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

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Tuesday, April 02, 2002

- [1] Welcome & Editorial: Only Twice - So Far.
- [2] Questions and Answers: Critics and Their Confusion
- [3] News Briefs & Comments: IRS Catching Folks by Hook or by Credit Card
- [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

There will NOT be a CORPORATION SOLE CONFERENCE CALL
This coming Friday Morning, April 5, 2002

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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Dear Friends,

It doesn't happen very often. In fact, this is only the second time it has happened in my experience of representing [THE COMPANY]. I'm referring to a copy of a message I received, which contained a derogatory critique of me and [THE COMPANY].

As long-time readers know, I enjoy answering questions from honest questioners, because it presents the opportunity for everyone to benefit from the dialogue. I've not had much opportunity to respond to folks who are, on one hand, intense disbelievers, and, on the other hand, who are severely critical. In my experience, I've not found this type of person very open to any serious dialogue. I won't let that stop me from responding in this newsletter, however.

What many of you may not know is that I began my representation of [THE COMPANY], after becoming a client, by responding to one critic who had read my short article, "Exempt Is Better Than Exemptions". In that case, the gentleman did not address me directly, just as you'll see the gentlemen did not do in this case. I got a kick out of responding two years ago, and I'll have some fun with this one, too. I hope you get a kick out of reading it, which you'll be doing in the second half of the next section.

In addition, yesterday (Monday), as I was beginning to write this edition of the newsletter, I received another message, this time from a client of one of [THE COMPANY's] other representatives. The message indicates to me that there's still some confusion in some folks' minds about [THE COMPANY's] fees for services and the protocol of how [THE COMPANY's] services are marketed through their network of Independent Master Representatives. Perhaps I can shed some light and help clear things up. That will be in the first part of the next section.

In the news and comments section this week, we'll look at the government's recent moves in their continuing efforts to track down folks who "hide" their money in offshore bank accounts in their attempt to EVADE income taxes.

One more thing before we "get into it": As you may have noticed, [THE COMPANY] will NOT be having the normal Corporation Sole Conference call this coming Friday Morning, April 5. [THE FOUNDER] will be traveling during his normal call time.

Have an enjoyable week. I'll see you next week.

Your friend,
[Paul Leinthall](#)
[661-822-7889, 9am-8pm, Mon-Fri., PACIFIC time](#)
[email: littlehammer@primemail.com](mailto:littlehammer@primemail.com)

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[2] Questions and Answers

Let's start with the communication which indicates that there's still some confusion about [THE COMPANY], the fees, and [THE COMPANY's] Independent Master Representatives. Although not "my" clients, the folks involved in this correspondence are subscribers to this newsletter as well as clients of [THE COMPANY].

First, the message "copied" to me:

From: xxxx
To: xxxx
Cc: "Paul Leinthall" <littlehammer@bizbak.rr.com>
Subject: Re: Letter to xxxxx
Date: Mon, 1 Apr 2002 14:24:06 -0500

I have NEVER heard [THE COMPANY] allude to refunds.....this new character sounds like just that a CHARACTER...perhaps an intercepting MOLE??? I am sending a copy of this to Paul Leinthall as well.....Jack Nash.....sounds to me like a "cover name" (Nash Bridges).....very suspicious I think.....got that in WRITING??????????????? XXX

What you just read will make a lot more sense as you proceed. The person who wrote that was responding to something that was written to him, which you'll read in a moment.

What I want to clear up, at this point, is that Jack Nash is the "real" name of a real person, who is one of [THE COMPANY's] longest serving Independent Master Representatives. He's been with [THE COMPANY] as a client and representative twice as long as have I. I know Jack and his wife personally, and I've been with them (and others) at two of [THE COMPANY's] training seminars in the last two years.

What follows is the message to which the above was a response. Let's see if we can't clear-up some of the confusion.

----- Original Message -----
From:xxxx
To: xxxx
Sent: Monday, April 01, 2002 1:26 PM
Subject: Letter to xxxxx

Hi XXXX,

I have a question about what exactly is going on with [THE COMPANY]....my girlfriend (XXXX XXXX) became a client last August (at my advice). Since then I'm sure you know about the event in Florida and the games they played. She has sent her paperwork TWICE, once to Florida, who apparently refused/(shreaded?) to forward them to [THE COMPANY], and again TO [THE COMPANY] when they said they couldn't/hadn't received anything on her from FL.

