

The Thousand Paper Cuts Technique

“The way to defeat a bureaucrat is with a thousand paper cuts.”

or

**“How to LAWFULLY and LEGALLY claim your home
free and clear
through Administrative Procedures”**

By George Tran

Dedication

I dedicate this book to the late Jerry Kane whom much of the process which I used was inspired from. He and Joe passed away on May 20, 2010 quite suddenly under very mysterious circumstances.

My deep condolences to Mrs. Kane.

I am very grateful for his great contribution to this movement. He is a great man who have helped many people through this housing crisis.

WARNING: This Book May Be Out of Date

This book is a living document and is likely out of date
if it was passed onto you by a friend.

The book is constantly updated with new strategies, new ideas and processes.

Be sure to download a fresh copy at:

<http://www.freeandclearin90.com>

LEGAL NOTICE

The information contained in this book is purely for educational purposes only. No part of this information is to be considered legal advice. You are advised to do your own research and seek legal council.

The author makes no guarantee, explicit or implied, on the performance of the process outlined in this book. You are advised to do your own research and come to your own conclusion before embarking on your own process.

FIRST AMENDMENT NOTICE

This document is written under the First Amendment of the Constitution (For and Of the United States, which protects the author's rights to free speech and expression. The comments and opinions contain within these document are mine and mine alone and can not be taken as anything other than fiction.

UCC1 NOTICE

The author is indentured to a third party under UCC1 as a debtor for 100 billion dollars. And attempt to commerce with the author shall be in the inferior position.

My secure Creditor will enforce his/her claim on her rightful property against any inferior claims.

Notice of Copyright Release

The author has chosen to withhold his right to copyright the contents of this book. You are encouraged to share this information to anyone and everyone as long as the book and materials remain intact and credit is acknowledged to the author.

Please spread this far and wide. Help wake your fellow brothers and sisters up. They need to know their rights. Thank you.

Acknowledgement

I was able to do this procedure thanks to the great pioneers that did all the hard work of figuring all these things out. I take no credit for this process. I merely learned from these people and modified it for my own. I thank the late Jerry Kane and John Stuart for their generous knowledge and brilliance as well as Angela Stark who facilitated the audio-cast shows.

I also want to acknowledge my wife, Carol Anne who edited the book – without whom, you would have had to suffered through my unedited English.

Introduction

(IMPORTANT. PLEASE READ.)

I have successfully claimed 4 houses I owned – and released all liens on these properties – lawfully.

If you are in foreclosure, or would like to learn how I did it, then this book is for you.

As you can see on the following pages, there's the recorded "Full Reconveyance" on my 3 properties (a full reconveyance means the property is "free and clear" of liens and encumbrances and that the note has been satisfied in full and has been released back to the owner of the property).

I spent over 200 hours researching this process. I feel that more people should know the truth about what's going on with their loan and claim what is rightfully theirs.

I AM NOT A GURU. I DON'T CLAIM TO BE AN EXPERT IN THIS MATTER.

I credit the late Jerry Kane and John Stuart for most of my education (thanks to Angela Stark from privateaudio.homestead.com). There are many, many more learned people who came before me who have made this process possible. For that, I am deeply grateful.

Almost all the information I am sharing with you is freely available online if you are willing to invest the time to do your own research. I've just compiled it, and summarized it so it will save you time. For the most part, I got my information from Jerry Kane, but I added my personal twist (as should you).

I am not trying to sell you anything. I just finished my process and was excited to share it with everyone. I started by writing an "article" which grew and grew – I completed 61 pages in about 72 hours – so you will excuse me if the book is not quite polished. I feel that it is more important that my content is available than minor grammatical or spelling mistakes.

However, **I do have a price. I would like you to pay me back** in return for the information I've painstakingly put together. If you read my book and find it worthy, you are to **pass it to at least 3 other people** who need this information. This is our honor bound contract. Do not proceed if you don't agree with my price.

More people need this information. We need to wake our fellow brothers and sisters up.

Recording requested by and
When recorded return to:
GEORGE TRAN
c/o George Tran

Parcel ID: #131490068
Instrument Number: 2362882
Loan Number: 0048547814
Case # 1210-05251

RECORDED
MAY 14 2010

E 252 B 5025 P 194
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
05/14/2010 11:24 AM
FEE \$10.00 Pgs: 1
DEP RT REC'D FOR GEORGE TRAN

Space above this line for Recorder's use only

DEED OF FULL RECONVEYANCE

Whereas, Michael Waters, the Trustee under the Deed of Trust dated May 1, 2007, made and executed by GEORGE TRAN as Trustor(s) to WACHOVIA MORTGAGE, FSB as beneficiary and recorded as Instrument No. 2362882, of the Office Records in the Office of the Recorder of Davis County, State of UTAH having received from Beneficiary Michael Waters under said Deed of Trust a written request to reconvey, reciting that all sums secured by said Deed of Trust have been fully paid, and said Deed of Trust and the note or notes secured thereby having been surrendered to the Trustee Michael Waters for cancellation, do hereby reconvey, without warranty, to the person or persons legally entitled thereto, all right, title and interest heretofore acquired and now held by said Trustee under said Deed of Trust, in the real property commonly know as

2356E 7975 South, South Weber UT 84405

situated in the County of Davis, State of Utah, and more particularly described as follows:

ALL OF LOT 68, CHERRY FARM ESTATES NO. 5. CONTAINS 0.27 ACRES

By: [Signature]
as Trustee
Date: 5-14-2010

State of Utah)
 : SS
County of Wasatch)

This forgoing instrument was acknowledged before me on May 14, 2010, by Michael Waters, Trustee.

My Commission Expires: [Signature]



Recording requested by and
When recorded return to:
GEORGE TRAN
c/o George Tran

RETURNED
MAY 14 2010

E 2528 B 5025 P 192
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
05/14/2010 11:24 AM
FEE \$10.00 Pgs: 1
DEP RT REC'D FOR GEORGE TRAN

Parcel ID: #091070049
Instrument Number: 2362480
Loan Number: 0048547772
Case # 1210-05253

Space above this line for Recorder's use only

DEED OF FULL RECONVEYANCE

Whereas, Michael Waters, the Trustee under the Deed of Trust dated or near May 1, 2007, made and executed by GEORGE TRAN as Trustor(s) to WACHOVIA MORTGAGE, FSB as beneficiary and recorded as Instrument No. 2362480, of the Office Records in the Office of the Recorder of Davis County, State of UTAH having received from Beneficiary under said Deed of Trust a written request to reconvey, reciting that all sums secured by said Deed of Trust have been fully paid, and said Deed of Trust and the note or notes secured thereby having been surrendered to the Trustee for cancellation, do hereby reconvey, without warranty, to the person or persons legally entitled thereto, all right, title and interest heretofore acquired and now held by said Trustee under said Deed of Trust, in the real property commonly know as

1430 E 2500 N, Layton UT 84040

situated in the County of Davis, State of Utah, and more particularly described as follows:

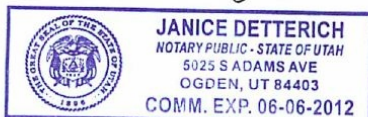
Lot 49. COUNTRY HOLLOW SUBDIVISION, according to the plat thereof as recorded in the office of Davis County Recorder

By: [Signature]
as Trustee
Date: 5-14-2010

State of Utah)
 : SS
County of Wash)

This forgoing instrument was acknowledged before me on ^{my} April 14, 2010, by Michael Waters, Trustee.

My Commission Expires: [Signature]



Recording requested by and
When recorded return to:
GEORGE TRAN
c/o George Tran
6 [REDACTED]

Parcel ID: #10-015-0035
Instrument Number: 2339536
Loan Number: 0048547707
Case # 1210-05252



W2472426

EW 2472426 PG 1 OF 1
ERNEST D ROWLEY, WEBER COUNTY RECORDER
14-MAY-10 1010 AM FEE \$10.00 DEP KKA
REC FOR: GEORGE TRAN

Space above this line for Recorder's use only


DEED OF FULL RECONVEYANCE

Whereas, [REDACTED], the Trustee under the Deed of Trust dated on or near May 1, 2007, made and executed by GEORGE TRAN as Trustor(s) to WACHOVIA MORTGAGE, FSB as beneficiary and recorded as Instrument No. 2339536, of the Office Records in the Office of the Recorder of Weber County, State of UTAH having received from Beneficiary under said Deed of Trust a written request to reconvey, reciting that all sums secured by said Deed of Trust have been fully paid, and said Deed of Trust and the note or notes secured thereby having been surrendered to the Trustee for cancellation, do hereby reconvey, without warranty, to the person or persons legally entitled thereto, all right, title and interest heretofore acquired and now held by said Trustee under said Deed of Trust, in the real property commonly know as

5521 S 6300 W, Hooper UT 84315

situated in the County of ^{Webster} ~~Davis~~, State of Utah, and more particularly described as follows:

PART OF THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 3 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING NORTH 200.00 FEET FROM THE INTERSECTION OF AN EXISTING FENCE LINE EXTENDED AND THE WEST LINE OF 6300 WEST STREET, SAID INTERSECTION BEING 2367.14 FEET EAST AND 483.14 FEET NORTH OF THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 13, RUNNING THENCE WEST 200.5 FEET; THENCE NORTH 137.5 FEET, MORE OR LESS, TO THE SOUTH LINE OF 5500 SOUTH STREET; THENCE EAST 200.5 FEET ALONG SAID SOUTHLINE TO THE WEST LINE OF 6300 WEST STREET; THENCE SOUTH 137.5 FEET, MORE OR LESS, ALONG SAID WEST LINE TO THE POINT OF BEGINNING.

By: 
as Trustee
Date: 5-14-2010

State of Utah)
 : SS
County of _____)

This forgoing instrument was acknowledged before me on ^{May} ~~April~~ 14, 2010, by Michael Waters, Trustee.

My Commission Expires: 



Chapter 1. Is This Legit?

Firstly, I want to congratulate you for taking the initiative to learn and discover your rights.

There is nothing “magical” about this process I am about to show you. It just takes time and your willingness to research and discover the truth. Don’t take my word for it. I insist that you do your own research to back up the information I’ve presented here.

Don’t do anything I did until you know what you are doing and have claimed the process yourself.

Here’s my story.

My name is George Tran. Created this company called 1Shoppingcart.com. It is one of the world’s largest ecommerce providers and is now a public company. I bought a number of properties over the years and have held them as rentals. (You can see a TV interview of me at www.freeandclearin90.com under About.)

One day, I heard about people being able to claim their house free and clear. Naturally, I was pretty skeptical about it. Like you, I thought these guys must either be doing something illegal or unethical. But, the idea of owning my properties free and clear was too intriguing to ignore. So, I continued to learn the process and researched.

By the way, all this information is freely available. Simply search for “creditors in commerce” or go to **privateaudio.homestead.com**. It’s all there. I encourage you to watch the videos and content provided by Jerry Kane and John Stuart. The password for Jerry’s site is “makeme.”

Anyway, as I delved deeper and deeper into this, it quickly became clear to me that what this movement is doing is very legit.

Let me bring to your attention a minor fact to put things into perspective for you.

I am a highly respected figure among Internet marketing circles. I am also a real estate investor, so my good name and credit rating is key to my livelihood. I’m not about to risk my good name on some weird scheme.

So, after some more research, I am convinced of the following:

- a) that the process actually works.
- b) that it is LAWFUL.
- c) That hundreds, if not thousands, of people have done it successfully.

Look, it’s not my job to sell you anything. I just want to share with you some information so it might help you with your situation and inform you of your rights.

Over the next few chapters, I will be giving you information to help you understand the process. Understand that I've spent hundreds of hours doing this research... so it will hardly be fair to just dump that information on you in one sitting and expect you to understand it all.

As soon as I got convinced of the process, I stopped making payments to the bank. This was around mid February 2010. I initiated my legal process against the bank on March 5, 2010. I sent the banks my initial qualified written request and I also filed a civil action suit against my banks.

But, here's a quick overview of the process.

As you know (if you've listened to the news) that lenders have sold mortgage-backed securities on the stock market. What this means is that my note, your note, and almost everyone's note, is floating around in space.

Starting in 2008, things started to go south. More and more people started to fall into foreclosure. The problem is, because the notes have been "fractionalized" (meaning they were divided into hundreds of pieces and sold to hundreds of investors on the stock market), no **one** person or entity actually owns the notes. That means that no **one** person could actually foreclose on the property.

Upon this discovery, investors started suing the banks. And as more and more foreclosures started happening, it was a disaster to the banking industry.

So, our friends the bankers went to congress and said, "Please bail us out. If you don't, we will go out of business and this will lead to the collapse of the financial system." Thus the 1 trillion dollar bail out.

What does that mean? It means, that the bank was PAID in full for all the mortgages outstanding.

Yep. They were paid using YOUR MONEY.

Actually, they were paid twice. Once when they sold the note to the investors and again by the bail out.

Pretty sweet.

AND, they are being paid the 3rd time by you.

WHAT?? No way! That can't be right!!! Where's the justice in that?

Why haven't I heard about this in the news?

There's a lot of things you don't hear about in the news... this is but one of the many dirty deeds done to us.

That's why I want to share this information with you so you can exert your right.

The problem is, most of us are too busy, too stressed out, too scared, and too uninformed to do anything about this. This is why I am sharing this information with you to help you know your rights.

Here's the crux of the issue. You've been ripped off and you didn't even know it.

If your note has been sold and the bank was paid 2 or more times, do you owe them anything? Well, maybe....

Who has title to your note? Who is the rightful owner of your note? Who can foreclose on your house?

Good questions.

The person who is the rightful owner of your note can technically come to you and claim ownership of your property if you default. The problem is, we don't know who that person is.

We don't know if the bank we're currently making payments to is the rightful owner of the note.

Imagine if I were to steal a car and sell it to you. Here you are, being a good honest person, you make payments to me until, one day, the rightful owner comes along with the correct title to the car and says to you, "That's my car. I want it back." By law, you have to give it back.

But, but... you've been making payments. Don't you have rights? Well, yes... but you will have to sue the person who sold you the car to get your money back. He might already be gone...

So that's where our journey begins.

All I did was understand these facts and I started asking questions.

I just wrote to my bank and asked them for proof of claim. I wrote a nice letter saying, "Sir, you say I owe you money. Could you please prove to me that you are the person who rightfully owns the note?"

It's called verification of debt. As a Debtor, you are entitled to know your rights and verify claims, just like the stolen car example.

I gave the bank 30 days to do so.

They sent me a copy of the note – that was photocopied years ago – which was not what I had asked.

So, I asked them politely again. This time, I gave them 21 days. But this time, I made it very clear. I said, "If you can't provide proof that you hold the note, then

you are not a party of interest, and therefore you can not require me to continue paying you.”

Remember, they have already been paid at least 2 times.

I am not trying to scam anyone out of their well deserved money. I just want to make sure I am paying the right guy.

