

=====

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

Copyright (except quotations) © 2000, 2001 by Paul Leinthall

=====

Tuesday, August 7, 2001

- [1] Welcome: Short and Sweet
- [2] Questions and Answers: Questions On Changes
- [3] News Briefs & Comments: Some "Sovereign Citizens" Bite the Dust
- [4] Conference Call Reminder: **Wed, August 8th, 9pm EST, 1-305-503-1874, Pin 940**
- [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 money-back-guaranteed 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 "unsubscribe" to this newsletter in this section).

=====

[1] Welcome

=====

Dear Friends,

The new procedures and the new process of sending a letter to the IRS requesting them to make a determination of the actual tax status of each client have been raising their share of questions.

So, I'll get right to it, by immediately going to Section 2 to address them.

Until next week,

Your friend,
Paul Leinthall
661-822-7889, Noon-8pm Mon-Fri EASTERN time
email: littlehammer@primemail.com

=====
[2] Questions and Answers
=====

To: Dxx Mxxx
From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: More Questions

Hi Dxx,

Here are my answers to your questions. As usual, I'll intersperse my answers. I'll start out with what you were saying to me:

Paul:

I feel like many people involved with your company do so because of the desire to keep their hard earned money, but also because of their belief in the laws that this country was based on. I'd like to think that others besides me are interested in asset protection, privacy, freedom and other constitutional rights. So, many of my questions directed to you might not seem directly relevant to the services provided by the company. But to me all the issues all interrelated.

As we discussed last week, I am following up with a number of additional questions, and some comments, concerning your 'bombshell' newsletter of June 19 (a good bombshell!). While I am at it I have decided to ask other questions that I have compiled over the past several months. Some questions address my business; others concern various situations that might be related to protecting the non-taxpayer status achieved by your company. I hope some of these questions will be useful to you in creating a 'FAQ' database, and I hope the answers will help others as well.

From here on out my questions should only concern current issues in your newsletters and the like, so the correspondence will be much more brief in the future.

Please answer these questions at your convenience. I look forward to your written response (if you choose to write) and discussing these issues with you.

Thanks again,

Dxx Mxxx
XXX XXX-XXXX

Lets start with the June 19 newsletter.

[I'm going to break in here and say something directly to the readers of THIS edition (August 7) of my newsletter. The June 19th edition, to which the questioner refers, was the first mention I made of the "Letter of Request for Determination of Taxpayer Status". LAST week's edition of the newsletter actually covered it more thoroughly and even a bit more accurately (July 31). Even though the questioner is asking about the June 19 edition, you won't be missing anything if you have last week's edition. (In fact, I include

last week's edition in the package of information I send to folks who want more information and are inquiring for the first time).]

1. The Letter of Request for Determination Taxpayer Status seems like an excellent new feature to the program. You indicated that it has been proven successful by [THE FOUNDER's] network of professionals. Did the process take 3 to 8 months for these other professionals as you indicated it might take for us (once the letter is submitted) or is this another item that the IRS could drag their feet on? (You stated in a follow up to this newsletter that it could take a year; is that until it is submitted by the company or until we receive a determination letter?)

Your question raises an interesting point of discussion. One of the "problems" [THE COMPANY] is always having to deal with in this "people" business, is with representatives of the company (or anyone, for that matter) presenting "time-frames", and having the listener "lock onto" the part of the time-frame he most wanted to hear.

The best and true answer to ANYTHING having to do with the IRS - in almost every case - is that IT TAKES AS LONG AS IT TAKES. Most folks, for example, when they hear me say "it takes 3 to 8 months" would really like to hear that it ONLY takes 3 months in their case; and God forbid it takes a day longer than 8 months! Then, they'll be on the phone complaining that "Paul said it would ONLY take "x" amount of time.

During the testing period, for JUST the "letter of request for determination", from the time the letter was sent, it took anywhere from 2 to 6 months for clients to receive back the actual determination, on IRS stationery, saying they were "non-taxpayers". And that was just the testing period.

In our case, when a person first makes application to [THE COMPANY], for the [THE COMPANY] to accomplish all that must be done regarding the revocation of election and the filing of the first of several annual statements, it could take anywhere from 1 to 6 months BEFORE the letter of request for determination is sent. Therefore, I'm now telling any client who asks, to not even begin to be concerned, until a whole year has gone by, before they would be expecting to see a letter from the IRS finally telling him they've determined he is a "non-taxpayer". NOT that it will actually take that long in every case, or even in most cases, but I'm trying to encourage folks to relax and know that All Is WELL.

There are so many mitigating factors which can come into play. Part of the problem is, that each client tends to think he is the ONLY client when it comes to his specific thoughts and feelings, and he believes [THE COMPANY] ought to have every answer ready and every situation pre-figured out. What I've found out through ten months of newsletter writing is, that if I report what happened in the case of one client, everyone who reads that, tends to think that's exactly what will occur in his case, when, in reality, there could be any number of factors affecting his case which might make the time-frame different, or certainly the time-frame he implanted in his mind.

In every step of these procedures, and with every company or agency involved, we are people dealing with people; and until we can find the first perfect and perfectly timed person, and be able to produce multiple clones of that one perfect and perfectly timed person, so that all that we ever have to deal with are perfect and perfectly timed people, there well NEVER be a perfectly defined time-frame for ANY process or procedure [THE COMPANY] performs on behalf of their clients.

Can the IRS “drag their feet” beyond the time frame the [THE COMPANY] has experienced to date? Who knows? My experience in dealing with people says that you can probably count on it, certainly in rare instances. Will I like it, if my case is that rare instance? Probably not. Is there anything I can do about it (besides bitch and complain)? Other than to choose to turn my thinking to thoughts that feel good - wherein lies my real power - probably not. And if I choose to stay in a happy mood, then I’ll be in a much more accessible frame of mind to conceive or conjure whatever beneficial actions on my part might actually help.

The important thing to keep in mind - from my perspective - is that what [THE COMPANY] does works and works effectively. The IRS has never pursued any person to court who has used the processes [THE COMPANY] uses for it’s clients, and no client has seen her tax situation with the IRS get worse as a result of what [THE COMPANY] does. The key is that everything [THE COMPANY] does is based on who a person IS by birth and in the eyes of the law in that regard; so they're not changing the "person" at all. They're just ensuring that the IRS changes their records in reflection of the client's true "non-taxpayer" status, and whether the change in their records occurs in 3 months, or 6 months, or 8 months, or a year, does NOT change the actual, prior, born (or naturalized) "non-taxpayer" status. That's why the client does not have to "wait" until the actual proof of the record change. for example, to provide copies of the "affidavit" he notarized that declares his true status to banks or other businesses that may want to see it.

[2. Concerning the Letter of Request for Determination Taxpayer Status - Don't you think that the IRS might be reluctant to provide these letters to clients of a company like yours so they can prevent 'critical mass'?](#)

If we were anywhere near approaching “critical mass,” my guess is, that things would have already changed considerably. Can the IRS disobey the law simply because they don’t like it? (Remember, we’re dealing with people). Do people sometimes break the law? Do they get away with it? Sometimes. Do they get away with it forever? Rarely. (Maybe I should say “never,” but that, itself would take “forever” to find out).

