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

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Tuesday, September 25, 2001

- [1] Welcome: Back to Business
- [2] Questions and Answers: Lots of Them
- [3] News Briefs & Comments: Connection to Source
- [4] Conference Call Reminder: **Wed, September 26th, 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 100% effective results of having the IRS change their internal records to reflect the fact that each client is exempt from income taxes on any income, regardless of amount or source, unless the source of the income is the federal government itself or a trade or business under the sovereign jurisdiction of the government. [THE COMPANY] accomplishes this fully (and only) in accord with the Internal Revenue Code, and thus, none of their clients ever experience adverse IRS confrontation or court proceedings. (I also explain how to "unsubscribe" to this newsletter in this section).

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[1] Welcome

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Hi Friends,

I promised last week that we'd get back to "business" this week. Lots of questions, with answers (some of them long, of course).

Although I talk briefly in the next section about the topic of "the statement" that [THE COMPANY] files with the IRS on behalf of each "non taxpayer" client (in place of a "tax return"), let me emphasize something here that is NOT generally contained in the annual statement, which is a report of the client's actual income. While in may not be true in every single case that no income amounts are reported (since it is possible to have taxable income from federal sources, in which case some figures may well be appropriate), nevertheless, in most cases, income is NOT reported to the IRS. My saying that does NOT mean that employers, businesses and vendors stop sending W-2's and 1099's, etc. to the IRS at the same time they send them to you. It's just that [THE

COMPANY] does not report the income for most clients, as long as the income is not from a income-taxable (federal) source.

However, income IS reported by each client TO [THE COMPANY] each year; and I cover why that is in the next section. Some folks, as you will see, are skeptical of what [THE COMPANY] does if they think that ALL their financial details are being made available to the IRS; and that's simply not the case.

In the event I haven't mentioned it before: EVERY client receives a COPY of EVERY DOCUMENT filed with the IRS on his/her behalf by [THE COMPANY]. Obviously, folks who are not yet clients, don't know some of these details - unless someone tells them, which is part of the purpose of this newsletter.

Now, lets get on with business.

You friend,  
Paul Leinthall  
661-822-7889, Noon-8pm Mon-Fri EASTERN time  
email: [littlehammer@primemail.com](mailto:littlehammer@primemail.com)

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[2] Questions and Answers  
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From: xxx  
To: <[littlehammer@primemail.com](mailto:littlehammer@primemail.com)>  
Subject: Newsletter questions  
Date: Wed, 5 Sep 2001 17:19:04 -0500

...I do have some questions, these have probably been answered before but I have just gotten one newsletter:

1. How long has the company been in business and doing this for clients?

[THE COMPANY] has been in business "as a company" since March of 1999. [THE FOUNDER] had been using the same process as [THE COMPANY] now uses (the revocation of election process), with private clients and friends since the mid-eighties, and it was passed on to him by a gentleman who had been using it in the same manner since the early seventies. In all of that time, no one has been either adversely confronted by the IRS or taken to court. Since [THE COMPANY] has been doing it "as a company", taking clients publicly via representatives, there have been close to 1500 people go through the process, which simply never fails in its ability to produce the results that the clients desire.

2. This does not have anything to do with becoming a Sovereign Citizen, does it? I have known people who have gone to jail by trying this little trick.

No, it does not. [THE COMPANY] does not have to have a person "become" Sovereign, because the way the Internal Revenue Code is structured from the beginning is that only "sovereigns" can freely "elect" to sign a "1040 Form U.S. Individual Tax Return", while having no requirement of law to do so, but which signing establishes a contractual relationship between that "sovereign" individual and the IRS which, from

that point on, obligates the individual signer to liability for federal and State income taxes. That's why the voluntary election into that contract must be properly revoked, and even after it is, there remains a vestige of the contract in the sense that filing annual "returns or statements" continues to be necessary. Of course, [THE COMPANY] continues to do that for each client each year; that's part of what is automatically covered in the annual fees the client pays.

### 3. How long has the company represented you?

I became a client on July 1, 2000. I got on the conference call the last week in May of 2000, but it took me several weeks to get my affairs in order to be able to become a client. With my own background of dealing with the IRS and having them apparently pay no attention to my voluminous communication with them (except to see them raise the amounts I supposedly owed them by adding additional interest and penalties), I knew immediately that what [THE COMPANY] was talking about (i.e., that I had voluntarily elected into a "contract") was the "missing" piece to the puzzle of how to be free from income tax liability AND be 100% in harmony with the law - both at the same time.

### 4. You mention something about referring people and protecting your referrals. Does this mean there is a commission paid to someone for bringing clients to the company?

Only for authorized representatives of [THE COMPANY].

### 5. What is meant by Master Representative?

That is a company term that distinguishes one who is a "Master Representative" from one who is simply a "Representative". A Master Rep has more responsibility. By choice, I am NOT a Master Representative; my interests in representing [THE COMPANY] primarily revolve around representing [THE COMPANY] for my clients benefit and my benefit, while allowing me a greater sense of freedom, in my mind, than being a "master" rep would, with the added responsibilities in that position.

### 6. What if you had a business sometime during the past 10 years, would you need to fill out the business information? Do you need to go back 10 years?

