

# **The Traveler**

**Common Sense**

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This writing will probably put the writer deep into swamp water where the alligators are neck deep, so with that said, let's wade on. Cindy Lauper sang a song about girls just wanting to have fun, as for boys, the more toys the better. MW as being a wise and learned senior reminded the writer, mix humor, sex, and lies and one will most likely remember and if truth of fact is added, even better.

Further comments can be found at the end of this writing.

## **The Traveler 101**

The business principle of tendering a fee for a lawful service is neither unreasonable nor illegal. I shall note in this example, the fee charged is a traveler's convenience fee for not having to carry his own gold. Travelers of history past did place their gold into the custody of a broker 1 who issued a receipt (payor of the receipt) where such receipt would be recognized by another broker 2 who then, upon accepting the receipt issued by broker 1 would release custody of an equal amount of gold to the traveler less a convenience fee. Hence a traveler could travel and not be subject to the burden of hauling gold across the country side. Laws evolved, which made it difficult for a thief to take illegal possession of a receipt and thus the traveler was afforded a greater protection in assurance that his gold remained his gold. The traveler would never be concerned with how the broker's settled their own contractual accords. Today, we see the traveler's convenience fee being used i.e., Western Union's Money Grams. Accordingly, the originating Western Union agent charges the traveler a fair convenience fee for conveying money globally in a matter of hours to another Western Union agent. Of course, one could use a United States Postal Money Order sent via mail, but a matter of hours would turn into a matter of days but the postal agent relationship bears no difference. If one uses wisdom and plans appropriately, a postal money order would suffice and as the convenience fee charged for a postal money order is less than that charged by Western Union more gold would be returned to the traveler's pocket.

# Traveler's Receipt 201

In the outline above, broker 1 was the maker (payor) of the receipt accepting gold from the traveler where such receipt makes the value of the receipt payable to the traveler as payee, when after the traveler completed his travel would tender the receipt to broker 2 by endorsing (signing) the receipt to broker 2 where such action conveyed the rights of the traveler of being the payee to broker 2 as payee, whereas broker 2 now has an enforceable receipt payable by the maker of the receipt, broker 1. As the traveler has paid a convenience fee and deposited the gold with broker 1 and after travel, the traveler recovered his gold by assigning the receipt rights to broker 2; the traveler is not concerned with how the broker's resolved their payments to each other.

The author will not dispute histories reports that the origination of paper is somewhere in the past. Proof of paper is in the pudding; actually, paper is a tangible product that one can hold between their finger and thumb. Currently, paper production has achieved a sustainable profit market. In the modern contract world, the wording within the receipt is meant to be proof of an intangible meeting of minds, with science having also evolved, using forged paper and words would not provide the proof required to prove there was a meeting of the minds.

This world has many a den of thieves and liars; procedures were put into place to prevent thieves and liars from stealing property that belonged to the brokers. As an added benefit, the traveler was also afforded protection from thieves and liars by the applications of these procedures.

Now, lest assume the traveler in the midst of his journey decided to sell his gold, well he has a problem, he has no gold, only a receipt for gold. Not really an issue, for the receipt was to be as negotiable as gold. The traveler sells his receipt to buyer 1 by following applicable procedures to transfer all rights of the receipt to a buyer 1. The traveler now has his gold back in his pocket and the buyer 1 now is the owner of the receipt with rights to enforce the terms the receipt affords. For the buyer 1 to return gold to his pocket, buyer 1 needs only to present the receipt to a proper agent of broker 1 or any other party that wishes to purchase the receipt. Caveat, if a buyer of a receipt buys a receipt that is not lawful; the buyer has purchased only a nullity and as such is not able to enforce the terms within the receipt. The short, the buyer of a fraudulent receipt lacks any authority to collect on the fraudulent receipt. In short, he holds a can of empty beans. Herewith, the principle of *nemo dat quod non habet*: "He who hath not cannot give." comes into play; the

seller of the receipt cannot sell what he does not own nor can he command a payor named on the receipt to pay the terms of the receipt.

## **MBS Secured Receipt 301**

As gold is portable as potable water, proving ownership without possession sometimes is next to impossible. Not so for land as many nations over the centuries required ownership interest in land to be filed within a nation's recordation system. The United States after establishing itself as a sovereign nation along with its states passed similar recordation laws.

We leave the travelers world of receipts and enter a new world of investment receipts whose complexity over the centuries has resulted in many laws for regulatory compliance to afford a buyer a secured status. This secured wheel will get complex but a clear understanding will be presented, legalese for the lay as how most mortgages are not secured. The legal implications are massive. As to third party funding to with offering the Mortgage up to the secondary bond market:

This scenario is based on lien theory states utilizing a Deed of Trust naming MERS, title theory states are similar.

### **Pre Closing**

1. A buyer (BUY1) wishes to purchase real property (land/house) but lacks sufficient funds to purchase.
2. The buyer (BUY1) seeks the aid of a mortgage loan broker (MLB) to arrange financing.
3. The mortgage loan broker (MLB) arranges financing for the buyer (BUY1) and prepares the disclosures required of TILA, RESPA, Reg. Z, etc. and timely presents the mortgage package to the buyer, and if disclosure, fees and interest rates, etc are in compliance with all applicable laws then there is no violation.

### **Closing**

4. Buyer at closing for the benefit of the lender execute a Mortgage Note (MN) for the financing amount and to further protect the lender executes a Deed of Trust (SI-Security Instrument), whereas if the buyer fails to comply with the terms of the note, the lender can

resort to the terms within the Deed of Trust (DOT) to protect the lenders interest in the Mortgage Note (MN). Under current law, when the security instrument is signed concurrently with the Mortgage Note there is attachment and perfection of the Security Instrument (SI) to the Mortgage Note (MN) rendering the Mortgage Note to be Secured in status. This attachment and perfection assures the lender they have first right position over all other parties to the real property to execute whatever actions they are legal entitled to under the Mortgage Note or the Security Instrument. Here, the buyer is the Payor of the Mortgage Note payable to the lender. The Deed of Trust is more complicated, the buyer is the Grantor of the Deed of Trust, whereas in the buying signing the Deed of Trust the Buyer grant legal title to the property to a Trustee named within the Deed of Trust for the benefit of the lender if there is a default under the Mortgage Note or a default under a perfected Deed of Trust [lien]. The short, buyer conveys legal title to the real property for the benefit of the Mortgage Note holder while the buyer retains unrestricted [use] equitable title to the property. Additionally, at least for Texas, it is not uncommon to see a General Warranty Deed with a Vendor's lien. Still, there are those that say the seller must file of record a release of both liens. Lest be known, this author has never seen a General Warranty Deed with Vendor's lien assigning rights filed of public records.