[3. How does this determination process allow the company to go after taxes paid 10 years back?](#)

Actually, if you include “the current year”, we go back 11 years. Right now, [THE COMPANY] is still dealing with the 2000 tax year, which is the “current year” for tax purposes, with its “automatic extensions” time period ending August 15, and even possible requests for an additional extension. So, in the letter of request for determination, [THE COMPANY] is going back to cover the tax years (ending December 31) for the years 1990 through 2000. Count each of those December’s and you’ll see it’s 11 years. The IRS themselves, are only allowed by law to go back that number of years in their pursuit of tax-law breakers.

The “new” procedure (i.e. the letter of request for determination of taxpayer status) is NOT based on “amended returns”, as [THE COMPANY] used to do. The “amended return” basis was limited by the U.S. Supreme court from going back more than three prior years. The request for determination is not so limited, but it is limited to the amount of time the IRS themselves can go back.

4. Do you know of any in the 'network' who has gotten refunds back beyond 3 years? Don't get me wrong, I am pretty excited about the possibility of getting some of that money back.

I don't know anyone personally. I only know [THE FOUNDER] declared that the process has been completely successful in every instance so far, and people in his "network" have seen the desired results. It's obviously something about which [THE FOUNDER] is quite comfortable and confident, otherwise [THE COMPANY] would not have recently instituted this new process.

5. Is there really a 'law' that requires the IRS to cease adverse action until the determination has been made?

YES, although I don't know the particular legal cite which stipulates it. One of the reasons I hired [THE COMPANY] to do all this for me is because I'm confident they're doing what I pay them for, which includes keeping abreast of all the changes in the Codes and Regulations and IRS procedures pertaining to this matter. Obviously, as a representative for [THE COMPANY], I'm privy to some information which is not immediately available to folks who are not representatives; but then, that's the purpose for my newsletter.

6. Will we get a summary or letter of some sort from the company once they receive and decode the 'before' and 'after' IMF?

Yes.

7. Concerning the 'terms' that will no longer be used - (By the way this reminds me of George Carlin's 7 words you can't say on TV, remember?) If you were using the terms lawfully and accurately, who cares? So what if others used the terms out of context or without going through the revocation process properly? Its like a guy going AWOL from the Army. He can't say he's a veteran or received an honorable discharge, but other people can. The important thing seems to me that even though the words are changing, the concepts that they represent remains intact. The issues of residency and jurisdiction that you have always used seem to remain the same. Isn't that true?

Yes, that's true. And, yes, I well remember George Carlin's "7 Words You Can't Say On TV". (Hilarious - and I won't repeat them in this newsletter, either!)

Who cares about the words? We do; [THE COMPANY] does. Why? Because words are powerful, and they can be used both negatively and positively, depending on who is using them, AND HOW THEY ARE PERCEIVED BY THE LISTENER. That's why we care, because, even though the words are accurate, they have been greatly misperceived by the listener. Even some of the people who thought they'd grasped the distinctions and concepts which the words convey, have, for the most part, done a poor job of articulating themselves in the judicial arena. Primarily because of this - i.e. because of the adverse court rulings resulting from "off-point" and inadequate and inaccurate articulation - the words have continued to take on the "bad coloring" and "malefic odor" resulting from those adverse court decisions (generally made by judges and juries, who, themselves, already didn't grasp the specific distinctions of meanings). So, some of the words have become "red flags".

Try standing in the open field sometime, in eyeshot of a bull, while you wave a red flag, and then ask me if waving a red flag matters. (It's only a red flag; "who cares?")

8. The company's primary position seems to still be based on revoking the voluntary status of the individual. Especially, since the Section 861 'source' issues, which you are using now, have been addressed by many unsuccessful challengers. The only difference, and a major difference at that, between the company's approach and people like Otto Skinners is the proper revocation process, wouldn't you say?

First (and I know I'm picking on your words here - no pun intended, in light of what I was just talking about), [THE COMPANY] does not revoke a person's voluntary status. They revoke the person's voluntary ELECTION (choice) to be a taxpayer, when there was no law actually making him liable for income taxes (in most cases) in the first place. We're not trying to get rid of a person's status of being able to freely volunteer. Standing on that status of freedom is precisely our point (although, not the words used in the revocation paperwork to articulate it).

You're right in mentioning that the Section 861 arguments have been misused by many in the past. However, Section 861 is the law itself, and is the place that defines the sources of income, the having of which, by any individual, the IRS then has the right to expect an accounting (and possibly the paying of income tax) from that individual. [THE COMPANY] agrees with the IRS, that if any client has income from those sources, as defined in the law, he may, indeed, be liable for income taxes on that income. (In Otto Skinner's terms, these would be "activities," the engaging in which, might make the person, so engaged, liable for paying a tax on the income derived).

The PRIMARY distinction [THE COMPANY] makes, however, is the continual filing of annual "returns or statements," in accord with the present law, and a continual reaffirmation (via the affidavit and other documents filed each year) regarding each client's true status, along with (now) the requirement of the IRS, when requested, to actually look at each client's situation and make an actual determination, which then MUST be immediately reflected in the IRS' records on that person - the IMF file (Individual Master File). Even in the rare event, the IRS would not actually send their "determination" to the client, on IRS letterhead, saying he is a "non-taxpayer," they STILL must reflect his true status in the IMF; and that's the purpose of [THE COMPANY's] requesting the second IMF, when necessary.

9. I am looking for a way to protect my privacy and my assets. I spoke to a man from North Carolina, Mr. Xxxxxxxx, concerning an international business corporation. He was very helpful and informative. However, I am not sure I need a situation that complex. Do you know anyone I could consult with that will advise me on the best situation for my family? Didn't we conclude during our last conversation that offshore solutions are an option for me now?

This is not particularly my field of interest, beyond what I see to be the simplicity of the Corporation Sole.

I would suggest, that YOU are the best authority in your situation. Beyond talking to some "professionals" in your area of interest, and possibly beginning your search on the internet, I'm afraid I can't be of much help in this arena - at least at the present time.

10. Is there any reason, with the service you are providing, for me to delay cashing out my company pension or my wife's 401k?

Before you cash out, I'd suggest contacting the program administrators to learn their policy for doing so. Even with the understanding that you are "tax exempt," that does not eliminate the fact that some program administrators are operating on company guidelines that mandate the "withholding" of a certain percentage of your money. For example, in the case of your wife's 401k, you might find you will want to roll that over into a self-directed IRA, and then she can take all the money out without a problem. Also, in either of these events, this is where copies of your affidavit may come in handy. (I'll speak more to this in question #14, below). In some cases, an "Exempt W-4" comes into play in this arena, too.

Beyond that, I know of no reason to delay.

11. I feel like it might be a stretch for me to have (or be) a corporation sole. The purpose of it is charity based and is generally for religious affiliations. How could I justify doing one?

That's actually the point - you don't need any justification. Since Congress and the courts have consistently maintained a "hands off" policy in this regard, in harmony with the First Amendment (i.e., "Congress shall make NO law respecting an establishment of religion, OR prohibiting the free exercise thereof; or abridging the freedom of speech..." [emphasis mine]), you have no need to justify what YOU have determined is YOUR MISSION in life, and your mission need have nothing to do with steeples, bells, stained glass windows, choirs and robes, organs and pianos, harps and hymnals, or pulpits and pews. Even though a Corporation Sole can be charity based, and people can give "tax deductible contributions" to any such "charity" - there's nothing mandating that it must conduct its affairs limited by the evidence that it's some kind of charity. Is the Queen of England a "charity"? She operates via Corporation Sole, and I've heard it said that she is, perhaps, the richest person in the world, although I don't know how anyone can account for how they calculate that.

