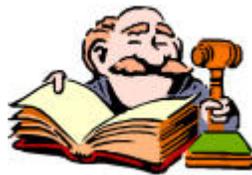


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# **Mastering the Uniform Commercial Code**

with forms



**The Application of Commercial Law  
under the Uniform Commercial Code**

**2004**

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# **You are not supposed to know about the UCC!**

## **PURPOSE:**

Provides a brief summary on the differences in bodies of law by definition  
More definitions regarding titles, property and possession  
Gives an overall view on how to get back control of your universe  
Explains how to make the UCC-1 contract and how to properly file it  
Explains how to establish own private treaty with the world

## **SUPPLEMENTAL:**

Obtain copies of your own states Uniform Commercial Code. Every state has them in their statutes. Most are on the web.

# Hierarchy of Law

The first order of law is **Natural Law**. These are **Universal Principals** which so necessarily agrees with nature and state of man, that without observing their inherent maxims, the peace and happiness of society can never be preserved. Knowledge of natural laws may be attained merely by the light of reason, from the facts of their essential agreeableness with the constitution of human nature. Natural Law exists regardless of whether it is enacted as positive law.

When law began to emerge into human consciences, thought, word and deed we come to the next order of law on this planet. The most fundamental law of all human law has to do with survival which is a Universal Principal. It has to do with human interactions, of any kind, any relationships, buying, selling or trading or relating in any way. It is based upon treating or dealing with others the way that you would like to be treated or dealt with. This is the **Law of Commerce**. The Law of Commerce has been in operation since man interacted with each other starting many thousands of years ago through the Sumerian/Babylonian era where it was codified and enforced. Ancient artifacts dating over 6,000 old reveal that the system was so complex it even included receipts, coined money, shopping lists, manifestos and a postal system with the medium being in baked clay.

As a derivative of Commercial law, being removed from natural law, and therefore inferior, is **Common Law** (common [L *co* together + *munis* service, gift, exchange] to exchange together). This emerged, basically, in England out of disputes over a portion of the earth in allodium (sovereign ownership of land) and was based on "common" sense. So, common law is the law of the earth. Common law gave rise to the jury system and many writs and processes which governments have absorbed and statutized and made into rules and regulation processes in courts.

Common Law procedures were based on the opportunity "to face your accuser or the injured party" in front of witnesses to sort out the problem directly. This process was never intended to include "lawyers, attorneys or judges construing their own law", as these "titles" are all based upon the fiction of "representation" which can never "be the real thing".

After common law come governments, and their laws and legislative regulations, ad infinitum of the organic republics of the states. The only "laws" that the state can create is to "allow commerce to flow more efficiently WITHIN the state". The only "law" the central government, united States of America, could create was to "allow commerce to flow more efficiently BETWEEN the states. " It was never intended to regulate people – the soverans.

Below that, the "garbage froth," more or less, is politics and the private copyrighted company policy of foreign corporations such as UNITED STATES, THE STATE OF..., THE COUNTY OF..., THE CITY OF..., etc. The purpose of these "municipalities" [L *munus* service, gift, exchange + *capere* to take; to take service and exchange] is to "govern" fictitious entities such as JOHN DOE and K-MART – not to regulate people. Remember back when you thought that YOU were JOHN DOE because that is how it is written on your drivers license?

One of our problems is that when we engage with government, municipalities and other such elements, in all our dealings in the law when have been conditioned to interact on and in THEIR level. We have never risen to the level where the base of law is, where the reality, the power, the solidity and the pre-eminence exists - THE SOVERANS LEVEL. But now, we can function in this powerful level. This is Check mate. This is the end of the game. THIS IS THE REMEDY.

## **Commerce**

The principles, maxims and precepts of Commerce Law are eternal, unchanging and unchangeable. They are expressed in the Bible, both the Old Testament and the New. We learned in the second course how the law of commerce has plagued us for more than 6000 years. This law of commerce, unchanged for thousands of years, forms the underlying foundation for all law on this planet and for governments around the world. It is the law of Nations and everything that human civilization is built upon. This is why it is so powerful. When you operate at this level, by these precepts, nothing that is of inferior statute can overturn or change it or abrogate it or meddle with it. It remains the fundamental source of authority and power and functional reality.

## **The Affidavit**

Commerce in everyday life is the vehicle or glue that holds, or binds, the corporate body politic together. More specifically, commerce consists of a mode of interacting, doing business, or resolving disputes whereby all matters are executed under oath, certified on each patty's commercial liability by sworn affidavit, or what is intended to possess the same effect, as true, correct, and complete, not misleading, the truth, the whole truth and nothing but the truth.

This affidavit is usually required for an application for a driver's license, and IRS form 1040, a voters registration, a direct Treasury Account, a Notary's "Copy Certification" or certifying a document, and on nearly every single document that the system desires others to be bound or obligated. Such means of signing is an oath, or Commercial Affidavit, executed under penalty of perjury, "true. Correct, and complete". Whereas in a court setting testimony (oral) is stated in judicial terms by being sworn to be "the truth, the whole truth, and nothing but the truth, so help me God."

In addition to asserting all matters under solemn oath of personal, commercial, financial, and legal liability for the validity of each and every statement, the participant must provide material evidence, i.e. ledgering, or bookkeeping, providing the truth, validity, relevance, and verifiably of each and every particular assertion to sustain credibility. Commerce is antecedent to and more fundamental to society than courts or legal systems, and exists and functions without respect to courts or legal systems. Commercial Law, the non-statutorily variety as presented below in maxims 1 through 10, is the economic extension of Natural Law into man's social world and is universal in nature. The foundational, invariant, necessary, and sufficient principles or "Maxims of Commerce" pertaining herein are:

# Maxims of Law

There are ten essential maxims or precepts in commercial law.

**1. WORKMAN IS WORTHY OF HIS HIRE.** The first of these is expressed in Exodus 20:15; Lev. 19:13; Mat. 10:10; Luke 10:7; II Tim. 2:6. Legal maxim: "It is against equity for freemen not to have the free disposal of their own property."

2. The second maxim is "Equality before the law" or more precisely, **ALL ARE EQUAL UNDER THE LAW.** (God's Law - Moral and Natural Law). Exodus 21:23-25; Lev. 24: 17-21; Deut. 1;17, 19:21; Mat. 22:36-40; Luke 10:17; Col. 3:25. "No one is above the law". This is founded on both Natural and Moral law and is binding on everyone. For someone to say , or acts as though, he is "above the law" is insane. This is the major insanity in the world today. Man continues to live, act, believe, and form systems, organizations, governments, laws and processes which presume to be able to supercede or abrogate Natural or Moral Law. But, under commercial law, Natural and Moral Law are binding on everyone, and no one can escape it. Commerce, by the law of nations, ought to be common, and not to be converted into a monopoly and the private gain of the few.

3. This one is one of the most comforting maxims one could have, and your foundation for your peace-of-mind and your security and your capacity to win and triumph -- to get your remedy -- in this business. **IN COMMERCE TRUTH IS SOVEREIGN.** (Exodus 20:16; Ps. 117:2; John 8:32; II Cor. 13:8 ). Truth is sovereign -- and the Sovereign tells only the truth. *Your word is your bond.* If truth were not sovereign in commerce, i.e., all human action and inter-relations, there would be no basis for anything. No basis for law and order, no basis no accountability, there would be no standards, no capacity to resolve anything. It would mean "anything goes", "each man for himself", and "nothing matters". That's worse than the law of the jungle. Commerce. "To lie is to go against the mind". Oriental proverb: "Of all that is good, sublimity is supreme."

**4. TRUTH IS EXPRESSED IN THE FORM OF AN AFFIDAVIT.** (Lev. 5:4-5; Lev. 6:3-5; Lev. 19:11-13; Num. 30:2; Mat. 5:33; James 5: 12). An affidavit is your solemn expression of your truth. In commerce, an affidavit must be accompanied and must underlay and form the foundation for any commercial transaction whatsoever. There can be no valid commercial transaction without someone putting their neck on the line and stated, "this is true, correct, complete and not meant to mislead." When you issue an affidavit, it is a two edged sword; it cuts both ways. Someone has to take responsibility for saying that it is a real situation. It can be called a true bill, as they say in the Grand Jury. When you issue an affidavit in commerce you get the power of an affidavit. You also incur the liability, because this has to be a situation where other people might be adversely

affected by it. Things change by your affidavit, in which are going to affect people's lives. If what you say in your affidavit is, in fact, not true, then those who are adversely affected can come back at you with justifiable recourse because you lied. You have told a lie as if it were the truth. People depend on your affidavit and then they have lost because you lied.

**5. AN UNREBUTTED AFFIDAVIT STANDS AS TRUTH IN COMMERCE.** (12 Pet. 1:25; Heb. 6:13-15;) Claims made in your affidavit, if not rebutted, emerge as the truth of the matter. Legal Maxim: "He who does deny, admits."

**6. AN UNREBUTTED AFFIDAVIT BECOMES THE JUDGMENT IN COMMERCE.** (Heb. 6:16-17;). There is nothing left to resolve. Any proceeding in a court, tribunal, or arbitration forum consists of a contest, or duel, of commercial affidavits wherein the points remaining unrebutted in the end stand as truth and matters to which the judgment of the law is applied.