One of the things that quickly became apparent to the rest of us representatives, after the termination of the representative in Florida for whom most of us worked, was that some of our client's "original" application paperwork never made it to [THE COMPANY's] home office - for whatever reason.

Each client's original application absolutely MUST be in [THE COMPANY's] home office, since all the filing and communication with the IRS and State Taxing agencies originates from there. This same thing has occurred with about a dozen of my own clients, and they, too, have had to re-submit their application and supporting prior tax history information. MOST (but not all) of the folks who have encountered this are clients who submitted their original applications in the second half of last year; fortunately, this did NOT happen in most clients' cases.

The fact that this occurred did NOT put people in jeopardy. It may have delayed a normal filing, of some sort, for the folks whose paperwork never made it, but it has not incurred a greater risk for them. Nothing changed (or changes) about the law, in respect to WHO a person is, as a result of temporarily missing paperwork.

NOW she has been blind-contacted by some guy named Jack Nash (which is strange as she lives close to me - why not you?) who asked her to forward EVERYTHING AGAIN to HIM?

I don't know the exact details, but I can almost assure you that the reason Jack Nash contacted the client is because [THE COMPANY] re-assigned the person to Jack for effective representation. ALL [THE COMPANY's] representatives have had clients from the former (terminated) representative assigned to them so we can provide more effective service to them, answer their questions, and assist them in getting answers to specific-to-their-circumstances-questions from the home office. To serve a client better, any representative needs to know something about his "new" clients. That is best served by the original application.

[THE COMPANY] does not have protected geographical territories for their Master Representatives, and any re-assignment of clients to a different Master Representative (after a client's original representative is no longer a representative) is done by [THE COMPANY] based on factors which generally do not concern themselves with where clients and representatives are located.

So she did and now he's playing this second year fees are "6.25% of her last 3 yrs income???" He has also blown her off in that she will more than likely get ZERO refunds, and that the advantage is "mostly from her current savings".

Now, first of all, if THAT is the TRUE cost of this process, I think she and I are going to start shopping around looking for a Plan B. NO ONE can afford those type of fees ESPECIALLY when we are getting ZERO back of what the bastards have stolen from us. I have told my dad that I feel like I am simply paying a different bunch my life's blood. THIS is THE reason I have clammed up to any of my other friends who have asked about this. We got enough surprises from the gestapo.

I suspect there's a bit of misunderstanding which is feeding the confusion at this point. When folks don't understand the fees and what they're getting for the fees (in comparison to their other options in this regard), I don't blame them for being upset. Let's see if we can't make things a bit clearer.

Let me start, however, by addressing REFUNDS. Knowing Jack Nash, I'm pretty sure he did not "blow off" anyone. However, in doing his job, I'm sure he emphasized the fact that [THE COMPANY] simply can NOT guarantee a refund of money by the IRS for TAXES they have actually PAID (left on the IRS table AFTER withholding and after they filed their normal tax returns).

Why can't [THE COMPANY] guarantee these refunds? Because the IRS does not guarantee them. Even though they have, from our point of view, INCORRECTLY collected those tax monies, there is nothing in the law that "guarantees" that the IRS will refund anyone's money. In fact, their law gives them the right to "FINE" a certain amount of money if any tax payer OVERPAYS them by a certain amount. How's that for a "reverse" law?

Unfortunately, some folks came to the conclusion, that [THE COMPANY] guaranteed these refunds. So now we make it a point to tell everyone what I've just said.

At the same time, a little over 40% of [THE COMPANY] clients HAVE RECEIVED some form of refund from either the IRS or State taxing agencies - although NO CLIENT (to my knowledge) has received ALL the money that he's left on the table over the years. Remember, we are NOT talking here about money that is withheld from an employee's paycheck by his employer. We still have the facility (for those clients with employers who will not honor their exempt W-4's) of getting the "normal" refund pertaining to money withheld each year - with NO 1/3rd collection fees going to [THE COMPANY]; and [THE COMPANY] does that by filing a standard IRS Form 1040, and then immediately filing an amended return. But that still leaves the "normal" money (for that client's circumstances) on the table, for which [THE COMPANY] then petitions for a full refund. Those left-on-the-table-monies are what we speak about when we say "no guarantee of refund". The IRS only guarantees that [THE COMPANY] can petition for a refund of that money as a result of the work they do.