12. You indicated, on page 9 [June 19, 2001, newsletter], that some things have 'fallen through the cracks'. Might any of this affect me?

Remember our earlier discussion of people being people? In any growing company, steps must continually evolve - as they are with [THE COMPANY] - to insure that nothing falls through the cracks, and if it does, to not remain long UNDETECTED. Obviously, depending on the size of any company, depending on the intricacies of the work involved, depending on the "quality" of the people tending to such intricacies, depending on the work load, depending on the number of clients, depending on the number of "emergencies," depending on the number of times a call comes in that interrupts or distracts someone from the task in which they were engaged...

...You run a business. Has there NEVER been a detail slip through the cracks, at least temporarily? I think you get my point. Might it affect you? I would say it depends on the item, the size of the crack, how far it fell and if it was detected, or not. Might it "really" harm you? I doubt it.

13. You addressed a central customer service center. That's a good idea. A private website might be more inexpensive and easier to maintain. That's my 2 cents on that issue.

Thank you. [THE COMPANY] is continually evolving. We'll see what turns up.

Regarding the web site, of course, for "publicity" purposes, [THE COMPANY] will probably NEVER have one. The issue of customer service, however, MIGHT (notice "might") be another issue - and in this regard I am the only one talking at this point. I have not had any conversations with anyone in [THE COMPANY]; and please do NOT assume there has been ANY conversations regarding this matter by anyone else in [THE COMPANY], unless it was to veto even the idea. I'm aware, however, that lots of things can be accomplished, with a high degree of security, on the "web." And, even if the idea of a web site, available only to clients, were ultimately to be taken on by [THE COMPANY], the PRIME consideration (along with other considerations) would have to be a virtual guarantee of privacy and SECURITY. (No pun intended on the word "virtual")

14. I assume that I am legally tax exempt since I sent the paperwork back to xxx 2 months ago. Do I just make copies of the affidavit to prove to whoever might need to know that I am tax exempt?

The definition of "affidavit" (from Black's Law Dictionary, 6th Ed, page 58) is: "A written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oath or affirmation."

The affidavit of which you speak, is obviously first intended for the IRS, and, while it is prepared by [THE COMPANY], it is your declaration, in accord with the fact of who you are and your position in relationship to the law (and the IRS) as it regards income tax matters. Remember, YOU were BORN tax exempt, in relation to the Internal Revenue Code, and you can only become liable for income taxes, either by having income from a federal source, residing in a federal jurisdiction, or voluntarily electing into a contract, where, for all intents and purposes, you became a "taxpayer" as defined in their code, wherein you were taxed on the same basis as in the first two instances I just mentioned.

In the normal course of business matters, (e.g., with an employer, a bank, a pension fund, or 401k, etc.), an occasion may present itself where this affidavit is required. Since it has already been prepared by [THE COMPANY], and signed and notarized by you, you can facilitate your ability to provide this "evidence" when required, which includes the declaration that it has been submitted to the IRS. And, yes, copies of the affidavit serve that purpose. (I touched on this briefly in answer to your first question).

15. How long does it take for the company to prepare amended returns or statements?

Again, we're talking about people working with people. DEPENDING...on current work load and number of clients, time of year, present staff, level of training, proficiency, number of clients being processed who are in "emergency" situations...it could take anywhere from 1 to 6 months from the time the client first makes application for the first annual statement to go out. And that 1 to 6 months may not count the time it takes for the client to sign, notarize and return his "second pack" - as in the case of the client who took a whole year to do just that! (God knows the reason!)

16. Will the company ask for tax information from me back beyond 3 years any time soon? I have not heard anything from the company since I returned the paperwork to Joe.

One of the reasons for [THE COMPANY's] first request for each client's IMF, via the Freedom of Information Act, is that the IMF reveals how much money the IRS has collected from the client all that time, so [THE COMPANY] should not be requiring that information from you.

In distinction to the information provided on the IMF, the primary reasons [THE COMPANY] needs copies of the prior three years tax returns for each client is so [THE COMPANY] can get a "picture" of who they're representing to the IRS, and the typical "sources" from which the client garners her income. Also, it serves as the calculation basis for each client's second year's fee.

Because [THE COMPANY] is now going back for the prior 10 years (11, counting the current year), they will soon be making some changes to the actual application, with additional questions which will help to provide pertinent information, which can effect how [THE COMPANY] communicates with the IRS in certain cases.

For example - and I'll just give two - if the client was an ACTIVE military person during any part of that 11 years, he would not be exempt on THAT military income. Also, the same idea would apply for a client who was a "resident alien" with a green card for any part of that time, in which ALL of his income would be taxable. In both these cases, [THE COMPANY] needs to know. Rather than requiring every client to produce all his tax records for the last decade, they can simply ask the pertinent questions, and the IMF will reveal the rest.

17. I never received a copy or acknowledgement of a 'green card' certified mail receipt. Is this something that I have to specifically ask for?

Here, of course, you're referring to the "green card", which is the proof of delivery/receipt to the IRS. At the moment, yes, you must specifically request it. However, it is being designed into the data base (or soon will be) to automatically generate a notice to the client when this occurs.

18. What percentage of the company's clients have received a refund of all three years of taxes back? What percentage have received any of the three years and how many just the current year? I don't want to get my hopes too high about getting a refund if it might not happen. What is your realistic feeling about us eventually getting all 3 (or all 10) years back? Why not 20?

I think I've already answered the "Why not 20?". (Because even the IRS can't go back further than 10 years prior to the last current year).

The reason we continue to say that WE do NOT guarantee refunds, is because, again, we're dealing with people, and also, because we're dealing with an agency (the IRS), which has evidenced some real difficulty in keeping up with all their own regulations, which are changing all the time anyway. So we always advise people to not become clients simply because they're counting on a refund.

Keep in mind that the IRS has never (yet) outright refused any client a refund. At the same time, the company has not instituted a way of keeping track of the percentages

you request. Also, don't forget, we're not just talking IRS here, but all the State Taxing agencies as well. An "estimate" of the percentages I heard [THE FOUNDER] give, in answer to this question, was, in his words, "without any guarantee that this is even correct, and this is just off the top of my head, I'd say around 40%." Joe Lansing, on the other hand, has generally used a figure of around 25%. My point is, there have been a significant number, and I don't think anyone has been displeased; in fact, as you can imagine, most people are thrilled - even surprised - when it occurs. And if they had any doubts before, about whether what [THE COMPANY] does, works or not, they sure don't afterwards.

From everything I can gather and from everything I have heard, from anyone in [THE COMPANY], they "expect" that "ultimately" ALL clients will have the option of receiving a check(s) from the IRS for ALL credits due from "over-paid" taxes, penalties, or interest in the last 10/11 years.

You can choose to do what you want with your "hopes". When it comes to actually doing something with the money, you most certainly will not be able to spend it until YOU ACTUALLY GET IT. My daddy used to tell me: "Wish in one hand, and spit in the other, and see which fills up first." (The only problem with that, of course, is that you can't spend spit!)

19. I realize that my company cannot go through the revocation process. I'd like to stop being a withholding agent though. I know I mentioned this before. My employees cannot be 1099ed. Is there a chance that the company might address that in the future? I think Joe indicated that [THE FOUNDER] might address that eventually. Give me an update.