The Business Information Sheet, which is one of the pages in the application, is required of any client who has a business that in any way affects her income as an individual. [THE COMPANY] needs to know this information so they can more wisely represent the client in all matters regarding the IRS, NOT because the client is hiring [THE COMPANY] to represent the business in IRS matters. Although it's possible (for increased fees) for a person to have [THE COMPANY] also represent the business, most folks choose to let their own company business continue to be handled by their local CPA or tax attorney (unless they are simply "sole proprietors", doing business only in their one name), since a business can not go through "the revocation of election process".

What is required when a person chooses to become a client is that the application requires "going back three years" for "income information". This accomplishes several things:

- First, it gives [THE COMPANY] a "picture" of how the clients income flows to her as an individual; for example, whether income flows to the person as an employee of an outside company, or as a self-employed individual, or as a Company owned by the client, who then flows income to herself as an employee of her own company.
- Second, it provides an understanding, (at least in part) on HOW the client has represented herself in the past to BOTH the IRS and (in the case of States that have income tax) the State Taxing agency.
- Third, the "total income" (from line 22 of the 1040 tax return, for those clients who have been faithful income tax return filers) provides the basis for the calculation of the client's second year fees.

An applicant does NOT have to go back ten years in proving [THE COMPANY] information to become a client. The processes [THE COMPANY] uses, however, automatically go back as far as the IRS can go back in "pursuit" of the client for failure to comply with the law regarding income tax matters, which is ten years PRIOR to the current tax year.

The "current" tax year is the year for which "returns" are still being filed with the IRS. On this date, September 24, 2001, the current TAX year is still 2000, and that will continue to be the current "tax" year, until January 1, 2002, when the (then) current "tax" year (for filing purposes) will be 2001.

This sometimes confuses people, because most anyone who is an employee knows that taxes are being WITHHELD this year, and lots of businesses are used to "paying" their quarterly taxes; but the actual final accounting of those monies "paid" in quarterly submissions or "withheld" by employers is different from the actual "paying". The actual amount "paid in income taxes" each year is calculated during the "tax season" of the year following the year in which the monies were withheld (or submitted via "quarterly" returns).

#### [7. What if you have received a tax refund every year? Will the program still benefit us?](#)

Without a doubt, the program will benefit ANYONE who chooses to become a client from THIS POINT FORWARD - because they will be exempt from income taxes on ALL income, except that which might be federally sourced income.

I think your actual question is, will the REFUND process in which [THE COMPANY] engages for each client, be a benefit to someone who has received a refund each year?

The answer to that can vary. FIRST, let me remind you, that [THE COMPANY] does NOT guarantee refunds. They cannot guarantee something over which they have no ultimate control. The rules and regulations regarding refunds are not nearly as distinct and clear in their bearing on the IRS's actual response as are the rules and regulations as to whether, or not, a person is actually a "taxpayer" or a "non taxpayer". But, let me get back to the question of refunds.

The typical "refund" a person enjoys each year via the filing of the typical 1040 Tax return, is, for most people, a "return" of "some" of the money that was withheld during the previous calendar year; it is NOT generally a refund of ALL monies withheld (or a refund of all monies submitted via quarterly returns). If it actually is a refund of ALL

monies withheld, then it can properly be said that the person actually paid ZERO in income taxes. If THAT has been a person's situation for the past ten (or eleven) years, and if that still IS the person's real situation, then there would be no need for him to hire [THE COMPANY] in the first place. There is nothing that could be gained if the person is already "income tax free".

If, as is the case with most people, however, you have "left some money on the IRS table" for most of those past years, and you anticipate continuing to have to put income tax money on their table in future years, then, yes, very definitely, the program will benefit, both toward the future (the most important consideration) AND back to the past, as long as the IRS fulfills their lawful duty of refunding money, that once your true tax status is determined, they realize they should never have collected from you in the first place.

8. I have been through 3 audits (2 with employers and 1 personal) and they terrify me. I keep very good records and on our personal, ended up getting a refund. But it really stressed me out because I had 3 months to obsess about it. This will not trigger any red flags, will it?

I'm sure anyone who has ever had to be audited understands the "stress" which the audit process generally engenders in one's emotional system.

What [THE COMPANY] does, and the services they perform for clients, does not make worse the client's situation or her relationship with the IRS. Some clients come to [THE COMPANY] whose situation is already "worse"; and even in those cases, the work [THE COMPANY] performs has not made worse their situation; in fact, [THE COMPANY] guarantees the same successfyk results to ANY client accepted as a client.

No client has been required to go through an audit as a result of what [THE COMPANY] does. Some clients, already scheduled for audits before coming to [THE COMPANY], come to be clients, and in those cases, either the audit is averted (depending on the time frame), or the client is instructed how to QUICKLY handle (and have the IRS willingly terminate) the audit in fifteen or twenty minutes. When folks become clients of [THE COMPANY], folks who have had prior trouble with the IRS, or folks who have a great fear of the IRS, they generally discover that the IRS's "bark" is a lot worse than their "bite" when it comes right down to the law itself.

9. Does this affect the Mother of All Ponzi Schemes - your payroll deductions for social security & medicare? My husband is a xxx for a xxxxx and I work at home. I have made an offshore investment and am scared that it is actually going to pay off and I don't know what to do with it. If I don't figure it out by the time I am due for payout, (Dec or Jan) I am just going to donate it to some offshore charity. I don't want any more to do with THEM than necessary. It will be a sizable chunk of change.