Since this next paragraph speaks about the fees, I'll go into a clearer explanation of the fees afterwards:

I also feel that these "fees" (percentages instead of flat rates?!) are "undefined" and gray area. Gee, alot like those we are fighting, eh?

Here's where I'm a bit confused. The person writing this is apparently a client. Every client receives a "standard application" - which means that every representative uses the same application. When a person completes the application, the client HIMSELF/HERSELF must complete a "fee calculation" - and ALL the figures are on the application (or should be) PRIOR to sending to his/her master representative.

Once the master representative receives the application, he/she goes over it to be sure everything is complete, INCLUDING that all the spaces, boxes and lines are filled in, which includes, on page 7 of the application, the client's own calculation of his/her second year's fee. There is no "gray area" about this. ALL fees are known IN ADVANCE, and there are never any additional fees for the client, other than what is on the application when it leaves his/her hands - unless the client does not tell us of some prior-to-application Tax Issue which [THE COMPANY] has to get involved in solving after the client has been accepted on the basis of incomplete information on the application.

Let's go over the standard fees. The fees are broken into three categories: First Year fees, Second Year Fees, and Third year and beyond. The first year's fee is simple. A couple's first year fee is \$3,100. A single applicant's first year's fee is \$2500. (There are a couple of slight variations, but they are all listed on page 6 of the application). If a person comes to [THE COMPANY] with an EXISTING an "Notice of Levy" (garnishment), "Notice of Seizure", "Notice of Sale", or "Warrant of Dstraint", the client will have to pay an additional \$750 for the First year, and the third year's fee will be the same as the second year's fee, which is NOT the case for other clients.

The second year's fee is a calculation. It is NOT 6.25% of the last three years income; it IS 6.25% (.0625) of the AVERAGE of the last three years income - BIG DIFFERENCE.

Once this calculation is made (by the client himself), there is no gray area about it. The figures are the flat fees for that client, and they will not be changed, unless a mistake was made in the process. If a mistake was made, the master representative would discuss this with the client before proceeding with the application.

Now - let's talk more about the fees, and in the light of the fees, we'll look at when it makes sense to be a client, and when it might not.

When a person knows up front what all the fees are, that same person can calculate which makes more sense: Become a client, or keep paying taxes to the IRS and State taxing agencies?

Let's assume for a moment that a single person applicant is making \$40,000 average income a year, and in this assumed case (to keep it simple), that person has not had a raise in four years. Here he is, contemplating being a client of [THE COMPANY] and not having to pay State or federal income taxes. Here's what that person's fees would be:

- First Year's fee: \$2500
- Second Year's Fee: \$2500

How did I arrive at this fee for the second year? Here's how: The second year fee calculation worksheet in the application asks the client to write down the income for each of the PRIOR three years, add the three years worth of income together, and divide by three. Finally, the instructions say, multiply the AVERAGED figure by 6.25% (.0625).

Since, in this illustration, the person made \$40,000 in EACH of the prior three years, he's going to ADD \$40,000, plus \$40,000, plus \$40,000 - for a total of \$120,000. Dividing that by 3 gives the average income over the prior three years of \$40,000. Multiply \$40,000 by .0625 (6.25%), and we arrive at the second year's fee in this example of \$2500.

If we had done it the way the person making the comments thinks it is, the fee would have been \$120,000 times 6.25% or \$7500. Big Difference from \$2500; and you can see why a misunderstanding of how the fees work could easily discourage someone.

- Third Year's fee: \$450.

Fine - so we now know how much it will "cost" this potential client to actually be a client. The question of course is, "Is it worth that cost to be a client?"

Only the client in each case can answer that question, but in this hypothetical example, let's just say that the choices are: Either pay the tax man, or become a client. The question then becomes, "How much to I pay the tax man?"

Since this is a hypothetical example, let's pretend that this lucky person only has to pay 10% of her income in both State and federal taxes each year. If she made \$40,000 each year, that means she would have paid \$4000 each year in taxes. Now we have some basis of comparison, to see which way is more advantageous.

If she becomes a client THIS year, she would pay [THE COMPANY] the first year's fee of \$2500. If she doesn't become a client, she pays \$4000 to the tax man. Fairly easy choice in my math book; if I become the client in this case, I save \$1500 the first year.

