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

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Tuesday, December 18, 2001

[1] Welcome:

[2] Questions and Answers:        Liens, Levies and Purpose for Taxes

[3] Conference Call Reminder:

**NOTICE: The date of the NEXT AVAILABLE Conference Call:**  
**Wednesday, January 9, 2002, 1-305-503-1874, Pin 940**

[4] 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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Hello Friends,

Time passes quickly - more quickly, these days, it seems. Here we are, at the threshold of a brand new year and the next time I write to you will be in that NEXT YEAR. The next newsletter will be on Tuesday, January 8, 2002, three weeks from today.

This coincides with the next conference call, which will be on Wednesday, January 9, 2002.

Also, the marketing offices of [THE COMPANY] will be closed beginning at 5 PM Eastern Time, this Thursday, December 20th. They will reopen at 9 AM Eastern Time, on Wednesday, January 2, 2002.

In the meantime, I trust you all will have a very happy, merry and joyful Holiday Season.

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

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[2] Questions and Answers  
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Hi XXXX,

You wrote:

Hi Paul,

I was listening to a tape by Jim Rohn and he talked about how our income taxes paid for the military to defend our nation.

I have also heard that no income taxes are used for anything related to government expenditures. The government is run 100% by other taxes such as import/export, tarrifs, highway taxes, etc etc.

Is this also true for the Military? Or do income taxes go to federal funding of the armed forces?

I'd really like to know the answer to this as I want this issue to be clear if presented with this question.

Wish you the best of Holidays and a Great and Prosperous New Year.

Regards,  
XXXX

"MOST" people do NOT understand the purpose for so-called "income taxes". I think that purpose is best explained via Beardsley Ruml's speech, to which I referred in last week's newsletter:

<<http://www.taxgate.com/docs/ruml.htm>>.

However, let me take a crack at it from my perspective (since it's the only perspective from which "I" can take a crack).

The primary (hidden) reason for income taxes, which is nothing but a way for the government to pull dollars (federal reserve notes) out of circulation, is to help BALANCE the amount of new (printed) dollars being pumped into the economy by the never-ending printing of fiat paper money. This begins to reveal the REASON behind the Constitutional emphasis on metal-backed currency (silver-backed currency tied to the price of gold), and why, since we left that premise regarding our currency, we've been building a house of cards.

Let me try to use an imperfect analogy: Watering down soup. As anyone knows, who's ever spent time making soup, the more you water-down the soup, the more the nutritional VALUE in each spoonful diminishes. You have the SAME nutritional value spread out over a greater VOLUME of soup. In order to get the same nutritional value, you have to eat more soup. If you water it down enough, pretty soon you're having to consume more soup than your stomach can comfortably hold. This would be similar to the inflation in Germany, when folks had to take a bag of money to buy a single loaf of bread.

The PURPOSE for dollars (or whatever unit of easily exchanged currency a society agrees on) is primarily for the easy portability of that which you're wanting to give in exchange for the VALUE (of things, activities, etc) you desire. In other words, someone else has a valuable thing or service you want, for which you're willing to exchange the value in YOUR pocket (the dollars which represent the real value of your already possessed goods and services, including the value of your labor). If the value of your dollars has been watered down, you have to give more of those dollars in exchange for what you want - not because the value of what you want has intrinsically increased in value, but because the value you have in your pocket, to give in exchange for what you want, has been watered down; therefore you must provide MORE of the dollars to keep the value equal in the exchange. Hence, one of the "secrets" of rising prices. With soup, we call it "watering down"; with dollars, we call it inflation. It's really the same thing.

When the government chose to remove the stability of the fixed value of gold & silver from behind the dollar, they had to support the dollar with some other kind of VALUE. That's where most (if not all) the current confusion about economics and taxation began. The VALUE became a lot more nebulous, and is commonly referred to as "goods and services" - which includes the value of a person's labor, and the combined value of all the goods and services and labor of all the "citizens".

