilities it owes us.

Is the Uniform Commercial Code the law of bankruptcy? Yes.

Is the government bankrupt? Yes.

Did the Federal Reserve Bank policy help create the government bankruptcy? Absolutely YES.

Has the Federal Reserve Bank instructed the banks how to create a bank induced recession or depression? Yes per *Modern Money Mechanics* (p. *6).*

If the government created United States Notes, like President Lincoln did, issued by the government interest free, giving equal protection and that was the only money in the United States, or if we only used gold and silver coins or combination of United States Notes and gold and silver coins, could we pay off the national debt, cut IRS tax significantly and significantly decrease consumer debt for every dollar of United States Notes printed and issued into the economy? Absolutely YES.

Did the laws Congress passed force use into national bankruptcy? YES.

Do the judges and police enforce the laws forcing us into national bankruptcy? Yes.

If the judges, lawmakers and law enforcement upheld their oath to uphold the U.S. Constitution our Founding Fathers gave us, would there be a national Bankruptcy today? Absolutely NO.

CHAPTER 31
SLAM-DUNK

Just a few questions are needed to prove your case.

Is it your belief the bank, working with the lender, intended to breach the written loan agreement or violate Federal Reserve Bank policies and procedures.

Do you believe the loan agreement was for the alleged borrower to give the lender $100,000 actual cash value for free or loan the lender $100,000 actual cash value before the lender issued a bank loan check to the alleged borrower?

How much cash or actual cash value do you believe the lender was to loan to the alleged borrower before the lender could legally own the promissory note?

Do you believe before the lender loaned the alleged borrower cash or check or bank draft or wire transfer, the alleged borrower agreed to give the bank an instrument worth $100,000 actual cash value of which the bank was to either deposit or record as a loan from the alleged borrower to the alleged lender or the $100,000 was given to the lender as a gift?

It is a slam dunk because if the bank followed the Federal Reserve bank policies and procedures we know what the bookkeeping entries are and the admissions of the publications. If they did not, it can be criminal. The other three questions have to do with the agreement. If it was not agreed too, how can it not be criminal? If they do not know what the agreement is, it is void for vagueness.

CHAPTER 32
OVER 200 ROUTINE QUESTIONS

Is it a bank policy to open up a customer's checking account or transaction account, or the equivalent, and deposit customer's promissory note in the account and the bank issue checks out of the account without the bank customer's knowl-

edge, approval and without the bank customer's express written permission?

(We use the word policy to show the intent of the bank's method of operation. The bank cannot say they do not know the FED policy. Once we establish FED policy we know the bank bookkeeping entries. The FED publications make it clear the bank did not loan other depositors' money, but made you the depositor. The FED publications claim they exchanged the note for a check and the note funded the check. The agreement concealed the truth and only discussed the loan from the bank to you. It never discussed the loan from you to the bank that funded the loan back to you and the bank never repays the loan from you to the bank. No matter how the bank answers this question they lost. If the answer is yes, show me the written agreement. It sounds like a fraudulent conversion and a fraudulent concealment if the borrower had no knowledge, gave no permission and gave no authorization. Is the bank going to argue you knew the written agreement was wrong? If no, the bank must prove the bank violated the FED policy which is criminal.

Does the contract or agreement or law prohibit the alleged borrower from using the same like kind funds that the bank used as a deposit to issue the funds to the alleged borrower, to discharge the debt?

(If yes, show me the agreement or law. If no, the bank agreed to accept a second promissory note interest free, lien free to discharge the first note. By asking the question the bank must discuss what they deposited. If they deposited the note, they owe you for the deposit and for the loan, only paid you once and owe you one more time because they made you a depositor, not just a borrower. If the bank says you must use cash or a check, ask was a check or cash the only funds the bank used to issue the bank loan check? The bank must prove they violated FED policy if they did not use the note to fund the check. They must also prove they did not deceive the borrower, make false statements, conceal material facts committing a fraudulent con-

cealment and a fraudulent conversion. They must prove an exchange is the same as a loan. Did they redefine words to mean the opposite in order to deceive you to change the cost and risk? For the bank to answer this question, they must fully disclose what money and currency is.)

Did the bank record the promissory note as a debit, to record the note as an asset on the bank's books and create an offsetting liability? Did they claim this liability was the funds they loaned to the borrower without the bank ever using a bank asset to pay the liability it owes the borrower?

(If they tell the truth, the answer is yes. The bank knows you cannot mathematically loan someone the promise to pay, or liability, refuse to pay the same liability, and claim the liability is the payment of a loan when the liability was never paid nor was ever intended to be paid. If you were to loan the bank $10,000 and you gave the bank a $10,000 promissory note of which you refused to honor or pay, the bank would sue you in a heart beat, just like they do when they foreclose. They obviously believe a liability is not payment. This means they converted the promissory note to the banks assets and gave the value of the note back to you in the form of checkbook money, liability. They took from you and gave it back to you as a loan. The liability is the proof of the first part of the transaction they concealed. The liability means they did not loan you a bank asset as consideration for the promissory note. The liability means the bank recorded the note as a loan from you to the bank or as a deposit or exchange.)

Does the bank claim the liability is the money the bank loaned the borrower?

(This is impossible. The bank liability means that upon the customers request, the bank must pay cash or Federal Reserve Notes which is legal tender. Cash, promissory notes, and government bonds all have equal value and can be converted from one to another. They are all recorded as bank assets. When the

bank recorded the promissory note as a bank asset, the bank merely converted the note to cash or government bonds. The truth is, the bank received the asset from the borrower. The borrower had to provide the future labor to give the note value so the note can be converted to cash or government bonds. Someone had to provide the labor to get the cash or government bonds. The bank and other depositors did not provide the labor to purchase the cash or government bonds. Economically speaking, it is similar to the bank stealing the borrower's future labor, promissory note, converting it into cash and returning the value of the stolen property back to the victim as a loan. The asset, cash or note, acted like it was deposited and returned in the form of a check. The new liability is the proof.)

Is it a bank policy to claim what the bank owes the borrower is actual money loaned to the borrower?

(If they answer this question they admit the policy of the bank is to deny equal protection under the law, money, credit and agreement or they must accept another promissory note to discharge the first one.)

Does the bank accept anything other than checks, drafts, CD, cash and coins as money deposited to issue checkbook money?

(If they do not mention promissory notes, then promissory notes are not money or it shows the concealment. If promissory notes are money, give them some more money. If promissory notes are not money and checks are not money and bank liabilities are owing money, where was the money and legal consideration they loaned you? If they refuse the second promissory note as money, it proves they are moneychangers and merely converted currency and charged you as if there were a loan.)

When banks grant loans, is it a bank policy to issue the borrower the modern day counterpart or equivalent of a bank

promissory note without paying the bank promissory note and not being able to pay the bank promissory note without returning the borrower's note or selling the borrower's note and returning the proceeds to discharge the bank promissory note?

(Promissory fraud means the bank knew in advance they never intend to fulfill the agreement. The wording for the question came right out of *Modern Money Mechanics* (p. *3).* This way we can prove they lied, intended to lie, make false statements, and deceive the borrower.)

Is it true the bank cannot pay the liability owed to depositors without using the funds the depositors deposited?

(If they say yes, the borrower is the depositor and they cannot pay without returning the deposit. They did not pay, so it is a breach of the agreement. If they say no, it is obvious they lied.)

According to the bookkeeping entries, when the bank loaned money to the borrower did the funds come from other depositors' accounts or bank capital?

(We ask the question because when the bank granted the loan, the bank obtained an equal amount of government bonds or cash equivalent for free. The bank did not give up an asset to make the loan, the bank gained an asset. They gained the promissory note for free changing the cost and risk to the borrower. Stealing is a damage to any victim.)

Is it a bank policy to claim a promise to pay is the equivalent of actual money?

(The question is asked in this manner so the bank does not know if you mean the bank or you. This shows the bank policy is to deny equal protection.)

When a person deposits $100 in Federal Reserve Notes, FRN, the bank records the FRN as an asset and a liability of the bank owing $100 to the depositor, is the $100 in FRN the actual money that is recorded as a bank asset or is the $100 liability the bank owes the actual money?

(We ask the question to prove cash is recorded as a bank asset and the liability is owing money. This stops the bank from claiming they have a right to create checking account balances and call them money. You cannot create a checking account balance without making a deposit, loaning the bank something of value or exchanging funds for a check. Was it a deposit, exchange or a loan to the bank that created the checkbook money? To win we must establish these facts.)

Is it a bank policy that the check transfers money that was deposited?

(The question is asked to destroy several bank arguments. If they say yes, the check cannot be money. If yes, the promissory note is money. The bank trick is to claim there is money is our checking account to cover a check. Truth is the bank recorded a bank asset as the deposit and credited our checking account to show the bank owes us the money. For the money the bank owes us, we have the right to write a check. As long as the bank owes us the money in the checking account, there is a bank asset to make the check good. The question is, did the bank use the promissory note to fund the check?)

Is money an asset and a liability the opposite, because owing money is a liability and actual money is recorded as a bank asset?

(We must establish legal tender is recorded as a bank asset to win.)

Is it a bank policy to only credit a customers deposit account or transaction account when the bank receives checks, drafts, CDs, cash or coins or wire transfers?

[We use transaction account because the Federal Reserve Bank of Chicago publication *Modern Money Mechanics* (p. *6)* says the bank exchanged the borrower's promissory note for credit in the borrower's transaction account. In the question use the FED publications to prove they lied. The question said "customers", not borrower, so they do not know if it is a borrower or a regular checking account customer. If they say yes, they lied about the bank policy. If they say no, they admit they deposited the borrower's note.]

Does the bank deposit any funds that are not legal tender to create checkbook money?

(If yes, did they deposit the promissory note. If no, is the only money that banks use legal tender? If this is the case, they are claiming the promissory note is legal tender. Did your signature agree you created legal tender. If the bank accepts your promissory note as legal tender, they have no choice but to accept more legal tender. Are they claiming a second promissory note is legal tender? If the first note is legal tender they agree you provided the legal tender to issue the check and they did not loan valuable consideration to obtain the promissory note. You provided the money. If it is not legal tender, see if they will accept the same non legal tender they bank accepted earlier. If no, they admit they are merely moneychangers and charged a fee as if there were a loan.)

Is it a bank policy to deny the borrower the right to use the same kind of funds, legal tender, bank used to create the checkbook money it loaned borrower to discharge the debt? YES OR NO?

(Expect the bank to say you must give cash or a check. That is not an answer to the question. Is the answer yes or no? Did

cash fund the check? If yes, did the bank need to sell the borrower's note to obtain the cash to fund the check? Did you sell the note before you fulfilled the agreement to legally own it? The bank may claim they have received a loan from the FED. If the bank recorded the borrower's promissory note as a bank asset and also received a loan from the FED the bank will have two new liabilities totaling twice the amount of the loan. If the bank ever records the note as a bank asset it is like a deposit, exchange or a loan to the bank or a conversion of an asset. Do not fall for the trick, the bank received a loan from the FED. Even if they did, it is a temporary loan to be repaid quickly to help with the bank's liquidity, cash shortage.)

To make the loan, is it a bank policy to have the borrower first deposit the funds in the bank and then the bank uses these funds to give back to the borrower and call it a loan and then deny the borrower the right to discharge the loan using the same like kind of funds the borrower deposited for the loan?

(According to bank policy and/or economically speaking, the answer is yes. Always use statements from the FED publications and turn it into questions to prove your point. If they lie, you bush whack them with the publication. The bank policy must follow the FED publications. If they lied to you at the time of the loan application, you want them to continue to lie under penalty of perjury and show their false statements, false pretense, deception and concealment.)

Did the bank exchange an IOU from the borrower, promissory note, for another newly created bank IOU, checkbook money, and then force the borrower to labor to earn bank created IOUs to discharge the loan or the bank will foreclose. Does the bank take the foreclosed property without ever paying the bank IOU created in the alleged loan process?

(The question is asked in this manner to show two IOUs were created and exchanged, and both were used as or like money. The borrower's IOU gave value to the bank's IOU, so

the borrower's IOU has more validity than the bank's IOU. The bank's IOU has no value without the borrower's IOU giving it value. It is like stealing your $10,000 car, selling it for $10,000 cash and loaning you a new $10,000 IOU, backed up by the value of the stolen car that was sold. The thief then refused to pay the $100,00 IOU and keeps the cash. There was a loan, but the value came from the property stolen from you. Your labor bought the car. Your labor gave value to the promissory note that the bank received for free, just like the thief received the stolen car for free. The thief received something of value from you for free, converted it into another asset and returned the converted asset to you as a loan. They concealed the first half of the transaction, changing the risk and the cost to the borrower or victim.)

Did the bank fully disclosed the terms and transaction in the written agreement or contract?

(If no, which part was not disclosed? If they say yes, ask which part explained the lender received a deposit or loan from the borrower or an exchange or the lender receiving an asset from the borrower to fund the check. Our aim is to show deception and concealment.)

Is the bank in violation of the enclosed court decisions?

(The court objects to cases before the 1933 government bankruptcy. There could be no bankruptcy if we did not allow someone to create money and loan it to the government and citizens. By asking the question they must expose the bankruptcy and how the banks were involved in bankrupting the government.)

Did the bank loan Lawful U.S. Currency?

(According to the Constitution the answer is NO. We ask to show the banks do not follow the Constitution they suspended in the bankruptcy.)

According to your bank policy, define all items you claim is included in Lawful U.S. Currency of which the bank has a policy of accepting as deposits.

(We want them to admit there is no Lawful U.S. currency unless they redefined the meaning.)

According to your bank policy at any time is a private corporation promise to pay used as legal tender?

(The FED is owned by the local banks. The FED note is a Federal Reserve Note which is a private corporation note.)

Will you accept a non-redeemable note issued from a private bank?

(A Federal Reserve Note is a private non-redeemable bank note. Under the UCC an individual may be a bank. They will not know if you mean you or the FED. If you tried to pay and they refuse, the debt is paid. I received a telephone call from a man who claimed to have used this question in court, and the judge quickly dismissed the foreclosure. The judge did not want to talk about it.)

According to your bank policy, at any time is a private corporate promise to pay note legal tender?

(If no, the Federal Reserve Notes are not legal tender. We ask to show the effect of counterfeiting or similar activity.)

According to your bank policy, has the bank used any promissory note from an individual as a deposit to create checkbook money?

(Obviously the answer is yes, unless they redefine words and bookkeeping entries. We ask the question to point the fin-

ger to fraudulent concealment and fraudulent conversion and false statements and deception.)

If yes, is the promissory note legal tender?

(We ask because we must know if it is legal tender. If it is, the bank is obligated to receive legal tender to discharge the debt. We want to pay in a second note interest and lien fee. If it is not, they deposited non-legal tender to fund the check. Money is recorded as a bank asset. Cash, promissory notes, government bonds all have equal value and are always recorded as a bank asset. The three are easily converted from one to another. If the promissory note is money to fund the check, then the money loaned to us is the value of the note. Borrowers wish to repay in the same kind of money or asset to fund the loan check. If the note was used to fund the check, the note was exchanged for a check or deposited or loaned to the bank. All three are essentially the same or similar bookkeeping entry and have the same or similar economic effect to the borrower.

Lawful U.S. Currency:

Provide a full, lawful, legal definition of "Lawful United States Currency."

Are Federal Reserve Notes Lawful United States Currency?

Are United States Silver coins (e.g. silver dollars) Lawful United States Currency?

Are "promissory notes" (promise to pay) Lawful united States Currency?

Does the State Constitutions... at any time regard "bank liabilities" as Lawful United States Currency?

Is a borrower's promissory note, at any time, Lawful United States Currency?

Is a promissory note Lawful United States Currency when an FDIC bank issues a "loan" to a "borrower" based upon crediting that borrower's transaction account as per Federal Reserve Bank publication *Modern Money Mechanics?*

Since it requires seven (7) Federal Reserve notes (as of 3-1-95) to purchase one (1) United States silver dollar, are both the Federal Reserve Notes and silver dollars Lawful United States Notes Currency?

(If silver coins and FRNs are Lawful U.S. currency, then one dollar is not worth one dollar. Lawful United States Currency does not have the same value as legal tender.)

Is an unpaid "promise to pay" lawful United States Currency?