**7. IN COMMERCE FOR ANY MATTER TO BE RESOLVED MUST BE EXPRESSED.** (Heb. 4:16; Phil. 4:6; Eph. 6:19-21). No one is a mind reader. You have to put your position out there, you have to state what the issue is, to have someone to talk about and resolve. Legal Maxim: "He who fails to assert his rights has none.)

8. The primary users of commercial law and those who best understand and codified it in Western Civilization are the Jews. This is Mosaic Law they have had for more than 3500 years past which is based upon Babylonian commerce. This one is: **HE WHO LEAVES THE BATTLEFIELD FIRST LOSES BY DEFAULT.** (Book of Job; Mat. 10:22; This means that an affidavit which is unrebutted point for point stands as "truth in commerce" because it hasn't been rebutted and has left the battlefield. Governments allegedly exist to resolve disputes, conflicts and truth. Governments allegedly exist to be substitutes for the dueling field and the battlefield for so disputes, conflicts of affidavits of truth are resolved peaceably, reasonably instead of by violence. So people can take their disputes into court and have them all opened up and resolved, instead of going out and marching ten paces and turning to kill or injure. Legal Maxim: "He who does not repel a wrong when he can, occasions it".

**8. SACRIFICE IS THE MEASURE OF CREDIBILITY (NO WILLINGNESS TO SACRIFICE = NO LIABILITY, RESPONSIBILITY, AUTHORITY OR MEASURE OF CONVICTION).** Nothing ventured nothing gained. A person must put himself on the line assume a position, take a stand, as regards the matter at hand. and One cannot realize the potential gain without also exposing himself to the potential of loss. (One who is not damaged, put at risk, or willing to swear an oath on his commercial liability to claim authority) (Acts 7, life/death of Stephen). for the truth of his statements and legitimacy of his actions has no basis to assert claims or charges and forfeits all credibility and right Legal Maxim: "He who bears

the burden ought also to derive the benefit".

**9. SATISFACTION OF A LIEN.** In commerce a lien or claim can be satisfied in any one of three ways. (Gen. 2-3; Mat. 4; Revelation.).

- By someone rebutting your affidavit, with another affidavit of his own, point by point, until the matter is resolved as to whose is correct, in case of non-resolution.
- You convene a Sheriff's common law jury, based on the Seventh Amendment, concerning a dispute involving a claim of more than \$20. Or, you can use three disinterested parties to make judgment.
- The only other way to satisfy a lien is to pay it.

Legal Maxim: "if the plaintiff does not prove his case, the defendant is absolved".

**10. So, the tenth maxim of law is: A LIEN OR CLAIM CAN BE SATISFIED ONLY THROUGH REBUTTABLE BY AFFIDAVIT POINT BY POINT, RESOLUTION BY JURY, OR PAYMENT.**

Commercial Law is non-judicial. This is pre-judicial (not prejudice). This is timeless. This is the base, the foundation beneath which any government or any of their court systems can possibly exist or function.

That means what the courts are doing, and what all governments are ultimately adjudicating and making rules about, are these basic rules of Commercial Law. When you go into court and place your hand on the Bible you say, "I swear the truth, the whole truth, and nothing but the truth . . ." you have just sworn a Commercial Affidavit.

It's the conflict between Commercial Affidavits of Truth that gives the court something to talk about, that forms the entire basis of its action, and its being there , in their venue. Hence, one of the reasons attorneys always create controversy.

No court and no judge can overturn or disregard or abrogate somebody's Affidavit of Truth. The only one who has any capacity or right or responsibility or knowledge to rebut your Affidavit of Truth is the one who is adversely affected by it. It's his job, his right, his responsibility to speak for himself. To issue his own affidavit because no one can speak it for him. No one else can know what your truth is or has the free-will responsibility to state it. This is YOUR job.

# Commercial Law

This phrase designates the whole body of substantive jurisprudence, i.e. the Uniform Commercial Code, the Truth in Lending Act, applicable to the rights, intercourse, of persons engaged in commerce, trade or mercantile pursuits. Blacks 6<sup>th</sup>.

Commercial Law maintains the commercial harmony, integrity, and continuity of society. It's also stated as "to maintain the peace and dignity of the State." Over the millennia these principles have been discovered through experience and distilled and codified into those ten fundamental Maximums listed above. There is no legal issue or dispute possible which is not a function of one or more of these principles. The entirety of world commerce now functions in accordance with the Uniform Commercial Code (UCC), the UNITED STATES' corporation version of Commercial Law.

## Collection, and How To Calculate Your Damages

Now, here is another aspect of your affidavits. In commerce there is the Assessment aspect, which is who owes who, and what, why, how and for what reasons; and there is the Collection aspect.

The collection aspect is based in International commerce that has existed for more than 6000 years. Again, this is based on Jewish Law and the Jewish grace period, which is in units of three; three days, three weeks, three months. This is why you get 90day letters from the IRS.

Commercial processes are non-judicial. They are summary processes (short, concise-without a jury).

The IRS creates the most activity of Commercial Collection in the entire world. The collection process is relatively valid, although the IRS is not registered to do business in any state. Did you understand what you just read? The IRS is NOT REGISTERED TO DO BUSINESS OR PERFORM COMMERCIAL MATTERS IN ANY STATE. So how do they get all the money they get? ANSWER: because you give it to them without requesting a proof of claim from them or even if they were "licensed" to give you offers based on "arbitrary" estimations.

However, this is where things get very interesting. The other phase of matters is the assessment phase: THERE IS NO VALID ASSESSMENT. The IRS has, and never can, and never will, and never could, EVER issue a valid assessment lien or levy. It's not possible.

First of all, in order for them to do that there would have to be paperwork, a True Bill in Commerce. There would have to be sworn Affidavits by someone that this is a true, correct and complete and not meant to deceive, which, in commerce is, essentially "the truth, the whole truth and nothing but the truth" when you get into court. Now, nobody in the IRS is going to take commercial liability for exposing themselves to a lie, and have a chance for people to come back at them with a True Bill in Commerce, a true accounting. This means they would have to set forth the contract, the foundational instrument with your signature on it, in which

you are in default, and a list of all the wonderful goods and services that they have done for you which you owe them for; or a statement of all the damages that you have caused them, for which you owe them.

To my knowledge, no one has ever received goods or service from the IRS for which they owe money. I personally don't know of anyone that has damaged anybody in the IRS that gives them the right to come after us and say that "you owe us money because you damaged me". The assessment phase in the IRS is non-existent, it is a complete fraud. Wait a minute, there is one definition of "service" that actually applies to the IRS;

**Service.** The act of bringing a female animal to a male animal to get \*%\$#@ so that the owner of the animals may "enjoy the product of this union."

Gives you a warm fuzzy feeling inside doesn't it?

This is why these rules of Commercial Law come to our rescue. T. S. Eliot wrote a wonderful little phrase in one of his poems: "We shall not cease from exploration, and the result of all our exploring will be to arrive at the place at which we began and know it for the first time."

This is the beginning , and this is the end. This closes the circle on the process.

One reason why the super rich bankers and the super rich people in the world have been able to literally steal the world and subjugate it, and plunder it, and bankrupt it and make chattel property out of most of us is because they know and use the rules of Commercial Law and we don't.

Because we don't know the rules, nor use them, we don't know what the game is. We don't know what to do. We don't know how to invoke our rights, remedies and recourses. We get lost in doing everything under the sun except the one and only thing that is the solution.

No one is going to explain to you what and how all this is happening to you. That is never going to happen. These powers-that-be have not divulged the rules of the game. They can and do get away with complete fraud and steal everything because no one knows what to do about it.

**SOLUTION;**

Well, what CAN you do about it? YOU NEED TO ISSUE A COMMERCIAL AFFIDAVIT. You don't have to title it that, but that's what it is. You can assert in your affidavit, "I have never been presented with any sworn affidavits that would provide validity to your assessment. It is my best and considered judgment that no such paperwork or affidavit exists." At the end of this document, you put demands on them. They must be implicit and then you state, "Should you consider my position in error . . ."

You know what they have to do now, don't you? They must come back with an affidavit which rebuts your affidavit point for point, which means they have to provide the paper work with the

real assessment, the true bill in commerce, the real sworn affidavits that would make their assessment or claims against you valid.

No agent or attorney of a fictitious entity can sign an affidavit for the corporation. How can they swear as fact that the corporation has done or not done ANYTHING? They do not have the standing. They cannot and never will provide you with this. This means your affidavit stands as truth in commerce.

You can even make it more interesting if you like. You go to all their laws like Title 18 and you tabulate the whole list of crimes they have committed against you in lying to you, foreclosing and selling your home and issuing liens and levies. This could be quite an impressive list.

If you tabulate the dollar amounts of the fines involved in these offenses, you could take just Title 18 section 241 alone which is a \$10,000.00 fine on any public official for each offense. That means for every single violation of the Constitution, or commercial law, there could be 35 or 40 of these just in Title 18. You're looking at \$300 to \$400 thousand. When they start adding up, they become very impressive.