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*The vendor's lien arises incident to a purchase-money debt. If there is no debt, there is no vendor's lien. Consequently, the retention of a vendor's lien in the deed is valid only when all or a part of the purchase money is financed by the seller. When the purchase is financed entirely by a third-party lender, the seller generally conveys the vendor's lien to the lender.*

5. Whereas at closing logic presents that for the seller to convey title using a General Warranty Deed with Vendor's Lien, such was the seller was required to be at the table first and would need to protect his interest in conveying the property with a lien attached. In following this order of progression of closing, the Buyer would be second at the closing table and upon the Buyer closing the loan the seller would be entitled to the selling price and if such funds a later credited to the seller there would technically be no Vendor's Lien to assign. If I were to research this area for fund transfer to the seller to verify the Vendor's Lien status, I would inquire of all wiring instructions ordered by the title company handling the closing.

## **Post Closing**

6. The mortgage loan broker files of public record the Deed of Trust which in turns creates a permanent perfection of the Security Instruments (SI) to the Mortgage Note. Here is confusion #1: permanent perfection over time and with the many subsequent buyers of the Mortgage Note, the security instrument will remain perfected if all applicable laws for maintaining continuous perfection are complied with. However, failure to comply with continuous requirements of perfection would most likely result in perfection being lost which would render the Mortgage Note to an unsecured status. In short, the Mortgage Note holder would no longer have a security instrument to resort to if there is a default under the terms of the Mortgage Note. The Security Instrument would just expire by operation of law.
7. As Stephanie Jimenez of Channel 9 in El Paso notes in her November 10<sup>th</sup>, 2011 aired broadcast, MERS (Mortgage Electronic Registration System), responded and claimed to be in compliance with all of Texas's Recordation Statutes. Yoa Giz; appears as the brains failed to realize, not only do the recording statutes apply, Texas has a statutes outside of Recordation Statutes that make recordation a legal requirement. The Texas statute is listed under the Texas Local Government Code as §192.007; therefore, recordation of assigning lien rights to maintain perfected Deed of Trust [lien] is required in Texas as the Deed of Trust notes within its face, in accordance with all applicable law.
8. Now we move forward, upward into the more complicated world of securitization.

## **Secondary MBS Market 404**

1. The Security Certificate should be considered a Secured Party.
2. A Trustee for the Security Certificates is an agent for the Secured Party.
3. The Payment Intangible is the right to collect payments made on an underlying obligation.
4. The Payment Intangible represents the payment stream to the Security Certificates.
5. Investors purchase only Security Certificates and the rights to the Payment Intangible.
6. The Security Certificates as a Secured Party pledges the rights to the Payment Intangible as collateral for the Security Certificates for Investor purchase where such Investor is a Secured Party owning a Security Certificate and underlying collateral in accordance with UCC Article 9.

7. In following the securitization procedures required of many a MBS the underlying collateral for the Payment Intangible is to be a true sale to the Security Certificate's Secured Party. If the underlying collateral for the Payment Intangible is to be a true sale to the Security Certificates in exchange for the Certificates, then the principle of collateral pledging the Mortgage goes out the window.
8. Many refer to the underlying collateral for the Payment Intangible as the Mortgage. Again, it is worth mentioning in today's world, the term Mortgage actually good exist of a Mortgage Note being secured by a Security Instrument (Mortgage, Deed of Trust, Security Deed).
9. Whereas the Mortgage is Personal Property, the Secured Party owning such Mortgage could pledge the Mortgage as collateral to a Payment Intangible and be within UCC Article 9.
10. Where such Mortgage being required by the Security Certificates is to be sold as a true sale to the Security Certificate's/ Secured Party, ownership of the Mortgage Note and the Security Instrument securing reflects in the Security Instrument a change in ownership or an interest in Real Property and under many state laws, such change in ownership or interest in Real Property must be filed of record.
11. In accordance with most all documents used in the process of securitization, nearly all MBS and Mortgage contracts allow for an agent to operate for the benefit of a party.
12. Could only wonder how the agents interact.
13. *Personal Comment: Grandpa would see this as Dynamite protecting TNT.*

*In lieu of rewriting what has already been explained in regards to the Secondary MBS Market, I will incorporate a precise explanation already written.*

**1. The Creation of the Mortgage Note and Security Instrument**

*Uniform Commercial Code and Recordation Requirements*

**2. Tangible – Personal Property versus Real Property**

*Failure to Maintain Continuous Perfection*

**3. Original Obligee (Lender) Takes Possession of the Secured Mortgage Note**

*Proper Parties*

**4. Original Obligee (Lender) Sells The Secured Mortgage Note**

*Obligee Indorses Mortgage Note to " In Blank" Indorsee*

**5. Original Obligee (Lender) Sells an Unsecured Mortgage Note (MERS as Nominee)**

*MERS Hides the Fraud*

**6. CONFUSION**

*Hiding the Fraud*

**7. Why the Investor Does Not Own the Mortgage Note and Security Instrument**

*The Mortgage Note Does Not Identify the Subsequent*

*Owner & Holder of the Mortgage Note or the Security Instrument*

**8. The First Negotiation in Blank**

*“Or How Not To”*

**9. WHY THE CHAINS DO NOT MATCH**

*“MERS”*

**10. The Second Negotiation in Blank Unidentified Indorsee “In Blank” Indorses “In Blank”**

*Still Using the First “In Blank” Indorsement-Failure to Negotiate*

**11. MERS and Transferable Records**

*15 USC 7003, Excludes Negotiable Instruments When UCC Governs*

**12. The Third and Fourth Negotiation in Blank**

*Subsequent Negotiation by an Unidentified Subsequent Indorsee “In Blank” to additional Subsequent Purchasers “In Blank”*

**13. Holder, Owner, and Holder in Due Course, Innocent Purchaser**

*(A) One can be the holder of the Mortgage Note and not be the owner or have rights as holder in due course.*

*(B) One can be the owner of the note and not be the holder or have rights as holder in due course.*