But is it legal to do that? Is there a law that requires them to “prove it?”

Is it legal? I don’t know. Is there a law that requires them to prove it? I don’t really know, nor do I care. I just want to make sure I am paying the right guy and I don’t want to be conned.

Let me clarify for the record what I mean by legal and lawful. Lawful means it is the right thing to do. It falls under common law. It is God’s law. It is the law of the land. You know that if you hit someone, that’s wrong. It’s natural. If you accuse someone, you better have proof. If you testify under oath, you are telling the truth (you should always tell the truth anyway). Much of this is covered under the Bill of Rights and I believe the Constitution FOR the United States of America (as opposed to the Constitution OF the United States). ☺ The rabbit hole goes pretty deep here. The FOR version was done by our Forefathers. The OF version was created as a mask by the UNITED STATES FEDERAL CORPORATION. Similar documents...but not the same. So the right of challenging one’s accuser falls under LAWFUL.

Legal is a man made concept. The practice of law is an invention made by a bunch of guys who decided we need to put structure to society. Along the way, they decided to “copyright” their concepts and BAR anyone else from doing it without their permission. That’s why it is illegal to practice law unless you are BARred. But in order to operate in commerce, you have to work within this framework. Statutes, Acts of Congress, etc are man made inventions. US Code Title X and The Administrative Procedures Act falls under LEGAL.

So when you do this process, you need to make sure you are doing it both Lawfully and Legally. How would you know which is which? Keep asking questions...there are communities online who can help you. Google “Creditors in Commerce”.

Anyway, after my second notice, it is done. They have exhausted their administrative process. Essentially, what that means is, they have been given 2 chances to prove their claim and on both chances, they failed to do so, therefore, I have no choice but to declare their claim null and void.

What does that mean?

It means the note they have on you can be cancelled. AND, the beauty is, you don’t even need their permission to do so, unlike a loan modification program.

What? Really? Is that legal?

There is a set of rules/laws/regulation called the Uniform Commercial Code (U.C.C) which governs the way commerce is conducted in the USA (if not worldwide...not sure). Under UCC, there is a set of rules that governs and defines how security instruments are to be operated under. Specifically, how your promissory note is to be handled and how your bank is to treat the note. The note is a one of its kind original instrument. It is a sacred piece of paper. A photocopy is not sufficient in most cases in the event of a foreclosure (if you know your rights and demand it to be enforced).

The important thing to remember is, you have to own the process and come to your own conclusion.

Anyway, after the 51 days, I sent the bank a Notice of Default informing them that their claim on my property has been terminated.

I then instructed the Trustee to reconvey the property back to me.

That's a hugely abbreviated explanation of my process. In order to go into more detail about my process, I need to educate you more about how real estate transactions work so you can understand.

Question 1:

Can I do this process even if I am in default? Yes!

Question 2:

Can I do this process if I am not in default? Yes!

Will I go to Jail? It depends. If you break the law through your uninformed actions, then that's up to you. If you lie, cheat, or cause harm to other people, then you probably should not embark on this process.

This process is based on being in honor and telling the truth... and finding the truth. Always be honest and ethical... and be nice.

Are you (George Tran) are ~~Liar~~, I mean lawyer? No. I am not practicing law. I am just telling you what I did and how I did it. This is just education. I am not making recommendations or legal determination. I am offering free education to you in the hopes that you do your own research and come to your own conclusions.

Look, here's the deal. When it comes right down to it, here are your choices. It's really this simple, so listen up.

If you don't challenge the bank or asking questions, then your choice is just to let the bank have your house and go away homeless...and especially after reading this book...knowing full well they are doing it in fraud.

Or, you could choose to fight them and get them to admit their fraud. Here's what it looks like:

Before the process, when you don't pay your mortgage, the bank has superior evidence against you. Their claim is that there's a breach of contract. Your claim...nothing.

After the process (like the one I just described), you have superior evidence. You've proven that they have not, and can not prove their claim against you. You will have declared their claim null and void.

In court, the truth is irrelevant. Evidence is everything. He with the better/superior evidence wins.

That's why having an administrative process to get the bank into a default admission is so cool...and easy to do. And, it sure as hell beats just handing over the keys without a fight.

I would rather go down fighting any day. Wouldn't you?

In the following chapters, we will talk about the Administrative Process and how foreclosures work.

Chapter 2. About Foreclosures and Administrative Procedures

There are two types of foreclosures. Depending on which state you live in, it could be a judicial or non-judicial state. A judicial state requires a judge to preside over the case before the foreclosure can proceed.

A non-judicial state uses a process called an administrative process.

To find out what type of state you live in, check out this list here:

<http://www.all-foreclosure.com/procedures.htm>

Most states use a non-judicial process but, either way, the administrative process applies.

Foreclosures via administrative procedures have to follow what's called the Federal Rules of Civil Procedures. Basically, it means that proper notices must be followed. In other words, I can't demand that you produce the note within 24 hours. That doesn't even give the post office a chance to deliver the demand, so that's not fair. They need time to receive the notice, research it, and choose to comply.

Let's talk about the Administrative procedure. EVERYTHING is Contracts. EVERY LAW is a commercial contract. As such, these exchanges are primarily governed under the U.C.C articles. Each State has their own set of laws governing how foreclosures are to be handled and who needs to be notified, when and how. Each State also has their own adoption of the U.C.C code.

There's this concept called tacit agreement which bankers use to foreclose on homes in most States in the U.S. The way these agreement work is follows. One party makes a offer to another party. If the other party does not respond within x days, then silence equals acquiescence. Likewise, if the other party either rebuts or counter offers, then the ball is back in the original party's court. It's just like contract negotiations.

Let me give you an example of how tacit agreements work, if I sent you a notice that says, "You owe me \$100. If you don't respond within 30 days, then you admit that this is true." If in 30 days, you don't send me a rebuttal to my offer, then the offer sticks. You truly owe me \$100. It's that simple. Offer and Counter offers or rebuttals. Everything is contracts.

So, let's go back to how this relates to foreclosures. Most people in foreclosure are beat. They are depressed. They probably have lost their job. They are feeling awful about not being able to pay their debts. They get harassed by collections people. They stop taking phone calls and ignore the mail.

So, when an offer comes in the mail, something "offering" to foreclose on their property in 30 days unless they respond, what do 99% of the people do? They ignore the offer and just fold.

After 30 days, the offer sticks.

See what I mean?

So it comes down to understanding your rights. Trust me when I tell you that the bank has been paid for lending you money. Not once, not twice, but many times. I don't want to go down that rabbit hole and have you freak out. If you want to learn this on your own, then read this book called "Modern Money Mechanic" put out by the Federal Reserve Bank of Chicago.

When an offer is made to you, you always have the right to counter offer.

You: "Bob, I would like to buy your bike for \$50."

Bob: "No. How about \$100?"

You: "Done."

See? Offer, then counter offer or rebuttal.

Here's another example.

You: "Bob, you owe me \$100."

Bob: "Do I? Prove it."

You: "Look, last Monday, I wrote you a cheque. Here's the stub for \$100 to Bob."

Bob: "Oh. OK."

You have the right to ask questions.

The first question you should always ask when someone makes a claim against you is, "**prove it.**"

You: "Bob, you owe me \$200,000 on that Note on the house."

Bob: "Really? **Prove it.**"

- 1) Show me that you are the Note Holder in Due Course. (ie. The guy at the end of the chain who is holding the note) .
- 2) Show me that you still have my original *wet ink* signature. By law, the other party must maintain safekeeping of your legal documents. You have the right to inspect them.
- 3) Show me that you are actually a creditor according to Generally Accepted Accounting Principles (GAAP).

They are required to answer your questions point for point. Failure to satisfy any point means they have not proven their claim and have forfeited their right to the claim.

What 3) means is... if I lent you money, I must show in my books that I've taken money out of my account (or debit it), and credit it to your account... which makes me a creditor.

A bank doesn't need to do this. They just create some numbers on their computer screen and money is created.

What? No way! That's not right!

Do your own research. Read Modern Money Mechanics. It's published by the Federal Reserve! Since they are the world's largest creators of money, do you think they know something about the money creation process?

Wait a minute. You mean, they didn't actually loan me any money at all? They just created money out of thin air, risked none of their money, and they have me pay them over the next 30 years? With interest?

Read Confessions of a Banker in Appendix B.

OK. I know some of you are freaking out about now, so I am going to just sign off and have you watch this great video. It's the first video on this page.

<http://www.freeandclearin90.com/resources/>

Did you watch it? What's the point? Why am I sending you on a wild loop?

The point is, until you understand how banks work and what rights you have, you can not do this procedure because you are uninformed.

Until you know your rights and how to enforce it, you are a sheep being fleeced.

Most people, like me, believe in doing the right thing. If you borrow money, you need to pay it back. The point I want to show you is, if you were deceived, and the other party was already paid, do you still owe them any money? Until you are convinced of this fact, nothing else matters. You can't move past this and thus you will always feel like what you are doing is wrong or dishonestly depriving the bank what is rightfully theirs.

Nothing could be further from the truth. You've been conned. You are expected to be a good sheeple and follow along. It's time we wake up.

Most people fail at this step because they can't get their head around the idea that the bank never really loaned them any money. Until you understand what we are doing is legal, lawful, and rightful, you will have no strength or conviction in your actions. In other words, you will be setting yourself up to fail.

I want you to understand this point because once you understand this, you can play on a level playing field with the banks and win because you can call their bluff... legally.

You've been conned and lied to. Are you willing to fight for your home?

Chapter 3. The Foreclosure Process

Let's revisit the foreclosure process so we are all clear. For the sake of brevity, I am going to focus on non-judicial states...i.e. The administrative process.

As we discussed in the previous chapter, security instruments are governed under U.C.C code. These are private contracts that are open to negotiation. The beauty of negotiation via written offers is that it offers a paper trail of conversations that would hold up in court.

One of the most important thing to take away from the administrative procedure process is the ability to assert "silence means acquiescence." This is "the default option." It also offers for the provisions to make private binding contracts through paper exchange as long as parties are properly notified.

The foreclosure process goes like this.

The Borrower is late on his mortgage. The bank notifies them they are late. The bank then notifies the Borrower in another 30 days that they intend to foreclose. In 30 days, they will be entitled to file a Notice of Default. At this time, they will name a Trustee for the sale of your property.

Depending on which state you live in, the bank has to give you between 60 to 90 days to cure this default before they can sell your property.

After this curing period, the bank then notifies the Borrower (and all vested parties) again with a Notice of Trustee Sale. This is typically done at a quiet corner at your local county court house, however, there's been instances where it is held at an attorney's office. The law requires this auction to be done at a public location.

The house is then put up for auction. Once the sale is complete, the new owner of the property gains Title to the property.

If you are still in the house at the time, the new owner will have the right to ask the Sheriff to evict the Borrower from the home. Usually giving 3 to 7 days notice.

It is important that you understand this process because we're going to use this process to help you claim what is rightfully yours.

As I mentioned before, a non-judicial foreclosure is done purely through administrative process. Offer, then counter-offer or rebuttal. It's really that simple.

So, for example, when the bank "offers" you a notice that you owe them money, your rebuttal/counter-offer is, "Really? **Prove it.**"

This is key to our strategy and it is 100% within your rights.

Really? Is that legal?

I believe it truly is. It is called UNIFORM Commercial Code for a reason. It covers all things to do with commerce. Especially when it comes to your note. You have the right to ask questions. You have the right to make sure you are not being conned. You have the right to demand answers. If your questions are not or have not been answered to your satisfaction and to the satisfaction under UCC, then you have the right to declare their claim null and void.

Here's ultimately the deal. **Most of these so called banks are not the holder of the note. They sold it.** And if they sold it, then they don't have the right of enforcement. They are hoping that you are too ignorant to call them on their con game.

Here's one thing I want you to memorize and repeat over and over.

"You can have my house, or you can have my note, but you can not have both."

This is mandated under the Uniform Commercial Code.

This is really, really important. You have this right. No matter what the bank says. No matter what the bank's attorney says. It is their job to try to bully you into giving up your property. It's your job to call their bluff. The question is, do you have the courage to do what is right? That's all I am trying to do here. I want to help educate you so you do have the courage to fight these thieves.

In other words, upon a foreclosure action, you have the right demand that the note be returned to you to close out the contract before they take procession of your house.

Put another way, is your home, and your family, worth protecting? Is it worth fighting for?

Chapter 4. Understanding the Deed of Trust

Who owns the Deed to your house while you have a mortgage with the bank? Most people think the bank does.

That's actually wrong. The bank **cannot own property** unless acquired through a foreclosure process. There are laws against this.

You own your property.

This was conveyed to you when you bought the house usually through a Warranty Deed. This Deed is proof that you own the house. In the real estate business, Title is King. Title means everything. He with Title is in control.

When you signed your loan docs at closing, you signed 2 important documents: a promissory note and a deed of trust.

A promissory note is simply a promise to pay someone some amount. It has 4 components: a lender, a borrower, a date, and an amount.

A deed of trust is a way to structure real estate purchases where the title to a property is held in trust until the loan for the property is paid.

Essentially, you created a trust and you appointed someone to manage that trust for you. That person is called a Trustee.

What? What's a Trust? What's a Trustee?

The Trust was invented in Europe during the time when lords had vast estates. To protect the estate (in case the noble went to war and died or became incapacitated), they typically appointed a seneschal (someone who looks after the estate and makes decision for the estate, including selling the estate in the lord's absence).

As a title owner, you are a land LORD. You appoint a Trustee to look after your estate... including the ability to liquidate your estate if you fail to pay your loan. Thus, a foreclosure sale is often called a "Trustee Sale" because it is a sale conducted by the Trustee.

Let's look at this again. When you signed your closing docs, who created the Trust? You did. Who appointed the Trustee? You did.

Who can grant additional Trustees? You can!

Who can fire a Trustee? You can!

Is that legal? Can you really do that?

The answer to that is a “qualified yes.” Do your own research. If a Trustee is not doing his job, then you can fire him... just like an employee, or your doctor, or your accountant. In general, you must have at least 1 Trustee in a trust and you can fire him or substitute him as you see fit.

Remember, you are the land LORD.

So, let's go back to my process. I asked the bank 2 times to prove that they are the rightful owner of the note – and 2 times they failed. That is enough proof that they don't have the note and have no claim on the property.

Let's talk about this concept of Standing and Party of Interest.

Courts are made to resolve controversies. Someone accuses (plaintiff) someone else (defendant) of something (the controversy). In order for the 2 parties to have “Standing” in the controversy, they must be able to show that they have “Interest” in the matter. In other words, if a man and wife were arguing in court for a divorce and some guy shows up and says, “I want that TV,” that third party has no Standing because they have no Interest.

But, if that third guy can produce a receipt that says the wife already sold the TV to him, then he can prove that he is a Party of Interest.

This point is very important.

