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**littlehammer's**  
**Weekly Tax Exempt Newsletter**  
**with**  
**Questions and Answers**  
**and**  
**Conference Call Reminder**

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Tuesday, January 22, 2002

[1] Welcome & Editorial:

[2] Questions and Answers:

[3] News Briefs & Comments:

[4] Conference Call Reminders: **“Question & Answer “Call - for New Folks  
Wed., January 23rd, 1-620-584-8202, Pin 2974#  
"\*6" (Star 6) MUTES and UN-MUTES your line  
for everyone's ease of listening.**

**ALSO**

**Corporation Sole (specific) Conference Call  
Friday Morning, January 18th - 10:00 AM EASTERN  
Same Number and Pin**

**AND**

**A CLIENT'S ONLY CALL  
Call Your Representative for Number and Time**

[5] Contact Information, Legal Notice & Notice of Copyright explanation.

In this section (below), I explain why I use the bracketed phrases [THE COMPANY] and [THE FOUNDER] to refer to the founder and his company, who achieve the 100% effective results of having the IRS change their internal records to reflect the fact that each client is exempt from income taxes on any income, regardless of amount or source, unless the source of the income is the federal government itself or a trade or business under the sovereign jurisdiction of the government. [THE COMPANY] accomplishes this fully (and only) in accord with the Internal Revenue Code, and thus, none of their clients ever experience adverse IRS confrontation or court proceedings. (I also explain how to subscribe or unsubscribe to this newsletter in this last section, below).

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[1] Welcome & Editorial

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Hi Folks,

[THE COMPANY] has been seeing a lot of enthusiastic responses, as a result of the recent changes they made in their marketing structure. About the only people who've noticed the changes, of course, are people who were already clients prior to the start of the new year, and [THE COMPANY's] representatives, of course. For the past three weeks, I've come to feel I've got a telephone receiver glued to my ear; in fact, for the last two weeks, I've had to put a message on my answering machine, saying that I'm in the office, but I'm busy writing, which I find impossible to do when I'm constantly on the phone. Add to the mix four power outages today, in the town in California where I live, and it makes it even more interesting. If you would, kindly be even more forgiving than you normally are should you discover extra "typos" in this edition.

So, if you're trying to reach me - or any of the representatives, for that matter - be patient. We'll get back to you. The same thing is occurring at the home office, so I'll ask you to be patient (and sometimes forgiving, if we occasionally drop the ball and don't immediately call you back). I promise you, it is not intentional to disregard you. We're human, too, and sometimes we can make even such a simple mistake as transposing two digits in a phone number. If a person is dyslexic, or course, it might add to the problem, but I don't think any of us are; although some may disagree.

What I'm doing for this week's newsletter is pulling some of the material I've already written in a previous newsletter, specifically, in today's case, from May 1 of last year.

The rest of what you'll be reading, from the end of THIS paragraph, is pretty much directly FROM my newsletter of May 1, 2001. I will, however, make some editorial changes and additions, when I think something needs it. (Can't seem to help doing that!). And in the news section, I'll replace it with something that is more current with what's actually going on today.

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Some people want "proof" that what [THE COMPANY] does works. It's an issue we deal with over and over again. You can't blame people for wanting to know, of course, because given the many years of fear and intimidation that most folks have seen in the news or witnessed themselves, it's a fair question. Not an easy one to answer - at least right up front, without a lot of explanation.

But, hang with us long enough, and you begin to get the idea that what I talk about in this newsletter is not merely pie-in-the sky, too-good-to-be-true information; what I write about REALLY works!

No kidding!

"Easy for him to say," you say. Yes, that's true. It is easy for me to say, because I know from first hand experience. But, then you get the questions, like the one I'll be dealing with in the next section, where the person doesn't want to hear from anyone who is involved in the "marketing" of the program. What to do then?

“How do I stop paying into Social Security? That's another question I deal with in the next section. Then, a question about W-4's and one about “trusts” going exempt. Finally, a rather long news section this week. I want to give it to you now, before it's out of date.

Enjoy!

Paul Leinthall  
661-822-7889, 9am-8pm, Mon-Fri., PACIFIC time  
email: [littlehammer@primemail.com](mailto:littlehammer@primemail.com)

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[2] Questions and Answers  
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The following dialogue is between me and a person who, fortunately for me and this newsletter, asks a lot of questions. This pertains to the question of “references”. I'm including everything I communicated, AND toward the end, I've ADDED some material which was not included in my original correspondence.

Subject: References  
To: [littlehammer@primemail.com](mailto:littlehammer@primemail.com)

Dear Paul,

Does THE COMPANY have anyone they can refer me to who has used their services? Names and phone numbers?

A friend of mine [who sent me this] asked the following question:

I find that most programs have value in a particular area. Like ours is valuable in providing the best type of legal reliance, handling all correspondence, and stopping levies as long as we get them before the final notice. But we sure have our limits like everyone else. That is why I want to find out (from someone who has used THE COMPANY'S services), what their strong points are. Let me know if you find anyone who has actually used their system - other than their own marketing people.

Xxxxxx

To: Axxxxxxxx@xxxxx  
From: Paul Leinthall <[littlehammer@primemail.com](mailto:littlehammer@primemail.com)>  
Subject: Re: References

Hi Xxxxxx,

It is against the law for anyone representing anyone else to the IRS (as [THE COMPANY] does for clients) to divulge any information about any specific client. Folks who market their "know-how information" don't have this to deal with, because they are not operating under a "client-attorney" privilege, as are [THE COMPANY'S] clients, who all sign a Limited Power of Attorney (IRS Form 2848) to have [THE COMPANY] represent them before the IRS.

It is against the law to even mention the names of clients, because the law and the IRS protects the privacy and rights of the individual.