Now you attach this accounting, the criminal accounting to your affidavit and you file it as a criminal complaint with the State Attorney. This is like putting the fox in charge of guarding the hen house. However, more about this will be outlined later in this course.

For now, just attach your affidavit and your criminal complaint to a commercial lien. But wait! There is even a more effective way of getting you equity back – Involuntary Bankruptcy! These procedures will be detailed in Course 5.

The reason you go through this criminal complaint is because by their own laws and value system and penalties, they have hung themselves. They have already discerned and formulated the dollar amount involved in each of the various offenses. When you lien them for those amounts, they can't come back and say: "Well, these are out of nowhere. They're unreasonable. Where did you get this?" Right out of your own codes.

### **COMMERCIAL PROCESSES ARE NON-JUDICIAL, PRE-JUDICIAL, AND ARE MORE POWERFUL THAN JUDICIAL PROCESSES.**

Now, you take your commercial lien to the Secretary of State to file as a UCC-1 Financing statement. Then as soon as you've finished filing the original criminal complaint with the Prosecuting attorney you file this lien against every agent individually. (The criminal complaint is optional). They can't hide behind the skirts of the corporate state, this fictional entity created by man to be able to engage in perfidious actions which you would not otherwise be able by virtue of Natural and Moral Law. It just doesn't work.

Now, you can use this same collection process against them just as the IRS uses against you.

You will discover that all the attorneys, judges and the people who come against you think this is a lot of gobble-di-gook, hogwash and silly. But they soon learn that your affidavits of truth is

valid and enforceable against them. And they find that things become more and more uncomfortable with each passing day. Judges even think all this doesn't matter because they can get another judge to remove all your paperwork against them. Other agents of the government think they can hide behind the sovereign immunity of the Government, behind all the power and prestige, all their attorneys and all their capacity to get the courts to do whatever the wish is going to save them. None of these have any effect on your process.

It has no effect because there is only one way that they can be saved and that is to come in with their own affidavit that rebuts your affidavit point by point and prove you wrong. If they did get this into court or jury that's not going to do them any good because the same battle still exists.

All this means is that the conflict between affidavits are now fought out in the open. And that is embarrassing to them because they are not going to change anything. All this will simply do them more harm.

The third way to settle your claim is for them to pay it. If they don't satisfy your claim you give them a grace period, at the end of 90 days you transform the Secretary of State into your Accounts Receivable Office. Legal Title of all their real and personal property has now passed to you. You now file the correct paperwork with the Secretary of State, and you serve this on the Sheriff and say, "I want to take possession of my property." Things begin to get interesting.

If you send a criminal complaint on a public official to the Insurance Commissioner of the State, it becomes instantly and automatically a lien against the bond of the official, the judge or district attorney and he's dead. He cannot function without bonding. This is held in suspension until the issue is resolved.

Now, all of a sudden we find ourselves, simply by going back to what we've wanted all along, which is truth, rightness and a remedy, that we have, by going back in this and finding the rules that pertain to it, a way to have more power than they do, since we are sovereign.

No one, not a judge, jury or anyone else can overturn this or change this process.

To do so would be to dissolve the world immediately into chaos. This would be the end of all law, all order, all standards, for all civilization.

It is not possible. They are stuck. This forms the underpinnings of philosophy, in tangle practices, of the way to put power on your side and against those agents of government who violate your being, injure you all in violation of their oath of office.

That is how, through their own process, we can use the rules of the game in OUR favor instead of remaining in ignorance and being taken forever as slaves. This applies to everything, not just the government. This forms a valid foundation for your life and it forms a basis for any kind of dealings with government. What most people don't even consider is that governments don't have and can't have anything to support an affidavit of truth to support their actions.

Governments invent all the regulations and statutes to impose on you, affecting your life and commercial/economic standing. And no one is taking any liability, responsibility nor accountability. They may have some kind of bonding. But in most states this bonding is only for about \$5-10 million for the entire state and all its employees. However, you can tabulate a simple traffic ticket into more than \$5 million if you so choose.

## Uniform Commercial Code

The National Conference of Commissioners on Uniform State Laws together with the American Law Institute drafted Nation-wide Uniform Laws and each state has now adopted these laws. These laws govern commercial transactions, including sales and leasing goods, transfer of funds, commercial paper, bank deposits and collections, letters of credit, bulk transfers, warehouse receipts, bills of lading, investment securities, and secured transactions. The UCC has been adopted in whole or substantially by all states. Black's 6<sup>th</sup>. The UCC is a code of laws governing various commercial transactions -- sale of goods, banking transactions, secured transactions in personal property, and other matters, that was designed to bring uniformity in these areas to the laws of the various states, and that has been adopted, with some modifications, in all states, including the District of Columbia and the Virgin Islands. Barron's 3<sup>rd</sup>. Unless displaced by the particular provisions of this code, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principle and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause shall supplement its provisions. UCC 1-103.

To paraphrase the third definition above, the UCC is the **supreme law on the planet**, and all other forms of law are encompassed by it and included in it (except you as a sovereign, of course). Pennsylvania was the first state to adopt the UCC (July 1954), and Louisiana the last (January 1, 1975).

The following is a quote from the BANK OFFICERS HANDBOOK OF COMMERCIAL BANKING LAW WITHIN THE UNITED STATES, sixth edition, paragraph 22.01(1) and pertains to certain types of transactions:

**"There are twelve transactions to which the UCC does not apply. They are as follows:**

- "1. Security interests governed by federal statutes . . .
- "2. Landlord liens . . .
- "3. Liens for services or material provided . . .
- "4. Assignment for claims for wages . . .
- "5. Transfers by government agencies . . .
- "6. Certain isolated sales of accounts or chattel paper . . .

- "7. Insurance Policies . . .
- "8. Judgments . . .
- "9. Rights of setoff . . . (see setoff)
- "10. Real Estate interests . . .
- "11. Tort Claims . . .
- "12 Bank accounts . . ."

UCC-104 states : "Construction against implicit repeal. This code being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation in such construction be reasonably avoided".

Nothing in the UCC has ever been repealed, nor can it ever be. In the event of conflict between a deleted section and a current section, the deleted section controls. If this is examined one will see that it cannot be the other way. Potentially countless commercial transactions can be consummated based on the current UCC at any time. To "cancel" any portion of the UCC at a later point is to throw into upheaval and chaos all commercial agreements that were based on the deleted portion, an act that would carry unimaginably astronomical liability to the many actors who attempted to effect such change.

Now, we must define the United States. This was covered in course number 2. But for purposes in this particular area, we must define it for a better understanding applied to this procedure.

## **Commercial Lien**

A commercial lien is a non-judicial claim or charge against property of a Lien Debtor for payment of a debt or discharge of a duty or obligation. A lien has the effect of permanently seizing property in three months, ninety days, upon failure of the lien debtor to rebut the Affidavit of Claim of Lien. The commercial grace of a lien is provided by the three-month delay of the execution process, allowing resolution either verbally, in writing, or by jury trial within the 90 day grace period. A Distress (to be defined in Blacks 6<sup>th</sup>) bonded by an affidavit of information becomes a finalized matured commercial lien and accounts receivable ninety days from the date of filing. The Lien Right of a Lien must be expressed in the form of an Affidavit sworn true, correct and complete, with positive identification of the Affiant. The swearing is based on one's own commercial liability.

A commercial lien differs from a true bill in commerce only in that ordinarily a true bill in commerce is private, whereas a lien is the same bill publicly declared, usually filed in the office of the County Recorder, and, like all such declarations, when uncontested by categorical point-for-point rebuttal of the affidavit, is a Security (15 USC) and an accounts-receivable.

A commercial lien differs from a non-commercial lien in that it contains a declaration of a one-to-one correspondence between an item or service purchased or offenses committed, and a debt owed. A commercial lien does not require a court process for its establishment. However, a commercial lien can be challenged via the Seventh Amendment jury trial, but may not be removed by anyone except the Lien Claimant or a jury trial, properly constituted, convened,

and concluded by due process of law. It cannot be removed by summary process, i.e. a judges discretion. A commercial lien (or distress) can exist in ordinary commerce without dependence on a judicial process, and is therefore not a common law instrument unless challenged in a court of common law, whereupon it converts to a common law lien. A commercial lien must always contain an Affidavit in support of Claim of Lien and cannot be removed without a complete rebuttal of the Liens Claimant affidavit point-by-point, in order to overthrow the one-to-one correspondence of the commercial lien. Also, no common law process can remove a commercial lien unless that common law process guarantees and results in a complete rebuttal of the lien claimants Affidavit categorically and point-for-point in order to overthrow the one-to-one correspondence of the commercial lien.

## **What is a True Bill in Commerce?**

This is a ledgering or bookkeeping/accounting, with every entry established. This is your first Affidavit, certified and sworn on the responsible party's commercial liability as true, correct, and complete, not meant to mislead. It must contain a one-to one correspondence between an item or service purchased or offenses committed and the corresponding debt owed. This commercial relationship is what is known as "Just compensation" (5<sup>th</sup> Amendment to the Constitution), in relationship between the Government and the American people, a true bill is called a warrant (4<sup>th</sup> Amendment to the Constitution), and the direct taking of property by legislative act, ( e.g. IRS and the like) is called a "Bill of Pains and Penalties" (Constitution, Art. I, Section 10, Clause I, and Article I, Section 9, Clause 3 -"Bill of Attainder).