So, conversely, if a party cannot prove that they are a party of interest, then they have no standing (like the first example), then they have no right to the controversy. They have no business being there. (*Patton v. Diemer*, 35 Ohio St. 3d 68; 518 N.E.2d 941; 1988)

So, if the bank cannot, and has not, been able to prove that they are a party of interest in the contract, then they have no standing to do anything to you.

This is the most important point.

Let's walk through the scenario again.

- 1) The bank did not actually lend you any money. They just created money out of thin air. This means they are not practicing Generally Accepted Accounting Principles. Almost EVERY BUSINESS in the world recognizes this standard. It's also called double entry bookkeeping. If I credit one side, I must debit another side to balance the book. If they didn't debit anything then they cannot say they are a creditor. If they say this, then they are committing perjury... and that carries a 5-year sentence and fines. No banker would ever touch this.
- 2) If the mortgage is more than a few months old, they most likely have sold the note and gotten paid at least 2 times – once by Wall Street and the second time by you through the bail out.

- 3) They don't have possession of the note because it was sold, misplaced, fractionalized, and monetized. Facts are, it's gone.

So, when you ask them to prove that they have any Interest, they can't.

Therefore, they are not a Party of Interest, and have no Standing.

The Trustee

So, going back to the Trustee question. Can you fire the Trustee? Technically yes. If you have lawful reasons to fire the Trustee, then neither the bank nor the Trustee can come after you.

The lawful reason comes from the bank's inability to produce valid proof of claim. Once that is established, you can do anything you want – and they cannot say anything about it. That's the source of your strength and power. The TRUTH. A Truth, once established, cannot be disputed. It's like standing on a solid foundation.

So, the Trustee has an important function in administering your Trust. You have given him/her what's called the Power of Attorney (the power to act on your behalf).

This means the Trustee can do what's called a Deed of Reconveyance. She can do this usually when the Note is satisfied in full or, in your case, if it was discovered that the Note was invalid or fraudulent.

As the Trustor/Creator/Grantor of the Trust, you have the power to give your Trustee instructions – instructions which they must obey. Remember, she works for you. You are the land LORD.

How I Did It

So, let's review the process again.

I asked the bank 2 times through administrative procedure to provide proof of claim. They failed. Therefore, there is absolutely no way they can dispute this again. This is iron-clad evidence. I've included my first two letters in Appendix D (out of 24).

I then notified the bank that, because I discovered this mistake, I intend to modify the Deed of Trust to reflect this mistake, thus changing the balance owed to zero.

I also notified them that I will be revoking the Power of Attorney I granted them and the Trustee.

I then did a Substitution of Trustee. In other words, I fired their Trustee and appointed my own Trustee (someone I TRUST). That's why it's called a TRUST.

I gave the bank 3 days to dispute my offer. They remained silent.

The offer stands.

So, I notified the bank of their default through a Notice of Default (i.e. another offer), giving them 3 days to dispute my offer.

See the pattern? Offer then counter-offer/rebuttal.

After the Notice of Default, I then notified my Trustee that the Note has been false and made null and void. I instructed her to then do a Full Reconveyance (grant the Trust back to me and close up the Trust). I took this to the County Recorder's office and record these documents for Official Record.

Done.

The house is now free and clear.

The Foreclosure Mill

Foreclosures have become so prevalent now that there are literally thousands of "foreclosure mills". All they do is process foreclosures by the droves. Oftentimes, these shops have no regard for the rights of the home owner nor due process of law.

There's been times in which a homeowner have successfully challenged the bank and won using the administrative process. The bank have failed to provide proof of claim. Yet, regardless of this process, these foreclosure mills (and some judges as well) just steam roll over the process and the home owner.

These guys are crooks and thugs.

They are relying on home owners to be ignorant.

It is for this reason that we want to move the house out of our name into another entity.

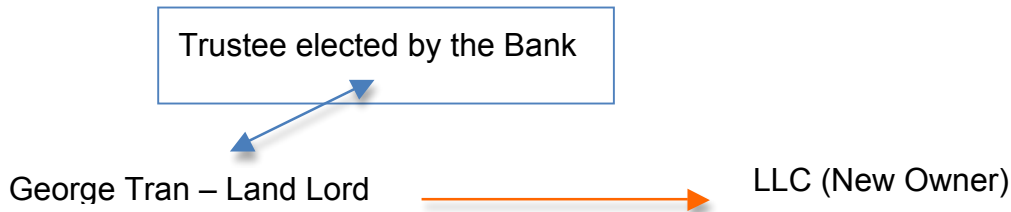
Who Me? I Don't Have It

To illustrate this, let me give you an example.

If I went down to the real estate agent's office and offered to sell YOUR HOUSE (not mine), what do you think would happen? He would tell me to shove off – and rightly so!

Well, that's the same thing we will be doing. We will be conveying the title to the property to another party. A Trust or an LLC of our election and control through a Warrantee Deed.

So, let me illustrate the picture.



If I grant ownership title from George Tran to the LLC, then can the Trustee sell a house that belongs to the LLC?

Isn't it just like me going down to the real estate agent trying to sell a house I don't own?

It can't be done.

If someone tries to sell your house (that they don't own), do you think you would have some choice words to say to that person?

If the bank tries to sell a house they don't own, do you think the new owner has the right to give notice to the bank?

The only recourse at this point for the bank is to file a Quiet Title Action to remove the LLC as the new owner and switch it back to the bank. This is a tedious and futile exercise because a Quiet Title Action requires all the parties to be "quiet." Do you think you will quietly let the bank take your property at that point? Especially if they have already proven they have no standing?

Besides, don't they have hundreds of thousands of other houses they can steal from other sheeples? It's just too much hassle to deal with an informed homeowner who has exerted his rights.

Conclusion

My question to you is, do you still think you should be making payments to these guys? If so, then read on. I know. It takes a while to wrap your mind around the concept.

If not, then let me show you how deep the rabbit hole goes.

So, we've shown that the bank cannot produce proof of claim. If they cannot produce proof of claim, then they have no standing in the administrative process... nor judicial process via the court.

If they try to sue you, you can answer their claims and issue a counter claim against them on the grounds that they do not have Standing using the evidence you've gathered during your administrative process.

If they have no claim on your house, why are you paying them?

My desire is to teach and inform you of your rights and show you how to take back what is rightfully yours.

And more importantly, give you information so that you can "own the process and be able to stand on your own." And, hopefully, teach others.

Question: Who else has done this?

Take a look at a small list of case law in Appendix C.

Question: Will I be required to go to court to defend myself?

Most likely not. This is almost entirely an administrative process. It is a paper exchange.

Here's the deal. If you go through this administrative process... they are cooked. Done. They have no recourse. You bring the evidence before the judge, and the judge will have to compel the bank to proof up. The judge will review your process as evidence. She can only rule based on evidence presented before her. Without this process, the bank has all the evidence (the contract), you have nothing. With this process, you have stronger evidence that puts the contract in doubt.

It sure beats just giving the bank your house or asking for a loan modification as most people end up doing.

Here's what I would say.

"Look your honor, I've asked the plaintiff 2 times to produce proof of claim against me and my property. They failed to provide the proof I requested point for point as required by law. They were notified on XX, here's the certified letter receipt, and on YY, here's the receipt."

"I therefore had no choice but to declare their claim against me null and void. I served notice to the Plaintiff, informing them that they have exhausted their administrative remedy and served them a default."

"They did not enter a contest to my notice."

"If the Plaintiff can not produce proof of claims against me, then they have no standing in this controversy. Why are we here?"

"I hereby motion the court to have this case dismissed."

The fun is then you get to counter-sue for 3 times damages... including three times the amount of the loan! They just admitted fraud in front of everyone.

What? Fraud? How?

It's just like selling a stolen car and taking monthly payments for a car that is not theirs to sell.

They KNOWINGLY collect money from you that is not rightfully theirs to collect. They are harassing you for the money even though they know they are not entitled to it.

That's fraud and racketeering.

Disclaimer

Let me repeat myself. This is not legal advice. These are just my opinions. You should always do your own research and come to your own research. You should seek legal council where appropriate. Don't rely on me. Do not believe a word I say. For all you know, I could be talking out my backside. I fully admit that I could be wrong and stand ready to be corrected.

Furthermore, NEVER do anything that could be perceived as **intentional** fraud. For example, conveying to an LLC created just for this purpose could be perceived as fraud. That's why it is often recommended that you convey the property into a Trust instead.

In my kit, I will show you how to set up a simple Trust – affordably. I've had to pay \$3000 for my Trust.

For more information about my kit or about creating a Trust, come to <http://www.freeandclearin90.com>.

Chapter 5. How Sure Are You of this Process?

This is all good and well in theory. It's been interesting and entertaining. What if they don't follow the law and sell your house anyway. What if they ignore everything and dispute everything you have done?

Great questions. These are the same questions I asked as well.

I even called my title officer to ask his opinion (remember, I was a real estate investor). He said, there's no merit to this process. **Boy was I crushed.** Here I am, building this beautiful "thought castle" and admiring how great it is, only to be laughed at – and threatened. He said, if I do this, I could go to jail because I will be fighting both the title company and the bank. These guys have LOTS OF MONEY and can hire the best lawyers money can buy.

So, I had to ask more questions and do more research. I mean, damn! This guy is a title officer. He does this for a living. He must know this stuff better than me.

Actually, he doesn't.

He only knows the title process. He is ignorant of the U.C.C code. My process simply challenges the bank to follow the law. While it might not gel with title clearance, it will be sufficient to stay the foreclosure. Especially when you have transferred the property out of your name.

What about State law and Statutes? Where is there a law that requires the bank to prove anything? There's a contract. You signed it. It sticks. Suck it up and be a good little sheeple.

That's what my lawyer told me. Yes, I consulted my lawyer too. **Boy, was I crushed, too! I mean, she's a lawyer!** She should know these things.

Actually, she doesn't.

WHAT?!

She's human. She has her prejudices and opinions of how banking works. She is not privy to the research I've done. Now, once I inform her of the UCC violations, then she can pursue a research for local Oregon statutes that can back up what I am saying.

Here's what it comes down to. You have the right to challenge claims made against you to protect yourself from potential fraud.

If I said, "Bob, you burned my house down," unless I can prove that accusation, they are just words. "Innocent until proven guilty."

But there's a contract.

A contract can be challenged when you have reason to believe that it is not legitimate.

The ONLY person who can lay claim to the contract is the true Note holder in due course. If they cannot prove that they are that person, they have no claim. As we have seen, 99% of the time, they cannot prove that they are the Note holder in due course. Remember the stolen car example?

Let's talk about a contract.

A Contract has 4 elements.

- a) It is between 2 parties.
- b) It has promises of performance or consideration.
- c) It has full disclosure and a meeting of the minds.
- d) It has a signature between the parties.

For example, I hired Bob to do my lawn.

- a) It is between me and Bob.
- b) If Bob mows my lawn, I will pay him \$X.
- c) Bob and I know pretty clearly, within reason, what "mow my lawn" means.
- d) If we agree in contract, we BOTH sign it.

So? What's this got to do with your mortgage?

Take a CLOSE LOOK at your Deed of Trust, Promissory Note, or closing documents.

Do you see your bank's signature on it at all?

Is there full disclosure and a meeting of the minds?

Sure, they will lend me money and I agree to pay... right?

Wrong.

They did not "lend you money." It is not their money they are lending at all. They just "created the money with your signature." Did they disclose this to you?

But, but... if they didn't lend me the money, where did it come from and who lent it to me then? Actually, you did, but that's another story. It's called collateralizing of your Bond. For now, let's not get into that.

When you sign your promissory note, the bank takes that note, and puts it as a DEPOSIT (just like a cheque) into their accounts. They then wire MONEY CREATED from YOUR DEPOSIT in the form of a "loan". YOU CREATED the money through your signature.

So, here they are, creating money out of thin air (i.e. They risked none of their money), and charging you interest for this creation. Pretty good deal, hey? Get someone to pay them for the next 30 years and it costs them nothing save putting all the paperwork in place.

Don't take my word for it. Read Modern Money Mechanics (download it at <http://www.freeandclearin90.com/resources>) Google "bank money creation." The banks freely admit to this. Modern Money Mechanics is put out by the Federal Reserve! It's their own words! I couldn't make this stuff up if I wanted to, I'm just not that creative!

On the private side, if I were to lend you money. I have to go to my bank, tell them to DEBIT my account, and CREDIT your account. Therefore, I am a CREDITOR to your account. Therefore, I am a party of interest and can lay claim on any enforcement action. The bank did not do this.

So, my question is, do we actually have a contract or a volunteer agreement? I submit to you that this is a volunteer agreement, as it does not fulfill the requirements of a contract.

There was no clear meeting of the mind. The bank did not disclose to you that your promissory note was in fact a deposit. Read Confessions of a Banker at <http://www.freeandclearin90.com/resources>. So, it breaks the contract as it was done without full disclosure.

As we discussed in the earlier section about Standing and Party of Interest in a controversy, the bank does not have Standing if it cannot produce proof of claim.

YOU HAVE RIGHTS.

With rights come responsibilities. It is your responsibility to know your rights and enforce them.

Chapter 6: The County Recorder's Role

As we dive deeper into this process, it is important for you to understand the role of public records. You see, pretty early in the game, people realized that we need to have public records of acts or notices. It started with Town Criers – the “Hear ye, hear ye!” guys.

Town Criers would walk through the center of town and announce important events. As towns increased in size, they created courthouses and churches to maintain public records.

When it comes to property, we also need to have a common place for people to look up public information as it relates to the property – especially when it comes to ownership of the property or contests of Title or Parties of Interest.

Most people don't understand neither the importance nor the function of the County Recorder's office. So, for the record, let me try to explain it for you.

The County Recorder is YOUR SERVANT. HE WORKS FOR YOU. He is hired to maintain public record.

That's it.

He cannot make any legal determination on the legitimacy of your paper work. He cannot advise you on whether what you are doing is legal. As long as it follows proper formats and standards, he must record your files.

You can record anything.

You can go in and file an affidavit saying, “Today, the sky is blue over my house.” And he must file it.

Or you can say, “Notice of Bank's Default” giving the bank notice they have defaulted, and he must file it.

Before the bank, the Trustee, or anyone else can do anything on your property, they must consult the county records on your property. It's a journal of the history of your house and all notices posted on it.

That's it. What is recorded does not make it legal, right, true, or whatever. It's just a record.

Why is this important in the foreclosure process?

It's about giving notice. If you are given notice and, despite the notice, you do it anyway, then you knowingly are entering into a contract with the other party who gave notice.

For example, say you file “No Trespassing. If you cross this line, I will charge you a fee of \$100.” If they cross the line, they have agreed to the contract.

So, if you post a notice on county records, no one can say, “No one told me that!” It’s there in public record!

So, all the paper work we are doing with the bank needs to be documented and properly filed with the recorder to give all interested parties notice of what’s going on.

