## **Invisible Contracts**

by George Mercier

## The Armen Condo Letter

August, 1984

## [<u>Index</u>]

In August, 1984, Armen Condo, Founder of Your Heritage Protection Agency ("YHPA") was being prosecuted by the Federal Government under numerous tax related statutes, as well as other collateral charges such as mail fraud.

The YHPA is still (the record holds to this day), the largest organized tax protester group to ever have existed in the United States (with respectful deference to our Founding Fathers and innumerable fellow unsung "tax protester" patriots living and laying their lives on the line in the 1700s for our benefit today). In its heyday in the 1970s/1980s, the YHPA's dues-paying membership reached well into the 20,000 to 30,000 range, before it was ultimately brought into a state of non-existence through the intervention of strongly persuasive federal influences.

The YHPA published a fairly thick newspaper, and continued on in their efforts for several years, with their primary focus based upon the illegitimacy of Federal Reserve Notes, contending thereon that receipt of said Federal Reserve Notes did not constitute "income," therefore, no one receiving said notes was liable under federal income tax statutes. Although additional proprietary "tax protester" positions were routinely addressed, the YHPA's primary focus remained centered around Federal Reserve Notes.

Curiously, as a side note, individuals choosing to join the YHPA (usually in the context of a dinner/seminar setting), were guided through a "joining process" at the conclusion of the seminar, where dual ID photos were taken (the YHPA kept one photo, and you received the other, using a dual-photo camera similar to the dual-photo cameras used at your local Department of Motor Vehicles or local passport photo vendor) and slick, professional looking "ID cards" were processed on the spot and given to each new member at that time.

In hindsight, the stated reasons given at these dinner/ seminars with respect to the "necessity" of having/ creating a photo ID card were rather specious at best, and in fact, there was some additional hindsight talk that perhaps the YHPA was a Federal "Tax Protester" Sting Operation all along, designed to attract and then identify. [For example, in the U.S.S.R., the KGB is known to have secretly "created" (sponsored is more like it) -various protester groups for the sole purpose of throwing out some attractive philosophy designed to attract a certain type of individual, and then having "extracted" those individuals from society, and having thus identified them -- then shutting down the organization and arresting the members. This practice is a utilization of the principle known as the "Doctrine of False Opposition."]

After all, it is rather suspicious, if not ironic, that an organization purporting to be highly critical of "government," and taking a relatively "radical" approach to same (non-filing tax protesters "sign up here..."), and having an orientation favoring the individual over government in general, would in fact so closely emulate "Big Brother" tactics such as requiring a photo ID card for all of its new members, and for reasons that would not normally hold up to intellectual scrutiny or inspection except for the fact that within the context of the actual joining process, those people were not concerning themselves at the time with such incongruities, but were instead swept up in the excitement and impetus of the "I'm Mad As Hell and I'm Not Going To Take Anymore" sentiment generated at typical YHPA recruitment seminars.

Against this backdrop, George Mercier wrote a thoughtful advisory letter to Armen Condo in August of 1984, seeking to correctively alter the course Condo was then pursuing vis-a-vis his federal case, with the objective of the letter being oriented towards keeping Armen Condo out of a federal cage. And with respect to Armen Condo, the letter was a wash, as Armen Condo was highly unreceptive to its contents (being in an unteachable state of mind, and so he rejected it "in toto"); however, the letter did not stop

there with Armen Condo. In fact, it somehow "exploded" into the general patriot pipeline/network, and was widely copied and circulated all across the country. (Although Armen Condo reacted adversely to the letter, it found a very receptive and appreciative audience amongst patriots across the nation).

One such copy of the letter found its way into the hands of Frank May, who subsequently wrote an intelligent and thoughtful letter to George Mercier, seeking an expansion of the enticing data contained in the Armen Condo Letter. Expansion he wanted -- expansion he got, because George Mercier in turn wrote a reply letter to Frank May -- a 745page letter, which then became a privately published book entitled "Invisible Contracts - The Frank May Letter" (dated December 31, 1985).

So, without further commentary, what follows is the original letter to Armen Condo, the letter which started it all...

