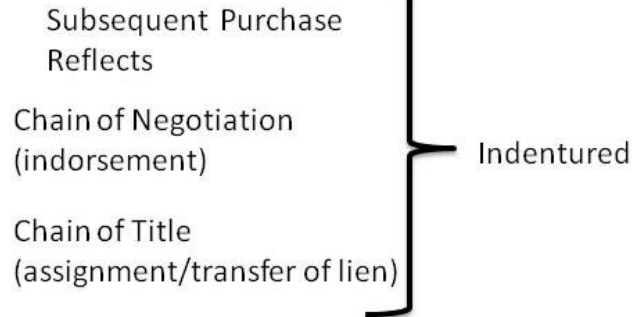


NEVER MIND THE MULE, JUST LOAD THE WAGON ?

2012



Indenture is Tangible
Tangible is Tangible
Paper Mortgage Note is Tangible

Electronic Signature is Intangible
Intangible is Electronic
Electronic Mortgage Note is Intangible

DO YOU UNDERSTAND THIS ?

2012

Follow along with this explanation to understand what everyone seems to be misunderstanding



A cube is a cube



Is a cylinder a cube?

Indenture is Tangible
Tangible is Tangible
Paper Mortgage Note is Tangible

Electronic Signature is Intangible
Intangible is Electronic
Electronic Mortgage Note is Intangible

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

It starts with this

Tangible

Mortgage Note
Deed of Trust (lien)

With the following explanation

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

And ends up like this

Tangible

Mortgage Note
Deed of Trust (lien)

Secured Indebtedness
(once permanently perfected)

Security



Intangible

(Electronic Mortgage Note)
eNote
----- Authoritative Copy -----
(Electronic Mortgage documents)
Deed of Trust (lien)
Transferable Record

With the following explanation

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012



Which ultimately ends up
like this

Foreclosure sales take place on the first Tuesday of each month (between 10AM and 4PM) at the courthouse, even if the date falls on a legal holiday.

Unlawful foreclosure?

With the following explanation

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Indentured

Tangible

Mortgage Note

Deed of Trust (lien)

Secured Indebtedness
(temporarily perfected)

The "borrower" "wet ink" signs the tangible Mortgage Note and Security instrument, thus attaching the Mortgage Lien to the Mortgage Note invoking a temporary "perfection" status of the secured indebtedness.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Constructive Notice

Indentured

Tangible

Mortgage Note

Deed of Trust (lien)

Secured Indebtedness
(perfected?)

To continue "perfection" and before the expiration of temporary status of Secured creditor of the tangible Mortgage Note and Security instrument, the attached Mortgage Lien would be filed/recorded in county clerk records (public land records) where the real property is located.

Indenture

An **indenture** is a legal contract reflecting a debt or purchase obligation, specifically referring to two types of practices: in historical usage, an indentured servant status, and in modern usage, an instrument used for commercial debt or real estate transaction.

When filed the recordation of the lien satisfies Texas Local Government Code §192.001

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Texas Local Government Code
Title 6, Records,
Subtitle B, County Records

CHAPTER 192. INSTRUMENTS TO BE RECORDED BY COUNTIES

Sec. 192.001. GENERAL ITEMS. The county clerk shall record each deed, mortgage, or other instrument that is required or permitted by law to be recorded.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987

Sec. 192.007. RECORDS OF RELEASES AND OTHER ACTIONS. (a) To release, transfer, assign, or take another action relating to an instrument that is filed, registered, or recorded in the office of the county clerk, a person must file, register, or record another instrument relating to the action in the same manner as the original instrument was required to be filed, registered, or recorded.

(b) An entry, including a marginal entry, may not be made on a previously made record or index to indicate the new action.

Added by Acts 1989, 71st Leg., ch. 1248, Sec. 53, eff. Sept. 1, 1989.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Tangible

Mortgage Note
Deed of Trust (lien)

Secured Indebtedness

- Subsequent Purchase Reflects
 - Chain of Negotiation (indorsement)
 - Chain of Title (assignment/transfer of lien)
- } Indentured

[Texas Local Government Code §192.007](#)
(Local Law that governs instrument)

The Secured Creditor may from time to time sell the secured indebtedness to another party, a subsequent purchaser.