That’s why you file a Warrantee Deed at the county recorder’s office. It gives notice to everyone that you have hereby transferred and conveyed your title/ownership of the property to another party.

That’s why the bank has to file a Notice of Default so everyone can know that the terms of the contract has been defaulted.

That’s why YOU can file a Notice of Bank Default, so everyone – including the bank can know that the Deed of Trust is broken.

Problems with the County Recorder’s Office

Some recorders have a false sense of grandeur. They think they are actually the gatekeeper of legal documents and can determine what is right and what is not.

In my opinion, the only 4 people who can do legal determination is:

- Plaintiff claim/affidavit
- Defendant claim/affidavit
- Attorney (OUT At law)
- Judge

Anyone else will be considered practicing law without a license. The BAR association holds an exclusive copyright on this. Yes, copyright. That’s why you have to enter the BAR to practice law. You are buying into their worldwide franchise. Notice why they call themselves AT law and not IN law? They are not really practicing real law, just the color of law. Go look up “color of law.”

Fascinating reading. ☺

So, if a County Recorder chooses to enter into legal determination, politely ask the following questions:

- 1) Is there anything wrong with the format of my documents?
- 2) Are you making legal determination on my documents?
- 3) Are you practicing law without a license?
- 4) Are you willing to be named a defendant in my civil action for obstructing my rights to legal due process?

If you run into any grief with the county recorder, it's really very simple. All you need to do is to write to the County Legal Council with an intent to litigate. Show them the papers you intend to file against them and ask if they would like to proceed. Give them 72 hours.

See how fast they run. Especially when you can provide an affidavit, a witness, and a video recording of the event that transpired.

Be prepared to follow through with your intent if they fail.

Especially since, in most cases, time is of the essence. Their obstruction has real punitive damage associated with their obstruction. You are entitled to 3 times damages!

"Go ahead. Make my day"

- Clint Eastwood as Dirty Harry

Here's my request from you. I've taken the time to educate you for free. Here's what I want to ask of you in return. Seriously.

If you run into any county recorder who gives you grief, then stand up to them. Fight them to the fullest extend of the law so you can help everyone else in your county. File suit against them. Put them in their right place. They are OUR SERVANTS.

You have rights. It is your responsibility to enforce it. Anyone who gets in the way of your right to justice is doing what's called "obstruction of justice."

When you stand in Truth, you are as immovable as the mountains.

But, but... I don't want to perpetuate more problems in our litigious society. If you don't believe what you are doing is worth fighting for, then don't start the process.

This process is a commitment. Once you do it, you do it till you get your house, as well as all the money you've ever paid to these guys.

Wait a minute. WHAT DID YOU SAY? You mean I can ask for my money back? All those years?

Chapter 7. Claiming All Money Owed to You

Listen, let's use the stolen car example. If we can prove that you've been making payments to someone who sold you stolen goods, do you think you can ask for your money back? So why is it different here?

Remember. THEY'VE ALREADY BEEN PAID AT LEAST TWICE!

Now that you've caught them in the fraud, don't you think you are entitled to remedy?

Once you've done this administrative process, you have what's called "prima facia" evidence.

Prima Facia: Latin expression meaning on its first appearance, or at first sight. The literal translation would be "at first face," prima= first, facia =face, both in the ablative case. It is used in modern legal English to signify that on first examination, a matter appears to be self-evident from the facts. In common law jurisdictions, prima facia denotes evidence which – unless rebutted – would be sufficient to prove a particular proposition or fact.

You have first hand evidence of their fraud.

Therefore, you can prove to any judge that you have been defrauded citing the analogy that you bought a stolen car and want your money back.

Of course, this is optional. But, I intend to do this for myself. I mean, Damn! I've paid hundreds of thousands over the years. Now, I can ask for the money back as triple damages.

Worth a shot.

Remember, what can they come back to you and say? Can they provide the 3 points of proof of claim you are asking for? You've given them AMPLE opportunity to proof up. You've got an iron-clad administrative process with NO CONTEST from the bank.

I know most of you are probably in a difficult financial place. Most of these problems we are experiencing in our economy today is DIRECTLY caused by these guys, and the little guy always gets screwed.

I don't know about you, but I am done with being screwed. I want what's rightfully and lawfully mine. I encourage you to do whatever it takes to learn your rights and fight for your rightful remedy in court. 3 times your payments over the years could make a huge difference to your family's quality of life.

Of course, this is totally up to you. Most people are just happy to have their house back.

Chapter 8. The Feeling In Your Stomach

As you are reading this, many of you are probably having that feeling in your stomach like you are about to go into a fight.

It's just too good to be true.

Look, I'm not trying to sell you anything. I'm just giving you information so you can start your own research. I have a coaching program which coaches people through the process if they want to get started, but for most cases, all the information you need on how to do it is spelled out right here. My desire is to help you own the process so you can teach others to create/borrow/modify your own documents. Look them up on the Internet, and adapt it for your own needs. My coaching program also has all the legal documents I drew up and compiled. It has all my dispute letters, rebuttals, who to notify, when, how, etc. **For more information, come to my site at www.freeandclearin90.com.**

Don't take my word for it!! DO YOUR OWN RESEARCH. Go to YouTube. Search for "Jerry Kane," "Winston Shrout," and "Sam Davis." DO NOT TAKE MY WORD FOR IT.

Come to your own conclusion. This book is in no way is substitution for good legal council. I am not offering any legal determination or advice in any way. These are just my opinions.

Until you know in your heart and mind that what you are about to embark on is right, don't do it. This is a pretty intensive and time consuming undertaking but, if you do this, you will be free of your mortgage for the rest of your life. Let's say the average home is \$200,000. Imaging making \$200,000 in cash in 90 days. Isn't that worth a shot?

Fear is natural – especially if it is new and unknown territory. The only way to overcome fear of the unknown is to make the subject known through education.

That's why I told you that you need to OWN the process. Once you own the process, even if they come at you with lawyers, you can just laugh at them.

Perspective

Let's put this into perspective. For you, it's a big deal. It's damn scary. **[In your mind]** you are thinking to yourself, you could lose your house, your reputation, and possibly go to jail.

For the person working as a junior clerk at the bank, whose job is to stamp one file after another of the hundreds of thousands of pending foreclosures on his desk, do you think he cares? To him, it's just stamp, next, stamp, next.

The lawyer who is processing your file for pending foreclosure, do you think he's got any emotional energy vested in your case? To him, it's just stamp, process, next.

So why should you fear that? YOU ARE DEALING WITH DRONES whereas you are an intelligent person full of imagination, trying to exert your rights and save your home.

In a fight, I would bet on the homeowner over a drone ANY DAY.

Take the emotion out of this. To them, it's just a job. To you, it should be a game. A game you intend to win.

That's why I called this book, "The Thousand Paper Cut Technique – the way to defeat a bureaucrat is with a thousand paper cuts."

Try to resist adding salt to those cuts. That's just mean. :-)

Lawyers Don't Know Law

WHAT?! What the hell are you saying?

Lawyers go to school to study how to argue, how to construct a case, and how to research. There's SO MANY LAWS there's no way anyone would know "the law". There's copyright law, criminal law, patent law, real estate law, tax law and so on.

What lawyers know is to be able to have access to law research.

What lawyers know what to do is legal process. And that's why they specialize in a specific area. Whether it is criminal law, real estate foreclosures or ambulance chasing.

In fact, many lawyers involved in personal injuries don't even have a law library. They just know the process so well, they just do the same thing over and over. Wash, rinse and repeat.

Process is so important. That's why we must stick to our process in our administrative procedures.

Ever heard of cases where hardened criminals get released due to a technicality? The other party did not follow proper procedure and the case gets dropped.

That's why I believe my process is so strong. I follow procedures. I give them due process. I've offered to pay them upon proof of claim, I've given them 2 chances to proof up, and a last chance to protest my notice of default.

Once they have defaulted, I then use Jerry Kane's process of modifying the Deed of Trust, substituting the Trustee and revoking the bank's Power of Attorney. I don't need their permission to do this, because they have lost their say in the matter.

This beats short sales, loan modifications or any other process needing the banks approval.

That's why we start with the administrative procedure and get it into a default state. From that point, we can defend against a judicial process stating their default and providing proof of our process and procedures.

Having a Notice of (Bank) Default on your hands sure beats having your home stolen in a Trustee sale because one has no counter argument. Now, we are forcing the other party to come at us in court if they choose to. Of course, after you finish with your administrative process, you would want to start learning about court procedures just in case they take that step.

It really is a game. They move, you move, they move, you check mate. Take the emotion out of it. Anticipate their move ahead of time, then when they make that move, you crush them.

Unfortunately, most lawyers we speak to do not understand this process. They are ignorant of the law because this stuff is buried so deep most people don't even understand it. They will use their personal prejudices and personal interpretation of what a "loan" means and ignore the argument of "standing" and "right of enforcement". That's why when you deal with your lawyer, it is important you select one that is open minded and is willing to defend YOUR RIGHTS and not the Bank's Rights (you'll be surprised how many will supposedly "re-present" you while in fact, working to maintain the "party line" of the bank and their fraud.)

Chapter 9. The Credit Bureau and Your Future in Banking

The Credit agencies play an important role in reporting and tracking the status and standing of your various financial activities. Banks rely on these agencies' service almost exclusively in matters of future loans.

Banks are forbidden to contact each other directly to talk about your account. It's a direct violation of your confidentiality.

So, learning to work with these agencies is very important.

Congress created the Privacy Act in 1974 and established procedures necessary to report information about you.

They are required to answer your dispute letters within 30 days. If they cannot respond within 30 days of an enquiry, they are to remove anything derogatory from their files in response to your enquiry.

So what does this mean if you do my "Thousand Paper Cut Process" to claim your house? Will that permanently stain your record?

Here's what you must understand. The credit agency's job is to keep accurate information. If the information cannot be verified, it has to be expunged.

So, if you are the one who is giving them instructions with proof of legal due process – and if they don't comply – there's huge legal recourse available to you, including the ability to file suit against them for massive amounts of money for punitive damages to your good name. No one wants that.

Not only that. The Federal Trade Commission is set up to protect your rights in these matters.

I've created a process that will basically clean up any derogatory notes as a result of these actions. It goes like this:

You've administered the Default notice to the bank and notified them of their lack of claim. You will have then filed this notice at the County Courthouse as a matter of public record. All you need to do then is to notify the credit bureau that the debt in this matter has been settled.

This is what I believe, as I have yet to do this.....stay tuned for updates on my site as I go through the process....www.freeandclearin90.com.

The credit bureau now has a choice. They can choose to believe you and your administrative process (which is 100% lawful, as we've illustrated) or they can choose to ignore you.

If they ignore you, in your reporting letter, you can include an offer. Remember? Offer/counter-offer. You can simply offer them a choice. If they choose to ignore your notice to mark the Note as settled, then you include an offer for them to pay you \$1 million for damages caused to your good name.

I've included a sample letter of my credit reporting notice below so you can see what I mean.

Let's say, they still ignore your offer.

Remember? Under the contract law, an offer not rebuked is an offer accepted.

Once this is set in motion, then you can bring legal action to them. Don't worry, it's easier than you think.

Here is a sample dispute letter I've written that is in my kit.

Future Business with the Bank

But will this affect your ability to get any future loans? The credit agency should eventually submit. You just have to follow the process and be persistent with your follow up. You will have to commit to cleaning up your good name. It might take a while and a few dollars as well. There are credit repair agencies that knows the process of getting items removed.

If the credit agency still ignore you, you can then initiate a lawsuit for damages as outlined in your offer letter.

Regardless of what the bank says...it is irrelevant. You've got **LAWFUL PROOF** that they are in default. They have exhausted their remedy.

Once you clean the record with the agencies, then you are just like where you were before. When done right, this should have little to no negative impact on your credit record nor your ability to do business with future banks.

Remember, banks can't talk to each other. They have to rely on the credit agencies.

Once the credit agency issue is cleaned up, then you are free to contract with other banks. I would not advise going back to the same bank. They will likely have a record of the transaction that transpired.

But YES! I BELIEVE YOU SHOULD BE ABLE TO GET LOANS FROM OTHER BANKS!

Chapter 10: Out of the Woods, Free and Clear

Make no illusion that just because you've done this process that you are out of the woods free and clear. I've successfully defaulted the bank, I've substituted them out as a trustee, and I've reconveyed the property back to me. I've also conveyed the property over to another entity I owed.

BUT, I make no claim that this is over. All I've done is to make it very difficult for the bank to steal my properties from me. It doesn't mean that they will not try.

Luckily, thus far I've received no contest from the bank. And until I hear otherwise, I will continue to help people like you who need this information.

Their biggest weapon now would be to do a Quiet Title Action against my property for unlawful conveyance. The thing I have learned in law is, the burden of proof is on the plaintiff (the person initiating the civil action). It is my intention to show the judge the administrative process and use the argument of "no contest". In other words, they've had plenty of times to contest what I was doing, especially when I issued the Notice of Default. Yet, they remained silent.

When you do this process, you have to be willing to live with this uncertainty. You must be ready to fight for what is right, and if necessary, bring the fight to them.

Things you could do to add further protection between you and the bank include:

- Hiring a lawyer to do a quiet title action against the bank (or do it yourself)
- Do a Mechanic's lien on your property and default on it. Forcing a public auction.
- Sell it to a trusted friend/family member using a standard form (that you get from HelpUSell), and wrapping it with title insurance. This could cost a few thousand dollars depending on the value of your house. This sale is done on a promissory note so there's no real money exchanged. Just shop for title insurance companies. If one rejects, say "next".

It's like this. There are barbarians at the gate and it's your job to defend the castle. How many rocks to pile up against these invaders will you need? How much is too much? At some point, you will need to make a payoff to benefit ratio decision against diminishing returns on effort. Only you can decide what that point is.

Keep on fighting my friends, or die trying. Your family is worth it.

If this book has helped you, then pay it forward. Do something kind to your neighbor. Sow love and forgiveness. Always tell the truth and be in integrity. I know times are tough and it's tempting to lie/cheat/steal. All I can say is to practice the Golden Rule: "Do unto others as you would others onto you"

Chapter 11: Where I Was Wrong (June 13, 2010)

As of today, as I do more research, I am finding that while I am correct in many respects...some of my belief and law references I had put forth originally is likely to be wrong.

While the administrative process does have some weight in contract law to challenge the validity of the security instrument, it is likely to be ignored by the lender and trustee eventually.

It does have merit as it gave me grounds for my actions of doing a revocation of power of attorney, substitution of trustee and the reconveyance. It gave me the grounds to then move the property out of my name. The reason why this is important is that I can safely say I am not doing it fraudulently. I have reasons to do it based on my discovery.

Also, what the administrative process does offer is a body of evidence and the ability for me to assert affidavits. Here's a couple of things I want to touch upon.