I don't have one. Until such time as [THE COMPANY] would get involved in that issue, I've got one suggestion: should you're employees choose to go the route you have gone (becoming a client), you will have solved a great deal of your problem. The issue remains, however (for the time being), regarding F.I.C.A and Disability, and occasionally other items that businesses are "required" to handle.

20. Could you tell me where the IRS indicates how I get in to the adhesion contract? I'd like to know the activities that could jeopardize my non-taxpayer status (voter registration, voting in certain elections, buying T-bills, interest bearing bank accounts).

Yes, you go to something called "The Internal Revenue Code," Title 26 of the United States Code. The only problem is, it's so confusing, even the IRS themselves can't agree on what any specific portion of it actually means or says. So [THE COMPANY] does their best - and I might say - a great deal better at explaining these issues, at least through Joe Lansing's weekly conference call, and hopefully, I, through my newsletter.

21. These additional questions have been compiled by me over the past couple of months. What is your feeling on how effective the 'without prejudice' term written after my signature is? Does that acknowledgement really protect my rights to any significant degree? Can I sign 'without prejudice' on anything (941 returns, contracts, state forms) except my drivers license?

You can even (sometimes; at least I did) do it on your driver's license. Or, you can do what someone I know does: he incorporates the "U.C.C. I-207" right into his signature. In other words, he signs it right in his signature, like another middle name. No one can

prevent you from signing your name anyway you choose. So, for example, I would sign my name: "Paul M. U.C.C.1-207 Leinthall".

Putting a phrase like that ("without prejudice", "reserving all rights", "U.C.C. 1-207", etc.) in, or near, your signature does not, of itself, "guarantee" anything, EXCEPT your right to call upon your having had the foresight to reference your rights under law (which may otherwise NOT be referenced or preserved in or) when you sign your name to that particular contract. Should you find yourself in a situation where your rights are actually threatened, your articulation of your rights and why you signed the contract that way will have a lot more to do with your actual protection than simply the fact that the words and your signature appear on the paper. ANY TIME you are required by law to "SIGN" - you are signing some form of contract; and your signature, signed with those words or phrases attached, simply references your "noticing" others of your right to call upon your natural, Constitutional and God-given rights. But in today's courts, without the ability to articulate what you were referencing and "why", you still might (better-than-even chance you will) "lose", because there is a lot of resistance to allowing you to call-up those rights. [Otherwise, why would they have codified most of our Constitutional rights under the Uniform Commercial Contract (U.C.C.) in the first place? Fortunately, they had to leave a way "back" to your natural rights; but that takes some finesse to actually get there when you're under fire in a courtroom].

That's why I like the way [THE COMPANY] does what it does - because they use the codified version, in the administrative process, to EFFECT the actuality of what your "tax paying" (or should I say "NON-taxpaying") rights always have been, based on the fact of WHO you ARE, prior to your voluntary election to be seen and treated as other than that. PLUS, the way they do it not only keeps you out of court, but out of other confrontational situations with the IRS, as well.

22. Florida law says that you have to register your vehicle and get a Florida drivers license within a few days of becoming a state resident. Is there a way that we can use an international drivers license and/or international registration to stay out of that system? Do you know of any other lawful options?

I've heard that an international driver's license is supposedly an option. I've also heard of people getting into trouble with it. You also have the option of going the "sovereignty" route - revoking your drivers license and registration. But good luck, trying to convince every traffic cop and court, in every jurisdiction you drive through, of "what the law actually is". I have a friend who went that route, and after spending a couple of nights in jail, in different jurisdictions, before he got the opportunity to present his case to the judge (he won, in each case; but at what expense in time and energy?) - he decided that the relatively small fee for a drivers license and car registration (and maybe an occasional speeding ticket) were worth his time, effort, peace of mind and "time" away from his concerned family for being "right" about not having to have a drivers license.

23. When and how did I give Florida power of attorney? It appears that the company will revoke that power of attorney, at least on my wifes paperwork. Is that correct?

I don't know about Florida's POA, and I'm currently awaiting an answer as to why this is even an issue in your paperwork, since, as I understand it, Florida has no State income taxes. (Also, see below, my answer to your question #25).

24. I'd like to learn more about using the U.C.C. 1-207 (without prejudice) signature and how to understand my right better. Give me an idea where to gather more information to research these topics.

This is the same questions as question #21, and I believe I've answered it as fully as you might need at the moment. The real issue, as I say, comes in "articulating" to a court (if ever the occasion arises) what it means and why you're doing it, effectively enough for the court to realize the actual law upon which you stand, which goes contrary to the way they've come to like to do things. Basically, the laws as they are utilized today, fall under "contract" law; and really what they're wanting you to do is just "Pay" the price for breaking the terms of the contract; and usually, they price they're really wanting is "money out of your pocket". That's the way (another way) the government (in every form) generates revenue; and they continue to justify it in the name of stopping bad people from doing bad things. But, as anyone will notice, about the only people who actually keep most of the laws, are the people who wouldn't think of breaking them in the first place (even if there were no law to break).

When it comes to passing laws, the one truth of which most lawmakers and politicians seem unaware and downright ignorant, is that FREEDOM is the basis of HUMAN existence. The reason our country's constitution is so great, is because it (partially) recognized that fact. The reason a lot of parents refer to the "terrible two's" is because they're witnessing their free-born sovereign beginning to exercise his freedom; and the "terribleness" felt by the parents is their own (and society's) resistance to allowing a fully free human being to roam the earth.

I still speed, and I've paid my fair share of speeding tickets. But I've done a lot more speeding than I have getting caught. And that's about the effectiveness of almost any law made by man. If a person want to, he will always find a way. (Sorry - I can't resist the occasional philosophizing).

The best explanation I've heard personally about the "UCC 1-207" argument (and it's not the only one, and certainly not the only source) came from Howard Freeman (now deceased). His tapes and materials are still available, although I've lost the reference as to where. I'd suggest an internet search on his name, as well as some of the terms in which you're interested.

25. I am a registered professional engineer in the State of Florida. Does that affect anything? Does this give the state power of attorney? Do I give up any other rights that you know of? [THE FOUNDER] might know since he was a licensed accountant.

I SERIOUSLY doubt that it affects anything pertaining to your individual income taxes, and [THE COMPANY] is handling all of that for you.

Regarding matters other than income tax, I'd suggest you contact the State. Generally, each "contract" stands on its own, with its own terms.

For you to have heard that [THE FOUNDER] has been involved in the field of taxation for over 30 years, does NOT necessarily equate to his having chosen to have a "license," does it? I know he's specifically chosen NOT to be a CPA or an attorney, because of the requirements to play by certain "binding rules" which would be restrictive, both of his freedom and his ability to do what he does. (See, there's that "freedom" issue, again).

26. Can I revoke my SSN or EIN from banks and brokers with existing accounts?

I don't know for sure. I would suspect you'd have a better shot at a "yes" regarding your social security number, and a near impossibility with an "EIN"; but, again, that's my "off my cuff" answer, and I wouldn't even rely on it myself, if I were concerned about the matter

27. Please don't take this the wrong way. The government could not get AL Capone on any of his illegal business activity so they got him for tax evasion. I know [THE FOUNDER] is meticulous about knowing and using the IRS code. Do you think the government would ever try to shut him down with some other technicality that does not directly concern the tax code?