Any client, of course, can choose to divulge any information he wants, to whomever he wants; and, fortunately for [THE COMPANY], many clients do just that. In fact, most of [THE COMPANY's] business come via referral, in some form, or other. I, as a client, for example, will tell you most anything about myself. [THE FOUNDER] will, too. Unfortunately, the person who communicated with you wants someone who is not representing or working for [THE COMPANY].

Well, YOU (Xxxxx) are not doing the marketing; but, of course, you're not yet a client, either.

I'd suggest that your friend avail him/herself of all the information we make FREELY available, including this newsletter, and also get on the conference call and ask any questions that come to mind. "Challenge the Hell out of it," so-to-speak.

The strong POINT is that we guarantee the IRS will change their internal records to reflect the fact that the client is income TAX EXEMPT. It is the law, so they don't have much choice. Besides, we don't just stop levies BEFORE the so-called "legal" notice; we stop them well after the notice, which only occurs for clients who already had this type of thing BEFORE they came to us as clients. Liens, too. All those things that everybody is afraid of. The only time that [THE COMPANY] absolutely cannot help a person (and which presents a situation in which an applicant would not be accepted as a client in the first place), would be in a situation regarding income taxes wherein the courts are already involved, and most specifically in those instances where the courts have pronounced sentence, and the person is still fulfilling the terms of his sentence, or is still under probation.

Let me add one thing here, regarding clients who are accepted, who have come to us with already serious tax issues, wherein their paychecks are ALREADY being garnished, or the IRS has ALREADY filed such things as "Notices of Levy", "Notices of Lien", "Notices of Seizure", or "Notices of Sale", or "Warrants of Dstraint" (I am NOT talking here about "Notices of INTENT" to do those things, but rather the actual "Notice OF Lien, Levy," etc.) - while [THE COMPANY] is successful in getting these issues resolved, it is NOT an overnight occurrence. In fact, it MAY take quite some time. If a client comes to [THE COMPANY], only after the IRS or State Taxing Agency has already been "on his tail" for five years, or if he's already got some of the more serious issues taking place, that client would be quite unrealistic to entertain an expectation that the issues will be resolved overnight, or even over two or three months.

People ask: "How long will it take?" [THE FOUNDER's] answer is: "It COULD (not "will, in every case" but COULD) take as long to resolve it as it has been that the client has been in it before coming to [THE COMPANY]". The point is, that what [THE COMPANY] does, works; and so far, has not failed to work with the 1500 clients, or so, EXCEPT in two of [THE FOUNDER's] cases, four or five years ago, where both those clients did not disclose that they were under court probation. Since that time, the application specifically ferrets out that type of information, and applicants like that are not accepted as clients, because there is nothing anyone can do for anyone, once the courts are involved. (Except, perhaps a hotshot attorney; but even they lose tax cases most of the time).

There is no "magic" or "silver bullet" when dealing with taxing agencies, although many would like to believe there is. (I know; I used to think their was).

Now - on the other side of this consideration, are the majority of clients who come to [THE COMPANY] who don't have any serious issues with any taxing agency. Oh, they may have received some communication that lets them know the IRS has "caught their scent", so-to-speak; they may have been through an audit; they may even have received a "notice of assessment". But, over 99% of folks like this, who choose to become [THE COMPANY's] clients, NEVER experience anything worse than what they have already experienced, after they become clients; and they still find they are free from tax paying liability.

Sincerely,

Paul Leinthall

[Subject: Response to references](#)  
[To: littlehammer@primemail.com](mailto:littlehammer@primemail.com)

[Paul,](#)

[Here is the response to your message:](#)

Axxxx, I guess the main point was that you were going to sign up and give us a feel for how long it takes you personally to see results of any kind. If the results are not realized in the real work field such as yours, or in the harassment of the IRS, it won't be much different from any program out there. Most of our clients who have not been filing for several years already have it marked on their IMF that they are not required to file. It says that right on there in plain site! However, that does not make a difference to third parties who take the money, nor does it make a difference to the stupid agents who tell the third parties to take the money. So my point is that even though they have a way of making someone "exempt", we want to know from someone like you who would use their system, the results that come from that.

Tell Paul that working in the legal field we realize that one does not divulge client information. However, I have a list of clients that I can call at any time and ask them to e-mail someone about their experience with us. That is not that hard to do. Getting on a mailing list for more newsletters or conference calls is not my idea of finding out the inside scoop of actual results from real clients.

To: Axxxxxxx@xxxxxx  
From: Paul Leinthall <[littlehammer@primemail.com](mailto:littlehammer@primemail.com)>  
Subject: Re: Response to references

Hi Axxxx,

I'll respond in my normal manner. Then, I'll probably include it in one of my newsletters, preserving your anonymity, of course.

[Paul,](#)

[Here is the response to your message:](#)

Axxxx, I guess the main point was that you were going to sign up and give us a feel for how long it takes you personally to see results of any kind.

The question of "seeable" results is a question I've been addressing in the past newsletters; since this comes up a lot for folks, I'll address it here, again. When one understands the law itself, the results are already known. The problem is, most folks don't understand the law and they don't know how to determine their true IRS Tax Status according to the law.

The results one sees are pretty much going to be dependent on the "results" one is already seeing. I'm not talking about the issue of filing returns and whether, or not, you get a refund or have to fork over more money - although no longer having to fork over any more money, either in the form of "withholding" by an employer, or having to file and pay quarterly returns (for self-employed folks), or having to cough up more money at filing time for others are certainly real results.

I'm talking about the "results" one would like to see - the kind of results everyone clamors to see - the epitome of which would be, perhaps, an official, confirming letter or pronouncement from the IRS saying something like:

"Congratulations! You finally found out the "secret. It's been there all along, and you are to be congratulated for finally figuring out that you are a "non taxpayer" by birth and residence in relation to the income tax code, and therefore, exempt from all income taxes on your income, except that which is sourced DIRECTLY within federal government jurisdiction."

NO - you won't EVER see that kind of result.