*(C) Holder in Due Course*

*(D) Innocent Purchaser*

**14. Modifications & Lawsuit**

**15. Closing Statement**

**1. The Creation of the Mortgage Note and Security Instrument**

*Uniform Commercial Code and state recordation requirements*

*The Homeowner (Obligor) signs a Mortgage Note and a Security Instrument. Upon signing of the Security Instrument and by operation of law, the Security Instrument is automatically attached to the Mortgage Note and temporary perfection is established. The Security Instrument when filed in public records transforms a temporary perfection into a permanent perfection and is notice to the world. Regardless of whether the Mortgage Note is sold to a subsequent purchaser, recordation of the Security Instrument is required to permanently perfect the lien. The Security Instrument affects title to Real Property, and as such, the laws of local jurisdiction govern and such requirement to comply with local laws of jurisdiction is contained within the Security Instrument itself. The filing of record serves a second and distinctive purpose: it creates the priority of perfection among subsequent purchasers of the*



*Mortgage Note and is not addressed further in this document. Upon attachment and perfection of the Security Instrument to the Mortgage Note, the Mortgage Note becomes an indebtedness that is “Secured.”*

## **2. Tangible – Personal Property versus Real Property**

### *Failure to Maintain Continuous Perfection*

*The Mortgage Note and the Security Instrument are Tangibles and Personal Property and we shall consider the two items in tandem to be called the “Mortgage” and such “Mortgage” is Tangible and Personal Property. One must not forget the terms contained within the Security Instrument affect an interest in Real Property and these terms require compliance with all applicable, federal, state and local laws and the language contained within the Security Instrument itself. Failure to comply with the laws governing the contents of the Security Instrument or language within the Security Instrument would render the Security Instrument a nullity. If such Security Instrument becomes a nullity, then the classification of the Mortgage Note is reduced in status from “Secured” to “Unsecured” and as a result of the Security Instrument becoming a nullity the “Power of Sale Clause” contained within the Security Instrument would also be nullity.*

*The Mortgage being a Payment Intangible can be negotiated by possession and the security for this Payment Intangible is the right to collect monies from the (Mortgage Note secured by the Security Instrument as collateral). Thus, the (Mortgage Note and Security Instrument as collateral) is security for the Payment Intangible and it is this security that follows the Mortgage (Payment Intangible) where the Mortgage is the owner of the Mortgage Note and what should be a valid perfected Security Instrument. Again, the Mortgage is nothing more than a Payment Intangible (Personal Property) and the security for this Payment Intangible is the right to collect monies noted in the Payment Intangible’s security, the Mortgage Note. The Payment Intangible’s security also consists of a valid perfected Security Instrument along with any valid Assignment of Mortgage filed of record to transfer lien rights in accordance with laws that govern the Security Instrument.*

*Regardless of the hierarchy of ownership of the Payment Intangible, Mortgage, Mortgage Note or Security Instrument, the terms contained within the Security Instrument must be complied with, and this author has not seen a Security Instrument that does not itself require compliance with federal, state or local laws. Failure to comply with the laws of local jurisdiction that govern the terms within the Security Instrument would render the Security Instrument a nullity and the Mortgage Note would then be reduced to “Unsecured” and the Mortgage (Payment Intangible) would then be left without a valid perfected lien to allow foreclosure of the Real Property. Additionally, if the Security Instrument was rendered a nullity by failure to comply with the laws or the terms contained within the Security Instrument, the secondary market has not purchased a “Secured” indebtedness and any claim made by a subsequent purchaser including Trusts are without rights to enforce the “Power of Sale Clause” and no foreclosure is possible. This failure to provide a complete Mortgage to the secondary market is the real fraud that the financial institutions are trying to conceal.*

*Even with a nullified Security Instrument, if a valid Mortgage Note with a complete Chain of Indorsement is proved, the Holder/Owner with right as Holder in Due Course could sue for equity in a court of jurisdiction.*

*So when it is said the Mortgage follows the Note, one must remember that the Security for the Payment Intangible follows the Payment Intangible without filing of record, and therefore, the underlying Mortgage Note would be followed by a valid continuous perfected Security Instrument if there were compliance with applicable laws to maintain perfection of the Security Instrument.*

### **3. Original Obligee (Lender) Takes Possession of the Secured Mortgage Note**

#### *Proper Parties*

*Original Obligee takes possession of the Mortgage Note and permanently perfects the Security Instrument by filing of record in the Original Obligee's name. Failure to name the correct parties could possibly be a fatal to the enforcement of the terms in the Mortgage Note or Security Instrument.*

### **4. Original Obligee (Lender) Sells The Secured Mortgage Note**

#### *Obligee Indorses Mortgage Note to "In Blank" Indorsee*

*The Original Obligee sells the Mortgage to a subsequent purchaser. Proper procedure is to negotiate the Mortgage Note under cover of a Bailee's Letter to the subsequent purchaser and then transfer the rights to the Security Instrument by filing of record the name of the subsequent purchaser who purchased the Mortgage Note and completing the Mortgage Note negotiation by noting the owner name in the blank.*

*Original Obligee indorses the Mortgage Note and delivers the same to the subsequent purchaser (Second Obligee). Second Obligee then completes the negotiation by filling in the blank, if negotiated in blank, then files of record an assignment of the mortgage to transfer and perfect the Security Instrument's lien into the Second Obligee's name. If the Second Obligee fails to complete the negotiation by noting ownership in the "blank," then the Second Obligee may have become the possessor of the note but has not become the holder of the note and has not achieved holder in due course with rights to enforce the Mortgage Notes terms or the terms within the Security Instrument. Additionally, failure to file of record the Assignment of the Security Instrument fails to transfer lien rights and this failure to transfer lien rights has rendered a once secured Mortgage Note to "Unsecured."*

### **5. Original Obligee (Lender) Sells an Unsecured Mortgage Note**

#### **(MERS as Nominee)**

#### *MERS Hides the Fraud*

*Where MERS is filed of record as the Mortgagee as Nominee for a lender and lender's assigns, and where the first negotiation of the Mortgage Note is executed "In Blank," one has to inquire how MERS would represent an unidentified Indorsee. In most cases this unidentified Indorsee ceases to exist after the creation of the security trust and may not have existed upon the closing of the loan. This unidentified Indorsee and subsequent unidentified Indorsee's would constitute a break in the "Chains." There are two distinct Chains. One chain is that of indorsements noted on the face of the Mortgage Note and the publicly recorded chain of title that transfers lien perfection. This Paper will not dwell into to the details of the "Chains." As MERS claims to be the Mortgagee of record for lender and lender's assigns and as the Mortgage Note is negotiated in blank through a number of unidentified endorsees, it is clearly observable from the facts that continuous perfection of the Security Instrument has not been in compliance with the laws of local jurisdiction which govern the Security Instrument. The chain of indorsements use of "In Blank" is also fatal as an "IN BLANK" unidentified party cannot negotiate the Mortgage Note.*