I emphasize "citizens" because if the value of the dollar itself is directly tied to the value of a citizen's labor, then you either need more labor from the citizens you have, OR YOU NEED MORE laboring CITIZENS. Since the FEDERAL government is responsible for the money, it should be obvious that the federal government does not have enough "citizens" under its jurisdiction living within its districts, territories, enclaves and reservations, etc. In other words, since gold and silver are out of the equation, the federal government does not have enough citizen's goods, services, and labor to support the value of the fiat dollars they decide to print. Therefore, they were faced with two problems: First, how to get increased value, which they began to surreptitiously solve by blurring the distinction between Private State Citizens and federal citizens - between sovereign State government and federal government - which has led to the belief that ALL Citizens (State) and citizens (federal) are the "same". The groundwork for this occurrence was actually laid in the Constitution (1:10:1), by the disallowance of any State coining its own money. So, money itself - or the craving thereof - has become the means and the excuse for blurring these distinctions, and for a whole bunch of consequent "evils".

With WWII came a greatly increased need by the federal government for more MONEY to support their Constitutional duty of defending the States (America - the United STATES of America). Using that good "reason", withholding began in 1943, which has not stopped since. Although there is no lawful ground for it to have continued past the direct emergency of the war, as we all know, it has continued. Withholding, in the first place, was simply an easier and more efficient way of gathering the needed funds for that war emergency; after the War, it was a lot easier to continue, since folks were

"conditioned" to the withholding. No law was passed (too hard to get past the Constitutional restrictions); but with the aid of Walt Disney's studios, Donald Duck and his nephews made a great case for continuing the withholding, supposedly for the continuing "needs" of the government.

Of course, all along - since the passing of the Federal Reserve Act in 1913, but more specifically as the government, 20 years later, gradually began removing the value of gold and silver supporting the dollars, while they increased their supposed services to the people - the need for more dollars has increased, and with it, the need for some OTHER measure of value undergirding the dollar.

When all Citizens could count on the value of the silver and gold behind the dollar, it was easy; when that value was removed, and as the measure of value behind the dollar became more about the nebulous values that seemed to be outside the grasp of the "common man" to determine (like the total goods and services of manufacturers and suppliers and the labor required to produce the goods and supplies), and as the VALUE became more and more a determination of the government (seemingly at the WHIMS of whoever was responsible for determining, calculating and tabulating the value), and as they were able to print more and more money, they were increasingly faced with their SECOND problem, which was the watering-down (inflation) of the money supply.

UNLIKE soup, where, once it's watered down, you can't really take the water back out, with dollars, the government could pull certain amounts of watered-down dollars out of circulation. Actually, they'd been doing that all along; as the paper - actually cloth - money got old and torn, they always had always been replacing it, but it was in balance with the gold/silver value behind the dollar, so there weren't more dollars in circulation than the value allowed. But, as we gradually progressed to a fully fiat currency, where the real VALUE was nebulous (due to it's NOT being tied to specified ounces of gold/silver and the VALUE therein), the need to balance the watering down increased. Of course, the government doesn't issue a recall of dollars as a manufacturer might of a defective automobile. There had to be other ways to pull increasingly more amounts of dollars out of circulation - to prevent runaway inflation - which is the primary purpose of so-called "income taxes", which also helped to hide what was really occurring regarding the printing of fiat currency, while also providing an increasing illusion of America's prosperity.

INCOME TAXES - more specifically - the continued withholding of dollars from workers' paychecks, became one good way to do that. (They developed other ways, too, which aren't the topic of our conversation). And THAT is when constructing a "house of cards" of our current monetary system became serious business; THAT is when some critical chapters of the Internal Revenue Code mysteriously disappeared, (back around 1953/54, which is the primary concern and basis for the "Ultimate Lawsuit" you may have heard about). Ever since then, the so-called "income tax" has continued to increase as well, which makes sense, when you balance it with the increased spending (printing) of dollars.

Here's a key part of what Beardsley Ruml stated in his address which speaks to what I'm saying:

The necessity for a government to tax in order to maintain both its independence and its solvency is true for state and local governments, but it is not true for a national government. Two changes of the greatest consequence have occurred

in the last twenty-five years which have substantially altered the position of the national state with respect to the financing of its current requirements.

The first of these changes is the gaining of vast new experience in the management of central banks.

The second change is the elimination, for domestic purposes, of the convertibility of the currency into gold.

There are several other benefits the government gained via the income tax, which Beardsley Ruml addressed in his speech three years after withholding began in 1943. You can read his whole speech, and you'll find that the other reasons reveal that the "benefits" (to the government) are the increased political control and the move AWAY FROM a self-governing (capitalistic) economy - in other words, a redistribution of wealth by the restrictions of "FREE" enterprise and the attempt to not allow all men (humans) in this country to freely decide their own fates.