The second year is easy, too, since it's the same fee. And if the client does not get a raise NEXT year, she'll still save another \$1500. If she gets a raise, she'll save even more.

Ahh- the third year. Now, the client (with still no raise) is saving \$3550, because then the fees are only \$450.

Do you make MORE than \$40,000 a year? (Many clients do). Do you pay MORE than 10% of your income in taxes? (Almost every "taxpayer" does). All the better in favor of being a client, don't you think? And [THE COMPANY] does all the work - except completing your application, which is the hardest work most people have to do as clients!

Obviously, for a person who actually pays little or no income taxes (whether in withholding or in actual taxes paid), and who is not having any trouble with any taxing agency, it probably would not make a whole lot of sense to become a client.

That should address the issue of whether, or not, a person can "afford" [THE COMPANY's] fees.

Could you please clarify this - either with [the home office] or us - or BOTH? We are both getting VERY concerned with [THE COMPANY's] entire logistics, and the obvious damage (maybe un-recoverable) from the Florida mess.

Thanks for your time.
XXXX XXXXX

The "damage" was neither permanent nor unrecoverable. In fact, from where I'm sitting, everything is a lot BETTER now than it was before, and it's getting better all the time; further improvements are on the way, and some of the best improvements won't happen over night.

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Here we go. Let's take on a real critic.

----- Original Message -----

From:

Sent: Thursday, March 14, 2002 12:38 AM

To:

Subject: Wow!

XXXXXXXXXX,

I'm wading through the attached documents that the guy [that's me: Paul Leinthall] sent me regarding his tax service. His long, verbose cover message was all hype and repeated the same info over and over. That alone waves a red flag. If he's legit, he will come right to the point and state what service he is selling. He just goes on and on describing what he'll do for you - keep you from having to pay taxes, without ever saying how.

Ouch! I'm verbose. I'm absolutely guilty! Somebody should have informed me sooner. I spend so much time talking about waving a red flag in front of the bull, and now I'm the one waving the red flag! How about that?

Come to think about it, I've never been described as "silent," "reticent," "reserved," "taciturn," "secretive," "uncommunicative", or "tightlipped" (some of the antonyms or opposites of "verbose"). I don't know anyone in marketing, sales or newsletter publishing who has.

Gee - and after all the trouble I go through to make the point that [THE COMPANY] does all the work, our critic has ME doing it all! Some days it just doesn't pay to get out of bed.

It bothers me that he repeatedly states that he is separate from the company he represents.

I guess he believes I SAY repeatedly that I'm separate from the company because I always refer to "the company" as [THE COMPANY], for reasons I make clear in the last section of each newsletter. Oh, well. Maybe he didn't get that far.

The reason is that only the company can be sued, not him personally since you sign up with the company, not him. My guess is that he owns the company as a majority or total stock owner, so he reaps the financial benefits without shouldering the legal responsibility.

In today's litigious society, anybody can sue anybody for just about anything. This critic is a really poor guesser, since I own NOTHING in or about [THE COMPANY]; no stock is even available. [THE FOUNDER] is the sole owner.

"...reaps financial benefits..."? Yeah, I'll work for free - if you will.

In the first downloaded document are some alarming things that would keep me from signing up with this guy. They are, in my opinion:

They want too much financial info about the client. They don't need that, unless they feel the need to sue the client later. A lot of the info requested is personal

stuff, not related to finances. After being a landlord for some years, I know why. They want to be able to trace you if you skip.

I "assume" he talking here about the application to become a client. Let me see if I understand his reasoning. He thinks that any company, operating under limited power of attorney from the client, should not know the very details about the client which the company absolutely needs in order to properly represent that client to the IRS?

All the information required on the application is absolutely necessary when an "attorney" is acting on a clients behalf with any taxing agency. I guess, according to our critic, [THE COMPANY] should look like a fool because they don't have what they need to do their job properly.

Does this guy have any idea what kind of information the IRS and other government agencies have on him? And guess where they got most of it. Obviously, he didn't give THEM the information - do you think?

Of course, our critic knows all this because he's been a landlord. He's apparently had to skip-trace deadbeat tenants. In [THE COMPANY's] case, they don't have to worry about skip-tracing, because no clients have gone South with the furniture; in [THE COMPANY's] case, if they were ever to have a deadbeat client, they'd just stop servicing him and let the IRS have him.