Thanks for your time,  
XXXX

You're probably going to find that the ONLY thing in the scenario you painted in that last question, which generally can not be easily and immediately alleviated, is the social security and medicare taken from your husband's paycheck. As a self-employed person, you can simply stop paying into Social Security; and if you have paid the "required" 40 quarters, you will still qualify for your Social Security benefits when the time comes.

By the time you receive your "sizeable chunk of change", I think you'll discover that you can do anything you want with it, without adverse income tax consequences. The subject of "offshore income" is still a final area in which [THE COMPANY] is currently "nailing down" further processes to ENSURE that the IRS will not be treating that type of income any differently from the kinds of income you're already enjoying. The "Corporation Sole" is already an answer to that problem, which is something [THE COMPANY] can also, already provide; in addition, as I say, [THE FOUNDER] is fairly certain that in the not too distant future (and he "hopes" by the end of this year), he will have something that will completely eliminate this concern. Lot's of folks on my newsletter list are interested in (and concerned about) this aspect.

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The following two questions are from the same person who wrote the previous questions. I may do a bit of "repeating" what I just said, but since these are areas that often raise questions for people, I'll go ahead and "repeat".

If we become clients this year and get our letter from the IRS, how do we go about getting our taxes back that have been withheld to date and would we owe 1/3 of that to the company?

I know that if the company filed for the last 10 years, we would have to wait on refunds but I didn't find any definite info about the current year. Also, do we have to go back 10 years or could we just select the last 3?

You've used the term "withheld", so I assume you're asking about the monies that have been withheld from your pay in the year 2001, in distinction to monies that were withheld in prior years, but which were "resolved" into taxes actually paid and monies "returned" via the filing of 1040 tax returns each year.

Here's how it works with [THE COMPANY] and the "refunds" of which they speak. When you become a client, the date of the application is the demarcation line for the term "prior". In other words, ALL the tax PERIODS prior to your becoming a client fall into the category where the standard one-third collection fee applies to ANY refunds.

For example, if you were to apply TODAY, not only would prior tax periods include the current year plus the prior ten years, but it would include the tax periods in the current "withholding" year (2001) which will NOT be the current "tax" year, for refund purposes, until January 1, 2001. Until next January, nothing can be said or done when it comes to refunds of monies currently being withheld in this "calendar year". Becoming a client NOW would include certain tax periods in this current "withholding" year, but nothing could be done about refunds for those prior periods in THIS year until that time, just as a person can not file his normal year 2001-1040 tax return until that time.

A similar question usually comes up during "tax season" (January 1 to April 15) i.e., "Should I apply with you now and let you handle the refund, or should I file normally, and get my refund, and then apply to [THE COMPANY] to become a client?" Our answer is always something along this line:

If, by filing a normal 1040 tax return, you will get back what you consider to be a significant amount of money, you would be better off filing your normal return, because generally you'll get it back quicker; PLUS, on that amount you get back, you will not be

paying a one-third recovery fee. If you are not anticipating a refund, or if you have to "pay" more money, then it behoves you to become a client before that obligation is due, and in enough time for [THE COMPANY] to complete the process.

But you're not asking this question during tax season; you're asking it now, and while the same consideration might apply, you may have an additional consideration, or two, at this point.

- When you become a client NOW, you can soon anticipate not having State and federal taxes taken out of your paycheck. How much is THAT worth between now and the time you might file your normal tax return next year? In other words, how much is six or seven months of "income tax free" paycheck worth?
- Also, another important consideration for everyone, is the question of what impact THIS year's income will have on your second year's fee calculation for [THE COMPANY's] services, since NEXT year, THIS year becomes one of the PRIOR years used in the calculation of the second year's fees? I know a number of folks who are expecting a major influx of money BEFORE the end of this year; if they wait until next year to apply, they will have to factor in ALL the income THIS year into that "second year's fee" calculation, and the figure resulting from that calculation could very well offset ANY gains one might experience by "waiting" for a quicker return next year of monies being "withheld" this year.

I'm not suggesting that I know what you should do or what you want to do, but, since I always operate from wanting to know the "rules of the game" so I can play that game to MY OWN best advantage, I assume most folks would also prefer knowing how it works.

In your last paragraph, where you asked about going back for refunds only for three years in distinction to going back ten years, I'm not exactly sure what you're asking. Taking a hint from the statement before it where you said, "...we would have to wait on refunds...", I'll respond by saying this: Regarding refunds for the ten prior years, which, at this point, includes the 2000 tax year as well (so we're talking about eleven years total), there is no distinction in "waiting time". Here's why: in the relatively "new" process that [THE COMPANY] is using for this purpose (the Status Determination Process), the IRS, in their determination, STARTS with the farthest back year, working their way forward to the most recent year, and when they have determined you are a "non-taxpayer" for ALL of those years, they (and you) discover that you have a "credit", which must either be refunded or applied to the NEXT tax year's obligations, which, for [THE COMPANY's] clients don't exist. Using this method, for all practical purposes, it become one (perhaps quite large) credit amount. Since the IRS is obligated by law to be adding interest to what they now owe you, it is in their best interest to let you know and pay it as quickly as possible. Saying that, however, is still not a guarantee of what they will do.