## **6. CONFUSION**

### *Hiding the Fraud*

*Wall Street is buying a Payment Intangible (Personal Property) and as such is the owner and holder of that Payment Intangible and the laws that govern the Payment Intangible allow for negotiation by possession. The Payment Intangible's security is the Mortgages (Personal Property) contained within the collateral pool. Remember, the Mortgage actually consists of two parts, the Mortgage Note and a lawfully continuously perfected Security Instrument. So it is now safe to say the security follows the note, yep, but the security that follows the note may in fact be a nullity by the hierarchy ownership's failure to comply with laws that govern the Security Instrument. Bottom line, the Mortgage Note maybe proved up with a proper chain of indorsements years after the trust creation but loss of perfection can never be proved up once lost and therefore Wall Street may have only bought an unsecured Mortgage Note. The author will not comment on REMIC IRS tax issues. To further complicate the issue, multiple purchases by Wall Street may have not been that of the Mortgage Notes but that of a Transferable Record which is registered within the MERS system.*

## **7. Why the Investor**

### **Does Not Own the Mortgage Note and Security Instrument**

*The Mortgage Note Does Not Identify the Subsequent  
Owner & Holder of the Mortgage Note or the Security Instrument*

*As stated, the Mortgage Note and the Security Instrument is Personal Property and is commonly called the "Mortgage." This Mortgage which is personal property is offered up as collateral to the Payment Intangible in the formation of the Trust. To explain, we must present the Trust in reverse order. Investors purchase a beneficial interest in Trust Certificates. The Trust owns the right to the monies collected from the Payment Intangible. The Payment Intangible owns the right to collect monies owed under the Mortgage Note(s). The Certificates and Payment Intangibles are personal property; the local laws of jurisdiction that affect real estate do not apply in a direct manner. The Trust documents provide a precise mechanism for negotiating the Mortgage Note and Security Instrument into the Mortgage (Payment Tangible) Pool. The majority of notes this author has reviewed reflect a single indorsement in blank from the Original Obligee, which raises severe concerns that a chain of indorsements is missing from the Mortgage Note to show a complete chain of negotiation that is required by law to be within public records to show a true "Chain of Title". The "Chain of Title," an Assignment of Mortgage (The Security Instrument)) that is properly filed of record would be notice of a perfected lien and the priority of those subsequent purchasers of the Mortgage Note. Filing for transferring perfection of the lien (Security Instrument) and filing for notice of priority to subsequent purchasers of the Mortgage Note to establish who has priority lien rights is not one in the same. Failure to properly negotiate does not transfer "Holder in Due Course" (ownership/status/rank/qualification/legal status etc., according to the UCC governing law) to a subsequent party not named on the Mortgage Note.*

## **8. The First Negotiation in Blank**

### *Or How Not To*

*Where the Mortgage Note was being used as collateral in a Mortgage Backed Security (MBS), and an unknown "Indorsee in Blank" would need to be the first entity in the MBS creation, thus the "In Blank" should contain the identity of that party to allow additional negotiation of the Mortgage Note to*

*further the creation of the Trust. Additionally, we must question the means and the methods employed by MERS to be a Mortgagee of record as “Nominee” for an unidentified “In Blank” or any type of agency relationship to an unidentifiable “In Blank.” Currently, one example, the only means offered to identify an unidentified “In Blank” is contained within a Pooling and Servicing Agreement (PSA). The PSA identifies all the parties that would need to appear in the chain of indorsements and chain of title, this required chain of indorsement is not what is usually found on the face of the Mortgage Note. The Mortgage Note being negotiated by a single “In Blank” through multiple unidentified indorsee’s is not in compliance with the PSA, the UCC or the states equivalence of the UCC, and the failure to file of record the named party Indorsee , “In Blank” party also creates a break in the chain of title in public records. The frog’s bottom: the parties that can be identified on the face of the Mortgage Note, chain of indorsements, does not match the chain of title filed of record. “Rivet, Rivet,” add an allonge and affix it.*

## **9. WHY THE CHAINS DO NOT MATCH**

### **“MERS”**

*How would one record of record an unidentified Indorsee “In Blank”? The unidentified Indorsee “In Blank” is not a real person, not a company; in fact, the unidentified Indorsee “In Blank” is a non-existent party, or is it? As the author has noted, the evidence offered to identify the Indorsee “In Blank” appears in third party contracts used in the creation of the investment vehicle and this unidentified “In Blank” Indorsee by admission of MERS can be located within the MERS system and would appear in a MERS’ Audit Trail. As it can be seen, MERS can track an unidentified Indorsee “In Blank;” but can an unidentified Indorsee “In Blank” be named as a party and filed of record? This is one reason the Chain of Indorsements on the face of the Mortgage Note does not match the Chain of Title filed in public records which filing of record would note the legal party entitled to a continuous perfected lien. The Security Instrument filed of record converts a temporary perfection and attachment into a permanent perfected lien, while the filing of record of an unidentified Indorsee “In Blank” transfers nothing. In the author’s opinion, MERS alludes that they are the Mortgagee of Record as a means to avoid the problems with filing of record an unidentified Indorsee “In Blank.” The process of indorsing in blank raises one serious question, how does an unidentified Indorsee “In Blank” indorse a note in blank to a subsequent unidentified Indorsee “In Blank” and comply with local laws of jurisdiction governing the Security Instrument that was to secure the Mortgage Note? Failure to follow the terms within the Security Instrument would breach the Security Instrument contract and render the Mortgage Note unsecured. Not only was the Mortgage Note not properly negotiated to the Wall Street trusts through multiple unidentified “In Blank” Indorsees’, but there was also a failure to transfer a perfected lien to the Wall Street trust. Note: these conditions also apply to Fannie Mae, Freddie Mac and certain private investments and also affect Commercial Mortgage Backed Securities.*

## **10. The Second Negotiation in Blank**

### **Unidentified Indorsee “In Blank” Indorses “In Blank”**

*Still Using the First “In Blank” Indorsement-Failure to Negotiate*

*The second negotiation in the Mortgage Note negotiation would be from the creator of the trust to the depositor of the trust, but in actuality the “First Indorsement in Blank” is utilized for this negotiation. Again, there is an unknown party alleging to be the Holder and Owner of the Mortgage Note by a negotiation “In Blank.” This negotiation is usually indorsed “In Blank” utilizing the “In Blank” from the Original Indorser and no record is filed of record to transfer lien rights to the second “In Blank” Indorsee.*

