Invisible Contracts

Federal Reserve Notes

by **George Mercier**

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Next, we turn now and address some Commercial debt instruments that just about everyone uses constantly. And when this Commercial paper is used and then recirculated by you, Federal Benefits are being quietly accepted by you and so now subtle contracts are in effect. As *commercial holders in due course*, you and the King are experiencing mutual enrichment from each other.[1] The King believes that the mere use of Federal Reserve Notes, those "circulating evidences of debt"[2] that his Legal Tender Statutes[3] have enhanced the value of as a co-endorser; and that the mere acceptance and beneficial use of those circulating Commercial equity instruments of debt, constitutes an attachment of Equity Jurisdiction sufficiently related to experiencing Commercial profit or gain in Interstate Commerce as to warrant the attachment of civil liability to his so-called Title 26. Remember, once you get rid of your political contracts to pay taxes (like National Citizenship), Federal Judges will then start examining the record to see if there are any Commercial benefits out there that you have been experiencing. Once you are a Citizen, Federal Judges will generally stop looking for other contracts; but once Citizenship is gone, then other normally quiescent Commercial nexuses that attach King's Equity Jurisdiction suddenly take upon themselves vibrant new importance.[4]

I have thought out this perspective that the King has on this subject matter over and over again, and based on an analysis of principles, rights, liabilities, and Cases that surface in Commercial Contract Law relating to Negotiable Instruments (as Federal Reserve Notes are Negotiable Instruments), and of the rights, liabilities and duties of *Holders in Due Course*, and I have come to the conclusion that the King is basically correct. For example, bills, notes, and checks are also Negotiable

Instruments, as well as Inland Bills of Exchange. Collectively, Negotiable Instruments differ somewhat from orthodox Commercial contracts for the reason that the American Jurisprudential law concerning them springs from several different and independent sources. Whereas the simple Law of Contracts had its origin in the Common Law of England, in contrast this Law of Negotiable Instruments arose largely out of the summary and chronologically abbreviated practices and international customs of merchants in Commerce. Those merchants formulated a body of rules and common practices relating to their trade which were gradually adapted into the Law of the Law by the English Courts. Bills of exchange and promissory notes, of which Federal Reserve Notes are a composite blend of, acquired early on the peculiar quality and nature among merchants in Commerce as being negotiable, i. e., passable as Tender to different people. Negotiability was then defined to mean that if an instrument is negotiable in form and is in the hands of a *Holder in Due Course*, then possible personal defenses someone may later assert against the Holder are cut off of in the Holder's favor. This idea of negotiability is an intriguing one. It differs quite a bit from the conception of assignability underlying the transfer of *choses in action* which are not negotiable.

Furthermore, all factors considered, it is my opinion that the King is not only just basically correct, but that the King is also in a very strong position here, and that Federal Magistrates are not Star Chamber Chancellors when throwing out your civil tax defenses that ignore this invisible and adhesive attachment of King's Equity Jurisdiction, and the strong presumption of your entrance into King's Commerce that the acceptance and beneficial recirculation of Federal Reserve Notes necessarily infers. However, the seminal reason why the King is in such a strong position is only partially related to his *sub silentio* aggression against you; the largest reason is because you, by your own default, have accepted the benefits of this Commercial nexus Equity relationship with the King. The King is in a very strong position here under normal circumstances, so you can be perfectly right for

100 reasons in your Income Tax defense, and ignore this last tiny little area in your defense, and lose (assuming that your Case is adjudged on the substantive merits, and not on some technical distraction question).

Under the Common Mercantile Law of Commercial Contract Law applicable to Negotiable Instruments, it has always been *prima facie evidence*[5] that the mere issuance of the Negotiable Instrument itself constitutes the evidence of the receipt and enjoyment of Consideration.[6] This acceptance of Consideration Doctrine is of maximum importance to understand and appreciate in its placement into the contemporary Income Tax setting, as this Doctrine has been around for a very long time, and the King is only now using it for his own enrichment. Law books repeat over and over again that acceptable Consideration may be anything that will support a simple contract, and may even specifically include previously existing debt. This Consideration Doctrine survives the codification of the Law Merchant into the Negotiable Instruments Law, and also survives the later restatement of the N.I.L. into the Uniform Commercial Code.

The Law of Commercial Contract applicable to the use and recirculation of Negotiable Instruments is quite old, just like King's Commerce itself. Commercial Paper was also used extensively by merchants in the Middle Ages, and the origin of our contemporary *Law of Negotiable Instruments* was an unwritten Common Law applicable to merchants, called the Law Merchant. This Law Merchant was gradually assimilated as an appendage onto English Common Law, and subsequently became a part of our American Jurisprudence when the New England Colonies turned into states and adapted English Common Law. The Law Merchant is spoken of by English Judges with reference to Bills of Exchange and negotiable securities. It is neither more nor less than the common usages of merchants and traders in the different departments of trade, ratified by decisions of Courts of Law, which Courts later upon such usages being proved before them, readapted those merchant practices into the Common Law of England as settled law with a view to the interest of trade and the public convenience.

Therefore, what was at one time mere custom in between merchants then became grafted upon, or incorporated onto, the Common Law, and may now be correctly said to form an overlapping part of the Common Law. When such general Commercial practices have been judicially ascertained and established, those Commercial practices become a part of the Law Merchant, which contemporary American courts of justice are bound to honor. In the early 1800's, many American states enacted their own statutes pertaining to Commercial paper, with the result being a lack of uniformity in both statutes, as well as the court decisions applying those statutes to different factual settings. Lawyers don't like lack of similarity, and so the National Conference of Commissioners on Uniform State Laws drafted a bill to make the Law of Negotiable Instruments uniform from one state to the next. The draft of the bill was called the *Negotiable Instruments Law*, which when completed in 1896 was largely enacted into *lex* by almost all the states. The contemporary Uniform Commercial Code repeals the N.I.L. in those states that have enacted the UCC; but the kicker is that old Law Merchant himself is still very much around, alive, enforceable, and kicking.

And if the King has got you accepting the Consideration inherent in Negotiable Instruments that he is a *Holder in Due Course* to, and that his Legal Tender Statutes have enhanced the value, and additionally retains a distant Equity interest in, then the King has got an invisible contract on you and the King has you plump little turkeys exactly where he wants you: Ripe for a Federal plucking. So to correctly handle this beneficial "use of Federal Reserve Notes" creating a taxing liability story, we need to start out with the basic premise that the King is correct in his assertions, and so are judges in their reasoning; to believe otherwise is to be self damaging, as we have no time to waste with any error in our reasoning.

If you are like most folks, the King has got you accepting his Consideration and financial benefits with your mere use of Federal Reserve Notes, because most folks want to use and want to experience the beneficial enjoyment that

widespread acceptance and Commercial use of Federal Reserve Notes brings. But read those words over again carefully, as they also contain the Grand Key for getting out of this Equity Ace our King has neatly tucked up in his Royal Sleeve: The contract that is in effect whenever benefits, conditionally offered, were accepted by you.[7]

Examining a profile slice of the tens of thousands of Cases out there addressing questions of Commercial Contract Law applicable to the annulment of the rights and duties of *Holders in Due Course* of Commercial Paper (notes, bonds, securities, checks, equitable specialties in general, etc.), it is the *State of Mind* of the parties at the time the Negotiable Instrument was accepted, that determines the subsequent rights and duties of *Holders in Due Course. Holders in Due Course*, so called, are in a special Status as it pertains to the use and recirculation of Commercial instruments. *Holders in Due Course* are assumed to have taken the Negotiable Instrument (Federal Reserve Note) free of the defense of "Absence or Failure of Consideration," and additionally, are generally free of all other defenses as well. When the King is a *Holders in Due Course* of Federal Reserve Notes, then the King is immune to any defense we may assert against him, as he collects on an invisible contract created when his Commercial benefits were accepted by you. Do you see why it is not very wide to snicker at Federal Judges if you have not properly handled your defense line in this area of using Federal Reserve Notes? In some cases, a *person* wants to be in this *Holders in Due Course* Status due to its protective nature, and in other circumstances, we don't want to be a *Holders in Due Course* due to the liabilities involved. Generally speaking, subject to the condition that the *person* accepted the Negotiable Instrument in good faith and for value, a *Holders in Due Course* occupies a protected position free from any personal defenses someone else may assert. But in dealing with the King on those Federal Reserve Notes, our declared Status as *Holders in Due Course* or *Holders* ***not*** *in Due Course* is not important: Because by filing Objections and

Notice of Protest, etc., the King's Status as a *Holder in Due Course* is then automatically terminated, and getting the King off of that sovereign Status Throne of his is what's important.

So merely filing a Notice of Protest and Notice of Defect will automatically deny the King his coveted and protected Status as being a *Holder in Due Course* with Federal Reserve Notes, as that protective status applies to you. Remember that in our Pan Am jet leasing example, a *person* must both want and then use a benefit provided by another party, prior to effectuating an attachment of Equity Jurisdiction strong enough to extract money from, in a judicial proceeding, out of the part in default.