Besides taking appx \$3000 up front for their service,

Oh, come on now. It's \$3100. But that's for couples. I'll bet he gives a lot more than that EVERY year in his income taxes.

they also take about 6% of your earnings the second year. That could be a lot more than \$3000, depending on what your yearly income is.

Well, now I KNOW he didn't read everything I sent him, and he didn't read closely enough to make the important distinction I covered in the first half of this section. He is correct, in one respect, of course. The second year's fee could be more than the first year's fee - and it is more for any client whose PRIOR three year's AVERAGE income is over \$50,000.

So, let's pretend (again), shall we? We'll make a big leap in income. Let's say a client's average income over the prior three years was \$300,000 a year. Let's say that client paid less than 17% of that in income taxes each year; we'll say he had to pay \$50,000 each year in taxes from his \$300,000.

How much is that person's second year fee? Using the calculation on the application, the average income of \$300,000 times 6.25% is \$18,750. That would be the person's second year's fee (and remember, it's ONLY for that one (second) year).

Which amount do you think that client would rather pay? The \$50,000 to the tax man? or [THE COMPANY's] \$18,750 fee?

I guess in this critic's logic, because \$18,750 is more than \$3100 - and there's no question about it, eighteen thousand is more than three thousand - the client should not be a client, even though he would have SAVED \$46,900 in his first year, and another \$31,250

the second year. And I guess we might as well forget the \$49,550 the client will be saving every year from the third year on, given no change in his pay or taxation rate!

Our critic would rather have this hypothetical person (whose admitted second year's fee is way more than his first year's fee) pay \$150,000 in income taxes over the next three years, rather than to pay [THE COMPANY] \$22,300 in fees over the same three years!

Yep! makes a lot of sense to me! Throw away \$127,700!

Zig Ziglar (or was it Charlie "Tremendous" Jones?) used to talk about people needing a check-up from the neck up.

For every year thereafter that you have an income, they take about \$500. That's a subscription service like a book of the month club that I'll bet you can't get out of. Over a lifetime, that will amount to a lot of payments to them.

Did you ever hear the phrase describing an eight-ounce cup with four ounces of fluid in it as being either half empty or half full? Guess which cup this critic drinks from? He's looking at \$500. I'm looking at \$49,550 (a savings which is a 100 times bigger than the third year's fee, in the example above).

A "subscription service...that...you can't get out of"? The contract with [THE COMPANY] says this: "Termination of this agreement may be made by either party giving notice to the other party of the termination of this agreement...Said termination shall be effective upon receipt of said notice..." (paragraph "k", page 12 of the application).

The worst part of their deal is that they take ONE-THIRD OF THE MONEY THE IRS RETURNS TO YOU. Total your taxes paid for the last eleven years which you hope to get returned, and they take a third of that amount. You agree to give it to them within THREE DAYS of receiving it too. My, these guys are greedy!

So this critic is getting people's already-paid-and-left-on-the-table money back from the IRS and keeping only how much of it for himself? Oh - he doesn't do anything like that? I apologize. I forgot; he doesn't even believe in it.

So, he's getting nothing back, and criticizing those who do?

Greedy! Oh My!

So, [THE COMPANY] gets three dollars back, and one dollar goes to [THE COMPANY], and the other two dollars, which the client never would have seen, goes to the client.

Okay. We're greedy. I think I'll recommend to [THE FOUNDER] that we all start working for free. If we all work for free, none of us will have any income, and then, we wouldn't have to pay any income taxes either?

But wait a minute. We already don't pay any income taxes no matter what our income. I think I like our way better.

You also agree to pay a host of extra charges if you run into legal trouble with the IRS or anyone else, which is, I suspect, highly likely if you sign with them. Those

extra fees are quite high. One example is that you agree to pay them at the rate of appx \$200 per hour for their services AND THEY STATE THEY AREN'T EVEN ATTORNEYS. If any legal services are needed, you agree to pay separately and probably to some other attorney.

A "host of extra charges"? There are NO extra charges, except in one instance. I talked about it earlier. If a client comes to us and does NOT disclose some critical issue, so that he is accepted as a client without [THE COMPANY's] awareness of what they will have to deal with in is case, and it later becomes obvious that [THE COMPANY] has to spend time and money handling a problem, which they didn't get a chance to accept/reject in the beginning - then, yes, there is a "caveat" in the contract to cover such a contingency.

