

WHERE DOES THE MORTGAGE FRAUD BEGIN?

This document is meant to take the reader down a road they have likely never traveled. This is a layman's explanation of what has been happening in this country that most have no idea or inkling of. It is intended to give the reader an overview of a systemic Fraud in this country that has reached epic proportions and provoke action to eradicate this scourge that has descended upon the people of America. Depending on what your situation is, you may react with disbelief, fear, anger or outright disgust at what you are about to learn. The following information is supported with facts, exhibits, law and is not mere opinion.

Let's start our journey of discovery with the purchase of a home and subsequent steps in the financial process through the life of the "mortgage loan. " It all starts at the "closing" where we gather with other people that are "involved" in the process to sign the documents to purchase our new home. Do we really know what goes on at the closing? Are we ever told who all the participants are in that entire process? Are we truly given "full disclosure" of all the various aspects of that entire transaction regarding what, for most people, is the single largest purchase they will make in their entire life?

Let's start with the very first part of the transaction. We have a virtual stack of papers placed in front of us and we are instructed where we are supposed to start signing or initialing on those "closing documents. " There seems to be so many different documents with enough legal language that we could read for hours just to get through them the first time, much less begin to fully understand them. Are we given a copy of all these documents at least 7 days prior to the closing so we can read and study these documents so we fully understand what it is that we are signing and agreeing to ? That has never happened for the average consumer and purchaser of a property in the last 30 years or more if it ever has at all. WHY? We have a stack of documents placed before us at the "closing" that we haven't ever seen before and are instructed where to sign or initial to complete the transaction and "get our new home. "

We depend on the real estate agent, in most cases, to bring the parties together at the closing after we have supplied enough financial data and other requested information so that the "lender" can determine whether we can qualify for our "loan. " Obviously we have the "three day right of rescission" but do we really stop to read all the documents *after* we have just purchased our home and want to move in? Is the thought that there might be something wrong with what we have just signed a primary thought in our mind at that time? Did we trust the people involved in the transaction? Are we naturally focusing on getting moved into our new home and getting settled with our family?

Who are the players involved in the transaction from the perspective of the consumer purchasing a property and signing a "Mortgage Note" and "Deed" or similar "Security Instrument" at the closing? There is, of course, the seller, the real estate agent(s), title insurance company, property appraiser who is supposed to properly determine the value of the property, and the most obvious one being who we believe to be "the lender" in the transaction. We are led, by all involved, to believe that we are, in fact, borrowing money from the "lender" which is then paid to the current owner of the property as compensation for them relinquishing any "claim of ownership" to the property and transferring that "claim of ownership" to us as the purchaser. It all seems so simple and clear on its face and then the

transaction is completed. After the “closing” everyone is all smiles and you believe you have a new home and have to repay the “lender,” over a period of years, the money which you believe you have “borrowed. ”

IS THERE SOMETHING WE DON'T KNOW?

Everything appears to be relatively simple and straightforward but is that really the case? Could it be that there are other players involved in this whole transaction that we know nothing about that have a very substantial financial interest in what has just occurred? Could it be that those players that we are totally unaware of have somehow used us without our knowledge or consent to secure a spectacular financial gain for themselves with absolutely no investment or risk to themselves whatsoever? Could it be that there is a hidden aspect of this whole transaction that is “standard operating procedure” in an industry where this hidden “aspect of a transaction” occurs every single banking day across this country and beyond? Could it be that this hidden “aspect of a transaction” is a deliberate process to unjustly enrich certain individuals and entities at the expense of the public as a whole? Could it be that there was not full disclosure of the “true nature” of the transaction as it actually occurred which is required for a contract to be valid and enforceable?