August, 1984

Dear Mr. Condo:

I just received your periodical "YHPA" for March, 1984, which I had requested from your organization for the purpose of contemplating subscribing to it.

In analyzing the contents of your magazine, I found that the United States is apparently trying to:

 Get a restraining order to shut down your operation;
Trying to get some incarceration out of you as well.

In trying to get a feel for your sentiments towards the United States for doing these things to you, I detected underlying feelings of anxiety and some resentment on your

part. Therefore, what I have to say will only be of value to you to the extent that you are in a teachable attitude. I know that I am taking a shot in the dark by telling you things which follow, but I think it is important that someone inform you why you are on the "left side" of the issues and why and how the United States is on the "right side" of the issues -- and that the Federal Judge is merely enforcing private agreements that you continue to maintain in effect with the U.S. Secretary of the Treasury.

By the time you receive this letter in August, the Judge may already have taken some action on the government's petition for a restraining order against you -- I do not know the present status of that action, but the information you need to know will be important to you either way the Judge rules. If the restraining order has been granted, I can show you how to get it reversed next January.

Before I identify the private agreement you continue to maintain with the Secretary of the Treasury (which agreement places you into a written, equity relationship with the United States), there is a fundamental principle underlying American jurisprudence you must be aware of as background material to understand what follows. This principle is a hybrid corollary and consistent extension of the evidentiary doctrine that specificity in evidence will always overrule generalities in evidence, even when they are in direct conflict with each other. For example, the statement by one witness to a crime that...

"I saw a woman run around the corner, it wasn't a man..." (and therefore the defendant, who is a man, isn't the criminal).

That statement would be overruled by this statement from another witness...

"The person I saw run around the corner had long hair, a beard, and something like a tatoo on his neck..."

Hence, conflicts in testimony are always resolved by giving the greater weight to the most specific statements. This is also the way equity grievances in contract disputes are settled -- the most specific, detailed clause governing the disputed circumstance is construed to be the statement meant to govern the disputed circumstances -even though broader, more general statements can be found in the contract and may favor the other party.

The principle that applies to your relationship with the King (the King being the United States -- the Constitution being essentially a renamed enactment of English Common Law as it was at that time, with only additional restrainments being placed on the King) is the principle that private agreements will always overrule the Constitution and the Bill of Rights. Thus, specific agreements governing individual circumstances will always overrule broad general clauses found in the

Constitution. Or expressed in other words, it is irrational to allow someone to enter into a private agreement with someone, and then allow him to take a clause out of the Constitution -- off point and out of context -- and allow him to take that clause and use it to weasel, twist and squirm his way out of the agreement, all while retaining the financial gain the agreement gave him in the first place. This is irrational, and judges won't allow it.

For example, let's say that I hired you to come work for me as a computer design engineer for my computer company. When you started work for me you signed an agreement agreeing that all company information that you were exposed to while employed here, and all knowledge you acquired regarding impending new products and technologies being worked on here -- you had agreed not to disclose, release or disseminate any such confidential information to any other person for a five year period after you left my employ for any reason. So let's say that you have now left my company, and you start publishing and disseminating information you learned while here to my competitors. Your excuse for violating the agreement you signed earlier with me is that... "Well, the First Amendment says I got freedom of speech and press..."

So now I take you in front of a judge and ask for a restraining order. Question: Does the First Amendment apply? The answer is no, it doesn't. Restraining order granted. Reason: Private agreements overrule the Bill of Rights. In other words, one does not get to use the Bill of Rights to weasel out of private agreements, while retaining the gain that the agreement gave him in the first place. In the back of the judge's mind is the following logic:

"Well, Mr. Condo... you entered into an agreement with Mr. Mercier to be an engineer for him, and under which you experienced financial gain or profit. Now that you don't feel like honoring the agreement any longer, you want to take a clause out of the Bill of Rights to work your way out of your agreement with Mr. Mercier, all while keeping the money he gave you under the agreement by working for him. This is irrational. Restraining order will have to be granted."