And in addition to outright Consideration, by your Commercial use and recirculation of Federal Reserve Notes, the King has you strapped into his debt as an "Automatically Transferred and Joint Obligation Debtor." Under a very large body of Roman Civil Law, and Jewish Commercial Law going back to Moses and the Talmud, there is a kind of an obligation in law whose source is not contract or promise in the classical sense, but due to a ripple effect of debt, an obligation can be automatically transferred down a line of notes passers and debtors. This Doctrine is elucidated quite well in Jewish Law, where this doctrine is formally known as Shibuda D'Rabbi Nathan (meaning the line of Rabbi Nathan). Under this liability dispersion model, debt ripples from one *person* to another back up the line, without the appearance of any contract being readily apparent. Say that a *person* "A" owes money to "B", and "B" owes money to "C". *Person* "C" can then recover from "A" an amount of money not exceeding the sum *person* "B" owes to "C".[8]

The reason why this debt liability being rippled back up the line a few person is called "Rabbi Nathan's Lien" is because this rule is generally attributed to Rabbi Nathan, a tannaitic sage (Babylonia and Palestine, in the Second Century), who first formulated it on the basis of a certain interpretation of a Mosaic text. Here in the

contemporary United States, a very similar analogy is found operating both in Contract Law and in Tort Law, but for different reasons.

1. Under Tort Law liability reasoning, persons who you never had any contract or contact with, are liable for damages they work on you. For example, be underneath an airplane when it crashes. Under the *Joint and Several Liability Doctrine*, attorneys will sue the Federal Aviation Administration, the pilot, the local political jurisdiction that owns the airport, the contractor who built the airport, the airline, the airline's insurance company, the airline's airplane manufacturer, persons who supply parts to the airplane manufacturer, the pilot's mother, etc., without limit, right up the line.

2. When a grievance is under Contract Law jurisprudence, generally, persons not a party to the contract are normally exempt from liability absent an interfering Tort they worked, somehow (Called *Tortious Interference with Contract*).

But properly viewed at the conclusion of the grievance, this Rabbi Nathan's Lien is no more than just an asset seizure against debtor's assets held by third parties, and whether the underlying factual setting behind the Judgment was under Tort Law or Contract Law is now irrelevant, once the Judgment has been docketed, and that *person's* assets are now under attack. So when a judgment has been obtained against Party "B", and Party "C" owes "B" some money, then when Party "A" throws an action at "C", then that arrangement is no more than the equivalent of a directed wage garnishment that goes on every single day of the week, here in the United States. And just as this Liability Ripple Scenario goes on at such a quiet level with wage garnishments, so too does it carry on at a national level with you and I and our assets being pledged to pay off the National Debt of the United States.

But our King is our adversary in Court, and his attorneys use partially twisted logic to quiet our exception from taxation arguments, and so their attitude is a simple "you pay." But important for the moment is your knowledge that your Commercial use and recirculation of Federal Reserve Notes is properly deemed a sufficient nexus to the King's Equity Jurisdiction as to effectuate an attachment of liability for the payment of the King's outstanding debt that he owes to the Federal Reserve Board, with the amount of your payment being measured by your net taxable income. Other personal assets are deemed collateral material as well, but the King's key to effectuate this liability is our Enfranchised Status, under contract. Since the Angle-Saxon Law Merchant wants to see Consideration, and Consideration is present when Federal Reserve Notes are recirculated in King's Commerce, a taxing liability does exist of and by itself under English Common Law. This Jewish Ripple Liability Model is supporting evidence to conclude that although we might not like our King, there is a very wide body of law out there in the world to support our King with his taxing justification theories. The Law is always justified, and this is just another layer of justification for the King to use as an excuse to raise revenue. This Ripple Effect Liability Law springs forth from several different seminal global points of pronouncement, and it does support the King in this very subtle attachment of taxing liability. So let's change the factual setting by correcting our Status, and stop snickering at the fat King, as he is only using common law (the national equivalent of wage garnishments) and ancient law (its longevity and long term universal acceptance means that it is well Principled and well founded) to support his excessive financial demands.

Question: What if you don't want to accept the benefits of and use of Federal Reserve Notes?

What if you are different? What if you have factual knowledge that the King only got this monopoly on American currency circulation (both gold and silver), not by free market acceptance and competitive universal respect and appreciation for benefits offered by his Legal Tender Statutes, which is the way all Commercial transactions

should be based, but rather, through force, duress, coercion, penal statutes, naked physical duress, and literally out of the barrel of a gun: Because guns being drawn is exactly what two remaining private coin mints saw as United States Treasury Agents raided the last diehard private coin mints in California in the late 1800's, and physically destroyed them (but that intriguing Americana history following an act of Congress in 1864 banning private coins as currency is another Letter). But dealing with Private Coin Mints out of the barrel of a gun is only half the story, as our King is usually quite thorough in whatever he decides to muscle in on. The King also dealt with the private circulation of Notes (both bank notes and private company notes that circulated just as if they were currency) through a series of penal statutes going back to the Civil War.[9]

After the Civil War, the King's enactment of currency monopoly statutes paralleled his Private Express Statutes in the sense that private postal companies previously competing with the King were ordered shut down and put out of business at gun point,[10] and our King sealed himself up a national postal monopoly. No more would be the days of the 1800's, when many banks and private companies issued and circulated their own widely accepted currency. Our King doesn't like competition, and he has this nasty habit of his to use penal statutes and his hired bouncers (the U.S. Marshals, as the King's Bouncers) to force people into relationships with him, against their will and over their objection, that they would never have voluntarily consummated on their own free will and volition.

[For example, here in Rochester, New York, some enterprising folks, seeing the escalating rise in postage prices going on in the early 1970's, and detecting that something just wasn't right here due to the wide percentage variance in cost and pricing, promptly went about setting up their own postal company in 1976. They concentrated on Rochester's Central Business District, and offering the lower prices that they did, quickly signed up law firms, banks, accountants, hotels, and the like. Several national magazines featured articles about them,

[11] but the King's Agents in the Postal Service, smelling an inexpensive upstart on the block offering cheaper prices and accelerated delivery schedules, quickly threw a Restraining Order Petition at Rochester Postal Service in Federal District Court here. The Petition was granted, with justifying reference being made to the Private Express Statutes of the Civil War Era. On appeal, the Second Circuit in New York City went into a discussion on how the King's right to seal up a national postal monopoly under penal statutes has never been successfully challenged, and remains essentially airtight.][12]

But for our purposes here in addressing the attachment of revenue Equity Jurisdiction by the acceptance and use of Federal Reserve Notes as a *Holder in Due Course*. What is important is that it is you, under the *Ratification Doctrine*, by your own silence and default, by your failure to object and to object timely, it is by your silence that the King wins. Under this Doctrine, your silence in the face of a proposition being made to you constitutes your approval of the proposition, if synchronous with the silence you experienced a benefit. Reason, logic, and common sense. Let us consider the application of this *Ratification Doctrine* as it hypothetically applies to a person acting in the subordinated position of agency for another person.[13]

When one such person, as agent, does an act on behalf of another person, but without complete authority, the person for whom such act is done may afterwards adopt the act as if it is done in his behalf, thereby giving the act the same legal effect as if it had been originally fully authorized. This subsequent retroactive consent, the effect of which relates back to the time of the original act and places the Principle in the same position as if he had originally authorized the act, is called *Ratification*. [14] Under this hypothetical agency relationship, when a person finds that an act has been done in his name or on his behalf, that person must either Ratify it, or in the alternative, disaffirm it.[15] But silence constitutes approval of the act.[16]

Ratification may be implied from any form of conduct inconsistent with disavowal of the contract; therefore anything else, other than explicit and blunt disavowal, is *Ratification* -- if synchronous with the silence, benefits offered conditionally were accepted. This is quite a strong Doctrine, but it has to be this way under Natural Law, since benefits offered conditionally are being accepted, invisible contracts are in effect, and failure to require the party experiencing the benefits to act quickly and reject the benefits constitutes a Tort on the other party. This *Ratification* is analogous under Contract Law to the acceptance of the contract's proposition (*Mutual Assent*), and hence is irrevocable.[17]

And this is why filing an Objection, Notice of Defect and Rejection of Benefits to the King, objecting to your involuntary use of Federal Reserve Notes, carries no retroactive force or effect with it back into preceding years.[18] It is a Principle of Law mentioned over and over again in Contract Law books that silence can effect ratification in the context of a benefit assertion.[19]

Remember that to really understand a doctrine, we need to examine it from manifold trajectories; and in so viewing, from a Judge's perspective, what the *Ratification Doctrine* is trying to avoid, we find that to allow the annulment of a contract on repudiation grounds on anything less than a firm and positive "no," has the direct effect of working a Tort on the other party, since benefits were transferred from one party to the next.[20]

The application of this *Ratification Doctrine* is not restricted to favor the Government in the evidentiary presumptions of consent that it creates, as the Supreme Court holds this Doctrine to be binding on all persons dragged into its machinery.[21]

The application of this *Ratification Doctrine* in the area of the Citizenship Contract does create an invisible contract, as the burden to prove that the contract does

not exist then falls on the individual, with the King not required to prove or adduce anything. This Doctrine is held operational against everyone indiscriminately as the Principle that it is, when the factual circumstances warrant its provident application; this even includes drawing inferences against the Congress itself.[22]

There is an old Roman saying that "... He who remains silent certainly does not speak, but nevertheless it is true that he does not deny."[23] The situation expressed by that legal truism has been the source of some blurry confusion in our Law of Contracts. Though acceptance of an Offer is usually made by spoken or written words, quite often the Offer may call for act or authorization requiring some other mode of acceptance. As the Offeror is the "Czar of his Offer," such acts, when induced by the Offeree, constitute the acceptance.[24]

In such cases of negotiated commercial contracts, now there is something here explicit by which to judge the intention of the parties; but as we shift over to invisible juristic contracts, where the mere passive conduct of the Offeree (you and me) is claimed to be an acceptance of benefits by Government, now the question is more difficult -- as some of the requisite indicia applicable to Laws governing commercial contracts has to be laid aside; like Mutual Assent.[25]

However, rather than Patriots fighting an area of grey where there is some *de minimis* merit to the Government's position, it might be best to simply accept the application of the *Ratification Doctrine*, accept the fact that invisible contracts are in effect by your silent passive benefit acceptance and refusal to explicitly disavow and reject benefits, as generally held by Judges - but then turn around and walk away from the contract for other reasons, like *Failure of Consideration*.[26]

So the assertion by the King of his Status as a *Holder in Due Course* (and therefore normally protected from any defense that you may throw at him via a Federal Judge in

an Income Tax grievance) then becomes meaningless: If you first Notice the King out and Object with a Rejection of Benefits, and have so Objected timely. Failure to serve a Notice of Defect on the King is fatal, as without that Objection by you, the King retains his protective *Holder in Due Course* Status, and with that Status you have absolutely no substantive defense to assert against him.