He's right about one thing, though - the approximately \$200 per hour (it's actually \$195/hr). But - alas - he either did not read fully, or he did not understand what he read. Here's the part of the contract to which he is referring (bold emphasis mine):

"Should **occasion** arise that is **not covered by the articles so stated herein** that would result in additional time and costs by [THE COMPANY], Client(s) shall reimburse [THE COMPANY] for actual costs, plus time, at the rate of One Hundred and Ninety Five Dollars (\$195.00) per hour payable within thirty (30) days of statement...**Occasion** is further defined as **any tax matter not listed on "Power of Attorney"...**and is **specifically identified on "Disclaimer"**, paragraph number two (2). Approximate cost for any and all additional time spent by [THE COMPANY] shall be **pre-approved by Client(s) and specifically identified.**"

The "Disclaimer" mentioned in that paragraph is page 10 of the application - and anyone having any of the items listed on that page (Warrant of Distraint, Notice of Levy [Garnishment], Notice of Seizure, Court ordered appearances, Notice of Sale) already knows, before they submit their application, that they pay the Extra \$750 up front, and that their third year's fee is the same as they're second year's fee (in distinction to clients without "disclaimer" issues, whose third year fee is \$450).

If you have members of your family, who have already filed a tax return, especially minor children, for each one you pay an extra \$1000 up front. There may be additional yearly fees for them too, I don't recall.

Kids are people, too! And "taxpayers" as well, when they go to work.

Again, our critic doesn't read critically. To his credit, he does say that he doesn't recall.

So, here's the true "story" on the \$1000 fee. That fee is for a minor child, still living with his/her parents, who has already filed his FIRST (but only his first) 1040 Tax Return. [THE COMPANY] has an even lesser fee (\$450) for teenagers who go to work and become clients BEFORE ever filing their first 1040.

Normally a signer has ten days to revoke a financial contract, a "cooling off" period. My guess is that you would wish to pretty damn quick. However, with this bunch you sign a waiver of that right so that you are glued to them immediately with no way out. That is a huge red flag! Makes me wonder why they insist on that waiver.

"Insist on that waiver"? Really, now!

Let me see if I understand what our critic is suggesting. The law gives a person a "10 Business day" right of rescission, which is actually two weeks (five business days to

each week) to decide not to do something he's already decided to do; and because we include a "Waiver of Cancellation" as the very last page in the application and by which the client can shave up to two weeks off the processing time IF HE SO CHOOSES - somehow, that constitutes an insistence that people sign the waiver.

This gentleman should sit where I sit, when most of our clients wish we could actually have it already finished before they even start! Then he can offer some advise about waiver insistence.

I notice that the parent company is located in Florida. There is a reason for that. It is because Florida has very lax fraud laws. Most of the hard sell telemarketers have their boiler rooms in Florida for that reason. That's another red flag.

Except that [THE COMPANY] is NOT located in Florida. Some of [THE COMPANY's] master representatives may live in Florida; my secretary lives in Florida. But the "parent company" (there is nothing but [THE COMPANY] - it has no "parent" or "child") is about as far away from Florida as anyone can get and still be in the United States of America. No offence intended to Florida or Florida's inhabitants.

If this were a legitimate product or service, they would be advertising it in the usual places, such as the Wall Street Journal.

Yes - absolutely every legitimate product is mass marketed in the Wall Street Journal.

How many times have I explained why we do NOT advertise via mass media, the least of which reasons is that were we to do that, we simply could not handle the tremendous amount of inquiries (and maybe even critics!). We won't mention about "waving a flag in front of the bull" or "slapping the bear in the face", or "throwing sand in the eyes of the IRS".

If it worked and didn't break any IRS rules, every businessman, attorney, CPA, and person of wealth would be breaking down their door.

Every businessman and person of wealth - perhaps. But definitely NOT every attorney and CPA. I can see it now - every tax attorney and CPA voting himself out of his career, with nothing to do, because their clients have not need for them any more.

And of course, many businessmen, and especially person's of wealth, employ the expert attorneys and CPAs whose best interest is served by their clients remaining ignorant of the truth of law in regards to income taxes.

Bill Gates would be their client.