There is one other matter we must define before we start putting all these pieces of the puzzle together into a workable tool for our benefit. That is the Uniform Commercial Code itself.

## **United States - US- U.S.-USA-America**

Means: (A) a federal corporation . . . Title 28 USC Section 3002(5) Chapter 176. It is clear that the United States . . . is a corporation . . . 534 FEDERAL SUPPLEMENT 724.

`It is well settled that "United States" et al is a corporation, originally incorporated February 21, 1871 under the name "District of Columbia," 16 Stat. 419 Chapter 62. It was reorganized June 11, 1878; a bankrupt organization per House Joint Resolution 192 on June 5, 1933, Senate Report 93-549, and Executive Orders 6072, 6102, and 6246; a de facto (define de facto) government, originally the ten square mile tract ceded by Maryland and Virginia and comprising Washington D. C., plus the possessions, territories, forts, and arsenals.

The significance of this is that, as a corporation, the United States has no more authority to implement its laws against "We The People" than does Mac Donald Corporations, except for one thing -- the contracts we've signed as surety for our strawman with the United States and the Creditor Bankers. These contracts binding us together with the United States and the bankers are actually not with us, but with our artificial entity, or as they term it "person", which appears to be us but spelled with ALL CAPITAL LETTERS.

All this was done under,

## **VICE-ADMIRALTY COURTS.**

In English Law. Courts established in the queen's possessions beyond the seas, with jurisdiction over maritime causes, including those relating to prize.

The United States of America is lawfully the possession of the English Crown per original commercial joint venture agreement between the colonies and the Crown, and the Constitution, which brought all the states (only) back under British ownership and rule. The American people, however, had sovereign standing in law, independent to any connection to the states or the Crown. This fact necessitated that the people be brought back, one at a time, under British Rule, and the commercial process was the method of choice in order to accomplish this task. First, through the 14th Amendment and then through the registration of our birth certificate and property. All courts in America are Vice-admiralty courts in the Crown's private commerce.

## **ACCEPT FOR VALUE AND ACCEPTANCE**

By now, you have probably heard the term accept for value. This term, for me, gave me quite a problem in understanding when first encountered. And, most of the people starting in this redemption program seems to have the same problem.

When you look up the word **accept** in Blacks 4<sup>th</sup> Edition you find, "To receive with approval or satisfaction; to receive with intent to retain."

With this in mind, when you get a traffic ticket, a notice of foreclosure or whatever, one's first instinct is "Oh, No. I'm certainly not going to 'accept' that!" Why would anyone want to accept such a thing?

**Acceptance.** The taking and receiving of anything in good part, and as it were a tacit agreement to a proceeding part, which might have been defeated or avoided if such acceptance had not been made.

Nope, that doesn't sound much better, now does it?

First, you may not know what the word 'tacit' means so let's look that one up as well. In Blacks 6<sup>th</sup> it states: 1. "Existing, inferred, or understood without being openly expressed or stated; implied by silence or silent acquiescence, as a tacit agreement or a tacit understanding. 2. Done or made in silence, implied or indicated, but not actually expressed. Manifested by the refrainment from contradiction or objection; inferred from the situation and circumstances, in the absence of express matter."

From the above, I deduce that if I accept the thing then there is an agreement. I agree with what they have said in the writing, whatever it may be. But, then, if I don't accept it, don't say

anything, then there is still an agreement because I don't refute it or contradict what they say in the writing. I know from all my past experience that I certainly don't want to get into a court battle with anyone. No matter how right you might think you are, what law you think is on your side, you always seem to lose in any court. My, my, what a predicament.

So, why would I want to accept anything for value? How could that phrase possibly be of any help?

Well, let's look a little further, define more words, and see if we can make any sense out of all this.

Let's go a little further when we look under Acceptance in Blacks 6<sup>th</sup> edition. You'll go on down the page until you get to *Types of acceptance*. Beneath that heading you'll see *Conditional acceptance*;

**Conditional acceptance.** An agreement to pay the draft or accept the offer on the happening of a condition.

A 'conditional acceptance' is in effect a statement that the offeree [this is you] is willing to enter into a bargain differing in some respects from that proposed in the original offer. The conditional acceptance is, therefore, itself a counter offer."

OK. That sounds a little better. If I accept their offer with a conditional acceptance, I now have a counter offer to make back to them. Now, the ball is in their court. If they do not answer, they then accept your offer by *tacit* agreement and you win. Now this sounds much better. But, we're not through yet. Let's look at power of acceptance. In Blacks 6<sup>th</sup> edition it says:

**Power of acceptance.** Capacity of offeree [that's you again, the offeree] upon acceptance of terms of offer, **to create a binding contract.**

So, if I accept your offer, with conditional acceptance, then place my own terms in which I do accept your offer, then we now have a binding contract. The offeror (a municipality or corporation) must now come back with a rebuttal to prove my terms and conditions in error. We will go into detail on this in the 5th Course – Contracts, but first you need to accept these contracts by claiming the fictitious entity the state created when you were born.

# REDEMPTION

Did you know the UNITED STATES actually defines the fictitious entity spelled like your name with upper case letters as a "corporation"? The definition is in 15 USCA (United States Code Annotated) section 44;

"Corporation" shall be deemed to include any company, trust, so-called Massachusetts trust, or association, incorporated or unincorporated, which is organized to carry on business for its own profit or that of its members,...."

So if the state has created this "unincorporated corporation" then does it have authority over it? Yes it does. And until you give them notice otherwise, they will always have authority over it. That is what a UCC-1 Financing Statement does, it gives public notice that you, the secured party, have a claim against the debtor, the unincorporated corporation. Now when you file this notice, you take this entity "out of the state", out of the jurisdiction of a fictitious entity and into the private venue, your kingdom, and thus the entity becomes "foreign" to the state and now it becomes an **unincorporated foreign corporation** to the state. Sounds like an oxymoron, but then again, I am using THEIR terminology!

**Financing Statement:** A document setting out a secured party's security interest in goods. A document designed to notify third parties, generally prospective buyers or lenders, that there may be an enforceable security interest in the property of the debtor; It is merely evidence of the creation of a security interest, and usually is not itself a security agreement; The financing statement is filed by the security holder with the Secretary of State, or similar public body, and as such becomes public record.

**Security Agreement:** An agreement which creates or provides for a security interest between the debtor and a secured party. UCC-9- 105(h); An agreement granting a creditor a security interest in personal property, which security interest is normally perfected either by the creditor taking possession of the collateral or by filing financing statements in the proper public records.

**Security interest:** Interest in property obtained pursuant to security agreement; A form of interest in property which provides that the property may be sold on default in order to satisfy the obligation for which the security interest is given; Often "lien" is used as a synonym, although lien most commonly refers only to interests providing security that are created by operation of law, not through agreement of the debtor and creditor.

A security agreement must exist to file a UCC-1 Financing Statement, but does this mean it must be in writing and attached to the UCC-1? Possibly, but what if it is a verbal agreement? Since your strawman corporation cannot speak how can it write or sign its name? You can create one and attach it, but you probably don't need it. In fact, one can still do all of the administrative procedures without filing a UCC-1, because you are the secured party and creditor whether you file or not. Filing the UCC-1 is actually more for your benefit than for anyone else because it makes this esoteric, intangible subject more real to you and gives you confidence, and that gain alone is worth every bit of the effort expended.

Some of the states give you a hard time when filing the financing statement as they claim you are "contracting with yourself". To prevent this, you create a separation between you and your strawman corporation so that "they" can tell the difference (as if they didn't know!). One of the things you can do is to apply for a tradename for your corporation. Once this is filed, you will start receiving promotions in the mail advertising credit card machines that you can use in your "new business". You will not need them, but it indicates that the "corporate system" now recognizes your strawman as a "fictitious entity doing business for profit" – a corporation.

**Drill:** File your tradename and UCC-1 Financing Statement

1. Go to the website for your state and pull off an Application for Trade Name and a UCC-1 Financing Statement form. You should be able to go to your Secretary of States site, such as SOSAZ would be for Arizona, or just call for the website.
2. Fill out the Application for Trade Name and send it into the SOS (Secretary of State) of your state along with the application fee. Mark "person" for the section of what kind of business it is. They get confused if you mark anything else.
3. When you get the Trade Name certificate back, make a copy as an attachment for the UCC-1 Financing Statement that you will be doing next.
4. Fill out the UCC-1 Financing Statement according to the example below and attach your Trade Name certificate to it as well as a copy of your birth certificate. A Security Agreement is not necessary as this is a private agreement between you and your corporation commonly referred to as a strawman. You must put the HOSPITAL where you were born as the address for the DEBTOR as this is where the corporation was created by the state. It is important to list all of the contracts that you have signed for your strawman such as the Drivers License, Social Security Number, Marriage license, Passport, etc.
5. Also reserve a number that will become your TREASURY POSTED REGISTERED ACCOUNT. This account will be set up at the US Department of Treasury with the private man entitled US Secretary of Treasury. It is important you refer to this man by his name such as "Paul O'Neill", as you cannot deal with a fiction while in the private venue. The number will consist of the registered number that is printed on the red registered mail sticker you get from the Post Office, plus your social security number with NO dashes. Example is RR26511985 & 111223333.
6. File your UCC-1 with the SOS with the applicable fees.