To prove the negotiation between the Seller and Buyer and according to the agreement in the security instrument and Texas Local Government Code §192.007 the Buyer is required to take further actions for the conveyance to become lawfully supported in an action to enforce the security instrument.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Tangible

Mortgage Note
Deed of Trust (lien)

Secured Indebtedness

- Subsequent Purchase Reflects
 - Chain of Negotiation (indorsement)
 - Chain of Title (assignment/transfer of lien)
- } Indentured

[Texas Local Government Code §192.007](#)
(Local Law that governs instrument)

To continue "perfection" and before the expiration of temporary status of a subsequent Secured creditor of the alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Subsequent Purchase Reflects



Chain of Negotiation (indorsement)

Chain of Title (assignment/transfer of lien)

Indentured

[Texas Local Government Code §192.007](#)
(Local Law that governs instrument)

To lawfully fulfill the laws of negotiability the Seller indorsements to the Purchaser would reflect the negotiation of the negotiable instrument along with a timely recorded assignment/transfer of the lien reflecting the new secured creditor of record for the secured indebtedness.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Subsequent Purchase Reflects



Chain of Negotiation (indorsement)

Chain of Title (assignment/transfer of lien)

Indentured

[Texas Local Government Code §192.007](#)
(Local Law that governs instrument)

A lawful negotiation of the Mortgage Note and the timely recording of the assignment of the Security Instrument in the subsequent purchaser name would only transfer title rights of the real property to the subsequent purchaser and not possession.

Then came . . .



Mortgage Electronic Registration Systems, Inc.

How long can they do it before someone figures it out?

15 U.S.C. 7003

TANGIBLE IS TANGIBLE, INTANGIBLE IS
ELECTRONIC (In Texas) 2012

MERS System

National eNote Registry

MERS eRegistry is a national eNote registration system utilized by the Mortgage Banking industry. MERS Member "create" eNotes and register them on the MERS eRegistration system.

**Mortgage Electronic
Registration Systems, Inc.
(MERS)**

TANGIBLE IS TANGIBLE, INTANGIBLE IS
ELECTRONIC (In Texas) **2012**

MERS System

The Electronic Agent

MERSCORP Holdings, Inc., Mortgage Electronic Registration Systems, Inc., and those who choose to become a member utilize a variety of Electronic Tracking Agreements (ETA) to accomplish the tasks of transferring the eNote MIN and agreeing MERSCORP Holdings, Inc. The electronic agent.

Intangible
(Electronic Mortgage Note)
eNote

The ETA-Warehouse Lender agreement provides a better understanding of how MERS became designated in a Security Instrument (Deed of Trust).

TANGIBLE IS TANGIBLE, INTANGIBLE IS
ELECTRONIC (In Texas) **2012**

Intangible

MERS System

"Lender" - "Borrower"

The Electronic Agent

THIS ELECTRONIC TRACKING AGREEMENT dated as of _____, 20__
(this

"Agreement") among _____ ("**Lender**"), MERSCORP Holdings, Inc. ("Electronic Agent"), Mortgage Electronic Registration Systems, Inc. ("MERS") and _____ ("**Borrower**").

WHEREAS, the **Lender** has agreed to extend a line of credit to the **Borrower** for the purpose of the **Borrower** lending money to potential homeowners for mortgage loans (the "Mortgage Loans") pursuant to the terms and conditions of a Mortgage Warehouse Loan and Security Agreement dated as of _____ between the **Lender and Borrower**, as amended from time to time (the "_____ Agreement").

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible

MERS System

"Lender" - "Borrower"

The Electronic Agent

WHEREAS, the Borrower is obligated to pledge the Mortgage Loans to the Lender and also to service the Mortgage Loans pursuant to the terms and conditions of the _____ Agreement and to complete all actions necessary to cause the issuance and delivery to the Lender of the Mortgage Notes (the "Mortgage Notes"), and

WHEREAS, the Lender and the Borrower desire to have certain Mortgage Loans registered on the MERS® System (defined below) such that the mortgagee of record under each Mortgage (defined below) shall be identified as MERS;

Source: MERS ETA Warehouse Lender Agreement

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible

MERS System

"Lender" - "Borrower"

The Electronic Agent

Designation of MERS as Mortgagee of Record; Designation of Investor and Servicer of Record in MERS.

The Borrower represents and warrants that (a) it has designated or shall designate MERS as, and has taken or will take such action as is necessary to cause MERS to be, the mortgagee of record, as nominee for the Borrower, with respect to the pledged Mortgage Loans in accordance with the MERS Procedures Manual and (b) it has designated or will **promptly designate itself as** the servicer or subservicer in the MERS System for each such pledged Mortgage Loan (each pledged Mortgage Loan, so designated is a "MERS Designated Mortgage Loan"), and has designated or will promptly designate the Lender as the interim funder on the MERS System with respect to each MERS Designated Mortgage Loan.