- 1) An **affidavit is a testimony** sworn under oath before a justice of the peace or notary. It can be entered as evidence in court. An affidavit un rebutted stands as truth. This means, what you swear in your affidavit must be treated as fact before the court. If the other party disputes my affidavit, they must have some way to prove that I am lying.
- 2) **A body of Evidence.** I have done all these paper exchanges in good faith in discovery. Yet, the bank have not been able to respond to my fair enquiries which gives me a "cause of action". I can now use my administrative process paperwork to support my claims.
- 3) **Cause of Action.** Now I have reasons to bring a civil action against the bank that is not frivolous. I now have evidence that there is likely to be fraud and uncertainty involved. Now I can use my evidence to state claims against the bank. Claims which they must be able to defend point for point else lose.

So, the administrative process is not without merit. It just doesn't have as much merit as I initially thought it had. In order to succeed in fighting the bank, I will have to finish my administrative process through litigation. Either:

- 1) A petition called a "Verification of Debt else release of claim" (in pre-foreclosure)
- 2) A complaint called a "Wrongful Foreclosure" (post Trustee sale or pending Trustee sale)

These should be filed at superior court (your district/county level) where the property is located to have jurisdiction.

So here's the run down. If you are about to face foreclosure, then you will want to file a wrongful foreclosure suit. If you are in good standing, you will want to file a verification of debt petition.

Here's another beautiful thing about filing a civil action against your bank. In most states, foreclosures are done through the administrative process. This means that the bank can quietly steal your house with no contest. Once you file a civil action, then it takes the action out of the administrative and into the court where you have a better chance of winning if you know how to fight.

Basically, in court, we simply argue on two points. The Right of Enforcement and Standing. In other words, a servicer does not have the right of enforcement. Only a creditor is a real party of interest, anybody else is not party to the controversy. In other words, in a boxing match, you showed up in the ring, but the other party is not allowed to enter the ring...you are declared the winner by default.

The bank only has a copy of the note and will likely claim a breach of contract as their only argument. What you are saying is, before we can talk about whether or not there is a contract between us, let's talk about whether or not you have the right to enforce the contract. In our husband and wife example in Chapter 4, if the bank is not a party of interest, they are no different than the guy who showed up wanting the TV.

In other words, if they judge rules against you on this point, the judge and the court is now warranting that the bank has the right to foreclose on you and therefore take responsibility to forego discovery of whether or not the bank actually have the authority to do so. Ignoring evidence presented before the court that refute the bank's claim is a dangerous thing for a judge to do in my opinion because that's not the law. The judge also has rules he/she must abide by and if she breaks those rules she can be fined or even get kicked from the bench (for good).

The law requires that everyone is equal in the eyes of the law. No one is above the law. Not even the President of the United States. The law requires that everyone is entitled to a fair trial with evidence presented before the court. The court has to use the evidence presented as the basis of their decision and not their personal opinion.

In other words, if I hate Asians (I am Asian so I can safely use this as an example), and I am a judge, I can not automatically rule that the guy is guilty despite the evidence presented to the contrary.

A Judge has an Oath of Office. One she SHOULD (many blatantly ignore this) uphold. It is our job to remind her of this fact. The fact that she has to rule using evidence presented before her, above her personal opinion. The fact that everyone is entitled to a fair trial.

I advise that you hire a COMPETANT lawyer to defend you when it gets to litigation. Be sure to interview her thoroughly and have mock trials. Don't just let her say "trust me". This is your life, and your family we're dealing with.

Yes, this is not going to be cheap. I don't care if you have to beg, borrow and steal. If you want to stay in your home, it must be done.

Alternatively, you could try to do it yourself under "pro se" as I am doing. I write my own pleadings, I do my own notices, and if need be, I will represent myself in court. However, this does take some "balls". It will require some education. This is why I have put together my coaching program to give you the resources you need to handle yourself should you wish to go down this path.

Take Heart

It's not as bad or as scary as it might seem. I have brought a civil action against my bank on my properties. I have sent them my pleadings and thus far, they have remained silent!! As incredible as it might sound, they have ignored my pleadings. Unfortunately, my original pleadings were weak because I did not know what I was doing. I've had to amend my pleadings and resubmit and re-notify the plaintiff/bank. This was done last week. I have to wait 37 days for this to cure. Under Oregon Civil Procedures, I have to allow 7 days for out of state notices plus 30 days. After 37 days, if they bank does not respond to my pleadings and summons, they will enter into a default. Which means, I win my case free and clear. We'll see.

Here's what you have to understand. **Filing a civil action against the bank is for the most part, pretty much the same as the administrative procedure...the difference is, you need to now keep the court informed of your actions.** You will need to know a few basic procedures of civil procedures. Eg. What is a Motion, what is a Counter Claim, etc. There are various handbooks that can teach you these things.

It is my belief that if your pleadings, claims, and evidence is strong enough, the bank will likely make a pre-determination about their chances of prevailing that **they decide that they are better off not showing up.** That's our aim here. That's what I am teaching in my coaching program.

If the judge decides there is enough evidence and controversy in the case, then it will go to trial. And if we have to go to trial, then we either represent ourselves, or hire an attorney at this point if we don't feel confident enough to do so.

Chapter 12: So What Do I Do Now?

If you are facing a pending foreclosure sale, then what can you do? What options and choices do you have?

First thing I would do (unless the sale is like next week), is to start the administrative process right away. Start sending out your qualified written requests so you can start gathering evidence against the bank. Once you have declared the bank in default, follow it up with the civil action.

If you have a Trustee sale pending (like next week), then I would file a civil action against the bank immediately. I would take the civil action complaint case, and record it at the county to put a cloud on the title. I would then issue a notice to the Trustee to warn him that:

- 1) He needs to disclose the fact that there is a civil action on the title of the property. He can not claim that the sale has “clear title” as he is required to give full disclosure. He is required to notify all interested parties of this fact.
- 2) I would notify him that he will automatically be named a defendant in the civil action unless he notifies you otherwise (ie. Agrees to cease and desist) within 72 hours.
- 3) I would advise him that once he is named as a defendant, he has absolutely no control in the outcome of the case. All the control rests with the bank. I would ask him how sure he is that the bank is the holder in due course. If the bank is not the holder in due course, then he just got in bed with someone with VD.
- 4) I would quote all the U.C.C code violation and evidence we have against the bank and provide him a list of case law in appendix C. I would hope that this will put enough doubt in the Trustee’s mind to reconsider moving forward with the sale.

Of course, you will need to have the conviction to follow through with the notice and actually file a civil action against the bank and the Trustee.

Yes, it will cost a bunch of money to file a civil action. Depending on the court and the size of the complaint, it can be anywhere from \$150 to \$1000 (or more if you have a multimillion suit).

Once the suit is filed, I would motion the court for a Temporary Restraining Order (TRO) to stop the sale. I would present to the court as evidence that there is more harm done in moving forward to the victim (you) and less harm to the bank in holding off the sale pending discovery. I would bring forth the argument that it is uncertain whether or not the bank has the right of enforcement. A servicer does not have the right of enforcement. If the bank sold the note, then they are just a servicer.

These procedures can be tricky. That's why I have a coaching program which goes into the specific details of how to do this and further resources for you to use to help you prevail (should you decide to do it yourself to save money). But as always, you should definitely consult with an attorney.

Chapter 13. Taking Action And Getting Help

When I started this process, I was only interested in getting my house free and clear. As I dug deeper, I got both excited and, frankly, very angry. I started to think about the millions of people out there who need help, too – all those poor people who've had their house stolen from them.

As soon as I completed my administrative process, I began writing this “article.” It quickly became a book.

I don't claim to be a “guru” at this. More learned men can have the credit of coming up with the process, including Jerry Kane, John Stuart, Sam Davis, Tim Turner, and many others. I just internalized their information and systematized it so more people can follow the process step-by-step.

It was not my intention to make this into a business. I repeat. I just wanted to write a book to help people through this crisis. However, I'm getting inundated with enquiries and so, in order to be of service, I have created a coaching program to walk people through the process.

By now (as of June 13, 2010), I've invested well over 1000 hours into this process. When I started (in March 2010), I only invested some 200+ hours and I was fumbling along.

As I am doing more and more of this, it is taking time away from my business. And as much as I like to help you, I need to have a roof over my head and put food on my table too. I love doing this, and I hope to be able to do this as my primary source of income, with your support.

I've compiled a course, as well, of the over 24 legal documents I've used/created in my process that I would make available, if you are interested. These are the same (and, through experience, some are improved) documents I used for my process.

It is an intense 90 day program. It takes a lot of commitment to your personal success to start the program and process. Do not do this if you are not willing to DO WHATEVER IT TAKES TO WIN. To fight as if your life (and your family's life) dependent on it.

My coaching program is unique because it is timeline driven. This means, you will receive modules “dripped” to you as you need it. In other words, you will not need to learn about title insurance or reconveyance on day 1 as it is not relevant to you. It will be like “OK. Today, we're going to send out the rebuke letter to the bank. It's been 30 days...” Information when you need it. I will provide you with videos showing you how to fill the forms in my kit. Legal forms are very tricky and frankly confusing.

I am also thinking of offering a document preparation service so that you can simply give me your vital info, and my assistant can just fill out the docs for you. Trust me. It's taken me MANY, MANY hours to fill out these docs. They are pretty intense and not for the weak of heart.

For more information about these offers, please come to my site at <http://www.freeandclearin90.com>.

I hope you've enjoyed this book. I hope you do not stop here. I hope this is just the beginning of your journey. My hope is that you take what I have put out here and start your own learning and discovery process...and please, teach and inform others.

Please forward this to as many of your friends as possible. We need to all wake up.

Warning

DO NOT DO THIS WITHOUT CONSIDERATION!!!!

I would prefer you not start this process than to do it half-assed. Firstly, you must be convinced (with conviction) that what you are doing is right, or you will fail.

Secondly, you must know the process inside out. Own it or you will fail.

Thirdly, you must be willing to take it to the end. Never start a fight that you are not willing to finish. If you do this and back out half way, it's like a fly hitting a windscreen. Not pretty.

This process is very time intensive. There are LOTS AND LOTS of papers you have to create and file and track. You have to come to a decision on your own as to whether fighting for what is rightfully yours is worth doing.

If you choose to do my coaching program, there is NO REFUND. I know my process works. It requires a commitment to your personal success. It takes commitment for PERSONAL RESPONSIBILITY. YOU ARE RESPONSIBLE FOR YOUR OWN EDUCATION.

If you don't know it, then figure it out. Research. Ask questions. Read.

My motto is, "There is no failure." I either succeed, or I die trying. Or as Yoda puts it, "Do, or Do Not. There is no Try."

Isn't it time you take a stand?

Appendix A: My Process

This is the original process I used. There's some flaws in this process. Please re-read Chapter 11 as I share where I went wrong.

Warning: This process is out of date.
A more up to date process is available in my coaching program to reflect my new discoveries and improvements submitted by other people.

This process uses both Judicial, as well as Administrative methods to fight the bank. Some people advocate just using Administrative processes (Jerry Kane), but I recommend you also throw in the initial Judicial process as well (i.e. sue the bank).

The advantage of invoking a Judicial petition is that you now have the court working for you. It makes all your paperwork SO MUCH EASIER.

Later in the process, you will need to file your paperwork with the County Recorder's Office. In my experience, having a current court case on this subject makes your filing go much more smoothly. You see, some recorders think they are god. They are not. They are public servants... this means, they serve you. Their job is to file information as a matter of public record. They cannot make legal determination (i.e. whether what you are doing is legal or not). However, some people have had a hard time having their paperwork filed.

With the backing of a pending law suit against the bank, should a Recorder be stupid enough to challenge your paperwork, not only are they in trouble for making legal determination, you can nail them for obstruction of justice. Nasty. No one wants to go there.

The rule is, we always want to stay in honor. Be truthful and be reasonable. We never want to appear to be bullies, a con artists, or someone who is out to cheat the system. You are an honest person looking to find the truth. That's all.

Phase 0: Document preparation

This Phase will consist of the bulk of the work for you. Besides educating yourself on the process and your rights, you will need to compile the appropriate documents and you will need to prepare your documents as outlined in the next section.

Phase 1: Launching the Process

- Write and send a certified letter to your bank requesting the **original wet ink signature promissory note**. This is called Certified Written Request. (see **001-Initial-letter-to-lender**)

Wait. They will **ALWAYS** send you a copy.

The trap is set. They are screwed.

Next, we want to protect your good name with the credit reporting agencies. Some people are militant about these guys. I believe you can have them work FOR you instead of against you.

If you are already in default, then there is already a derogatory against your name on this matter. It is your job to clean it up. Since you've filed a Court case against the bank, the derogatory must be reported as "Disputed." So, be sure to prepare and file your notice to the credit reporting agencies. **See 002a-dispute__letter_to_send_to_all_credit_reporting_agencies.**

Phase 2: Rebuke and Pressing the Issue

Once you receive the phony copy (here, they are hoping you'll shut up and continue making payments like a good little slave), you will want to rebuke them. Did they give you what you had requested? No!

Send them notice to rebuke them. Notify them they have not complied with your request. Give them another 14 days. In this second letter (**See 004-Second-Letter to Lender**), ask for the three requirements for proof of claim – which you know they cannot produce. Send this certified mail.

- Along with this letter, you are to include the Notice to Modify the Deed of Trust, the following UNSIGNED documents:

- The Modification Deed of Trust
- The Substitution of Trustee Notice
- The Revocation of Power of Attorney

(See 003-Notice of Intention to Modify DoT)

Wait 14 days.

They will likely send you some stupid letter or another copy of the Deed of Trust (DoT). Is it what you had asked for? NO!

Now we have shown that we have been very reasonable up to this point. They are the ones who are in dishonor. Now you have **cause of action**. This is critical. Without “cause” you have no standing to bring forth any action against them.

Phase 3: Filing Your Paperwork

They have dishonored the contract and have exhausted their administrative remedy and you are notifying them of their default.

File the Notice of Default and the new Deed of Trust (with the substitution of Trustee, Revocation of Power of Attorney, and Modification of the Deed of Trust).

Record the New Deed of Trust (which includes Substitution of Trustee, Revocation of PoA). This is a convenient way to sneak your new documents to the county recorder without them giving you grief. With this step here, you've effectively removed the bank from having any power to foreclose on you. No title insurance company will insure the transfer because they cannot and do not have clean title. I.e. If they sell the house, you can (and will) come after the Title Insurance company with a lawsuit and win.

Send the Notice of Default to the bank, the original Trustee and Foreclosing Trustee. Be sure to make sure to include MERS (Mortgage Exchange Registration System) if they are one of the beneficiaries. Be sure to notify them too!

Give them 3 days from date of receipt to contest. Silence means acquiescence.

Send a Letter to your friendly Trustee telling them the Note has been satisfied in full because the Bank was not able to produce valid proof of claim. You declare it null and void.