**[NOTE inserted on January 22, 2002: As most of our clients know, [THE COMPANY] has added a process, which we call the "Status Determination Request" process, which MAY (not absolutely "will, but MAY) result in a letter of determination coming from the IRS, indicating their determination that the client is, indeed, a "non taxpayer". That truly is the only conclusion they can come to under law. But, whether, or not, they will actually PUT THAT IN PRINT (for everyone to pass around to their friends, is probably unlikely. I know that if I were running the IRS (the largest collection agency on earth, I believe), I wouldn't want that information being disseminated on my letterhead. What is more likely to occur, or MAY occur (but again, MAY, not necessarily "will") is that the IRS will notify a client that they have determined they are holding a credit for a particular tax year (or years), asking the client how he wants the taxing agency to dispose of that money; the obvious answer, to which, of course, would be: "Send it back to me! Why do you even have to ask?"**

Folks ask me: "Why can't you be more definitive about this?" Here's why. There is NO regulation that specifically directs the IRS to refund money to a person about whom they have later determined that the person is a "non taxpayer" under the law. Obviously, the tax codes were not written with the idea that the IRS would be INCORRECTLY collecting money. What surprises a lot of folks is when I tell them there's actually a regulation which allows the IRS to FINE the person for OVERPAYING by a certain amount! How's that for reverse common sense?

While [THE COMPANY] can challenge them in this regard, the "Status Determination Request" process is still "too new" to have reached the point where we

can say it has been fully completed in the case of most clients, and until that point, [THE COMPANY] can not take the next steps necessary to "hold the feet of the IRS to the fire". At this point in time, slightly over 40% of [THE COMPANY's] clients have received "some form" of refund, from either the IRS or a State Taxing agency, but NO CLIENT, has yet received a refund of ALL the monies incorrectly collected from BOTH the IRS and State taxing agencies (if applicable). That's why [THE COMPANY] can give NO GUARANTEE pertaining to refunds.

**END OF NOTE, and continuing where we left off:]**

If that (or something similar) is what one is saying must be the results, a person is going to have a long, long wait. Why? Because, when one defines something like that as the only qualitative results he will accept, he is implying that results must be dramatically demonstrable and confirmed by the IRS to relieve the fears and doubts which have arisen by virtue of "ignorance of the Law" to begin with; whereas, the essence of any one's real "freedom" from income taxes was established by his BIRTH and RESIDENCE, according to the Constitution and Laws of the united States of America, outside the jurisdiction of the federal government and WITHIN the jurisdiction of one of the sovereign States of the Union. That is a fact of law which has NOT changed, albeit many folks have voluntarily elected to play the game AS IF that's not the case. The simplicity of WHAT I JUST SAID is the ground upon which [THE COMPANY] stands throughout the whole "revocation of election" process. It is just that simplicity which is NEVER challenged or confronted by the IRS. Why? Because it is the LAW!

In other words, the service [THE COMPANY] performs for its clients does NOT change the person into something else. What the revocation of election process accomplishes is that via the revocation of election process, [THE COMPANY] CORRECTS something that was already and priorly performed in disharmony with who the person is. In terms of the law pertaining to a Private State Citizen's relationship with the Internal Revenue Code and the "federal citizens" it addresses, the ALREADY Private State Citizen incorrectly began filing a "tax return" which did not, and does not, naturally belong to her by birth or residence. Her election to have done that, i.e., signing that "IRS Form 1040" which clearly states it belongs to a "U.S. Individual", is the legal evidence the IRS has had to treat her as a "U.S.Individual". It is the "U.S. Individual" who IS responsible for filing returns and paying income taxes on ALL worldwide income, and who has the "privilege" of calculating earnings and deductions and expenses, etc. to arrive at the figure she must pay. All that belongs to a person who is required and liable by law for so doing. But the term "U.S.Individual" or "U.S.citizen", when it's used in the Internal Revenue Code does NOT include, or mean, a sovereign, Private STATE Citizen, residing in one of the 50 united States of America.

The only way a Private State Citizen can come under the income tax law - and there's no doubt she can do it - is by voluntarily electing (choosing) to do so. In other words, a person has the freedom to do whatever she wants in this regard.

You see, it's not a law requiring her to choose in only one direction (otherwise, it would be neither a choice NOR voluntary); BUT, the moment she signs the IRS Form 1040, under penalty of perjury, stating that she has read ALL the statements on that return, and that she agrees that the Statements are true and correct, to the BEST of her belief AND KNOWLEDGE - from the moment she chooses to go in that direction (for whatever reason) she has entered a CONTRACT, and has agreed to all the terms of that contract.

It was/is THAT CONTRACT which now IS THE LAW - and the IRS has full power in law to enforce that contract. There is nothing unconstitutional about it. There is only the full weight of the Constitution behind her free right to have entered into such a private contract in the first place AND the full weight of the same law requiring her to keep to the terms of her agreement, which are "spelled out" in the numerous volumes and tens of thousands of pages of what we call the Internal Revenue Code.

FORTUNATELY - within the terms of that agreement (contract), and included in the wider, more expansive United States Code (Laws), are proper procedures and processes which enable one to revoke one's election to have entered into the contract in the first place, and, for all practical purposes and effects, to stand again, on the ground one never actually left, which is the ground of her TRUE IRS Tax Status. When that is handled PROPERLY - the RESULTS are that she no longer owes OR pays State and federal income taxes, EXCEPT (also by the same law) that which is federally sourced (defined in the IR Code as: "U.S. source income" or "income connected with a trade or business in the United States," remembering that, in the Internal Revenue Code, the "United States" consists of federal districts and territories (like Washington, DISTRICT of Columbia, and the U.S. territories of Puerto Rico, American Virgin Islands, Guam, American Samoa and the North Marina Islands, and which also includes enclaves, reservations and any property within the several States PURCHASED by the federal government, in harmony with Article I, Section 8, Clause 17 of the Constitution of the United States). Anyone who looks at the evolution of the Internal Revenue Code, can notice, for example, that States like Hawaii and Alaska, that have only become Sovereign States in our lifetime, were, prior to achieving their sovereignty, considered "territories", and while they were "territories", they were listed in the Internal Revenue Code as "states", and removed from that category in the IR Code when they became sovereign States.