Source: MERS ETA Warehouse Lender Agreement

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible

Understanding the MERS
System

"Mortgage-backed Securities"

The Electronic Agent

Mortgage-Backed Securities

Mortgage-backed securities (MBS) are debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property. Mortgage loans are purchased from banks, mortgage companies, and other originators and then assembled into pools by a governmental, quasi-governmental, or private entity. The entity then issues securities that represent claims on the principal and interest payments made by borrowers on the loans in the pool, a process known as securitization

Source: U.S. Securities and Exchange Commission

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible

Understanding the MERS
System

Securitization

The securitization process is designed, in most cases, to make the pooled assets "bankruptcy remote." To accomplish this, the transfer of the pooled assets from the Originator to the SPV must be accomplished by way of a "true sale."

If the asset transfer is not a true sale, investors are vulnerable to claims against the Originator, including the claims of a bankruptcy trustee that might be appointed if the Originator were to file bankruptcy. Without "bankruptcy remoteness," Investors would bear the risk of default in the underlying pooled assets, as well as any claim by the Originator's bankruptcy trustee that the pooled assets or cash flows from those assets are part of the bankruptcy estate which could be used to satisfy claims of the Originator's creditors.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible Understanding the MERS System
"Securitization" The Electronic Agent

Securitization

"A Securitization starts when a financial institution, the Securitizer, originates or buys a large amount of unrelated but similar mortgages. The mortgages are then 'sold' (by the use of assignments that are subsequently filed) from the Securitizer into a trust maintained by a Trustee. Public Investors then buy bonds from the trust. In return, the Investors receive the monies from the monthly mortgage payments made by the property owners. The Securitization process results in the various party names and instruments filed with Clerks".

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible Understanding the MERS System
"Securitization Party(s)"

Lender - Originates Mortgages with property owners.

Securitizer - The financial institution that orchestrates the Securitization

Securitization - (see definition previously)

Securitization Trust - The Trust established as a result of the Securitization.

Pooling and servicing Agreement - An agreement among the various party's involved in the Securitization

Mortgage-backed Securities - Varies depending upon how the Securitization is structured.

Investors - Purchasers of Mortgage-backed Securities from the Securitization Trust.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Intangible

Understanding the MERS
System

"Securitization Party(s)"
(continued)

Servicer - Interacts with borrowers of the mortgages.

POA - The Power of Attorney is a filed instrument that allows on party to represent another party.

Trustee - Maintains the Trust to ensure monies collected by Servicers are distributed to appropriate Investors.

Custodian - Maintain "final" records for the mortgages on behalf of Trustees and Investors. ("Wet Ink" originals)

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
("The Conduit"?)

REMIC's:

Elevator version: REMIC's are investment vehicles that hold commercial and residential mortgages in Trust and issue securities representing an undivided interest in those mortgages.

In actuality an undivided interest in the payment stream secured by the underlying collateral, the tangible Mortgage Note and Security Instrument, Deed of Trust, a lien.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
("The Conduit"?)

Elevator version:

Ownership of the Security Deeds could be split, separated from their Servicing rights.

It is those assignments of servicing rights that do not need of have to be recorded.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
("The SPV/SPE"?)

Securitization utilizes a special purpose vehicle (SPV) (alternatively known as a special purpose entity [SPE] or special purpose company [SPC]) in order to reduce the risk of bankruptcy and thereby obtain lower interest rates from potential lenders. A credit derivative is also generally used to change the credit quality of the underlying portfolio so that it will be acceptable to the final investors.

Source: [Understanding the Securitization Process and the Impact on Consumer Bankruptcy Cases \(ABA\)](#)

MERSa "Bankruptcy Remote"

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
("The Divider"?)

"Once registered on MERS, the ownership of Security Deeds could be split, separated from their servicing rights, and frequently transferred among the various MERS members and Securitization Trusts on their system much like stocks within stock exchanges. This is done without the requirement for drafting, executing, and filing assignments with the official recorder of land records."

*Source: Indexing Securitization Trust Instruments
(into land record indexes in the State of Georgia)*

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System

The "Electronic Agent"

Intangible

(Electronic Mortgage Note)

eNote

----- Authoritative Copy -----

(Electronic Mortgage documents)

Deed of Trust (lien)

Transferable Record

MERS Members "create" an eNote that is considered to be the Authoritative Copy of the underlying collateral,

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
(Electronic Agent)

MERS Members "create" an eNote that is considered to be the Authoritative Copy of the underlying collateral, which is alleged to be the tangible Mortgage Note and Security Instrument wet ink signed by the "borrower".