From MY perspective, this ALL comes from the erroneous idea that people are incapable of freely choosing for themselves what they want, and that they NEED someone else to make the really important decisions for them. In other words: "Your free to do whatever you want, as long as I (the government) agree. In the meantime, in order to keep you in line, and reduce the possibility of your moving outside the guidelines I (the government) have laid down for your benefit, I (the government) and the controlling money interests (same said "FED") will do whatever we deem necessary (including an increasing, graduated income tax) to keep things in line...all for YOUR benefit, of course."

That the US "dollar" has become the world's leading currency has only exacerbated the problem - but that's simply an extension of what is inherent in having abandoned a certified "hard" value (like is present with a known price for gold and silver) against which to balance the printing of the portable form of that value (dollar bills).

In the meantime, they have popularly peddled the propaganda that YOUR income tax dollars are actually used for something other than the anti-inflationary act of pulling old watering-down dollars out of circulation. While the income tax may be a partially effective process for those purposes, it also serves to conceal what's really occurring.

Many people in this county, including (obviously) some famous motivational speakers, continue with the MISS understanding that their dollars actually provide the where-with-all for government's services. While it's true that all government services require money, getting the money for those services are NOT the PURPOSE of the income tax, since they can get all the money they want directly from the FED. To keep the watering-down (inflation) under control, however, they have to pull old dollars out of circulation. They are no longer doing that just to replace the worn-out old dollars, so they have to justify this extraction of dollars (cover it up) by the idea that they "need" it so they can continue providing their ever increasing "services". All of that, of course, serves many politicians, because they can continue promising more and more services; and everybody loves a "giver". The giving, however, comes at a price.

The military? It doesn't matter WHAT the services are. It ALL works the same way. It's really not the "government" but the Federal Reserve Bank that's behind it all. In government, MONEY controls, in most cases. That's a fact of which the Founders of this

country and the Framers of the Constitution were so aware - and which issue was so specifically addressed (both pro and con) in the "Federalist" papers and the "Anti-Federalist" papers, which provide the record of their discussions about these matters at that time.

If you took "money" out of this whole equation, I think it would be obvious, we wouldn't even be having this discussion. It's not just in government that money appears to control. The Apostle Paul, for instance, said to Timothy: "For a root of all of the evils is the fondness for money, which some, craving, were led astray from the faith and try themselves on all sides with much pain." [I Timothy 6:10 - Concordant Literal New Testament]. It's not that money itself is "bad" or "wrong" - but it's the feeling of craving for money, from the belief that there is not enough and that money itself will satisfy one's heart, that is a root of a lot of evil in this world. Lots of folks "try themselves on all sides with much pain" as a result of this craving. In fact, when you think about it, the craving itself (for anything) is "pain". (The word "craving" in this context carries the idea of "needy", "begging", even "selling one's soul to the Devil").

However, we really can't take money out of the equation, can we? I mean not really effectively. Money/currency really serves the purpose of carrying around easily exchanged VALUE in our pockets. Every society in history, that has gone beyond the pure basics of bartering as a way of value exchange, has developed some kind of "currency" to represent the underlying value and to facilitate the exchange thereof among its citizens.

Is this a "Bad" thing? No - of course not. Has it been a "bad" thing that has occurred in our Nation - all the "prosperity" in the past three or four decades? No - not necessarily. In fact, for many, it has been a time of great blessing.

HOWEVER - what we have today is a money SYSTEM that stands on shaky ground because it's been on shaky ground from the start (of fiat money); and it's simply become a lot more obvious as enough time has passed to reveal the flawed aspects of doing it "this" way. AND it is these issues - all of them - that are coming more into play and into question and into peoples' awareness in world affairs these days, including certain "prosperity programs" you may have been hearing about recently. This is about to take center stage next month with the change in Europe to the metal-backed (at least partially) Euro Dollar. The "house of cards" surrounding the subject of money will only become more and more exposed and will, I expect, lead to many changes as the pendulum swings back in line more with the underlying truth of how things really work.

Do you think a fiat dollar will be able to "hold it's weight" (pun intended) against a metal-backed dollar? I think we're about to find out.

By-the-way - as I see it, the whole "war against terrorism" is really about this issue, i.e., money, its tracking and collection, and the politics of the craving thereof.