THE DOCUMENTS INVOLVED

The two most important and valuable documents that are signed at a closing are the “Note” and the “Deed” in various forms. When looking at the definition of a “Mortgage Note” it is obvious that it is a “Security Instrument. ” It is a promise to pay made by the maker of that “Note.” When looking at a copy of a “Deed of Trust,” it is very obvious that the **document is also a “Security Instrument.”** You will note that the words “Security Instrument” are mentioned approximately 90 times in most Deeds of Trust. Is there ANY doubt it is a “Security?” When at the closing, the “borrower” is led to believe that the “Mortgage Note” that he signs is a document that binds him to make repayment of “money” that the “lender” is loaning him to purchase the property he is acquiring. Is there disclosure to the “borrower” to the effect that the “lender” is not really loaning any of their money to the “borrower” and therefore is **taking no risk whatsoever in the transaction?** Is it disclosed to the “borrower” that according to FEDERAL LAW, banks are not allowed to loan credit and are also not allowed to loan their own or their depositor’s money? If that is the case, then how could this transaction possibly take place? Where does the money come from? Is there really any money to be loaned? The answer to this last question is a resounding NO! Most people are not aware that there has been no lawful money since the bankruptcy of the United States in 1933.

Since House Joint Resolution 192 (HJR 192) (Public law 7310) was passed in 1933 we have only had debt, because all property and gold was seized by the government as collateral in the bankruptcy of the United States. Most people today would think they have money in their hand when they pull something out of their pocket and look at the paper that is circulated by the banks that they have been told is “money. ” In reality they are looking at a “Federal Reserve Note” which is stated right on the face of the piece of paper we have come to know as “money. ” It is NOT really “money,” it is debt, a promise to pay made by the United States! If you take a “Federal Reserve Note” showing a value of ten dollars and buy something, you are then making a purchase with a “Note” (a promise to pay). There is absolutely no gold or silver backing the Federal Reserve Notes that we refer to as “money” today.

When you sit down at the closing table to complete the transaction to purchase your home aren't you tendering a "Note" with your signature which would be considered money? That is exactly what you are doing. A "Note" is money in our monetary system today! You can deposit the "Federal Reserve Note" (a promise to pay) with a denomination of \$10 at the bank and they will credit your account in that same amount. Why is it that when you tender your "Note" at the closing that **they don't tell you that your home is paid for right on the spot?** The fact is that it IS PAID FOR ON THE SPOT. **Your signature on a "Note" makes that "Note" money in the amount that is stated on the "Note!"** Was this disclosed to you at the "closing" in either verbal or written form? Could this be the place where the other players come into the transaction at or near the time of closing? What happens to the "Note" (promise to pay) that you sign at the closing table? Do they put it in their vault for safe keeping as evidence of a debt that you owe them as you are led to believe? **Do they return that note to you if you pay off your mortgage** in 5, 10 or 20 years? Do they disclose to you that they do anything other than put it away for safe keeping once it is in their possession?

WHAT ACTUALLY HAPPENS TO THE "NOTE?"

Unknown to almost everyone, there is something VERY different that happens with your "Mortgage Note" immediately after closing. Your "Mortgage Note" is endorsed and deposited in the bank as a check and becomes "MONEY"! See attached (Exhibit "B" para 13). The document that you just gave the bank with your signature on it, that you believe is a promise to pay them for money loaned to you, has just been converted to money in THEIR ACCOUNT. You just gave the "lender" the exact dollar value of what they said they just loaned you! Who is the REAL creditor in this "Closing Transaction?" Who really loaned who anything of value or any money? You actually just paid for your own home with your promissory "Mortgage Note" that you gave the bank and the bank gave you what in return? NOTHING!!! **For any contract to be valid there must be consideration given by both parties.** But don't they tell you that you must now pay back the "Loan" that they have made to you?

How can it be that you could just write a "Note" and pay for your home? This leads us back to the bankruptcy of the United States in 1933. When FDR and Congress took all the property and gold from the people in 1933 **they had to give something in return for that confiscation of property.** See attached (Exhibit "B" para 6). **What the people got in return was the promise that all of their needs would be met by the government** because **the assets and the labor of the people were collateral for the debt of the United States in the bankruptcy.** **All of their debts would be "discharged."** This was **done without the consent of the people of America** and was an act of Treason by President Franklin Delano Roosevelt. The problem comes in where they never told us how we could accomplish that discharge and **have what we were entitled to after the bankruptcy.** Why has this never been taught in the schools in this country? Could it be that it would expose the biggest fraud in the history of this entire country and in the world? If the public is purposely not educated about certain things then certain individuals and entities can take full financial advantage of virtually the entire population. Isn't this "selective education" more like "indoctrination?" Could this be what has happened? In *Fina Supply, Inc. v. Abilene Nat. Bank*, 726 S. W. 2d 537, 1987 it says "Party having superior knowledge who takes advantage of another's ignorance of the law to deceive him by studied concealment or misrepresentation can be held responsible for that conduct." Does this mean that if there are people with superior knowledge as a party in this "Loan Transaction" that take advantage of the "ignorance of the law," (through indoctrination) of the public to unjustly enrich themselves, that **they can be held responsible?** Can they be held responsible in only a civil manner