Question: How do you Object?

In Objecting to Federal Reserve Notes, we need to be mindful of the fact that Federal Judges normally do not take Judicial Notice of the Federal Reserve Note equity attachment question. By the end of this Letter, you will see the larger and more important invisible contracts to be dealt with, if a pure and correct severance of yourself away from the adhesive siphon of the Bolshevik Income Tax is to be perfected. Primarily, they search the record for the political contract of Citizenship, and when Citizenship is found, generally they stop right there and then. However, if dealing with a Denizen or some type of non-resident alien, Federal Judges then shift their attention over to finding some Commercial benefits that were accepted, in order to justify the extraction of Income Taxes out of the poor fellow's pockets, acting Ministerially as enforcement agents the way they do. So although Federal Judges find it unnecessary to take Notice of your acceptance of Federal Reserve Notes at the present time, when all other political and Commercial contracts have been correctly severed, this one remaining Commercial contract is going to be an item that needs to be wrestled with, in advance of its apparent necessity.

So if three years from now the IRS throws a prosecution at you, and you argue non-attachment of liability to Title 26, so called, based on a pure severance of Equity, then how will you prove what your *state of mind* was in 1986, as it pertains to the Federal Reserve Note use and recirculation question? Remember that the claimed *state of mind* of a Party is an affirmative defense. The person asserting the defense has the burden to prove its merit, and reasonably so. The King does not have to prove that

you entered into the acceptance and beneficial use of Federal Reserve Notes with profitable expectations in your mind. Such a positive, beneficial, and Commercial Federal Reserve Note use assumption is automatically inferred by the Commercial nature of those Notes and the "Public Notice" Status of the King's Title 26 statutes, and so you have to prove the opposite. How are you going to prove what your *state of mind* was in 1986? Are you going to subpoena your wife into the Courtroom and ask her to tell the Court what you said three years earlier in 1986?

"Oh, yes. I remember. Hank said that he didn't like using them things."

Well that is not much, and that is not the kind of an Objection, Notice of Protest, and document *state of mind* that the Supreme Court will respect. So what we need to do in order to Object timely, is to file a specific Objection with the Secretary of the Treasury, and simply tell him what your *state of mind* is at the present time; and synchronously record that document in a Public Place. Documents written by individuals are often very strong pieces of evidence to prove a person's *state of mind*, and will, under some circumstances, directly overrule another person's first-person oral testimony on grounds relating to the *Parole Evidence Rule* (most often such circumstances surface in Probate proceedings in Surrogate's Court when a Will or its Codicil is being contested). If the IRS has a prosecution in gestation against you at the present time here in 1985, and the IRS is moving against you in some manner for the years, say, 1982 and 1983, then filing this Notice of Protest and Objection will have no retroactive effect. Filing this Objection at the present time merely documents your *state of mind* at the present time, and so if the IRS moves against you in three years, this preventative step you take at the present time is interesting prosecution annulment material.[27]

Since the King's Attorney will present some old bank account that you had gotten rid of years earlier, and will conveniently not show your recessions to the Judge at the time the Summons is signed, none of this Status correction

material will likely deflect the original initiation of a prosecution itself.

In your Objection and Notice of Protest, we might want to mention that you are using Federal Reserve Notes for minimum survival purposes only, and that even this use is reluctant, because in a previous day and in a previous era, the King used his police powers to seal a monopoly on currency instruments, and so now you have no choice in selecting between different currency instruments to use -- and the involuntary adhesive attachment of Title 26 civil liability that occurs while you are being backed into such a corner, occurs against your will and over your objection.

Your *state of mind* is not one of beneficial acceptance and enjoyment of Federal Reserve Notes, but one of a forced *de minimis* coercion. You are not using Federal Reserve Notes for Commercial profit or gain, but such use is out of practical necessity since the King has physically removed all currency competitors from the marketplace under his penal statutes and literally by physical duress; and so now your use of Federal Reserve Notes is by lack of alternatives to select from, not freedom of choice. By such monopoly tactics, the King is engaging in unfair Trade Practices, which if you or I did the identical same thing, we would be incarcerated for it under numerous Racketeering and Sherman Anti-Trust criminal statutes. Yet the *forced* monopoly of a currency serves no beneficial public interest,[28] and is actually an instrumentality to work *magnum* damages on us all after the King replaces his initial hard currency later on with a paper currency (which has now happened). Remember that Federal Judges see important benefits in everything the King does, and there are legitimate benefits in having a uniform national currency to pursue Commercial enrichment with -- when those benefits were sought after voluntarily.[29]

Judges perceive of those benefits as being related to the Legal Tender status of the King's Currency, among other things. What Federal Judges do not see collectively is that those FRN's possess only those benefits that any

widely accepted circulating currency would also offer, and are the same benefits that privately circulating notes and coins did in fact offer here in the United States prior to the Civil War. The King is not entitled to demand taxation reciprocity by merely replacing benefits originating from private mints with benefits originating from the Congress under the cloak, cover, and duress of penal statutes. So by enacting that succession of penal monopoly statutes that shut down competitors, the King has transferred the origin of currency benefits away from private mints and banks, over to himself. A forced uniform national currency serves only the private financial enrichment objectives of the King by getting everyone into Interstate Commerce, among other things, and also serves the objectives of Special Interest Groups who very much want to see the King circulate paper currency expressly for the purpose of perfecting our enscrewment -- if it were not so, the King would not have had to use penal statutes and armed stormtroopers in the 1800's to enforce the acceptance of his currency monopoly *lex*. If a single national currency medium did in fact serve everyone's best interest, if everyone wanted to use the King's paper money, then why did the King have to resort to the display of physical force when initiating such a currency monopoly by police powers intervention in the 1800's, and now unilaterally use that monopoly to administratively coerce people into contractual situations they did not otherwise want or enter into?

Therefore, you do not accept any Consideration the King is handing you when Federal Reserve Notes circulate into your possession (and remember that the King's Legal Tender Statutes have very much enhanced the market value of Federal Reserve Notes). And that such use of Federal Reserve Notes is occurring against your will and over your objection and Protest, for, *inter alia*, want of alternatives, and with the reason why there are no alternatives is due to Federal monopoly penal statutes forbidding such alternatives, and that such a monopoly is an unfair restraint of trade (unfair because it is unnecessary) anyone else gets incarcerated for.

Remember that in dealing with Federal Judges, you need to

"hit the nail right on the head," and by rejecting Federal benefits, and then explaining your rejection through chronologically sequential presentations of facts and of reasoned legal arguments; when that has been done, then where once there was a Courtroom hurricane of unbridled retortional ensnortment by Federal Judges, designed to rub in, in no uncertain terms, their strong philosophical disapproval of Tax Protestors -- now suddenly in contrast, everything changes over to a quiescent environment.[30]

Additional objections along the lines that Warburg and his Gremlin brothers in crime, the Rothschilds, through their ownership of the Federal Reserve System, are third party beneficial interest holders, and that use of the police powers for the private enrichment of a Special Interest Group is unlawful, since under Supreme Court rulings, when the King enters into Commercial activity, his Status descends to the same level as other merchants,[31] and that any other American merchant who pulled off such a gun barrel monopoly grab would be incarcerated for doing so. Numerous Contract Law books provide a rich abundance of defenses to assert against Negotiable Instruments.[32]

Numerous defenses to assert in your Objection and Notice of Protest against the use of Federal Reserve Notes attaching liability to Title 26 due to their Status as circulating Commercial Negotiable Instruments involve both Real[33] and Personal Defenses.[34]

Some of the defenses you could claim include undue influence,[35] absence or failure of Consideration,[36] moral fraud,[37] necessity, unilateral adhesion contract made in restraint of trade,[38] economic duress,[39] and the like.