Sincerely,  
Paul Leinthall

Thanks Paul,

You always over satisfy with your excellent responses.

I forwarded your response to several of my friends and potential clients.

Thank you again.

XXXX



Hi Paul,

I was reading this week's newsletter and had a question regarding Ruml's speech: "Fair Share".

Ruml said that since the government can print all the paper money it needs, it does not need to tax anyone and that it taxes people to siphon off excess paper money that gets printed.

My questions is this: Isn't printed money being spent on something, i.e., goods, services and products the public needs or wants? Paper money is used everywhere and for everything. We get this paper money from the government. We don't have any choice about it. It's been that way since banks came into existence.

Even if the income tax were replaced by a sales tax it is no different from the income tax. It's just a different way of siphoning excess money. But, I don't think it would work anyway because people would just find other ways to buy, e.g., thrift and used goods stores.

So, even though nobody likes to pay taxes, that is just the way it is in the world of goods, products, services.

I signed up with the COMPANY not because I wanted to buck the system. The monetary system is fine the way it is.

Once a person learns all about the law of contracts and that the 1040 is a contract, the idea of paying income taxes is not so bad after all!

Bye Bye, XXXX

Hi XXXX,

Let me respond in my normal way.

...Ruml said that since the government can print all the paper money it needs, it does not need to tax anyone and that it taxes people to siphon off excess paper money that gets printed.

It's not simply to siphon off excess paper money - it's to slow the inflationary effect of printing more money than there is value backing it. I just completed a long response regarding this issue to another questioner, which will be in next week's newsletter.

My questions is this: Isn't printed money being spent on something, i.e., goods, services and products the public needs or wants? Paper money is used

everywhere and for everything. We get this paper money from the government. We don't have any choice about it. It's been that way since banks came into existence.

Well, it hasn't been the way it is today since banks came into existence. The way it IS has changed considerably over time. And the paper "money" (dollars, or more accurately Federal Reserve Notes, as they are today) is not really where the value of the dollar is. The money in YOUR pocket is representative of the goods and services, including your own labor, which is already YOURS, or in your possession. When you spend dollars, you are exchanging the value of your labor (or whatever means you have of "making money") for the goods and services of others in our society which you want, but generally don't get to have until you exchange your dollars for those good and services. The only thing that "money" achieves, is that it's a relatively easy form of exchange, since you can more easily walk around with dollars in your pocket than you might with a used refrigerator you're no longer wanting which you might (under bartering conditions) trade for something else you currently want. Instead, you "sell" your used refrigerator for "money" and then take the money to exchange for the new stereo you want.

Even if the income tax were replaced by a sales tax it is no different from the income tax. It's just a different way of siphoning excess money. But, I don't think it would work anyway because people would just find other ways to buy, e.g., thrift and used goods stores.

Many people are already using thrift stores and used good stores to find things they value for less dollars. But again, the VALUE (or USE TO YOU) of the things you buy in the thrift store or the used goods store, is what you're wanting; and if you didn't have "money" to trade for that, you'd have to arrange some other kind of trade (unless you chose to not exchange), such as something of your's that you no longer want, or by agreeing to pay for it with your services. Sort of like eating a meal in a restaurant, realizing you don't have any money, and then paying for your meal by washing dishes.

You're right when you imply that income taxes are really not the issue, because the so-called income tax issue came about at the time of the passing of the Federal Reserve Act, which created a central bank. But the real problem began as the government removed the clear, calculable VALUE of gold and silver from behind (and under) the dollar, and began moving to what we now call a "fiat" currency ("fiat" meaning "by government decree or authority"), where the value of the dollar is not clearly known at any point in time, and where the more that's printed, without a clear tie-in to the value behind it - and where is the value in a "decree"? - the more it tends to cause what we call inflation, where it takes more of those dollars to procure the same value as before.

But, you've also introduced a topic which, although connected with this discussion, is really a separate issue, which is that the government itself needs "money" in order to operate. Which leads to your next comment.

So, even though nobody likes to pay taxes, that is just the way it is in the world of goods, products, services.

Yes - but what KIND of taxes. There is a Constitutionally correct form of taxes, which are excise taxes - AND, under the proper Constitutional guidelines, even an "income" tax can be correct.