Send a letter to your friendly Trustee telling them the new Deed of Trust has been satisfied in full.

Wait 7 days. Do a Full Reconveyance back to you.

With this last step, you've removed the lien on your property from the public record.

Congratulations, your property is "free and clear!"

Phase 4. Protection

Now that you have your property free and clear, what's to stop the bank of ignoring your administrative process and steam roll over you anyway?

- 1) If you receive a Notice of Trustee sale, you will respond to the Trustee and anyone else, showing them copies of your Civil Suit and Motion to Compel, your Reconveyance and Notice of Default. This should send them packing. Be sure to notify them that they will be named as defendants on your suit. Also, be sure to include some teeth in your notice. If they wish to play, they each agree to pay you \$1,000,000 for copyright violation use of your name. (I'll show you why and how I did it in my kit)
- 2) If they still want to play, then go after them for willful copyright violation.

Who Me? I don't have it.

Next step you need to know is that a lien and trustee action is tied to YOU the borrower. Once title is transferred to another party, their claim stops.

So, you would then draw up a private buy/sell agreement with a trust or LLC or Limited Liability Partnership. You then sell the property to this other party on a promissory note (sell it for the same price you bought it for – full price). This way, you don't have to deal with taxable events from gains/losses. It evens out.

You will want to convey and grant to the new owner a Warrantee Deed and a new Deed of Trust.

If you want to be extra careful, you will throw in a Mechanic's lien and public sale, which puts another level of ownership and separation between you/the bank, and the new owner. A Mechanic's lien wipes everything out to the new owner.

Congratulations, you now truly are a homeowner – free and clear.

Damage To Your Credit

You have the right for accurate information to be recorded about you in the credit bureaus. You should send a letter to each of them notifying them that the loan in question is in dispute. Include your demand documents. They are to change the status from X days late to "Dispute."

This will clean it up.

Credit Companies

Experian
PO BOX 2002
Allen, TX 75013

Equifax
PO BOX 740241
Atlanta, GA 30374

TransUnion
POBOX 1000
Crum Lynne, PA 19022

After your property has been reconveyed, you should send another letter to the credit agencies to showing them the recorded reconveyance, and notice of default that the issue has been settled. You should instructed them to record the matter "Satisfied in Full."

Appendix B: Confessions of a Banker

For those that really have wondered how a loan works in a fiat currency debt based banking system here it is. Some may be amazed and feel that of a dupe and others are already very aware that this is how it is. More and more people are waking up to this and starting to question business as usual.

It Really Works Like This -- No Joke

This is the way a "bank loan" really works.

Interviews with bankers about a foreclosure. The banker was placed on the witness stand and sworn in. The plaintiff's (borrower's) attorney asked the banker the routine questions concerning the banker's education and background.

The attorney asked the banker, "What is court exhibit A?"

The banker responded by saying, "This is a promissory note."

The attorney then asked, "Is there an agreement between Mr. Smith (borrower) and the defendant?"

The banker said, "Yes."

The attorney asked, "Do you believe the agreement includes a lender and a borrower?"

The banker responded by saying, "Yes, I am the lender and Mr. Smith is the borrower."

The attorney asked, "What do you believe the agreement is?"

The banker quickly responded, saying, "We have the borrower sign the note and we give the borrower a check."

The attorney asked, "Does this agreement show the words borrower, lender, loan, interest, credit, or money within the agreement?"

The banker responded by saying, "Sure it does."

The attorney asked, "According to your knowledge, who was to loan what to whom according to the written agreement?"

The banker responded by saying, "The lender loaned the borrower a \$50,000 check. The borrower got the money and the house and has not repaid the money."

The attorney noted that the banker never said that the bank received the promissory note as a loan from the borrower to the bank. He asked, "Do you believe an ordinary person can use ordinary terms and understand this written agreement?"

The banker said, "Yes."

The attorney asked, "Do you believe you or your company legally own the promissory note and have the right to enforce payment from the borrower?"

The banker said, "Absolutely we own it and legally have the right to collect the money."

The attorney asked, "Does the \$50,000 note have actual cash value of \$50,000? Actual cash value means the promissory note can be sold for \$50,000 cash in the ordinary course of business."

The banker said, "Yes."

The attorney asked, "According to your understanding of the alleged agreement, how much actual cash value must the bank loan to the borrower in order for the bank to legally fulfill the agreement and legally own the promissory note?"

The banker said, "\$50,000."

The attorney asked, "According to your belief, if the borrower signs the promissory note and the bank refuses to loan the borrower \$50,000 actual cash value, would the bank or borrower own the promissory note?"

The banker said, "The borrower would own it if the bank did not loan the money. The bank gave the borrower a check and that is how the borrower financed the purchase of the house."

The attorney asked, "Do you believe that the borrower agreed to provide the bank with \$50,000 of actual cash value which was used to fund the \$50,000 bank loan check back to the same borrower, and then agreed to pay the bank back \$50,000 plus interest?"

The banker said, "No. If the borrower provided the \$50,000 to fund the check, there was no money loaned by the bank so the bank could not charge interest on money it never loaned."

The attorney asked, "If this happened, in your opinion would the bank legally own the promissory note and be able to force Mr. Smith to pay the bank interest and principal payments?"

The banker said, "I am not a lawyer so I cannot answer legal questions."

The attorney asked, "Is it bank policy that when a borrower receives a \$50,000 bank loan, the bank receives \$50,000 actual cash value from the borrower, that this gives value to a \$50,000 bank loan check, and this check is returned to the borrower as a bank loan which the borrower must repay?"

The banker said, "I do not know the bookkeeping entries."

The attorney said, "I am asking you if this is the policy."

The banker responded, "I do not recall."

The attorney again asked, "Do you believe the agreement between Mr. Smith and the bank is that Mr. Smith provides the bank with actual cash value of \$50,000 which is used to fund a \$50,000 bank loan check back to himself which he is then required to repay plus interest back to the same bank?"

The banker said, "I am not a lawyer."

The attorney said, "Did you not say earlier that an ordinary person can use ordinary terms and understand this written agreement?"

The banker said, "Yes."

The attorney handed the bank loan agreement marked "Exhibit B" to the banker. He said, "Is there anything in this agreement showing the borrower had knowledge or showing where the borrower gave the bank authorization or permission for the bank to receive \$50,000 actual cash value from him and to use this to fund the \$50,000 bank loan check which obligates him to give the bank back \$50,000 plus interest?"

The banker said, "No."

The lawyer asked, "If the borrower provided the bank with actual cash value of \$50,000 which the bank used to fund the \$50,000 check and returned the check back to the alleged borrower as a bank loan check, in your opinion, did the bank loan \$50,000 to the borrower?"

The banker said, "No."

The attorney asked, "If a bank customer provides actual cash value of \$50,000 to the bank and the bank returns \$50,000 actual cash value back to the same customer, is this a swap or exchange of \$50,000 for \$50,000?"

The banker replied, "Yes."

The attorney asked, "Did the agreement call for an exchange of \$50,000 swapped for \$50,000, or did it call for a \$50,000 loan?"

The banker said, "A \$50,000 loan."

The attorney asked, "Is the bank to follow the Federal Reserve Bank policies and procedures when banks grant loans."

The banker said, "Yes."

The attorney asked, "What are the standard bank bookkeeping entries for granting loans according to the Federal Reserve Bank policies and procedures?"
The attorney handed the banker FED publication Modern Money Mechanics, marked "Exhibit C".

The banker said, "The promissory note is recorded as a bank asset and a new matching deposit (liability) is created. Then we issue a check from the new deposit back to the borrower."

The attorney asked, "Is this not a swap or exchange of \$50,000 for \$50,000?"

The banker said, "This is the standard way to do it."

The attorney said, "Answer the question. Is it a swap or exchange of \$50,000 actual cash value for \$50,000 actual cash value? If the note funded the check, must they not both have equal value?"

The banker then pleaded the Fifth Amendment.

The attorney asked, "If the bank's deposits (liabilities) increase, do the bank's assets increase by an asset that has actual cash value?"

The banker said, "Yes."

The attorney asked, "Is there any exception?"

The banker said, "Not that I know of."

The attorney asked, "If the bank records a new deposit and records an asset on the bank's books having actual cash value, would the actual cash value always come from a customer of the bank or an investor or a lender to the bank?"

The banker thought for a moment and said, "Yes."

The attorney asked, "Is it the bank policy to record the promissory note as a bank asset offset by a new liability?"

The banker said, "Yes."

The attorney said, "Does the promissory note have actual cash value equal to the amount of the bank loan check?"

The banker said "Yes."

The attorney asked, "Does this bookkeeping entry prove that the borrower provided actual cash value to fund the bank loan check?"

The banker said, "Yes, the bank president told us to do it this way."

The attorney asked, "How much actual cash value did the bank loan to obtain the promissory note?"

The banker said, "Nothing."

The attorney asked, "How much actual cash value did the bank receive from the borrower?"

The banker said, "\$50,000."

The attorney said, "Is it true you received \$50,000 actual cash value from the borrower, plus monthly payments and then you foreclosed and never invested one cent of legal tender or other depositors' money to obtain the promissory note in the first place? Is it true that the borrower financed the whole transaction?"

The banker said, "Yes."

The attorney asked, "Are you telling me the borrower agreed to give the bank \$50,000 actual cash value for free and that the banker returned the actual cash value back to the same person as a bank loan?"

The banker said, "I was not there when the borrower agreed to the loan."

The attorney asked, "Do the standard FED publications show the bank receives actual cash value from the borrower for free and that the bank returns it back to the borrower as a bank loan?"

The banker said, "Yes."

The attorney said, "Do you believe the bank does this without the borrower's knowledge or written permission or authorization?"

The banker said, "No."

The attorney asked, "To the best of your knowledge, is there written permission or authorization for the bank to transfer \$50,000 of actual cash value from the borrower to the bank and for the bank to keep it for free?"

The banker said, "No."

Does this allow the bank to use this \$50,000 actual cash value to fund the \$50,000 bank loan check back to the same borrower, forcing the borrower to pay the bank \$50,000 plus interest? "

The banker said, "Yes."

The attorney said, "If the bank transferred \$50,000 actual cash value from the borrower to the bank, in this part of the transaction, did the bank loan anything of value to the borrower?"

The banker said, "No." He knew that one must first deposit something having actual cash value (cash, check, or promissory note) to fund a check.

The attorney asked, "Is it the bank policy to first transfer the actual cash value from the alleged borrower to the lender for the amount of the alleged loan?"

The banker said, "Yes."

The attorney asked, "Does the bank pay IRS tax on the actual cash value transferred from the alleged borrower to the bank?"

The banker answered, "No, because the actual cash value transferred shows up like a loan from the borrower to the bank, or a deposit which is the same thing, so it is not taxable."

The attorney asked, "If a loan is forgiven, is it taxable?"

The banker agreed by saying, "Yes."

The attorney asked, "Is it the bank policy to not return the actual cash value that they received from the alleged borrower unless it is returned as a loan from the bank to the alleged borrower?"

"Yes", the banker replied.

The attorney said, "You never pay taxes on the actual cash value you receive from the alleged borrower and keep as the bank's property?"

"No. No tax is paid.", said the crying banker.

The attorney asked, "When the lender receives the actual cash value from the alleged borrower, does the bank claim that it then owns it and that it is the property of the lender, without the bank loaning or risking one cent of legal tender or other depositors' money?"

The banker said, "Yes."

The attorney asked, "Are you telling me the bank policy is that the bank owns the promissory note (actual cash value) without loaning one cent of other depositors' money or legal tender, that the alleged borrower is the one who provided the funds deposited to fund the bank loan check, and that the bank gets funds from the alleged borrower for free? Is the money then returned back to the same person as a loan which the alleged borrower repays when the bank never gave

up any money to obtain the promissory note? Am I hearing this right? I give you the equivalent of \$50,000, you return the funds back to me, and I have to repay you \$50,000 plus interest? Do you think I am stupid?"

In a shaking voice the banker cried, saying, "All the banks are doing this. Congress allows this."

The attorney quickly responded, "Does Congress allow the banks to breach written agreements, use false and misleading advertising, act without written permission, authorization, and without the alleged borrower's knowledge to transfer actual cash value from the alleged borrower to the bank and then return it back as a loan?"

The banker said, "But the borrower got a check and the house."

The attorney said, "Is it true that the actual cash value that was used to fund the bank loan check came directly from the borrower and that the bank received the funds from the alleged borrower for free?"

"It is true", said the banker.

The attorney asked, "Is it the bank's policy to transfer actual cash value from the alleged borrower to the bank and then to keep the funds as the bank's property, which they loan out as bank loans?"

The banker, showing tears of regret that he had been caught, confessed, "Yes."

The attorney asked, "Was it the bank's intent to receive actual cash value from the borrower and return the value of the funds back to the borrower as a loan?"

The banker said, "Yes." He knew he had to say yes because of the bank policy.

The attorney asked, "Do you believe that it was the borrower's intent to fund his own bank loan check?"

The banker answered, "I was not there at the time and I cannot know what went through the borrower's mind."

The attorney asked, "If a lender loaned a borrower \$10,000 and the borrower refused to repay the money, do you believe the lender is damaged?"

The banker thought. If he said no, it would imply that the borrower does not have to repay. If he said yes, it would imply that the borrower is damaged for the loan to the bank of which the bank never repaid. The banker answered, "If a loan is not repaid, the lender is damaged."

The attorney asked, "Is it the bank policy to take actual cash value from the borrower, use it to fund the bank loan check, and never return the actual cash value to the borrower?"

The banker said, "The bank returns the funds."

The attorney asked, "Was the actual cash value the bank received from the alleged borrower returned as a return of the money the bank took or was it returned as a bank loan to the borrower?"

The banker said, "As a loan."

The attorney asked, "How did the bank get the borrower's money for free?"

The banker said, "That is how it works."

Appendix C: Case Law

Patton v. Diemer, 35 Ohio St. 3d 68; 518 N.E.2d 941; 1988). A judgment rendered by a court lacking subject matter jurisdiction is void ab initio. Consequently, the authority to vacate a void judgment is not derived from Ohio R. Civ. P. 60(B), but rather constitutes an inherent power possessed by Ohio courts. I see no evidence to the contrary that this would apply to ALL courts.

"A party lacks standing to invoke the jurisdiction of a court unless he has, in an individual or a representative capacity, some real interest in the subject matter of the action. *Lebanon Correctional Institution v. Court of Common Pleas* 35 Ohio St.2d 176 (1973).

"A party lacks standing to invoke the jurisdiction of a court unless he has, in an individual or a representative capacity, some real interest in the subject matter of an action." *Wells Fargo Bank, v. Byrd*, 178 Ohio App.3d 285, 2008-Ohio-4603, 897 N.E.2d 722 (2008). It went on to hold, " If plaintiff has offered no evidence that it owned the note and mortgage when the complaint was filed, it would not be entitled to judgment as a matter of law."