I trust this answers the questions you asked, although it may well have engendered others. I know this gets "tricky" because of all the rules, regulations, and distinctions of definitions of terms, etc., but once you grasp the concept of how it all works, it's actually not too complicated.

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Paul -

Thank you for enrolling me to receive your newsletter. Reading about the several types of citizens prompts a question or two:

The U.S. passport application qualifies the citizenship of each applicant by inserting the term "U.S. citizen" in the oath one subscribes to in submitting the form.

1) How is one NOT a U.S. citizen for tax purposes, yet STILL a U.S. citizen for travel/identification purposes?

As you read ALL the material I sent you, particularly the "Tax Status" booklet and the newsletter from September 11, It will answer your first question. (Hint: there are THREE distinct and different definitions of "U.S." or "United States" in law. The terms used on your passport do NOT carry the same meaning as those same "words" when they are used "for tax purposes" in the Internal Revenue Code. Admittedly, this "confusion" is part of what contributes to the confusion most folks have regarding these matters, and some of what keeps most attorneys and CPA locked in their ignorance of what their subject specialty really says.)

2) Is it proper to strike out the offending words on the passport application and replace them with a notation that properly declares the applicant to be a Citizen of one of the several States?

Your thoughts on this issue are appreciated.  
XXXXX

You do not have to cross out any references to "citizen/national" that you'll see on your passport, or which you might encounter while traveling across country borders. [The phrase "citizen/national" on the passport reveals a distinction of the "citizen" referred to on the passport, in distinction to the "U.S.citizen" referred to in the Internal Revenue Code]. The "citizen/national" on the passport is NOT necessarily the same "citizen" usually referred to in the Internal Revenue Code, particularly when that "citizen/national" lives in one of the 50 sovereign States.

You can see this distinction in most law dictionaries, although in the most popular law dictionary (Black's), you'll have to use their 6th Edition (or earlier), since in their most recent 7th Edition, they are "burying" this distinction by not revealing it. Remember, law dictionaries are NOT the law itself, and the underlying law remains the same. "They" just keeping finding ways to keep people from knowing the whole truth and fact of the laws themselves.

As I alluded to a moment ago, the fact of this type of thing continuing to occur is what keeps even many attorneys and CPA's "in the dark"; and why it's rare to find an attorney or CPA who's professional "ego" allows him to take in information, which, while being true, runs contrary to his "education". In many cases, these professionals' careers would be jeopardized to acknowledge that they don't already know it all, and that they, too, have been ignorant regarding the law and the facts regarding income taxes, just as most of us have been. On top of that, what would most of them do with their careers were they to find out that a lot of what they do regarding income taxes is absolutely unnecessary?

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Paul,

I have an interesting question for you, one I posed earlier to [my Company representative].

We are looking at refinancing our house to take advantage of lower interest rates. One of the lenders I talked with says that they evaluate borrowers according to how much net income they have after taxes, among other things, based on the previous 2-3 year's tax returns.

Obviously, those who are tax-exempt have a greater net income, their mortgage payments are a smaller percentage of their overall income, and they might be considered a smaller risk. Perhaps this would be reflected in a lower rate or other loan costs.

On the other hand, what are the risks of claiming to a lender that we are tax exempt, assuming that they would even believe us? And how could we prove our claim? Have you or any of your colleagues or clients any experience in dealing with this issue?

Keep in mind, the bank has no particular interest in whether you are, or are not, exempt from paying State and federal income taxes. While they might react in a variety of ways to that knowledge, what they are really wanting from you, as you mentioned in your opening paragraphs, is some sort of proof of "...how much net income you have...".

PROVING net income is what you're faced with. There are other ways of doing that. They "ask" (or say they must have) "tax returns" because it's an easy way for them to determine your net income.

The point is NOT to prove that you're tax exempt, but that you have the required amount of "net" income to meet with their requirements for granting the new mortgage. And, yes, as a tax exempt individual, you will definitely have more income with which to qualify.

What are the solutions? Some folks ask the bank(s) what OTHER forms of "proof" will work. How about a computer printout of your checking account? How about a "financial Statement" for two or three years? How about preparing "normal" tax returns, and showing them copies? (It's none of their business whether you actually filed them, or not; you're certainly not "lying" to them, because however you cut it, you actually have "more" income than any such "return" would indicate). Or, you might simply tell them they will have to use some other form of "proof" than tax returns, since your attorney files statements each year on your behalf (which is true, since you sign a power of attorney for [THE COMPANY] to represent you), and then ask the lender what might work for him as "proof" of income.

What about having our accountant file Federal and state returns for 2000 showing that our tax liability was zero? Of course I would first have to inform my accountant that we are now tax exempt, which would be news to him since [THE COMPANY] called us with the news only 2-3 weeks ago. I'm not sure how he would react to that assertion, or if he would be comfortable filling out 1040s for us with a "zero" liability claim.

If you have anyone, including yourself, actually file anything with the IRS, outside your choice to have [THE COMPANY] act as your Power of Attorney, you risk two things:

- The IRS will consider that you are revoking the Power of Attorney of [THE COMPANY], necessitating [THE COMPANY] to go through the work all over again, and
- you will VOID your money-back guarantee with [THE COMPANY] in which they guarantee to produce the results of having the IRS change their view (and records) of you, reflecting that fact that you are, indeed, a "non-taxpayer".