The real purpose of income taxes, as people know them today, is NOT for the government's goods, products and services, but so they can reclaim some of the inflationary dollars they've printed (dollars with no intrinsic value behind them) - sort of like trying to take back some of the water from a soup that you watered down so much that it no longer tastes good. (Not the best analogy, I admit, because you really can't do that with soup; but it serves to illustrate my point).

The "problem" with that is that it's done surreptitiously, and if it weren't for the fact of taking the quantifiable and measurable value of metal out from behind the nation's currency, any real need to tax the income of the American Citizens would be forced to be more forthright, because the government would have to run their own checkbooks the same way you have to run yours (unless you can sucker a whole lot of folks into continually giving your dollars, with no balance of interchange on your part).

I signed up with the COMPANY not because I wanted to buck the system. The monetary system is fine the way it is.

Do you think I'm proposing "bucking the system"? On the contrary, I suggest flowing with the unlimited Energy Source of the Universe and understanding what purposes the income tax system serves - and then paying exactly what you lawfully "owe" in that form. Obviously, for folks who understand and who have taken the proper steps to be in harmony with the law, WITHIN the very system that exists (like have all the clients of [THE COMPANY]), they enjoy the increased VALUE of having more of those present-system-"dollars" in their pockets and enjoying them for their own uses and desires.

Once a person learns all about the law of contracts and that the 1040 is a contract, the idea of paying income taxes is not so bad after all!

Yes - especially when what you pay is ZERO...Zip...Nada...Nothing!

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To: "Paul Leinthall"  
Date: Tue, 11 Dec 2001 15:30:42 -0500

I didn't know that you were going to use my question in your newsletter. Not sure I approve actually...

...that being said, another question. I would like to see the form that is sent to the IRS that excludes me from being a "taxpayer". \$3100 bucks is a lot up front for not knowing what will be sent till after the check is cashed...and the repercussions.

XXXX

Hi XXXX,

I apologize that I didn't mention I might use our dialogue in the newsletter. Since I decided some time ago to completely blank ANY identifying information from the folks with whom I dialogue, I've also given up that extra degree of concern for people's privacy, since blanking out the identifying information is aimed at insuring the person's privacy. These days I'm not paying as close attention to that issue as I used to; all my writing blends together and feels like I'm creating fodder for the newsletter. I guess it

would be good for everybody to know that. Perhaps I should think about putting a permanent notice in my newsletter.

Regarding your wanting to see the form (is "the form" in your mind like a magic bullet?): All Clients get all the forms and have to sign (or notarize) MANY forms. Anyone can choose to apply to be a client - and the forms are a part of a whole PROCESS. The only forms, per se, which [THE COMPANY] gives people prior to becoming a client, are the application, itself, and occasionally, the IRS Form 2848 (Power of Attorney) for a person to sign who has some IRS emergency - so that [THE COMPANY] can begin acting immediately - and that form is freely available to anyone from the IRS website. The Form 2848 is the only form utilized in [THE COMPANY's] process that may get a variation in treatment.

Don't forget, [THE COMPANY] guarantees the results of having the IRS view you as a "non taxpayer," and change their records to reflect that fact, whereas they now view you as a "taxpayer". The results unfortunately require the clients commitment to the "fee degree" of \$3100 for a Couple, or \$2500 for a Single applicant. We'll do everything we can, as [THE COMPANY] and representatives, to answer your questions and provide you the basis in law and understanding of the law from which we operate. This does not, however, include providing either the varying forms and methods of communication that [THE COMPANY] employs with the IRS, prior to the copies of the actual filings, nor the proprietary manner in which the steps of the processes are accomplished, other than what is able to be discerned from the filings.

I can tell you that [THE COMPANY] produces the results; I can tell you they money-back guarantee the results; and I can tell you they've never yet failed to achieve those results.

Beyond that, it's each individual's/couple's decision as to whether they both want the results AND whether, or not, they perceive [THE COMPANY's] services to be the avenue they want to pursue in accomplishing those results.

Sincerely,  
Paul Leinthall



Hi Paul,

I faxed in the Deficiency notice on Tuesday. How do I follow up to make sure that it arrived properly and was legible?

Also, I looked at the last notice that I faxed. This one, in comparison, demands a response within 60 days. As you indicated, that is probably why I didn't receive a copy of a response to it, since it didn't demand a response. Just so I don't get antsy, how long does it normally take before I receive a copy of the response that will be sent in regard to this notice?