If bank deposits a "promise to pay" in an account, and the "promise to pay" is never paid, and the bank issues a check from the deposit, is the check actual payment or is the check a "promise to pay"?

(Federal Reserve Notes are the FED's promise to pay and the fact the cash exists proves the bank did not pay their note. The Federal Reserve Note, promise to pay, funds checks." Banks use bank promises to pay as if they are money and force us to do the same or they foreclose. At the same time they use our promise to pay, promissory note, as money to issue the bank loan check and refuse a second note to discharge. It is unequal protection.)

Is it a bank policy to record the promissory note as a bank asset and increase the member banks liabilities in the same or materially the same proportion of the promissory note without

being able to pay the liability in Federal Reserve Notes unless the bank uses the promissory note to pay the liability?

(We ask the question to prove it is bank standard operating practice to owe more money after the bank grants loans. The bank cannot pay the liability without returning the borrower's note.)

If yes, is the bank liability owed the borrower Lawful United States Currency?

(The liability is not even legal tender. It is owing legal tender.)

Is the borrower's Promissory note, mortgage note, legal tender?

Is everything on the bank's balance sheet indicated by $ symbol, Lawful United States Currency?

Is the liability on the bank's balance sheet with respect to bank Deposits Demand Deposit Accounts, Savings Accounts and Certificates of Deposit a liability of the banks to pay the customers of such accounts Lawful United States Currency upon request of the depositor or customer?

(The bank cannot pay the bank liabilities unless the bank canceled the bank loans. If the bank paid their IOUs, your IOUs would be paid and your debt canceled. Even if the bank created more Federal Reserve Notes, bank liabilities increase for every dollar of cash the bank has printed. We ask the question to show the bank does not deal in Lawful United States Currency per the Constitution unless the bank redefines the word to mean the opposite. Owing money is the opposite of gold and silver.)

If the bank paid their debts to non bankers, could this pay the debts of the non-bankers to the bank?

(We must use the word could not would. Obviously the answer is YES. This proves the banks have an unjust enrichment. They do not pay their debts which increase when they grant loans, but they force the non-bankers to pay the debts to the bank. The same question reworded: If the bank paid their IOUs to non-bankers, could this pay the IOUs of the non-bankers to the bank?)

If the lenders (bankers) paid their liabilities owed to borrowers, could this be used by the borrowers to pay the bank back the liabilities owed by the borrowers to the lenders.

(This proves we could never pay all the money owed to the bank because the bank refuses to pay the debts the lenders or bankers owe the borrowers. This forces the lenders to create a situation to force foreclosures and taking the peoples property without the bank ever paying the IOUs and debts the lenders or bankers owe the borrowers.)

Is credit the same as money?

Is credit the opposite of money?

(Federal Reserve Bank of Richmond publication *Your Money* (p. 18) says: "Credit is the postponement of the payment of money.")

Do bank checks transfer credit?

(Look the word check up under *Black's Law Dictionary* and you will learn there must be a sum certain of money per the Federal Reserve Bank definition to make the check legal. The postponement of the payment of money, a bank debt owing money and a check are not money. Money is recorded as a bank asset. If they loaned you credit, it cannot, by the FED definitions, be used to pay a check.)

Does a "borrower" obtaining a bank loan from a FDIC bank receive a loan of Lawful United States Currency?

Does a borrower create Lawful United States Currency upon obtaining a bank loan from a FDIC bank?

Does the borrower and bank combined create money when in the alleged bank loan process?

(If they say no, we have the FED publications to prove they lied. If they say yes, we want to know exactly how it was created, exactly what was created and if one can take this new money out of the bank and take it home. You cannot take a bank liability home, it must stay on the bank's books.)

If you claim new money is created, tell me exactly what the new money looks like.

Can a person take this new money out of the bank and put it under the pillow or in a mattress?

Must this new money stay at the bank and is it only transferred from checking account to checking account or from demand deposit account to demand deposit account by check? Is the new money really a bank liability owing money? Is the real money recorded as a bank asset?

Does a member bank of the Federal Reserve Bank or a FDIC bank create Lawful United States Currency when it lends credit? When it loans money?

Is the bank required to follow the U.C.C.?

(The U.C.C. may allow you to cancel you loan by a second note to discharge the first. The U.C.C. Holder in Due Course shows the bank failed in 2 of the 5 requirements to legally own the promissory note. Good faith (no deception) and giving value

in accordance to the agreement. Stealing is not giving value according to the agreement.)

Is it a bank policy to accept Lawful Currency to discharge a debt or pay off a debt? Does the law or agreement or contract or bank policy require a promissory note to be deposited at a bank for the note to be recognized as Lawful United States Currency or legal tender?

Is it a bank policy to accept all forms of U.S. legal tender to discharge bank loans?

(Why do we ask questions on Lawful money? Many bank agreements only allow you to repay in Lawful United States Currency. The banks accept cash, checks and promissory notes as currency deposited. They try and make you think only the bank liability is money. The asset and liability are married and are one in the same money. They cannot describe what this money looks like. You cannot take it home with you and put it in your pillow. How can they loan you something they owe you and cannot pay you and you cannot see or take home? It is your job to make them look silly and ridiculous. Who created the money and how was it created?)

Did the borrower give value to the bank liability?

(Yes. The promissory note gave the bank liability value.)

Contract:

Did we sign any contract or agreement with the bank which prevents us from discharging our promissory note with another promissory note? Do you know of a law preventing us from doing this? What law?

In regards to the " loan application" or loan contract or loan agreement did WE grant express consent to the lender to de-

posit our promissory note or exchange it for a check and using it to fund a check or loan the promissory note to the lender or allow the bank to create a new bank liability called checkbook money or a checking account balance or Demand Deposit Account balance which the bank used to issue a check back to the alleged borrower?

(If yes, show me the written agreement. If no, the bank may have acted beyond the written loan authority granted. Now you can look the words theft, stealing, and larceny up in the law dictionary and see if it is criminal.)

Does the bank agree with the enclosed Black's Law Dictionary definition on the word "loan"?

(The bank recorded the promissory note as a loan from you to the bank as an implied loan per the bookkeeping entries or it is a theft. You want it back. A loan an exchange or deposit are essentially the same. The borrower provided the asset, promissory note. The question is who claimed they owned it after the deposit or exchange or loan to the bank? Be careful of the definition.)

Are the bank bookkeeping entries similar to the bank receiving a deposit from the borrower to fund the check?

(The key word is similar. The answer must be yes per the FED publications.)

Are the bank bookkeeping entries similar to the lender receiving a loan from the borrower and this loan funds the lenders loan back to the same borrower?

(The answer is yes and the proof and prima facie evidence is the new bank liability or debt or IOU.)

Are the lenders or banks bookkeeping entries similar to or like the borrower exchanging value for value with the lender or bank and charged a fee or charge as if there was a loan?

(Yes. The loan to the bank is the borrower's promissory note recorded as a bank asset with a new liability showing the bank owes money for the promissory note. Then the transfer of the liability to another checking account by check is the loan from the bank to you. One loan exchanged for another loan. The first loan was concealed.)

Does the bank receive promissory notes from borrowers, that can be sold for cash, by merely increasing the bank's liabilities or debts or IOU's?

(The answer is yes.)

Does the bank ever intend to pay these liabilities, debts, or IOUs?

(Answer is no.)

If the bank transfers these liabilities by check, does the liability remain on bankers balance sheets? (Yes.)

Do you have proof the same liability no longer is on the bankers or any bankers balance sheet?

(We have proof per the FED publications these liabilities remain on the banks books indefinitely. They are reduced if a depositor asks for cash and reappear when the cash is redeposited. This is the proof an asset, legal tender was not loaned as consideration for the promissory note. A liability is an unpaid obligation.)

Did the bank disclose in the written agreement that the bank or lender "lent" us unpaid bank liabilities, claiming that the bank fulfilled its end of the agreement, use color of law to re-

quire us to pay the bank substance (labor) in "interest" and claim the legal right to "foreclose" on our real property in case of "default"?

Did the bank loan us valuable consideration to obtain the promissory note?

(A checking account or check that is not redeemable in cash has no value. Loaning a check with no cash behind it lands you in jail just as a fraudulent conversion of the money deposited and a fraudulent concealment of depositing your funds you had no clue were deposited.)

Do we have a reasonable expectation under the loan agreement of achieving equal protection under the law?

If we have reasonable expectation under the loan agreement to receive equal protection under the law, money, credit and agreement, are we entitled to pay the bank in the same type of currency that the bank accepted earlier as the deposit to create the Demand Deposit Account or checking account or transaction account from which the check or similar instrument was issued and lent to us?

Does the bank record a loan from the borrower to the bank or lender? If yes, will the bank repay it? Same question but exchange loan for deposit.

Did the bank change the contract or agreement after it was signed?

Is there another contract or agreement we entered into other than the loan agreement or contract that governs the promissory note?

(Birth certificate, social security, ZIP CODE, drivers license or other agreements.)

Does the agreement give the bank permission not to pay the liability or debt the bank owes and then demands the borrower repay the bank in the exact opposite funds that is an asset of the borrower in the form of labor or real estate to satisfy the liability the bank never paid to the borrower?

(The bank loaned a liability and receives the borrower's labor or real estate for free.)

Is it a bank policy to not pay the liability it owes the borrower and then demand the borrower repay the promissory note with the borrower's asset of labor or real estate while the bank still never pays the liability it owes the borrower?

Did the lender actually exchange an IOU from the borrower with a new IOU the bank issued to the borrower in the form of a bank check which banks trade like money and never pay the liabilities (IOU) it owes and then refuses a newly issued IOU from the borrower to pay the IOU the bank refuses to pay the borrower?

Did the bank meet the UCC requirements to be a Holder In Due Course to legally own the borrower's note?

(They must meet all five requirements. The bank failed in the following two requirements: Good faith (deception and bad faith), give consideration in accordance with the agreement. If the bank stole it or was loaned to the bank or deposited, this part of the agreement was concealed.

Can the bank lawfully own borrower's note without paying for it?

(The agreement said loan. Did they loan value to obtain it or receive it for free? If for free, it changes the cost and the risk.)

Did the bank advertise or create the impression the bank loaned out other investors' money or bank capital, when in fact the bank used the borrower's promissory note as the funds the bank used to issue the bank loan check to the borrower?

(Giving a false impression and failing to correct a false impression is larceny by fraud or deception. See law dictionary.)

Did the bank replace the "money" or "credit" it "lent" to us with the borrower's promissory?

(We ask the question because accountants repeatedly tell me this is what the bank did. They claim the bank loaned other depositors' money and replaced the cash with the promissory note. This is impossible. If the bank replaced the note with the cash, the bank credited (liability column) cash and placed the note as a bank asset. The seller of the house takes the cash or check and deposits it. The deposit is a debit to cash which zeros out cash and creates a new bank liability that never existed before. Now you have a new asset, promissory note and a new liability. If they loaned out other depositors' money, there could never be a new asset and new liability. You ask the question to get them to lie under oath. Show the world they make false statements.)

Did the bank provide unencumbered or encumbered (other depositors' money) value consideration to us upon making the subject "loan"?

(Money can be only one place at a time. If it is in other depositors' accounts, it cannot be loaned out at the same time. Two people cannot spend the same money at the same time. Money is not like a stock split where one dollar becomes two dollars.)

Describe in full, all unencumbered, substantive, lawful, valuable consideration issued to us by the bank upon making the subject bank loan?

(They cannot answer this because they know it did not happen if they followed the FED policy and procedures unless they redefine words to mean the opposite.)

Is the bank legally authorized to sell borrower's promissory note when it never paid for said note, as indicated by the new bank liability remaining on the bank's balance sheet?

(A liability is an unpaid debt obligation owing money for the note. The liability means the note was converted to the bank or loaned to the bank or deposited or exchanged. Where in the written agreement was this agreed to?)

Is the bank legally authorized to demand "interest" payments from us when it never paid for our promissory note, as indicated by the liability remaining on the bank's balance sheet?

Is the bank authorized to foreclose on our real estate when it never paid for our promissory note, as indicated by the liability remaining on the bank's balance sheet?

Unconscionable Contracts:

With respect to fraud and unconscionable contracts and agreements;

Does fraud vitiate all contracts, as indicated in 37 Am Jur 2d 8?

Is "fraudulent concealment" in contracts legal grounds for rescission of said contract?

(According to *Black's Law Dictionary* the answer is yes.)

Is it an unconscionable contract for a bank to "lend" a borrower his own money without disclosing this in the contract?

Do the Federal Reserve Member banks loan the same dollar out to more than one person at the same exact time and collect interest from more than one person on the same dollar at the same time?

Is it a bank policy to call money owed actual money?

Is it a bank policy to claim a bank liability to pay money is money?

Does not the bank asset and offsetting bank liability represent the same money deposited?

(Yes, Yes, Yes. They cannot dispute this and this is the winning argument. You cannot separate the bank asset and the bank liability. They are one in the same. They are married and cannot be separated. For the bank to win, they must separate the two and only call the bank liability money and ignore the bank asset. To win you must never, never forget a $50,000 promissory note is worth $50,000 cash or $50,000 of government bonds and the bank trades notes for bonds and exchanges these for cash as a normal daily bank operation. They all have equal value. You must work to obtain the asset. The bank received your labor for free to obtain the cash or government bonds. They concealed the fact you have to work for the bank for free. Working for free changes the cost and the risk.)

Full Disclosure:

Questions to ask in regard to full disclosure in the contract or agreement.

Is it bank policy to refrain from giving full disclosure of the various contracts and agreements, with all the terms, transactions and conditions set forth to which a "borrower" becomes subject upon receiving a bank loan from the bank?

(If they refuse to answer our questions, the answer is yes, making it a fraudulent concealment.)

Is it fully set forth in the subject "loan application" or "loan agreement" that we, the undersigned, are prohibited from paying off the bank "loan" with the same type funds that the bank used to fund the bank loan check or similar instrument?

Would such a contract or agreement as described in the last question be legal?

Does the subject "loan Application" or "bank loan agreement" fully disclose that the bank set up a checking account or transaction account for us, deposited the promissory or recorded the note as a loan from us to the bank or exchanged the note for credit in the borrower's transaction account or exchanged the note for a check and then called this a loan?

Does the subject's loan application or agreement disclose that the bank uses the borrower's note to create the Demand Deposit Account or checking account balance or transaction account balance (all 3 are the same) and then refuse our right under the UCC to discharge our Note with a like kind note?

Is it disclosed in the agreement a promissory note cannot discharge a promissory note unless the bank accept the notes first as a deposit and charge interest on said promissory note and force the bank customer to use checkbook money to discharge said note?

(This proves the banks act like moneychangers and not truly pure lenders.)

Consideration:

With respect to the consideration the bank lent to this borrower:

In making the subject bank loan, did the bank lend borrower an unpaid bank liability?

(It is impossible to loan a liability without loaning an equal asset in the amount of the liability. The asset and liability represents the same money earlier deposited. If the bank says yes to the question, then it is proof the bank claims it owned the promissory note without loaning one cent of valuable consideration making it a conversion of the note and returning the value of the note back to the borrower as a loan from the bank.)

If the bank did deposit borrower's promissory note as currency, meaning we were "lent" our own money or asset, should we legally be authorized to withdraw said money or asset that was deposited on account with the bank as we would if we deposited funds in a checking account or Demand Deposit Account?

(We want to know why the bank deposits money at one time and allows us to have the money back as a return of capital, and another time it is returned as a loan from the bank to us. One deposit is kept in our name and the other deposit is converted to the bank as if it were stolen. We want the bank to explain this.)

If we deposit funds in our checking account or Demand Deposit Account and withdraw the funds is not the withdrawal the money the bank owes us?

(We ask the question this way because they do not know if we are discussing a normal deposit or a loan transaction deposit. If they question you, ask them if there are differences,

exceptions and if yes to explain all of the situations a bank may be involved in.)

Does the bank claim the money the bank owes us is the money it lent us?

(The trick is the word money which is an asset. Legal tender is recorded as a bank asset so money is an asset and they never loaned us an asset to obtain the note. They dare not answer this and get in our web. Or was it the opposite of money, owing money, they loaned us?)

Was it disclosed in the contract or agreement the borrower provides the funds to the bank as a deposit and the bank uses this deposit to fund to the borrower funds in the form of checkbook money?

Was it disclosed in the agreement the bank accepts promissory notes in exchange for credit in the borrower's transaction account when a check is issued?