Some of those Objections and statements are milktoast, and will later fall apart and collapse under attack by the King's Attorneys in adversary proceedings, and properly so. Reason: The Use and recirculation of Commercial Federal Reserve Notes necessarily involves a Contract Law factual setting, and so our arguments along the lines of the King's basic unfairness in sealing up his national

currency monopoly, etc., are only peripheral arguments; only direct coercion in the use of Federal Reserve Notes is strong enough to strip the King of his Status of a *Holder in Due Course*. And unfairness arguments sounding in the Tort of third party Special Interest Group penal statute sponsorship and of Congressional intrigue in 1913, even though very accurate factually, are way off base, if we are going into the Supreme Court under a factual setting calling for Contractual Law settlement reasoning.

But for us right now, which Objection reason that we stated, either stands or falls when under attack later, is not important. And what is important is denying the King his protective Status as a *Holder in Due Course* against you (if the King is a *Holder in Due Course*, the Principle is that we have no defenses to assert against him), by filing your *Notice of Protest* and related corrigendum (meaning filed in an interlocutory state in contemplation of secondary enhancement or error correction at a later time). But some of those arguments we listed will survive, as the naked facts surrounding the forceful acquisition of the King's monopoly on national currency are quite authentic, and elements can be raised to take the factual setting out of Contract Law and into Tort Law where, at least as a point of beginning, those arguments then become relevant [however, those arguments probably won't even be addressed for other reasons]. So we are exactly on line in some areas (assuming the Case was properly plead by referring to the Supreme Court rulings on the declension in Status the King experiences when the King engages in Commercial activity).[40]

So the final analysis is not important right now. Getting a general Notice of Protest documenting the situational infirmities to the other party; invoking Tort Law to govern the factual setting surrounding your involuntary use of Federal Reserve Notes; and stating that there has been a *Failure of Consideration*; as your *state of mind* is what is important, and the detailed judicial affirmation or rejection of your specific Protest reasons can occur later in adversary proceedings. Failure to object is fatal, and failure to object timely is equally as fatal,

as you have no right to ask the Judiciary to help you weasel out of the terms of contracts you originally intended to benefit from (which is necessarily inferred when no timely Objection was filed on your part). If we have corrected our Status, we filed our Objections timely, and we still lose, and the reasons why we lose on this issue have their seminal point of origin in the King's police power tactics in the 1800's, then it would then be time to consider dealing with the King on the same terms the King's Treasury Agents dealt with the two remaining die-hard California Coin Mints: Out of the barrel of a gun. [41]

With the prosecution of Individuals, whose status is near lily white, being sandbagged at low administrative and judicial levels, then such an aggressive retortional atmosphere of confrontation is quite unlikely to occur. But until those circumstances do happen, then let's not badmouth the Judiciary, because as for the past and present, *Principles of Nature* rule in the corridors of the United States Supreme Court, to the extent that they are able to apply such majestic Principles to such pathetic factual settings they are frequently presented with -- with petitioners and criminal Defendants who are not entitled to prevail under any circumstances, as contracts are in effect.

Subject to these following qualifications, the filing of this Objection on the involuntary use of Federal Reserve Notes will arrest the movement of the King's Agents in a civil prosecution against you on this particular adhesive attachment of King's Equity Jurisdiction. But the most interesting reason why you now reluctantly use Federal Reserve Notes is yet to come; and it is the one reason the King's Attorneys will never be able to tear apart and get judicially annulled [it will be sandbagged before it gets annulled]. And it is the one reason why even an otherwise reluctant Supreme Court might just respect this Objection, regardless of how irritating it may be for some imps nestled in the Judiciary, since the effect of this one last Objection automatically vitiates the most solemn written contracts ever sealed.

Your Objection might want to contain the following:

> 1. An historical overview of the gun barrel and penal statute factual setting surrounding the acquisition of a national currency monopoly by the King, with the authorities for your statements being cited;
>
> 2. Stating in all of your Objections and Notices of Defects, that your occasional use of Federal Reserve Notes is involuntary, and transpires because you are seeking to avoid being incarcerated as an accessory to the criminal circulation of illegal currency under Federal statutes.

That's right. That is the real reason why you now reluctantly use Federal Reserve Notes: Not because you want to, and not necessarily because of what some Treasury Agents did in California in the 1800's, but because if you now started using your own currency instruments here today in 1985, then the King will incarcerate you for doing so; and therefore we have no choice but to use the King's designated currency against our Will and over our Objection.[42]

Your entrance into that closed, private domain of Interstate Commerce, by the use and recirculation of Federal Reserve Notes (the King's Money), is involuntary by reason of pure physical coercion. Remember that the character of every act you do, and every prospective act you avoid doing, depends upon the documented background circumstances behind which the act is either done or avoided,[43] and your ability to document and prove your *state of mind* is absolutely mandatory as a point of beginning: So let's not snicker at Judges as they toss out arguments based merely upon some recollected memory reconstructions from out of the past. If you claim that your involvement with the King in his closed private domain of Interstate Commerce occurred by reason of physical coercion, then the first question a Federal Judge will be asking himself is:

> Who coerced you, when did this coercion take place, and what were the background circumstances surrounding the coercion?

What the Judge will then do is to make an assessment of the overall legitimacy of your claims. Talking about the naked aggression of Treasury Agents in California in the 1800's is one interesting story out of the past, but talking about a direct operation of coercion on you today in the 1980's is even better. Remember that lightly claiming duress and coercion is one easy thing to do, but proving such coercion is another. Absent a presentation of the King's monopoly acquisition tactics, of his snuffing out currency (coins, bank notes, and private paper) competitors in the 1800's, and of his contemporary eagerness to incarcerate competitors and private currency lone wolves, absent such factual background material your claims of duress and coercion to invalidate the Contract Law jurisprudential setting of Federal Reserve Notes, as it applies to you, are possible candidates to fall apart and collapse before the Judiciary. So tell the Court about the currency history of the King, and his acquisition of a currency monopoly out of a barrel of a gun, and then cite exactly, and then quite directly, the verbatim wording of the Federal statutes that criminalizes your acquisition and recirculation of any other Currency Instrument other than the King's specified Legal Tender for the extinguishment of your private debts, in order to prove your *state of mind*.[44]

The reason why it is to your advantage to talk about these historical aspects and give a Federal Judge a long chronicled history of the King's gun barrel muscle tactics you are objecting to, is because their Federal Benchbook is silent on it (except for numerous 1800's Case quotations), and so very few Federal Judges actually know anything about the currency history of the United States, and when Judges have been confronted with accurate presentations of historical facts, they can and will rule against Government and reverse themselves publicly in Opinions,[45] and also quietly in post-Opinion regrets.[46]

So giving Federal Judges a more factually detailed presentation of history, than is carefully given to them in those Government Seminars of theirs, operates to your advantage. Your use of Federal Reserve Notes, under objection to avoid incarceration, is the kind of a documented coercion factual setting that is going to give the Supreme Court something to think about, if the grievance ever gets to them. This involuntary entrance into King's Commerce by reason of threat of incarceration severs this civil attachment of Equity Jurisdiction that is otherwise airtight for those folks not Objecting substantively and timely [because benefits were rejected and there is now a *Failure of Consideration*], and completes our efforts to convert the basic Contract Law factual setting that the use of Commercial Federal Reserve Notes necessarily mandates, somewhat over into Tort Law (so our unfairness arguments then can become relevant). [47]

That documented involuntary behavior to avoid incarceration is the one magic liability -- vitiating line that Judges never deviate from, and that incarceration threat is the kind of an Objection that Judges want to hear, and that is the kind of an Objection that the Supreme Court will respect. But as always, it is the waiver and rejection of Royal benefits that is the most important item to address; and the King's Legal Tender Statutes have very much enhanced the market value and general Commercial attractiveness of those Federal Reserve Notes, so as viewed from the perspective of a Federal Judge, when you accepted and then recirculated Federal Reserve Notes, you have accepted a Federal benefit.[48]

So the King has the requisite standing jurisdiction to use his police powers to seal up monopolies on currency and postal services: But when he threatens to cause those penal statutes to operate against you, the King can then forget about the assertion of any adhesive revenue enhancement Equity Jurisdiction on us, if you will but so much as Object substantively and timely so as to trigger Consideration Failure.

You should remember that filing such an Objection, say next year in 1986, will only assist you in a future prosecution. If the IRS is going after you today for 1981 to 1985, then your failure to Object timely was fatal on your part, as this Federal Reserve Note Objection carries no retroactive force with it. Remember that the King's throwing a prosecution against you is an adversary proceeding. If the King's Attorneys make the assertion that you had accepted and use Federal Reserve Notes (with the long history of Consideration Law to support the King in this area going back into English history and the Medieval Ages), and you retort by saying that you didn't want to use Federal Reserve Notes without being able to explain exactly how and why your use was involuntary, then the Federal Judge has no choice but to rule against you, as in that setting the preponderance of the evidence favors the King. So the King wins by your own half-baked minimum efforts and default in proving your assertion. But if you do cite authorities, quote the King's criminal statutes verbatim, and prove everything, then there is not a Federal Judge in the entire United States who could rightfully hold that your use of Federal Reserve Notes is voluntary for Commercial gain, and that an adhesive attachment of revenue Equity Jurisdiction attaches for this reason (and that specifically includes the Supreme Court). The King may have numerous other Equity hooks into you depending on your individual circumstances, but he will be restrained from using this one hook against you.