Thanks,  
XXXX

Hi XXXX,

The best way to follow up is to call the office (XXX-XXX-XXXX) the day after you've sent a fax, to verify receipt. I've already verified that your last notice was received.

The client is supposed to receive a copy of anything that is filed. You SHOULD receive the copy by, near, or before, the ending of the 60 day period.

The IRS and State taxing agencies are "scrambling" these days, as more and more people are becoming aware of tax issues, much more so these days, due to the internet. The law has not changed, however, and many of their notices carry no real force of law, and this is particularly true of someone regarding whom their rules and regulations no longer apply, due to their having revoked their election into their contract.

It's difficult for folks to understand that taxing agencies work very much like (in fact really ARE) collection agencies. Their notices are geared to get YOU to respond, and hopefully to keep you in (or to get you to come back into) the system. While it's often disconcerting to get notices like that, what you will notice is that the worst that will happen is you may get more notices.

Should you ever receive a "Notice of INTENT to Levy" in the midst of this, give me a call. The keepers of your assets often don't understand the requirements for a lawful levy (the IRS NEVER actually files a LAWFUL levy), and should you receive a "Notice of INTENT", you may want to have a conversation with your bank (or other places where you have easily attached assets) to find out what their policy is should the IRS/taxing agency try to get your money with a "Notice of LEVY". A MINIMUM of 30 days must separate the "Notice of INTENT to Levy" from the "Notice of Levy", and there would be no benefit to the IRS illegally grabbing money that doesn't belong to them.

The problem is, the person or business or employer in charge of your money may not realize the law. "Levy" and "Garnishment" are words with slightly different meanings, but which courses of action work similarly under law. For example, the words "garnishment" and "levy" can be found in Black's Law Dictionary, 6th Ed, on pages 680 and 907:

**Garnishment**...An ancillary (aiding or attendant upon) remedy in aid of execution to obtain payment of a judgment. [*A judgment is a result of a COURT process as is next indicated*]...It is an incident to or an auxiliary of judgment rendered in principal action, and is resorted to as a means of obtaining satisfaction of judgment by reaching credits or property of judgment debtor. This proceeding is called "trustee process" in certain states.

Due process requirements of Fourteenth Amendment, U.S. Constitution requires notice and an opportunity to be heard BEFORE pre-judgment garnishment of wages...Garnishment is regulated by BOTH state and federal statutes. [*Capitalized and italicized emphasis added*]

**Levy.** A seizure. The obtaining of money by LEGAL PROCESS through seizure and sale of property; the raising of the money for which an execution HAS BEEN ISSUED.

The process whereby a sheriff or other state official EMPOWERED BY WRIT OR OTHER JUDICIAL DIRECTIVE actually seizes, or otherwise brings within her control, a judgment debtor's property which is taken to secure or satisfy the JUDGMENT. [*Capitalized emphasis added*]

Here's an example of some questions to ask in a conversation with your banker

Ask the banker this hypothetical Question #1: "Mr. Banker, if one of your bank's clients owes me money, what do I have to do to get you to take that amount of money from his account and turn it over to me?" (Wait for his answer). If your banker understands how these things work under the law, he "should" tell you that you would FIRST have to take that person to court, and if the court agrees with you, then PERHAPS the judge will sign a court order directing him (the banker) to do so, in which case he would be bound by law to obey.

Then ask your banker Question #2: "What if this person owes money to the IRS? Does the IRS have to get a court order before you will turn over money to them from one of your client's accounts? In other words, if the IRS sends you a "Notice of Levy" is that the same as a court order in your mind?"

If he says "Yes," ask Question #3: "So, if I understand you correctly, what you've just told me is, that if the IRS sends you a "Notice of Levy" - which is simply a statement that one of your clients owes them money, and even though it IS NOT ACCOMPANIED BY a signed and stamped COURT Order, you won't ask them for a copy of a valid court order BEFORE you turn over the money, but you will, instead, simply take the money out of your client's account and give it to the IRS. Am I understanding you correctly?"

Question #4: "Would you show me your authorization under law to EVER violate due process of law...and would you particularly show me the law that you think gives you authority to steal money from me based on the IRS's mere say so?"