# Commercial Security Agreement

This non-negotiable and non-transferable Security Agreement is made and entered this day of \_\_\_\_\_, 2001 by and between JOHN HENRY DOE, hereinafter "Debtor", Organization Number 570-50-8194 John Henry Doe, hereinafter "Secured Party", Creditor Identification Number 544327911. The Parties, hereinafter "Parties", are identified as follows:

## DEBTOR:

JOHN HENRY DOE, a Legal Entity  
SAINT MARY'S HOSPITAL  
TUCSON, ARIZONA 85746

Organization Number: 570-50-8194

## Secured Party:

John Henry Doe, a man  
Mailing Location: c/o 4741 W, Camino Tierra  
Tucson, Arizona 85746

Creditor Identification Number: 544327911

## AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

Debtor hereby grants Secured Party, who deems herself insecure, a security interest in the Collateral described generally herein or specifically on attached Schedule A, hereinafter referred to as "Collateral", to secure all Debtor's property, as well as all income from every source, and all direct and indirect, absolute or contingent, due or to become due, now existing or hereafter arising, presumed or actual, parole or expressed public indebtedness and liabilities held by Debtor, to Secured Party in consideration for Secured Party providing certain things and accommodations for Debtor, including but not limited to:

1. the Secured Party signing by accommodation, without immediate consideration, for the Debtor when necessary where the signature of the Debtor will be required, while retaining the right to make sufficient claims to secured such indebtedness until satisfied in whole;
2. the Secured Party issuing a binding commitment to extend credit or to extend immediately available credit, whether or not drawn upon and whether or not

reimbursed in the event of difficulties in collection; and

3. the Secured Party providing the security for payment of all sums due or owing, or to become due or owing, by the Debtor on every public contract entered by the Debtor.

Debtor declares it is a legal entity recognized as such, and has rights and privileges recognized under the laws of the United States, as has been the case since its creation in 1966. All legal means to protect the security interest being established by this Agreement, will be used by the Debtor when necessary; and all support needed by the Secured Party to protect his security interest in the collateral identified herein, will be provided by the Debtor.

Execution of this Security Agreement incorporates a promise that the Debtor will execute such commercial forms, including but not limited to such Financing Statements as may be necessary, to assure the Secured Party's interest is perfected. The security interest established by this Agreement will continue until the Secured Party is relieved of all liability associated with said services provided to the Debtor, and until all owing and due consideration to the Secured Party has been delivered, regardless of whether the Collateral identified in this Agreement is in the possession of the Debtor or the Secured Party.

Debtor warrants that Secured Party's claim against the Collateral is enforceable according to the terms and conditions expressed therein, and according to all applicable laws promulgated for the purpose of protecting the interests of a creditor against a debtor. Debtor also warrants that it holds good and marketable title to the Collateral, free and clear of all actual and lawful liens and encumbrances except for the interest established herein, and except for such substantial interest as may have been privately established by agreement of the parties with full attention to the elements necessary to establish a valid contract under international contract law. Public encumbrances belonging to the Debtor, against the Collateral, shall remain secondary to this Agreement, unless registered prior to the registration of Secured Party's interest in the same Collateral, as is well-established in international commercial law.

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## **GENERAL PROVISIONS**

Possession of Collateral. Collateral or evidence of Collateral may remain in the possession of the Debtor, to be kept at the address given in this Agreement by the Debtor or such other place(s) approved by Secured Party, and notice of changes in location must be made to the Secured Party within ten (10) days of such relocation. Debtor agrees not to otherwise remove the Collateral except as is expected in the ordinary course of business, including sale of inventory, exchange, and other acceptable reasons for removal. When in doubt as to the legal ramifications for relocation, Debtor agrees to acquire prior written authorization from the Secured Party. Debtor may possess all tangible personal property included in Collateral, and have beneficial use of all other Collateral, and may use it in any lawful manner not inconsistent with this Agreement, except that Debtor's right to possession and beneficial use may also apply to Collateral that is in the possession of the Secured Party if such possession is required

by law to perfect Secured Party's interest in such Collateral. If Secured Party, at any time, has possession of any part of the Collateral, whether before or after an Event of Default, Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral, if Secured Party takes such action for that purpose as deemed appropriate by the Secured Party under the circumstances.

Proceeds and Products from Collateral. Unless waived by Secured Party, all proceeds and products from the disposition of the Collateral, for whatever reason, shall be held in trust for Secured Party and shall not be commingled with any other accounts or funds without the consent of the Secured Party. Notice of such proceeds shall be delivered to Secured Party immediately upon receipt. Except for inventory sold or accounts collected in the ordinary course of Debtor's public business, Debtor agrees not to sell, offer to sell, or otherwise transfer or dispose of the Collateral; nor to pledge, mortgage, encumber, or otherwise permit the Collateral to be subject to a lien, security interest, encumbrance, or charge, other than the security interest established by this Agreement, without the prior written consent of the Secured Party.

Maintenance of Collateral. Debtor agrees to maintain all tangible Collateral in good condition and repair, and not to commit or permit damage to or destruction of the Collateral or any part of the Collateral. Secured Party and his designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Debtor shall immediately notify Secured Party of all cases involving the return, rejection, repossession, loss, or damage of or to the Collateral; of all requests for credit or adjustment of Collateral, or dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

Compliance with Law. Debtor shall comply promptly with all laws, ordinances, and regulations of all governmental authorities applicable to the production, disposition, or use of the Collateral. Debtor may contest in good faith any such law, ordinance, or regulation without compliance during a proceeding, including appropriate appeals, so long as Secured Party's interest in the Collateral, in Secured Party's opinion, is not jeopardized. Secured Party may, at his option, intervene in any situation that appears to place the Collateral in jeopardy.

Public Disputes. Debtor agrees to pay all applicable taxes, assessments, and liens upon the Collateral when due; provided that such taxes, assessments, and liens are proved to be superior to the lawful claim established by this Agreement and subsequently perfected by the Secured Party by appropriate registration. In the event Debtor elects to dispute such taxes, assessments, and liens, Secured Party's interest must be protected at all times, at the sole opinion of the Secured Party, who may, at his option, intervene in any situation that appears to jeopardize Secured Party's interest in the Collateral. Debtor may elect to continue pursuit of dispute of such taxes, assessments, and liens, only upon production of a surety bond by public claimant(s), in favor of the Secured Party, sufficient to protect Secured Party from loss, including all costs and fees associated with such dispute. Should public judgment against the Debtor result from such dispute, Debtor agrees to satisfy such judgment from its accounts established and managed by the United States or its subdivisions, agents, officers, or affiliates,

so as not to adversely affect the Secured Party's interest in the Collateral.

Indemnification. Debtor hereby indemnifies Secured Party from all harm as expressed in the attached Indemnity Bond, incorporated herein as if fully set forth within this Security Agreement.

## **SUBORDINATION OF DEBTOR'S DEBTS TO SECURED PARTY**

Providing Secured Party, subsequent to the execution of this Agreement, perfects his security interest in the Collateral by appropriate registration, Debtor agrees that its indebtedness to the Secured Party, whether now existing or hereafter created, shall have priority over unregistered claims that third parties may raise against Debtor or the Collateral, whether or not Debtor becomes insolvent. Debtor hereby expressly subordinates any claim Debtor may have against Secured Party, upon any account whatsoever, to the claim Secured Party has or will have against the Debtor.

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If Secured Party so requests, all notes or credit agreements now or hereafter established evidencing debts or obligation of Debtor to third parties, shall be marked with a legend that the same are subject to this Agreement and shall be delivered to Secured Party. Debtor agrees, and Secured Party hereby is authorized, in the name of the Debtor, to execute and file such financing statements and other commercial statements, as Secured Party deems necessary or appropriate to perfect, preserve, and enforce his rights under this Agreement.

### **DEFAULT**

The following shall constitute Event(s) of Default hereunder:

1. failure by the Debtor to pay a debt secured hereby when due;
2. failure by the Debtor to perform an obligation secured hereby when required to be performed;
3. breach by the Debtor of a warranty contained in this Agreement;
4. evidence that a statement, warranty, or representation made or implied in this Agreement by Debtor, is false or misleading in any material respect, either now or at the time made or furnished;
5. evidence that this Agreement or a document of title is void or ineffective;
6. dissolution or termination of Debtor's existence as a legal entity, the insolvency of Debtor, the appointment of a receiver for all or any portion of Debtor's property, an assignment for the benefit of public creditors, or the commencement of proceedings under bankruptcy or insolvency laws by or against Debtor;
7. commencement of foreclosure, whether by action of a tribunal, self-help, repossession, or other method, by a creditor of Debtor against the Collateral;

8. garnishment of Debtor's deposit accounts or employment.