Is it the Federal Reserve Bank policy to exchange borrower's promissory notes for credit in the borrower's transaction account which funds the bank loan check?

Does an exchange of $100 from a bank customer to the bank for an exchange for $100 from the bank to the customer materially different if the customer was or was not charged a fee of $100 plus interest for the exchange?

(This is the fundamental question to prove damages. You always have damages if there is a theft. If there is a fee of $100 plus interest, you have an expense of $100. If there is no fee you have an extra $100. Either you or the bank ends up with the $100. If the bank ends up with the $100, you remain in debt constantly paying interest on exchanges. If you are not charged a 100% fee for exchanges, you will not remain in debt constantly paying interest for the exchange. This is a very KEY

QUESTION that must be answered to determine cost and risk of the transaction. You were damaged by $100.)

Was there an exchange of value for value between borrower and bank and the bank charged a fee of 100 percent (%) for the exchange plus interest?

(Yes. This is exactly what happened and the bank covered up the truth calling it a loan.)

Can the bank prove there was not an exchange of value for value between borrower and banker and charged a fee of 100 percent plus interest calling it a loan?

(The bank must prove Federal Reserve Bank of Chicago publication *Modern Money Mechanics (p. 6)* is wrong. It explains that the banks accept promissory notes in exchange for credits in the borrower's transaction account. If they have trouble answering, re-ask the question about the economic effect. Is the economic effect similar to an exchange and the bank customer is charged a fee of 100 percent of the exchange plus interest as if there was a loan?)

If the bank DID NOT deposit our promissory note as currency, is the bank admitting that it is insolvent by having more liabilities than money to cover its depositors Demand Deposit Accounts, Savings Accounts, and Certificates of Deposit?

If the bank did not deposit the borrower's promissory note as currency, is the bank admitting that it is engaged in check-kiting?

When the Federal Reserve Banks increase their assets and liabilities by the amount or close to the amount of the promissory note and never decrease the liability to show payment of the liability does the borrower legally own the promissory note because the bank still owes the borrower money?

(The bank made an exchange and charged as if there was a loan. They still owe us the money they did not loan and yet they charge us as if the loan was made. The liability is the prima facie evidence. The bank does not own the note until they made the loan. The bank must give consideration in accordance with the agreement to legally own the promissory note. The agreement was for a loan not an exchange value for value and charged as if there was a loan. There was no loan, there was an exchange changing the cost and risk. there is no agreement without mutual consent and full disclosure. The bank concealed the exchange.)

Is the promissory note the property of the bank if the bank refuses to loan money is accordance with the agreement to obtain the note?

Was the agreement for the borrower to exchange value for value with the bank and charged a fee of 100 percent for this exchange plus interest, or was the borrower simply to receive a check or similar instrument as the consideration the bank loaned for the bank to legally own the promissory note?

(This is a KEY, KEY QUESTION. It determines damages and cost and risk.)

Would the bank agree to exchange value for value and pay a bank customer 100 percent fee plus interest for the exchange?

(They would have to be totally stupid to say yes. If they say yes, make the deal and get rich. If they say this is not a good deal, then why do the think you would fall for this trick unless you were deceived.)

If the bank owes the borrower money for the promissory note the bank deposited and the bank issued a check for the deposit, then when did the bank issue the check it claimed it loaned to the borrower?

(We ask the question so they must say there was no deposit or there was one. If no deposit, how can money get into a checking account without a deposit? If there was a deposit and a check returned to the depositor, it is a return of the deposit. Now we need to know where is the check for the loan? They will never want to open this hornets nest.)

Is it good faith on the part of the bank to claim it loaned money to the borrower when the bank refuses to pay the liability the bank owes to the borrower?

Is it good faith on part of the bank to remain silent about the fact the bank used the value of the promissory note to deposit on the banks books or record as an asset in order to issue a liability to the borrower and not pay the liability and never able to pay the liability without returning the promissory note or sell the promissory note and return the proceeds of the sale to the borrower, then the bank make a deal with other banks to accept an unpaid bank liability as if it is payment in full which allows banks to obtain promissory notes and liens on nearly every home, car, farm, and business without the bank loaning one cent of other depositors' money or a bank asset as consideration to obtain the promissory note?

Is it good faith for the bank to owe the borrower money as evidenced by a bank liability and not pay the liability it owes to the borrower and then demand the borrower pay the bank back in the form of an asset, borrower's labor or real estate in foreclosure and the bank refuse to accept a liability to discharge a liability and never reveal this in the agreement?

Does the bank claim to be a holder in due course showing good faith by fully disclosing the bank policy in the contract?

Is it good faith for the agreement to be the opposite of the bank policy?

(The bank wrote the agreement knowing the bank operating policy was the opposite. The bookkeeping entries are the opposite to that of the agreement. Is that not a policy of deception?)

Did the bank accept anything other than Lawful U.S. currency or U.S. legal tender as a deposit to create checkbook money the bank issued the borrower?

(Federal Reserve Bank of Richmond publication *Your Money* (p. *7)* says: "While demand deposits...are not legal tender", they are accepted because you can redeem them in cash. The bank liability described on page 7 has a liability married to an asset allowing the liability to be redeemed in cash. The bank cannot claim the liability is Lawful U.S. currency or legal tender. The asset matched to the liability can be legal tender. If the bank claims the bank only deals in legal tender, the borrower's note must be legal tender forcing the bank to accept legal tender forcing the bank to accept a second note to discharge the first note. If they claim the note is not legal tender, they have to accept non legal tender to repay the non legal tender they loaned you. Still the question must be resolved if the bank stole the note, was loaned the note or if the note was exchanged. They do not own the note until they performed under the agreement to legally own the note. We ask the question to hope they stumble and say NO making the note legal tender and forcing them to accept more as money.)

Are the courts correct when they rule that a check is only an order to pay money and is not money?

Is the UCC correct when it claims a check is not money and only an order to pay money?

(Ask questions making them prove the FED or court or UCC is wrong or you are right. If the check is not money and if the bank liability is not money by itself and the liability represents the asset for the deposit creating both asset and liability, where

was the money the bank loaned to fulfill the agreement to legally obtain the note? They cannot answer this.)

If the bank accepts a $100 deposit, do the bank assets and liabilities increase by $100? YES.

If yes, does the increase in assets and liabilities represent the deposit? YES.

(Now you established the liability is directly linked to the asset.)

If yes, is the asset available to pay the liability? YES.

If yes, is the asset and liability linked together in the respect both represent money or funds earlier deposited and if the deposit is paid in cash both asset and liability is decreased by the amount of money withdrawn from the bank? YES.

If the liability is money, then is it true there is a bank asset available to pay the liability? YES.

If yes, then is it true the asset available to pay the liability gives the liability value? YES.

If yes, then is it true the asset available to pay the liability is just as important if not more so than the liability if the liability is called money?

If there was no asset available to pay the liability, could checks be redeemable in cash? NO.

(Switch the word liability with demand deposit account, checking account or check. First ask the question to establish checks are shown as a bank liability. If they disagree with my answers, then they must agree the bank is insolvent. The audit report did not show the bank is insolvent because the bank was not shut down. These questions destroy the argument the bank

liability is money and stands as money without the bank asset directly linked or married to the liability.)

Do bank assets and liabilities increase if there is a deposit? YES.

Do bank assets and liabilities both decrease if money is withdrawn from a deposit account? YES.

Do bank assets and liabilities increase if the bank receives a loan? YES.

Do bank assets and liabilities both decrease if the bank repays the loan? YES.

If the bank accepts new money exchanged for a check or if the bank accepts new money or funds or bank asset to issue a check and the check is deposited in a checking account, do assets and liabilities, of member bank of the Federal Reserve Bank, both increase on the bank's books? YES.

If the bank stole a promissory note and used the value of the stolen property to fund the victim of the theft a loan, would bank assets and liabilities both increase on the bank's books? YES.

When banks grant loans, do the bank assets and liabilities both increase by the amount of the alleged loan? YES.

What was the money the bank loaned to obtain the promissory note the bank obtained from the borrower?

Did the bank obtain the promissory note for free? YES.

If the bank receives a $100 cash deposit, did the bank loan money to obtain the deposit in a standard bank operation and standard checking account deposit? No, there was no loan.

If the bank receives a $100 promissory note and deposits it into a checking account, do bank assets and liabilities both increase by $100? YES.

If a bank writes a check from $100 deposited into a checking account, does the bank check transfer the $100 bank liability from the checking account where the $100 was deposited to the checking account the check is deposited into? YES.

Is there money first deposited into the checking account a bank loan check is written from?

(They must say money is first deposited or it is illegal. They are stuck. This makes the note money or they must admit they sold the note before they gave consideration in accordance with the agreement to legally own it. Selling something you do not legally own for cash and returning the cash back to the victim as a loan is not what the bank wants to testify to.)

Does the bank believe they simply own the promissory note simply by depositing the note?

(Do not ask a legal question, ask what they believe. If they say yes, they believe they own it without loaning anything. If they say they had to make the loan to own the note, they cannot own it. The note cannot fund the check because they do not own the note before a check is loaned to obtain the note. If the check is the money loaned to obtain the note, the note cannot be used to fund the check. The note had to have been loaned to the bank or stolen. Which came first, the chicken or the egg?)

Does the bank believe they own the note before the bank gave a check as consideration loaned to the borrower?

Do you know of any situation where bank assets and liabilities both increase other than a deposit, a loan to the bank or an exchange of funds to issue a check?

(The answer is no, unless the bank stole something and used the value to fund a check.)

Pursuant to the Chicago Reserve Bank publication, *Modern Money Mechanics,* is a Demand Deposit Account a bank liability? YES.

If a depositor deposits money in his transaction account, is he legally required to repay the bank the money on deposit if he withdraws the funds?

(We ask the question because of page *6, Modern Money Mechanics,* explains that when the banks grant loans they "accept promissory notes in exchange for credits to the borrower's transaction accounts." An exchange and deposit are the same or similar bookkeeping entries and economic effect. We use the publication wording in asking the question. Then we make the bank look silly for claiming one brings funds to the bank, the bank uses it to fund a check and the check is given back to the customer. The customer lost the funds and must repay the bank back for the money the bank took and kept from the customer.)

If a bank deposits a "borrower's" promissory note in a transaction account as described in *Modern Money Mechanics, is* the offsetting entry showing a liability on the bank's balance sheet indicate the bank owes the "borrower" money?

(Let them argue there was no deposit. If there's no deposit, no money was deposited to fund the check to you. Let them argue an "exchange" and a "deposit" are not materially different economically or bookkeeping wise. Let them argue the FED publication is wrong.)

Can tendering an unpaid liability constitute payment in full on a debt?

(We ask the question because they do not know if we mean our liability or the bank liability. Now we know the bank liability is matched, linked and married to the offsetting bank asset giving the liability value.)

If a depositor deposits his own funds in a Demand Deposit Account in the bank, does the bank have a corresponding liability indicating that it owes the depositor funds for the deposit?

(This proves the liability is not money and the asset is the money. It is your job to stop them from redefining the word money. Do not let them get away with calling owing money money.)

Is it a bank policy to expand the bank checkbook money supply in approximately the same proportion as to the alleged loan?

(If they claim yes, we trap them into our box because we know the asset and liability are one in the same. The asset must be used to pay the liability, no cash for a check is illegal. Depositing money or funds and converting the funds is illegal. If you deposit funds, you should get the funds back as a return of your deposit, not as a loan of the bank's money back to yourself.)

If yes to the previous question, was the increase in the bank checkbook money supply matched by a deposit on the bank assets of Lawful United States currency or United States legal tender?

(It is your responsibility to show confusion and misunderstanding over money, currency, deposit, exchange, loan to the bank. Look up Deceptive Trade Practices or Unfair Trade Practices and you may find it is described as confusion and misunderstanding. Also see larceny by fraud or deception. If they say yes to the question, try and show your deposit of the note is

Lawful Currency or legal tender and they must accept more. Did they sell the note before they legally owned it to get the money? Do they admit to not depositing legal tender to issue checks.)

Is it true the check is only valid if money is placed into an account the check is written on?

(If they say yes, your promissory note is money or they sold it before they loaned a cent to get the money to fund the check. Was the note altered by the bank stamp and forged into money? Did you provide the money to fund the check? If yes, where is the money the bank was to loan per the agreement? They cannot say no to the question and admit to check kiting and writing checks without depositing money. The real question is whose deposit did they write the check from?)

Is it true that owing money, as evidenced by a liability, is not money, and owing money to an organization is the opposite of paying money?

(Did they loan you money, the opposite of money or convert your deposit and use your deposit to return to you falsely claiming the bank loaned you their money? If they cannot answer the question, are they concealing something or is it they do not know what the agreement really is?

Is it a bank policy to place a lien on the borrower's real estate or other property by claiming the bank loaned money or credit and the money or credit the bank loaned was in fact a "promise to pay" money, as or like a promissory note, owing money which was deposited on the bank's books as an asset and exchanged for a bank liability "promise to pay" based on the borrower's promissory note "promise to pay" without any new Federal Reserve notes or coins to match the new bank checkbook money the bank created and loaned to the borrower?

[If they did not convert the promissory note, and loan you the value of your own money, do they admit to illegal consideration, depositing a promise to pay, exchanged for a check, promise to pay, without paying and making it appear they paid by transferring the bank liability from one transaction account (checking account) to another by check without ever paying the liability? You just asked the bank to step into your hornets nest and get stung.]

If the bank cannot foreclose on the property before the bank pays the bank liability it owes all the borrowers that received loans, then how can the bank pay all the liabilities it owes all the borrowers that the bank owes?

(Before the bank attorney would claim you got the check and you got the house, why are you suing the bank? If there is no Lawful money in circulation and if the borrower provided non legal tender money having equal value to legal tender and the bank used it to fund a check, we do not argue if we got a check or house, we argue if the bank accepted funds from us having equal value to legal tender that the bank exchanged for equal value and charged us a fee of 100 percent of the exchange plus interest. The new liability is the proof of the exchange and a fee as if there was a loan. The bank claiming there was a loan is proof of false statements, fraud on the court, false pretense, fraudulent concealment and fraudulent conversion etc. The question is asked to have the bank argue there is no outstanding (existing) liability and/or that they need not pay the liability. The question says a loan and they are promoting the concept there was a loan of valuable consideration to obtain the note when they answer the question and they conceal the truth by not answering the questions about the transaction and terms of the agreement. Sounds like larceny by fraud or deception.)

Is it a bank policy not to ever pay the liability it owes borrower's in anything other than private bank liabilities?

(Look up promissory fraud and the U.S. Constitution 1:8 and 1:10 concerning gold and silver and credit and 4:4 Republican Form of Government. Were you invaded or were you protected?)

Is it a bank policy to force the borrower to trade in unpaid private bank liabilities and government issued coins to discharge the debt without the borrower's express written agreement to this understanding?

(Show us the agreement. If this is bank policy, the bank acts like and their policy has a similar economic effect as a counterfeiter. If we are forced to trade in unpaid bank liabilities, the liability is the prima facie evidence the bank did not pay the debt they owe us and the note was possibly converted.)

Is the promissory note a "promise to pay" money?

(How can a promise to pay money mathematically or accounting wise be money at the same time?)

Is it a bank policy to deposit "promise to pay" money and use this to create bank checkbook money and claim the bank checkbook money is actual payment and the deposit that created the bank checkbook money is not actual payment of money?

(If the money deposited is not money, how can a check transfer money, or be paid in money?)

Is it a bank policy to have the citizens create the funds the bank deposited for the loan by having the citizen sign a promissory note and the bank depositing the promissory note and than later deny the citizen the right to use promissory notes as money?

(We ask the question to show the citizen created the money or note that can be sold for legal tender, deposited or exchanged for a check. Re-ask the question and use the word exchange

instead of deposit. By refusing the same kind of money to discharge the loan, they prove they are merely acting like moneychangers charging a fee of 100 percent of the exchange plus interest.)

Do you believe you can find bank customers willing to exchange $100 of value given to the bank for the bank giving $100 of value back to the same customer and then the bank charges a fee of $100 for the exchange plus interest? Do you think this is a good deal for the customer?

(Make the bank look silly.)