Do you see what I'm getting at? When it is EVER proper, lawful or legal for ANYONE (bank, employer, or any other person or business) to steal money out of my pocket at the simple whim and fancy of someone else - without THAT "someone else" having to go through the proper legal or lawful channels?

If the banker insists that the bank's policy is to simply "obey" any instructions it receives from the IRS, you might also ascertain whether, or not, he wants to become cognizant of the law (by checking with his own legal department), and once having done that, whether, or not, he wants to continue in that "blind" policy.

If I have a banker like that, and the IRS is threatening levy action, then I want my money elsewhere, because if that is the bank's policy, and they're unwilling to amend it, it paves the way for the IRS or State Taxing agency to grab my money, simply by one of their "notices", which circumvents lawful due process. Were that to happen, I would

have only two avenues of recourse, one of which would be to sue the banker, and the other which would be to wait for [THE COMPANY] to handle it through the administrative process and via a refund process [THE COMPANY] can't guarantee.

Remember, one of the key principles of law is that "Possession is nine-tenths of the law", regardless of what the law supposedly "says". If everyone is acting in harmony with the law, fine; that would be one thing; but in the case of liens and levies from taxing agencies (I should say the "NOTICE" of lien or levy), it is rarely (if ever) the case that the proper procedures of due process are followed. At those times, I'd prefer to revert to the "nine-tenths possession" rule.

Of course, on the other hand, if you really do OWE money to the IRS, under law, then we ALWAYS recommend that you pay it.

Sincerely,  
Paul Leinthall

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Thanks Paul. Does this Intent to Levy action happen much with clients as they are going through the process? If it does happen to us, I'm sure I will be uncomfortable. However, my wife will go way beyond that. I'm already already having a little difficulty keeping her calm.

XXXX

Hi XXXX,

The "INTENT to levy" is not an actual levy; it's one of the standard communications from taxing agencies, intended primarily to shake people up. Obviously, even the conversation about it accomplishes those results, doesn't it?

That's why we try to make people aware of the law. Most of the "damage" the IRS accomplishes is in getting people to experience their own fears of "what might happen." This is aggravated and amplified, of course, every year around tax time, when the IRS makes it a point to have the media carry horror stories (often of prominent people, when they can - like Willie Nelson or Leona Helmsley). It's also the way they try to keep people "in line".

Sometimes people think that what [THE COMPANY] does forces the IRS to take a magic pill, which taken one day, stops them by the next day from sending out any kind of notices or other communications designed to shake the money tree and instill more fear. People often assume that if they're getting such notices, they must be doing something wrong, or in your case, [THE COMPANY] is doing something wrong, or something is not working the way it should.

The IRS AND many State taxing agencies today are fighting for their very existence - because more and more people are becoming aware of the truth in the law, in great part due to the accessibility of information on the Internet. As people become more and more aware, lots of people are doing lots of crazy things, much of which does not work, and which only gets them into more trouble.

Keep in mind, however, that what [THE COMPANY] does is ALWAYS in 100% harmony with the law; and they're not doing "crazy" things that are in any way questionable as being outside the law. Local taxing agency agents, however, are usually the LAST to be able to make this distinction when it comes to [THE COMPANY's] clients.

So, depending on whose case file lands on which agent's desk, and depending on when that file comes to the top of that agents pile, and depending on all sorts of other factors over which even the IRS itself, at present, seems to have little control (and in some cases claims no knowledge), their "machinery" begins pumping out all sorts of communications, which, for people who are "non taxpayers" have no more force and effect of law that they ever did, and which continue to have NO force of law based on the law itself, particularly for people who are, in fact, obeying the law regarding the so-called income tax, as is the case for any of [THE COMPANY's] clients.

So, these two things (i.e., the scrambling WITHIN the Taxing agencies, as a result of the IRS Reformation and Restructuring Act of 1998, and the fact that more and more people are questioning and doing all sorts of crazy things) - these two things result in the taxing agencies having to try to counteract it. They're caught between their own internal pressures to obey the new law, which is more restrictive against THEM, and which gives them even less ability to actually be effective, and the growing number of people who are doing any number of crazy stunts in their efforts to be income-tax free. In other words, The IRS (and consequently, the State taxing agencies) have even less ability to FORCE compliance now than they did four years ago. To compensate for that, they're making more "noise". (In some cases, a LOT more noise).