Also, please remember, I've spent many a paragraph in the past, addressing the distinctions in meanings AT LAW and in the Internal Revenue Code, of words and phrases like: "U.S. Individual," "U.S. source income", "United States," "foreign," and "domestic," etc. These words all carry distinctly different meanings in "Tax Law" when they apply to subjects of the "Income Tax Code" than they usually do in our modern use of them, for example, where we're used to referring to them from the point of view of standing in "America" as an American Citizen, with a United States Passport.

Now THOSE results (of neither owing, paying, or being liable for State and federal income taxes or withholding) are the ones that count. BUT, most people, as I say, are looking for more dramatic results, the kind of results for which a lot of folks lately have been clamoring...the kind where they confront the IRS and want to IRS to meet with them and "show them the law"...to prove to them in an open forum that they are required by law to file tax returns and pay taxes.

Of course, the IRS is not responding. Why should they? Why should the IRS expose the truth that most people don't know - even the ones who clamor that "there is no law requiring most American Citizen's to pay income taxes"? When you know the law as it actually is, you don't have clamor for all that "proof" and confirmation from an agency that will never provide it. All you have to do is act in accord with it. And when you do, magic things happen.

**[NOTE FROM PAUL on January 22, 2002: The last two paragraphs take on increased significance in light of the events of the last two weeks regarding "We The People**

**Foundation", more about which you will read in the "News and Comments" section later on in this newsletter].**

That's why [THE COMPANY] doesn't make a big hoopla about what they do. [THE FOUNDER], in over 30 years of dealing in taxation issues, knows that EVERY problem or conflict - every issue with the IRS - can be properly handled at the administrative level of the IRS. The IRS proclaims it to be the case. So THAT is what [THE FOUNDER] does for his clients. And that PROCESS - and we call it a process for good reason, because it IS a process, a number of procedures and forms and statements and declarations and affidavits, submitted to various places, for various reasons, within the law; and it is an ANNUAL filing of "returns or statements" (again, still in harmony with the law) that continues, because the terms of the contract most of us voluntarily elected to enter do not make room for doing otherwise, except under the condition of "death" or making less than the "threshold income," either of which automatically exempts one from filing an annual "return or statement" - too little income exempts a liable person from filing only for the year of "too little" income; death obviously (and permanently) exempts a person from filing.

So - RESULTS? Other than what I mentioned, the people who notice the most results are the people who have been having the most harassment from the IRS PRIOR to becoming clients, but what they notice is the eventual CEASING of all confrontation, or threats thereof. Active levies stop, liens are removed in many cases, payments on back taxes cease. On top of all that, NO CLIENT has ever been refused a refund of taxes paid in the prior years. (Although not all clients have received a refund yet; and of course, some [for example, like me] never will, who didn't file tax returns or pay taxes prior to becoming a client).

And, yes, ultimately, the IRS, by law, must change their records to reflect the true status of each client. That, of course, can be "proven" by a FOIA request. The only problem with that is, the IRS has no regulations specifying how quickly they must change their records. IN THE MEANWHILE, however, whether they quickly change the records made available under the Freedom of Information Act does NOT, in any way, impede the free movement of [THE COMPANY's] clients in relation to their being free of any liability, either for the withholding or for the paying of State and federal income taxes, except, as I mentioned, any income that would be federally sourced.

What results does the person see who has been faithfully filing tax returns every year, and who has never stepped outside the bounds of his voluntary agreement? Very little, if anything, is immediately noticeable. She wasn't hearing from the IRS before; she won't hear from the IRS now. Some clients, who have noticed the IRS sent them a 1040 Instruction Booklet each year, MAY notice it no longer comes; or if it does, it MAY contain a form 1040NR (1040 Non-Resident). They were not seeing any "results" when they were obeying the law before; why should they see any "results" now when they are also obeying the law - except that now they don't pay income taxes or have any money withheld from their paychecks (in most cases). About the only results they see will be the copies they receive from [THE COMPANY] of everything that is filed with the IRS. (A client's receiving copies of everything filed by [THE COMPANY] on her behalf, is required by law).

If the results were not being realized in the real work field (such as yours), or in decreased harassment by the IRS, then, I agree: what we do wouldn't be much different from any other program out there.

I don't know what your friend means by "in the real work field such as yours," so I can't really address it. I've already addressed the part about "the harassment of the IRS." I can't say that what [THE COMPANY] does is different from what EVERYBODY else in the whole wide world does, because I'm only aware of that which I am aware; but, of that which I am aware, what [THE COMPANY] does works - period. They use a process which [THE FOUNDER] knows has been used without fail since he began, and which [THE COMPANY] has used with over 1500 clients, WITHOUT EVER ONCE FAILING to achieve the 100% money-back guaranteed results. [Except in the two cases I mentioned earlier in this newsletter of January 22, 2002, where two clients several years ago did not disclose they were under court probation after being already convicted of tax crimes].

Most of our clients who have not been filing for several years already have it marked on their IMF that they are not required to file. It says that right on there in plain site! However, that does not make a difference to third parties who take the money, nor does it make a difference to the stupid agents who tell the third parties to take the money.

Your friend is correct on the face of what he just said. However, [THE COMPANY] doesn't operate on the level of the third parties; they operate on the level of the IRS, getting the IRS to take the required action to reverse the things to which I believe your friend refers. Of course, clients, themselves, have sufficient legal ground to pursue many of those "third parties" if they choose, too, since the law is on their side. Whether the pursuit of third parties is worth it to any particular client is purely a subjective choice, of course. [THE COMPANY] can not get directly involved in those issues because they are not party to any of those "third party contracts". The limited power of attorney which each client signs with [THE COMPANY] only provides for [THE COMPANY] representing the client regarding income tax matters with the IRS.