(The following court case was unpublished and hidden from the public) *Wells Fargo, Litton Loan v. Farmer*, 867 N.Y.S.2d 21 (2008). "Wells Fargo does not own the mortgage loan... Therefore, the... matter is dismissed with prejudice."

(The following court case was unpublished and hidden from the public) *Wells Fargo v. Reyes*, 867 N.Y.S.2d 21 (2008). Dismissed with prejudice, Fraud on Court & Sanctions. Wells Fargo never owned the Mortgage.

(The following court case was unpublished and hidden from the public) *Deutsche Bank v. Peabody*, 866 N.Y.S.2d 91 (2008). EquiFirst, when making the loan, violated Regulation Z of the Federal Truth in Lending Act 15 USC §1601 and the Fair Debt Collections Practices Act 15 USC §1692; "intentionally created fraud in the factum" and withheld from plaintiff... "vital information concerning said debt and all of the matrix involved in making the loan".

(The following court case was unpublished and hidden from the public) *Indymac Bank v. Boyd*, 880 N.Y.S.2d 224 (2009). To establish a prima facie case in an action to foreclose a mortgage, the plaintiff must establish the existence of the mortgage and the mortgage note. It is the law's policy to allow only an aggrieved person to bring a lawsuit . . . A want of "standing to sue," in other words, is just another way of saying that this particular plaintiff is not involved in a genuine controversy, and a simple syllogism takes us from there to a "jurisdictional" dismissal:

(The following court case was unpublished and hidden from the public) *Indymac Bank v. Bethley*, 880 N.Y.S.2d 873 (2009). The Court is concerned that there may be fraud on the part of plaintiff or at least malfeasance Plaintiff INDYMAC (Deutsche) and must have "standing" to bring this action.

(The following court case was unpublished and hidden from the public) *Deutsche Bank National Trust Co v. Torres*, NY Slip Op 51471U (2009). That "the dead cannot be sued" is a well established principle of the jurisprudence of this state plaintiff's second cause of action for declaratory relief is denied. To be entitled to a default judgment, the movant must establish, among other things, the existence of facts which give rise to viable claims against the defaulting defendants. "The doctrine of ultra vires is a most powerful weapon to keep

private corporations within their legitimate spheres and punish them for violations of their corporate charters, and it probably is not invoked too often... “ *Zinc Carbonate Co. v. First National Bank*, 103 Wis. 125, 79 NW 229 (1899). Also see: *American Express Co. v. Citizens State Bank*, 181 Wis. 172, 194 NW 427 (1923).

(The following court case was unpublished and hidden from the public) *Wells Fargo v. Reyes*, 867 N.Y.S.2d 21 (2008). Case dismissed with prejudice, fraud on the Court and Sanctions because Wells Fargo never owned the Mortgage.

(The following court case was unpublished and hidden from the public) *Wells Fargo, Litton Loan v. Farmer*, 867 N.Y.S.2d 21 (2008). Wells Fargo does not own the mortgage loan. "Indeed, no more than (affidavits) is necessary to make the prima facie case." *United States v. Kis*, 658 F.2d, 526 (7th Cir. 1981).

(The following court case was unpublished and hidden from the public) *Indymac Bank v. Bethley*, 880 N.Y.S.2d 873 (2009). The Court is concerned that there may be fraud on the part of plaintiff or at least malfeasance Plaintiff INDYMAC (Deutsche) and must have "standing" to bring this action.

Lawyer responsible for false debt collection claim Fair Debt Collection Practices Act, 15 USCS §§ 1692-1692o, *Heintz v. Jenkins*, 514 U.S. 291; 115 S. Ct. 1489, 131 L. Ed. 2d 395 (1995). and FDCPA Title 15 U.S.C. sub section 1692.

In determining whether the plaintiffs come before this Court with clean hands, the primary factor to be considered is whether the plaintiffs sought to mislead or deceive the other party, not whether that party relied upon plaintiffs' misrepresentations. *Stachnik v. Winkel*, 394 Mich. 375, 387; 230 N.W.2d 529, 534 (1975).

"Indeed, no more than (affidavits) is necessary to make the prima facie case." *United States v. Kis*, 658 F.2d, 526 (7th Cir. 1981). Cert Denied, 50 U.S. L.W. 2169; S. Ct. March 22, (1982).

"Silence can only be equated with fraud where there is a legal or moral duty to speak or when an inquiry left unanswered would be intentionally misleading." *U.S. v. Tweel*, 550 F.2d 297 (1977).

"If any part of the consideration for a promise be illegal, or if there are several considerations for an un-severable promise one of which is illegal, the promise, whether written or oral, is wholly void, as it is impossible to say what part or which one of the considerations induced the promise." *Menominee River Co. v. Augustus Spies L & C Co.*, 147 Wis. 559 at p. 572; 132 NW 1118 (1912).

Federal Rule of Civil Procedure 17(a)(1) which requires that "[a]n action must be prosecuted in the name of the real party in interest." See also, *In re Jacobson*, 402 B.R. 359, 365-66 (Bankr. W.D. Wash. 2009); *In re Hwang*, 396 B.R. 757, 766-67 (Bankr. C.D. Cal. 2008).

Mortgage Electronic Registration Systems, Inc. v. Chong, 824 N.Y.S.2d 764 (2006). MERS did not have standing as a real party in interest under the Rules to file the motion... The declaration also failed to assert that MERS, FMC Capital LLC or Homecomings Financial, LLC held the Note.

Landmark National Bank v. Kesler, 289 Kan. 528, 216 P.3d 158 (2009). "Kan. Stat. Ann. § 60-260(b) allows relief from a judgment based on mistake, inadvertence, surprise, or excusable neglect; newly discovered evidence that could not have been timely discovered with due diligence; fraud or misrepresentation; a void judgment; a judgment that has been satisfied, released, discharged, or is no longer equitable; or any other reason justifying

relief from the operation of the judgment. The relationship that the registry had to the bank was more akin to that of a straw man than to a party possessing all the rights given a buyer.” Also In September of 2008, A California Judge ruling against MERS concluded, “There is no evidence before the court as to who is the present owner of the Note. The holder of the Note must join in the motion.”

LaSalle Bank v. Ahearn, 875 N.Y.S.2d 595 (2009). Dismissed with prejudice. Lack of standing.

Novastar Mortgage, Inc v. Snyder 3:07CV480 (2008). Plaintiff has the burden of establishing its standing. It has failed to do so.

DLJ Capital, Inc. v. Parsons, CASE NO. 07-MA-17 (2008). A genuine issue of material fact existed as to whether or not appellee was the real party in interest as there was no evidence on the record of an assignment. Reversed for lack of standing.

Everhome Mortgage Company v. Rowland, No. 07AP-615 (Ohio 2008). Mortgagee was not the real party in interest pursuant to Rule 17(a). Lack of standing.

In *Lambert v. Firststar Bank*, 83 Ark. App. 259, 127 S.W. 3d 523 (2003), complying with the Statutory Foreclosure Act does not insulate a financial institution from liability and does not prevent a party from timely asserting any claims or defenses it may have concerning a mortgage foreclosure A.C.A. §18-50-116(d)(2) and violates honest services Title 18 Fraud. Notice to credit reporting agencies of overdue payments/foreclosure on a fraudulent debt is defamation of character and a whole separate fraud.

A Court of Appeals does not consider assertions of error that are unsupported by convincing legal authority or argument, unless it is apparent without further research that the argument is well taken. FRAUD is a point well taken! *Lambert Supra*.

No lawful consideration tendered by Original Lender and/or Subsequent Mortgage and/or Servicing Company to support the alleged debt. “A lawful consideration must exist and be tendered to support the Note” and demand under TILA full disclosure of any such consideration. *Anheuser-Busch Brewing Company v. Emma Mason*, 44 Minn. 318, 46 N.W. 558 (1890).

"It has been settled beyond controversy that a national bank, under Federal law, being limited in its power and capacity, cannot lend its credit by nor guarantee the debt of another. All such contracts being entered into by its officers are ultra vires and not binding upon the corporation." It is unlawful for banks to loan their deposits. *Howard & Foster Co. vs. Citizens National Bank*, 133 S.C. 202, 130 S.E. 758 (1926),

"Neither, as included in its powers not incidental to them, is it a part of a bank's business to lend its credit. If a bank could lend its credit as well as its money, it might, if it received compensation and was careful to put its name only to solid paper, make a great deal more than any lawful interest on its money would amount to. If not careful, the power would be the mother of panics . . . Indeed, lending credit is the exact opposite of lending money, which is the real business of a bank, for while the latter creates a liability in favor of the bank, the former gives rise to a liability of the bank to another. *I Morse. Banks and Banking* 5th Ed. Sec 65; *Magee, Banks and Banking*, 3rd Ed. Sec 248." *American Express Co. v. Citizens State Bank*, 181 Wis. 172, 194 NW 427 (1923). I demand under TILA full disclosure and proof to the contrary.

UCC § 2-106(4) "**Cancellation**" occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance.

"There is no doubt but what the law is that a national bank cannot lend its credit or become an accommodation endorser." *National Bank of Commerce v. Atkinson*, 55 F. 465; (1893).

National Banks and/or subsidiary Mortgage companies cannot retain the note, "Among the assets of the state bank were two notes, secured by mortgage, which could not be transferred to the new bank as assets under the National Banking Laws. National Bank Act, Sect 28 & 56" *National Bank of Commerce v. Atkinson*, 8 Kan. App. 30, 54 P. 8 (1898).

"A bank can lend its money, but not its credit." *First Nat'l Bank of Tallapoosa v. Monroe*, 135 Ga 614, 69 S.E. 1123 (1911).

It is not necessary for rescission of a contract that the party making the misrepresentation should have known that it was false, but recovery is allowed even though misrepresentation is innocently made, because it would be unjust to allow one who made false representations, even innocently, to retain the fruits of a bargain induced by such representations." *Whipp v. Iverson*, 43 Wis. 2d 166, 168 N.W.2d 201 (1969).

"A bank is not the holder in due course upon merely crediting the depositors account." *Bankers Trust v. Nagler*, 23 A.D.2d 645, 257 N.Y.S.2d 298 (1965).

"Any conduct capable of being turned into a statement of fact is representation. There is no distinction between misrepresentations effected by words and misrepresentations effected by other acts." (The seller or lender) "He is liable, not upon any idea of benefit to himself, but because of his wrongful act and the consequent injury to the other party." *Leonard v. Springer*, 197 Ill 532. 64 NE 299 (1902).

"If any part of the consideration for a promise be illegal, or if there are several considerations for an un-severable promise one of which is illegal, the promise, whether written or oral, is wholly void, as it is impossible to say what part or which one of the considerations induced the promise." *Menominee River Co. v. Augustus Spies L & C Co.*, 147 Wis. 559 at p. 572; 132 NW 1118 (1912).

"The contract is void if it is only in part connected with the illegal transaction and the promise single or entire." *Guardian Agency v. Guardian Mut. Savings Bank*, 227 Wis. 550, 279 NW 79 (1938).

"It is not necessary for rescission of a contract that the party making the misrepresentation should have known that it was false, but recovery is allowed even though misrepresentation is innocently made, because it would be unjust to allow one who made false representations, even innocently, to retain the fruits of a bargain induced by such representations." *Whipp v. Iverson*, 43 Wis.2d 166, 279 N.W. 79 (1938).

In a Debtor's RICO action against its creditor, alleging that the creditor had collected an unlawful debt, an interest rate (where all loan charges were added together) that exceeded, in the language of the RICO Statute, "twice the enforceable rate." The Court found no reason to impose a requirement that the Plaintiff show that the Defendant had been convicted of collecting an unlawful debt, running a "loan sharking" operation. The debt included the fact that exaction of a usurious interest rate rendered the debt unlawful and that is all that

is necessary to support the Civil RICO action. *Durante Bros. & Sons, Inc. v. Flushing Nat'l Bank*, 755 F.2d 239 (1985). Cert. denied, 473 U.S. 906 (1985).

The Supreme Court found that the Plaintiff in a civil RICO action need establish only a criminal "violation" and not a criminal conviction. Further, the Court held that the Defendant need only have caused harm to the Plaintiff by the commission of a predicate offense in such a way as to constitute a "pattern of Racketeering activity." That is, the Plaintiff need not demonstrate that the Defendant is an organized crime figure, a mobster in the popular sense, or that the Plaintiff has suffered some type of special Racketeering injury; all that the Plaintiff must show is what the Statute specifically requires. The RICO Statute and the civil remedies for its violation are to be liberally construed to affect the congressional purpose as broadly formulated in the Statute. *Sedima, SPRL v. Imrex Co.*, 473 U.S. 479, 105 S. Ct. 3275, 87 L. Ed. 2d 346 (1985).

A violation such as not responding to the TILA rescission letter, no matter how technical, it has no discretion with respect to liability. Holding that creditor failed to make material disclosures in connection with loan. Title 15 USCS §1605(c) *Wright v. Mid-Penn Consumer Discount Co.*, 133 B.R. 704 (Pa. 1991).

Moore v. Mid-Penn Consumer Discount Co., Civil Action No. 90-6452 U.S. Dist. LEXIS 10324 (Pa. 1991). The court held that, under TILA's Regulation Z, 12 CFR §226.4 (a), a lender had to expressly notify a borrower that he had a choice of insurer.

Marshall v. Security State Bank of Hamilton, 121 B.R. 814 (Ill. 1990) violation of Federal Truth in Lending 15 USCS §1638(a)(9), and Regulation Z. The bank took a security interest in the vehicle without disclosing the security interest.

Steinbrecher v. Mid-Penn Consumer Discount Co., 110 B.R. 155 (Pa. 1990). Mid-Penn violated TILA by not including in a finance charge the debtors' purchase of fire insurance on their home. The purchase of such insurance was a condition imposed by the company. The cost of the insurance was added to the amount financed and not to the finance charge.

Nichols v. Mid-Penn Consumer Discount Co., 1989 WL 46682 (Pa. 1989). Mid-Penn misinformed Nichols in the Notice of Right to Cancel Mortgage.

McElvany v. Household Finance Realty Corp., 98 B.R. 237 (Pa. 1989). debtor filed an application to remove the mortgage foreclosure proceedings to the United States District Court pursuant to 28 USCS §1409. It is strict liability in the sense that absolute compliance is required and even technical violations will form the basis for liability. *Lauletta v. Valley Buick Inc.*, 421 F. Supp. 1036 at 1040 (Pa. 1976).

