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

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Tuesday, February 5, 2002

- [1] Welcome & Editorial: The Short and the Long of It
- [2] Questions and Answers: 13th, 14th & 16th Amendments and Their Effects
- [3] News Briefs & Comments: Questions the IRS/DOJ Don't Want to Face.
- [4] Conference Call Reminders: **“Question & Answer “Call - for New Folks**  
**Wednesday NIGHTS - 9 pm EASTERN**  
**1-620-584-8202, Pin 2974#**  
**“\*6” (Star 6) MUTES and UN-MUTES your line**  
**ALSO**  
**Corporation Sole (specific) Conference Call**  
**Friday MORNINGS - 10:00 AM EASTERN**  
**Same Number and Pin as Above**  
**PLUS**  
**A CLIENT’S ONLY CALL**  
**Call Your Representative for Number and Time**
- [5] Contact Information, Legal Notice & Notice of Copyright explanation.

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

-----NOTICE-----

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[1] Welcome & Editorial
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Hello Friends,

I'll be short in this welcome and editorial, since I'll be long in the questions and answers.

The IRS has been gearing up their "propaganda machine" over the past six months, and it's beginning to be apparent to me that it might have something to do with a "reaction" to the questions that are forthcoming to public view and hearing on February 27 - 28, 2002, in Washington, D.C.. Even though the IRS and DOJ are reneging on their promise to appear, the hearings will go on for the benefit of those who want to participate. I'll speak more about this in Section [3].

First, let's head straight for the questions and answers. There's a lot to cover in this week's edition.

Your Friend
Paul Leinthall
661-822-7889, 9am-8pm, Mon-Fri., PACIFIC time
email: littlehammer@primemail.com

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[2] Questions and Answers
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Hi Paul:

Would you please send me a copy of the "Do you Know Your Status With the IRS"? I don't think that's exactly the right title, but I think you know what I'm speaking about. I evidently lost mine while having some computer problems. I was on the call last night and thought it interesting. Also I was on a (separate, not [THE COMPANY's]) call later where I heard some interesting info that kind of intrigued me. A party on the call shared that an IRS agent had told her that when they got papers such as ours by certified mail they throw it in the trash on the primus that if it ever becomes a court issue that the only thing the certified letter proves is that they received an envelope, and that their was no proof of any content. Although this seems ridiculous it did make one think...

Hi XXXX,

I don't know what kind of call you were on where you heard that information about the IRS trashing material that comes in certified envelopes, but even if they would do that with any communication from [THE COMPANY], it would be rather stupid, since all "contents" [THE COMPANY] sends to the IRS or any State Taxing agency includes a reference to the same, specific, certified number within the contents as appears on the outside envelope and return green card delivery receipt. If the IRS were to claim they never got the contents, [THE COMPANY] always has a copy of the original contents, which, as I said, references the certified numbered green card receipt by which the IRS has indicated acceptance and receipt. They would immediately be "silenced" were they to attempt to pull a stupid stunt like that.

Of course, just on the basis that we're dealing with human beings, a loss of a package could inadvertently happen; but believe me, the IRS doesn't go to court on that kind of BS you heard on that other call. But then, again, maybe that's why they don't take [THE COMPANY's] clients to court, because if that actually were their practice, at least they know they can't BS a judge in that manner regarding [THE COMPANY's] clients.

Sincerely,  
Paul Leinthall

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[THE COMPANY] has recently been experiencing an increased interest in what they do, not only because this is the time of year when most everyone begins thinking about the subject of income taxes, but also because more and more folks are discovering the world of Offshore Investing, or the investing in what are sometimes referred to as "HYIP Programs". ("HYIP" stands for "High Yield Investment Programs).

As I've recently been addressing the fact that money generated in another country creates a "taxable event" WHEN IT IS BROUGHT INTO our County, more folks have indicated interest in how to shield offshore income (and other forms of property), not only from the "tax man", but from the prying eyes of others. This is sometime referred to as "asset protection", but what we talk about, when we address the subject of the "corporation sole", is a lot more than that. The Corporation Sole carries with it, not only the ability to shield (and safely move) increased amounts of funds, but also the ability for privacy and liability protection, along with no reporting, filing, or paying requirements of any kind or to any agency for income tax purposes; in addition, it makes it all possible without the need for trustees or beneficiaries or complicated "entity-structuring", and, at the same time, leaves the individual in complete control of his money and property.

To meet this increased desire for information in this regard, I've begun talking about "TWO APPROACHES" - one, as we always have, for individual income tax protection and income tax "exemption", and now the other, co-incident approach for those who have other needs, including the ability to engage in the arena of offshore income generation and bring the money into the country without generating a "taxable event," which is covered in different sections of the Internal Revenue Code than the "individual income tax". To this end, [THE COMPANY] has the "Corporation Sole (specific) conference calls on Friday MORNINGS, as referenced above.

I said all that, to introduce this next dialogue:

Paul:

After reading through a good amount of the material you sent me, I am thinking that I would certainly need to set up a "corporation sole" due to the HYIP [offshore] income. In these ventures, really no one is allowed to know any of the details as to how the money is generated, or exactly where.....maybe you can tell me "which" (if not both) of the approaches that I need to take. Any information would be appreciated.

Thank you, XXXXXX

Hi XXXXXX,

You certainly can always take BOTH approaches. The main point to consider is that, while the corporation sole has bullet-proof asset and liability protection, plus Privacy, in addition to no income tax filing or reporting requirements under ANY circumstances, it only "protects" what is IN the corporation sole, and protects only from the point of its creation.

If you have individual income, upon and for which you are "liable" for paying income tax (in other words, income to you or your individual accounts, and reported to the IRS via W-2's, 1099's, 1098's, K-1's or the like), and considering that the only way the corporation sole protects from the "tax man" is by having ALL income going INTO the corporation sole and going out FROM the corporation sole, without having first passed through your personal hands (bank accounts, 1099's, W-2's in your name, etc.), then you will probably also want to be individually income tax exempt. In addition, the individual approach, also protects you going BACKWARDS in time - as far back as the IRS or State taxing agency can "chase" you.

While it's true that no one may be able to tell, in many instances, where your money came from regarding offshore sources (as long as it is not reported to the IRS on some form, such as a 1099), you still have the requirement of law that you "report" income generated from outside the United States. Frankly, I think some of the new laws regarding money tracking and reporting, in the "name" of terrorism, are essentially geared to enable the government to more closely track that type of thing.

Personally, I would rather be protected on both fronts; but of course, that choice is up to each individual.