So my point is that even though they have a way of making someone "exempt", we want to know from someone like you who would use their system, the results that come from that.

I think I've covered the idea of "seeing results" quite adequately. But I want to clarify again, [THE COMPANY] does not MAKE a person tax exempt; the person is already tax exempt and has elected to act and to be seen by the IRS as if he WERE NOT. Once that "misperception" (via voluntary election) is revoked and corrected, the person stands where he has already been standing, and can now ACT accordingly, which is more like non-action, because whereas before, he was actively paying income taxes, now he is inactively not paying. He is no longer liable for paying and he is no longer under the jurisdiction of the IRS.

Tell Paul that working in the legal field we realize that one does not divulge client information. However, I have a list of clients that I can call at any time and ask them to e-mail someone about their experience with us. That is not that hard to do. Getting on a mailing list for more newsletters or conference calls is not my idea of finding out the inside scoop of actual results from real clients.

Well, I can't argue with him here. If what he wants is to check the results with someone other than with me or with anyone on the staff (I assume it's a "he"; correct me if I'm wrong), let him get on the conference call, ask that question, and then follow normal channels (in this case, through you to me and then directly to [THE FOUNDER]).

Even if I were to have certain clients whom I could call and who would be happy to email him, how would he know "who" is e-mailing him? How does he check out the

credentials of whoever sends him an email? Does he think I would even have him consult with anyone who was not happy with [THE COMPANY's] services? Given that he is working in the "legal field," his ultimate recourse should be his own knowledge of the law, and the "normal" way we have of providing that information, which enables him to "check it out for himself." is all FREE, via the information we make available and via my newsletters and via the weekly conference call. Then, he can bring his legal knowledge to bear as he examines the foundation in law for himself.

In the meantime [THE COMPANY] does ALL the work for each client. [THE COMPANY] doesn't sell information or courses or seminars or books or newsletters, and then leave clients on their own to face the IRS. [THE COMPANY] does everything, fully in accord with the IR Code.

If there were anything "iffy" about what [THE COMPANY] does, they wouldn't be doing it. From my perspective, that only comes from positive, experiential "proof" that what they do simply never fails. When your friend sees what is presented to the IRS (which he'll either see by himself becoming a client, or someone he knows - like you - who becomes a client and who is willing to share the copies of what is presented) - he will quickly know (given his legal background) that the IRS would be foolish at this point to challenge at law that which they have had every opportunity to challenge, and which they have at EVERY point along the way, refused to challenge. I'll say again WHY they don't challenge; they don't challenge because there is nothing [THE COMPANY] does which is outside their law. Perhaps more importantly, it is not even outside the IRS' own perception of their law, certainly at the level of IRS personnel who would be determining whether they would consider directly challenging what [THE COMPANY] does.

**[The following two paragraphs were NOT in my initial correspondence; however, in putting the whole flow of the dialogue together for the newsletter last year, I noticed something I hadn't before paid attention to in this person's FIRST question. So, at that time I added my response in the next two paragraphs].**

You friend initially indicated, speaking about the legal work in which he is engaged: "Like ours is valuable in providing the best type of legal reliance...". What better legal reliance could one ever want than to legally rely on the IRS' own lack of administrative challenge? The IRS never JUDICIALLY challenges someone whom they have not FIRST challenged ADMINISTRATIVELY. When the IRS accepts all [THE COMPANY's] submissions without challenge - although provided every, timely, legal opportunity to do so in the case of each and every client - AND, when they don't challenge the submissions coming from [THE COMPANY] for client, after client, after client, after client...year, after year, after year, after year - AND when they don't refuse a client a refund for the taxes paid in the prior three years - I think that's pretty strong "legal reliance," don't you? Can you imagine what a judge would say should they try to mount a challenge at this point, without the direct law to back them up? But, before even that could happen, the IRS would have to present an administrative challenge; and for that, they would need major changes in their own code AND major changes in the US Code AND a major change in the Constitution itself, revoking part of the original Constitution. (In other words, Congress couldn't simply create an amendment). From [THE COMPANY's] point of view, any "legal reliance," short of completing the revocation of election process in harmony with IRS Code and making sure to continue walking in accord with the law, is a "spotty" and "iffy" legal reliance at best, and is still open to IRS challenge at any time in the future. But then, nobody REALLY has to worry, do they...UNTIL the IRS comes knocking on their door? Fortunately, that never happens

for [THE COMPANY's] clients, and for the clients who were already experiencing that before they came to [THE COMPANY], that kind of stuff completely ceases.

I'll say it again, in a different way: I think [THE COMPANY] has the absolute BEST type of "legal reliance"! What do you think?

Thanks for your correspondence. I hope this helps.

Sincerely,  
Paul Leinthall

+++++

Jesus said, "Ask, and you shall receive". This came after the previous correspondence; Interesting how appropriate it is.

From: Bruce Howe  
To: "Paul L" <littlehammer@primemail.com>  
Subject: Social Security  
Date: Sun, 29 Apr 2001 18:16:38 -0700

Howdy Paul, long time since we have chatted, but I do enjoy the weekly updates.

Yep,,been since Sept. that my wife and I have been tax exempt and we are really loving it,, heh heh..Still I try to tell others about the program but ya know what?? People in this country are so brain washed and afraid of their own shadows,,and the govts. shadows that they feel they have to ask Wash. D.C. if they can use the bathroom an extra time a week,,lol,, oh well eh?

One fella I know has gone ahead and gone through the program though, so I guess one more smart one in Washington State, eh?

The question I have for you is, whether or not you have info on how to quit paying social security. Heck,,why give em that money too?? I can invest it better than they can in their lousy little two (2) percent programs (so they say).. I have learned that there should be no hassle as long as you have paid the last forty (40) quarters to them and I have surely done that!! Your benefits stay the same when you retire as when you quit paying but,,,, hey,,,, by that time I will have invested it and been able to retire sooner,, \*S\*, and smile all the way to the bank.