Johnson-Allen v. Lomas and Nettleton Co., 67 B.R. 968 (Pa. 1986). Violation of Truth-in-Lending Act requirements, 15 USCS §1638(a)(10), required mortgagee to provide a statement containing a description of any security interest held or to be retained or acquired. **Failure to disclose.**

Cervantes v. General Electric Mortgage Co., 67 B.R. 816 (Pa. 1986). creditor failed to meet disclosure requirements under the Truth in Lending Act, 15 U.S.C.S. § 1601-1667c and Regulation Z of the Federal Reserve Board, 12 CFR §226.1

McCausland v. GMAC Mortgage Co., 63 B.R. 665, (Pa. 1986). GMAC failed to provide information which must be disclosed as defined in the TILA and Regulation Z, 12 CFR §226.1

Perry v. Federal National Mortgage Corp., 59 B.R. 947 (Pa. 1986) the disclosure statement was deficient under the Truth In Lending Act, 15 U.S.C.S. § 1638(a)(9). Defendant Mortgage Co. **failed to reveal clearly what security interest was retained.**

Schultz v. Central Mortgage Co., 58 B.R. 945 (Pa. 1986). The court determined creditor mortgagor violated the Truth In Lending Act, 15 U.S.C.S. § 1638(a)(3), by its failure to include the cost of mortgage insurance in calculating the finance charge. The court found creditor failed to meet any of the conditions for excluding such costs and was liable for twice the amount of the true finance charge.

Solis v. Fidelity Consumer Discount Co., 58 B.R. 983 (Pa. 1986). Any misgivings creditors may have about the technical nature of the requirements should be addressed to Congress or the Federal Reserve Board, not the courts. Disclosure requirements for credit sales are governed by 15 U.S.C.S. § 1638 12 CFR § 226.8(b), (c). Disclosure requirements for consumer loans are governed by 15 U.S.C.S. § 1639 12 CFR § 226.8(b), (d). A violator of the disclosure requirements is held to a standard of strict liability. Therefore, a plaintiff need not show that the creditor in fact deceived him by making substandard disclosures. Since Transworld Systems Inc. have not cancelled the security interest and return all monies paid by Ms. Sherrie I. LaForce within the 20 days of receipt of the letter of rescission of October 7, 2009, the lenders named above are responsible for actual and statutory damages pursuant to 15 U.S.C. 1640(a).

Lewis v. Dodge, 620 F.Supp. 135, 138 (D. Conn. 1985);

Porter v. Mid-Penn Consumer Discount Co., 961 F.2d 1066 (3rd Cir. 1992). Porter filed an adversary proceeding against appellant under 15 U.S.C. §1635, for failure to honor her request to rescind a loan secured by a mortgage on her home.

Rowland v. Magna Millikin Bank of Decatur, N.A., 812 F.Supp. 875 (1992) Even technical violations will form the basis for liability. The mortgagors had a right to rescind the contract in accordance with 15 U.S.C. §1635(c).

New Maine Nat. Bank v. Gendron, 780 F.Supp. 52 (1992). The court held that defendants were entitled to rescind loan under strict liability terms of TILA because plaintiff violated TILA's provisions.

Dixon v. S & S Loan Service of Waycross, Inc., 754 F.Supp. 1567 (1990); TILA is a remedial statute, and, hence, is liberally construed in favor of borrowers. The remedial objectives of TILA are achieved by imposing a system of strict liability in favor of consumers when mandated disclosures have not been made. Thus, liability will flow from even minute deviations from the requirements of the statute and the regulations promulgated under it.

Woolfolk v. Van Ru Credit Corp., 783 F.Supp. 724 (1990) There was no dispute as to the material facts that established that the debt collector violated the FDCPA. The court granted the debtors' motion for summary judgment and held that (1) under 15 U.S.C. §1692(e), a debt collector could not use any false, deceptive, or misleading representation or means in connection with the collection of any debt; Unfair Debt Collection Practices Act.

Jenkins v. Landmark Mortg. Corp. of Virginia, 696 F.Supp. 1089 (W.D. Va. 1988). Plaintiff was also misinformed regarding the effects of a rescission. The pertinent regulation states that "when a consumer rescinds a transaction, the security interest giving rise to the right of rescission becomes void and the consumer shall

not be liable for any amount, including any finance charge." 12 *CFR* §226.23(d) (1)..

Laubach v. Fidelity Consumer Discount Co., 686 F.Supp. 504 (E.D. Pa. 1988). monetary damages for the plaintiffs pursuant to the *Racketeer Influenced and Corrupt Organization Act*, 18 *USC* §1961. (Count I); the Truth-in-Lending Act, 15 *USC* §1601.

Searles v. Clarion Mortg. Co., 1987 WL 61932 (E.D. Pa. 1987); Liability will flow from even minute deviations from requirements of the statute and Regulation Z. failure to accurately disclose the property in which a security interest was taken in connection with a consumer credit transaction involving the purchase of residential real estate in violation of 15 *USCs* §1638(a)(9). and 12 *CFR* §226.18(m).

Dixon v. S & S Loan Service of Waycross, Inc., 754 F.Supp. 1567, 1570 (S.D. Ga. 1990). Congress's purpose in passing the *Truth in Lending Act* (TILA), 15 *USCs* §1601(a). was to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him. 15 *USCs* §1601(a). TILA is a remedial statute, and, hence, is liberally construed in favor of borrowers.;

Shroder v. Suburban Coastal Corp., 729 F.2d 1371, 1380 (11th Cir. 1984).

disclosure statement violated 12 *CFR* §226.6(a).,

Wright v. Mid-Penn Consumer Discount Co., 133 B.R. 704 (E.D. Pa. 1991)

Holding that creditor failed to make material disclosures in connection with one loan;

Cervantes v. General Electric Mortgage Co., 67 B.R. 816 (E.D. Pa. 1986). The court found that the TILA violations were governed by a strict liability standard, and defendant's failure to reveal in the disclosure statement the exact nature of the security interest violated the TILA.

Perry v. Federal National Mortgage, 59 B.R. 947 (E.D. Pa. 1986). **Defendant failed to accurately disclose the security interest taken to secure the loan.**

Porter v. Mid-Penn Consumer Discount Co., 961 F.2d 1066 (3rd Cir. 1992). Adversary proceeding against appellant under 15 *U.S.C.* §1635, for failure to honor her request to rescind a loan secured by a mortgage on her home. She was entitled to the equitable relief of rescission and the statutory remedies under 15 *U.S.C.* §1640 for appellant's failure to rescind upon request.

Solis v. Fidelity Consumer Discount Co., 58 B.R. 983 (Pa. 1986). Any misgivings creditors may have about the technical nature of the requirements should be addressed to Congress or the Federal Reserve Board, not the courts. Disclosure requirements for credit sales are governed by 15 *U.S.C.S.* § 1638 12 *CFR* § 226.8(b), (c). Disclosure requirements for consumer loans are governed by 15 *U.S.C.S.* § 1639 12 *CFR* § 226.8(b), (d). A violator of the disclosure requirements is held to a standard of strict liability. Therefore, a plaintiff need not show that the creditor in fact deceived him by making substandard disclosures.

Rowland v. Magna Millikin Bank of Decatur, N.A., 812 F.Supp. 875 (1992),

Even technical violations will form the basis for liability. The mortgagors had a right to rescind the contract in accordance with 15 *U.S.C.* §1635(c). *New Maine Nat. Bank v. Gendron*, 780 F.Supp. 52 (D. Me. 1992). The court held that defendants were entitled to rescind loan under strict liability terms of TILA because plaintiff violated TILA's provisions.

Appendix D: My First 3 Letters to the bank.

George Tran
123 ABC Ave
Eugene, OR 97402
March 2, 2010

TO: Bank of America
5401 N Beach Street,
TX2-977-01-06,
Fort Worth, TX 76137-2733

Re: My request for inspection of
MY WET INK ORIGINAL Promissory Note
Name: George Tran
Property Address: 2110 Escalante St, Eugene OR 97404
Loan Number: 167858569

Dear Bank of America,

I am the owner of certain real property located at the above address which is security for a loan made by Bank of America to me. I am doing a verification of claim on my loan as I am entitled to by law.

I am prepared to resume payment of this Promissory Note. Before continuing with my payments with you, I need to be certain that you are still the RIGHTFUL Holder of Due Course of my Promissory Note and that no other party may come back to me at a later time to lay claim against my property.

I respectfully request to visually inspect **MY ORIGINAL WET INK SIGNATURE PROMISSORY NOTE**.

Failure to respond to this letter will be taken as an administrative default as per the Administrative Procedures Act of 1946.

Failure to produce the **ORIGINAL WET INK SIGNATURE PROMISSORY NOTE** will be taken as an administrative default.

Please be advised. **A COPY of the said Note nor an Affidavit of Loss or any other forms will not be acceptable.**

Please contact me in writing to arrange for an appropriate point of inspection in Eugene, Lane County, Oregon.

Sincerely,

GEORGE TRAN
c/o George Tran
123 ABC
Eugene, OR 97402
April 22, 2010

Bank of America
Customer Service Department,
CA6-919-01-41
450 American Street
Simi Valley, CA 93065-6298

Reference: Property Address: 2110 Escalante Street, Eugene, OR 97404
Loan No. 167858569

Second Request for Documentation and Proof of Claim

Dear Bank of America

I refer to the your care package dated on March 22, 2010.

I wish to advise you that your negotiated instrument has been accept for value upon proof of claim which may be substantiated by presenting the following debt details within 21 days of receipt of this notice to the address listed above:

1) Proof of the existence of the account or contract in the actual flesh and blood name of George Tran duly signed and witnessed by both parties **not a unilateral agreement** and upon which signed page there is reference to the entire agreement.

Note: GEORGE TRAN is an artificial entity, a limited liability legal fiction trademark which constitutes valuable intellectual property and all rights, titles and interests are reserved.

2) Proof of Claim that you are the current holder of due course of the Original Above Mentioned Debt Instrument and it has not been onsold to another party. I wish to have the aforementioned instrument presented to me for visual inspection. Not a copy, not an affidavit, but the actual **MY ORIGINAL WET INK SIGNATURE PROMISSORY NOTE**. You are required by law to maintain good care of my legal instrument as per USC Title 18, Part 1, Chapter 101 § 2071.

3) Copy of the actual account whereby bank assay has occurred showing actual loss incurred of the alleged debt from your client. Please stipulate via an affidavit that you are a creditor of the note in accordance to Generally Accepted Accounting Principles (GAAP).

Please be advised that I have filed suit against Wachovia Bank requesting presentment of my **ORIGINAL WET INK SIGNATURE PROMISSORY NOTE** with the CIRCUIT COURT OF THE OREGON JUDICIAL CIRCUIT IN AND FOR LANE COUNTY, STATE OF OREGON, CIVIL DIVISION on March 5th, 2010. Case # 1210-05250. I have already given you 30 days to comply with my request to produce proof of claim by presenting to me for visual inspection with the **ORIGINAL WET INK SIGNATURE PROMISSORY NOTE**. You will find the copy of the case enclosed.

You were unable to comply with my request and as such have **defaulted on your administrative process**.

As a matter of courtesy, I will further extend my request from this date for another 21 days for you to provide me with the proof of claim (expiring on May 13, 2010). You are hereby given notice that failure to produce proof of claim after this courtesy means **you will have exhausted your administrative process and no further claims can be made against me nor my property**.

Please Note:

Incorrectly addressed mail shall be returned unopened and unread, any or all correspondence from this point must be by mail only.

George Tran does not authorize the recording of his voice at any time for any purpose nor does he consent to be contacted by telephone and shall enforce his copyright in all instances such as copyright infringement or trademark violation no authorization for the use GEORGE TRAN™ is implied, granted or admitted.

GEORGE TRAN agrees to hold harmless George Tran the natural flesh and blood human being for all claims and liabilities under private contract between the parties.

Sincerely

George Tran
Representative for GEORGE TRAN

George Tran
123 ABC Ave
Eugene, OR 97402
May 14, 2010

TO: Bank of America
5401 N Beach Street,
TX2-977-01-06,
Fort Worth, TX 76137-2733

TO: MERS
PO Box 2026,
Flint, MI 48501-2026

Re: 2110 Escalante St, Eugene OR 97404
Loan Number: 167858569
Deed of Trust: 2007-042825

Notice of Default and Cease and Desist

Dear Bank of America,

Thank you for your recent response to my qualified written request for proof of claim. Your copy of the note was not what I had asked for as required by law and I am hereby notifying you that you have exhausted your administrative remedy.

By your inability and unwillingness to stipulate that you are:

- a) A Note Holder of Due Course.
- b) A Creditor of the Instrument as you can and have not provide GAAP book entry debit evidence of the transaction
- c) A wet ink signature original note as required by law.

You have violated the requirements of TILA, and by your actions provide prima facie evidence that you are attempting to collect money on the basis of fraud.

I have filed a Notice of Default, Cease and Desist Notice and a new Deed of Trust on this property with the Lane County Recorder's Office.

You no longer have any claims over my property.

You are hereby ordered to Cease and Desist.

You have 3 days to contest this notice or forever release your claim.

Have a nice day.

Sincerely,

IN THE CIRCUIT COURT OF THE OREGON JUDICIAL CIRCUIT
IN AND FOR LANE COUNTY, STATE OF OREGON
CIVIL DIVISION

Date:

CASE NO.:

George Tran

123 Ave

Eugene, OR 97402,

Plaintiff,

vs.

PETITION FOR A VERIFICATION OF
DEBT ELSE RELEASE OF CLAIM

No VALUE

Bank of America

5401 N Beach Street,

TX2-977-01-06,

Fort Worth, TX 76137-2733

Defendant.

PETITION FOR A VERIFICATION OF DEBT

Reference:

Loan Number

167858569

Deed of Trust Number:

12345567

Plaintiff George Tran requests verification of debt from Defendant, Wachovia Bank. In order to establish whether Defendant has standing to bring forth remedies entitled to Defendant, Plaintiff requests the Defendant to produce the following as proof of claim within 30 days of this notice under Habeas Corpus.

1) The **ORIGINAL WET INK SIGNATURE Promissory Note** signed by Defendant in association to the loan pursuant of USC Title 18, Part 1, Chapter 101 § 2071.

2) Proof that the Defendant is in fact the Note Holder in Due Course and have standing as a party of interest in this Promissory Note as Plaintiff has reason to believe the Defendant has sold the Note under "mortgage backed securities instrument" to investors under a pooling of interest.

3) Defendant to stipulate via affidavit that they are in fact a Creditor in this loan/security instrument. A Creditor needs to show true double entry accounting debits of the loss as a result of the issuance of the loan to Plaintiff according to Generally Accepted Accounting Principles (GAAP).

If Defendant cannot produce proof of claim, they have no standing in any future controversy.

If Defendant is unable to produce proof of claim, Plaintiff prays the court to order the Defendant to release all claims against Plaintiff and grant rightful remedies due to Plaintiff.

George Tran
123 Ave
Eugene, OR 97402

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the above and foregoing has been furnished by Certified U.S. Mail to: Bank of America, 5401 N Beach Street, TX2-977-01-06, Fort Worth, TX 76137-2733 this _____ day of _____ March, 2008

George Tran

Witness:

AFFIX MAILING CERTIFICATE HERE