Sincerely,  
Paul Leinthall

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Last year, the IRS sent out a "News Release" that supposedly addressed what they call "Frivolous Tax Arguments". Over the last six months, I've had about the same amount of inquires (6) regarding the IRS news release. Last week, one of [THE COMPANY's] clients received it, in it's "amplified" 25 page form, from the CPA who handles his business books. I'll let him speak for himself. Then, I'll address his questions:

That IRS News bulletin I sent you, could you please read the sections that pertain to us, especially the 14th amendment and case law that supports it. And the US citizen part. Please tell me why I should not worry. I am sure [THE FOUNDER] has this IRS news letter as it is on the internet and in his research he knows about the IRS claims. but I need to reassured.

Because I am having a little panic attack over what the accountant gave me, I am looking at the "Do you know your true IRS tax status" book and the definition of US citizens. The third definition states that a PERSON MAY BE A CITIZEN OF A PARTICULAR STATE and not a citizen of the United States. This is supported by the State v. Fowler 41 La. Ann 380 case 1889.

In the stuff I faxed to you it said the 14th amendment made us citizens of the US and the State we live. The 14th amendment was passed after 1889. does this pose a problem?

In addition, re: the 16th amendment, the IRS claims in their book that it gives them the right to collect taxes, without apportionment, among the several states and is supported by the Brushaber case. In the "Tax Status" book [THE COMPANY's] contention is just the opposite, i.e., That it is an indirect tax supported by the Brushaber case.

Thanks XXXXXX.

Hi XXXX,

Here's your primary question or concern, as you stated:

[In] that IRS News bulletin I sent you, could you please read the sections that pertain to us, especially the 14th amendment and case law that supports it. And the US citizen part. Please tell me why I should not worry. I am sure [THE FOUNDER] has this IRS news letter as it is on the internet and in his research he knows about the IRS claims. but I need to reassured.

Before I begin my actual reply, let me, via a couple of questions, point out some obvious things I notice about this "IRS NEWS RELEASE" sent from the "Media Relations Office" of the IRS, on August 24, 2001, with the subject heading: "IRS DEBUNKS FRIVOLOUS TAX ARGUMENTS, apparently written by the "IRS chief counsel" (whoever that is).

Don't you find it interesting that the DATE of this press release was just one month PRIOR to when the FIRST "We The People" hearings were Scheduled on September 25, 26, 2001, and that this press release went out just one month AFTER the IRS had supposedly agreed to appear and answer questions at those hearings?

**[Note: I'll be talking more about this in the next section: News and Comments]**

Is it not also interesting, that the CPA for your business, pulls this letter out of the files, just a month PRIOR to when "We The People" were promised they would have hearings, after they had been postponed as a result of the "911 event" - meetings at which both the IRS and DOJ had "promised" to appear?

Also, notice that the News Release is from the IRS "Media Relations Office". Whenever you see that, you know you're in for more of "the party line".

Also notice, that all this is coming to YOUR (and the publics') attention, at this time of year when we know the media is often utilized for its best effect - just prior to April 15, and about the time most people are receiving their W-2's and 1099's - a time of year when the thoughts and attention of greater numbers of "taxpayers" are being influenced so greatly to "think on these things".

As I've read your email, I can see where your questions have developed out of your reading the propaganda. And that's exactly what you're reading - PROPAGANDA. It's geared to continue to instill fear and guilt, in the minds of people who, "they" believe, continually need to be reminded of their taxpayer status.

I'm going to take a little "aside" here: You and I have talked about "law of attraction". In other words, that THOUGHTS and ideas operate by law of attraction, in that every thought or idea has a vibrational frequency, upon which "law of attraction" acts to bring

MORE thoughts and ideas that are "in harmony with" the original thought, whether good or bad.

Let me ask you a question. As you are reading and thinking about the IRS News Release - the same type of propaganda that has kept a lot of people in line for several decades, except, now in a "new form" with better organization, how do YOU FEEL? Are you feeling free, and light, and joyful, and peaceful as you read; or are you feeling fearful, doom-coming-upon-you, worried, embarrassed, maybe even guilty (like YOU might be a bad person) and you might get caught and punished?

Our emotional feelings tell us something VITALLY important, and the emotional feeling system is present within us in every moment. How we are feeling in any moment is a result of our focus of attention, our thought process, and in any moment of thought or consideration, we're either experiencing being in alignment with our Inner Being and our heart's desires, or we're experiencing the opposite.

Personally, I refer to my "Inner Being" as "God inside me", but you may have differing words to describe the same reality, that SOURCE ENERGY, that same life-giving source energy that created universes and planets, and which dwells in each of us and in which we "all live and move and have our being" (Acts 17:28), and is, actually, that in us which "knows" beyond the logic of our words. So, if the words I use to express what I'm saying are not the same words you might use, simply allow me to express a truth that is really beyond words, albeit we are all "stuck", as I am here, using "words" to try to express that which is beyond the words and best descriptions we can find. That being said, the best words I know in my attempt to convey that of which I speak, from my perspective, are often reflected in the words of others. Since I've come from a "biblical/scriptural" perspective, I often make use of things I read in the Bible, a good example being, in this context, when Jesus, in response to a question from the Pharisees (the legal hotshots of his day) were inquiring as to, "when the kingdom of God should come." Jesus replied, "The kingdom of God comes not with observations; neither shall they say, Lo here! or lo there! for, behold, the kingdom of God is within you." - Luke 17:20-21. (The word "within" translated from the Greek word "entos", literally means "in" or "inside").

You can always notice IN YOUR OWN BEING, within your own physical frame - regardless of "religious belief" - that when you are mentally focused on something you want and something you desire and from the point of view of having what you desire, or, at least, of being able to have what you desire, your emotional feelings are POSITIVE. Your emotional feelings INDICATE the vibrational alignment of your THINKING, as to its degree of its alignment with your desires and with your own best interests. Your emotional feelings also indicate when you are NOT thinking in harmony with your own desires and your own INNER KNOWING of what is in your best interests; so, when your thinking is not in harmony with having your desires, you feel the opposite of positive emotions, which we call negative emotions.

Keep in mind, I'm NOT talking about a universally decreed "good or bad"; I'm also NOT saying that emotions themselves are bad. In fact I'm saying ALL emotions are significantly "good" (whether positive or negative) because they indicate the most important thing that ANY indicator or "guidance" can reveal, when it comes to our own thoughts and desires, which is the degree of alignment between our thinking and what we can be expecting to see "more of" in our lives, as "law of attraction" responds to our vibration. Some folks refer to this process as "prayer," but the idea that a person has to be in a specific place or in some specific "posture" in order to be "praying" is misleading. The fact is that everyone is ALWAYS "praying" via the "vibration" he is always (except

when sleeping) emanating to "the Universe" and to "law of attraction," which always gives us more of whatever we're focusing on, via our thought/attention process.