Intangible

(Electronic Mortgage Note)

eNote

----- Authoritative Copy -----

(Electronic Mortgage documents)

Deed of Trust (lien)

Transferable Record



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
(Electronic Agent)

This "creation" of an eNote that is considered to be the Authoritative Copy specifically of the underlying collateral, that has its own set of laws of compliance. There is no supporting law for the eNote to exist as a representation of a Negotiable Instrument. See 15 USC 7003.

Article 3, Negotiable Instruments are excluded from "eSign, UETA" as these "Acts" are what MERS and its members purport to support electronic promissory notes.

Intangible

(Electronic Mortgage Note)

eNote

----- Authoritative Copy -----

(Electronic Mortgage documents)

Deed of Trust (lien)

Transferable Record

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
(Electronic Agent)

The eNote is considered a Transferable Record and thus fools most with an illusion of being legal negotiable instrument. The MERS system being utilized for this eNote registration is a lawful functional system. The problem arises from the "steps" missed as a failure to understand the difference between Tangible laws that apply to the Negotiable Instrument and Intangible laws that govern Transferable Records..

Intangible

(Electronic Mortgage Note)

eNote

-----Authoritative Copy-----

(Electronic Mortgage documents)

Deed of Trust (lien)

Transferable Record

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
(Electronic Agent)

Personal Property Laws apply to the Intangible.

eNote

Laws that Govern

Article 9, UCC

eSign

UETA

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
(Electronic Agent)

Tangible is not Electronic

Real Property Laws apply to the
Underlying Tangible.

Laws that Govern

Deed of Trust
Law of local jurisdiction
Article 3, UCC

Indentured

Tangible

Mortgage Note
Deed of Trust (lien)

Tangible is not Electronic

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System

The security of the intangible involved in the "Transferable Record" consists of the alleged "secured indebtedness?" , the underlying tangible mortgage note and deed of trust. Both paper and not electronic. Both together. Both evidencing any transfer from "closing" to "subsequent purchaser". In Texas, this also requires recordation of the assignment/transfer affecting title to real property.

Intangible

(Electronic Mortgage Note)
eNote
----- Authoritative Copy -----
(Electronic Mortgage documents)
Deed of Trust (lien)
Transferable Record

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System

An illegal way to get a tangible document into electronic format would be by some sort of conversion of the tangible document into electronic format and saving that format to a storage device such as a hard drive.



Authoritative Copy?

Tangible

Mortgage Note
Deed of Trust (lien)

Indentured

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System



Intangible

(Electronically scanned image of tangible Mortgage Note)
----- Authoritative Copy -----

Thus the "scanned" images becomes intangible and in reality exists illegally.

(Electronically scanned image of tangible Deed of Trust (lien))

eNote

Transferable Record

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System

Tangible

Mortgage Note
Deed of Trust (lien) } Indentured

Paper documents are replaced with,

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System

Electronic images used as Transferrable records.