or is there a more serious accountability that falls into the category of **criminal conduct**?

It is well established law that Fraud vitiates (makes void) any contract that arises from it. Does this mean that this intentional “lack of disclosure” of the true nature of the contract we have entered into is Fraud and would make the mortgage contract void on its face? Could it be that the Fraud could actually be “studied concealment or misrepresentation” that makes those involved in the act responsible and accountable? What happens to the “Note” once it is deposited in the bank and is converted to “money?” Are there different kinds of money? There is money of exchange and money of account. They are two very different things. See attached (Exhibit “B” para 11), and Affidavit of Expert Witness Walker Todd. Walker Todd explains in his expert witness affidavit that the **banks actually do convert signatures into money.** The definition of “money” according to the Uniform Commercial Code:

"Money" means a medium of exchange authorized or adopted by a domestic or foreign government and includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more nations. Money can actually be in different forms other than what we are accustomed to thinking. **When you sign your name on a promissory note it becomes money** whether you are talking a mortgage note or a credit card application! Did the bankers ever “disclose” this to us? Were we ever taught anything about this in the school system in this country? Could it be that this whole idea of being able to convert our signature to money is a “studied concealment” or “misrepresentation” where those involved become **responsible if we are harmed by their actions**? What happens if you have signed a “Mortgage Note” and already paid for your home and they come at a later date and foreclose and take it from you? Would you consider yourself to be harmed in any way? We will bring this up again very shortly but we need to look at the other document that is signed at the “closing” that is of great significance.

THE DEED OF TRUST

Why do we need a Deed of Trust? What exactly IS a Deed of Trust or other similar “Security Instrument?” It spells out all the details of the contract that you are signing at the “closing,” including such things as insurance requirements, preservation and maintenance and all of the financial details of how, when, where and why you are going to make payments to the “lender” for years and years. Wait a minute!!!! Make payments to the “lender????” Why do you have to make payments to the “lender??” Didn’t we just establish the fact that your house was paid for by YOU, with your “Mortgage Note” that is converted to money by THE BANK DEPOSITING IT? Is there something wrong with this picture? We have just paid for our “home” but now we are told we have to sign a Deed of Trust or similar “Security Instrument” that binds us to pay the “lender” back? Pay the “lender” back for what? **Did they loan us any money?** Remember the part about banks not being able to loan “their or their depositors money” under FEDERAL LAW? What about: “In the federal courts, it is well established that a national bank has no power to lend its credit to another by becoming surety, indorser, or guarantor for him.” *Farmers and Miners Bank v. Bluefield Nat ‘l Bank*, 11 F 2d 83, 271 U. S. 669; “A national bank has no power to lend its credit to any person or corporation.” *Bowen v. Needles Nat. Bank*, 94 F 925, 36 CCA 553, certiorari denied in 20 S. Ct 1024, 176 US 682, 44 LED 637. “Neither, as included in its powers not incidental to them, is it a part of a bank's business to lend its credit.” *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).

What is happening here with this “Deed of Trust” or similar “Security Instrument” that says we have to pay all this money back and if we don’t, they can foreclose and take our home? Why do we have to have this kind of agreement when we have already paid for our home through our “Mortgage Note” which was converted to money BY THE BANK? Could this possibly be another example of “studied concealment or misrepresentation” where those involved could be held accountable for their conduct? What happens to this Deed of Trust or similar “Security Instrument” after we sign it? Where does it go? Does it go into the vault for safekeeping like we might think? **See attached Exhibit “C” for substantially more information.**

WHO ARE THE OTHER PLAYERS?