Cure of Default. If a fault or dishonor under this Agreement is curable through an account held by Debtor but managed by the United States or one of its subdivisions, agents, officers, or affiliates, such fault or dishonor may be cured by the Debtor with authorization by Secured Party; and upon advice by the fiduciary that the fault or dishonor has been cured, and no Event of Default will have occurred. A dishonor under this Agreement, initiated by third party intervention, will not cause a default if such intervention is challenged by Debtor by its good faith effort to confirm or disprove the validity or reasonableness of a public claim which is the basis of the public creditor's proceeding; but Debtor must, in that event, deposit such surety with Secured Party as is necessary to indemnify the Secured Party from loss.

Acceleration. In the Event of Default, Secured Party may declare the entire indebtedness, immediately due and payable without notice.

Liquidation of Collateral. In the Event of Default, Secured Party shall have full power to privately or publicly sell, lease, transfer, or otherwise deal with the Collateral or proceeds or products therefrom, in his own name or in the name of the Debtor. All expenses related to the liquidation of Collateral shall become a part of the Debtor's indebtedness. Secured Party may, at his discretion, transfer part or all of the Collateral to his own name or to the name of his nominee.

Rights and Remedies. The Secured Party shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code as it has been adopted in the State where part or all of the Collateral is located or presumed to be located, including but not limited to, the right to proceed with self-help with or without a public court or tribunal. Rights and remedies available to Secured Party may be exercised singularly or jointly and in all venues and jurisdictions concurrently at the sole discretion of the Secured Party.

## **MISCELLANEOUS PROVISIONS**

Amendments. This Agreement, together with all related documents, constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless expressed in writing and signed by both Parties.

Applicable Law. The governing law of this Agreement is the agreement of the Parties, supported by the Uniform Commercial Code as adopted by the legislature of the State of North Carolina, international contract law, the unwritten Law Merchant as practiced before the Uniform Commercial Code was promulgated, and applicable maxims of law. Expenses. Debtor agrees to pay upon demand, from such accounts as Debtor may have, all Secured Party's costs and expenses, including reasonable attorney's fees and other expenses incurred by the Secured Party to defend or enforce the provisions of this Agreement.

Indebtedness. The word "indebtedness" means the indebtedness evidenced by this Agreement as a claim against the Debtor and all its present and future possessions identified in this Agreement as Collateral; and all public obligations, debts, and liabilities ascribed to Debtor through its contracts and agreements, whether expressed or implied, known or unknown, or actual or constructive, that are with the United States or its subdivisions, agents, officers, affiliates, or other public entities; and all claims made by Secured Party against Debtor, whether existing now or in the future, whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated, regardless of whether Debtor is or may be liable individually or jointly, or is obligated as, or beneficiary of, a surety or accommodation party.

Related Documents. The phrase "related documents" means all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, applications, accounts, licenses, policies, permits, identification cards, account cards, receipts, forms, and all other documents and instruments that Debtor or its previous surety has or will execute in connection with the Debtor's total indebtedness.

Notices. Except for revocation notices by Debtor, all notices required to be given by either Party under this Agreement, shall be in writing and shall be effective when actually delivered or when deposited with the United States post office or a nationally recognized courier service, first class postage prepaid, addressed to the Party to whom the notice is to be given at the address shown on this Agreement or to such other address as either Party may designate to the other in writing.

Severability. If one or more provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a qualified court finds that one or more provisions of this Agreement is invalid or unenforceable, but that by limiting such provision(s) it would become valid or enforceable, such provision(s) shall be deemed to be written, construed, and enforced as so limited. In the event that such a finding and limitation causes damage or hardship to either Party, the Agreement shall be amended in a lawful manner to make all Parties whole.

Waiver of Contractual Right. The failure of either Party to enforce one or more provisions of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. Secured Party shall not be deemed to have waived rights under this Agreement unless such waiver is given in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising a right shall operate as a waiver of such right or any other right. A waiver by Secured Party of a provision of this Agreement shall not prejudice or constitute a waiver of Secured Party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Secured Party, nor any course of dealing between Secured Party and Debtor shall constitute a waiver of Secured Party's rights or of Debtor's obligations under this Agreement as to future transactions. Whenever the consent of Secured Party is required under this Agreement, the granting of such consent by Secured Party in one instance shall not constitute consent over the whole.

Ambiguities and Interpretation. Each Party acknowledges receipt of this Agreement and has had the opportunity to have counsel review it, and that any rule of construction claiming ambiguities are to be resolved against the drafting Party, shall not apply in the interpretation of this Agreement or its amendments. All statements in this instrument are important to the Parties. Misunderstandings have been resolved prior to execution.

Authority to Represent. A signer of this Agreement on behalf of a legal entity certifies that he has the authority to sign this Agreement and that this transaction has been duly authorized by such entity.

Gender. All references within this Agreement to a specific gender, include the other.

## **SIGNATURES**

Secured Party accepts all signatures in accord with the Uniform Commercial Code and acknowledges Debtor's signature as representative of all derivations thereof.

---

JOHN HENRY DOE John Henry Doe

a Legal Entity a man

See attached: Schedule A and Indemnity Bond Page 4 of 4

## **SCHEDULE A**

This Schedule A dated the \_\_\_\_\_ day of \_\_\_\_\_, 2001, is attached to and incorporated in the attached Security Agreement dated the same date, as though fully set forth therein. The following partial itemization of property constitutes a portion of the Collateral referenced in said Security Agreement, and is not intended to represent the actual and full extent of said Collateral. This Schedule A supplements previous security agreements describing collateral, that may have been entered by the same parties.

- a. Income from every source
- b. Proceeds of Secured Party's labor from every source
- c. Application for STATE OF CALIFORNIA CERTIFICATION OF BIRTH # 1907 5396, and all other Certificates of Birth, Certificates of Living Birth, Notifications of Registration of Birth, or Certificates of Registration of Birth, or otherwise entitled documents of birth -- whether County, State, Federal, or other -- either ascribed to or derived from the name of the DEBTOR identified above, or based upon the above described birth document.
- d. Application for Social Security # 570508194
- e. Treasury Posted Registered Account # R792 407 568
- f. United States of America Passport # 051870157

g. Arizona Driver License # B11176728

h. Personal Treasury Direct Account # R 792 407 568 - 570508194

All property belonging to the DEBTOR

## **INDEMNITY BOND**

Know all men by these presents, that JOHN HENRY DOE, the Debtor, hereby establishes this Indemnity Bond in favor of John Henry Doe, the Secured Party, in the sum of present and future Collateral Values up to the sum of One hundred billion United States Dollars (\$100,000,000,000), for the payment of which bond, the Debtor hereby firmly binds its successors, heirs, executors, administrators, DBA's, AKA's, and third-party assigns, jointly and severally.

The Debtor hereby indemnifies the Secured Party against losses incurred as a result of all claims of debts or losses made by any and all persons against the commercial transactions and investments of the Debtor. The condition of this bond is that Secured Party covenants to do certain things on behalf of the Debtor, as set forth in the attached Security Agreement of the same date and executing Parties; and Debtor covenants to serve as a transmitting utility to assure beneficial interest in all accounts established and managed by the United States, and all goods and services in commerce, are available to or conveyed from Debtor to Secured Party, whichever is appropriate.

To avert losses of vested rights in the present or future collateral that is the subject of the attached Security Agreement, Debtor agrees to make available to the Secured Party, such accounts established by intent of the Parties, by operation of law, and/or as constructive trusts, to hold proceeds arising from assets belonging to the Debtor, and administered by the United States or its subdivisions, agents, or affiliates. Pursuant to existing laws of the United States and the agreement of the Parties of the attached Security Agreement, the Secured Party is authorized to assign such funds from said accounts as are necessary to settle all past, present, and future public debts and obligations incurred by the Debtor on behalf of the Secured Party.

The Debtor, without the benefit of discussion or division, does hereby agree, covenant, and undertake to indemnify, defend, and hold the Secured Party harmless from and against any and all claims, losses, liabilities, costs, interests, and expenses, including without restriction, legal costs, interests, penalties, and fines previously suffered or incurred, or to be suffered or incurred by the Secured Party, in accordance with the Secured Party's personal guarantee with respect to loans or indebtedness belonging to the Debtor, including any amount the Debtor might be deemed to owe to a public creditor for any reason whatsoever.

The Secured Party shall promptly advise the Debtor of all public claims brought by third parties against the present or future property of the Debtor, all of which is covered by the attached Security Agreement up to the indemnification amount declared herein, and to provide the Debtor with full details of said claim(s), including copies of all documents, correspondence, suits, or actions received by or served upon the Debtor through the Secured Party. Secured Party shall fully cooperate with discussion, negotiation, or other proceedings relating to such

claims.

This bond shall be in force and effect as of the date it is signed and accepted by the Parties, and provided that Secured Party may cancel this bond and be relieved of further duty hereunder by delivering a thirty (30) day written Notice of Cancellation to the Debtor. No such cancellation shall affect the liability incurred by or accrued to Secured Party prior to the conclusion of said thirty (30) day period. In such event of Notice of Cancellation, and in the event the United States reinstates its constructive claim against the Collateral, the Debtor agrees to reissue the bond before the end of the thirty (30) day period for an amount equal to or greater than the above value of the attached Security Agreement, unless the Parties agree otherwise.