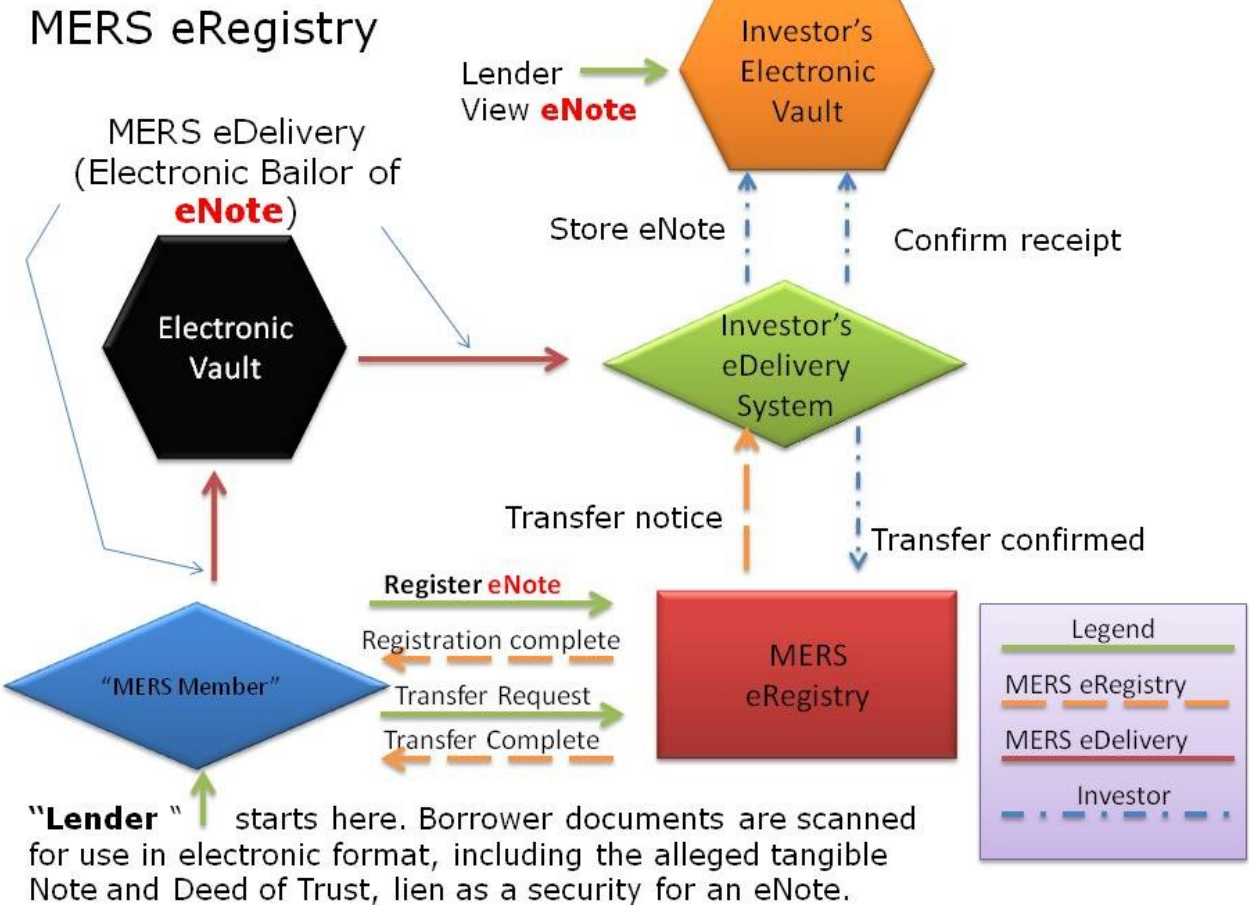
Intangible

(Electronically scanned image of tangible Mortgage Note)

----- Authoritative Copy -----

(Electronically scanned image of tangible Deed of Trust (lien))

Transferable Record



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
"Transfer of Rights"

Contents of the "Intangible" an interest in Personal Property is passed through the Investment Vehicle;

"Securitizer"

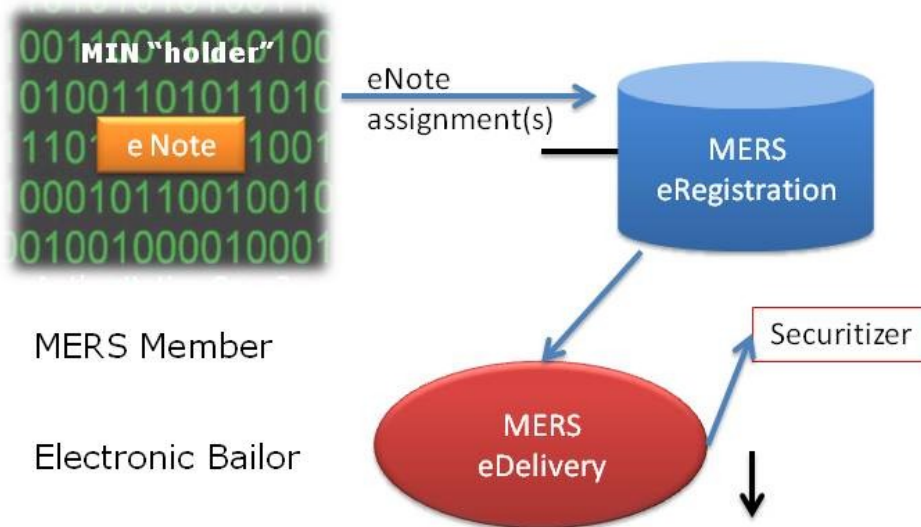
Intangible

(Electronically scanned image of tangible Mortgage Note)
----- Authoritative Copy -----

(Electronically scanned image of tangible Deed of Trust (lien))

Transferable Record

Borrower and Lender



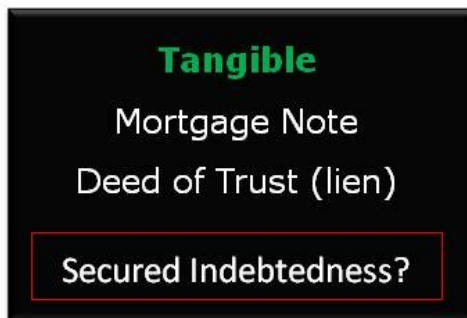
MERS Member

Electronic Bailor

Alleged Authoritative Copy
of the tangible note?