Is it a bank policy to change a borrower's "promise to pay" money into actual money; example: the borrower signs a promissory note as a promise to pay money. The bank takes this promise to pay money and deposits it on the bank's books and uses this deposit to create checkbook money that never existed before and hand the checkbook money back to the borrower as claim the checkbook money is actual payment of money?

(The bank must admit the promissory note and checkbook money has equal value and they were exchanged. If the note is money, how was it altered or forged into money after it was signed without the borrower's knowledge, permission or authorization? If it is money we gave the bank money to issue the check. Were is the money the bank loaned as consideration to legally own the note? The bank liability is no more money than the promissory note the borrower provided. The bank liability and asset are connected to each other, linked and married and cannot be separated. If the note is not money, the check is not money and the liability is owing the money earlier deposited, where is the money the bank loaned to obtain the note? Did the bank convert the borrower's promissory note?)

Did the bank deposit the borrower's promissory note in the borrower's transaction account?

Page 6 of *Modern Money Mechanics* says "transaction account" so we will call it a transaction account. A transaction account and checking account are materially the same. Bankers interchange the two accounts in there conversations and depositions. We do not care if they agree or disagree if it is or is not deposited. We will win on the next question.)

Do you have proof a deposit is materially different than a customer giving the bank funds exchanged for a check?

(The bank must say no. This gives you the excuse to call it a deposit. How can the checking account balance appear without first depositing money to cover it or a check written on it? Never ask the question unless you know the answer ahead of time. We know the answer so exploit it to the best of your advantage.)

Is *Modern Money Mechanics* (p. 6) correct in saying that when they make loans they accept "promissory notes in exchange for credits to the borrower's transaction accounts."? YES. They cannot prove the FED and bookkeeping entries wrong.

Do you believe the alleged borrower agreed to the exchange?

(If no, discuss fraud. If yes, then why do we call the borrower a borrower when there was no loan and it was an exchange?)

If an exchange, was the borrower or person doing the exchange with the bank charged as if there was a loan?

[The written loan agreement said loan not exchange. Regulation "Z" shows the cost and did not show the customer (borrower or shall we now call the customer the "exchanger") had to give up labor worth the value of the loan to the bank for free. This Regulation "Z" shows the false statement of the cost and the word loan and not exchange. Even the Federal Reserve Bank

publications call the person doing the exchange a borrower when the FED publication clearly call it an exchange and then call the exchange a loan. This is confusing and deceptive to the average non-banker. It changes the cost and the risk.]

Did the borrower sign the check to withdraw the funds from the credit to the borrower's transaction account? Who signed it?

Did the customer (borrower) sign papers allowing someone or the bank to withdraw the funds from the borrower's transaction account?

ANY TIME THE BANK RECORDS THE PROMISSORY NOTE AS AN ASSET TO THE BANK, AND USES IT TO FUND THE CHECK, THERE IS ALWAYS A NEW BANK LIABILITY, AND THE LIABILITY REMAINS ON THE BANKS BOOKS. THE ONLY EXCEPTION IS WHEN CASH IS WITHDRAWN. WHEN THE CASH IS DEPOSITED AGAIN, THE LIABILITY APPEARS AGAIN. THE BANK MAY REDEFINE THE LIABILITY AS MONEY, BUT THE VALUE OF THAT MONEY ALWAYS COMES FROM THE ASSET DEPOSITED TO CREATE THE LIABILITY. THE PROMISSORY NOTE, CASH AND GOVERNMENT BONDS HAVE EQUAL VALUE AND ARE INTERCHANGED DAILY IN BANK OPERATIONS. ONE MUST WORK TO EARN AN ASSET. THE FUTURE LABOR OF THE ALLEGED BORROWER OR CUSTOMER MAKING THE EXCHANGE PAYS FOR THE ASSET. THE QUESTION IS, DOES THE CUSTOMER'S DEPOSIT BELONG TO THE DEPOSITOR, OR DOES THE BANK RECEIVE IT FOR FREE AND THEN SPEND THE FUNDS DEPOSITED?

Did the bank commit promissory fraud?

(Look it up in the law dictionary.)

Was the bank customer informed there was a loan?

Was the bank customer informed there was an exchange?

Was the bank customer informed there was an exchanged and he or she was charged as if there was a loan?

Did the agreement define a loan as an exchange and charge as if there was a loan?

(Look at the written agreement and the foreclosure papers.)

Was the borrower informed in writing the bank did not loan money from other depositors or bank capital to the borrower, but rather that the bank set up a transaction account and the alleged borrower was really an exchanger or depositor and the bank exchanged the promissory note for credit in the customers transaction account and issued a check out of the account, the same account the customer provided funds for and the check is now called a loan?

(If they say yes, show me the written agreement and foreclosure papers.)

Is this check really a return of capital the customer provided and the bank accepted earlier?

(They must say yes because if you deposit $100 of cash and write a check on it, the bank recognizes it is a return of the capital you earlier provided the bank.)

Is it the bank policy to have the alleged borrower loan the bank money or instrument that can be exchanged for money and the bank use these funds to fund the loan back to the same alleged borrower?

(According to the FED *Modern Money Mechanics* bookkeeping entries, this is exactly what happened. Will the bank try and prove the FED publications are wrong and standard bank

bookkeeping entries never happened? Can the bank prove they violated the FED policy and procedures?)

With respect to identity of "valuable consideration lent":

Do the loan documents have any of the following words: lender, debtor, interest, borrower, loan, promissory note, lent, exchange, borrow, money, credit, repayment or deposit?

(We ask the question so we can look at the loan papers and show the words: loan, interest, borrower, lender which indicate a loan. The words deposit and exchange is missing. This shows deception, false statements and concealing the exchange or deposit.)

Did the "money" or "credit" the bank "lent" to us come from deposits of money or credit made by the bank's customers, excluding our promissory note?

(The bank will claim they received a loan from the FED or the money was pooled and one cannot identify exactly were the money came from. If the bank received a loan from the FED so what, it does not matter. As long as the bank recorded the promissory note as a bank asset, you won the argument. The bank must follow the FED policy, procedures and standard bookkeeping entries which means they recorded the promissory note as a bank asset. They must prove they did not follow the FED policy, procedures and bookkeeping entries. All you care about is who provided the asset to fund the check?)

Considering the balance sheet entries of the bank's loans, did the bank directly decrease its prior depositors' deposits accounts (Demand Deposit Accounts, Savings Accounts, Certificates of Deposit) for the amount of the "loan"?

Did the bank "lend" us bank liabilities which is a modern day counterpart of a bank promissory note?

(This question is worded using *Modern Money Mechanics* quote on page 3. Ask the questions that are nearly word for word out of the FED publications so they cannot say they do not know and so they cannot argue. They should know FED policy.)

Did the bank "lend" us an unencumbered, un-hypothecated substantive, bank asset as consideration loaned to legally obtain the promissory note?

Did the bank "lend" us our own money (asset) or asset or value of our own asset back to us?

(They can argue if it is money, so call it an asset or value of an asset.) Did the bank "lend" us our own credit (debt)?

Did the bank "lend" us Lawful United States Currency?

Did the bank "lend" us bank "checkbook money"?

Was the alleged borrower really a bank depositor?

Was the alleged borrower really the one making an exchange of value for value and charged a bank fee as if a loan took place?

Was it possible for the bank to issue a check to the borrower without the borrower providing valuable consideration such as money, or an instrument that can be exchanged for money, for the bank to deposit and issue the bank check, checkbook money, to the depositor? Same question just change the word deposit to the word exchange.

(The answer is no, according to the FED publications.)

Did the bank do this (previous question) without disclosing this in the contract?

(We ask this question because they know it is not in the contract they wrote. Hand the contract to them and say, "show me."

According to the bank policy and procedures and bookkeeping entries, if the bank paid all the people the debt the bank owes customers and the customers used the money to pay the debt customers owe the bank, would the majority of the bank loans be discharged?

(The answer is ABSOLUTELY YES, YES AND YES. This shows the bank never gave us valuable consideration to obtain the promissory notes. This proves the bank never paid the money they owe us for the promissory notes. This proves the bank never intended to pay the debt they owe us. Use a law dictionary and look up "promissory fraud")

If a bank does not have sufficient reserves in Federal Reserve Notes to cover the liabilities for all the bank's depositors' Demand Deposit Accounts, Saving Accounts, and Certificates of Deposit while promissory notes remain outstanding or remain on the bank's books indefinitely as unpaid liabilities (thereby indicating that the bank never paid for the promissory notes and cannot lawfully sell them), is said bank insolvent?

Is an insolvent bank legally authorized to continue in business as a going concern?

Did the CPA audit report indicate the bank is insolvent?

Did the CPA audit report indicate the bank fulfilled the agreement and legally owns the promissory notes?

(We ask the question so we can bring in the CPA auditor who must answer the questions and cannot claim he does not understand. If he took on the CPA audit, he declared to the world he has the competence to know the bank policy, procedures, standard accounting, whether the bank bookkeeping entries gave

valuable consideration in accordance with the agreement, and if the bank legally owns the promissory notes. The last thing the bank wants is to have their accountants testify or legal counsel testify. That is exactly who you want to testify under oath or penalty of perjury. The old bank trick is for the bank to put a flunky on the stand. When you ask the questions, they say, "I do not know".)

Ultra Vires Acts:

With respect to unlawful, criminal, ultra vires acts:

Did the bank fully disclose to the alleged borrower the alleged borrower is really a depositor of the promissory note and the promissory note is the funds deposited or exchanged and from these funds the bank issues a check to the borrower or another party without the borrower's signature on the check or agreement allowing this transaction?

Did the borrower consent, agree, approve and give permission to deposit the promissory note and have someone other than the borrower write a check or similar instrument out of the account and this check be the funds the bank alleges it loaned the borrower and then allow the bank to refuse the borrower to use a promissory note to discharge the promissory note?

If Congress passes unconstitutional laws, are said "laws" ultra vires.?

Is it illegal to demand that a borrower pay the bank in substance, obligate a "borrower" to engage in specific performance, and foreclose on a "borrower's" real property when the bank never paid the "borrower" for the promissory note and the bank liability indicating said non-payment remains on the bank's balance sheet indefinitely?

Is it illegal for a bank to claim they loan money to obtain a promissory note when in fact the bank does not loan money the bank merely issues the equivalent of a promissory note and the other banks trade the promissory note as if it is actual money giving the banks the ability to obtain liens on homes, cars, farms, airplanes, boats and businesses without loaning a bank asset to obtain the liens and without disclosing this to the borrower?

Bookkeeping:

With respect to Generally Accepted Accounting Principles (GAAP): (GAAP is the standard bookkeeping entries. Banks may call these standard entries by another name than GAAP. Ask the banker if the bank standard bookkeeping entries are called a special name other than GAAP. Generally Accepted Auditing Standards (GAAS) is the investigative tests an auditor performs to be sure the financial statements are materially correct. Part of these tests are the standard bookkeeping entries and if the bank performed under the agreement and if the bank legally owns the promissory note. The CPA bank auditor is to protect the public like a policeman protects the citizens from counterfeiters, forgerers, larceny, thieves and the like.)

According to GAAP, did the lender loan actual money or did the lender loan the opposite of money being an unpaid liability in the form of a bank promissory note or did the lender exchange the borrower's IOU (promissory note) for a newly created bank IOU which the bank never paid as evidenced by a liability remaining on the banks books?

(By asking a question according to GAAP, standard bank bookkeeping entries, the banker or CPA must admit, per GAAP, a liability is not money it is owing money. So if they loaned you a liability, they admit they loaned you the opposite of money. If they claim the liability is money or acts like money, they must also admit the offsetting asset to the liability is directly linked, married and connected to the liability. The deposit of

money is evidenced by the new increase in both assets and liabilities.)

If the lender claimed it loaned money to a borrower and then records the promissory note as an asset and credits a liability account, and the liabilities of Federal Reserve member banks increase in the same or similar proportion to the promissory note, according to GAAP did the lender actually loan money to the borrower as the consideration loaned to obtain the promissory note?

(Answer is no. GAAP is clear, concise, unambiguous and without interpretation. Per GAAP the lender knew without a doubt what the standard bookkeeping entries were and what the agreement agreed to. Better yet, any financial institute purchasing the promissory note knew the standard bookkeeping entries and the agreement. Stealing a car and the buyer knowing it was stolen makes the original thief guilty along with the one buying the stolen goods. Use a law dictionary to review, "Receiving stolen goods and property.")

According to GAAP, other than checks, bank drafts, wire transfers, and certificates of deposit used to credit transaction accounts, does the bank credit a transaction account or demand deposit account or checking account without receiving Lawful United States currency or U.S. legal tender as a bank asset?

(If they say no, then per page 6 of *Modern Money Mechanics* a promissory note was used, and per their answer, the note is Lawful U.S. currency and/or legal tender forcing the bank to accept more. You are looking for false statements and deception under penalty of perjury. If not, they admit to using non-legal tender to fund the check. You want to pay them back in more of that non-legal tender.)

According to GAAP does a check transfer money or does a check transfer a "promise to pay" money without money first deposited to make the check good?

[We want the question to be confusing to see how they will react. A Federal Reserve Note is a bank liability per Federal Reserve Bank of Chicago publication *Two Faces of Debt (p.* 4): "Technically, however, Federal Reserve Notes are liabilities."]

Is a bank liability an unpaid obligation on the bank pursuant to GAAP?

(YES, YES, YES and ABSOLUTELY YES. This is why I love questions per GAAP.)

Is it illegal to write a check on an account without first having deposited legal currency in said account?

(They already admitted a bank liability is owing money and a check is not money. Will they say yes and admit the note is legal currency?)

Is *Modern Money Mechanics* correct when it states on page 6 that member banks of the Federal Reserve accept borrower's promissory notes in exchange for credits in the borrowers' transaction account?

(The answer is yes or they must prove the FED publication is wrong. The agreement says loan and the bookkeeping as an exchange and you are being charged as if there was a loan. What a magical trick. We caught them and now they are in our net and we will not let them out.)

According to GAAP, is a "liability" an indicator that the bank owes money (cash)?

(Yes. It is the score card of how much the bank owes each depositor.)

Pursuant to GAAP, if the bank deposits a "promise to pay" money, promissory note, in an account and writes a check from

that account, is the check then the equivalent of a "promise to pay" based on the deposit of a "promise to pay"?

(You ask the question to see how they will handle the question. If I were a bank auditor having to answer, I do not know what I would say.)

According to GAAP, are the bank's Demand Deposit Accounts, Savings Accounts and Certificates of Deposit a bank liability to pay money?

(Yes is the only available answer possible. They cannot say no. If the answer is no, the bank never has to pay customers the money they deposited.)

According to GAAP is the U.S. Constitution the "supreme law of the land" and the Supreme Court the final decision of courts in the land?

(If they say yes, they may have a very big problem. According to the Constitution, money is defined as gold and silver and credit is prohibited . Today they redefined money to mean a promise to pay money. The CPA must know court cases to be sure GAAP is in compliance to the "supreme law of the land" and the supreme court.)

Must GAAP be in conformity with the laws, court decisions and the U.S. Constitution?

(Yes.)

Is it in accord with GAAP for a CPA to ignore the U.S. and State Constitution, court decisions and the UCC and apply the law unequally?

(No.)

If Congress acts in excess of its authority, and government officials violate their oaths of office, are CPAs justified, pursuant to GAAP, to sanction such ultra vires policies and practices?

(They will not get away with it if we get enough brochures passed out and people read enough of my books.)

Does the fact that a large number of people are involved in falsification and intentional effort to defraud exonerate a CPA from his obligation to comply to the Constitution, law and Supreme court rulings?

(You can get away with nearly anything if you are the government until the whole population turns against those defrauding the population. We need to inform all Americans, vote out the ones aiding and abetting the banks and hold trials. We cannot correct the problem until we wake up the masses.)

Is there demonstrable law, an Amendment to the U.S. Constitution, or court cases that allow the CPA to utilize GAAP, violate the law, Constitution, and court decisions on an on going basis when performing a bank audit?

Pursuant to GAAS , Generally Accepted Auditing Standards (the investigation of the financial statements) and GAAP, Generally Accepted Accounting Standards (standard bookkeeping entries), should CPAs be aware of the terms of a contract or agreement such as a bank loan agreement or promissory note to be sure if the banks legally owns said note?

(YES, YES, YES without question.)

When a bank check transfers funds from one account to another is it reasonable, pursuant to GAAP, to assume that the original checking account balance or check to create the bank liability had real money deposited?