I'm speaking ONLY of the alignment (or non-alignment) of our own thinking with our own Source Energy and our own heart's desires; and that alignment (or lack thereof) is indicated within us in a way COMPLETELY UNIQUE to each person, since for example, I am the only one seeing behind MY eyeballs, and listening between MY ears, and smelling with MY nose, and tasting with MY taste buds, and sensing with MY physical sense of touch. No matter what I may look at or listen to - or in any other way perceive with my five physical senses - I will always have at least a slightly different perspective than any one else, and in many cases, I'll have a greatly divergent perspective from others, due to this unique point from which I perceive.

Even though my perspective may be different, the inner "guidance system" of which I speak, works the same for everyone and is the inherent structural makeup of every human. The inner "judgment" of what feels good or what feels bad emotionally to any person - therefore what IS good or what IS bad for that person - is really known ONLY to that person (and, to God indwelling that person). No one else can tell you how YOU feel; nor can anyone else effectively tell you HOW you SHOULD feel (although not for lack of trying on the part of some folks).

You are UNIQUE, as is every other alive human. To quote the Bible again, "But the anointing which you have received of him abides in you, and you need not that any man teach you...the same anointing teaches you all things, and is truth, and is no lie..." (I John 2:27). The "anointing" in that verse, means the same, from my perspective, as your inner emotional guidance system, and while it does not tell you what is "right or wrong" for anyone else, it certainly tells you what is "right or wrong" for YOU and for any course of action or attention focus you may be entertaining.

If what you are FEELING in your emotions (AS you focus your attention mentally, whether by thinking or remembering or imagining or seeing or listening, or attention-focus coming from any of the five senses) is accompanied by positive feelings of peace, love, joy, happiness, excitement, enthusiasm, passion, etc. (those feelings we call "positive emotions") - that is YOUR OWN GUIDANCE, from YOUR OWN INNER GOD BEING, letting you know that whatever you're focusing on in that moment is good for you. It also, coincidentally, lets you know that you are sending a vibrational signal to "the Universe" that your Energy through you is aligned, which allows law of attraction to deliver the POSITIVE answers to you own heart's desires.

The opposite, is also true; If what you are FEELING is negative emotion, it indicates that, in THAT moment, you are mentally focusing on thoughts or ideas that are not in harmony with what you want, that your Energy is not aligned, thus tending to "shut off" or restrict the coming to you of what you really want. The good news is, there is absolutely no need to continue in that attention focus which you already know "doesn't feel good to you".

Almost everyone knows what negative emotion is, because it feels like, frustration, fear, doubt, worry, unhappiness, guilt, depression, anger, rage, unworthiness, etc. (a list too long and not even worthy of mention, because most of us know only too well what negative emotion feels like). You can always know, in the presence of negative emotion, that whatever the thought or attention focus is regarding, it is NOT the kind of thought process which will produce what you are wanting in your life, because Law of Attraction doesn't care what you vibrate; it will give you WHATEVER you believe.

That's why Jesus said things like, "As YOUR faith, so be it unto YOU" (Matthew 9:29); "What things soever you desire, when YOU pray, believe that you HAVE received them, and you SHALL have them" (Mark 11:24). Another key verse in this regard, the one that "says it all" from my perspective, is in Psalm 37: 4: "Delight (Hebrew word means "luxuriate" or "bask") thyself also in the Lord (remembering that the kingdom of God, or "the Lord" is within); and he shall give you the desires of your heart."

Unfortunately, lots of folks, perhaps even "most folks", entertain as many beliefs contrary to what they want, as they entertain beliefs that are in harmony with what they want, so not much changes in their lives. Therefore, for most people, the experience of their own lives is a "mixed bag" - sometimes they're feeling really, really good (when things are going "right"), and they feel really, really bad, when things appear to not be going their way they want; for "most" people, over all, not much changes, due to this "mixture" of contrary beliefs and thoughts, which are, at all times, indicated, positively and negatively by their emotions (positive or negative).

And the key is: a person really can chose to think whatever he wants. And, he can HAVE whatever he is willing to believe he already has.

But, alas, that is not really the topic of our discussion here - is it? - although I've obviously take the liberty to engage therein (I mean, that a person can actually conjure, in his imagination, ANYTHING he desires, and choose to believe he already has it, which would be accompanied by positive emotion, and then that he would be able to watch how it "miraculously" comes about, as he stays in his joy or basking within his own being).

So, I will return to seeing if I can assist you in piercing though the "thought system" presented by the IRS chief counsel, which, in this case, is probably suspect as to whose best interest is being served by people continuing to be held in its grip.

You said:

Because I am having a little panic attack over what the accountant gave me, I am looking at the "Do you know your true IRS tax status" book and the definition of US citizens. The third definition states that a PERSON MAY BE A CITIZEN OF A PARTICULAR STATE and not a citizen of the United States. This is supported by the State v. Fowler 41 La. Ann 380 case 1889.

In the stuff I faxed to you it said the 14th amendment made us citizens of the US and the State we live. The 14th amendment was passed after 1889. does this pose a problem?

Do you really believe the 14th Amendment MADE you a United States Citizen?

If United States Citizenship did not occur until this 14th Amendment (which took effect in July 28, 1868), how is it possible that ANYONE was a United States Citizen in the 92 years before the amendment?

By-the-way, did you know that some folks also hold the 14th Amendment in question as to it's proper ratification, because at least 10 States were held by force of arms until the proper authorities agreed to vote FOR this amendment? In this case, however, the



challenge was not about taxes, in any regard; it was about States' Sovereign rights for State Citizens and property owners to have "slaves", even though the 13th Amendment, two and a half years earlier, was aimed at the same subject.

Let me quote Article 14, Section 1, paragraph 1, of the amending extensions to Bill of Rights as provided in the first Ten Amendments to the Constitution the United States, commonly referred to as the Fourteenth Amendment:

**All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizen of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.**

You must realize the WHEN and the WHY of the 14th Amendment. It was passed AFTER the abolition of slavery, and AFTER passage of the 13th Amendment, which, itself, was made effective on December 18, 1865. The 13th Amendment says:

**"Neither slavery nor involuntary servitude...shall exist within the United States, or any place subject to their jurisdiction."**

So, why would the 14th Amendment even be necessary?

Before abolition, certain people, born of foreign parents, primarily black, from Africa, living in the STATES, had NO RIGHTS, as their parents had none. They had no "property rights" for they WERE property of the slave owner; and this amendment made it clear that the person who was a slave or a child born of a slave, as long as he was either born in this country or naturalized (which allowed the foreign born parents to become citizens), had the SAME RIGHTS as any other free-born Citizen - and this was AIMED particularly at the STATES where slavery had been a way of life. STATE'S RIGHTS are supreme (which would account, perhaps, for why the proper authorities from at least 10 States had to be held by force of arms until they chose the "right" vote) - and this amendment addressed this fact, and it guaranteed that those who were your slaves or born of slaves before abolition, and living in any of the 50 States, had the same rights as any other State Citizen. Of course, it was going to take another hundred years before what was expressed in this amendment would even begin to resemble what was written, and I'm not sure even yet that we're "there" - but that, too, is not our topic of discussion here.