We have already found out that the “Note” doesn’t go into the vault for safe keeping but instead is deposited into an account at the bank and becomes money. Where does the Note go then? This is where things get VERY interesting because your “Mortgage Note” is then used to access your Treasury Account (that you know nothing about) and get credit in the amount of your “Mortgage Note” from your “Prepaid Treasury Account.” If they process the “Note” and get paid for it then they have received the funds from YOUR account at the Treasury to pay for YOUR home, correct? They then turn around and bundle the “Note” and sell it to investors on Wall Street and get paid again! Now let’s see what happens to the “Deed of Trust” or similar “Security Instrument” after you have signed it. You may be quite surprised to know that not only does it not go into “safekeeping,” it is immediately SOLD as an INVESTMENT SECURITY to one of any number of investors tied to Wall Street. There is a ready, and waiting, market for all of the “mortgage paper” that is produced by the banks.

What happens is the “Deed of Trust” or other similar “Security Instrument” is bundled and SOLD to a buyer and the BANK GETS PAID FOR THE VALUE OF THE MORTGAGE **AGAIN!!** Haven’t the bankers just transferred any risk on that mortgage to someone else and they have their money? That is a pretty slick way of doing things! They ALWAYS get their money right away and everyone else connected to the transaction has the liabilities! Is there something wrong with THIS picture? How can it possibly be that the bank has now been paid three times in the amount of your “purported” mortgage? How is it that you still have to pay years and years on this “purported” loan? Was any of this disclosed to you before you signed the “Deed of Trust” or other similar “Security Instrument?” Would you have signed ANY of those documents including the “Mortgage Note” if you knew that this is what was actually happening? Do you think there were any “copies” of the “Mortgage Note” and “Deed of Trust” or other similar “Security Instrument” made during this process? Are those “copies” just for the records to be put in a file somewhere or is there another purpose for them?

CAN REPRODUCING A NOTE OR DEED OF TRUST BE ILLEGAL?

We have already established that the “Mortgage Note” and the “Deed of Trust” or other similar “Security Instrument” are “Securities” by definition under the law. Securities are regulated by the Securities and Exchange Commission which is an agency of the Federal Government. There are very strict regulations about what can and cannot be done with “Securities.” There are very strict regulations that apply to the reproduction or “copying” of “Securities:”

The Counterfeit Detection Act of 1992, Public Law 102-550, in Section 411 of Title 31 of the Code of Federal Regulations, permits color illustrations of U.S. currency, provided:

- The illustration is of a size less than three-fourths or more than one and one-half, in linear dimension, of each part of the item illustrated;
- The illustration is one-sided

All negatives, plates, positives, digitized storage medium, graphic files, magnetic medium, optical storage devices, and any other thing used in the making of the illustration that contain an image of the illustration or any part thereof are destroyed and/or deleted or erased after their final use.

Other obligations and Securities

- Photographic or other likenesses of other United States obligations and securities and foreign currencies are permissible for any non-fraudulent purpose, provided the items are reproduced in black and white and are less than three-quarters or greater than one-and-one-half times the size, in linear dimension, of any part of the original item being reproduced. Negatives and plates used in making the likenesses must be destroyed after their use for the purpose for which they were made.

Title 18 USC § 472 Uttering counterfeit obligations or securities

Whoever, with intent to defraud, passes, utters, publishes, or sells, or attempts to pass, utter, publish, or sell, or with like intent brings into the United States or keeps in possession or conceals any falsely made, forged, counterfeited, or altered obligation or other security of the United States, shall be fined under this title or imprisoned not more than 20 years, or both

Title 18 USC § 473 Dealing in counterfeit obligations or securities

Whoever buys, sells, exchanges, transfers, receives, or delivers any false, forged, counterfeited, or altered obligation or other security of the United States, with the intent that the same be passed, published, or used as true and genuine, shall be fined under this title or imprisoned not more than 20 years, or both.