Another example is this: Say that you are a convict sitting in a prison. The warden calls you upstairs and offers to let you go free if you sign an agreement. That agreement calls for parole checking, warrantless entry of your residence at any time, and you agree not to carry any guns. You sign the agreement and clear out of prison. A month later your car is stopped for speeding and a gun is seen half covered in the back seat. The officer charges you with possession of a

concealed weapon. You argue Second Amendment rights during pretrial motions. The trial judge ignores your motions and sets a trial date. Question: Is the judge a fifth column commie pinko? No, he isn't; he is merely enforcing private agreements. Here you signed an agreement and you experienced a gain (premature freedom). Now you want to take the Second Amendment, and use that to weasel and twist your way out of an agreement, all while retaining the gain (freedom) that the agreement gave you. This is irrational, and judges will not allow it, properly so.

You probably have heard it said that Federal Judges will tell defendants and counsel in Section 7203 -- Willful Failure To File criminal trials that...

"...the Constitution does not apply here."

That statement shocks most people up a wall -- but it is an accurate and correct statement. The Judge will never tell you why, though. Of all of the different Judges that I know who have blurted out that statement, none of the criminal defendants have ever pressed the Judge for an explanation as to why the Constitution does not apply. The reason why the Constitution does not apply is because the Judge is merely enforcing private agreements the defendant signed with the Secretary of the Treasury. The Judge is not a fifth column commie pinko. The agreement the Judge has in front of him is not the defendant's 1040 or the defendant's W-2/4; those are merely declarations of facts and no profit or gain is experienced by them. The real reason is as follows:

When new Federal Judges are hired (nominated by the President and later confirmed by the Senate) after hearings by the Senate Judiciary Committee -- after they qo through that hiring procedure in Washington -- they are taken back to Washington and are taken into private seminars that are sponsored by the United States Department of Justice. It is in these seminars that new Federal Judges are taught and trained "how to" manage their criminal proceedings so as to avoid reversible error, i.e., absence of counsel and trial procedure, etc. They are taught and trained what the Supreme Court of the United States wants for perfecting due process. They are given Supreme Court cases to study --and sitting next to that new Judge in these seminars is their Appeals Court Justice (who will be auditing appeals coming out of their trial court), confirming that the information being taught and presented by Justice Department lawyers is true and

correct and that "Things will be done this way."

They are given a "Bench Book" to take with them, giving the new Judge guidance on handling problems as they arise on the bench. Finally, the interesting part comes: They are taught how to manage "Tax Protester" trials -violations of Title 26. Federal Judges have been instructed that the Supreme Court ruled in 1896 in a case called Davis vs. Elmira Savings, 161 U.S. 275 that banks are instrumentalities of the Congress.

In other words, the interstate system of banks is the private property of the King. This means that any profit or gain anyone experienced by a bank/thrift and loan/ employee credit union -- any regulated financial institution carries with it -- as an operation of law -the identical same full force and effect as if the King himself created the gain. So as an operation of law, anyone who has a depository relationship, or a credit relationship, with a bank, such as checking, savings, CD's, charge cards, car loans, real estate mortgages, etc., are experiencing profit and gain created by the King -- so says the Supreme Court.

At the present time, Mr. Condo, you have bank accounts (because you accept checks as payment for books and subscriptions), and you are very much in an *Equity Relationship* with the King.

In the words of Supreme Court Justice Felix Frankfurter:

"Equity is brutal, but we are merely enforcing agreements."

Or in other words, Judges don't like the idea of being thought upon as being mean gestapo agents -- doing the dirty work for the King. They consider themselves as being struck between a rock and a hard spot -- being asked to enforce agreements and without being given any valid reason as to why you should be let out of it -- other than you just don't feel like being incarcerated. So what happens during these Willful Failure to File trials is that:

1. The Intelligence Division of the IRS surveys the local banks in the vicinity of the tax protester, and obtains copies of the protester's signature card and financial transactions statements from the bank.

2. At the time the U.S. Attorney requests the Judge to sign the Summons, the Judge has been presented with your bank account information. So now during the prosecution the Federal Judge is sitting up there on the bench with your agreement with the King in front of him while the tax protester argues:

> "Well, Judge, the Fourth Amendment says..." "Judge, the Fifth Amendment says I don't gotta..."

Are you beginning to see why the Judge is prone to experience frustration and blurt out "the Constitution does not apply here!"?