You will notice that Title 27 of the United States Code involves "Alcohol, Tobacco and Firearms". You'll also notice, that when the IRS conducts a raid, the lettering on their jacket-backs says "ATF". Perhaps it's also not a strange coincidence, that the manufacture or distribution of "Alcohol" and "Tobacco" and the "Firearms" are some of the "source" items in Section 861.

The primary distinctions [THE COMPANY] makes, of course, is that THESE ACTIVITIES HAVE TO BE "FEDERALLY" CONNECTED, in order to be "taxable," NOT just the fact that a person is engaged in the activity - a distinction which (to my knowledge), neither Mr. Capone, nor his attorneys, were aware. If they were aware of it, they obviously didn't articulate it very well.

Because of the manner in which [THE FOUNDER] and [THE COMPANY] do what they do, I seriously doubt that the government would be interested in trying to find some other reason to shut [THE COMPANY] down. Could they? That's another question, of course. And that's why we're not interested in giving them any excuse; that's why we're interested in no longer using certain "words"; that's why [THE COMPANY] generally allows the IRS to take a little longer to respond to certain communication, even though the law may specify a particular time-frame. In other words, we stay away from any attitude, bearing, or modus operandi which carries with it the sense of "rubbing their nose in it" or "slapping the bear in the face," as Joe Lansing says.

You and I both know, given some of the events we've witnessed in the news over the past several years - the government is capable of almost anything. Will any specific thing occur? That's the question, and it remains to be seen. If they continue to obey their own law, then exactly what has been happening, for the almost 30 years that we know the revocation process has been used, will continue: they will not bother anyone; they will not confront them; and they will not pursue them into the judicial arena (court).

I do know one thing however; the more that people put more of their attention on something that they do not want, the more it is likely to occur. It's Universal law, that you tend to get more of what you more often put your attention upon. The "faith" that Jesus talked about works both ways - negatively or positively. "...your Father which is in heaven...maketh his sun to rise on the evil and on the good, and he sendeth rain on the just and on the unjust." (Matthew 5:45) But, in each person's case, what actually shows up or occurs in his life, is always according to that person's own faith (belief, habit of thought, most familiar sense or feeling about it). (Matthew 9:29).



To: Rxx Dxxxxx
From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: Confusion

Hi Rxx,

I apologize for the delay in getting back to you. Let me respond by interspersing my answers where appropriate.

Hi Paul,

I'm confused and deflated right now and I hope you can help clear things up for me.

When I was filling out the application forms, etc. at the beginning of this year, my understanding was that if I got everything in before March 1, my 2000 return would be processed to get that money back in a standard time frame. Then the attempt would be made to retrieve the money for the three years prior to that, 1997-1999. I understood (or misunderstood) this both from the literature and from phone conversations with the Xxxxxxx office.

I'm not sure how you came by the understanding that the refund process that [THE COMPANY] uses was accomplished in the same time frame as a "normal" (partial) refund of taxes withheld. In fact, Joe says on almost every conference call, and I've repeated in my newsletters and in the information I send out that REFUNDS ARE NOT even GUARANTEED. To my knowledge, I've not ever mentioned to anyone that a refund would come in the "standard" time frame.

The "push" for March 1st applications, was not for the 2000 year tax filing (and refund) but for the 1997 tax year, because the application and process of filing for THAT year (1997) was the April 15 (16th, this year) critical time pressure. The 2000 filing for many clients is just being done NOW, because a automatic extension was requested. (Not for all clients, but for the ones they did not have time to complete prior to April 16, since the 1997 tax year filing was getting priority).

I got everything in during February and was assured that I made the deadline.

Yes. The March 1 deadline, which was for the purposes I described above.

A couple of months ago I began getting concerned because I hadn't heard or received anything. Over the past two months I have called the Xxxxxxx office four or five times asking if they could verify that they had my info and all was OK. (I was afraid that maybe it had gotten lost.) The receptionist took my phone number and said she would call back. I never received a call back.

THAT (your never having got a call back) is something I will pursue; first, let me ask you, if you are not at home, is there an answering machine to receive messages? Sometimes people say they didn't get a call back, and they don't have voice mail or an answering machine, and the office staff isn't going to keep trying, if there's no way to let you know they tried. I'm not suggesting they did call back; I'm just wanting to make sure that base is covered.

The last time that I talked with a person at the Xxxxxxx office I was told that it was a better procedure to file in a normal manner for the current year's return and then fill out the forms and start the revocation of election process. She asked me if no one had told me that. I said no one had. My deductions for 2000 were such that I would have received nearly all of my taxes back in a normal return anyway. If this is the case, that was a very expensive mistake for me.

I gather this is where your misunderstanding originated. What "she" told you is correct, and the fact that you were not told that earlier was probably due to the fact that you didn't ask the specific question. When we say that "refunds are not guaranteed" we expect, that if people are concerned about refunds, they will be triggered to ask further questions about them when they hear the statement that they're not guaranteed. I don't know anyone who would have answered any differently than "she" did, when the question was asked. Sometimes on the conference call, that question comes up, and everyone hears the same answer. But that question is not asked on every call, either; so if you tuned into one, and neither you nor anyone else asked that question, you would not have heard the answer. It tends to get asked (and answered) more during "tax season" each year.

So there's no misunderstanding, I'll repeat how the [THE COMPANY's] refund process works compared to the "normal" 1040 Tax Return. WHEN A PERSON IS APPLYING TO [THE COMPANY] DURING THE TAX SEASON (January 1 to April 15th), and IF the person would realize a substantial amount of returned taxes withheld from a paycheck, by filing a "normal" 1040 tax return, then we suggest that the person file his/her return the normal way, and get that refund back, BEFORE becoming a client - because he normally WILL get it back more quickly than through the "credit/refund" process which [THE COMPANY] uses. While he will not generally get ALL the taxes back that were withheld, he will get back whatever the amount more quickly, and, then, after he becomes a client, [THE COMPANY] will get back the rest through their procedures. ALSO, whatever the client gets back in the "normal" 1040 tax return way, he will not have to share one-third with [THE COMPANY]. However, on the other side of the equation, he may be going for several more months, with normal withholding continuing to be taken from his paycheck, while he is not a client of the company. And for THAT money, he will still have to wait for [THE COMPANY's] standard process for refunds, at the END of that tax year. So, obviously, these two considerations are there for every client, who applies during the first quarter of any calendar year. On the other hand, there are the clients who know they will have to PAY if they file the normal way, and for them, it's an easy decision.

(I repeat, [THE COMPANY] does NOT guarantee refunds. BUT, you must admit, it's certainly in the company's best interests to pursue the refund for the client, because [THE COMPANY] shares one-third of whatever the amount that comes back).

Then just a few days ago I received a packet to sign and send to the IRS. It says that it is for calendar years ending December 31, 1990 through 2000 inclusive. (I understand about the change from 3 years to 10 years prior taxes.) In this period 2000 is put in with all of the rest. Also, it looks like December 31, 1990 through December 31, 2000 only covers a 10 year period, leaving out 1990. That looks as if 2000 is one of my 10 prior years.

Yes, the procedure we're using now, allows us to go back 10 years PRIOR to the current tax year. The current year, for filing purposes, is still the 2000 tax year. (The 2001 tax year, for filing and refund purposes, does not begin until Jan. 1, 2002).