### **11. MERS and Transferable Records**

*15 USC 7003, Excludes Negotiable Instruments When UCC Governs*

*For a moment we have to step back to the “Original Obligee” to understand the movement of the Mortgage Note. This author has noted some commentators are adamant that the Mortgage Notes are not destroyed at any step in the process and we shall follow that reasoning for the moment. In concession of conversation it is somewhat agreed that the Mortgage Notes are placed within custody of a Document Custodian. With that said, we have to address many court filings of copies of the Mortgage Notes submitted by the financial institutions where the originals cannot be found and it is common to only see an “Indorsement in Blank” from the Original Obligee. One has to ask why and how this possibly occurred. Simply, if the Original Obligee placed the Mortgage Loan package within the custody of a custodian and the MERS system tracked a “Transferable Record” alleging to be the lawful negotiation of the Mortgage Note and if a need was required for proof, the current entity claiming rights would retrieve whatever documents resided with the original custodian.*

### **12. The Third and Fourth Negotiation in Blank**

*Subsequent Negotiation by an Unidentified Subsequent Indorsee “In Blank” to additional Subsequent Purchasers “In Blank”*

*The third step in the Mortgage Note negotiation would be from the depositor of the trust to the Trustee of the Trust, but again, in actuality the “First Indorsement in Blank” is utilized for this negotiation. Again, there is an unknown party alleging to be the Holder and Owner of the Mortgage Note by a negotiation “In Blank.”*

*The fourth step in the Mortgage Note negotiation would be from the trustee of the trust to the Trust, but again, in actuality the “First Indorsement in Blank” is utilized for this negotiation. Again, there is an unknown party alleging to be the Holder and Owner of the Mortgage Note by a negotiation “In Blank.”*

### **13. Holder, Owner and Holder in Due Course, Innocent Purchaser**

**(A) One can be the holder of the Mortgage Note**

**and not be the owner or have rights as holder in due course.**

*Servicers and trustees possibly could become the possessor of the note and claim they represent the owner and the holder in due course, however, if proper negotiation of the Mortgage Note was not followed as required, the trusts that these trustees represent do not hold sufficient legal rights to enforce the terms in the Mortgage Notes, much less enforce the terms in a nullified Security Instruments.*

**(B) One can be the owner of the note**

**and not be the holder or have rights as holder in due course.**

*The trust may claim to own the Mortgage Note but this would be a misconception. The trust where MERS is involved owns the rights to a “Transferable Record” where that record reflects who has control over a custodian that holds the Mortgage Note, if and when a vaulted copy does exist, and control over MERS as a so called mortgagee of record.*

**(C) Holder in Due Course**

*Holder in Due course where proper negotiation was not followed would still reside with the Original Obligee, but issues still exist as to a continuous perfected Security Instrument.*

*Under the Uniform Commercial Code a subsequent purchaser could not achieve “Holder In Due Course” where fraud was committed by one of the Unidentified “In Blank” Indorsee’s as it affected the Mortgage Note.*

#### **(D) Innocent Purchaser**

*As to an innocent purchaser, a party to the creation of the trust where MERS is involved and named in the PSA or other documents of incorporation has actual notice of MERS’s involvement and therefore cannot claim to be an innocent purchaser.*

#### **14. Modifications & Lawsuits**

*Considering all the points noted in items 1 through 13 the following question presents itself:*

1. *How can a holder of an electronic copy of note or a note that lacks indorsement, who is without rights to enforce the note grant a modification to something they do not legally own?*
- 2.
3. *How can a holder of an electronic copy of note or a note that lacks indorsement, who is without rights to enforce the note and standing invoke a court’s jurisdiction?*
- 4.

*Where state recordation laws have not been complied with resulting in loss of perfection presents these intelligent factors:*

1. *Failure to take legal actions to continuously perfect the Security securing a Note would result in the Secured Party losing the status as Secured Party rendering the Secured Indebtedness to Unsecured; therefore the Secured Party is no longer a Secured Party and as such, the holder of the indebtedness lacks rights to enforce any term contained within the now null Security.*
2. *As the Note has been rendered Unsecured, the holder of the indebtedness is without rights to enforce terms noted within the security and lacks standing to invoke a court’s jurisdiction for any action raised dependent upon the security.*

#### **15. Closing Statement**

*One has to consider under Title 15 USC, 77nnn, the filing of compliance reports is not in compliance based on the procedural actions that were implemented in the creation of secondary market trusts by the financial institutions. Fannie Mae’s and Freddie Mac’s role in creating securitized trusts as additional fraud creation practices are not addressed in this writing.*

*With all the failure of compliance with law in the creation of the secondary market trusts, this writer is alarmed that the “Robo-Signing” and “Robo-Verification” will only serve the financial institutions with a diversionary method to conceal a greater fraud. The “Robo” actions and accounting for all previous failure to comply with laws of governance show proof the financial institution will commit any number of frauds to protect their Friday Paycheck and Crystal Tower Bonuses.*

*It may be, just may be possible to prove up the Mortgage Note but you can “NEVER” prove up a lost “Perfection of Lien.” Regardless of the number of Affidavits filed with the courts and regardless of the number of Assignment of Mortgages filed of record, none of these actions will perfect a lien once perfection has been lost.*

*Proper procedure for default recovery of an unsecured note--suit for monies: "but you cannot foreclose." "THEY ARE SUING UNDER A CAUSE OF ACTION THAT IS NOT AVAILABLE," if filing for foreclosure. Nobody will have gotten anything for free, the home is without a lien secured to the Mortgage Note and the bank can still sue under the default on the Mortgage Note if such note has not been discharged by willful intentional act as noted in the UCC.*

*Final words: the "Robo" actions are just the tip of the iceberg but the "Robo" actions allowed part of the iceberg to be seen. When one looks at the failure to follow laws governing the secured indebtedness; one also needs to consider in tandem, laws that govern perfection and continuous perfection of the Security.*

*This paper will not address the relationship of (X) value of tangible real property and the (X\*Y) value of the intangible Credit Default Market. The Credit Default Market is a monstrous nightmare fraud machine in itself.*

## **Further Comments**

AC being another wise learned senior has made notice over many a decade, people are more apt to believe a lie than truth. Tell a lie long enough, people will eventually believe the lie, and to disprove the lie with truth becomes difficult as proof is sometimes difficult to obtain or does not exist, i.e. prove what does not exist does not exist. What this writer finds scary about lie tellers, usually, they tell so many lies they begin to believe the lie they tell are truth and commonly create more lies to justify the original lie. Even scarier, are the many in responsible positions (i.e. elected lawmakers) who hear the lies so often which results in their believing lies over truth?