[As I said in the Armen Condo Letter, in a criminal prosecution setting, it is a general policy custom that the Judiciary requires a much higher evidentiary standard of knowledge of wrongdoing and of Commercial enrichment experienced in the closed private domain of King's Commerce; but as you should see by now, through a strict technical reading of Title 26, no bank accounts are ever needed to perfect a 7203 prosecution. By its own statutory wording, either your documented involvement in Interstate Commerce, over the minimum liability threshold level, or your Citizenship Contract, attaches all civil and criminal liability the King thinks he needs. But Federal Judges do not necessarily think like the King thinks, and in a

criminal prosecution for Title 26 infractions, the Judiciary, by custom, would like to see a higher level of administrative and merchant status than the mere use and recirculation of Federal Reserve Notes infers. That higher evidentiary standard that Federal Judges hold was all that I meant in the Armen Condo Letter. And since the Federal Judge had Armen Condo's bank account contracts in front of him, the Constitution then became irrelevant in Armen's *Restraining Order* defense. So, generally, what the Federal Bench wants to see is some type of a contract before they will consent to a criminal prosecution for Title 26 penal infractions. There are exceptions where such instruments of *Conclusive Evidence* like bank accounts are not pursued that much, but those exceptions do not apply to you or me. To my knowledge, no one in the United States has ever been incarcerated at any time for any penal infraction of Title 26, with the only evidence being acceptance and beneficial use of Federal Reserve Notes in Interstate Commerce. Evidence of the acceptance and beneficial use of Federal Reserve Notes is quite frequently adduced into criminal prosecutions by the King's Attorneys in the Public Show Trial, but only a collaborating secondary evidence behind serious contracts the IRS quietly gave the Judge in his Chambers before the prosecution even started. This Equity hook the King has up his Royal sleeve (use of Federal Reserve Notes) is generally applicable against you as *Prima Facie* primary evidence only in the lower evidentiary standards of a free wheeling civil arena.]

So important for us is the filing of the Objection and Notice of Protest, and filing the objections timely. And each of these Objections should be separate and distinct from each other (Admiralty/Birth Certificate, Equity/ Social Security, Commercial/*Holders in Due Course*, etc.). What happens if the Supreme Court rules some day of in the future that King's Revenue Equity Jurisdiction still attaches to involuntary users of Federal Reserve Notes? We will then have to acquire our rights from our contemporary King the same way Ben Franklin and George Washington acquired their rights: Out of the barrel of a gun.[49]

We always want to take a moment and examine ourselves in

known impending grievances from the viewpoint of our adversary, in order to see things like a judge; and when dealing with an attack on the acceptance and recirculation of Federal Reserve Notes, an argument will likely be advanced to try and discredit your objection:

> Your adversary will argue that Federal Law, not State Law of the UCC governs your attack on Federal Reserve Notes. Their arguments are based on numerous federal court rulings -- one of which is when the Supreme Court once ruled[50] that the rights, duties, and liabilities of the United States on Commercial paper are issues that are to be governed exclusively by federal law, and not governed by state law. Therefore, your adversaries will argue that your reliance on the UCC, which are a collection of state statutes, as a source of authority, is ill-founded and that you are not entitled to prevail. This argument does not concern us at all, since in reading *Clearfield Trust,* the reason why the Supreme Court wants federal Commercial paper to be governed by Federal Law and not State Law is because they do not want the Federal Government subject to 50 different rules and restrictions proprietary to each state:
>
> "But reasons which may make state law at times the appropriate federal rule are singularly inappropriate here. The issuance of Commercial paper by the United States is on a vast scale and transactions in that paper from issuance to payout will commonly occur in several states. The application of state law, even without the conflict of laws rules of forum, would subject the rights and duties of the United States to exceptional uncertainty. It would lead to great diversity in results by making identical transactions subject to the vagaries of the laws of the several states."[51]

Since the Uniform Commercial Code is just that, i.e., *uniform* throughout all of the states except one (Louisiana), having the issuance and Commercial use of Federal Reserve Notes subject to this uniform code, in the absence of any federal law to the contrary, is most appropriate. Subjecting the rights and duties of the United States and it's pet corporation, the Federal Reserve, to the uniform rules of the UCC to fill in missing gaps in Federal Commercial Laws, offers to expose the United States to no exception uncertainty. Although there very much is a Federal Law Merchant,[52] State Law is silent on the matter;[53] and so now that leaves Federal Judges making the law.[54]

Remember that the *Principles of Nature* the UCC codifies into sequential statutes is merely the old Law Merchant of our Fathers, and that our Fathers merely codified reason, logic, and common sense; and the Uniform Commercial Code, even though it is state law, is merely cited to both fill pronouncement voids in the Federal Law Merchant, and as simply the best pronouncement of *Principles of Nature* denominated to apply to Commercial factual settings.

The Principle we invoke when coming to grips with these Federal Reserve Notes is merely common sense: That a person we are trying to avoid doing business with (the King) loses his expectation of our conformance to his statutes, when we place him on our *Prior Notice* that Defects are present in the paper he is circulating, and that we are not accepting the benefits otherwise inuring to the Holders and Recirculators of his Federal Reserve Notes, by reason of involuntary use. Everything in this Letter is all inter-related to some extent; earlier, I discussed the *Ratification Doctrine*, by which Judges hold that silence on your part, in the context of an assertion being made against you, constitutes your acceptance of the proposition that you are silent on (and for good reasons: Because benefits are being accepted by you). This Notice of Defect reverses that state of silence, and the King is forced to experience a declension in his coveted status of expecting a perfect non-defense case against you, based on your terminating the acceptance of the benefits of the use

and recirculation of Federal Reserve Notes. The UCC largely codified all of this since merchants have it out with each other all the time on this very question with Negotiable Instruments, and as such the UCC gave every possible thing and every party nice proprietary names and labels so that attorneys and judges can all deal with these factual settings with everyone speaking the same vocabulary. So, if the UCC is technically non-applicable to Federal Reserve Notes, then we don't really care, as the UCC is no more than codifying Nature, as Principles operate transparent to changes in factual settings. If we are Objecting to a thing, like a Note, then the Maker has lost his expectation of not having any grievances to deal with on that thing (Note); and that is only common sense. And we cite the UCC as the best codified pronouncement of that Doctrine, and we encourage our adversaries to find any federal statute inconsistent with the UCC's pronouncements.[55]

As you well know, Mr. May, it is a *Principle of Nature* that an ounce of prevention is worth ten tons of labor exerted later on in patching up. And merely preparing your multiple objections now, in writing, will spare a person from substantial expenses in depositions and the like later, as the collection of evidence, is, generally speaking, an expensive and time-consuming process. With rare exception, all of the Patriot lawsuits I have examined never involved any form of Depositions or Interrogatories being take on the Defendant (and the Patriot wonders why he loses). All of that is neatly avoided by a few preventative steps.

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[1] If there are *Holders in Due Course*, are there also *Holders **not** in Due Course*? Certainly there are. The volume of Contract Law in this area is quite extensive, and in this brief Letter, only a brief profiling synopsis is appropriate. [return]

[2] Federal Reserve Notes are debt obligations of the United States Government. See Title 12, Section 411.

[return]

[3] "United States coins and currency (including Federal Reserve Notes and circulating notes of Federal Reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts." - Title 31, Section 5103 (September, 1982). [return]

[4] So looking inversely at the entire King's Equity pie of taxing hooks that he has got into you, only a totally pure decontamination of yourself away from that multiplicitious array of political and Commercial benefits the King is offering, of all benefits up and down the entire adhesive line of largely invisible juristic contracts, will properly sever yourself away from the adhesive administrative mandates of Title 26. [return]

[5] *Prima Facie Evidence* is moderately good and acceptable evidence, although not air tight, and stands as valid unless countermanded. On the other hand, *Conclusive Evidence* is strong and very difficult to challenge, and is incontrovertible. [return]

[6] Remember that Consideration is a benefit you enjoy. This *prima facie Evidence Doctrine* is replicated over and over again in numerous books on Contract Law and Commercial Law. Our King did not invent this *prima facie* Consideration Doctrine, as its seminal point of origin goes back into the Middle Ages in England, which is before our King even existed. [Citations deleted]. [return]

[7] Yes, the benefits that were accepted by you carried with them invisible hooks of reciprocity, so now, as uncomfortable as the hooks are, contracts are in effect, and Patriot arguments sounding in the Tort of unfairness are not relevant. [return]

[8] For a discussion on how the right of a first debtor to come and operate a liability against a second ripple debtor, back to the first debtor's creditor, see Rabbi

Isaac Herzog, Chief Rabbi of Israel, in the Second Volume of *Main Institutes of Jewish Law*, entitled "The Law of Obligations" (1967). [return]

[9] Starting with the *Legal Tender* Laws in 1862, then the *National Banking Act* in 1864, then the previously mentioned acts outlawing private coin circulation, then an act in 1865 imposed a 10% tax on state bank note issues. In *Veazie Bank vs. Fenno* [75 U.S. 533 (1869)], the Supreme Court ruled that a tax of 10% on state bank notes in circulation was held to be Constitutional, not only because it was a means of raising money, but that such a tax was an instrument to put out of business such a competitive circulation of those private notes, against notes issued by the King. The combined effect of those Civil War era penal statutes collectively was to monopolize the entire American currency supply under Federal jurisdiction (which is exactly what the King wanted). By these penal statutes, both privately circulated coins and paper notes were outlawed, and die hard private mints were later purchased by the King, and otherwise put out of business, permanently. And in the 1900's, under an administrative regulation promulgated by the Board of Governors of the Federal Reserve Board, the issuance, if even for brief promotional purposes, of publicly circulating private bank notes by member banks, is forbidden. [return]