How many of Bill Gates' attorneys and CPAs do you think would give a "thumbs up" to what they, themselves, generally don't know and understand to be the truth of law?

They wouldn't have to advertise.

We already don't.

No one likes paying specialists to shelter income, but people far smarter and better educated in IRS law and finance than you and I, still do shelter income at a high cost.

That's what a good attorney will get you. (And how did they get to be so "smart", anyway?)

And here we talk about a simple, little entity called "corporation sole". Between that and the individual tax exemption one can "shelter" virtually ALL income - no matter how wealthy.

However, this company advertises by word of mouth, sort of secretly. My guess is that if they used the normal media, they'd be committing fraud in some way. At least this way they stay beneath some kind of law enforcement radar.

Well, we certainly wouldn't be committing fraud in any way; but I could almost guarantee you, we'd be ACCUSED of fraud, and a whole bunch of other things that really greedy folks do when their kingdoms are threatened by the truth.

I got these impressions just from reading their application form. I'll take on the second document of the first email, later.

I can't wait.

The bottom line is, I ain't doin' it! Don't you either. I'd even be scared to dial the conference line. XXXX

I like our "bottom line" better: No State or federal income taxes to pay, and [THE COMPANY] does all the work.

I wonder why he'd be scared to even "dial the conference line," let alone actually get on a conference call?

I guess the bogey-man must hide in his bushes.

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[3] News Briefs & Comments
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It's been over a year since what you're about to read first started. For a while, it appeared that the credit card companies were not going to cooperate. Now, it's looking like the tax man is having his way.

Tax Evasion Investigation Expands Into Offshore Bank Card Accounts

By Curt Anderson The Associated Press
Published: Mar 25, 2002

WASHINGTON (AP) - Federal investigators on Monday expanded a tax evasion inquiry involving offshore bank card schemes to include records from Visa. They also announced that MasterCard has turned over 1.7 million records the IRS is using to target people with audits and criminal prosecution.

In addition, the Justice Department and Internal Revenue Service announced that American Express Co. has agreed to release records in the investigation,

which officials estimate could eventually involve up to 2 million U.S. citizens who have credit or debit cards issued by foreign banks.

"These actions should send a clear message to tax evaders," said IRS Commissioner Charles Rossotti. "If people use these illegal offshore methods to hide their income, we will find out who they are."

So, Mr Rossotti, is it illegal to have an offshore bank account? (NO). Is it illegal to have credit cards? (NO). Is DESIRING to pay the least amount of tax possible an illegal or immoral desire? (NO).

So - what exactly is illegal?

It is not against the law to have a credit card from a bank located in a tax haven country. But, using bank secrecy laws in places like the Cayman Islands and the Bahamas, a person might shield income from U.S. taxes while using a credit card issued on the account to live lavishly.

Don't you find it interesting that, because a person "might" shield income, the implication is that such shielding itself is always illegal, and that you can tell just because a person has a credit card from an offshore bank that he/she is engaging in illegal activity?

And living lavishly is a crime?

These schemes are heavily promoted in books, seminars and on the Internet. Documents filed in federal court Monday quote one author as telling would-be customers that "you can charge to your heart's content, anywhere you want, and the information stops at your offshore bank."

The investigation, Rossotti said, shows that "the guarantee of secrecy associated with offshore banking is evaporating."

Gee - I wonder if that has anything to do with the "Patriot Bill". But wait - that was designed to stop terrorists. What am I saying. That has nothing to do with this discussion. This is about folks who intuitively know they were born Free in a Free Land, but who you think are bad and evil people because the inherent freedom in their hearts won't be quenched.

Have you ever tried keeping an inflated inner tube under water?

The IRS estimates that up to 2 million U.S. citizens hold offshore bank account cards. Officials say most of those accounts are above the \$10,000 threshold requiring disclosure to the IRS, but that only 170,000 taxpayers did so in 2000 and just 117,000 in 1999.

Requiring disclosure? You mean, requiring disclosure if the income was from a taxable source, don't you? But, I notice you're not making that little (BIG!) distinction. I wonder why?

The MasterCard International Ltd. and American Express records were sought by the government through a summons approved in October 2000 by a Miami federal judge. On Monday, a petition was filed in San Francisco federal court asking a judge to approve a similar summons for Visa International records from banks in over 30 countries.