According to GAAP, is "receivable" an indicator that the bank is owed money?

(The CPA must say yes. The promissory note is "receivable". Now we have a receivable as an asset and a payable (checking account balance) as a liability owing money. Were is the money?)

Should a CPA have the competence to know the difference between actually paying money and merely transferring an unpaid bank liability by check in a deceitful pretense of payment?

(If the CPA took on the audit assignment he must have the competence. This is why you want the CPA on the witness stand.)

According to GAAP, did the bank loan an asset to the borrower as consideration loaned for the bank to legally own the promissory note?

According to GAAP, did the bank loan consideration in accordance to the written loan agreement to legally own the promissory note?

(Now the CPA must know the difference between money, credit, the opposite of money, if the note funded the check or if the check was the consideration loaned to obtain the note. This is a CPA's nightmare.)

If a bank never paid for the promissory note, it would record it as a bank asset, and have more bank liabilities for its depositors' DDAs, SAs, and CDs than it has bank assets of FRNs to cover, must the CPA give an opinion that the bank is insolvent and the bank cannot pay the bank liabilities without returning the promissory notes or selling them and returning the proceeds to pay the bank liabilities?

Do the bank's assets and liabilities both increase when they grant loans?

Can the bank pay the liability without using an asset to pay the liability?

(No. The bank must use the asset to pay the liability. The liability means the asset was deposited or loaned to the bank, used to fund a check. The liability is an unpaid obligation owing money for the offsetting asset.)

A quick note. The bank may or may not credit a borrower's transaction account. The bank may credit some account. It does not matter. The new liability means it is like a loan to the bank, or deposit or exchange or was stolen. Do not let the banker fool you because of the credit to a new account. A liability is a liability?

According to GAAP, did the bank loan us something the lender did not legally own?

(The CPA must claim the bank owns the note simply by depositing it or exchanging it, or that the bank must loan something of value to obtain it. A bank liability has no value without an asset to pay it. A check is worthless without cash to redeem it. According to GAAP, the bookkeeping entries must conform to the agreement. Now the CPA must give full details of the agreement to answer the question. Only the borrower signed the agreement and only the borrower knows what was agreed to. It's possible the bank or CPA may ignore the agreement and make an exchange and charge as if there is a loan instead of loaning as asset to obtain the promissory note. The answer determines if the banks can obtain the nations assets for free and keep you in perpetual bondage to debt.)

If the bank owes money and did not pay the money, does the bank owe the liability and have the right to loan a liability it owes?

(I do not understand how one mathematically can loan you what he owes you and did not pay you. The liability is directly connected to an offsetting asset. The asset and liability are one in the same money. This means the asset was converted from the borrower to the bank without the bank loaning an asset. That is the key to the whole argument. The bank received the borrower's labor for free instead of loaning the borrower other depositors' labor.)

If the funds "lent" us by the lender remains on the lenders books as an unpaid liability, is a CPA obligated pursuant to GAAP to state that the bank "lent" nothing of value or a check without a deposit or the bank converted the promissory note from the borrower to the bank?

(This is a CPA's nightmare.)

According to GAAP, did the bank make a loan to the borrower?

According to GAAP, was the check the consideration loaned to obtain the promissory note?

According to GAAP, was the promissory note the asset that funded the loan check?

According to GAAP, if assets and liabilities increase, does it indicate a deposit or a loan to the bank or an exchange of funds for a check?

(YES, YES AND YES AGAIN WITHOUT EXCEPTION.)

According to GAAP, if assets and liabilities both increase could it mean the bank stole something of value and recorded it on the bank's books and returned the value of the stolen property back to the victim as a loan from the bank to the victim?

(YES.)

Can you prove the promissory note was not stolen?

Can you prove the economic effect is not similar to stealing the value of the promissory note and returning the value of the stolen property back to the victim as a loan?

According to GAAP and GAAS, does the new liability mean the bank did not fulfill its obligation according to the written agreement?

(The key wording is the "written agreement")

In a deposit, do assets and liabilities both increase? YES.

Do the new assets and liabilities represent the new money deposited? YES

When a bank grants a loan, does the bank record the promissory note as an asset offset by a new liability? YES.

Does the new asset and liability represent the value of the promissory note? YES.

Does the borrower's labor give value to the new asset? YES.

Does the value of the asset give value to the new liability? YES.

According to GAAP, does the value of the loan originate from the borrower?

According to GAAP, does the bank receive something of value from the borrower for free? YES.

According to GAAP, does the bank return the value to the borrower? YES.

According to GAAP, when the bank returns the value back to the borrower, is that called a loan to the borrower?

According to GAAP, what is it called when the bank receives as asset for free from the borrower?

Is it a gift?

Did the bank pay taxes on it as if it is income? NO.

Is it like a deposit?

Could it be like a loan to the bank?

Was it stolen property?

Did the bank receive the asset for free and write a check on it and give the check to someone calling it a loan?

How can the bank get it for free and not pay income tax on it? (Because it was deposited or loaned to the bank. If it was stolen or converted, the thief must pay IRS tax.)

Can you prove it was not a gift?

Did the borrower give it to the bank as a gift?

If it is not a gift should it be income to the bank?

Do you believe the alleged borrower gifted it to the bank?

If it was loaned to the bank and the loan forgiven, is the loan forgiven income to the bank per IRS? YES,YES,YES. You want to see the bank tax return to see the gift or loan forgiveness or theft and taxes paid on the theft or loan forgiveness.

Does a loan that is never repaid have an economic effect like a theft? YES.

THREE KEY QUESTIONS COMING UP:

What is a NOTE?

(A note is an obligation to pay money. It is legal evidence of an obligation or debt.)

What is the difference between a NOTE and " an order to pay" on a check?

(A note is a promise to pay money in the future. On a check "an order to pay" means money was first deposited and the check transfers the money.)

If a NOTE is a promise to pay money and a check transfers money, how can a NOTE fund a check to transfer money?

(This is a CPA bank auditor nightmare of a question. The CPA must tell you if the promissory note is money or not money. They may say it is money to the banker, but not to you. If he says this, then it is and is not money at the same time. Explain that one! This means the bank recognizes you gave them money and the money funded the check so it proves the bank loaned nothing to obtain the note. If the note, check and bank liability is not money, where is the money loaned to obtain the note? How can the bank receive money from the customer, the bank keeps the money and never credit the customers bank statement or acknowledges the deposit. How can the bank write a check off the deposit as if it is the bank's money? Was this deposit a gift from the borrower to the bank? Was it not a gift and really income to the bank? If this goes to court and if there is IRS Tax fraud the JUDGE MUST call the IRS and audit the bank for tax evasion. If the note is a forgiven loan, it is income. This book is not designed for giving tax advice. This information should

make any banker stop and think before wanting to testify in court. Did the CPA properly prepare the IRS tax form? Bring him into court and find out. The tax preparer needs to know what the money was the bank loaned to obtain the promissory note. How can he prepare the tax return without understanding the arguments in my books?)

SEVEN KEY QUESTIONS COMING UP.

Have you ever gone into an international airport and seen moneychangers exchanging American money for German or other money? YES.

Does the moneychanger charge a fee? YES.

What is the fee? Two percent.

Is money an asset? YES.

According to GAAP, if I swap a $100 asset for someone else's $100 asset, is this an exchange? YES.

According to GAAP, if a $100 asset is exchanged for a $100 asset and an exchange fee of $100 plus interest, is this a loan or an exchange?

According to GAAP, is the alleged bank loan transaction more like an exchange and a fee charged or is closer to a pure loan with no exchange?

(The answer is an exchange with a fee. You just destroyed the bankers' arguments. Now you must prove damages to win. Anytime you have a theft or lost money or a loan someone refuses to repay, you have a damage. You have perpetual debt and economic slavery. If someone kept stealing from you and returning the value of the stolen property back to you as a loan, you would call the police and have them arrested. At the bank

they use false statements in the written agreement or conceal what I believe are important facts. If people understood the truth, they would vote out every lawmaker, judge and police aiding and abetting the bankers. The truth is hidden so they can continue in this economic bonanza.)

THREE KEY QUESTIONS COMING UP.

Does the bank expect the alleged borrower to repay the loan? YES.

Does the money go to repay the depositors or investors who provided the money that was loaned out to the alleged borrower?

According to GAAP, was the borrower the one who provided the bank with an asset that was used to give value to the bank loan check?

(If the bank answers these three questions correctly, the bank has to give you back the money that funded the check. This is another CPA bank auditor's nightmare of a question. Expect the bank to claim they have a right to create money. If they do, go back to the line of questions proving the bank liability has no value apart from the bank asset used to create the bank liability. Never forget, a check is illegal without first depositing money. This is the same for you and the bank. The question was who provided the asset to fund the loan? The alleged borrower provided the asset that gave value to the bank loan check.)

TWO KEY QUESTIONS COMING UP.

As a CPA, do you believe it is material if I took an asset from you without your permission, deposited it and wrote a check off of it and loaned the money to another party, never told you, and never returned the asset to you?

Do you believe that would be a damage to you?

(If he says no, he just gave you legal permission under penalty of perjury to steal from him and he does not think he would be damaged. Your future labor, promissory note, is your asset and property unless you are a slave. He just agreed you were damaged.)

If the funds "lent" us by the bank remain on the bank's books as an unpaid liability, is a CPA obligated pursuant to GAAP to state that the bank owes us money? YES.

If the funds "lent" us by the bank remain on the bank's books or member books of the FED as an unpaid liability, is a CPA obligated pursuant to GAAP to state that the bank does not own and have no claim on our promissory note, is not a holder in due course of the note, cannot lawfully sell our note, cannot lawfully enforce specific performance against us under color of law, and cannot lawfully foreclose on our real property? YES.

Is the "consideration" the bank "lent" with respect to the subject promissory note a newly created liability the bank never paid? YES.

Did the promissory note give this new liability value? YES.

According to GAAP, did the bank's bookkeeping entries reflect the same or similar entry as or like depositing the promissory note to fund a check?

(YES. They can call it anything they want, but it is really a deposit. The key is using words like and similar in the question. After they answer, you can argue with them to fine tune a response to get your foot in the door to saying a deposit.)

In making the subject "loan" did the bank place our promissory note or security agreement on the bank's books as a receivable and issue us a liability for said promissory note? YES.

(They took the value of the note to fund the liability and used a check to transfer the liability and told us to use the new liability as money to repay on the asset we loaned ourselves. They must think we are really stupid to agree to this. Would they agree to loan themselves their own money and pay us back the principle and interest as if we funded the loan but we never invested one cent (asset)? If yes, I want to loan them $100 million at 8% interest.)

To qualify for a loan, do you have to be stupid? A little humor.

Is our promissory note the valuable consideration the bank used to "lend" us in the form of a bank check or other bank funds?

(Why do we ask this question? The key is the word "lent". The bank is still concealing the exchange and a fee as if there was a loan. By answering the question "LENT" they make us believe there was a loan and not an exchange. They should say, "I do not know about loan, there was an exchange." Larceny by fraud or deception includes failing to correct a false impression or reinforcing a deception.)

Was the loan check or draft or similar instrument (wire transfer) the legal consideration the bank loaned the alleged borrower in order for the bank to legally own the promissory note?

(I repeat this same question many different ways to drill it into your mind. Which came first the chicken or the egg? If yes to the question, they must prove the FED publications are wrong and the standard bank bookkeeping entries never happened. If they say no, they admit the check is not the loan. So we want to know what is the money loaned.)

According to GAAP, did the bank use the borrower's (trader's, remember the exchange) promissory note to discharge the seller's (person selling the house) promissory note?

(Yes. The bank simply demanded you use checkbook money as the medium of exchange. To do it, they get the interest and lien for free.)

What law requires the alleged borrower to deposit the promissory note at a bank to use the promissory note to discharge the seller's promissory note?

(You ask the question using the word deposit. If they answer yes, they admit there was a deposit. If they say no, then go after the agreement and conversion.)

Did the borrower provide the consideration, promissory note, that was used to discharge the sellers promissory note?

[Yes. The bank received the asset from the alleged borrower. They cannot deny this. It shows the bank never loaned valuable consideration (asset) to the alleged borrower to obtain the promissory note.]

Did the seller of the real estate or property (house or car) allow the borrower to mortgage the property so the sellers mortgage note can be discharged?

(Ask some stupid questions and questions that make no sense so you can see their reaction so you know when they really do not understand or if they are lying trying not to answer.)

If a Demand Deposit Account is a liability and a check merely transfers the bank liability to another account, is the real money, legal tender, promissory notes that can be exchanged for cash and government bonds recorded as a bank asset?

[Yes. If is like exchanging cash for a casino token (bank liability). The token is used like money but the value for the token is the cash. The cash exchanged for the token is the same unit of money.]

Is it illegal for a promissory note to discharge a promissory note?

(No, not if you agreed. We ask because the bank does not know if you mean the bank depositing the note to discharge the sellers note or if you discharge your new note interest free, lien free to discharge the first note. The bank demands you exchange your note for bank tokens and use the tokens like money and the bank charges a fee of 100% plus interest for the use of their tokens. Then the token is used as money to discharge the sellers mortgage note. It is like the old Jewish Temple sacrifices. They would not let you sacrifice your own animal. The priest would force you to buy an animal from the priest at a higher price. They refused to allow you to use regular money, you had to exchange normal money for Temple money to buy the animal. In the exchange they made a second fee. Jesus threw them out. It is the oldest bank trick there is. Once it is exposed to the population, the people vote an end to the moneychangers. We just need to get the word out and expose it.)

Is the bank acting like a moneychanger exchanging promissory notes that act like money under the UCC or can be exchanged for cash and exchanging this asset for bank checkbook money or check and then not allow the person who used the promissory note to use another NOTE to discharge a NOTE unless it goes through the bank so they receive a fee?

[You want to know if the priest (banker) reinstated the old religion (banking) in America. If they have trouble answering correctly, re-ask the question but start it with "According to GAAP..." Now they must say yes and they must admit there is no loan just an exchange. Now you examine the written agreement and look for the words loan, lender, borrower, interest,

debtor to show they used deception and never used the words deposit, exchange or loan to the bank.]

Did the CPA, in this instance, in auditing the bank's financial statement and balance sheet, first review a government auditor's work papers?

(We ask because this gives us the excuse to bring in the government auditor. Typically an auditor will examine the previous auditor's work, I do not think it is mandatory they review the government auditor's papers.)

In auditing the bank's books in this instance, did the CPA consult experts to determine if Generally Accepted Accounting Principles or the banks standard bookkeeping on the industry and the FED policy were faithfully applied and that there were no violations of law, the U.S. Constitution, or court cases or written agreement?

(Buy an audit book from a college teaching accounting and I think you will find that they should have, or that they knew or should have known, the information.)

What gives the bank or CPA the right to Violate the U.S. Constitution and court decisions?

Is it bank policy for Federal Reserve member banks, bank auditors and CPA's to rely on a a standard accounting system that is the same or similar to that shown in Federal Reserve Bank of Chicago publication *Modern Money Mechanics?*

(They may claim they never heard of or read *Modern Money Mechanics* which shows ALL the bookkeeping entries banks make. Some banks use the long and other the short version but each version ends up with the same results outlined in my books. Change the question to see if they call the standard bookkeeping entries used by the banking system by a certain name. Is it called GAAP? This is important to us because if they agree

they follow the Federal Reserve Bank approved bookkeeping entries you do not have to see the accounting records of a bank that no longer exists. If in a bind, subpoena the FDIC records of the bank called a "Call Report". Every three months the bank sends their financial statements to the FDIC showing the income statements and balance sheet. This report proves everything I have been saying. Even if the bank no longer exists, the FDIC has the "Call Report." They can go to jail if they do not follow the standard bookkeeping entries established by the Federal Reserve Bank. If they claim they do not know what the bookkeeping entries are, you have them under perjury. The banking system cannot operate without the standard bookkeeping entries. Once you establish what they are per *Modern Money Mechanics,* you need not look at the bank's books. Now you know what the answers are before you ask the question. The word "policy" is key in the question. It shows a standard method of operation. A consistent pattern of bookkeeping entries. The bookkeeping entries must be standard for all banks because all checks are cleared through the Federal Reserve system. If they were not standard, it would create chaos.)