[10] The Private Express Statutes remain today as Title 38, Sections 601 to 608; and Title 18, Sections 1693 to 1699. [return]

[11] Exemplary would be Fred Ferretti in "Private Mail Delivery vs. The Letter of the Law," *New York Times*, September 25, 1976. [return]

[12] *United States Postal Service vs. Brennan*, 574 F.2nd 712 (1978). There were no non-Commercial Status arguments made by the Brennans. [return]

[13] See *Ratification by an Undisclosed Principal* by Edwin

Goddard in 2 Michigan Law Review 25 (1903). [return]

[14] See Notes, *Agency -- Ratification* in 1 Michigan Law Review 140 (1902). [return]

[15] See *the Effect of Ratification as Between the Principle and the Other Party* by Floyd Mechem in 4 Michigan Law Review 269 (1905). [return]

[16] "Where a contract has been made by one person in the name of another, of a kind that the latter might lawfully make himself, and the only defect is the lack of authority on the part of the person acting, the subsequent ratification of that contract, while still in that condition, by the person on whose behalf it was made and who is fully appraised of the facts, operates to cure the defect and to establish the contract as his contract as though he had authorized it in the first instance. From this time on, he is subject to all the obligations that pertain to the transaction in the same manner and to the same extent that he would be had the contract been made originally by him in person, or by his express authority. The other party may demand and enforce on the part of the principle the full performance of the contract entered into by his agent." - Floyd Mechem in *The Effect of Ratification as Between the Principle and the Other Party* in 4 Michigan Law Review 269, at 269 (1905). [return]

[17] The Law of Contracts requires *mutual assent* to be an element present between the parties when contracts are entered into. However, mutual assent is quite different from mental assent:

> "In the field of contracts, as generally elsewhere, `We must look to the outward expression of a person as manifesting his intention rather than to his secret and unexpressed intention. The law imputes to a person an intention corresponding to the reasonable meaning of his words and acts." - *Lucy and Lucy vs. Zehmer*, 84 S.E.2nd 516, at 521

[Supreme Court of Appeals of Virginia (1954)].

Folks who believe that *Mental (Intellectual) Assent* is a necessary ingredient to the formation of contracts are in error. A person can internally frown and repel a contract in the back of his mind, but still be held to be bound by the contract due to his exterior movements in accepting benefits. And as we shift over to discuss a *Principle of Nature* regulating the commencement of invisible contracts thrown at folks by Juristic Institutions, nothing changes there, either. Protestors claiming to be exempt from being attached to expectations of taxation reciprocity by reason of no *Mental Assent* being present, are in error: Because your exterior manifestations -- your failure to explicitly and bluntly reject juristic benefits -- overrules whatever quiet reservations you may have about the reciprocity expectations contained in the contract. The other party to the contract (here, the other party is a Juristic Institution) has absolutely no reasonable basis to consider the applicability of its contract with you by probing into the corners of your mind and uncovering any latent reservations that may be there. Therefore, only the act of coming out into the open and filing a blunt and explicit *Notice of Rejection of Benefits*, has any reasonable meaning; and Protestors claiming unfairness because *Mental Assent* is tossed aside and ignored are not addressing the full spectrum of factual elements that judges consider when presented with a contract enforcement prosecution. [return]

[18] Variations on this *Ratification Doctrine* surface all throughout the Law. It surfaces in criminal prosecutions as an evidentiary law requiring that circumstances be awarded priority over verbal communication or non-communication in proving conspiracies (meaning that what you say or don't say is not important as what you do). In Commercial contracts, *Parole Evidence* is oral or verbal evidence, and the *Parole Evidence Rule* restrains a party to a contract from using expectations and declarations from toning down the meat of a contract. (See UCC 2-202), since the lesser oral expectations were *merged* into the

greater written expectations. In the Uniform Commercial Code, the *Ratification Doctrine* appears in Section 2-610, which states that the repudiation of a contract must be positive and unequivocal; and it appears again in 2-606 (b), which states that failure to make an effective (strong) rejection constitutes acceptance. [return]

[19] The underlying Principles associated with the *Ratification Doctrine* surface in criminal prosecutions, as it is often very reasonable for Juries, too, to take special Notice and freely draw inferences and conclusions from the Defendant's silence. In some Trials, Judges have characterized that the effect of the Defendant remaining silent would be like:

> "... the sun... shining with full blaze on the open eye." - *State vs. Cleaves*, 59 Main 298, at 301 (1871). [return]

[20] For a recent discussion on the *Ratification Doctrine* in operation, See *Commonwealth Edison vs. Decker Coal*, 612 F.Supp. 978 (1985). [return]

[21] I have seen lower State Courts apply the Principle of *Ratification* under Tort Law factual settings. See *Page vs. Keeves* [199 N.E. 131 (1935)], which held that a person assisting another in the commission of a wrongful Tort act against another, or with knowledge approving of such act after it is done, is liable in some manner as if he had committed the same wrongful act, if done for his benefit [that's right *Benefits Accepted*] and he avails himself of its fruits. The word *Ratification* does not appear anywhere in the Case Opinion, but the Principle does at page 135.

> "The doctrine of liability by *Ratification* in Tort Cases is abundantly established. Indeed, this seems to have been the earliest form of it. By whatever methods the act be adopted and approved, the principal becomes liable for the Tort as though he had previously directed it. And it is not always necessary that the approval

> shall look to the particular act. In the case of master and servant, for example, if the approval establishes the relation, the master becomes responsible for any Torts committed within its scope or which he would have been responsible had the relation been regularly created...
>
> "*Ratification* in Tort Cases is a distinct gain to the other party, giving him a remedy against the principal while not depriving him of its remedy against the wrong-doer himself." - *The Effect of Ratification as Between the Principle and the Other Party* by Floyd Mechem in 4 Michigan Law Review 269, at 270 (1905). [return]

[22] "The fact that Congress has remained silent..." - *James vs. United States*, 366 U.S. 213, at 220 (1961).

The Supreme Court has ruled that when the Congress remains silent on something, then the Judiciary sets the limits -- as silence by the Congress is very significant and presumptuous. Speaking about the *Intergovernmental Taxation Immunity Doctrine* binding on both Federal and State Juristic Institutions [that I mentioned at the end of *Citizenship*]:

> "Congress may curtail an immunity which might otherwise be implied... or enlarge it beyond the point where, Congress being silent, the Court would set its limits." - *Helvering vs. Gerhardt*, 304 U.S. 405, at 411 [footnote #1] (1937).

Yes, even the Congress of the United States is held to be accountable for its silence. In footnote number 1 to *Graves vs. New York* [306 U.S. 466 (1939)], the Supreme Court holds the silence of the Congress in areas of regulating Commerce as determinative of federal policy. In *Western Live Stock vs. Bureau of Revenue* [303 U.S. 250 (1937)], the Supreme Court discusses the implications of Congressional silence in the field of state taxation of Interstate Commerce and its instrumentalities. Yes,

silence is suggestive of intentions in some instances, and everyone without exception (even the Congress of the United States) is held accountable and responsible, at one time or another, for inferences drawn from their silence.

... Even Heavenly Father uses this *Principle of Nature* in the continuation of benefits and duties originating under Celestial Covenants by Saints, as silence by Saints individually is deemed to be an automatic extension of the Covenant (only the explicit disavowal of the Covenant can terminate the Covenant, while silencer retains the operation of the Covenant in effect). [return]

[23] See Roscoe Pound in *Readings in Roman Law*, Second Edition, at pages 25 to 26. [return]

[24] "The orthodox doctrine of the law of contracts, particularly the *Offer* and *Acceptanc*e machinery, could not be more familiar to most lawyers. We are long indebted to Professor Hohfeld, who has enabled us to express the legal effect of an Offer as creating a power of acceptance [see W. Hohfeld in *Fundamental Legal Conceptions* (1923); and also Corbin in *Legal Analysis and Terminology*, 29 Yale Law Journal 163 (1919)]. Where an Offer is extended by an Offeror, he permits the Offeree to exercise a power of acceptance that subjects the Offeror to the legal relation called contract. The Offeror is said to be under a correlative liability, because exercise of the power of acceptance by the Offeree creates a right-duty relationship.

> "After discussing the anatomy of Offers, the first year law student is concerned with the exercise of the power of acceptance. At once he is confronted with learning how the power may be exercised:
>
> "... almost the first question to ask about an offer is: What particular kind of acceptance did this Offer call for; and especially: Was it for a promise or was it for an act." - Llewellyn in

> *Our Case Law of Contract: Offer and Acceptance - Part II*, in 48 Yale Law Journal 779, at 780 (1939).
>
> "Understanding his exploration in this fundamental area is the principle that the Offeror is master of his Offer. He creates the Offer and may require the power of acceptance to be exercised in any manner he deems necessary or desirable. To emphasize this principle, students are typically confronted with a hypothetical Offer that requires the Offeree to don an *Uncle Sam* costume, climb a greased flagpole, and, upon reaching the gold dome at the top, whistle Yankee Doodle twice. The effect on the impressionable first year student is significant. He will never forget that the Offeror is master of his Offer, and he will often justify his position through the use of even more outlandish hypotheticals. Of course, he is obliged to use hypotheticals, just as his teacher was, since no recorded case makes the point so clearly." - John Murray in *Contracts: New Design for the Agreement Process*, 53 Cornell Law Review 785, at 785 (1968).