Title 18 USC § 474 Plates, stones, or analog, digital, or electronic images for counterfeiting obligations or securities

Whoever, with intent to defraud, makes, executes, acquires, scans, captures, records, receives, transmits, reproduces, sells, or has in such person's control, custody, or possession, an analog, digital, or electronic image of any obligation or other security of the United States is guilty of a class B felony.

Are these regulations always adhered to by the “lender” when they have possession of these “original” SECURITIES and make reproductions of them before they are “sold to investors? How much has been in the media in the past 2 years about people demanding to see the “wet ink signature Note” when there is a foreclosure action initiated against them? You hear it all the time. Why is that such a big issue? Shouldn't the “lender” be able to just bring the “Note” and the “Deed of Trust” or similar “Security Instrument” to the Court and show that they have the original documents and are the “holder in due course” and therefore have a legal right to foreclose? To foreclose, they must have BOTH the “Mortgage Note” and “Deed of Trust” or other similar “Security Instrument” ORIGINAL

DOCUMENTS in their possession at the time the foreclosure action is initiated. Furthermore, IS there a real honest to goodness obligation to be collected on?

Why is it that there is such a problem with “lost Mortgage Notes” as is claimed by numerous lenders that are trying to foreclose today? How could it be that there could be so many “lost” documents all of a sudden? Could it be that the documents weren’t really lost at all, but were actually turned into a source of revenue that was never disclosed as being a part of the transaction? To believe that so many “original” documents could be legitimately “lost” in such a short period of time stretches the credibility of such claims beyond belief. **Could this be the reason that MERS (Mortgage Electronic Registration Systems) was formed in the 1990’s as a way to supposedly “transfer ownership of a mortgage” without having to have the “original documents” that would be required to be presented to the various county recorders?**

Could it be they KNEW THEY WOULDN’T HAVE THE ORIGINAL DOCUMENTS FOR RECORDING and had to devise a system to get around that requirement? When the foreclosure action is filed in the court, the attorney for the purported “party of interest,” usually the “lender” who is foreclosing, files a “COPY” of the “Deed of Trust” or similar “Investment Security” with the Complaint to begin foreclosure proceedings. Is that “COPY” of the “Security Instrument” within the “regulations” of Federal Law under 18 U. S. C. § 474? Is it usually the same size or very nearly the same size as the original document? Yes it is and **without question it is a COUNTERFEIT SECURITY!**

Who was it that produced that COUNTERFEIT SECURITY? Who was involved in taking that COUNTERFEIT SECURITY to the Court to file the foreclosure action? Who is it that is now legally in possession of that COUNTERFEIT SECURITY? **Has everyone from the original “lender” down to the Clerk of the Court where the foreclosure is now being litigated been in possession or is currently in possession of that COUNTERFEIT SECURITY? What about the Trustees who are involved in the process of selling foreclosed properties in non judicial states?** What about the fact that there is no judicial proceeding in those states where the documentation purported to be legal and proper to bring a foreclosure action can be verified without expensive litigation by the alleged “borrower?” All the trustee has to do is send a letter to the alleged “borrower” stating they are in default and can sell their property at public auction. **It is just ASSUMED that they have the “ORIGINAL” documents in their possession as required by law.** In reality, in almost every situation, they do NOT!!! **They are using a COUNTERFEIT SECURITY as the basis to foreclose on a property that was paid for by the person who signed the “Mortgage Note” at the closing table that was converted to money by the bank.** When it is demanded they produce the actual “original signed documents” they almost always refuse to do so and ask the Court to “take their word for it” that they are the holders. Simply hearsay.

They have, instead, submitted a COUNTERFEIT SECURITY to the Court as their “proof of claim” to attempt to unjustly enrich themselves through a blatantly fraudulent foreclosure action. One often cited example of this was the decision handed down by U.S. Federal District Court Judge Christopher A. Boyko of Ohio, who on October 31, 2007 dismissed 14 foreclosure actions at one time with scathing footnote comments about the actions of the Plaintiffs and their attorneys. See (Exhibit “E”). Not long after that came the dismissal of 26 foreclosure cases in Ohio by U.S. District Court Judge Thomas M. Rose who referenced the Boyko ruling in his decision. See (Exhibit “F”).