Done this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Indemnitor, JOHN HENRY DOE Indemnitee, John Henry Doe

## **BALANCING YOUR ACCOUNT WITH THE U.S. TREASURY**

The "government" or specifically the INTERNAL REVENUE SERVICE keeps an account for your strawman corporation from the time you were born until the time you die. That is all the strawman really is – an account, an accounting of the commercial transactions of the credit that you as the creditor gives to UNITED STATES.

The IRS calls the summary of entries made to this account your Individual Master File (IMF). This file is an account of what the strawman has "done" so that they can put a value on the criminal "charges" that they are claiming, such as a rum runner in Puerto Rico, an arms dealer in Iran, or a drug dealer in Malaysia. That is how they "charge your account" and that is why you have never been "charged" with these crimes – the debtor, the strawman, the corporation has. These "charges" represent millions of dollars worth of U.S. Treasury Bonds to the foreign corporation we fondly call UNITED STATES.

As you might guess, depending on the crimes and the assigned values, this balance is a continuing deficit to the debtor and at first glance it would be an overwhelming feeling to know that if you think you are the debtor, you could owe millions, if not hundreds of millions. But, you must ask yourself this question, "who is the creditor to this debtor"? Is it the UNITED STATES, the FEDERAL RESERVE BANK, or INTERNATIONAL MONETARY FUND? I think you know the answer. They are "pretending" to be the creditors, but did they give the substance or did you?

Then why are they getting the interest (taxes) for the credit units that WE have supplied to the corporations? Shouldn't the corporations be paying the interest to us? How did this get turned upside down where the head is the tail and the tail is now the head? Turn to Deuteronomy 28

and read it, but specifically 43, 44 & 45;

*The stranger that is within you shall get up above you very high; and you shall come down very low. He shall lend to you and you shall not lend to him; he shall be the head, and you shall be the tail. Moreover all these curses shall come upon you, and shall pursue you, and overtake you, till you be destroyed; because you hearkened not unto the voice of the Lord your God, to keep his commandments and his statutes which he commanded you:*

Now that you can visualize the countless number of "charges" that have been entered on your strawman account by the IRS, what can you do about it? You can balance your account by ACCEPTANCE FOR VALUE.

The main reason why you must do this action is to keep this account at a zero balance so that you can discharge all of your debt that you CAN see.

**Drill.** 1. Set up your Treasury Account and discharge the debt in the name of the strawman corporation.

You will have to get a copy of your birth certificate and accept that for value. This is the document that the state issued for the purpose of creating an artificial person in your upper case name with an account so that the state could keep an accounting record of all the debt that has been assigned to that "person."

2. While you are waiting for your copy of your birth certificate, you will have to make an invoice like they would have "if" they were able to give one to you. Since they will never do this, you will make one up yourself based on the birth certificate as this is the actual document evidencing that the strawman account really exists. This is the bill, the charge, the evidence of debt. Do not put an amount in the space provided, because you do not know how much they have entered into your account. Leave this blank and let them fill this amount in. Now that you have the bill, the evidenced the debt, you need to discharge it. You will do this by means of a set-off, a cancellation of mutual debt, an exchange, a BILL OF EXCHANGE. Replace the generic data with your information and again DO NOT ENTER AN AMOUNT. Then sign the document.

3. Next compose the cover letter that you will send to Paul H O'Neill, not the US Secretary of Treasury. The reason is that you, as a sovereign in the private venue, cannot see or recognize a fiction whether it be a corporation or an office. You can only see or deal with the real man or woman. This is a "private" contract between you the creditor and Paul H O'Neill, your agent for the bankruptcy to

cancel the debt.

4. Go to your local IRS and get a 1040ES (Estimated Tax) Form and fill it out, but DO NOT sign it or fill in the AMOUNT. Again you do not know how much it is so let them fill it out. When they figure out how much the total debt is they will then pay themselves by using this form.

5. When you get your birth certificate, you will need to make a transparency for it. This consists of printing out the page that says Non-Negotiable CHARGEBACK on it. Take it down to a Mailboxes Etc. and have them make RED transparency of it. Then situate the CHARGEBACK transparency on the birth certificate and have them make a color copy of it. Fill in the blanks appropriately.

6. While you are at the copy place, take your UCC-1 and make a copy of it also. Copy only the Financing Statement NOT the entire Security Agreement and attachments.

7. Now that you have the whole package, make a copy of the entire package which should include;

- a. Cover letter to Paul H O'Neill
- b. Invoice
- c. BILL OF EXCHANGE
- d. Copy of birth certificate with CHARGEBACK stamp
- e. Copy of your UCC-1 Financing statement.
- f. 1040ES

9. Send the contents registered mail return receipt so that you know that someone has signed for it.

10. After you have received the green receipt back, wait 30 days and if you have not heard back then they have consented to all that you have requested.

Following are the documents that you will need to complete this particular process. You will not use this account again, but the debt with the strawman will have a zero balance. You will set up a new account with Paul O'Neill every time you discharge a debt and then close that account again.

MAY 15, 2000  
Paul H O'Neill , Secretary  
US Department of the Treasury  
1500 Pennsylvania Avenue, NW

Washington, DC 20220  
Re: Non-Negotiable Charge Back

Mr. O'Neill:

Enclosed you will find a copy of the Registered Security which I have sent to you to open my Treasury Direct Account. I accept for value all related endorsements with both UCC 3-419 and HJR-192 of June 5, 1933. Charge my Treasury Direct Account # R987654321-123456789 for the registration fees and command the memory of account number 123456789 to charge the same to the debtor's Order or your Order.

The total amount of this NON-NEGOTIABLE ACCEPTANCE FOR VALUE in the enclosed filing is \$ \_\_\_\_\_.

Posted Certified Account # R987654321

Invoice: # JHD12252000-R987654321

Pre-paid – Preferred Stock

Priority – Exempt from Levy

Res/In Rem.

---

John Henry Doe via JOHN HENORY DOE  
? ANYHOUSE IN SOME TOWN  
ANYTOWN,ANY STATE WITH A ZIP  
Employer Identification Number: 123456789

Attachments:

1. INVOICE # JHD12252000-R987654321
2. Non-Negotiable Bill of Exchange
3. Copy of UCC-1
4. Copy of Birth Certificate
5. 1040 ES FORM

Cc: file

**INVOICE#:JHD12252000-R987654321**

MAY 15, 2000

Non-Negotiable

Charge Back

Paul H O'Neill , Secretary

Department of the Treasury

1500 Pennsylvania Avenue, NW

Washington, DC 20220

NON-NEGOTIABLE

Attention: Paul H O'Neill , Respondent

This constitutes notice that, re. The enclosed, the Undersigned, John Henry Doe, herewith accepts for value all related endorsements, front and back, in accordance with Uniform Commercial Code, "UCC" 3-419, and House Joint Resolution 192 of June 5, 1933 and UCC §§ 1-104, 10-104. Charge Treasury Direct Account #R987654321-123456789 of the Undersigned for appropriate registration fees and command the memory of account number 123456789 to charge the same to the Debtor's Order, or to Respondent's Order.

The total amount of this NON-NEGOTIABLE ACCEPTANCE FOR VALUE in the enclosed filing is any amount Dollars, \$ any amount.

Please adjust the Undersigned's Treasury Direct Account and send a summary statement of said adjusted account to the Undersigned within thirty (30) days of receipt of this NOTICE.

In the event Respondent requires further information or assistance from the Undersigned, please write to the Undersigned at the mailing location provided herein and herewith.

Sincerely, \_\_\_\_\_  
John Henry Doe via JOHN HENORY DOE  
? SOMEPLACE ON A STREET  
Some city, in anystate with a ZIP  
Posted Certified: Account # R987654321

Invoice: # JHD12252000-

R987654321

Employer Identification Number: 123456789

Non-Negotiable

**Charge Back** Paul H O'Neill or Office Holder  
Secretary of the Treasury

John Henry Doe accepts for value all related endorsements, front and back, in accordance with Uniform Commercial Code 3-419 and House Joint Resolution 192 of June 5, 1933. Charge Treasury Direct Account Number R987654321-123456789 for the registration fees and command the Memory of account number 123456789 to charge the same to the Debtor's Order or the Order of Paul H O'Neill or Office Holder.

Employer  
Identification  
#123456789

Pre-Paid –  
Preferred Stock

Priority – Exempt form Levy

Posted Registered Account # R987654321

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Invoice: # JHD12252000-R987654321 John Henry Doe

**NON-NEGOTIABLE**

**BILL OF EXCHANGE**

Exempt from Levy Posted Registered Account # R987654321

Preferred Stock

Purpose: CHARGEBACK

Name on Account: JOHN HENORY DOE

Personal Treasury Direct Account # R987654321-123456789

Amount: \_\_\_\_\_

Respondent: Paul H O'Neill

Attached please find Invoice # JHD12252000-R987654321 and a copy of the undersigned's non-negotiable acceptance for value of the attached CERTIFICATE OF BIRTH, representing the original birth document wherever it may be at this time, with all related endorsements, front and back, and correlating numbers, in accord with UCC 3-419, relying on UCC 1-104 and 10-104. Said accepted Certificate of Birth, original document of title, and related numbers are included in and are part of the Undersigned's commercial agreements.