Trying to prove the creator exists cannot be proven, whereas proving the universe exists is simple, look into the sky and see the stars. If space is too large of a concept to comprehend, then look at the earth under one's own feet, for if it did not exist, where would one fall? Herein, the author provides no proof of the existence nor will the author attempt. Instead, the author will rely upon each one to apply common reasoning. Creation is in abundance around us; the choice is left to each to believe what one wishes to believe. One final comment regarding creation, is there really a need to prove a creator created the creation? Would not creation be ample proof? Yea or nay, the choice is left to each.

*Over 2000 years ago, Jesus began this fight with the money changers and today, God has set forth the stampede of Pale horses to fight this evil and the riders' names are "The People."*

Many may misinterpretate the quote. Specific religious overtures are better left to theologians and history past is better left to historians. It is written in St Matthew (21:12):”*My house shall be called the house of prayer, but ye have made it a den of thieves.*” The author shall leave the implications of “den of thieves” to theologians, whereas as common sense tells us any commercial business activity should not be conducted in a house dedicated to prayer. This author has visited many different houses of worship and has never seen any religious leader advocate a business endeavor in their hall of worship.

*“Rivet, Rivet,” add an allonge and affix it.*

## **Golly Giz, they forgot the staples!!**

George Burns playing God in the movie noted that one only needs to spew a little pea soup for people to believe evil is present. Ensign Stile’s in the original Star Trek, Episode 9 “Balance of Terror”, noted to Captain Kirk, Romulan’s may have planted spies. Hollywood’s releases of “The Day the Earth Stood Still”, all assumed that Klatu was bent on destroying the world upon arrival. When one reviews history, the radio broadcast of Orson Wells War of Worlds instilled panic in the streets.

Academia, economist, analyst, etc... note that the majority of money and power belong to the Elite and Aristocrats. How does one prove individuals within the governments of the world, financial leaders of Central Banks and others operate sub subservient to the demands of the Elite and Aristocrat?

Many religious writings note servants operate to the will and demands of evil. Additionally, a number of religious writings identify evil; who are the evil? I shall answer this question, but note, the answer would be better answered by theologians. Evil’s name has been inscribed in many religious writings over the millenniums; Lucifer and Satan are two outstanding names that come to mind.

The Creator has touched the death of few in providing a second chance for life. When one is touched, one knows. Those untouched may not be able to comprehend, believe and understand



the touched for there is a lack of tangible proof. Hollywood scripts depict in a number of movies actors placing their hand on a forehead and claim they have been touched, that's Hollywood. Per the bible, we are the creators of our own path and we all shall travel a path, if one chooses poorly in a path that deviates from the path to the creator, hell may be the destiny.

Combining the three needs of food, water and a safe place to sleep allows the body and mind to live a full life with one addition. Most minds require interaction with other minds, without interaction there is a probability of insanity. I shall defer to the learned medical profession to expound in the area of sanity.

## **Sports**

I have no issues with sports; the St. Louis Cardinals outplayed the Texas Rangers in 2011 and won the World Series. Over time, many teams have claimed the right to be World Champions. We shall not know who wins the 2012 Super Bowl until the game is played. History notes that many won and many lost in the gladiatorial games played in the Roman Coliseum and other stadiums. The winner of the 2011 Indy 500 lost his life in a subsequent race. I extend my condolences to the family and friends who have to live with the loss of a loved one. I believe Indy Racing was serious in their comments surrounding the death of one of their own. There is no issue with corporations supporting sports and I see no issue with the corporate world investing in advertising to garner a profit on manufactured products. No fault lies with a player as one plays the game to be the best athlete. Darn tooting, they have the right to pop the cork on the bottle to celebrate victory. As mankind no longer tolerates histories death games, I can only guess that a winning gladiator was glad to be alive.

As the world's population increased, stadiums increased in size to accommodate the audience. The buildings of these gigantic stadiums required financial funding. We shall use the new Cowboy Stadium in Arlington, Texas as example, since I live in close proximity. The team is named Dallas Cowboys but the stadium resides in Arlington, Texas. The financiers that financed the construction of the Cowboy Stadium were not interested in owning the stadium. The City of Arlington offered up its help in hopes the city would prosper. For those property owners that owned property on the west side of Collin Street pre stadium, they did not face the threat of

eminent domain proceedings as those on the east side of the street. No complaints against eminent domain laws being used if they are used correctly, which results in a positive benefit to the people without charge. Here with Arlington's stadium, did the city's use of eminent domain aid and abet a commercial profit machine? Whose benefit?

## **Main Street Media News**

Four score and seven years ago the written word did echo truth and such truth educated the people to the current state of events. Many a reporter must have agonized over a truthful story being withheld from publication by their superiors. Media not only touches the 1% but touches the 99% as well. As with the financial world, main street media and the 99% have advanced into the digital world. The 99% no longer solely depend upon main street media for obtaining truthful facts. Were main street media to conduct a poll would we ask; how many of the 1% bounces between the different polls? Could it be possible the Aristocrats and the Elite on behest of evil utilize the soul of the 1/1,000,000<sup>th</sup> to alter the polling?

Fox News on November 6, 2011 broadcasted an interview with Texas Congressman Ron Paul who noted that the government was not smart enough to know what business needs. Folks, these are our elected lawmakers, is it time to elect those that are intelligent? Next article due up; Congress and the Super Committee in regards to cutting the United States deficit. Will this be a game of super chicken kick the can down the freeway?

## **Main Street Media Advertising**

Subliminal, this topic is better left to educated psychologists but this writing will lightly touch upon the subject. In example, we shall use the three credit report ads airing on television and cable. Several unknown factors, 1.) How many advertisements? 2.) How is the message received in the minds of the recipient? 3.) What are the results of these advertisements?

Conscious wise people do make afforded attempts to pay just and lawful debt obligations. In opinion; these advertisement plays to the subliminal mind. How in the world can that be, you ask? This is a multipart answer whereas I will lightly touch two parts. 1.) Where if one credit

agency fails to keep high correct scoring records either by accident or design, the individual in detriment will take action to correct the error to obtain a high level of status. Just maybe, this higher level of status will allow the individual to have the power to purchase a Ferrari, whereas one who does not take steps to change the status level may only qualify for a Ford Pinto. Therefore we can see the Smith's versus Jones's keep up syndrome. 2.) Could the use of advertisements serve another subliminal purpose, creating the keep up syndrome to keep the people in perpetual servitude by continuous purchase of products which insures the Aristocrat's and Elite will continue to achieve a cash flow.