Meanwhile, the Judge is ignoring all Constitutionally related arguments and denying all motions.

If you would go back to your bank and ask the manager to show you your signature card again, in small print you will see the words:

"The undersigned hereby agrees to abide by all of the Rules of this Bank."

Have you ever asked to see a copy of the bank rules? If you have, you will read and find out that you agreed to abide by all of the administrative rulings of the Secretary of the Treasury, among many other things.

What is really happening in these Willful Failure to File

prosecutions is that the Judge is operating on the penal clause to a civil contract. And since you have agreed to be bound by Title 26, what difference does it make whether or not Title 26 was ever enacted by the Congress? A contract does not have to be enacted by Congress -- in whole or in part -- in order to make it enforceable.

As for the actual taxation itself, what happens is that the King creates a "juristic personality" at the time you open your bank account. And it is that juristic personality (its income and assets) that the King's Agents are "excising" back to the King. But in any event, the taxing power of the Congress attaches by contract or use of the King's property. The Congress does not have the jurisdiction to use the police powers to raise revenue.

That is the proper way (the ideal Alice in Wonderland way actually) to collect taxes, and that is the procedure by which Federal Judges are enforcing the law -- not by ruling over gestapo Star Chambers.

(I have some reservations on the modus operandi of Federal Judges to the extent that the Supreme Court mentions over and over again that:

"Justice must satisfy the appearance of justice." [Offutt vs. U.S., 348 U.S. 11] and that when a man is thoroughly convinced that he is on the right side of an issue -- a man like Irwin Schiff -- that justice has not satisfied the appearance of justice unless the criminal defendant is aware that he did wrong. And on these tax protester trials, that requires a sentencing hearing lecture by the judge to the defendant on why and where the defendant did err. So I disagree with the modus operandi of Federal Judges to this extent).

I am not going to spend any more time on this subject just right now -- other than you should be cognizant by this point in the letter that you are on the left side of the issue -- and that the King's Agents are not working a great evil by going around the countryside asking people to stop defiling themselves by dishonoring their own

agreements with the King.

So, in conclusion on this issue, if the 16th Amendment were somehow repealed tomorrow morning at 9:00am -- it would not change a single thing (other than the IRS would have to start giving people a correct presentation of the law to justify the taxes). The IRS and the excise tax on juristic persons would continue on as usual.

As it pertains to the proposed restraining order the King's Agents are trying to get against you and your alter ego, please get a copy of the Complaint filed by U.S. Attorney Charles Magnuson dated January 31, 1984 -- and turn to page 9. Examine the last five words in paragraph "b":

"...under the Court's equity powers."

This petition by the United States for a restraining order against you is legitimate to the extent that you are in written contractual equity with the King.

When you trace back the genealogy of your signature on your bank card, you will find that you agreed to be bound by Title 26, and under Section 7202 you agreed not to disseminate any fraudulent tax advice. And the concept that Federal Reserve Notes are not taxable instruments of commerce -- for any reason -- when the person has a written agreement with the King saying that FRN's are taxable -- this concept is in fact fraudulent.

I would encourage you, Mr. Condo, to prove me wrong. You can prove me wrong by asking the Judge:

"Please identify the instrument I signed, Judge, which creates an attachment of equity jurisdiction between the United States and me."

The Federal Judge probably is not going to want to disclose what document it is that you executed which created the attachment of equity jurisdiction. They have been asked not to let the cat out of the bag. The IRS

handles this "bank account = equity relationship" on a military style "need-to-know" only type basis. You can file a Mandamus in the Circuit Court of Appeals or petition for a Subpoena Duces Tecum returnable against the U.S. Attorney to compel discovery of what it is that you signed that created the attachment of equity jurisdiction the King's Agents are now acting under in trying to get a restraining order against you. This type of equity jurisdiction always attaches by written consent.

If this restraining order has already been granted by now -- then get rid of your bank accounts and file a petition for reversal next January -- your arguments being then that you are not in an equity relationship with the King anymore. Then the First Amendment would apply then, but it does not apply to you now since you are in an equity relationship with the King -- and private agreements overrule the Bill of Rights.

Invisible Contracts

by George Mercier