I was confused by all of this so I called Xxxxx at the Xxxxxx office and asked if I should file a normal return to get the 2000 taxes. She said she would find out. She left me a message the next day. It said that there is no guarantee of getting the year 2000 taxes back, just like there is no guarantee of getting any of the money for the prior years back. She also said that I should consult with my representative, which she thought to be you, because if I decided to take the course of filing a normal return for 2000 they may not want to represent me. I'm not sure what that meant, but it felt like I was irritating someone and that is the farthest thing from what I am trying to do. Please understand that I am not being hostile or trying to be a troublemaker or upset anyone. I hope none of this comes across that way.

The staff in the Xxxxxx office are doing the processing ONLY; they're really not set up to "answer questions". I know the office contributed to the "confusion" of even knowing who to call for answers, because they used to send out a letter saying that if the client had any questions, they should call that office. And, they gave their office numbers! That has recently been corrected, if my understanding is correct.

At the present time, the correct place to go for answers is FIRST to your representative. (That's me, in your case). If I'm not available, THEN you call, or email, Xxxx' office.

The staff worker answered you correctly, however. In saying "no guarantee", she is voicing what I've already said. What she was saying to you about filing your 2000 return "normally", on your own, for yourself, was that if you interact with the IRS IN ANY WAY ON YOUR OWN, the IRS will interpret that as your voiding your power of attorney with [THE COMPANY], and "assume" you have given control back to them. Then, [THE COMPANY] has to go through the whole thing all over again. That's why you'll often hear Joe Lansing say, "If the IRS sends you a pencil, don't even write with it. Send it to us."

I fully understand that you're not trying to irritate anyone. You're operating from something you understood to be a certain way, which, as you're coming to discover, doesn't operate the way you understood. It's a normal reaction, from my perspective, to feel upset (at the least) when something comes along as an unpleasant surprise.

So, after all of that, I'm confused. And I'm deflated because I feel like I have lost around \$6000 or \$7000 that I could have now if I had filed my 2000 return in a normal fashion before sending in the forms. I was counting on that money to be able to pay my second year fee.

If your primary concern is about paying your second year's fee, because you were counting on the refund to pay it, let me help set your mind at ease. First, even though [THE COMPANY] does not "guarantee" refunds (simply because the check book for writing a refund check is not under their control), that does not mean people don't get refunds. Keep in mind, the IRS has NEVER (to date, anyway) refused a refund to any client. (My saying that is not meant to infer that all clients have received their refunds yet, because, as YOU already know, that's obviously not the case). With the "new" procedure, of the "determination request", we're expecting to see QUICKER refunds and, of course, refunds not just limited to the past three years.

The paperwork you were talking about earlier, which you recently received, IS (I believe) this "new" procedural paperwork, in your case. Since I don't have it in front of

me (I've not even received that paperwork in my case, yet; but that would be expected, since I was a non-filer for 23 years, and that process wouldn't do me any good anyway, since I won't have any refunds coming, no matter what) - since I've not seen an actual copy of what you have in your hands, I can only assume it is the "letter of request for determination of tax status". It should probably be pretty evident if that's what it actually is. IF it is, there should be a response coming back, generally expected to be in two to six months; and following quickly on the heels of it, will be the letter stating you have a "credit" of \$\$\$\$ due, and asking you what you want to do with it. (Keep in mind, that last sentence is based on that fact that it IS the "letter of request for tax status determination"). Even if it takes a little longer, there will still be time to arrange for paying your second year's fee.

I do want the revocation of election process to go through and I want to be free from paying taxes that I should never have been paying. But please help me understand. Is my understanding incorrect about the 2000 taxes and is that money lost unless the government does decide to return it within the next three years?

As I think you're clear now, that your understanding was incorrect. We do NOT believe the money is lost. That's NOT how our saying, "We don't guarantee refunds" is meant to be interpreted, although, admittedly, one might make that interpretation, just on hearing the words. It's just not in OUR power to actually write the check. BUT, if the IRS obeys their own law, then they WILL notify you of a "credit" - which will equal the amount of taxes you've actually paid over the last 10 years (prior to this year, because we're currently in the 2001 year) - and when they notify you of that, then we will, on your behalf, tell them you want all of it back (rather than the other option they will offer, which is to apply to credit to "future" tax years). My guess is, THAT AMOUNT, will be a LOT MORE than "\$6000 or \$7000".

Sorry for such a long letter here. I hope it makes sense and I would really appreciate your help.

Thank you,
Rxx Dxxxx
XXX-XXX-XXXX

And, again, I apologize for the delay in getting back to you. The quicker you get that paperwork on it's way to the IRS, the quicker all of the procedures will be complete.

Hope this helps.

By-the-way, I appreciate your "long" letter, because it obviously "flags" us to the fact that we need to be overly specific in this area - especially around "tax time", so that other folks don't also misunderstand. Unfortunately, we're human, too, and sometimes, with something like this, where we're so clear about what the "answer" actually is, it's easy to go by the wayside in the plethora of other concerns people have. So, if you don't mind, I'll use our communication, for the benefit of others, via my newsletter (assuring your privacy, of course).

=====
To: Rxx Dxxxx
From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: Confusion

Hi Rxx,

I'll continue as above:

Hi Paul,

Thanks for your reply. The total amount of my 2000 taxes was \$6000 or \$7000. I had such a large loss that I would have received all of it back. So, though your clarification helps, it also hurts since I'll only get 2/3 of it back now. I've always understood that there was no guarantee and that the money could be slow in coming. It was just the most recent year I was confused about. Ouch.

Ouch, is right!

I'm still a little confused on the period that the 10 years covers. 1990 through 2000 is actually 11 years. Does the 10 year period cover 1990-1999 or 1991-2000? My papers said December 31, 1990 through December 31, 2000. So that seems like 1991-2000. Am I correct or does including one day in 1990 include the entire year? It doesn't change what is. It just seems like if the 2000 return is processed as the recent return, then the prior 10 years would be 1990-1999.

You ended up with the correct interpretation. YOU became a client during the first quarter, as did anyone who came in prior to April 15 (16th, this year) - actually, for [THE COMPANY's] administrative purposes, anyone who became a client by April 1st, so [THE COMPANY] was able to file an automatic extension by April 16. Therefore, you are correct. 2000 is your "current" year, and the years ending in December of each of the years from 1990 through 1999, are the previous 10 years, which the law allows us to go back to with the "letter of request for tax status determination". Therefore, it's 11 years, total, including the "current" tax filing year, which is still 2000. (The 2001 tax year, for filing and refund purposed, begins on January 1, 2002).

As an FYI, the packet I just received is the packet you described below. However, it still contained the letter from the Xxxxxx office instructing me to contact them if I had any questions. Thus, the reason for my interaction with Xxxxx.

And they sometimes wonder why so many people call them! I've been led to understand, that if this has not already been corrected, it soon will be. But, with the August 15 (automatic extension deadline) upon them, the office may just not have got around to actually handling that yet. Unfortunately (he said with tongue in cheek) the office is populated by humans.

In answer to your question about the answering machine, we have one on each line. That is how I heard back from Xxxxx, since no one was home at the time.

I can offer no excuses for calls not being returned. Again, I guess that office, too, is populated by humans. I, will, however, pursue the fact that none of your calls were returned.