Is it bank policy to "lend" a "borrower" bank liability and transfer said liability from the bank to the borrower so that the "borrower" is thereby obligated to pay the bank "interest" in existing money obtained by the "borrower's" labor and allow his property to be foreclosed upon by the bank should he "default" on paying the bank said liability borrower owes bank?

Is it established policy not to pay the bank liability bank issued borrower to obtain promissory note and nevertheless claim promissory note as bank property and sell them and enrich the bank who still never pays the liability it owes borrower?

Is it bank policy to call something "credit" at one time and later title the same thing "money"?

(Truth is they add credit and money together and call it money. How can you add the opposite of legal tender and legal

tender together and call it money? How can you add credit, the postponement of the payment of money, and money together and call it money?)

(Truth is, the bank adds the bank liabilities together and call the total of the bankers liabilities the money supply. They could just as easily add the real money up recorded as a bank asset and subtract bank capital and have the same exact total. The number is right there on the banks balance sheet, It takes all of ten seconds to get the total either way you do it. They confuse you by adding up the liabilities instead of the real money so they make you think the liability is money. If they can make you think the liability is money, they can make you believe you received valuable consideration instead of your own asset sold and returned in a different form.)

Is it bank policy to train and teach the bank lending officer to provide full disclosure under the contract that the bank is not actually lending lawful United States currency and intends to refuse tender by a borrower of funds of the same type as were used to fund bank loan check?

Is it a bank policy to receive the borrower's promissory note for free and "lend" the value of the note back to the same borrower and call this a bank loan?

(If they refuse to answer yes, ask the question "Per GAAP...)

Is it bank policy to sometimes accept something as currency while at other times, pursuant to the bank's discretion, refuse to accept the same thing as currency in order to enrich the bank?

(Policy is the key word. However they answer, you could ask twenty-five more questions. What do you accept sometimes and not at other times?)

Is it bank policy to "expand" the money supply (i.e. create new "money" out of nothing) by making promissory notes give

value to the new bank liability created in the alleged bank loan policy?

(This way we show the money banks create has no value without the value coming from the borrower. The borrower provided the value not the bank. The bank did not give valuable consideration, the bank received valuable consideration from the alleged borrower.)

Since, as per *Modern money Mechanics* and the bank's balance sheet and the fact the bank liabilities increase at the same rate notes receivable increase, is this not proof the checks tendered to "borrower" as "loans" could not have come from the bank's capital or other depositors' accounts?

(We ask the question to show them we not only know the subject material but to show them if they lie, we will catch them. Be careful with this question, they can try and fool you. They can rightfully claim bank assets and liabilities increase if the bank receives a loan from the FED. We do not care. If the bank ever records the promissory note or the proceeds from the sale of the note as a bank. asset, we caught them in our web and we will not let them go.)

Is it bank policy to inform its "borrowers" that the bank uses the promissory note as or like money to fund the bank loan check? Per GAAP, is this what really happened? YES.

(We are looking for deception, false statements and a bank policy failing to correct false impressions or deception created or reinforced by false advertising or an agreement concealing material facts. See larceny by fraud or trick.)

Is it a bank policy to foreclose on real property before the bank pays the liability it owes the borrower that is being foreclosed on? YES.

Is it established bank policy that before the bank can sell a promissory note it must have lawfully paid for it?

(If yes, explain the details what the bank had to do to lawfully pay for it. If they do not know, does it mean there is no policy to lawfully pay for it?)

Ask the bank the previous questions in this book and change the questions to regarding bank POLICY. Policy shows intent and procedure. Then hit them on the Federal Reserve Bank publications.

CHAPTER 33
FRAUDULENT CONCEALMENT

Fraudulent Concealment is not only hiding material facts but also the banks planning to prevent inquiry or escape investigation or to mislead. In court proceedings I have seen bankers under penalty of perjury lie and mislead. The following chapter is taken from a court case. The bank refused to answer the following admissions as true or false. The bank thought they were vague, argumentative and ambiguous. The bank is the one with the specialized knowledge of banking. It is their industry, they wrote the agreement and performed under the standard bank bookkeeping entries. If they are confused, should not the average borrower be confused showing deceptive or unfair trade practices and or fraudulent concealment? If the bank cannot tell us what the agreement is, how can there be an agreement? As an average American, I ask you to judge whether the bank should have knowledge to answer the following court admissions as to being correct or incorrect.

A trial has a discovery practice which allows one to ask the other party questions or use requests for admissions in civil cases which are governed by Federal Rules of Civil Procedure 36.

CHAPTER 34
ACTUAL COURT CASE: REQUEST FOR ADMISSIONS

In this case, the plaintiff makes the statement as if the banker is making the statement, and then the banker must admit or deny the statement. In a real court the banker claimed these statements were argumentative, vague and ambiguous. Obviously they did not want to admit or deny these statements. As a non-banker, do you understand the following statements? If yes, how could they be vague or ambiguous? It proves fraudulent concealment and larceny by fraud and deception.

The following statements were given for the bank to admit or deny.

I admit that it is part of my duty and ethics, as a CPA (Certified Public Accountant) to be a "policeman" for the public and uphold GAAP (Generally Accepted Accounting Principles-standard bank bookkeeping entries) involving equity, law and full disclosure.

(I ask, if the CPA auditing the bank must have the competence to conduct the audit and understand the agreement and bank bookkeeping entries. How can this statement be argumentative, vague and ambiguous unless they do not want to answer the question. If the general public can answer it, why cannot the bank answer it?)

I admit that it is my responsibility to assure the public and the government in authority over lending institutions, that the lender performed according to the contracts concerning the promissory note, thus loaning the money they promised.

I admit that the bank balance sheets and or financial statements will show the bank was made whole by the borrower.

(The borrower offered to put the bank back in the same position as before the alleged loan by demanding the bank return the promissory note loaned to the bank and or the bank accept the same kind of money the bank used to fund the bank loan check.)

I admit the bank received approximately $100,000 of actual cash value from the alleged borrower, the bank returned the same value it received from the alleged borrower back to the same alleged borrower and claimed the money returned was a loan from the bank to the alleged borrower.

I admit that the bank's balance sheet and or financial statement will show there is no injured party at _____(bank's name), at the hands of the borrower.

I admit that the bank's balance sheet and or financial statements will demonstrate that the bank sent foreclosure notice to the alleged borrower of the property before the bank paid the liability the bank owes the borrower.

(Trading the liability by check from one demand deposit account to another demand deposit account is not payment of the liability. To pay the liability they must return the promissory note or its equivalent value to the borrower.)

I admit that, according to Generally Accepted Accounting Principles (GAAP standard bank bookkeeping entries) the bank must lawfully loan money or actual cash value to the alleged borrower before the bank can legally own the promissory note.

(If your 10 year old child cannot understand he is to receive his allowance in money or he is to receive money if he sold his toy, you would teach him. If a bank sold you a government bond, they will demand they will be lawfully paid before

the ownership of the bond transfers to you. How can the bank claim they cannot answer yes or no because it is ambiguous?)

I admit that, according to the GAAP, it is permissible for the bank to kite a bank loan check of bank's own credit from it's own so-called required reserves to borrower's account by making nothing more than book entries, which the bank created itself, at no cost to the bank.

(After reading my books, do you think you could answer this admission for the bank?)

I admit that, based on GAAP, promises of money are not money.

[We make this statement (admission) because according to accounting principles (GAAP) a liability is not money, it is owing money. If they answer, they are forced to admit they never loaned us anything of value to obtain the promissory note.]

I admit that the bank's balance sheet and or financial statement of the bank will reflect that the bank did not loan money having actual cash value to the alleged borrower to obtain the promissory note.

[The bank should know if the bank loaned money (actual cash value/bank asset) or the opposite of money which is owing money/liability. A bank liability has no actual cash value.]

I admit that I knew that the bank was asking me, as auditor, to overlook the fraud contained in their balance sheet and financial statement, by having me, as auditor, claim the bank owned the promissory note when in fact the bank never loaned anything having actual cash value to the alleged borrower as consideration to obtain the promissory note.

(I am not claiming the auditor is involved in white collar crime. Fraudulent concealment is a felony. If the auditor had

the competence to audit the bank, have the auditor explain what the real bank loan agreement is.)

I admit as auditor I knew what the written bank loan agreement said and knew or should have known the bank owned the promissory note without ever loaning anything having any actual cash value to the alleged borrower.

(The auditor must conduct tests proving the bank made an exchange and called it a loan. The auditor knew the bank deposited the note and owned it without loaning one cent of legal tender or other depositors' money. If the auditor fulfilled the required audit tests, the auditor had to have known the bank intended to receive something of value from the alleged borrower and returned the value back to the alleged borrower calling it a loan.)

I admit that the bank records something as credit in one instance and records that same thing as money in another place on the books.

I admit that the bank's balance sheet shows the bank liabilities increased at the same rate notes receivable increased, proving that the check tendered to the Borrower was funded by the borrower's promissory note.

(I do not believe the bank is so stupid as to think these admissions are confusing or vague or ambiguous. I think they want to conceal the truth.)

CHAPTER 35
QUESTIONS TO ASK CREDIT CARD COMPANIES

According to your understanding of the alleged agreement, if I charge $400 to the credit card, does the credit card company loan me other peoples $400? NO.

According to your understanding of the alleged agreement, if I charge $400 to my credit card does the credit card company not lend me other peoples' money, record the $400 I owe the credit card company as a $400 asset with a newly created $400 liability on the credit card company's accounting books and then transfer this liability to the store I charged the $400 to so I receive $400 of merchandise? YES.

If I loaned $400 to the credit card company, would the credit card company's assets and liabilities increase by $400? YES.

If the credit card company stole $400 from me and recorded the stolen $400 on the accounting books and records of the credit card company, would the credit card assets and liabilities or capital increase by $400? YES.

According to your understanding of the agreement, if I charged $400 to my credit card, does the bank receive a $400 asset from me for free and return the value of this same $400 asset back to me as a loan from the credit card company to me and this loan pays for the merchandise I bought using my credit card? YES.

According to your understanding of the agreement, does the credit card company charge interest to me for the use of an asset the bank loaned to me that existed before I charged the $400 to the credit card? NO.

According to your understanding of the agreement, if John Doe uses the credit card to charge $400, according to the credit cards company's bookkeeping entries, is John Doe also at the same time the lender or creditor to the credit card company in the amount of $400? YES.

Does the credit card company comply to the Federal Reserve Bank's policies and procedures when issuing credit and charging interest to customers of the credit card company when the customer uses the credit card to buy merchandise? YES.

Is it the credit card company's policy to deny equal protection under the law, money, credit, agreement or contract to the users of the credit cards? YES.

According to your understanding of the word "CREDIT", does your credit card company define credit as per Federal Reserve Bank of Richmond's publication *Your Money* (p. 18): "Credit is the postponement of the payment of money."

According to your understanding, can credit be transferred by check? NO.

(See *Black's Law Dictionary* for the definition of check. They give the FED definition of having a certain sum of money to make the check legal. They must now prove the FED is wrong in the definition of the words credit and check. Per the above FED definitions a check cannot be paid in credit.)

Does your credit card company charge interest for the use of borrowed money? (The key is money or credit.)

Does your credit card company charge interest for the use of the postponement of the payment of money the credit card company loaned? YES.

What is money according to your company policy? Please tell me what money looks like.

What is credit according to your company policy?

Please hand me a piece of credit. Please give me a physical description as to what credit looks like. Is credit the exact same thing as a Federal Reserve Note? What does credit physically look like? Is it 3 inches by 6 inches? Is it blue or green?

Is credit a bank or credit company accounts payable or debt or liability the bank does not pay and simply trades from one account to another? YES.

According to the bank or credit card companies bookkeeping entries, if the bank or credit card company paid their debt associated with granting loans, could it pay the debt borrowers owe the bank or credit card company?

(The answer is yes. The borrower created an IOU and the credit card company created an IOU. The bank trades the credit card company IOU as if it is money. The Borrower's IOU gave the credit card IOU value. The borrowers future loan payments paying interest gave the Borrowers IOU value. The borrowers future labor give it the value. The Borrower's IOU has value and can be sold for cash. This cash gave the credit card IOU value. All value for the loan came from the borrower. Two IOUs were created at the same time. If the bank or credit card company paid their IOU, it cancels the borrowers IOU. If the bank or credit card company paid the unauthorized loan from the borrower to the bank, which is a theft if the bank or credit card company refuses to pay it, that pays the loan from the bank or credit card company to the borrower.)

According to your company policy, did the borrower provide the bank an asset which the credit card company returned the value of the asset back to the same borrower calling it a loan? YES.

According to the company policy, does the credit card company act like a moneychanger, receiving an asset from the borrower and returning the value of the asset back to the same borrower and charging as if there was a loan? YES.

What are the bookkeeping entries?

According to the written agreement was the borrower to loan anything to the credit card company? NO.

According to the written agreement, was the borrower to give the credit card anything of value of which the bank liabilities increased by the amount of what the credit card company received?

According to your understanding according to the written agreement, was there to be an exchange of equal value for equal value between the credit card company and the borrower? NO.

How can the bank or credit card company liabilities increase by the amount of the loan if they did not receive a deposit or a loan or an exchange from the borrower?

(These questions are asked to expose the whole truth and expose the concealment. If the bank cannot define what credit or money is, how do you know what they loaned you. Imagine the credit card company claiming they loaned you credit but they never have seen credit and cannot describe what credit looks like or where it came from or if the bank or if the borrower's asset was used in the process to create it.)

Warning: I believe there are a few credit card companies that may not be creating a new liability. Debit cards do not create a new liability.

CHAPTER 36
MONEY AND DEPOSITS

If one deposits a dollar into a checking account, demand deposit account or transaction account, do the bank assets and liabilities increase by one dollar? YES.

Does the new bank asset and liability represent the one dollar deposited? YES.

(Be careful in asking the question. Once it is deposited, the bank owns the money and it records it owes you the money. The dollar deposited is not owned by the depositor, it is owned by the bank, so be careful in asking the question.)

Does the new bank asset and liability represent the same transaction? YES.

(The asset and liability are one in the same. It is like they are married together and cannot be separated.)

Does the liability represent the bank owes the depositor cash? YES.

If the bank uses a check to transfer the bank liability to Joe's checking account, is Joe entitled to the value of the asset or cash the liability represents?

(They must say yes or it means the bank does not have to pay us the money in our checking account.)

Does the bank liability act like a bank note or token in the respect that if one deposits money at the bank, the bank gives the depositor a credit on the depositor's bank statement showing they owe the depositor money? YES. Is the credit like a token or bank note and the credit or bank note or token is traded

like money and can be redeemed for the value of the asset earlier deposited? YES.

(These questions stop banks from claiming they create money unless they also agree the value of what the bank created came from the depositor who is also the borrower. This opens up the agreement, bank advertising, deception, false statements, fraudulent conversion and fraudulent concealment.)

Is a new bank liability created when a deposit is made? YES.

Does the liability act like money with the presumption the liability can be redeemed in cash or a bank asset?

(Checks act LIKE money with the presumption there is cash or a bank asset that can be sold for cash behind the check. Once they agree the liability acts LIKE money provided an asset is directly associated with the liability to pay the liability, then the bank cannot claim they create money unless they also agree the value for the new money came from the borrower's promissory note. The bank must agree then they contributed no valuable consideration, asset, to obtain the promissory note. Now they must explain how the bank received the asset, promissory, note for free when the agreement the bank wrote claimed they would make a loan, loan a check as consideration for the promissory note. The promissory note cannot fund the check until the bank performed under the agreement and gave or loaned value in accordance to the agreement to legally own the promissory note, They cannot steal it or record it as a loan to the bank without an agreement. The bank did not loan other depositors' money according to the FED publications so if the note did not fund the check, there is no money behind the check. Anytime the bank records the note as an asset, there is a new liability. If the bank received a loan from the FED to fund the check, there are two new liabilities in the amount of the loan and the bank still lost their argument.)

Do you know of any situation in which a bank receives cash or a negotiable instrument from a customer where the paper is convertible to cash or can be quickly sold for cash or cash equivalent and a new bank liability is created which the bank refuses to return back to the customer as a return of capital the customer provided the bank?

(We ask the question because it differentiates between what the bank calls a deposit and a loan. It exposes the bank receiving value from a borrower, promissory note that can be sold for cash, and not returning it to the borrower as money deposited but returns the value back as a loan. It is a conversion of the asset to the bank for free and returning the asset back to the depositor as a loan.)