How many other judges have not been so brave as to stand on the principles of law as Judges Boyko and Rose did, but need to start doing so TODAY? BOTH of the original documents are absolutely required to be in their possession to begin foreclosure actions. Almost every time the people that are being foreclosed on are able to convince the Court (in judicial foreclosures) to demand that those “original documents” be produced in Court by the Plaintiff, the foreclosure action stops and it is obvious why that happens! **THEY DON'T HAVE THE “ORIGINAL” DOCUMENTS!**

Has any of this foreclosure activity crossed state lines in communications or other activities? Have there been at least two predicate acts of Fraud by the parties involved? Have the people involved used any type of electronic communication in this Fraud such as telephone, faxing or email? It is obvious that those questions have to be answered with a resounding YES! If that is the case, then **the Fraud that has been discussed here falls under the RICO statutes of Federal Law.** Didn't they eventually take down the mob for Racketeering under RICO statutes years ago? Is it time to take down the “NEW MOB” with RICO once again?

HOW RAMPANT IS THIS FRAUD?

How could this kind of situation ever occur in this country? Could it be that this whole entire process could be “studied concealment or misrepresentation” where the parties involved are responsible under the law for their conduct? Could it be that it is no “accident” that so many “wet ink signature” Notes cannot be produced to back up the foreclosure actions that are devastating this country? Could it be that the overwhelming use of COUNTERFEIT SECURITIES, as purported evidence of a debt in foreclosure cases, is BY DESIGN and “studied concealment or misrepresentation” so as to strip the people of this country of their property and assets? Could it be that a VERY substantial number of Banks, Mortgage Companies, Law Firms and Attorneys are guilty of outright massive Fraud, not only against the people of this country, but of massive Fraud on the Court as well because of this COUNTERFEITING? How could one possibly come to any other conclusion after learning the facts and understanding the law? **How many other people are implicated in this MASSIVE FRAUD such as Trustees and Sheriffs that have sold literally millions of homes after foreclosure proceedings based on these COUNTERFEIT SECURITIES submitted as evidence of a purported obligation? How many judges know about this Fraud happening right in their own courtrooms and never did anything? How many of them have actually been PAID for making judgments on foreclosures? Wouldn't that be a felony or at the very least, misprision of felony, to know what is going on and not act to stop it or make it known to authorities in a position to investigate and stop it?**

How is it that so many banks could recover financially, so rapidly, from the financial debacle of 2008/09, with foreclosures still running at record levels, and yet pay back taxpayer money that was showered on them and do it so quickly? Could it be that when they take back a property in foreclosure where they never risked any money and actually were unjustly enriched in the previous transaction, that it is easy to make huge sums by reselling that property and then beginning the whole “unconscionable” process all over again with a new “borrower?” How is it that just three years ago a loan was available to virtually almost anyone who could “fog a mirror” with no documentation of income or ability to repay a loan?

Common sense makes you ask how “lenders” could possibly take those kinds of risks. Could it be that the ability to “repay a loan” was not an issue at all for the lenders because they were

going to get their profits immediately and risk absolutely nothing at all? Could it be that, if anything, they stood to make even more money if a person defaulted on the “alleged loan” in a short period of time? They could literally obtain the property for nothing other than some legal fees and court filing costs through foreclosure. They could then resell the property and reap additional unjust profits once again! One does not need to have been a finance major in college to figure out what has been happening once you are enlightened to the FACTS.

WHAT ACTIONS HAVE PEOPLE TAKEN TO AVOID LOSING THEIR HOMES IN FORECLOSURE?

There have been a number of different actions taken by people to keep from losing their homes in foreclosure. The first and most widely used tactic is to demand that the party bringing the foreclosure action does, in fact, have the standing to bring the action. The most important issue of standing is whether that party has actual possession of the “original wet ink signature” documents from the closing showing they are the “holder in due course.” As previously mentioned, in almost ALL cases the Plaintiff bringing the action refuses to make these documents available for inspection by the Defendant in the foreclosure action so they can, in fact, determine the authenticity of those documents that are claimed to be “original” and purportedly giving the legal right to foreclose. **The fact that the Courts allow this to happen repeatedly without demanding the Plaintiff bring the “wet ink signature documents” into the court for inspection by the Defendant, begs the question of whether some of the judiciary are involved in this Fraud. Where is due process under the law for the Defendant when the Plaintiff is NOT REQUIRED by the Court to meet that burden of proof of standing, when demanded, to bring their action of foreclosure?**