Thank you again,
Rxx Dxxxx

.....

Paul, thanks for the newsletter. Could you please tell me what this Corporation sole is that you talked about in the newsletter???

To: dxxxx sxxxxxxxxx
From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: Question about Corporation Sole

Hi Dxxxx,

Corporation Sole is an "entity" created on paper and registered with one of the 17 or 18 States that accept registration. It is a corporation of ONE person (hence, the title "Corporation Sole"). It started before most laws were even recognized, in the church, for the bishop or elder or priest to be able to pass on to posterity that which belonged to the local "church" in the community.

England first "recognized" it under English Common Law, long before America was discovered. Since then, it has become a recognized "entity" around the world. Even in the United States, once it's "registered" with one of the States that officially does that process, it is recognized in all the States. The Corporation Sole can do everything that a "person" can do. In other words, it can buy, sell, own, rent, lease, run businesses, operate bank accounts, make investments, loan, borrow, etc. It can do all of that without having any tax reporting, filing or paying requirements. The IRS will even issue the Corporation Sole a non-tracking "ID" number, so the Corporation can open bank accounts and conduct business in the normal course of business affairs.

Because the Corporation Sole is still "connected" with the idea of a church or "mission" of some kind, the formation of it includes the selection of the particular mission in which the Corporation Sole will be engaged. Because Congress and the courts have refused, through all of American History, and in harmony with the Constitution, to rule or pass any law regarding the identification or establishment of a religion, the Corporation Sole stands alone (no pun intended) among all "artificial" entities in its power to be ALREADY free from the Tax Man, and to offer the ability to pass all its holdings (real and personal property, businesses, investments, agreements, etc.) on to posterity, with no "time limit", and without having to have trustees, or managers, or grantors, or beneficiaries - just the ONE person "in charge", with a single, named successor. In other words, in addition to its "tax benefits", it offers most, if not all, of the benefits of the other "entities" normally "marketed" for the purposes of asset protection, and privacy. However, many (including myself) consider it "unethical" to simply market the Corporation Sole for the primary purpose of escaping the Tax Man, although it certainly accomplishes that without any effort, since it's already been recognized and declared (by the IRS, in this country; and other taxing agencies in other countries) to be inherently free from ANY tax burdens or consequences. It is assumed that the "benefits" accruing to it, will simply be used to further the purposes of its "spiritual" mission. Another advantage it offers, for those who are actually in the kind of mission or ministry that encourages and entails "public" support, charitable donations given to the Corporation Sole are already "tax deductible" for the contributors - all without having to "qualify" and jump through the application and qualifying and operating hoops required of the IRS's variety of "non-profit" corporation, commonly referred to as a "501(C)3), non-profit Corporation".

Three of the biggest "names" that operate as/under Corporation Sole are, the Roman Catholic Church, the Mormon Church (The Church of Jesus Christ of Latter Day Saints) and the Queen of England.

Sincerely,

Paul Leinthall

P.S. I forgot to mention, I have 78 pages of material on the Corporation Sole, which I can email ("PDF" format, attached documents only) or fax to you if you desire.

.....

Dear Paul,

You have been representing [THE COMPANY] longer than myself. I'd like to ask you a question I posed to Joe Lansing. I'd appreciate your feedback.

Is it possible sometime in the future we could be charged with "conspiracy to defraud the federal government"?

I know that many in other organizations have met this fate. I seved time with many of them, so I know first hand. How, or why do you feel safe in regards to promoting [THE COMPANY's] program to others?

Also, why have others who filed exempt W-4 returns in the past had legal problems and even criminal charges, while [THE COMPANY's] clients have not? What is the biggest reason in your opinion?

I'd really appreciate your spin on this.

Regards,

Kxxxx Xxxxxxxx

Hi Kxxxx,

IF we were only purveyors of information, and were enriching ourselves by taking money from people in exchange for telling them how they could avoid paying - while at the same time advocating less than their full compliance with the law - then "perhaps" that of which you speak might be a possibility.

However, doing what [THE COMPANY] does, in staying in 100% harmony with the IRS' OWN laws, the only thing they would have to argue with is their own code.

[THE COMPANY's] client's don't generally have problems with their exempt W-4's because they have effectively gone through the revocation process. Who do you know who got in trouble with the IRS over that issue who FIRST went through the proper process for removing themselves from the jurisdiction of the IRS?

The company has had several clients who were already in trouble in this regard, who were in that trouble before becoming clients. To my knowledge, there has only been ONE client (mine, in fact) who's had this occur after becoming a client; and ultimately,

we believe, even this will be resolved. When there is a problem, the real CAUSE lies with the employer who has no legal requirement to "obey" "instructions" from the IRS about not honoring the employee's "exempt" W-4, but who, himself, often stands in IGNORANCE of the law and in FEAR of the IRS. The problem is compounded when (if) the IRS sends a letter instructing the employer to not honor the employee's W-4 and to withhold "single-maximum". It's possible that this could happen again, and may, perhaps, be even more likely with the IRS scrambling to preserve their identity. But, as I said, even this will be resolved with some new procedures [THE COMPANY] expects to be instituting shortly.

From: Kxxxx Cxxxxxxx
Subject: RE: A Personal Concern I have.
Date: FRI, 27 JUL 2001 17:22:34 -0700

Thanks Paul. I probably knew in the back of my mind this would be your answer, but I wanted to hear a reassuring word from someone like yourself.

You seem to be a master at responding to almost every objection or question. This will better help me understand the difference between what the company does, and what others think they can do.

It is certainly much better than what my father would have done. My father, Ixxxx Xxxxxxxx, was one of the early patriot freedom fights back in the 1960's when I was just a kid. I Remember watching him order IRS agents off of our property and when they refused, he would pick up stones and pelt the agents with them.

I remember the great stress the agents put on my father that eventually lead to his nervous breakdown. I'm convinced the agents arranged to have him hospitalized in a mental ward for the sole purpose of shutting him up. The electric shock treatments almost did until my uncle was able to get him out by some miracle.

The IRS was definitely a different breed back in the 1960's. And they sure had it out for my father and did whatever they could to get at him. You might say they lit a fire in his son.

Fortunately, I won't be flinging any rocks at agents thanks to the wisdom of [THE FOUNDER]. But I still consider my dad a hero of the patriot movement in the old days. I'm sure he influenced many people who were interested in learning the truth.

Just thought I'd share that story with you, Paul, so that you might know the roots from which I come. I'm so thankful to you, Xx, and [THE FOUNDER] for finding your way into my life at the perfect time.

Best regards,

Kxxxx Cxxxxxxx



And that leads us to the next section. I've got a "piece" (literally) of news that fits right in with the main topic of that last dialogue.

=====
[3] News Briefs & Comments
=====

I have to apologize to a client of mine who actually sent me the news article to which I'm going to refer. However, I was in a hurry last week when I receive it, and deleted it without reading all of it. I had missed key element in the newspaper report.

Thanks, however, to another client who lives in the same Florida county, who, after being on a business trip all last week, faxed me the article. On his own, he'd picked up on the interesting part to which I want to refer. In addition to fitting right in with the last dialogue in the last section of this newsletter, it also addresses the issue of "trusts" and using them to defraud the IRS.

The article appeared on the front page of Section B ("Local News") from THE PALM BEACH POST, on Tuesday, July 31, 2000. I went to their web site, but could not find an "archive" of past newspapers, so what I report here will be from the article itself, as I'm viewing it from the fax my client sent me.