Also, you might shop around to other lenders. If I were in your shoes, I would want someone who WANTED to lend me money and was willing to work with me in the area of what they consider "proof".

Actually, we may have found a lender/loan finder who is very willing. However, he has no idea that we have these unusual tax circumstances, on top of being self-employed, so there's no telling how he will respond to our tax exempt claims.

As I said earlier, you don't have to make "tax claims"; the lender just wants proof of your ability to pay.

You will, of course, have a notarized affidavit (included in your "second Pack", which comes as part of the paperwork you have to notarize and send back to the company). It's one of the same "forms" that is submitted to the IRS, and if you request a new "W-4" package when you apply (or anytime later), you have an affidavit therein, also. That affidavit clearly reveals your declaration of the truth in regards to this issue. It does NOT, however, give the bank what they're looking for in terms of "proof" of income.

Do you or [THE COMPANY] have any concerns about your clients disclosing the existence of [THE COMPANY] and the revocation process to a public institution like a bank? I doubt a loan officer is going to stick his neck out and approve loan terms based upon claims of tax exemption without looking into the claims very closely, including possibly contacting [THE COMPANY] to verify my claims. My only proof at this point are documents that show [THE COMPANY] applied to have my status changed to tax exempt, and possibly someone at [THE COMPANY] verifying to the lender that I am indeed tax exempt. If the lender wants to call [THE COMPANY] to verify my claims, what should I do?

While [THE COMPANY] doesn't have any concerns about you speaking personally about the benefits you enjoy from their services, the loan officer may have any number of reactions to that information. However, he is, as I say, not interested in your tax status, but in your "spendable" (after taxes) income. (Although, on a personal basis, he might be interested in not having to pay federal and State income taxes).

[THE COMPANY] will not disclose ANY details about their clients to anyone. It's against the law. Otherwise, I could call up, saying I was "so & so" and get information which the law says must remain private. That's one of the implications of your having signed a limited Power of ATTORNEY (attorney-client privilege), i.e., your private

information can not be provided to anyone else without your authorization; but, again, except under rare circumstances, [THE COMPANY] would NOT be in a position to verify income, since all they work with is "total" income figures, which figures they got from you in the first place, and which figures you will have "in reality" as an income tax exempt individual. However, with YOUR approval to disclose amounts of income reported to them, I imagine something could be worked out through pre-arranged channels; perhaps if you arranged a three-way (or four way) conversation between the lender and [THE COMPANY] and you along with your representative. But, I'd check with your representative first, to see the procedures that might be required.

Eventually, if you receive an actual letter from the IRS as a result of the "status determination" process, where they say, in essence, "We have determined that you are a non-taxpayer", THAT letter would be the closest thing I can imagine to the type of "proof" you're looking for. There is no "guarantee" you'll actually get one of those letters, however, even though we expect many folks will. The reason I say that is, that there's no "regulation" requiring the IRS to send letters declaring your determination in writing; the law only says, that if they disagree, they must clearly refute it in writing. Minus that written rebuttal, in a timely manner, the law says they have given implied agreement with the non taxpayer status which [THE COMPANY] claims for each client. Since we know what the law is, we know a rebuttal or refutation will never be forthcoming. So, even though every client may not actually receive the letter of determination, the determination will be made. If the IRS doesn't actually send the written letter, then, under the regulation applying to all government agencies (requiring them to maintain accurate records), the IRS WILL change the records (eventually) that are available through the Freedom of Information Act, and that can then serve as "proof"; but that could take some time, longer than you might be willing to wait to refinance your home.

Long before that "proof" ever appears, however, and even without it, you are free to operate under law as a income tax exempt person, a true "non taxpayer" by law. The only thing that remains, of course, regarding your situation, is to provide proof of INCOME sufficient to satisfy your potential lender.

The person I talked with told me that the lender presumes that applicants pay income taxes, and that there's a resulting difference between their gross and net incomes. No matter what form of proof of income I supply, they will want to know how much taxes I pay so they can calculate my net income. If I want to take advantage of the fact that I am tax exempt and thus have a higher net income, I don't see how I can avoid stating my tax status.

Then, if they want to know how much taxes you pay, or for which you are liable, (not liable, although no "figures" are revealed) show them the affidavit you notarized which went to the IRS. The cover letter from [THE COMPANY] tells you it can be used with banks, and such.

And perhaps I might not get that big a break on my loan costs or rate, who knows? Maybe it's not that good an idea to claim to be tax exempt to a public institution like a bank. Any thoughts?

Other than the possibility of it's granting you a lower rate and greater benefits to you, it is neither here, nor there, that they know your TRUE tax status. They might even be interested if they find out that's THEIR true status, too.

Perhaps it would be useful to do one of your newsletters around the issue of "Coping with Zero Income Tax Liability." Certainly we have been more concerned with achieving this state, rather than with the new challenges of living with it, and I doubt that we are unique in this regard.

Regards,  
XXXXXXX

Your questions, and these responses, which I will include in my newsletter (protecting your privacy, of course) may help to serve that purpose. Primarily, it's a matter of education; and that occurs best on a person to person basis. Invite people to get on [THE COMPANY's] conference call. That usually does a really good job of opening eyes.