1. Please charge back \_\_\_\_\_ to the JOHN HENORY DOE'S Treasury Direct Account # R987654321-123456789, Deducting the fees necessary to secure and register this tax exempt priority exchange for the purpose of discharging a public liability, for this priority exchange to discharge the public liability. Please command the memory of account # 123456789 to charge the same certain sum of money to the Debtor's Treasury Direct Account named above, after the necessary fees have been deducted.
2. The posted registered account # R987654321, which is part of the undersigned's tax estimate, is directed for priority use for the Republic as referenced in Article Four Section Four of the Constitution for the United States, and is in accord with public policy House Joint Resolution 192 of June 5, 1933, for discharge of the public debt.
3. Please take the Undersigned's Banker's Acceptance of the attached Article Seven receipt, in exchange for the tax exempt priority. This non-negotiable BILL OF EXCHANGE is presented to the Respondent to the Federal Window, for settlement within the three-day Truth and Lending time for settlement of retail agreements.
4. With this posted transaction, the charge back documented by the enclosed forms, for use by the Republic is complete. Failure of the Respondent to notice the Undersigned of his refusal or inability to

timely adjust said Treasury Direct Account within thirty(30) days of receipt of this instrument, shall constitute confirmation that said account has been adjusted as requested herein.

Should additional information or assistance be required to comply with this request, please direct inquiries to the Undersigned at the mailing location provided below.

Sincerely,

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Dated:\_\_\_\_\_.

John Henry Doe via JOHN HENORY DOE Employer  
Identification # 123456789

? 0119 N. Broadway Pre-Paid - Preferred Stock

Tucson, Arizona 85799 Priority - Exempt from Levy

Attachments

*Following is a speech by Representative Traficant who Reports On The Bankruptcy Of The United States, United States Congressional Record, March 1, 1993 VOL. 33, page H-1303 The Speaker - Rep. James Traficant, Jr. (Ohio) addressing the House. Several people have looked in Law Libraries for the above speech and references, however the documents can not yet be located, therefore this is not verified and cannot be stated as fact. However, Traficant's speech is very eloquent, to the point and can be supported with other documented facts.*

Mr. Speaker, we are here now in chapter 11. . .  
Members of Congress are official trustees presiding over the greatest reorganization of any Bankrupt entity in world history, the U.S. Government. We are setting forth hopefully, a blueprint for our future. There are some who say it is a coroner's report that will lead to our demise.

It is an established fact that the United States Federal

Government has been dissolved by the Emergency Banking Act, March 9, 1933, 48 Stat. 1, Public Law 89-719; Declared by President Roosevelt, being bankrupt and insolvent. H. J. R. 192, 73rd. Congress in session June 5, 1933 - Joint Resolution To Suspend The Gold Standard and Abrogate The Gold Clause dissolved the Sovereign Authority of the United States and the official capacities of all United States Government Offices, Officers and Departments and is further evidence that the United States Federal Government exists today in name only.

The receivers of the United States Bankruptcy are the International Bankers, via the United Nations, the World Bank and the International Monetary Fund. All United States Offices, Officials, and Departments are now operating within a defacto status in name only under Emergency War Powers. With the Constitutional Republican form of Government now dissolved, the receivers of the Bankruptcy have adopted a new form of government for the United States. This new form of government is known as a Democracy, being an established Socialist/Communist order under a new governor for America. This act was instituted and established by transferring and/or placing the Office of the Secretary of Treasury to that of the Governor of the International Monetary Fund. Public Law 94-564, page 8, Section H. R. 13955 reads in part:" The U.S. Secretary of Treasury receives no compensation for representing the United States?"

Gold and silver were such a powerful money during the founding of the United States of America, that the founding fathers declared that only gold and silver coins can be "money" in America. Since gold and silver coinage were heavy and inconvenient for a lot of transactions, they were stored in banks and a claim check was issued as a money substitute. People traded their coupons as money, or "currency." Currency is not money, but a money substitute. Redeemable currency must promise to pay a dollar equivalent in gold or silver money. Federal Reserve Notes (FRN's) made no such promises, and are not "money." A Federal Reserve Note is a debt obligation of the federal United States government, not "money."

The federal United States government and the U.S. Congress were not and have never been authorized by the Constitution for the United States of America to issue currency of any kind, but only lawful money, - gold and silver coin.

It is essential that we comprehend the distinction between real money, and paper money substitute. One cannot get rich by accumulating money substitutes, one can only get deeper in debt. We the People no longer have any "money." Most Americans have not been paid any "money" for a very long time, perhaps not in their entire life. Now do you comprehend why you feel broke? Now, do you understand why you are "bankrupt," along with the rest of the country?

Federal Reserve Notes (FRN's) are unsigned checks written on a closed account. FRN's are an inflatable paper system designed to create debt through inflation (devaluation of currency). Whenever there is an increase of the supply of a money substitute in the economy without a corresponding increase in the gold and silver backing, inflation occurs.

Inflation is an invisible form of taxation that irresponsible governments inflict on their citizens. The Federal Reserve Bank who controls the supply and movement of FRN's has everybody fooled. They have access to an unlimited supply of FRN's, paying only for the printing costs of what they need. FRN's are nothing more than promissory notes for U.S. Treasury securities (T-Bills) - a promise to pay the debt to the Federal Reserve Bank.

There is a fundamental difference between "paying" and "discharging" a debt. To pay a debt, you must pay with value or substance (i.e. gold, silver, barter or a commodity). With FRN's, you can only discharge a debt. You cannot pay a debt with a debt currency system. You cannot service a debt with a currency that has no backing in value or substance. No contract in common law is valid unless it involves an exchange of "good and valuable consideration." Unpayable debt transfers power and control to the sovereign power structure that has no interest in

money, law, equity or justice because they have so much wealth already.

Their lust is for power and control. Since the inception of central banking, they have controlled the fates of nations.

The Federal Reserve System, is based on the Canon law and the principles of sovereignty protected in the Constitution and the Bill of Rights. In fact, the international bankers used a "Canon Law Trust" as their model, adding stock and naming it a "Joint Stock Trust." The U.S. Congress had passed a law making it illegal for any legal "person" to duplicate a "Joint Stock Trust" in 1873. The Federal Reserve Act was legislated post-facto (1870), although post-facto laws are strictly forbidden by the Constitution. (1:9:3)

The Federal Reserve System is a sovereign power structure separate and distinct from the federal United States government. The Federal Reserve is a maritime lender, and/or maritime insurance underwriter to the federal United States operating exclusively under Admiralty/Maritime law. The lender underwriter bears the risks, and the Maritime law compelling specific performance in paying the interest, or premiums are the same.

Assets of the debtor can also be hypothecated (to pledge something as a security without taking possession of it) as security by the lender or underwriter. The Federal Reserve Act stipulated that the interest on the debt was to be paid in gold. There was no stipulation in the Federal Reserve Act for ever paying the principal.

Prior to 1913, most Americans owned clear, allodial title to property, free and clear of any liens or mortgages until Federal Reserve Act (1913).

"Hypothecated" all property within the federal United States to the Board of Governors of the Federal Reserve, - in which the Trustees (stockholders) held legal title, the U.S. citizen (tenant, franchisee) was registered as a "beneficiary" of the trust via his/her birth certificate. In 1933, the federal United States

hypothecated all of the present and future properties, assets and labor of their "subjects," the 14th Amendment U.S. citizens, to the Federal Reserve System.

In return, the Federal Reserve System agreed to extend the federal United States corporation all the credit "money substitute" it needed. Like any other debtor, the federal United States government had to assign collateral and security to their creditors as condition of the loan. Since the federal United States didn't have any assets, they assigned the private property of their "economic slaves," the U.S. citizens, as collateral against the unpayable federal debt. They also pledge the

unincorporated federal territories, national parks forest, birth certificates, and nonprofit organizations, as collateral against the federal debt. All has already been transferred as payment to the international bankers.

Unwittingly, America has returned to its pre-American Revolution, Feudal roots whereby all land is held by a sovereign and the common people had no rights to hold allodial title to property. Once again, We the People are the tenants and sharecroppers renting our own property from a Sovereign in the guise of the Federal Reserve Bank. We the People have exchanged one master for another.

This has been going on for over eighty years without the "informed" knowledge: Of the American people, without a voice protesting loud enough. Now it's easy to grasp why America is fundamentally bankrupt.

Why don't more people own their properties outright?

Why are 90% of Americans mortgaged to the hilt and have little or no assets after all debts and liabilities have been paid? Why does it feel like you are working harder and harder and getting less and less?

We are reaping what has been sown, and the result of our harvest is a painful bankruptcy, and a foreclosure on American property, precious liberties, and a way of

life. Few of our elected representatives in Washington, D.C. have dared to tell the truth. The federal United States is bankrupt. Our children will inherit this unpayable debt, and the tyranny to enforce paying it.

America has become completely bankrupt in world leadership, financial credit and its reputation for courage, vision and human rights. This is an undeclared economic war. Bankruptcy, and economic slavery of the most corrupt order! Wake up America! Take back your country.