The article was titled: "3 'sovereign citizens' plead guilty in IRS fraud case".

After quoting the opening paragraph, I'll skip through the article and pull out just the pertinent (to my points) paragraphs:

Miami -- Three people accused of conspiring with John Philip Ellis to defraud the Internal Revenue Service switched their pleas to guilty Monday, and one agreed to testify against the remaining three on trial in Federal Court.

...The three were employees of companies Ellis created to market "tax-exempt" trusts, in which he said buyers could shelter money and property from taxes. The government says the trusts were shams that resulted in more than \$2 million in tax losses in the five years they were sold.

...He's charged with Interfering with a grand jury investigation by flooding the jury with irrelevant documents, telling trust-buyers to ignore subpoenas and reporting a client had been kidnapped when he was arrested for refusing the jury's subpoena.

...Ellis maintains federal laws apply only to Washington, D.C., and the territories of Guam, Puerto Rico and the Virgin Islands. He and his followers say they have renounced federal citizenship by giving up their Social Security cards and that the trusts they sold were "foreign" and not subject to IRS rules.

"How can there be an intent to do something prohibited by the tax code if they don't believe in the tax code?" Huck (the Judge) asked prosecutors.

"Believing you're a 'sovereign citizen,' and thus immune to authority MIGHT be a defense for somebody who SIMPLY FAILS TO FILE TAX RETURNS," Assistant U.S. Attorney Arthur Lowry said.

"But if you THEN create a mechanism to THROW SAND IN THE EYES OF THE IRS, that is intent to impede and interfere," Lowry said, referring to the trusts.

[Capitalized emphasis mine].

The issue, of course, is NOT about trusts, per se, but about using them to hide from the IRS. These gentlemen and lady (yes, one was a woman) compounded their situation; and this was the real reason they were in court: by "throwing sand in the eyes of the IRS". (I like that phrase. It goes right along with "slapping the bear in the face" and "waving the red flag in front of the bull").

If these folks really believed it was sufficient to surrender their Social Security cards to become "sovereign citizens", why did they need to attempt to hide their money?

Do you see a distinction here, between what these folks were doing (and what so many are misinformed into doing)? You already ARE a sovereign citizen. Regarding the IRS, nothing can take that from you. So, then, how does one get in trouble? How does it come about, that in relationship to the IRS, most folks don't feel "sovereign"? Because, AS SOVEREIGN FREE CITIZENS, they freely (voluntarily) ELECTED to enter a contract with the IRS, and agreed with the IRS that they were "U.S.citizens" for tax purposes. Then, the law of contracts - the terms of that contract - are what obligate and bind them. It's the "terms" of the contract that are spelled out in the IRS Code.

The folks in this article had some good-sounding words, didn't they? I mean, their words even sounded like some words I've used in this newsletter.(i.e., federal laws applying in Washington, D.C., etc.). But, they were missing the key ingredient of their relationship with the IRS being governed by a contract. It was NOT their social security card that got them into the income tax system. It was their own signature on the bottom of a 1040 Form "U.S. Individual" Tax Return; that was the CONTRACT they signed.

Don't you find it interesting that the District Attorney would say, "Believing you're a 'sovereign citizen' and thus immune from authority might be a defense for someone who simply fails to file"?

Of course, we say - [THE COMPANY] says - why get into the place of "defense" in the first place. Why not just follow ALL the rules, and stay 100% in harmony with the laws of the IRS, and then you won't have to defend yourself?

But notice what happens when you "throw sand in the eyes of the IRS"! That's when their ire comes up. ("So, even if you 'might' have gotten away with it before, now you're you're really starting to make me mad!")

I'm glad, and most of [THE COMPANY's] clients are glad, that [THE COMPANY] who represents us, in all our affairs regarding the IRS, does NOT have this "sand in the eyes" - "slapping bear in face" attitude in any of their communications or dealings with the IRS. And they certainly are NOT suggesting that anyone pay a penny less than the amount of income taxes they truly - by law - are obligated to pay.

Fortunately, clients of [THE COMPANY] have handled their responsibility for having freely elected to have signed a contract which did, in fact, obligate them to pay "more than their fair share" of income taxes; and they have correctly and legally revoked that election, so that now, as free citizens, they can go back to paying only that for which they freely choose to become liable.

Since most of us who are clients won't be choosing to reside in federal districts or territories, or have income connected with a trade or business under the federal government's jurisdiction, or become a Member of the House of Representatives or the Senate, or run for the Presidency - we'll probably continue to enjoy not having to pay ANY State or federal income taxes on our income. And we do it in a way that doesn't raise the IRE of the IRS.

=====
[4] Call Reminder
=====

The TAX EXEMPT Conference Call, takes place Wednesday night, August 08, 2001, (and every Wednesday) at 9 PM EASTERN time. The number is: 305-503-1874, pin code 940 (No # required).

I want to mention something to new readers and to folks who have never been on THIS 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 the number 5 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 the number 4 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.

=====
[5] Contact Information
=====

Paul Leinthall
Phone: 661-822-7889, Mon. - Fri. NOON to 8 PM (Eastern)
Email: littlehammer@primemail.com

-----NOTICE-----

In compliance with Title 17 U.S.C. section 107, this material is distributed free without profit or payment for non-profit research and educational purposes only.

=====

To SUBSCRIBE to this newsletter: Simply send an email to "taxexempt@primemail.com" (minus quotation marks) with the word "SUBSCRIBE" in the subject heading. If you want, you can put your name in the body of the email, so I have have a name to attach to the email address; but I do NOT provide this private information to ANYONE ELSE.

You can remove your e-mail address from this list by submitting an e-mail to: "Taxexempt@primemail.com" (minus quotation marks). Put the word "UNSUBSCRIBE" in the subject heading.

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.

About the copyright notice: The copyright notice covers all the contents herein, except quotations, if any. I value my (and the reader's) freedom, integrity and responsibility, and I desire to maintain an environment where I (and the reader) can utilize and distribute this written material. From the point of view of copyright law, if I don't first copyright this material, someone else could; and then, by law, they could disallow me (and the reader) from using or distributing it. Given that fact, copyright is the best avenue I know to continue allowing freedom for all of us regarding this matter.

Therefore, the reader is free to copy, print, use and distribute this material by personal email, fax, or handout (including substituting her own contact information), as long as BOTH the copyright notice AND this explanation of the copyright notice remain in the material. **However, I do NOT, nor does [THE COMPANY], in its own philosophy and ideals, authorize or condone ANY mass media distribution of COMPANY writing or materials, including (and especially) posting to any web sit. However, material written solely by the herein named copyright owner MAY be posted to a web site or some other media - but ONLY with the copyright owner's express, written, prior permission, in each instance.** The responsibility for the words contained herein resides with the copyright owner. The copyright notice makes absolutely clear who is responsible for what appears here; that way, the buck stops with me, should anyone question or challenge what is written herein.

This material is not intended to be interpreted as legal or financial advice. The copyright owner is neither an attorney nor CPA and has no license to offer legal and financial advise. I encourage the reader to study and think for herself and to make her own informed decisions, based on her own desires and beliefs, in harmony with her own inner sense and self-interested, positive and comfortable, good-gut feeling. For THAT, each reader is, himself/herself, entirely responsible.