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Hi XXXXX,

I'll respond to your question by interspersing my responses in what you sent me. However, before I do, let me say that my sense is I may be responding to something that is not entirely in the context of all that was said about the matter, so I'm dealing ONLY with what's here, and I may be assuming some things. With that in mind, let's proceed.

Paul, What do you make of this msg.? This is someone from XXX.

Sent: Saturday, September 22, 2001 6:23 AM  
Subject: Re Corporation Sole

Hi XXXXXX,

I have examined the document on the Corporation Sole and I am not impressed for THIS reason... You are still dealing from within the system as a Child of the state (14th Amendment Citizen) and as such are not going to be heeded.

The ONLY way of getting out of the Tax System CONTRACT is to prove fraud with the contract itself... We do that easily.

Blessings,

xxxxx

From the little I know about XXX [an organization claiming to free people from income taxes], they use some of the same "arguments" that [THE COMPANY] uses, EXCEPT for two things, two very important things:

- they do NOT support the filing of ANY forms with the government, in distinction to the proper and legal filing of "returns or statements" which properly handle issues at the administrative level; and
- because their inherent philosophy is geared toward having to be prepared to defend one's self in court, they subscribe to some truly "legally flawed" arguments (arguments that rarely, if ever, pass muster when they get before a judge).

Hence, while they may promise freedom, the individual who "buys" into the idea of freedom (and it IS a popular idea) is only "free" as long as the IRS is not on his tail. Once the person shows up on the IRS radar screen, anyone dealing in preparation for the

judicial arena is likely to get what he prepared for. The only problem is, when a person is not coming from actually KNOWING he is free WITHIN the law, he is more likely to be pushing against and resisting the law as it is. Whenever a person is pushing against something, his attention is on it, and LAW of ATTRACTION (which is greater than ANY man-made law) will ensure that he gets more of what he's putting his attention on.

To illustrate what I'm talking about here, Jesus, in the "Sermon on the Mount" said, "Agree with thine adversary quickly, while thou art in the way with him; lest at any time the adversary deliver thee to the judge, and the judge deliver thee to the officer, and thou be cast into prison. Verily I say unto thee, Thou shalt by no means come out thence, till thou has paid the uttermost farthing" (Matthew 5:25-26). Unfortunately, quoting that particular passage from the King James Version of the Bible does it injustice, because the Greek Word, "eunoeo" would be best translated in it's literal equivalent "well-mind" or "good humor" rather than "agree", and the Greek word "antidikos", (literally "instead-just") as "plaintiff" rather than "adversary". (The same issue applies to "words" used in most Scriptures that applies regarding "words" used in law, i.e., you need to get down to the real meanings, in their context to best understand what is being said). So it might be best interpreted: "Humor the plaintiff who comes against you, before you actually get into court, because then it's probably going to be too late".

With that simple adjustment regarding the original meanings of those two words, we can begin to understand that to "humor" someone, or be good-natured, or "well-minded" about the way you reply, doesn't mean you have to literally agree with his point of view, but that you don't have to have an adversarial attitude, which is what the judicial system is based on.

So, from my perspective, one of the reasons [THE COMPANY] is so successful, is due to this important distinction in the way they deal with the IRS, which, to me, helps to account for why the IRS has never pursued any client into that adversarial realm, even though we technically (probably) agree more with XXX than we do with the IRS, in the IRS' typical interpretation of what their own law actually says.

Now, let me respond to whatever specifics I can in the message you received. I'll repeat the message you received here again:

Hi XXXXX,

I have examined the document on the Corporation Sole and I am not impressed for THIS reason... You are still dealing from within the system as a Child of the state (14th Amendment Citizen) and as such are not going to be heeded.

What document did the writer "examine"? Does he actually know anything about Corporation Sole, other than the document he examined? Does he know the history of Corporation Sole - that it's older than written law, older than our Constitution, and older even than English Common Law, having itself first been recognized by English Common Law? When was the 14th Amendment passed in relation to all THAT?

The ONLY way of getting out of the Tax System CONTRACT is to prove fraud with the contract itself... We do that easily.

Blessings,

xxxxx

WHERE do you "prove" fraud? I didn't ask, "Where do you CLAIM fraud?" or "Where do you claim to prove fraud?" Where do you actually PROVE fraud?

Is not the only place to "prove" fraud in a court of law? If you've already done that so easily, where is the "proof"? Because any court case having proved fraud against the IRS will be a matter of public record. Give me the legal cite. Lacking that, let me ask you, "What constitutes the "proof" of which you so easily speak?"

Am I saying I think there's been no fraud perpetrated upon the American People? No. I am saying that PROVING fraud is quite another matter.

With what [THE COMPANY] does, they don't have to entangle themselves in trying to prove fraud, nor do they have to waste time and energy in being angry and upset about the possibility that we were defrauded, because the law, itself, has the proper way to handle the whole affair. In addition, the IRS credits each person with all the monies collected in error from the "non-taxpayer", going as far back as the IRS, themselves, can go under the law.

If they actually were able to prove fraud against the IRS, the IRS would be owing their money back. Plus, I believe there is no statute of limitations against fraud in this case - so I ask again, "Where is the proof?"

In the meantime, [THE COMPANY's] clients can go forward, in good humor and "well-mind" , knowing all is well, and that we don't have to keep looking over our shoulder in fear. From my perspective, that rings of the sense of true freedom, not only in the freedom from liability for State and federal income taxes, but in the feeling of "ease" and good humor accompanied thereby.