The fact that this was over slavery and not taxation - and because it came before there was a Federal Reserve, or it's collection agency, the IRS, or any IRS chief counsel to express his opinion regarding how it might apply to the income taxes - that, of itself, should be sufficient evidence to let you know that this amendment is really not proper "fodder" for either side to use in a debate regarding the IRS and income taxes. Income taxes were simply NOT the subject of discussion around which the 13th and 14th Amendments revolved, although the subjects of money and property (particularly "property" in the form of slaves) were certainly motivations and considerations in these two amendments.

But, taking it a step further (as if what I just said were not enough) - and since what you've read has the IRS chief counsel using it as an argument in his propaganda sheet - have you noticed when the IRS chief counsel quotes the 14th amendment, he doesn't

mention the distinction of TWO SPECIFIC CONDITIONS that must be true, BEFORE this amendment can apply to anyone defined as "...citizens of the United States and of the State wherein they reside"? He glosses over the words of the second condition, although they're certainly plain enough to see ("for those who have eyes to see", as Jesus often said, pertaining to the mental attitudes of those who were hearing His words).

The FIRST condition is: "All persons born or naturalized...", and the SECOND Condition is: "AND SUBJECT TO THE JURISDICTION THEREOF". When BOTH those conditions are fulfilled, THEN, maybe we can have some argument over whether this amendment ever pertains to "income taxes". The law must FIRST settle the issue of jurisdiction of the Internal Revenue Code and the laws pertaining to taxation (in other words, "who is made liable by the income tax laws"?); and any lawyer worth his fee, should know this (and probably does), although it may be to any particular attorney's advantage to not make this fact clear, as I think may be the case in this "IRS NEWS REALEASE".

**[NOTE: We'll visit this subject of "jurisdiction" further, when we get to the next "News and Comments" section].**

As you can see, the IRS chief counsel leaves out all mention of jurisdiction (other than the quoting of the part of the 14th amendment which includes that phrase), and, hence, he entirely glosses over the importance of this subject when it comes to actually APPLYING the laws handed down by Congress.

Something else he fails both to quote or to address, which are the words in the same paragraph of this amendment, which state: "...NOR shall any State deprive ANY PERSON of...property (including money), WITHOUT DUE PROCESS OF LAW..." (Capitalized emphasis mine).

One of the things on which you can depend, when it comes to the IRS pursuing what it believes to be the law in their favor, is that they almost ALWAYS leave out some very important steps in "DUE PROCESS". In fact, I can safely say, to my knowledge, that they ALWAYS leave out at least ONE step in "due process". And THIS fact is one which [THE COMPANY] uses to great advantage, because when the IRS is "called out" to account for their lack of due process, they generally hit a brick wall. They really have no legal way "out" of any failure to follow and provide Statutory and Constitutional protections of "due process". This issue is patently more effective when brought up in the ADMINISTRATIVE arena, because then THEY are on the defensive. (Who said - I don't know - "The BEST defense is a good offense"?)

Regarding due process, for clients of [THE COMPANY] who were experiencing some degree of difficulty in their dealing with the IRS or their State Taxing agency before they became clients, [THE FOUNDER] doesn't hesitate, when warranted, to have a "due process hearing" with the IRS/State agency, regarding the particular client. This is an administrative hearing, and almost always accomplishes the results; because now, the IRS is trapped in their own words which claim that EVERY Issue can be handled in the administrative arena.

[In addition, re: the 16th amendment, the IRS claims in their book that it gives them the right to collect taxes, without apportionment, among the several states and is supported by the Brushaber case. In the "Tax Status" book \[THE COMPANY's\] contention is just the opposite, i.e., That it is an indirect tax supported by the Brushaber case.](#)

As you know, and as I've stated before, I'm not one who is generally disposed to searching and remembering particular legal cites, beyond the point of my knowing for myself, what choices of thought I choose to pursue. However, in a quick computer search of the various things I've filed away over the past couple years, I'll provide you with some U.S. Supreme Court Cites that "refute" the position taken by the IRS chief counsel.

Before I do, however, let's talk about a "reality" that exists when you start "playing" in the judicial arena. As you probably know - and a point at which anyone with a little common sense can arrive with a little clear thinking - when it comes to legal cites and the attorneys, lawyers, judges, and ordinary people using them, there are ALWAYS, AT LEAST, two differing points of view. And the "game" in the court room (if you want to call it a game) is to see "which point of view wins" - and sometimes, what might be perceived to be the correct point of view does not always win. Regardless, in any SINGLE court case, one side wins, and the other side loses - although both "winning" and "losing" can be relative and comparative to any person's specific perspective. Such is the world of contrast, which I addressed in last week's newsletter.

With this in mind, you will notice that any attorney (or IRS chief counsel), would only (and logically) quote those cites which "apparently" support the point of view he is espousing. I say "apparently" because, even in some of the cites, unless you can read the entire case in full context, a person could easily be taking things "out of context", as I think I've already demonstrated regarding the 14th Amendment. This can be a fault of anyone, on any side of any argument.

But, now, we'll address the 16th Amendment. I've addressed this topic before, and I think you know that the 16th Amendment is simply NOT a concern of [THE COMPANY's]; nor is the ratification thereof (properly, or not). [THE COMPANY] does not address 16th Amendment issues in any of their processes for clients.

You'll also notice, that MOST (not all) of the cases cited by the IRS chief counsel, are from courts OTHER THAN the United States Supreme Court, and it is ONLY Supreme Court cases that "become" law. You'll probably find, if you want to dig into the actual full text of any Supreme Court case which the IRS may quote, that if it "appears" to go contrary to what [THE COMPANY] does, it is probably being quoted "out of context" to what actually is being said or ruled in the particular case.

Here's the actual wording of the 16th Amendment, as it's found in the United States Constitution:

**The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.**

Forget for the moment any arguments as to which "citizens" this may apply (federal or State), which, itself, is a valid argument, and let's just look at the wording itself: First, "The Congress shall have power to lay and collect taxes on incomes...". Do you think this gave Congress any NEW power of taxation than it already had?

It did NOT; although The IRS, and its chief counsel, would have you believe that it did.