## **Government**

Maybe it would be wiser to address Federal and State lawmakers separately, but since they operate in a similar fashion, I will address this area once and each can apply their own comments to the respective level of government. Maybe the wisest thing to do is to avoid this area altogether, but since our founding fathers pursued a course for the best interest of the people; I shall proceed with caution noted.

## **Military**

Congress convened in 1941 to declare war upon those that executed a sneak attack against this country. History and Hollywood movies have depicted that the attack was planned and the sneak was due to a procedural error of notification. However, an attack is an attack and this country has always responded to any attack which results in the aggressor being held accountable. The world has been under continuous attack from earliest time since mankind became an occupant of the planet. Military actions must be kept secret as lives are in grave danger. So long as there are military secrets, opposing opportunist will employ spies. Law enforcement operating in the criminal environment operates similarly to the military to protect the people at the local level. Regardless of how many secrets the military has, the military still answers to Congress.

## **Federal Reserve**

Congress reacted to one financial crisis, by enacting laws in 1933 and 1934. Congress even created the Federal Reserve. What Congress failed to do was to assure what Congress had done could not be undone. Regardless, for over a half century the Federal Reserve operated in a

shadow environment without accountability and oversight. Today, the financial wheel squeaks loudly, for some claim the wheel will not turn freely while being observed. Most mechanics know a greasy palm cannot hold a wrench therefore they attempt to keep clean hands. We can only guess as to why anybody would want to work in the dark.

### **Law Enforcement**

I will use a common non-admission; “I will not admit nor deny but I will pay the fine,” as I have friends in law enforcement. Most are taught from the early age of kindergarten to treat the police as our friend, I still believe this. Even most parents teach their children, when in trouble seek out the police. Rumor has it that even with knowing that enforcing an order of law is unjust, they do execute the legal action for those just officers cannot afford to disregard executing an order for they themselves could possibly be subject to one of their friends executing the same order against them. For those officers who do stand their ground knowing service of an order is unjust, the weight of the system could fall upon their shoulder as evidenced by a Chicago’s Sheriff Refusal to execute orders unless such orders were sufficiently proven. An interesting comment was made by a member of law enforcement in a recent conversation, there was concern as to why was the executives of Fannie Mae getting bonus that those in law enforcement are going to have to pay for!

### **Judiciary**

Here we enter a world of fascination. Shows such as Perry Mason and Matlock provide impression that attorneys can stand before a judge and argue facts and the truth will be known and justice will prevail. Shows such as CSI, NCIS etc., provides the impression that law enforcement gather crucial and critical evidence so a prosecuting attorney can present tangible fact at trial and guilt or innocence can then opined by a competent judge. Ever wonder how District Attorney Burger felt in never winning a case against Perry Mason? Facts are facts.

What I find amazing is that the state operates on both sides of the fence in the criminal environment, the state not only prosecutes the perpetrator but the state also insures the myriad of procedures are followed which guarantees the perpetrator received a fair and just court ruling based on fact. Today, many a financial institution did not comply with civil laws which left them

holding a broken egg. Herewith, disbelief, these same institutions have crossed from a civil to committing criminal acts. Appears that many a court would prefer to overlook criminal actions that give the impression a civil legal right exists. Recently, I sat with a judge who stated that most judges and many an attorney lack a complete understanding of the Uniform Commercial Code. This remark instilled a greater concern that the judiciary is ignorant of all the governing laws involved in securitization and many a judge tends to believe the perpetrator is telling the truth. Ignorance, stupidity, corruption, whatever the reason, justice is lacking as criminals are free to rape and pillage the people without fear of consequences. Personally, I would lean more towards ignorance and a fear of losing office, but who am I to judge?

In reading thousands of civil opinions and briefs filed by/with the courts, legal counsel will have had to follow a myriad of procedures to get the case before a judge. The common person is limited by time in learning the myriad of procedures which prevent many of the common people from ever getting their case before a judge.

Even where counsel gets his suit before the court, from reading the many petitions filed, all the required facts are not present, if you did not know, the court can only rule on admitted fact. Whereas extreme due diligence is undertaken in criminal cases, it appears that due diligence is lacking in civil cases. Lack of presenting all the facts is not only observed in a homeowners fight to protect his interest but is observed in the legal petitions filed by those alleged super duper Wall Street law firms representing the learned institutional investors.

## **Credibility**

A number of legal eagles are currently using verifiable facts within judiciary. It is not up to me to judge if the attorney's use of facts presented is being used for the benefit to the client or to garner a personal profit. Do not get me wrong, I have no issues with lawyers who practice appropriately and charge their clients for competent legal services. I do have issues with those lawyers who jump on to the passing ox cart claiming they can make a difference while their only interest is placing a profit in their pocket at the expense of a client.

## **“The Depository Trust Clearing Corporation” “2010 Annual Report”**

*“Mortgage-Backed Securities. Working with our customers, DTCC continued steps towards implementing the safety of a trade guarantee to this market for the first time ever,”*

*In 2010, we continued to seamlessly process in excess of \$1.66 quadrillion in securities transactions across asset classes, including equities, fixed income, OTC derivatives, money market instruments, mutual funds and insurance products.*

### **IDENTIFYING POTENTIAL SOURCES OF SYSTEMIC RISK**

*DTCC has prepared a groundbreaking paper on systemic risk that identifies key risks across the financial system infrastructure. The paper, approved by DTCC’s Board and shared with key regulators in the U.S. and in Europe, discusses the challenges of detecting new forms and types of risk.*

### **NEARLY HALF A CENTURY BEFORE MARCO POLO EVEN SET OUT FOR CHINA, IBN BATTUTAH HAD ALREADY BEEN THERE.**

*He was 21 when he left his home in tangier in 1325, traveling through North Africa and Syria, to make the “Hajj” or Muslim pilgrimage to Mecca. And then, with an insatiable curiosity about the world that stretched beyond, he kept going. When he finally returned home, he was 51.*

*During his travels, Battutah floated down the Rhine, sailed the Indian Ocean, and rode countless miles on camels and horses. He also spent eight years in the court of the Sultan of Delhi, who then sent him as North India’s ambassador to the middle kingdom — present-day China.*

*All in all, Battutah traveled an astounding 75,000 miles and visited the equivalent of 44 modern-day countries. No other medieval adventurer is known to have traveled so extensively. His vivid descriptions of the political and social climate of the regions he explored have provided great insight into medieval eastern civilization. back in Morocco, he eventually recounted his years on the road in one of the world’s greatest travel books. The book’s title, “Rihla,” is loosely translated in classical Arabic as “The journey.”*

Here we have a corporation which claim they operate in a quadrillion dollar arena whose annual report included comments about pilgrimages to Mecca, religious overtone? As I write to avoid religious overtones, one must ask, when referencing the creator, is creditability lost?