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[Here's the response I received and some of my further interaction]:

Thanks a lot Paul. As you can see, I'm trying to find out as much as I can. I like the idea of not having to give the govt. any kind of statement. Like it's none of their business how much I make. But there was a feeling of unease about when it might come back to haunt me. I also like the idea of working outside of the system (rebel that I am) but still that feeling of unease about it. Your answer does give me more a feeling of ease.

XXX [the other organization] does claim that they are doing everything according to what the law is, so that is confusing yet to me. If they are, why the unease?  
XXXXXX

To answer your last question regarding why you're feeling uneasy...A negative feeling is ALWAYS an indication from YOUR broader, all-knowing SELF (God in you, if you will) that something about the subject you're focusing on in any moment of such feeling is not in harmony with your true (heart's) desires. (That's in distinction to feeling positive emotion, which indicates the opposite, i.e., that in any moment of positive emotion, your ARE in harmony with your heart's desires and your Inner Being). Your emotional feelings are ALWAYS connected with your focus of attention, and you don't need anyone to tell you what is good for YOU or "bad" for YOU when you're own "inner guidance" is telling you that moment-by-moment.

You see, even the idea and attitude that one has to be "on guard" against the IRS doesn't really "feel" very good, does it? That is a "signal" from your own INNER guidance. And we each have the "power" to choose a different thought about the whole thing; we can choose to think different thoughts and have different ideas, ones that are more in harmony with our own desires and how we WANT to feel.

What [THE COMPANY] has done is to find a way to take the whole thing out of the realm of the "us verses them" attitude. When you're in the attitude of truly knowing the law (and here, I speak of the written "Statutes at Large" in human law), and when you realize that there is a way to "have your cake and eat it, too", without having to take a confrontational or defiant stance, then you're not "emitting" that vibration, and Law of Attraction is not matching that defiant vibration with a defiant attitude coming back from the government agency. In that attitude of harmony and cooperation, a person, then, is able to see ways of achieving the desired results without all the confrontation and without having to prove "right" vs. "wrong" in a court of law. The "wrong" can exist "out there", just as does the radio station that plays all the music you hate, but which has no effect on you unless you tune it in.

By-the-way, [THE COMPANY] does not generally report any client's income to the IRS. [THE COMPANY] has to know the client's income, however, for two reasons: first, to be sure that it is not income from a "taxable" source; and second, in the event the IRS should question anything THEY have regarding a client (because the IRS still receives all the 1099's and W-2's, etc. from the people, businesses and employers with which any client has to do), [THE COMPANY] can speak with intelligence and honesty. The "Statement" [THE COMPANY] files with the IRS each year is simply a statement of law and facts, which is what lets the IRS know the basis on which that person (client) continues to stand in his interaction with the IRS, to the degree that interaction is "still" required under the terms of the contract, as it is in the annual filing of "returns or statements".

Just as the person who has "finished" his tour of duty in the military can not get away from being a "veteran", so a person who has elected to join the income tax system, after having properly revoked the part of the contract that has him liable for paying income taxes, can not get away from annual filing of a "return or statement". And it is THAT simple, primary annual fulfilling of that remaining obligation, done in the proper, procedural way, which is one of the KEY distinctions that gives the IRS the sense that [THE COMPANY] comes to them with absolutely NO argument against them or in any defiant mood or attitude.

As we do it THAT way, we no longer have to "hide" for fear of the IRS, while, at the same time, remaining free to enjoy ALL our income. I call that "having my cake and eating it, too"; on top of which, [THE COMPANY] does all the work. Not bad, from my perspective. What do you think?

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[3] News Briefs & Comments  
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This doesn't exactly fall into the category of "news", except that it references what happened in New York and Washington on 9/11.

Last week in this newsletter, I departed a bit from my "normal" income tax discussion and answered the question about what I "thought" of the World Trade Center

"bombing". I received more replies to last week's edition of the newsletter than I've every received to any edition (all of which were complimentary and containing expressions of appreciation)

Last week, as I contemplated answering the question, I hesitated simply from the consideration that the "purpose" of this newsletter is to talk about income taxes and the possibility of exemption from those taxes.

This week - again with some hesitation in consideration of my purpose in this newsletter - I've decided to include this one response, because the writer provides several examples of "law of attraction" working in his life, including how he "connected" with [THE COMPANY] in his desire to be free from income tax liability. As you may recall, last week I talked about the fact that "law of attraction" is ALWAYS at work, in ALL of our lives, providing each of us with the experiences that are an exact vibrational match to our thinking and feeling beliefs and ideas. I was tempted to include all the responses, but then decided I would be turning this newsletter into something different from it's purpose, and while that certainly would be my prerogative to do, it would detract from the interest of a lot of folks who subscribe to the original purpose of the subject of income taxes and freedom therefrom. It still holds true, of course, that "all things are connected" in various degrees, and "law of attraction" is always the final (and only REAL) adjudicator. By-the-way, just so some of my readers don't think I'm taking anything away from "God", when I appear to talk about some "thing" called "law of attraction", from my perspective, Law of Attraction is God's only way of operating in the Universe, whether it comes to creating galaxies, universes and planets, or whether it's having tomatoes continuing to give, as well as come-from, tomato seeds; or, whether it's having water NEVER actually "mix" with oil. It's that same law that determines that people will not be ultimately satisfied and fulfilled in their hearts' desires until they walk in inner awareness of their own heart-connection to Source.