For example, in addressing the "16th Amendment Frivolous Argument", the IRS chief counsel says the following regarding the 16th Amendment. He is saying this is the contention put forth by frivolous arguers:

**Contention: The "United States" consists only of the District of Columbia, federal territories, and federal enclaves.** Some argue that the United States consists only of the District of Columbia, federal territories (e.g., Puerto Rico, Guam, etc.), and federal enclaves (e.g., American Indian reservations, military bases, etc.) and does not include the "sovereign" states. According to this argument, if a taxpayer does not live within the "United States," as so defined, he is not subject to federal tax laws.

Let me address this which he "claims" is a frivolous contention, before taking on his next paragraph, which is his report of what the law supposedly says.

What he said above SOUNDS like he is describing a position [THE COMPANY] takes in their representation to the IRS and State Taxing agencies doesn't it? BUT let me show you the subtleties of his words, and how [THE COMPANY] does NOT fit within the words he is saying.

WHEN have you ever heard anyone in [THE COMPANY], including me, say that the "United States" consists ONLY of the District of Columbia, federal territories, and federal enclaves? But you have heard me use ALL THE same words he uses above, haven't you? So how can the IRS chief counsel be TOTALLY OFF BASE in using the same words I use in this regard? How can his words so mislead and confuse people?

FIRST, he fails to mention any distinction regarding which MEANING of the words "United States" he has in mind. He wants you to think that there is no distinction in law regarding the meaning (and use) of those two words: "United States."

Think about it! Anybody in his right mind, knows that the United States (meaning the 50 States of the United States of America) does NOT consist merely of D.C., federal territories and federal enclaves, as he would have you believe the argument is put forth (and it's true that some folks have actually said words that sound like that in court; and then people wonder why they lose?). But, he doesn't make any distinction about the distinctions in meanings, does he? In fact, while we know that the federal districts, territories and enclaves are part of the United States, we also know that they are NOT, themselves, STATES, in the sense of being one of the 50 States of the union. He doesn't make that distinction, either, does he. And to add to the confusion, when you go to the Internal Revenue Code, the Districts and territories are referred to as "states". (Is it any wonder that people are confused?) But then he doesn't mention that either, does he?

Have you ever heard me, or anyone in [THE COMPANY] argue that the "United States" consist ONLY of federal territories and districts, or that the words "United States" do NOT include the "sovereign" States? Have you ever heard us present such a ludicrous argument?

Well, yes we have used those same words, haven't we? BUT, we ALWAYS use them in the context of being clear WHICH "United States" we have in mind; and it does depend on which "United States" you have in mind when you ask that question, doesn't it? If you're speaking of the Internal Revenue Code itself, where the use and meaning of the words "United States" is quite clear, the use of those two words almost universally

means and "includes federal districts, territories and enclaves, etc" - and, therefore, in that context, "YES", those two words mean ONLY federal districts, territories, and enclaves, etc. BUT ONLY pertaining to the Internal Revenue Code (and a few other rare instances in law where this precise meaning applies, which are not the topic of consideration here), and primarily ONLY in the Internal Revenue Code, FOR INCOME TAX PURPOSES, and NOT in the way the IRS chief counsel promotes it as a "frivolous argument".

Isn't "for income tax purposes" what we're concerned with? But the IRS chief counsel isn't making this distinction or even letting you know there are these distinctions. (I wonder why! Of course, I guess it's possible that even the IRS chief counsel does not actually know the distinctions; but that requires more of a stretch of the imagination than I'm wanting to exert at the moment).

SECOND, he says in his statement regarding this contention:

"According to this argument, if a taxpayer does not live within the "United States," as so defined, he is not subject to federal tax laws."

Do you believe THAT is what we contend - the way he said it? Or have you heard me say, in quite obvious distinction, several things that run contrary to what he is saying here?

Firstly, notice that he uses the word "taxpayer". The question, of course, is, "who IS, and who IS NOT, a taxpayer, as defined by the Internal Revenue Code?" A better way of phrasing that question perhaps, would be to ask: "Who is liable, according to the laws of the United States and the Internal Revenue Code, for paying income taxes, and who is not so liable?" The reason I'm bringing out this distinction, is that ANY taxpayer IS subject to federal tax laws. But first, the question of who is liable has to be answered. The only time the label "taxpayer" can apply to a person is if the law actually has that person being liable for income taxes. Mr. chief counsel doesn't address this, except to present the assumption that EVERYONE is liable; and neither is that established in law; in fact, it is specifically contradicted at law, beginning with the Constitution. No mention of that by Mr. chief counsel, of course.

Secondly, when he says, "...subject to federal tax laws." Which federal tax laws does he have in mind? Excise tax laws? Inheritance Tax? Sales tax? or the So-called "income tax" laws? Giving the benefit of the doubt to his chief counsel, and assuming he means ONLY income tax laws, it is NOT simply a question of "RESIDENCY" in federal districts, territories, and enclaves, etc. which makes one a federal citizen (or "United States citizen") or liable for any income tax. There is the other issue of having **FEDERALLY SOURCED** income, even if a person is Citizen and **RESIDING** in one of the sovereign States, which might make a person "subject to and liable for paying income taxes". If a person has income which is **SOURCED** in United States (federal government) districts, territories, federal enclaves, etc.) - meaning the income comes **DIRECTLY FROM** (not merely originating from) the Federal Government's United States Treasury, OR, if the person's income is from a trade or business **CHARTERED UNDER**, or **LOCATED WITHIN**, the jurisdiction of the federal government, **THAT** federally sourced income is also subject to the "income tax laws". In that case, the sovereign State Citizen would also be a "United States" citizen for tax purposes. This is what the *United States v. Cruikshank*, 92 U.S.542 (1875) and the *Slaughter House Cases*, 83 U.S.36 (1873) had in mind. Here are quotes from those cases, with the words in brackets for explanation and capitalization for emphasis added by me:

We have in our political system a Government of the United States [federal government] and a government of each of the several states. Each one of these governments is distinct [one of my favorite words] from the others, and EACH HAS CITIZENS OF ITS OWN.

It is quite clear, then, that THERE IS A CITIZENSHIP OF THE UNITED STATES [federal government] AND A CITIZEN OF A STATE, which are distinct [there's that word again] from each other and which depend upon DIFFERENT CHARACTERISTICS or CIRCUMSTANCES IN the individual.

By-the-way, it's this matter of "income connected with a trade or business in the United States" which is WHY the Supreme Court ruled as they did in Frank Brushaber's case, because his income was dividend income from Union Pacific Railroad, which was CHARTERED by the federal government (the "United States") when Utah was a "United States Territory" and before Utah became a sovereign State. Since Union Pacific never changed their charter, the railroad company has always been a "business or territory within the United States", although they are located OUTSIDE the actual "physical" jurisdiction of federal districts or territories.