I don't know of any other way to remain in a calm state of mind about it all than to become more and more aware of the law itself. One of the possible DISADVANTAGES of being a client of [THE COMPANY], especially if becoming a client was (is) combined with the expectation that everyone in the IRS/State Taxing agencies would simply, easily, and quickly "get the point", is that sometimes the uncomfortable feeling is augmented by having someone else handle these responsibilities for you. Another of your classmates in your State made this point very well when he said to me the other day, "I'm generally not in the practice of going down a well on another man's rope." This is the same gentleman, if my memory serves me right, who, prior to becoming a client, and soon after he first heard about [THE COMPANY], said to me, "I've heard frogs fart in the water before!"

This is why we stress so much - and you'll hear this on the conference calls as well as in my newsletter - the importance of folks becoming knowledgeable enough to arrive at a pretty good feeling place BEFORE they choose to become clients. But even with that, for most folks, there remains a wee-bit of the feeling expressed in what that gentleman said. For people like myself, who've actually been through a tough correspondence battle with the IRS on my own, it's a lot easier to feel comfortable, because, with the understanding I now have, I realize the IRS doesn't really have the fangs to bite in most cases beyond the fear they instill with their snarls and growls.

You might convey to your wife that the IRS will welcome anyone back into the fold, with open arms, should she get to the point of really thinking that's necessary. Personally, short of being dragged into court, that wouldn't even be a consideration in my mind - and NO CLIENT has ever been taken to court by the IRS as a result of the services performed by [THE COMPANY]. No taxing agency has any more ground to go to court than they have to obtain a LAWFUL levy prior to going to court. Whenever you

hear of people being levied (bank accounts stripped, wages garnished) by a taxing agency, you will NEVER see it accompanied by the lawful procedure for doing that, UNLESS they FIRST went to court and got a judge of the court to issue the levy. That does NOT mean that people who control your assets (like your bank) always either know the law, or obey it; in fact, they often presume, simply because the IRS says it, that it's law. When a bank turns over a person's money to the IRS, based on a "Notice of Levy" (not a "Notice of INTENT to levy," which is a supposed "warning"), the bank is the one breaking the law. The problem with that is, that you, then, have to sue the bank, as the perpetrator of the crime; and while the IRS will never appear in court to defend the bank, most people are unwilling to take their bank to court.

That's why I suggested that if you receive a "Notice of INTENT", we talk. The law disallows any action being taken for 30 days from such a notice of intent, and I might advise you to take some precautionary steps of having a discussion with those folks who have any control over your assets, to see what "their" policy is. In other words, (speaking to my bank's manager, I might say: "If the IRS instructs you to steal my money, will you, in fact, simply turn over my money without a valid court order, which a lawful levy requires?"). Depending on the answer I heard, I might decide, in the name of caution, to take some further steps of my own to prevent the "crime", since it is, after all, "my" money, and I'd be the one "ripped-off", so-to-speak. You know the old saying: "An ounce of prevention is worth a pound of cure".

So far, the IRS (and State agencies) have not escalated such instructions to that point for clients of [THE COMPANY] who didn't already have that looming on the near horizon prior to becoming clients. I'm only mentioning this as a possible way to help ease your minds, and the minds of anyone who is currently receiving these crazy communications.

In the meanwhile, for those clients who already had that problem before coming to us, [THE COMPANY] continues to be successful in getting levies and liens removed; and the service [THE COMPANY] performs, rather than becoming less effective, is actually getting easier and more effective. In the middle of that, however, there's a lot of snarling and growling going on by the taxing agencies; but, as I say, they have no more force and effect of law than they ever had. They have not YET changed the law, and we don't anticipate them changing it anytime soon.

Even if they would be successful in changing the law, based on Article 1, Section 10, Paragraph 1 (1:10:1) of the Constitution, they cannot pass an "ex post facto law".

From Black's Law Dictionary, 6th Ed, page 580:

**Ex post facto law:** A law passed after the occurrence of a fact or commission of an act, which retrospectively changes the legal consequence or relations of such fact or deed. A Law is unconstitutionally "ex post facto" if it deprives the defendant of a defense to criminal liability that he had prior to enactment of the law.

Sincerely,  
Paul Leinthall

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[4] Call Reminder  
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The Next TAX EXEMPT Conference Call, takes place NEXT YEAR, on Wednesday night, January 09, 2002, (and every Wednesday thereafter) 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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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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