How can the bank create a new bank liability without a new asset to balance the books?

(It is impossible to create a new liability without a new asset.)

Do you know of anytime a new bank liability can be created without a deposit or a loan to the bank or an exchange of funds for a check?

(These are the only situations, unless it is a theft. The bank can redefine an exchange to be a loan but it is still an exchange. Now you just exposed the bank and they have to admit you are correct.)

Does the bank claim a bank liability is owing money?

Does the bank claim a bank liability is money?

Is owing money the opposite of money?

CHAPTER 37
INCREASING YOUR WEALTH

Why do the judges and police allow this to continue? If you were a judge or police knowing the secret and could double you money every 6 to 8 months, would you violate your oath to uphold the Constitution giving everyone equal protection? It may take some sole searching when you figure $5,000 can become $5 million in 5 years.

A few days before writing this chapter, a family invited my girl friend and I over for dinner. The bank was trying to foreclose. He owed $68,000 and the house was worth over $230,000. It was a big, 5,000 square foot house. Who ever buys the $68,000 mortgage and allows it to go to foreclosure could invest $68,000 and sell the property for a nice discount and still triple their money in a matter of months. Either the banker or investors will make the profit. What stops judges, police and lawmakers from pooling money into a trust or money market and using this vehicle to make a profit without anyone knowing who is collecting the money, especially if the trust is foreign owned. This way a judge or police can claim, they are not participating in such an activity.

People with morals are helping the victims. This stops bankers and their agents from receiving the equity for free. This way we can help the foreclosure victim and stop the bankers from receiving the equity for free by simply diverting the equity back into our hands.

I am looking for leaders I can train, to put on seminars, make money together with me so we can do what is morally right and save people. I ask you to contact me so we can raise money to save this nation and the peoples property.

We have a plan, a seminar, and a method to make this happen. We need participants who will be loyal to the cause, working together with us for the benefit of all.

If you wish to join us in helping foreclosure victims and increasing your wealth, write to me. Send a self addressed stamped (32¢) business size envelope marked "Increasing My Wealth." Send to Tom Schauf c/o P.O. Box 91320, Tucson, Arizona state (85752-1320). Please send a donation of $2 to offset our expenses.

CHAPTER 38
INCREASING YOUR WEALTH

Too many times I talked to people who found what the bankers are doing, and they told me they refused to participate in fraud. As a result, they stop paying the bank payment and the bank forecloses. Then they rent an apartment and the rent goes to the bank anyway, paying the landlord's bank loan. We are forced into a feudal system where the bankers own the land through liens, and we must pay them rent or interest or they foreclose and obtain the equity for free. The only way to stop this is to change the banking system, out wit them in their own game.

For the record I will state, I am against buying foreclosed property. I am for helping the foreclosed victim save as much of his equity as possible and minimizing his damages. For 4 to 6 years I have lived off savings, helping people. I learned that no matter how noble I am, helping people for free, I cannot help anyone if I am broke and out on the street because I worked for free. People with money have one rule, get the money first. Second rule is never invest the money unless you get a quick return and are fairly compensated for the risk of investing. If we wish to attract capital to save people, the people with money

need an incentive to invest their money, or the victims remain victims.

Few people have $50,000 to $100,000 to invest and can work full time finding victims to save, profiting from your time and investment. If one hundred people form a club in your county, and each invest a few hundred dollars and do a little work helping victims save part of their equity instead of lose it all to the bankers, everyone can win. It is legal, you do not have to fight the courts, you will do what the rich people have been doing for hundreds of years. Mr. Schauf has trade secrets helping victims and having people quickly increase their wealth helping victims. Even if you have little money, we have a plan that could benefit you. I believe one should be compensated for his time and investment.

Unite the club through a marketing group selling my book. This not only unites the group, but increases profits and angers foreclosure victims even more about banking processes. He who has the money, rules. It is your job to deprive the bank of the equity and divert it back into the pockets of the citizens. Then you will have the wealth and you can make the rules.

CHAPTER 39
THE SECRET FOR WINNING IN REAL COURT

Most likely you've heard of people who have both won and lost in court. Some people charge thousands of dollars to instruct on how to win, and the plaintiff has still lost. There is one secret to winning in court. I have required people to sign confidentiality agreements to learn this one secret. It cannot be revealed openly until enough books are sold, and public opinion has turned. I realize that people are losing their homes today and need this information. Please realize if too many people

learn the secret before we get enough books out, we could lose our nation and government that I love so dearly. I must do what is right for the nation and everyone who lives with our burdens.

Remember this, the more books we get sold, the more CPAs, attorneys, judges, lawmakers and police join us. I estimate that for every 100 books sold, one CPA or attorney, etc., joins our cause. We must first convert the CPAs and attorneys. Only you can do that, by getting books sold. When 10% of the population has read the book, the other 90% will follow very quickly. Once we have 90% on our side, I will be elected president and we will defund anyone aiding and abetting the banks, transferring the wealth back to real Americans. I need your support to do this. To save a nation, we need the voters informed. A courtroom settlement could destroy the economy. I am here to save the economy and our government. It is up to you to get the books sold so we can have the support of the population to make the necessary changes.

CHAPTER 40
MONEY

MONEY I

Anyone can read the Federal Reserve publications to prove I am correct. Twelve Federal Reserve Bank publications claim they create new money when local banks grant loans. One publication claims local banks loan savers' money. Three Federal Reserve Bank publications claim the local banks loan out depositors' money. Two Federal Reserve Bank publications claim they loan out other depositor's money. One Federal Reserve Bank publication claims they do not loan out other depositors' money. One claims they lend funds they have saved. One claims they deposited the promissory note. Three Federal Reserve Bank

publications claim that when banks grant loans they create new deposit money. Two Federal Reserve Bank publications claim the new deposit created when banks grant loans is just as valid as depositing cash or a payroll check. This is proof they deposited the promissory note or sold it and deposited the proceeds of the sale. This is proof they cannot create a new bank liability and call it money without an asset, cash or cash equivalent, earned by labor, be it past or future, to give the new bank liability value.

For the bank to win they must argue the bank liability is money. For the alleged borrower to win, the borrower must prove the bank asset is the money. Who is right? As judge and jury you decide who is correct. If one deposits a $50 gold coin and the bank gives the depositor a $50 gold coin deposit receipt, is the gold coin (asset) the money or is the deposit receipt (liability) the money? If one deposits $100 of cash (asset) and the bank gives the depositor a $100 cash deposit receipt (bank liability called checkbook money), which is the money, the cash or the receipt? Obviously the gold coin and cash is the money and the receipt is the evidence the bank owes the depositor cash or a gold coin.

As judge and jury please decide the following:

Is it the responsibility of the lawmakers, judges, police, FBI, CPAs and lawyers to know the law? Yes.

Do these public servants have the ability to read my books and Federal Reserve Bank publications and bank loan agreements? Yes.

Were lawmakers, police and judges informed along with CPAs and attorneys regarding the banking problem? Yes Congress received 1.7 million petitions and turned a deaf ear. Police have received countless pieces of information along with the FBI. Judges and attorneys and the big CPA firms have seen

many court cases with this information presented. Anyone can buy this book and learn the truth

Could the media report the whole truth? Yes.

Are there some lawmakers, police, judges, attorneys and CPAs who agree with me? Yes.

Do you want the majority of lawmakers, police, judges, CPAs and attorneys joining me? If yes, then all we need to do is get as many books sold as we can. As more and more people read the books, more and more professionals are joining us. It will be easier and easier for judges and lawmakers and police to stop supporting the bankers and support the people as the people become educated and are prepared to vote out anyone aiding and abetting the banker's agenda.

The ultimate responsibility is not the government, it is the voters responsibility to vote according to the will of the people. We get the government we deserve. Uninformed voters will vote according to the media agenda. Informed voters must inform the others so the vote will set the debtors free from economic slavery

MONEY II

If you study the word money, you will probably learn there is no real money being circulated. We circulate a substitute (liability) that acts like money. The key question to ask is, is the gold coin the money, or is the gold coin deposit receipt the money? For you to win you must show the gold coin is the money. For the bank to win, they must prove the receipt is the money. The fact is, the gold coin (assets) and deposit slip (liability) represent the gold coin deposited at the bank. For you to win you must prove the gold coin and deposit slip are married, joined, and represent the same deposit. The bank must claim only the bank liability is money and that the gold coin

deposited is no longer money. The bank must divorce the gold coin from the deposit slip and claim only the deposit slip (check-book money, liability) is money, if they are to win in court.

CONCLUSION

If you believe we should vote to change the banking system to follow President Lincoln, then I ask you to rally behind me and support my campaign to become President of the U.S.A. so I can correct the banking problem.

This is a war of good verses evil. The evil side has forced the good to finance the evil war machine. Good cannot win if it finances evil. We must deprive the evil of money, and reroute the money back to the citizen so that good can win the war. It is up to you to put the money in your pocket so we can win the war.

ACKNOWLEDGMENTS

I wish to thank President Bill Clinton, Congress, and the U.S. Government for the laws that make it possible to expose the real bank loan agreement in language every American can understand. I thank the Federal Reserve Bank for publishing the information to prove what the bank loan agreement really is. I thank the Certified Public Accountants, bank auditors, and others who worked to expose the truth so others may understand how the banking system works. I thank Attorney General Janet Reno for her statement: "It is very important ... that Congress represent the people of the United States and not one special interest group." I thank Judge Martin Mahoney for admitting that the banks operate contrary to public policy. I thank our Founding Fathers for the U.S. Constitution and the equal rights on which this book is based. Additionally, I thank the President and Congress for making PL 97-280, 96 Stat. 1211 Congress, proclaiming the Bible to be the "WORD OF GOD" and reaffirming President Jackson's declaration that "the Bible is the rock on which our Republic rests." I thank God for giving us the Bible, which reveals today's banking system as an abomination, using unjust weights and measures and charging usury. The banking system shows the effect of sin. Stealing and counterfeiting harms the innocent. I thank Jesus for being my Lord and Savior and calling me as His servant to reveal the truth of this banking system to all Americans. In John 10:10, Jesus said, "The thief comes only to steal and kill and destroy; I come that they may have life, and have it abundantly." You matter to God. He wants you to be prosperous. He is against economic slavery. When a nation decides to forsake God's laws, that nation is conquered. When a conquered nation repents and follows God's laws, the conquerors flee and the people are set free. The Bible is clear: God wants us to be free and prosperous. When the truth is revealed, the people will be free.

PUBLIC NOTICE

This book was not written with the aim of overthrowing the government. This book is designed to expose the truth of the bank loan agreement and illustrate its economic effect on Americans. It is explained in everyday terms people can relate to and understand. This book is pro-American, and proclaims Americans' right to free speech and practice of religion. I am merely putting forward this information as part of my political platform as a candidate for President of the United States.

THIS BOOK IS PROHIBITED FROM BEING USED IN COURT. It is not designed to be used in court and people are prohibited from using it as an exhibit in court. You may, however, take notes and use those notes, questions, and Federal Reserve Bank publications as court exhibits - but use of this book is prohibited. Upon acceptance of this book the reader agrees not to use the information contained herein as an exhibition in court.

If the government, bank, or any other agency attempts to stop this book from being distributed, by accident or design, or if I die or am placed in jail to silence this book, steps have been taken to copy this information and have it distributed from hundreds of locations throughout the nation. This will happen if there is any attempt to suppress this information.

The banks may create a depression or cashless society as a result of this book. We must inform as many Americans as quickly as possible to be sure everyone knows the truth and who to blame. I believe that if brochures are copied and distributed like wildfire, the banks will not dare create a depression in order to force us into a cashless society, or try to call a constitutional convention to end our rights. America's future is up to you. Please spread the word quickly.

DISCLAIMER

This book is based solely on the definitions as given in this book, as well as Federal Reserve Bank publications and standard bank bookkeeping entries. This book presumes equal protection under the law and that all material facts must be disclosed in an agreement. The basic presumption of this book is that a loan is not an exchange.

I am not claiming that bankers, politicians, or CPAs are criminals. I believe the general public is misled as to the truth of the bank loan agreement regarding who provided the original capital in funding the bank loan check. The general public is misinformed as to the economic consequences of such banking processes. This book will not claim that bankers are criminals, but endeavors to show the general public the economic effect of a transaction according to the bookkeeping entries. The reader must use the glossary of terms unique to this book. (Example: "counterfeit" is defined as private banks creating money. "Stealing" or "theft" is defined as the bank obtaining the borrower's promissory note (loan agreement) without loaning one cent of legal tender or other depositors' money.) The words counterfeit, theft, larceny, etc. have been used to describe similar or like economic effects. In this way, non-accountants can understand the real cost and risk of the bank loan agreement. I have written this book according to my research, belief, theory, and religious conviction.

THIS BOOK CANNOT BE USED IN A GOVERNMENT COURT AS EVIDENCE. Attorneys representing banks may contact me to help stop this book from being entered as evidence in court. I refuse to be the expert witness or testify in court unless I agree in writing and am paid to do so. This book was written to create a political solution, not to correct the bank problem in court. A political solution will save the economy and the nation. We must be responsible and protect the economy.

dence in court. I refuse to be the expert witness or testify in court unless I agree in writing and am paid to do so. This book was written to create a political solution, not to correct the bank problem in court. A political solution will save the economy and the nation. We must be responsible and protect the economy. I believe we have the best government and nation in the world, and we should use the vote we have to correct the nation's problems. Before one can vote intelligently, one must know the whole truth.

The problem is that people believe that the bank agreement discloses all material facts. Borrowers would never dream that the Federal Reserve Bank publications show that the banks do the opposite of what most borrowers believe. This book will present evidence allowing the reader to be the judge and jury and decide for themselves if there is a fraud or not. According to Certified Public Accounting ethics, I believe I must tell the truth about this banking system.

No other party is to speak on my behalf. If I did not publish an idea or piece of information or place it in writing and sign it, I take no responsibility for it. I am concerned that people will misquote me or take my meaning out of context. By changing one word, the entire meaning can be obscured. Therefore, I ask that people not quote me or this book.

Do your own research before taking any legal action. Tom Schauf is not giving legal advice-he is merely giving information to become elected. This book is based on information believed to be correct, but it is up to you to research it. It is possible that the FED may change their publications in the future in order to change their previous quotes.

This book uses information from Federal Reserve Bank publications up to 1996. After 1996 I do not know what Federal Reserve Bank publications will say. Do your own research.

DEFINITIONS

The definitions of words in this book are unique and only pertain to this book. It is suggested that one use a law dictionary for legal definitions of words used in this book.

Agreement: Written terms and conditions between two or more parties stating specific performance each party must do to bind the other party to the agreement. There is no agreement without mutual consent. There can be no mutual consent if there was a concealment and one party did the opposite of what was expected. Material facts must be disclosed, authorization must be granted, permission must be obtained, and adequate consideration (money) given to have an agreement. Example: In the agreement, who was to provide the funds to issue the bank loan check? Was it the borrower or the bank? Was the bank to loan you legal tender as consideration loaned to obtain the promissory note or was the bank to loan you the opposite of legal tender? The cost and risk of the agreement changes significantly depending on the answers.

Asset: Anything owned that can be sold. A car, house, legal tender, promissory note, securities, and bonds can be sold, so they are assets to the one who owns them. Banks record legal tender as a bank asset. Banks also record owing legal tender as a bank liability.

Bank agent: Anyone who benefits from the current banking system and/or is responsible for enforcing the banking system. Bank employees, police, attorneys, media, judges, lawmakers, and anyone aiding and abetting the trustees (Congress) of the bankruptcy of the United States. Anyone dependent or benefiting from favors of bank money, either directly or indirectly, or loans to be in business. A foreign agent or unregistered foreign

agent representing a foreign interest, such as judges, police, and attorneys as in U.S.C. Title 22, Sections 610 - 615, or in any court case making them foreign agents, or any other law.

Bank-controlled media and publishing companies: Any media or publishing company that is biased in favor of the current banking operation or refuses to give equal time and representation to exposing the whole truth as outlined in this book. Media which has bank debt and is dependent on the bank to renew the loan or where the bank may withdraw the loan. Media which is dependent on advertising dollars whereby a bank can ask borrowers not to advertise with such media that expose the whole truth and nothing but the truth concerning the alleged bank loans.