And that will give you the "clue" to the IRS chief counsel's exposition in the next paragraph about "The Law" pertaining to this 16th amendment "frivolous argument". Here is what he says:

**The Law:** The Internal Revenue Code imposes a federal income tax upon all United States citizens and residents, not just those who reside in the District of Columbia, federal territories, and federal enclaves...the court cited *Brushaber v. Union Pac. RR*, 240 U.S. 1, 12-19 (1916), and noted the United States Supreme Court has recognized that the "sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation, not just in federal enclaves." This frivolous contention has been uniformly rejected by the courts.

"...upon ALL United States citizens and residents, not just those who reside in District of Columbia..." etc., etc. More play on words! Notice, for example, the quote he uses from the U.S. Supreme Court in "*Brushaber v. Union Pacific Railroad Company*":

...the "sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation, not just in federal enclaves."

Well, if you're like Frank Brushaber, living in one of the 50 States, with dividend income from a federally chartered corporation like Union Pacific Railroad, then FOR TAX PURPOSES, you ARE one of those "United States citizens [FOR INCOME TAX PURPOSES] throughout the nation." But, again, he's not mentioning that distinction, is he?

Now, let's jump to the other side of the "argument" To illustrate what I'm talking about, i.e., that people (including attorneys, as well as people like me who are not attorneys) can find legal cites to support the opposite position - here are some cites which run contrary to Mr. IRS chief counsel. These all, by-the-way, are U.S. Supreme Court cases. Any bold emphasis is mine. Remember, however, that it is ALWAYS the case, in ANY court issue, that legal cites are culled from the body of case rulings, to support each side to the argument. These "just happen" to support "our" position:

Brushaber v. Union Pacific, 240 U.S. 1 (1916):

"We are of the opinion that the confusion is not inherent, but rather arises from the **conclusion that the 16th Amendment provides for a hitherto unknown power of taxation**; that is, a power to levy an income tax which, although direct, should not be subject to the regulation of apportionment applicable to all other direct taxes. And the far-reaching effect of **this erroneous assumption . . .**"  
Stanton v. Baltic Mining Co., 240 U.S. 103 (1916):

"The provisions of **the Sixteenth Amendment conferred no new power of taxation** but simply prohibited the complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged . . ."

Southern Pacific Co. v. Lowe, 247 U.S. 330 (1918):

"**We must reject in this case**, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909, **the broad contention submitted on behalf of the government that all receipts, everything that comes in, are income within the proper definition of the term 'gross income'**. Certainly the term 'income' has no broader meaning in the Revenue Act of 1913 than in that of 1909, and for the present purpose we assume there is no difference in its meaning as used in the two acts."

Doyle v. Mitchell Bros., 247 U.S. 179 (1918):

"An examination of these and other provisions of the Act make it plain that **the legislative purpose was not to tax property [income] as such**, or the mere conversion of property, but to tax the conduct of the business of corporations organized for profit upon the gainful returns from their business operations."

Peck & Co. v. Lowe, 247 U.S. 165 (1918):

"**The Sixteenth Amendment**, although referred to in argument, has no real bearing and may be put out of view. As pointed out in recent decisions, it **does not extend the taxing power to new or excepted subjects.**"

Eisner v. Macomber, 252 U.S. 189 (1920):

"**The Sixteenth Amendment must be construed in connection with the taxing clauses of the original Constitution and the effect attributed to them before the amendment was adopted.**"

"**Proper regard** for its genesis as well as its very clear language, **requires also that this amendment shall not be extended by loose construction, so as to repeal or modify**, except as applied to income, **those provisions of the Constitution** that require an apportionment according to population for direct taxes upon property, real and personal."

"In order, therefore, that the clauses cited from Article 1 of the Constitution may have proper force and effect, save only as modified by the amendment, and that the latter also have proper effect, **it becomes essential to distinguish between what is and what is not 'income' as the term is there used.**"

Merchant's Loan & Trust Co. v. Smietanka, 255 U.S. 509 (1921):

"There would seem to be no room to doubt that the word 'income' must be given the same meaning in all of the Income Tax Acts of Congress that was given to it in the Corporation Excise Tax Act, and what that meaning is has now become definitely settled by decisions of this Court."

Bowers v. Kerbaugh-Empire, 271 U.S.170 (1926):

"Income has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the 16th Amendment, and in the various revenue acts subsequently passed."

**ANALYSIS OF THESE RULINGS:** These rulings state without ambiguity that the 'income' referred to in the 16th Amendment and the subsequent Revenue Acts is the same as the corporate income referred to in the Corporation Excise Tax Act of 1909. (Southern Pacific, Merchant's Loan, Bowers.)

**These rulings also state without ambiguity that income tax is an indirect, excise tax imposed on the privilege of doing business in a corporate capacity, measured by the amount of gain or profit resulting from the business. (Flint, Stratton's, Doyle, Eisner.)**

**Nowhere do these rulings state or even suggest that income tax is a direct per capita tax on wages, salaries, or compensation for personal services...**

Regarding the wording of the 16th Amendment, let me mention one more thing, i.e., the words in the amendment, which the IRS just LOVES to present to "taxpayers". The words: "...from whatever source derived..."

The IRS (and perhaps even your CPA) would have you believe that, pertaining to sources of income, the word "whatever" has no limitation. But the "sources" of what can even be considered "gross income" are limited to specific taxable sources in the Internal Revenue Code. When one has this list in mind, THEN the words, "...from whatever source derived..." will be accurate, Here's the list [THE FOUNDER] sent me, from Section 861 of the IRC, with the references to the specific regulations which implement and give power to the statutes. Keep in mind that "U.S" means "federal government":

- 1. Income from taxable foreign sources (26 CFR § 1.861-8(f)(1)(vi)(A)).
- 2. Foreign mineral income (26 CFR § 1.861-8(f)(1)(vi)(B)).
- 3. Income from foreign oil and gas extraction (26 CFR § 1.861-8(f)(1)(vi)(D)).
- 4. Income from a domestic corporation that has an election in effect under 26 U.S.C. § 936 (Puerto Rico & possession tax credit) (26 CFR § 1.861-8(f)(1)(vi)(E)).



- 5. Income from an insular possession of the United States (26 CFR §§ 1.861-8(f)(1)(iv)(F)-(H); see also, definitions of "State", "United States" & "citizen" at 26 CFR § 31.3121(e)-1 and "American employer" at § 31.3121(h)-1).
- 6. Income from a China Trade Act corporation (26 CFR § 1.861-8(f)(1)(vi)(I)).
- 7. Income from a foreign controlled corporation as fiduciary agents of the corporation (26 CFR § 1.861-8(f)(1)(vi)(J)).
- 8. Income from the insurance of U.S. risks under I.R.C. § 953(b)(5) (26 CFR § 1.861-8(f)(1)(vi)(K)).
- 9. Income from operation of an agreement vessel under section 607 of the Merchant Marine Act of 1936, as amended (26 CFR § 1.861-8(f)(1)(vi)(M)).
- 10. Wages, remuneration, or other compensation as an officer or employee of an ocean-going vessel construed as an American employer (26 CFR § 31.3121(f)-6).
- 11. Gambling winnings from the District of Columbia or insular possessions of the United States.
- 12. Income from production and/or distribution of alcohol, tobacco or firearms in the District of Columbia or insular possessions of the United States. (I.R.C. Subtitle E)
- 13. Income from maritime (international or domestic) trade in opium, cocaine or other controlled substances.
- In addition to the above, working for the federal government as an employee or contractor or being an elected [federal] official constitutes taxable income.