For those that have read my writings a method for verification and confirmation was always included when such writings addressed legal overtones. For my writings' that dwell into the world of common sense, I shall allow each to their own choice for belief or disbelief.

When I do write expressing opinion, I do expect my creditability to be attacked. A long time ago, I realized, fact and truth needs to be given to the world without restriction, so as in the beginning the creator gave his only son<sup>1</sup>. Belief in the creator and the creator's choice for everlasting life or condemnation is not a choice each can make after death, therefore, I choose to believe any attack upon me personally would not defer from the many in pursuing a path to justice. We all should choose wisely, I, like all people, are just one of the creator's many miracles. Doubt, look into a mirror when you feel pain and see what the many see, the grimace look of pain upon your face, for no person will feel the pain your body suffers nor will the forever living feel or see your pain of eternal condemnation.

## **Pension Funds**

For decades it has been advertised people need to create a nest egg for retirement. In shopping, common sense tells one they need to check the carton of eggs to see if any of the eggs are broken. In year 2011, several egg laying farms were alleged to have hygiene issues that allowed salmonella to prosper within the egg shell. Checking the egg shell for soundness would not reveal a deadly contamination contain within.

People who invested in the markets through investment firm were given a choice of funds to invest in which is normally selected by the investing company. The people had much less knowledge about where their investments were being made that the investing company as such the investing pensioners would not know what was broken. The people relied upon the intelligence and wisdom of the investing company to look for the underlying poison. Herein, I have commented that in most pleadings filed with the courts, it appears as investing firms lacked full understanding all applicable laws.

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<sup>1</sup> St. John (3:16) "For God so loved the world, that he gave his only begotten Son, that whosoever believeth in him should not perish, but have everlasting life."

## **Lawmakers**

On November 10, 2011 in Massachusetts, a Joint Committee on Finance held a hearing where impression was left in one's mind, that lawmakers were more concerned with finding a way to salvage the financial institutions where such financial institutions committed the crimes that got the world into this financial fiasco. Where lawmakers choose to overlook the crimes committed by the financial institution and grant amnesty, and to allow for equal due process of law, the lawmakers would need to also grant amnesty to the robbers that robbed the same financial institution. Will the robbing thief that held a gun get amnesty, I hope note. Lest not forget, the pen can be as a deadly weapon as a firearm. A criminal act is a criminal act, treat a criminal act as innocent then the rules of justice must as well not exists. Were justice at the street level to break down, panic and discord would run rampant, in opposite, panic and discord is already being seen in the financial arena. If no crimes had been committed, the financial panic would not be present. Old saying, "Do the crime, do the time." Maybe, in this modern financial time we should be saying, "Do the crime, pay the dime and do the time."

## **Local Banks**

Many are concerned with how the world's economies will survive without the "Too Big to Fail" banks. This area is a lot less complicated to explain than trying to explain a modern day Mortgage as being in two parts; a Mortgage Note and Security Instrument and many laws apply.

The author will stipulate (agree) that many a major corporation derives its financial services from the major financial institutions. The author will also stipulate, monies originate from many that use the services of the major financial institutions and the financial institutions themselves to pay lobbyist, donations to election campaigns and assuredly a host of other activities.

First, the high road, we see the world's largest financial institution providing financial services to the major corporations. Here we hear alarms sound, how will the Corporate World be able to conduct business without the services of the major financial institutions? How can the economy survive? Simple answer, have the governments of the world offer backing to the local banks to support the local branches of multinational corporations. In example, Frog Tractor has multiple facilities scattered globally to provide components to a single point of assembly. Whereas Frog



Tractor has consolidated all accounting to one headquarter, paperwork from each remote facilities is still required to be transferred to corporate so proper accounting actions (accounts receivable-accounts payable, payroll) can be executed. This was the short version.

Second, the low road, we need to look at how the world's economy has come to be divided over the centuries. Providing a world to where the secondary market money is based on physical precious metals is impossible. This author has already provided information showing that to meet the secondary market value of \$600 (trillion) at today's current price of gold, the world would need 14 million of nonexistent gold to be placed into the world's gold reserves or the price of gold would need to exceed \$300,000 (thousand) a troy ounce, which neither is logistically possible. However, the world's Gross Domestic Product value of \$60 (trillion) is sustainable as such value would be based upon the efforts of the 7 (billion) souls existing on the planet.

As the world has already noted, many a retirement has already been lost. A disparity can be seen between the base economy and the hyper inflated secondary market. In all appearance, the secondary market requires 10 times the money that is currently being collected from the people to support itself. No wonder many a lifesavings has been erased.

If the "Too Big to Fail" were to fail, the secondary market would lose hundreds of trillions and cease to operate as presently designed. As most of the reserves of pensioners have ascended into oblivion by many an unlawful or greedy act, so should not the evil doers money dissolve into oblivion?

Whereas there are many who have issues, they claim, they are "giving away a free house"; these thoughts only go to the illusion of protecting the already depleted secondary market and for those who think such must have forgotten the United States Constitution provides for Due Process and justice should be applied to all. Oh, sorry, the secondary market is not depleted; it operates on inflated binary numbers, where so long as everyone agrees unity of using binary numbers, the secondary market will persist and the PONZI pyramid will continue to grow.

If the United States had not allowed the Federal Reserve Note to become subservient to electronic binary numbers, such tracking of the paper might have prevented the current crisis. One can only inquire as to why the United States Treasury and the Federal Reserve would allow such a travesty, not to mention agencies of other governments of the world. Like all PONZI

schemes, failure is imminent. If the computer had not come along which allowed an exponential increase in activity, and if the basic centuries old plan had been followed, collapse may have not occurred for another century. Too much greed to fast and the weasel went POP.

## **Conclusion**

Regardless of Humpty Dumpty, the broken eggs of the Secondary Market are broken

Broken is as Broken is.

Similarly

No matter how much grease you put into a can of Pinto Beans, a Ford Pinto it will not make.

However

The people that make the economy can always grow another crop of beans,

*For those unknown who operate with wisdom, comprehended!*