So,if you have any information for me, I would gladly appreciate it.

Thanks a bunch, XXXX XXXX

P.S.--If ya ever want to let somebody know how much I enjoy not having to \*give\* money to Allen Greenspan. and the boys, feel free to give them my name.

Hi Bruce,

You wrote at exactly the "right time" because I just finished replying to someone who was wanting "references". Since what that person said, and what you're saying here jive so well, I'm going to include our communication in the newsletter, if you don't mind.

I'm glad you enjoy the newsletter. Isn't it interesting the fact that certain information (regardless of it's not being correct at law) can be presented and repeated long enough so that everyone comes to believe it as if it's the truth? After going through a generation, or two, as we have with the income tax system, what was priorly known to be true, most folks today perceive to be a lie, and what was non-existent (and for which there still is no lawful requirement) is today perceived to be the fact of law. No wonder it's so easy for the "blind to lead the blind"!

Actually there are a lot more than just you two in Washington State who are clients and standing in their proper IRS Tax Status. I think the one you're referring to, however, works for the same employer you do, if I'm not mistaken. Eventually, I'm sure, there will be more, even where you work. There are many professionals from the medical field who are, or are becoming, clients.

Regarding Social Security: You can simply go to your employer and "request" that he stop withholding Social Security taxes from your paychecks. The reason? It is voluntary to begin with; but, even if it weren't voluntary, you're still qualified to receive benefits if you've fulfilled your 40 quarter quota of paying into social security; on top of that, the law supports your choice to withdraw from paying, and your employer's ceasing to withhold, social security "taxes".

Your qualifying is not based on your having paid into social security for the LAST 40 quarters, only that you have paid into social security FOR at least 40 quarters. They do no have to be "sequential" quarters. Also, when it comes time to calculate the exact amount of your monthly social security payments/benefits, the SS Administration will calculate your HIGHEST EARNING 40 quarters. The only thing that continuing to pay into social security MIGHT accomplish for a person is to provide higher earning quarters upon which the amount of benefits would be calculated. I think you're correct in your assessment that you can make your money do more for you than the return you will get by staying in social security, especially since you've already qualified for benefits. But some folks might still desire to continue paying into Social Security, and that, too, is totally up to them. There is no "right" or "wrong" about it.

Eventually, [THE COMPANY] will provide to any client who wants to "withdraw" from social security, a package similar to the "W-4 package" we now provide clients to give to their employers to stop withholding income taxes. I don't know when, exactly, that will occur, but it's on the drawing boards. In the meanwhile, you can still approach you employer on you own. There's no mystery to it; it's simply voluntary, and always has been. You're employer, however, may not know that, just as most don't regarding the first submission of a W-4 or the first filing of a 1040 "return".

Since this message to you follows on the heels of a message to someone regarding this topic of providing "references", as I mentioned earlier, and since you brought up the fact that I can feel free to use your name as a reference, I haven't made your name anonymous as I usually do for the newsletter; however, I will still not make your email address available except to people who specifically request it.

Sincerely,

Paul Leinthall



Subject: W-4 question

Paul:

I've got an interesting situation that I need an opinion on. A prospective client (a couple) wants to become exempt. However, the client (one of the couple) is about to change jobs and does not want to appear "weird" by turning in an "exempt" W-4. They owe taxes for 2000 (filed an extension w/o payment) and, of course, don't want to send in the tax money. I suggested that they become clients, but NOT turn in an exempt W-4, at least not until they feel "ready" to do so. I believe that they don't want to give the new employer the impression that they aren't "normal". I told them that they will get two-thirds of the withheld taxes back after next filing (since the company keeps a third of all refunds). I suppose the one-third "fee" would be the price they would pay for attempting to appear "normal", to the new employer. Would NOT submitting an exempt W-4 cause any serious problems (i.e., sending mixed signals to the taxing agencies) for them? Or, do you think this is an acceptable course of action for them?

Also, do you know whether an irrevocable trust can become a client of the company? A family member of mine passed away. An irrevocable trust was set up with her assets. The widower inquired on whether the trust can become exempt.

Thanks,

Kxx.

Hi Kxx,

It sounds like your prospective clients don't know what they want to do - other than, perhaps, going through the revocation of election process so the IRS again sees them as "tax exempt" nonresident aliens.

You're correct to tell them to hold off submitting an exempt W-4 until they have gone through the process - that is, until after they have become clients and returned the notarized the paperwork prepared for them by [THE COMPANY] for submission to the IRS.

[THE COMPANY] charges a one-third standard recovery fee for any refund on taxes paid in periods PRIOR to a client's application date. After they've become clients, if they CHOOSE to not submit an exempt W-4, then [THE COMPANY] charges a Ten Percent (10%) recovery fee for any withheld moneys that are refunded via the Petition for refund process each year. That 10% is the price they pay for "attempting to appear normal" and requiring additional work for [THE COMPANY]. In the rare event that an employer should not honor a client's exempt W-4, [THE COMPANY] does not charge a 10% recovery fee, because it was not the client who created the additional work.

Under no circumstances should they submit an exempt W-4 until they have signed and returned the notarized documents for the revocation process. To do otherwise is to be declaring something that is not true. Yes, THAT gets some people in trouble, and then

[THE COMPANY] has a much harder time climbing through the rubble and confusion the "pre-client" created.

Any "entity" can be a client of [THE COMPANY]; in other words, [THE COMPANY] can prepare any required tax filings for any entity.