On final consideration, in the form of SIX questions:

- Why do you think the IRS neither denies nor refutes the filings [THE COMPANY] makes on each client's behalf, except to further send out their prepared "propaganda" messages like the one your business's CPA sent you?
- Why have they not pursued [THE FOUNDER] into court over these issues, since he has been using these same basic processes for the last decade?
- What position do you think any IRS attorney would have (including Mr. chief counsel), trying to explain to the courts the IRS' lack of timely denial or refutation, when [THE COMPANY] repeatedly, in each client's case, asserts our position on the basis of law? In Black's Law Dictionary, 6th Ed., page 48, under "**Admissions by silence**", here is what you can read, in part:

If a statement is made by another person in the presence of a party to the action, containing assertions of facts which, if untrue, the party would under all the circumstances naturally be expected to deny, his failure to speak has traditionally been receivable against him as an admission.

- What ground at law would you suppose they would even have to initiate a movement into the courts, where their "panties might start showing," particularly given their "admissions by silence"?
- What do you think might be the REAL reason the IRS and DOJ don't want to appear at the hearing in Washington, D.C. to answer the 299 questions prepared by the "We the People Foundation" - some of which, by-the-way, are quite good, and would definitely give the IRS and DOJ a very difficult time in answering without its being obvious that they're not being entirely forthright and honest about what the law really says?

[NOTE: More coming in the next section regarding this].

- How much time have you spent reading the actual papers, filed on your behalf by [THE COMPANY], particularly the 40+ page legal memorandum associated with the "Status Determination Request", copies of which should be in your possession if you're a client and the paperwork has been filed in that process for you. I know it's not the easiest reading in the world, but it certainly reveals the law applying to us as inherently free persons, and give you a hint at the mountains of legal evidence the IRS would have to overcome to take the "challenge" out of the administrative arena.

I trust this adequately addresses your questions for the moment. Since the thoughts I've been presenting are on a different "vibrational frequency" - a different radio "station," if you will, than the frequency of the station from which the IRS typically broadcasts, and since I believe the music on the vibrational frequency from which I'm broadcasting is more in harmony with your own sense of freedom and liberation, your own Inner Knowing, I think you've probably realized in the reading, that you're feeling better. And that good feeling is the result of your own attention-focus being on thoughts and ideas that are more in harmony with your own desires and purpose in this life.

To quote another "Paul". (This fellow, unlike myself, is called a "saint"):

"Finally, brethren, whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be an virtue, and if there be any praise, think on these things."  
(Philippians 4:8)

Your friend,  
Paul

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[3] News Briefs & Comments  
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As most have heard by now, the IRS and the DOJ are saying they will NOT be appearing to answer questions from "We The People Foundation" on Wednesday and Thursday, February 27 and 28. That's not stopping "We The People", however. They're going to hold the public hearings, including a live audio/video web cast and recording. If you're interested, you can go to their web site to sign up for the web cast, which will include 2 CD's, a full transcript, and all the supporting documentation: < <http://www.givemeliberty.org> >.

They have prepared 299 Questions for the IRS and the DOJ to respond. It will certainly be interesting IF the IRS and DOJ would appear, to hear their answers, because a fair number of the questions are really "on point". From my perspective, other of their prepared questions take an unnecessary detour, some of them leading absolutely nowhere, from what I can tell. But some of the questions are very appropriate - not only to the hearings, but to what I've been addressing in this newsletter. Anyone who desires, can go to their site, and read ALL 299 questions, but for my purposes here, I'm going to include just their index of the questions, and some of the questions that illustrate and address what we've been discussing today.

I'm going to start with their questions number 46 and 47, because they illustrate what I was talking about earlier, regarding the 14th Amendment; as becomes quite evident, these questions address the issue of "jurisdiction".

In the case of "We The People", they're not wanting merely a "silent admission". They want a full verbal or written admission. (There is a distinction between "admission" and "confession" or between "admit" and "confess" - although not much. The only difference is that "confession" is admitting complicity to a WHOLE crime, while admission is admitting certain facts pertinent to a crime). As you'll see, most of the questions start out with the word, "Admit". The series of questions I've selected (particularly numbers 48-52) illustrates why [THE COMPANY] would rather have the IRS "silently admit" the facts at the administrative level, which tremendously increases THEIR burden of proof to the contrary were they to even attempt to pursue a client into court. Those questions (i.e., 48-52) do NOT pertain to facts [THE COMPANY] uses, but only serve to illustrate that taking on the IRS in the Judicial Arena is a "tough row to hoe", and illustrate why (possibly) the Department of Justice does not want to answer some of these questions.

## Truth-in-Taxation Hearing Questions

### INITIAL QUESTIONS

January 22, 2002

(note: Additional questions to be released soon)

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<a href="#">16th AMENDMENT, AMBIGUITY OF THE LAW</a>	63-121	Was the 16th Amendment properly and legally ratified? How can an ambiguous law be enforced?
<a href="#">RIGHT TO LABOR</a>	122-191	Is labor something that can be taxed? What constitutes "income"?
<a href="#">PAPERWORK REDUCTION ACT, ADMINISTRATIVE PROCEDURES ACT &amp; REGULATIONS</a>	192-231	Significant anomalies exist between the "laws" and the procedures of the IRS.

[COURTS ARE CLOSED](#)

232-280

The courts work in complicity with DOJ/IRS to deny due process.

[5th AMENDMENT](#)

281-299

How can the government force you to waive your Constitutional rights?

46. Admit that 26 C.F.R. Section 1.1-1(c) states that: "Every person born or naturalized in the United States, and subject to its jurisdiction, is a citizen."

47. Admit that a person who is born or naturalized in the United States but not subject to its jurisdiction, is not a citizen within the meaning of 26 C.F.R. § 1.1-1.

48. Admit that on April 21, 1988, in the United States District Court, Southern District of Indiana, Evansville Division, in the case of United States v. James I. Hall, Case No. EV 87-20-CR, IRS Revenue Officer Patricia A. Schaffner, testified under penalties of perjury that the terms "subject to its jurisdiction" as used at 26 C.F.R. 1.1-1(c) meant being subject to the laws of the country, and that meant the "legislative jurisdiction" of the United States.