The person writing this, along with his wife, became clients of [THE COMPANY] in the fall of last year.

Date: Wed, 19 Sep 2001 06:53:24 -0700 (PDT)  
From: xxxxx xxxxxx  
To: littlehammer@primemail.com

To Paul,

Thanks for your news letter of Sept. 18th. I believe it is the best one I have read yet...I too have come to realize that I am one with all that is. The Universe is truly holographic and as author Gregg Braden says we are awakening to zero point. I have been trying to change the way I think because I now know thoughts are as real as any substance. Everything is energy, intelligent vibrational energy. We must be in harmony (Music, Harmonics, good vibrations etc.) or we create disease for ourselves. Fear, hate etc are disharmony and create disease in our bodies.

I can give proof of this in regards to [THE COMPANY]. For years I have searched for answers in regards to the nature of the IRS. I had great fear of them. I had belonged to other tax groups but I always had a feeling in my gut that was still fear. Fear of having to fight them someday. The saying "seek and you shall find" is true. The law of attraction is true. How else could I have ever come across the company. Think about it. You do not advertise, you have no Web site to search for. The only explanation I have been able to come up with is that things



of similar vibrations are attracted to me. When I read your first newsletter about a year ago I had a gut feeling right away that this was it. I instinctively new and was at peace with myself when I sent the check and application in. I have had inner peace that I have never known for many years. It feels right for me.

We are all one but just have many different experiences. I have been working on adjusting my thoughts and attitudes for some time now. I no longer get upset when someone cuts me off in traffic. Now I just laugh and say to myself that is just me experiencing being an idiot. I realize the most true saying of all is do unto other what you want others to do to you. I finally realized that is because what you do to others you are doing to yourself. I have no fear any more because I know nothing can really hurt me unless I want it to. I always was , I always am and always will be. Not in the same physical form but as energy that forever changes form between matter and energy. Consciousness will always exist. I now have greater compassion for everyone and everything because I know they are part of me and I of them. Others are just me having different experiences and of course different perspectives. We truly create our own reality. I know from personal experience that nothing happens by accident and there is no such thing as a coincidence. I can give several personal examples that I believe are not coincidences. One such example; I was in Hong Kong in the Spring and I was waiting for my flight home. I was not looking forward to coach seat for 12 hours. My ticket was the cheapest special seat you could get. Completely impossible to upgrade. If it was possible to upgrade to business class it would be \$1200.00 more. While I was waiting I had been standing next to a donation box for poor children. Not thinking about anything in particular except the long flight home, I emptied my pocket of any Hong Kong money I had into the donation jar. I continued to read my book when I heard my name called to report to the ticket counter. I started thinking what could be wrong now. When I got to the counter they told me that I had been selected for a free upgrade to business class and they handed me the ticket. I kept thinking why me? Then it suddenly dawned on me could it have been due to putting money in the donation jar? I truly believe so. It has been my personal experience that every time I give something away it comes back to me a thousand times greater.

In regards to the WTC, This is truly a tragedy if thought of in the purely physical sense, but everything is as it should be. Those souls did not cease to exist. They were for filling their designed purpose. My first thought was of the horror in the physical sense and this is what the terrorists want us Westerners to concentrate on. But the terrorist obviously know something we don't, and that is that we are immortal or otherwise they would not have given their physical lives for their cause. I have sympathy for the physical lives of the families of the victims that will be affected by this but everything is as it should be. I have great faith in that. I said a prayer thanking them and god that though their experiences it has made it possible for my gold stocks to go up and now tax free to boot. So some good can come out of all this. I do sincerely wish that it would have been some other way, but everything is as it should be. Best regards.

Xxxxx Xxxxxx

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[4] Call Reminder  
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The TAX EXEMPT Conference Call, takes place Wednesday night, September 26, 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.

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[5] Contact Information  
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**Paul Leinthall**  
**Phone: 661-822-7889, Mon. - Fri. NOON to 8 PM (Eastern)**  
**Email: [littlehammer@primemail.com](mailto:littlehammer@primemail.com)**

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You may notice that I refer to [THE COMPANY] or to the founder of the company [THE FOUNDER] in various places throughout the Newsletter. I choose those expressions, instead of providing the actual names of the company or it's founder, for a couple of reasons...reasons which you'll also find reflected in my explanation of the copyright notice (below). I want to insulate [THE COMPANY] and [THE FOUNDER] from undue and unwarranted attention (especially negative attention or reaction), whether from a casual reader or from any taxing agency or authority, their attorneys, or representatives. Therefore, it is my desire that the reader be absolutely clear who is responsible for what appears in this newsletter. This newsletter is NOT sponsored directly by [THE COMPANY] or [THE FOUNDER], and while I believe I am being representative of [THE COMPANY's] and [THE FOUNDER's] philosophy, goals, ideals and the truth in law and in fact on which [THE COMPANY] stands to perform its valuable service for its clients (of which I am one), and while I may quote [THE FOUNDER], or someone else, I always seek to maintain each person's privacy, unless their words are already in the public (published) domain; thus I will take the heat for any negative attention, response or reaction.

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

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