However, ONLY individuals (people) can go through the revocation of election process and be viewed by the IRS as "non-taxpayers," tax exempt individuals. No other entity can do that. There is no particular need for a trust, which is simply "holding" property, to worry about taxes anyway; the only "problem" (and it wouldn't have to be a problem) is when the trust (or other entity) is engaged in commerce, revenue raising, income earning, selling the property, etc. This can be easily handled (generally), because, if the entity has tax filing requirements, any required income taxes on such an entity can be greatly lessened or even eliminated by passing (or paying out) the entity's "income" to TAX EXEMPT Individuals; the greater income shows to be to the individual who is exempt from income taxes, no matter what the amount of his/her income, while the entity is left owing little or no income taxes because it had too many expenses (like salaries, wages, rents, utilities, etc.).

Normally, the IRS is interested in "busting" a trust that for all practical purposes is passing its income on to the individual behind the entity. They take a different attitude, however, when that individual is seen to be a "tax exempt" individual; and they really can't challenge the business entity's expenses in terms of what it pays out in salaries, or commissions, or wages, etc., especially if that business entity keeps its papers in order.

Sincerely,  
Paul Leinthall

**[NOTE from Paul on January 22, 2002: The ONLY "entity" (compared to trusts, UBO's, UPT's, IBC's, Charitable Foundations, 501(C)(3) organizations, or any 50...Set-up in the Internal Revenue Code), SA's, or regular corporations, etc.) which has NEVER been penetrated or pierced by the IRS, in spite of repeated attempts, is that which is used by two of the worlds largest organizations AND the Queen (highest office) in England. It's called "Corporation Sole".**

**[THE COMPANY] has a special call on Friday MORNINGS, at 10 am, EASTERN time, devoted "solely" (pun intended) to this topic. The Corporation Sole does NOT need trustee or beneficiaries, is specifically easier to administer [the sole office holder - YOU - CONTROLS everything, including the bank account(s). It has no income tax filing, reporting OR paying requirements, and can operate virtually anywhere in the world "tax free". It can do anything a "person" can do, and is limited only by the imagination of the person utilizing it. It is older than our Constitution, and older than English Common Law. It has amazing capabilities. Like other things "of truth", it has been in the best interest of the "powers that be" to keep it pretty well hidden. If you want to know more about it, get on the Corporation Sole conference call, or contact the representative who is responsible for your receiving this newsletter].**

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[3] News Briefs & Comments

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As I reported in this section last week, it appeared like the "We The People Foundation" hearings that had been scheduled for February 27 and 28 were in doubt, after one of [THE COMPANY's] representatives called Congressman Roscoe Bartlett, directly, to find out if, in fact the IRS and the DOJ were going to "show". The word he got was that they were NOT. I received this over the weekend, from a friend. It pretty much tells the story.

Last year, when "We the People" were running their full page ads in "USA TODAY", I cautioned that the type of thing they were doing was at least "waving the flag in front of the Bull." Here, again, with their recent "Wait to File Till After the Trial" advertising, they not only caught the attention of the bull, but they got gored again. Last year, USA TODAY disallowed them from running any more ads; this year, the very Congressman who was "sponsoring" them from the government side, backed down, and called off the hearings.

While it really would have been nice to see the IRS and DOJ attempt to explain some of the basis from which they operate (even if they didn't reveal the fact that the whole basis of the so-called "income tax" issue, and that most Americans have experienced a ball and chain hanging around their necks, by their own voluntary election to place their signatures, under penalty of perjury, on a form (the 1040), which never was a correct form to file in the first place, but which termed them "U.S. Individuals"), I'm sure [THE COMPANY's] clients, at least, can continue to be satisfied with simply not owing and paying income taxes, under the law, as it exists right now.

Keep in mind, of course, that this all came about through "Ignorance of the Law", as more and more Americans have come to rely on others for their "legal" advice, when most of the folks providing the legal advise are, like the rest of us, only as knowledgeable as they've been taught. That's why it behooves us to KNOW the law, and operate in accord with it. Especially is that so when the Supreme Court has ruled numerous times that "IGNORANCE IS NO EXCUSE".

Fortunately, for clients, [THE COMPANY] does not operate in ignorance of the law. Here's the report:

**THE POWER TO DESTROY**  
Congressman cancels tax forum  
Bartlett 'dismayed' by 'Operation Wait to File until the Trial'

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What was long anticipated as an epic confrontation between the federal government and the "tax honesty" movement has gone up in smoke, with the cancellation of the planned Feb. 27 and 28 tax policy forum in Washington by the congressman that had been the aggrieved petitioners' greatest official supporter.

"I am quite dismayed by Operation "Wait to File until the Trial," said Rep. Roscoe G. Bartlett, R-Md., in a press release.

<<http://www.bartlett.house.gov/newsarticle.asp?RecordID=134>>. Bartlett communicated his decision in a letter to Robert L. Schulz, chairman of the board of <<http://www.givemeliberty.org/>>We The People Foundation for Constitutional Education, Inc., who had requested the forum.

In his letter to Schulz, Bartlett wrote: "The information that you are currently disseminating concerning the February 27 & 28 forum is misleading. I will not be a party to advocating the non-payment of federal income taxes."

We The People, an organization that disputes, on various grounds, the legality of the federal income tax, has been urging Americans to hold off filing their 2001 income tax returns until after the planned hearings in Washington, D.C., next month.

"The very legality of the U.S. income tax system goes on trial Feb. 27 at a congressionally sponsored public hearing on Capitol Hill," said a statement on We The People's website.

Bartlett, who was the congressional sponsor of the hearing, explained that Schulz's "rhetoric has made it impossible for the forum to take place because the Internal Revenue Service and Department of Justice will not participate."

The Maryland Republican "remains committed to ensuring the right of Bob Schulz and other citizens to exercise their constitutional rights under the First Amendment to get answers to their questions about federal tax policy from the government," according to his press statement. As an alternative to the much-ballyhooed February confrontation, he offered to forward Schulz's questions to both the Justice Department and Internal Revenue Service, and to post their answers on his congressional website.

Here is the text of Bartlett's letter:

Dear Bob:

I am quite dismayed by the tone of your rhetoric on your web page – "Wait to File Until the Trial."