One other option that has been used more and more frequently in recent months to deal with foreclosure actions is the issuing of a “Bonded Promissory Note” or “Bill of Exchange” as payment to the alleged “lender” as satisfaction of any amounts allegedly owed by the Defendant. As was earlier described, a “Note” is money and as the banks demonstrated after the closing, it can be deposited in the bank and converted to money. SOME of the “Bonded Promissory Notes” and “Bills of Exchange” are, in fact, negotiated and credit is given to the accounts specified and all turns out well. See (Exhibit “B” para 12) The problem that has occurred is that MANY of the “lenders” say that the “Bonded Promissory Notes” and “Bills of Exchange” are bogus documents and are worthless and fraudulent and they refuse to give credit for the amount of the “Note” they receive as payment of an alleged debt even though they are given specific instructions on how to negotiate the “Note.” Isn’t it interesting that THEY can take a “Note” that THEY print and put before you to sign at the closing table and deposit it in the bank and it is converted to money immediately, but the “Note” that YOU issue is worthless and fraudulent? The only difference is WHO PRINTS THE NOTE!!!! They are both signed by the same “borrower” and it is that person’s credit that backs that “Note.”

The “lenders” don’t want the people to know they can use your “Prepaid Treasury Account,” just as the banks do without your knowledge and consent. See (Exhibit “D”) for more information on “Bills of Exchange.” The fact that SOME of the “Bonded Promissory Notes” are negotiated and accounts are settled, proves beyond a shadow of a doubt that they are legal SECURITIES just like the one that the bank got from the “borrower” at the closing. Why then aren’t ALL of the “Notes” processed and credit given to the accounts and the foreclosure dismissed? Because by doing so you would be lowering the National Debt and the bankers would make less money!!!!

One very interesting thing that happens with these “Bonded Promissory Notes” or “Bills of Exchange” that are submitted as payment, is that they are VERY RARELY RETURNED TO THE ISSUER yet credit is not given to the intended account. They are not returned, and the issuer is told they are “bogus, fraudulent and worthless” but they are NOT RETURNED! Why would someone keep something that is allegedly “bogus, fraudulent and worthless?” Could it be that they are NOT REALLY “BOGUS, FRAUDULENT AND WORTHLESS” and **the “lender” has, in fact, actually negotiated them for YET EVEN MORE UNJUST ENRICHMENT?** That is exactly what happens in many instances. There could be no other explanation for the failure to return the allegedly “worthless” documents WHICH ARE ACTUALLY SECURITIES!!! Does the fact that they keep the “Note” that was submitted and refuse to credit the account that it was written to satisfy, rise to the level of **THEFT OF SECURITIES?** This is just one more example of the Fraud that is so obvious. This is but one more example of the ruthless nature of those who would defraud the people of this country.

CONCLUSIONS

One of the incredible aspects of this whole debacle is the fact that the very people who are participants in this Fraud are victims as well. How many bank employees, judges, court clerks, lawyers, process servers, Sheriffs and others have mortgages? How many of the people who work in law offices, Courthouses, Sheriffs Departments and other entities that are directly involved in this Fraud have been fraudulently foreclosed on themselves? How many people in our military, law enforcement, firefighting and medical fields have lost their homes to this Fraud? How many of your friends or neighbors have lost their homes to these fraudulent foreclosures? Everyone who has a mortgage is a VICTIM of this fraud but some of the most honest, trusting, hardest working and most dedicated people in this country have been the biggest victims. Who are those who have been the major beneficiaries of this massive Fraud? Those with the “superior knowledge” that enables them to take advantage of another's ignorance of the law to deceive them by “studied concealment or misrepresentation.”