Mr. Murray is correct, there is no *recorded case* that makes the point so clearly, but by the time you have finished this Letter, you will see numerous *unrecorded cases* of contract Offers by the King that are very structurally similar to climbing a greased flagpole by the magnitude of the King's leverage involved, since the game starts out with the cards being so heavily stacked against us, as our own ignorance and silence work against us greatly. [return]

[25] The problems associated with *Ratification* have been the subject of controversy by commentators.

> "If a person whom I have not authorized to act as my agent has made in my name with a third

> person a contract composed of mutual promises, and if the third person, who originally believed in the authority of the assumed agent, has withdrawn from the transaction and has communicated his withdrawal to the assumed agent or to me, can I, nevertheless, thereafter, promptly upon learning of the contract, ratify the contract and hold the third person? In short, by ratifying an unauthorized bilateral contract can I hold the adverse party, although he has already withdrawn from the contract? ... The questions underlying the problem go to the very foundation of the *Doctrine of Ratification*." - Eugene Wambaugh in *A Problem as to Ratificatio*n in 9 Harvard Law Review 60, at 60 (1895). [return]

[26] For commentary, see Notes, *Silence as Acceptance in the Formation of Contracts*, 33 Harvard Law Review 595 (1919). The many commercial contract cases cited and quoted therein should be distinguished from juristic contracts. [return]

[27] One should not necessarily feel too depressed over having failed to perform a positive act at some point in the past; a correct understanding of handling factual settings is acquired experientially, and so although knowledge frequently does come too late...

> "Wisdom too often never comes, and so one ought not to reject it merely because it comes too late." - *Rose vs. Mitchell*, 443 U.S. 545, at 575 (1978). [return]

[28] Mere declarations by the Congress that their creation of a uniform national benefit constitutes a benefit, does not in fact reverse facts that the damages associated with Congressionally originated money exceed the benefits. The Congress once declared their attitude that their currency monopoly is a benefit for us out here in the Countryside:

> "In order to provide for the safer and more effective operation of a National Banking System and the Federal Reserve System, to preserve for the people the full benefits of the currency provided for by the Congress through the National Banking System and the Federal Reserve System..." - Title 12, Section 95 (March, 1933).

Federal Judges are cognizant of the declaration of Congress that the issuance of a currency by the Congress is considered to be a benefit; but declarations do not change previous factual experiences. [return]

[29] In *Veazie Bank vs. Fenno*, 75 U.S. 533 (1869), the Supreme Court ruled that it was the Constitutional right of Congress to provide a currency for the whole Country; that this might be done by coin, United States notes, or notes of national banks; and that it cannot be questioned that Congress may Constitutionally secure the *Benefit* of such a currency to the people by appropriate legislation. [return]

[30] "Quiescent" means that the environment is at rest, but only for a certain amount of time. [return]

[31] "Governments descent to the level of a mere private corporation and takes on the character of a mere private citizen [where commercial instruments are concerned]." - *Bank of U.S. vs. Planters Bank*, 22 U.S. 904 (1829).

> "When governments enter the world of commerce, it is subject to the same burdens as any private firm." - *United States vs. Burr*, 309 U.S. 242 (1939).

And the King is very much into Commerce when his Legal Tender Statutes and equity co-endorser statutes [Title 12, Section 411] enhance the value of those negotiable Federal Reserve Notes. [return]

[32] Exemplary would be, perhaps, the three volume set of

Treatise on Recession of Contracts and Cancellation of Written Instruments by Henry Black (Vernon Law Book Company, Kansas City, Missouri);

And the huge voluminous set of *Corbin on Contracts* by Arthur Corbin, West Publishing Company, St. Paul, Minnesota;

Another is the 18 volume set of writings of Sam Williston entitled *A Treatise on the Law of Contracts*, published by Baker, Voorhis & Company, Mount Kisco, New York (1961). [return]

[33] Real defenses include those defenses that arise out of the fact that no liability was created in the first place by your involuntary use of Federal Reserve Notes. [return]

[34] Personal defenses are those defenses which arise out of the relationship of the parties to each other. [return]

[35] Undue influence is generally understood to be the power which one person wrongfully exercises over another in attempting to control and influence the action of such other person. Both *circumstantial* as well as *direct evidence* is acceptable for proving undue influence (which, like all other defenses are affirmative defenses, and the burden falls on you to assert your position well). [return]

[36] Remember that Consideration is a benefit, and mere issuance of the Note itself has always been *prima facie evidence* that Consideration (a benefit) was accepted by the Holder (you). Your placing the King on "Prior Notice" that benefits are being declined and waived, and that infirmities are present, is your attack on Consideration. [return]

[37] Either fraud *per se* or in the alternative, *Fraud in the Factum* can be either Personal or a Real Defense, depending upon the factual setting (which we will now

alter to favor ourselves). Law books are generally reluctant to define the contours of just what fraud is, since no sooner do the contours of fraud get settled, then some scheming crook stretches those contours by figuring out new ways to pull something off. But if you can get a recognizance of fraud, then what is absolutely certain is the consequence of such fraud: As it vitiates anything and everything that it enters into. But fraud is an affirmative defense, and properly so, and the burden is on you to prove that such fraud exists. [return]

[38] Commercial bargains made by people are generally deemed to be null and void if made in conflict of Public Policy, i.e., prostitution, gambling, usury, etc. The King's monopoly grab on a single national currency is very much contemporary national Public Policy, so arguing this line in a Contract Law Jurisprudential setting is going to be difficult, unless the correct pleading of the Money Issue is presented. [return]

[39] Duress does not need to be directly experienced by the party claiming it as a defense, as duress used by one of the Holders, with the secondary effect of the duress operating only indirectly against you, is quite sufficient as a defense. [return]

[40] "When governments enter the world of commerce, it is subject to the same burdens as any private firm." - *United States vs. Burr*, 309 U.S. 242 (1939). [return]

[41] "And honest Men would be expos'd a ready Prey to Villains, if they were never allow'd to make use of Violence in Resisting their Attacks." - *The Law of Nature and of Nations*, by Samuel de Puffendorf [Translated from the French by Basil Kennett (1729)]. [return]

[42] Is the King really interested in using penal statutes to enforce a currency monopoly, down to the present day? Yes, he very much is, and those who deal in that currency which the King has seen fit to declare illegal in his kingdom will find themselves dealing with the King's

Agents at gun point.

...Being in the United States felt good to the Braselton Family, who came over here from Manchester, England in the 1880's. They settled down in rural Georgia, a remote 52 miles northeast of Atlanta. This was 52 miles from nowhere, in the middle of nowhere. This was an enterprising family with commercial enrichment being a natural family attribute. The elder Mr. Braselton borrowed $2,000 and started in business with his brother at the age of 8 [a great deal of money for those days when *silver dollars* circulated and $1,500 bought a nice house]. Soon, a farming supply store opened up, followed by a succession of other stores and business interests. What was first a single building was now a row of buildings lining both sides of a street, and surrounded by neighborhoods of residents. House of Braselton essentially grew into a town unto itself. Today, among the visible merchant establishments, there are the *Braselton Banking Company,* the *Braselton Super Market,* the *Braselton Flea Market,* the *Braselton Furniture and Appliance Store,* the *Braselton Monument Company,* and the *Braselton Service Station*. The State of Georgia granted their hamlet political status as a town, and named it the *Town of Braselton*. After building up a bank and virtually all of the supply stores in town, the Braselton Family then built a high school for the town's residents. There is no police department in Braselton, there is no fire department and no social services -- and, not surprisingly, being no benefits, there are no taxes to be concerned with. No, looters and Tory Aristocrats never did succeed in gaining a foothold in Braselton. Over the years from 1880 down to the present day, the Braselton stores have had their trials and reversals: They have had an intermittent fire, and in 1920 a tornado leveled many buildings, but the family always rebuilt. The Mayor of Braselton has always been a Braselton, and the family enterprises are managed by a family triumvirate, affectionately called THE 3-B's [see the *Atlanta Constitution* ("Three Braseltons of Braselton Business Partners Over 50 Years"), (May 31, 1939)].

Today, when I visited Braselton, only a handful of coins

and coupons ["Coupon Check"] mounted on a picture frame remain as reminiscent icons of the grand days of the 1800's, when anyone could issue their own currency without fear of being incarcerated. The history and lore of Braselton, Georgia is written and mounted on several walls in the *Braselton Brothers Hardware Store*. Walking into that store, one gets a feeling of power relationships, as photographs from Presidents, Governors, and Senators, and other Braselton Family Members hang in open view. With such a display of high powered acquaintances, I almost felt as if I was in David Rockefeller's office in the Chase Manhattan Bank -- but there the feeling of similarity stops. In the *Braselton Hardware Store*, one feels a sweet and pleasant spirit permeating the store, as if one great American family resides here. In David Rockefeller's office, also adorned with photographs of powerful acquaintances, the spirit in the air is one of an icy demon chill. Once while traveling up in an elevator in the Chase Manhattan Bank, my knees started to rattle when passing the 17th Floor, where His Excellency used to maintain his nest. The idea came to me, as I tried to stop the shivers, that the Astral High Command was holding an important conference, and that the demons were planning to pull off something grand. Being primarily in the farming supply business, the Braselton Family developed a Credit System based on *Trade Certificates* to handle the seasonal nature of surrounding farmers coming in to trade crops for supplies. For store employees and local residents, the Braseltons had their own coins minted, and dollar equivalency coupons printed to be used as currency. Copper and nickel based coins were minted in numerous equivalency denominations under $1.00; the paper coupons ["Coupon Checks"] were similar to those coupon issued by movie theaters and carnivals, and were available in coupon books. The issuance and circulation of coins and currency by *The 3-B's* was not only illegal, it was criminal, but in a friendly small town in Georgia composed of class people, who concerned themselves with technical banking statutes in Washington?