When I first met you in July of 2001, you seemed to want answers to questions regarding the legitimacy of the 16th Amendment to the Constitution. As a congressman who believes and follows the Constitution, you found a willing ear. In the numerous meetings that followed, I never advocated the non-payment of income taxes. You were quick to agree and assured me that you never took this position as well.

The information that you are currently disseminating concerning the February 27 & 28 forum is misleading. While I remain committed to making every effort so that you can exercise your constitutional right to get answers to your questions, your rhetoric has made it impossible for the forum to take place because the Internal Revenue Service (IRS) and the Department of Justice (DOJ) will not participate.

This is the alternative. I do not believe that IRS and DOJ will refuse to answer my questions. Please send the questions that you and your team developed to my Washington, D.C., office. I will refer them to the appropriate individuals at the IRS and the DOJ to respond. Since I know that there are thousands of people across this nation who

want answers to similar questions, I will post both the questions and answers on my congressional web site.

In any future statements regarding my support, please be sure that it is clear that I am supporting your constitutional rights and not that I am advocating not filing and not paying taxes.

Sincerely,

ROSCOE G. BARTLETT  
Member of Congress

The tax group had expected, at the forum, "to prove conclusively that the IRS does not have the legal authority to force employers to withhold taxes from the paychecks of their employees, or to force most Americans to file a return or pay the income tax."

"If the research is confirmed publicly, most Americans may be entitled to a refund of 100 percent of the income tax paid or withheld in 2001," the statement continued.

"The IRS and Department of Justice will officially and publicly answer detailed legal allegations directly challenging the jurisdiction of the IRS and the unlawful enforcement and administration of U.S. income tax laws," Schulz had said.

The two-day hearing [http://www.worldnetdaily.com/news/article.asp?ARTICLE\\_ID=25028](http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=25028) had originally been scheduled for Sept. 24-25, but was postponed until next month in the wake of the Sept. 11 terrorist attacks.

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[4] Call Reminder  
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The TAX EXEMPT Conference Call, takes place **Wednesday night, January 23, 2002**, (and every Wednesday) at **9 PM EASTERN** time. The number is: **620-584-8202, pin 2974#**.

The CORPORATION SOLE (specific) Conference Call, takes place **Friday MORNING, January 18, 2001**, (and every Friday) at **10 AM EASTERN** time. The number is the same as above: **620-584-8202, Pin 2974#**

[There is a **CLIENT ONLY** Conference Call on **Monday MORNINGS**. IF you're already a client, and you would like to be on that call, **CALL YOUR REPRESENTATIVE for the phone number and time.**]

I want to mention something to new readers and to folks who have never been on the Wednesday conference call. This call is NOT what you may be expecting when I talk about a "conference call". A lot of people today are used to big sales-hype conference calls, with a lot of "Rah-Rah-Rah". This conference call is NOT a "sales" call. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. This is a TEACHING call. It consists almost entirely of questions and answers. It's a great place to hear other folks ask all sorts of questions, and get any questions of your own answered, and it provides you the opportunity to get a pretty

well-rounded understanding of what this is all about in 45 to 90 minutes. I think you'll find it's one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

May I ask, that when you call, you use a regular "connected-to-the-wall telephone", not an Internet phone, a cellular phone, or even a cordless phone. Also, please, not a speaker phone, either, because often speaker phones seem to disrupt the quality of the call. Pressing "\*6" (Star 6) on your phone will mute your end of the line, so everyone can hear better; then, when you want to ask a question, you can press "\*6" again to go off mute. If you can hear the noises, conversations, kids-playing, dishes clanging, and phones & faxes ringing where you are, we can hear it, too, and it makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration.

If you like what you hear on the call, and you want to talk further to someone (including the call presenter) or ask more "personal" questions, remember how you heard about the call. No contact numbers are given out on the call, not because anyone is trying to hide anything, but because various representatives of [THE COMPANY] bring folks to the call. The call itself is not a "sales" forum and doesn't get involved in the sales "hierarchy".

See you on the call. Tell your friends about it, too.

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[5] Contact Information  
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**Paul Leinthall**  
**Phone: 661-822-7889, Mon. - Fri. 9 AM to 5, PM (Pacific)**  
**Email: littlehammer@primemail.com**

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You may notice that I refer to [THE COMPANY] or to the founder of the company [THE FOUNDER] in various places throughout the Newsletter. I choose those expressions, instead of providing the actual names of the company or it's founder, for a couple of reasons...reasons which you'll also find reflected in my explanation of the copyright notice (below). I want to insulate [THE COMPANY] and [THE FOUNDER] from undue and unwarranted attention (especially negative attention or reaction), whether from a casual reader or from any taxing agency or authority, their attorneys, or representatives. Therefore, it is my desire that the reader be absolutely clear who is responsible for what appears in this newsletter. This newsletter is NOT sponsored directly by [THE COMPANY] or [THE FOUNDER], and while I believe I am being representative of [THE COMPANY's] and [THE FOUNDER's] philosophy, goals, ideals and the

truth in law and in fact on which [THE COMPANY] stands to perform its valuable service for its clients (of which I am one), and while I may quote [THE FOUNDER], or someone else, I always seek to maintain each person's privacy, unless their words are already in the public (published) domain; thus I will take the heat for any negative attention, response or reaction.

Also, this allows anyone, including other representatives of [THE COMPANY], who find this information valuable, and who want to share it with others, to substitute their name and contact information for mine, and not have to worry about potential clients of the company going over their heads and bypassing them. Since [THE COMPANY] sponsored conference call and Joe Lansing, the conference call presenter, follow this same philosophy of client protection for their representatives, the information in this newsletter can, then, be more widely disseminated for the value and education of others. In the newsletter, I may occasionally use the name of the conference call presenter, Joe Lansing; but that's because he is also out in the public forum with his conference call.

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