Check: The Federal Reserve Board defines a check as "a draft or order upon a bank or banking house purporting to be drawn upon a deposit of funds for the payment at all events of a certain sum of money to a certain person therein named or to him or his order or to bearer and payable instantly on demand" (definition as per Black's Law Dictionary). Please do not forget the bank claims a bank liability is a debt. To make a checking account balance money, equal protection must be denied and money must be redefined to mean the opposite, or the promissory note is money or check kiting. It appears the bank may lead people to believe it is check kiting if one writes a check without first having a checking account balance (liability) to match the amount of the check. The checking account balance has no value without legal tender, recorded as a bank asset, offsetting the liability. The check merely transfers a bank liability_checking account balance_from one checking account to another. A check is not money. A check acts LIKE money because you can exchange it for cash.

Consideration: The reason for entering into the agreement. Consideration must be something of value, such as an asset or legal tender (cash). A check written without first depositing an asset (money) so the check can be cashed is illegal consider-

ation. If the check was the funds loaned to obtain the promissory note, then the promissory note cannot be used to fund the check. If the promissory note were used to fund the check, then the check cannot be the consideration loaned to obtain the promissory note because the bank owned the promissory note before the check paid for it. Either the promissory note had to be loaned to the bank or the bank stole the promissory note to fund the check. Stealing the promissory note means no valuable consideration was given to obtain the promissory note.

Counterfeit(er): To forge. To alter or change a document after it was signed without knowledge or permission or authorization of the one signing the document. An intent to deceive by passing the forged document as a genuine one that was not altered. Example, after the promissory note was signed, the bank stamps the back of the instrument, thus allowing the bank to use the promissory note to fund the check. The bank created money.

Counterfeit money: For purposes of this book, this means money banks created or caused to be created and loaned at interest. It does not necessarily mean the banks committed a crime.

Credit: The postponement of the payment of money. The postponement of the payment of money cannot be transferred by check if a check must have a sum certain of money to make it valid. Is the promissory note money or credit? The definition of a promissory note means the promissory note must be paid in money. How can it be money and mean money is owed at the same time unless there is more than one kind of money, legal and non-legal tender, at the same time?

Damage: In court you cannot win damage awards without showing you were damaged. One has a damage if one is the victim of a theft. The bank believes they were damaged if you do not repay the loan. Likewise, you were damaged if the bank did not loan you other depositors' money or if the bank refused to repay the loan from you to the bank.

Deposit: Money or negotiable instruments (checks) or commercial paper (promissory notes) handed to a bank; the bank credits a checking account, demand deposit account, savings account, or certificate of deposit, creating a bank liability. The depositor loaned the bank money or funds, allowing the depositor to withdraw the money deposited or loaned to the bank.

Equal protection: Bankers and nonbankers having the same rights. Bankers cannot create money or credit and loan it out to nonbankers.

Exchange: Trading value for value. To barter or swap. Example: You give the bank something of value worth $100 and they swap it for something of value worth $100, giving you back $100. A $100 loan is where one party hands $100 to another party, to be repaid at a later date. Stealing $100 from one party and returning the $100 back to the victim is not a loan. The stolen $100 does not legally belong to the thief; it belongs to the victim. An exchange is not a loan. Chicago Federal Reserve Bank publication Modern Money Mechanics (p. 6) claims the bank exchanged the promissory note for credit in the borrower's transaction account and called it a loan. The bank simply redefined the word exchange and called it a loan. The borrower hands the lender $100 and the lender hands the $100 back to the borrower, claiming the lender loaned the borrower $100. For this exchange, the borrower must pay a fee as if there was a loan. The borrower lost $100, the lender gained $100, and, for this privilege, the borrower must repay the $100 plus interest.

Forgery: Counterfeit. Most people think it means your signature was signed by another person; however, a forgery includes changing a document after it was signed. When the document was signed and then altered, your signature becomes null and void.

Fraud: Intentionally perverting the truth for the purpose of inducing others to rely on a lie or misinformation. False statements or half-truths and half-lies, with the other party relying on such information to enter into an agreement, in order to have the party part with something of value, such as a legal right or property. Knowing one will breach the agreement before entering into the agreement . Example: The bank claims they will make you a loan. The bank conceals there is a loan from you to the bank exchanged for a loan from the bank back to you. It was concealed; the bank never loaned you one cent of legal tender that existed before you signed the agreement to be loaned as consideration to obtain your promissory note. The bank called an exchange a loan and never repaid the loan from you to the bank. The bank received your property for free instead of loaning you legal tender to obtain your promissory note, thus changing the cost and the risk without borrowers being aware. The bank's omission, concealment, false statement, and breach of agreement changed the cost and risk. If people understood, they would have voted out every lawmaker, judge, and police official aiding and abetting such a practice, and this is why the bank hides the truth.

Fraudulent concealment: The hiding and/or suppression of facts which would significantly change the cost or risk of an alleged agreement. To mislead the borrower as to which party supplied the capital to fund the bank loan check. In or out of court, misleading or hindering the acquisition of information disclosing a right or transaction in an alleged contract or agreement. Planning to escape investigation, suppressing the truth or preventing inquiry to the truth.

Interest: The charge for the use of borrowed money, not the opposite of money or the postponement of the payment of money.

Larceny: Steal, theft by gaining possession of another party's property using a trick, fraud, or policy or device designed to convert the property into another party's possession,

having the economic effect of a theft. Obtaining another party's property for free, when the other party was expecting one to loan an asset to obtain the property. Placing an illegal lien on property without fulfilling the agreement. Originating or reinforcing a false impression and not correcting the false impression or preventing one from obtaining the truth as to the correct information regarding the real cost and risk of the transaction in the alleged agreement which might change the judgment of the party entering into the agreement. Example: Was it an exchange and charged as if there was a loan, or was there a loan? Who provided the capital to fund the check? Exactly who was to loan exactly what to whom?

Liability: A bank liability means the bank owes a depositor legal tender (cash). A liability is a debt, IOU, checking account balance, demand deposit account, savings account, certificate of deposit, or check. An unpaid obligation. A scorecard of how much legal tender or cash the bank owes depositors. A promise to pay. A liability is something you owe. A promissory note is owing money. A liability is a legally enforceable claim on the assets of a bank. Transferring a liability by check from one checking account to another checking account is not payment of a liability. The liability remains on the bank books. Payment of a liability is proven when the liability no longer remains on the member bank's balance sheets. A bank liability is recorded in the accounting books on the far right hand column of numbers.

Lien: The right to someone's property or assets as a result of money they owe or are in default of paying. The bank receives the lien on your house if you take out a loan. If you do not repay the loan, the lien on the house allows the lender to foreclose and obtain the house.

Loan: Money or asset advanced or delivered to another party to be repaid at a later date with or without interest. The agreement can be expressed or implied. Example: If a bank receives a promissory note from a borrower and records the promissory

note as a loan from the borrower to the bank, the bank assets and liabilities increase by the amount of the loan to the bank. When a bank claims it granted a loan, the bank's assets and liabilities increase by the amount of the promissory note. It is the same situation if the bank received the promissory note in a fraudulent conversion and loaned the value of the stolen property back to the victim. The question is, did the bank hide this transaction? Did the borrower give the bank permission? Did the borrower have knowledge? If there was no knowledge, how can there be mutual understanding or an agreement? Was it a loan, theft, or did the borrower have knowledge? According to the accounting records, it is either a loan to the bank or it is a theft. According to the accounting records, at a minimum it is an implied loan to the bank because the bank recorded it as such. You have a right to receive the loan back in "its equivalent in kind," meaning you have the right to receive the principal and interest paid to the bank. If it was stolen, most people would want the stolen property back.

Misleading: Delusive, misrepresent, deceive, deception, and to lead astray.

Money: As defined in this book, money must be a bank asset. In this book, the Federal Reserve Bank defines money as a bank liability. This book believes a bank liability is not money. For illustrative purposes, in this book the word money can be used as the bank's definition of money being a bank liability. The point of the book is to show money (legal tender) is recorded as a bank asset. Owing legal tender is a bank liability. If owing money is money, then it is the opposite of legal tender. The bank deals in legal tender and the opposite of legal tender (checkbook money) and call both money. Treasury Notes, not Federal Reserve Notes, are called United States Notes.

Promissory fraud: When the bank claimed they would loan you a bank check payable in cash and when the bank policy showed intent to breach the agreement and use the promissory note to fund the same check that was to be the loan consider-

ation for the promissory note, it was a misrepresentation of the lender's agreement and advertising.

Promissory note: A promise to return money loaned to a borrower with or without interest. An unconditional promise to pay a sum certain in money. Please note it does not say the opposite of money or credit, which is the postponement of the payment of money.

Stolen: Theft, receiving something for free when you agreed to loan something of value. A plan to deny another party equal possession under the law, money, credit, or agreement to obtain something for nothing. A dishonest act or wrongdoing to willfully retain control of another party's property without authorization or beyond authorization and permission given, with intent to deprive the party of their property. For purposes of this book, stolen or theft means the bank obtained the promissory note or credit card agreement without earning the money to loan, like nonbankers earn money, and/or without loaning one cent of other depositors' money and by creating money or bank liabilities to obtain the bank loan agreement, promissory note, or credit card agreement. Example: The bank records the promissory note on the bank's assets and increases the bank's liabilities. The bank obtained the promissory note for free simply by increasing the bank's debt and not paying the debt and making it appear that the bank paid for the promissory note by transferring the debt to another person by means of a check. The banks could obtain the liens on the nation's assets and national debt simply by increasing the bank's debts and not paying them. To steal.

Thief or theft: Obtaining the promissory note without the bank loaning other depositors' money and by creating money having the economic effect of counterfeiting. Obtaining the promissory note by increasing the bank liabilities. To steal.

United States Notes: This book refers to Silver Certificates, Greenbacks, and paper money issued interest-free by the gov-

ernment as United States Notes. A note is an obligation. By being a United States Note, it shows whose obligation it is to pay. Generally speaking, it is obvious that a United States Note is cash and is not paid but merely circulated as money or redeemed for silver or gold. For purposes of this book, we are only looking at the general economic effect-not long-winded legal arguments on exact theories of paper money or gold and silver coins.

Wealth: Property/asset which has value and can be sold. Wealth includes your labor, because labor is exchanged for goods and services. People barter wealth for other people's wealth. For example: ten chickens exchanged for one pig. Today, money is used to help facilitate exchanging wealth.

These terms are designed to illustrate the economic effect of the bank loan agreement using everyday language. The author is not claiming the bankers are criminals. You are the judge and jury, and you decide whether there is a fraud and whether we should vote to cancel your bank loans.

AFTERWORD
Another Big Secret Revealed

Few people realize what the bankers have done to the average American family. Even fewer people understand the danger this nation is in and the ultimate goal bankers have to create a cashless society and a one world government. For the bankers to reach their goals they must do two things. First they must keep the truth of the real bank loan agreement from becoming known or people will reject their agenda. Second, the media must make the population believe in evolution and reject creation and the validity of the Bible. Bankers know true Christians are dangerous to their agenda. Christians will reject credit cards, cashless society and the present banking system if they follow the Bible.

I hope you trust me enough, if you believe what I have to say about the banking system, to trust me enough to check out the next outrageous statement I will tell you. There is much proof that dinosaurs and people lived at the same time and that this world is only about 6,000 years old. If you have me speak at your location, I would like to bring evidence to support this claim. We have the evidence of Noah and the Ark, the Red Sea crossing, resurrection of Jesus, and validity of the Bible. The North Pole proves this world cannot be older than 15,000 years and most likely only 6,000 years old as indicated in the Bible. Human foot prints and dinosaur footprints were found together along with other human remains and dinosaur remains proving dinosaurs and humans lived together. This proves evolution is false. If you are like me, you will demand proof just like I did. Go to the Christian book stores and ask for proof. For proof of the creation story contact the "Creation Evidences Museum, P.O. Box 309, Glen Rose, Texas 76043-0309. Call (254) 897-

3200 to order their books and videos giving the evidence. The bankers and I both realize that if you discover the truth, you may believe the Bible is true and surrender your life over to Jesus, making Him Lord and Savior and rejecting the bankers' cashless society as stated in Revelation chapters 13 and 14. We have believed the lies and the lies nearly destroyed our lives. Now it is time to embrace the truth and live as free men. God wants to bless you and He cannot do it if you refuse to listen to the truth. The devil wants you to believe the lies so he can steal, murder and destroy you.

I encourage you to seek the truth. With all my heart I ask you to read the New Testament and as you read it ask God to reveal the truth to you. I am confident if you do this you will learn the truth, find out who God really is, learn there really is a heaven and a real hell and that we will live for eternity with God or the devil. Please do not be fooled by the devil on the most important issue life has to offer. Do not let the devil get your soul for eternity. Please do not let a hypocrite be the reason you end up in hell forever. I wrote the book to show you the effect of sin, what happens when the church and people reject God's banking system as outlined in the Bible. I hoped if you believe me on the banking issue, you would believe me concerning the Bible. I do not wish to give myself glory, my job is to direct you to Jesus who changed my live forever. I want you to have what I have.

I know God called me to get the banking message out to the nation. I do not claim to do this from my power but rather from the authority, power and provision of God's anointing in my life. Even with all the training I have, I had to humble myself before a holy God and ask God to show me how to explain this to the general population. God called me to get this message out to the nation. Please do not be fooled and reject God's plan in your life, His salvation and eternal life with Him in heaven for all eternity.

I seek 700 dedicated men to pray for me daily. I need to not only decide to do God's will, but to know how to accomplish His plan and will in my life. I ask you to pray daily for me. I thank you for your prayers. Prayer is needed because it moves God to act on our behalf. I come before the bankers and their hosts not in my name but in the name of my God. I come in the name of the God of Israel, the God of the Bible. The Bankers have taunted this nation long enough. The Lord of heaven will deliver the bankers into my hands and have the fraud end, that all the earth may know that there is a God in heaven and that the Lord does not deliver by sword or spear or guns; for the battle is the Lord's and He will deliver us from the bankers and into my hands. I believe God already declared we have won the battle, the war and the victory is ours. Now we need to act by faith and take what God has given into our hands giving Him the glory and the honor.

TO ARGUE LIKE AN EXPERT WITNESS

In order to argue effectively in court, you need all the information possible. I offer, in conjunction with volumes I and II, cassette tape courses in arguing like an expert witness. If you would like to receive information and an order form for this cassette series, please write me at:

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SECRET BANKER'S MANUAL REVEALS ALL

One of the heads of a major university read Tom's banking books. After reading the books the head of the university decided to expose the truth about banking. Later in 200 1, this individual saw that the university taught a banking class. He went to the university book store to buy the books for the banking class and they would not sell him the books like all of the other university classes. To get the books for the banking class you had to get a bank president to give written authorization for you attend the class and you only got the books in class. The head of the university insisted that he had authority to see the class materials as the bankers objected. After much resistance from the bankers, he obtained the books. He gave Tom the teacher's manual and student's books. Tom put this information into the Secret Banker's Manual. The class curriculum explained the banking laws and taught that if someone were to sue the bank in a certain way the bank wins and if one were to sue the bank in another way the bank loses. This information was tested resulting in people having their mortgages canceled. We cannot guarantee future results. The manual also reveals what bankers do to obtain huge returns on investments using computer generated leads telling you *when to* buy or sell in the market place. The university curriculum proves that the bankers know exactly what they are doing and how to profit from the banking system that they forced the nation into.

Several people have tried to copycat the information charging $1,000s. The copycats run into trouble when things change and the copycats cannot copycat because the new strategy changes. This is why Tom printed the Secret Banker's Manual

so that you can obtain the original for a fraction of the cost of the copycats. It shows you to laws, strategy and notices that the bankers fear you will learn about.

This manual is so powerful and revolutionary that you must sign an agreement to keep the information confidential. You cannot lend the manual out - your friends must buy it for themselves. Learn how to use the secret banker's information and you could really profit from the information. If you do not learn how it works and use it to your advantage, you will live like a slave like your friends and neighbors. Be smart and use the system to your advantage. Ask your friend where to buy a copy or do a internet search on Tom Schauf to find a reseller/distributor. Better yet become a reseller/distributor and sell the manual. There are three ways to return the wealth back to Americans. we can use the vote, cancel loans or use high returns on investments using computers to generate buy or sell signals. High returns on investments is the way to go.