Over the years since the 1880's, while foreign wars came and went, the Braselton Family enterprises prospered and

grew independent of the King -- but eventually the party would be over. As is always the case, one little goof messes up the soup for everyone else, and the Braselton's turn came in the early 1950's.

...One day in the early 1950's, a Braselton minted coin found its way into a gas station in Atlanta. In turn it was passed on to a bank, who could not redeem it into currency they are comfortable with. So the bank called the United States Secret Service to report this heinous criminal outrage being commercially orchestrated right up State Highway 53 in Braselton. From out of their offices in the Atlanta Federal Building descended a troop of Federal Agents on Braselton [they always like to put on a big show], and *The 3-B's* surrendered immediately. *The 3-B's* would have surrendered on a phone call, but agents for the King earn their pay *in terrorem*, and like to use a show force to make a *statement*. The King's Agents brought with them guns and a slice of *lex* from Title 18 ["Crimes"], so now the private minting of Braselton coins and currency coupons was over with. In time, the Braseltons also disbanded the farmer's *Trade Certificates* for other reasons.

Question: Will the King use his guns to prevent you from circulating your own currency? Yes, he will. [return]

[43] "The character of every act depends upon the circumstances in which it is done." - *United States vs. Schenck*, 249 U.S. 47, at 52 (1918). [return]

[44] One of the statutory devices used by the King to grab for himself the currency circulating around the United States was to make it a criminal act for someone to countersign or deliver to any association, company, or person, any circulating notes not expressly allowed by the King:

> "...That it shall be unlawful for any officer acting under the provisions of this act to countersign or deliver to any association, or to

> any other company or person, any circulating notes contemplated by this act, except as herein before provided, and in accordance with the true intent and meaning of this act. Any officer who shall violate the provisions of this section shall be deemed guilty of a high misdemeanor, and on conviction thereof shall be punished by fine not exceeding double the amount so countersigned and delivered, and imprisonment not less than one year and not exceeding fifteen years, at the discretion of this court in which he shall be tried." - 13 *United States Statutes at Large* 107, Chapter 106, Section 27 ["National Banking Act"], 38th Congress, First Session (1864).

Introduced into the Senate by John Sherman and the House by Samuel Hooper, the Rothschild Gremlins had done their payoffs very well, as both this *National Banking Act* and the *Coinage Act of 1873* were the products of intrigue by Gremlins that originated in Europe.

By the time the 1940's came around, 13 *U.S. Statutes at Large* had been changed slightly and placed into Title 12, Section 581 ["Unauthorized Issue of Circulating Notes"], with the threatened incarceration retained. In June of 1948, the Congress repealed Title 12, Section 581, and so today the King retains his monopoly on circulating instruments by a combination of administrative *lex* prohibiting banking associations from issuing currency, and also by prohibiting anyone anywhere from circulating their own coins:

> "Whoever makes, issues, circulates, or pays out any note, check, memorandum, token, or other obligation for a less sum than $1.00, intended to circulate as money or be received or used in lieu of lawful money of the United States, shall be fined not more than $10,000 or imprisoned not more than one year, or both." - Title 18, Section 336 ["Issuance of Circulating

> Obligations of less than $1".]

Since all transactions subject to sales taxes in the United States are denominated in cents (even the purchase of jet aircraft), restraining a discharge in part prevents the discharge in whole. A person precluded from discharging his debts, except by overpayment, is a person experiencing a hard juristic Tort created by the King. [return]

[45] Such as happened with *Owen vs. The City of Independence* [445 U.S. 622 (1979)], which correctly reversed 500 years of Common Law policy that favored municipal Tort immunization. [return]

[46] When the manuscript to Paul Blakewell's book entitled *What Are We Using for Mone*y? [New York: Van Nostrand, 1952] was sent to retired Supreme Court Justice Owen Roberts (who had voted with the majority in the Gold Clause Cases [*Norman vs. Baltimore* and three other Cases starting at 294 U.S. 240 (1934)]), Judge Roberts sent a letter back to Paul Blakewell stating:

> "Of course, I ought not to be quoted concerning a decision of the Court when I was a member of it, but I am inclined to think that had I known the history you describe, I would have been of a different opinion than the one expressed." - Quoted from David Fargo in *Will Gold Clauses Return*?, in 8 Reason Magazine 72, at 103 (June, 1976). [return]

[47] Even though Judges may deal with tax enforcement proceedings whose only evidence is the acceptance and recirculation of Federal Reserve Notes on the civil side of their courtroom, you are not free of incarceration by merely getting rid of your Enfranchisements, licenses, and bank accounts that evidences the acceptance of Federal benefits -- benefit acceptance that creates invisible contracts. The IRS specializes in 2039 Summons and *Discovery* enforcement moves to perfect incarceration

through civil contempt proceedings, and the mere absence of a bank account will not protect you from being cited for Contempt of Court and the encagement that follows. [return]

[48] Yes, benefits accepted are also the invisible contract into state tax courts:

> "The simple but controlling question is whether the state has given anything [some type of a juristic benefit] for which it can ask return." - *State of Wisconsin vs. J.c. Penney Company*, 311 U.S. 435, at 444 (1940). [return]

[49] Writing to the French inhabitants of Louisiana, after the American War of Independence was over with, Thomas Paine made the following observation on the sometimes necessary use of aggression to obtain rights:

> "We obtained our rights by calmly understanding principles, and by the successful event of a long, obstinate, and expensive war. But it is not incumbent on us to fight the battles of the world for the world's profit." - *The Life and Writings of Thomas Paine*, by David Wheeler, Page 173 [Vincent Parke & Company, New York City (1908)] [return]

[50] *Clearfield Trust vs. United States*, 318 U.S. 363 (1942). [return]

[51] *Clearfield Trust*, id., 318 U.S. at 367. [return]

[52] "... the federal law merchant, developed for about a century under the regime of *Swift vs. Tyson*, 16 Peter 1, represented general commercial law rather than a choice of a federal rule designed to protect a federal right..." - Clearfield Trust, id., 318 U.S. at 367. [return]

[53] In explaining why state law governed a federal

commercial paper question:

> "While [the] New York statute... is not controlling... [there is] no conflict with any state or federal policy..." - *Royal Indemnity Company vs. United States*, 313 U.S. 289, at 297 (1940). [return]

[54] "In the absence of an applicable Act of Congress, it is for the federal courts to fashion the governing rule of law, according to their own standards..." - *Clearfield Trust*, id., 318 U.S. at 367. [return]

[55] Nowhere in Federal statutes does there exist specific language to the effect that *individuals* using Federal Reserve Notes are *Persons* attached to the administrative mandates of Title 26. The reason why we concern ourselves with this state of affairs is largely of a judicial origin, as Federal Judges are free to take Judicial Notice of such Supreme Court Cases like *Emily De Ganay vs. Lederer*, [250 U.S. 376 (1919)], which held that French Citizens and residents are liable to pay American Income Taxes by reason of their Commercial activities taking place over here. However, when we probe for the real bottom line at a deeper level, the real reason liability exists lies in an operation of contract. In 1925, the Supreme Court declared that there are two different types of invisible contracts ("implied contracts"). [The Supreme Court did not *create* something new here, as they merely declared in writing what had always been the structure of Nature in this area of contracts.] One type of contract recognized exists because of the practical factual elements that arise between two parties, and there is a structure in the factual background where there has been an exchange of Consideration. Another type are implied contracts that exist as a matter of express declared Law [see *Henry Merritt vs. United States*, 267 U.S. 338, at 341 (1925)].

> "It is important to remain aware of the distinctions between contracts implied in fact

> and contracts implied in law. In the former, the Court determines from the circumstances that the parties have indicated their assent to the contract. In the latter, however, the law creates an obligation "for reasons of justice, without any expression of assent and sometimes even against a clear expression of dissent." - *Freedman vs. Beneficial Corporation*, 406 F.Supp. 917, at 923 [Footnote #10] (1975); quoting from 1 *Corbin on Contracts*, Section 18 and 19 (1963).

Since no explicit statutes exist to adhesively bind recirculators of Federal Reserve Notes to Title 26, this *use of Federal Reserve Notes* contract is a contract arising from the factual elements of a commercial relational nature existing between the two parties (as Federal benefits were accepted in the context of some Judicially declared Commercial reciprocity being expected back in return). Contracts to pay Federal Income Taxes as a matter of pronounced Law are contracts like Citizenship, where some junior *lex* statutes do exist that explicitly spell out Title 26 liability to such identified *Persons* in no uncertain terms. [return]

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