This group of beneficiaries includes many on Wall Street, large investors, and most notoriously, the bankers at the top and the lawyers who work so hard to enhance their profits and protect the Fraud by them from being exposed. The time has now come to make those having superior knowledge who HAVE taken advantage of another's ignorance of the law to deceive them by studied concealment or misrepresentation to be held responsible for that conduct. This isn't just an idea. It is THE LAW and it is time to enforce it starting with the criminal aspect of the fraud! Under the doctrine of “Respondent Superior” the people at the top of these organizations are responsible for the actions of those in their employ. That is where the investigations and arrests need to start.

What is it going to take to put a stop to the destruction of this country and the lives of the people who live here? It is going to take an uprising of the people of this country, as a whole, to finally say that they have had enough. The information presented here is but one part of the beginning of that uprising and the beginning of the end of the Fraud upon the people of America. It is obvious, as has been pointed out here, with supporting evidence, that Fraud is rampant. You now know the story and can no longer say you are totally uninformed about this subject. This is only an outline of what needs to, and will, become common knowledge to the people and law enforcement agencies in this country. If you are in law enforcement it is YOUR DUTY to take what you have been given here and move

forward with your own intense investigation and root out the Fraud and stop the theft of people's homes. Your failure to do so would make you an accessory to the fraud through your inaction now that you have been noticed of what is occurring.

If you are an attorney and receive this information, it would do you well to take it to heart, and understand there is no place for your participation in this Fraud and if you participate you will likely become liable for substantial damages, if not more severe consequences such as prison. If you are in the judiciary you would do well to start following the letter of the law if you haven't been, and start making ALL of those in your Court do likewise, lest you find yourself looking for employment as so many others are, if you are not incarcerated as a result of your participation in the fraud. If you are part of the law enforcement community that enforces legal matters regarding foreclosure you would do well to make sure that ALL things have been done legally and properly rather than just taking the position "I am just doing my job" and turn a blind eye to what you now know. If you are a banker, you must know that you are now going to start being held accountable for the destruction you have wreaked on this country. You have every right to be, and should be, afraid..... very afraid.

If you are one of the ruthless foreclosure lawyers that has preyed on the numerous people who have lost their homes, you need to be afraid also. Very VERY afraid. When people learn the truth about what you have done to them you can expect to see retaliation for what you have done. People are going to want to see those who defrauded them brought to justice. These are not threats by any stretch of the imagination.

These are very simple observations and the study of human behavior shows us that when people find out they have been defrauded in such a grand manner as this, they tend to become rather angry and search for those who perpetrated the fraud upon them. The foreclosure lawyers and the bankers will be standing clearly in their sights.

The question of WHERE DOES THE FRAUD BEGIN has been answered. It began right at the closing table and was perpetuated all the way to the loss of property through foreclosure or the incredible payment of 20 or 30 years of payments and interest by the alleged "borrower" to those who would conspire to commit Fraud, collusion and counterfeiting and practice "studied concealment or misrepresentation" for their own unjust enrichment.

The simplest of analogies: What would happen if you were to make a *copy* of a \$100 Federal Reserve Note and go to Walmart and attempt to use it to fraudulently acquire items that you wanted? You more than likely would be arrested and charged with counterfeiting under Title 18 USC 474 and go to prison. What is the difference, other than the magnitude of the fraud, between that scenario and someone who makes a **copy of a mortgage security, and using it through foreclosure, attempts to fraudulently acquire a property? Shouldn't they be treated exactly the same under the law? The answer is obvious and now it is starting to happen.**

Title 18 USC § 474

Whoever, with intent to defraud, makes, executes, acquires, scans, captures, records, receives, transmits, reproduces, sells, or has in such person's control, custody, or possession, an analog, digital, or electronic image of any obligation or other security of the United States is guilty of a class B felony.

"Fraud vitiates the most solemn Contracts, documents and even judgments" [U. S. vs. Throckmorton, 98 US 61, at pg. 65].

"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].

"Any false representation of material facts made with knowledge of falsity and with intent that it shall be acted on by another in entering into contract, and which is so acted upon, constitutes 'fraud,' and entitles party deceived to avoid contract or recover damages. "Barnsdall Refining Corn. v. Birnam Wood Oil Co. 92 F 26 817.

A thorough reading of the attached exhibits will enlighten one even more, including Exhibit "G."