49. Admit that in the same case, Patricia A. Schaffner testified under oath the term "subject to its jurisdiction" could have no other meaning than the "legislative jurisdiction" of the United States.

50. Admit that when Patricia A. Schaffner was asked to tell the jury what facts made Mr. Hall subject to the "legislative jurisdiction" of the United States, the prosecutor, Assistant United States Attorney Larry Mackey objected, and the court sustained the objection.

51. Admit that the Internal Revenue Service is never required by the Federal courts to prove facts to establish whether one is subject to the jurisdiction of the United States.

52. Admit that the United States Department of Justice and United States Attorneys, and their assistants, always object when an alleged taxpayer demands the Government prove that they are subject to the jurisdiction of the United States, and the federal courts always sustain those objections, which means that the federal courts routinely prohibit the introduction of potentially exculpatory evidence in tax crime trials.

52(a). The IRS keeps a system of financial records on federal judges, IRS Criminal Investigation Division Special Agents, and U.S. Attorneys, which records cannot be accessed by the subject(s) under the FOIA or Privacy Act.

53. Admit that unless specifically provided for in the United States Constitution, the federal government does not have legislative jurisdiction in the states.

54. Admit that on December 15, 1954, an interdepartmental committee was commissioned on the recommendation of the Attorney General of the United States, Herbert Brownell, Jr., and approved by President Eisenhower and his cabinet, named the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, and charged with the duty of studying and reporting where the United States had legal authority to make someone subject to its jurisdiction. (Note: this report hereinafter referred to as "the Report.")

55. Admit that in June of 1957, the "Interdepartmental Committee for the Study of Jurisdiction over Federal Areas Within the States" issued "Part II" of its report entitled "Jurisdiction Over Federal Areas Within the States."

56. Admit that the Report makes the following statements:

a. "The Constitution gives express recognition to but one means of Federal acquisition of legislative jurisdiction -- by State consent under Article I, section 8, clause 17... Justice McLean suggested that the Constitution provided the sole mode for transfer of jurisdiction, and that if this mode is not pursued, no transfer of jurisdiction can take place."

b. "It scarcely needs to be said that unless there has been a transfer of jurisdiction (1) pursuant to clause 17 by a Federal acquisition of land with State consent, or (2) by cession from the State to the Federal Government, or unless the Federal Government has reserved jurisdiction upon the admission of the State, the Federal Government possesses no legislative jurisdiction over any area within a State, such jurisdiction being for exercise by the State, subject to non- interference by the State with Federal functions,"

c. "The Federal Government cannot, by unilateral action on its part, acquire legislative jurisdiction over any area within the exterior boundaries of a State,"

d. "On the other hand, while the Federal Government has power under various provisions of the Constitution to define, and prohibit as criminal, certain acts or omissions occurring anywhere in the United States, it has no power to punish for various other crimes, jurisdiction over which is retained by the States under our Federal-State system of government, unless such crime occurs on areas as to which legislative jurisdiction has been vested in the Federal Government."

57. Admit that the phrase "subject to their jurisdiction" as used in the Thirteenth Amendment means subject to both the jurisdiction of the several states of the union and the United States.

58. Admit that the "subject to its jurisdiction" component of the definition of citizen set out at 26 C.F.R. Section 1.1-1(c) has a different meaning than the phrase "subject to their jurisdiction" as used in the Thirteenth Amendment to the Constitution of the United States.

59. Admit that a Treasury Regulation cannot create affirmative duties not otherwise imposed by Congress in the underlying statute. corresponding Internal Revenue Code section.

60. Admit that Congress defined a "taxpayer" at Section 7701(a)(14) of the Internal Revenue Code, as any person subject to any Internal Revenue tax.

61. Admit that one who is not a citizen, resident, or non-resident alien, is not an individual subject to the tax imposed by Section 1 of the Internal Revenue Code.

**[NOTE: [THE COMPANY] makes a distinction between "non-resident alien" and "non-resident alien foreigner". Question 61 really means the latter, since the CODE defines State Citizens as the former. When one understands that the IR Code is written FROM the perspective of the "federal" government, or the federal "United States", it's easier to see how in the law, you and I could be both non-resident to federal territory and alien (foreign) to its jurisdiction, hence a "non-resident alien." It doesn't appear that We The People have caught on to this distinction yet. It's probably not going to matter too much, in any event, if neither the IRS nor the DOJ are going to show up to answer the questions. In the meanwhile, and even after the while, [THE COMPANY] will continue being successful in the methods that we already know work].**

62. Admit that an individual who is not subject to the tax imposed by Section 1 of the Internal Revenue Code, is not an individual required to make a return under the Requirement of Internal Revenue Code Section 6012.

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[4] Call Reminder  
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The **TAX EXEMPT Conference Call**, for “new” folks, takes place **EVERY Wednesday NIGHT** at **9 PM EASTERN** time. The number is: **620-584-8202, pin 2974#**.

The **CORPORATION SOLE (specific) Conference Call**, is on **Friday MORNINGS**, at **10 AM EASTERN** time. The number is the same as above

Also, there is a **CLIENT’S ONLY Conference Call** available (obviously) for Clients Only. If you're already a client, and you would like to be on that call, **CALL YOUR REPRESENTATIVE for the phone number and time, ]**

I want to mention something to new readers and to folks who have never been on the [THE COMPANY] Conference Calls. The calls are NOT what you may be expecting from a typical “conference call” these days. A lot of people are used to big sales-hype conference calls, with a lot of “Rah-Rah-Rah”. The conference calls are NOT “sales” calls. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. These are ALL TEACHING calls. They consist almost entirely of questions and answers, after a brief introduction. They’re a great place to hear other folks ask all sorts of questions and get any questions of your own answered, and they provide you the opportunity to get a pretty well-rounded understanding of what this is all about in 60 to 90 minutes. I think you’ll find they’re one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

Pressing “\*6” (Star 6) on your phone will mute your end of the line, so everyone can hear better; then, when you want to ask a question, you can press “\*6” again to go off mute. If you’re having a hard time hearing, with various noises in the background from other folk’s lines, such as: conversations, kids-playing, dishes clanging, and phones & faxes ringing, then be assured, everyone else can hear the ambient sounds from your environment. It simply makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration in this regard.

May I suggest, if possible, that when you call, you use a regular “connected-to-the-wall telephone”, rather than a cellular phone (particularly when driving), or even a cordless phone. Also, please, not a speaker phone, either, unless it has a “mute” button, because speaker phones amplify the ambient sounds in your environment. And PARTICULARLY NOT an Internet phone, a true “killer” of conference call Quality.

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**

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