In an affidavit supporting that request, IRS agent Joseph C. West said that MasterCard's disclosures had turned up 230,000 accounts in Antigua and Barbuda, the Bahamas and the Cayman Islands.

West said an examination of those accounts turned up numerous U.S. citizens who failed to disclose on tax returns their interests in a financial account in a foreign country and others who had not filed tax returns at all.

I guess this is a really good reason to be a client of [THE COMPANY], because [THE COMPANY] files "returns or statements" every year, as required by law.

And isn't it interesting - a corporation sole has NO reporting requirements of ANY KIND like this.

These individuals - corporate executives, business owners, doctors and lawyers, authors of books on tax shelters, for example - used the cards for such mundane expenses as groceries, gas and restaurant tabs and to make luxury purchases such as jewelry, art, country club fees. Some even used the cards for college tuition.

Weird thing these days. You don't need money. You use "cards" instead.

"This information is being used in civil examinations and criminal investigations under internal revenue laws," West said.

American Express agreed to provide the IRS with records for 1998 and 1999 on cards for U.S. taxpayers with transactions in the United States and mailing addresses in Antigua and Barbuda, the Bahamas or the Cayman Islands.

The Visa summons is much more expansive, seeking records for 1999, 2000 and 2001 for similar credit cards from banks in Switzerland, Latvia, Luxembourg, Hong Kong, Bermuda, Panama, Singapore and numerous places in the Caribbean. The records being sought include names, addresses, Social Security numbers and telephone numbers as well as virtually all card transactions.

Visa had no immediate comment, but MasterCard spokeswoman Sharon Gamson said the company was "pleased" the information it provided was helpful in the investigation.

On Capitol Hill, key members of Congress said the action should be only part of a broader crackdown on tax shelters that cost the government billions of dollars in lost revenue each year.

"Since tax cheats are endlessly creative, the IRS has to be just as creative to catch the crooks," said Sen. Charles Grassley of Iowa, ranking Republican on the Senate Finance Committee.

The Treasury Department last week asked Congress for new powers to combat tax shelters, including a new civil penalty for individuals who fail to file an IRS report on their interest in foreign financial accounts.

URL: <http://ap.tbo.com/ap/breaking/MGA9WY5V8ZC.html>

There's no doubt about it. "Big Brother" is cracking down. Of course, it is THAT time of year.

Seriously, folks, it's appearing that many of the world's governments are getting more serious about bringing everyone's financial affairs under their control. Pertaining to all financial affairs, and even more particularly to these offshore matters, it's looking like corporation sole is an idea whose time has come. (It's about time; it's been around for over 1000 years!)

Just think: You create a corporation sole; as the chief officer (called the "titular head") of the corporation sole, you open corporation sole bank accounts, and begin to focus most of your activity around actually achieving the purpose(s) for which you were born - and the governments of the world have supported laws continually in favor of corporation sole, and disallowing government intrusion. The Corporation sole has no tax reporting laws to fulfill - so even if the corporation sole has really large amounts of money, in numerous accounts around the world - and has umpteen credit cards, the taxing agencies have absolutely no power of law to even demand a report! - in spite of what any of the credit card agencies do with your information.

There's only one primary condition: the corporation sole must be primarily fulfilling its intended and created purpose. But, guess what? That purpose was created BY YOU. It comes from your heart. You just have to be able to frame your "purpose" around either a religious or educational or eleemosynary (charitable, philanthropic) framework - and then go about fulfilling your purpose to your heart's content.

I know folks get thrown by the "religious" aspect - thinking that a religious purpose has to fit within someone's defined idea of what a religion is. But the very fact that our Constitution states that "Congress shall make NO RULE respecting an establishment of religion, or prohibiting the free exercise thereof" - and the fact that the Courts of our land have consistently held to that clear interpretation - are the very support for YOU deciding what "religion" is IN YOUR CASE, and knowing that, no matter what anyone else may think about it, Congress and the courts will not rule against you on that basis.

Since there are so few laws restricting the Corporation sole - and remember, there are NO income tax laws you have to worry about fulfilling - it's much easier to experience and express your freedom.

(Remember - THIS week, on Friday, there will NOT be a corporation sole conference call, in spite of what you'll read in the next section. Corporation Sole conference calls will resume on April 12th).

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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

Paul Leinthall

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Email: littlehammer@primemail.com

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 follows 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.

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