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC
(In Texas) 2012



"Securitizer"

- Subsequent Purchase Reflects
 - Chain of Negotiation (indorsement)
 - Chain of Title (assignment/transfer of lien)
- } Indentured

Texas Local Government Code §192.007
(Local governing law)

To continue "perfection" and before the expiration of temporary status of a subsequent Secured creditor of the alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
 "Transfer of Rights"

Contents of the "Intangible" an interest in Personal Property is passed through the Investment Vehicle;

"Depositor"

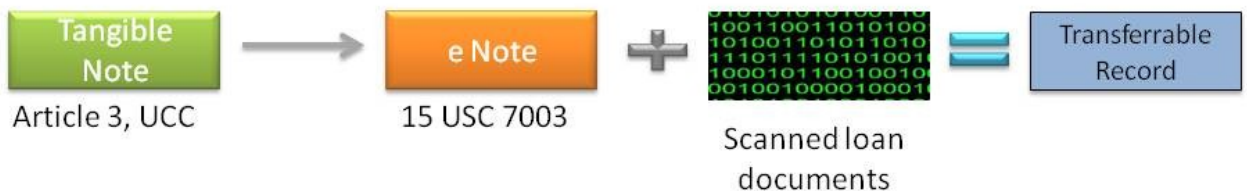
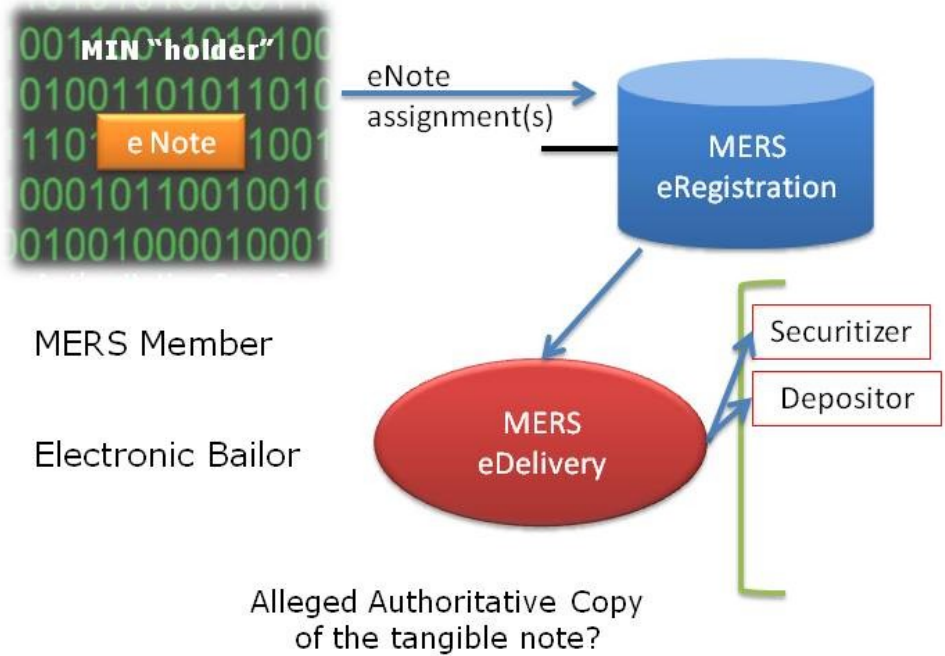
Texas Local Government Code §192.007

Intangible

(Electronically scanned image of tangible Mortgage Note)
 ----- Authoritative Copy -----

(Electronically scanned image of tangible Deed of Trust (lien))
 Transferable Record

Borrower and Lender



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Tangible
 Mortgage Note
 Deed of Trust (lien)
 Secured Indebtedness?

“Depositor”

Subsequent Purchase Reflects
 Chain of Negotiation (indorsement)
 Chain of Title (assignment/transfer of lien) } Indentured

Texas Local Government Code §192.007
 (Local governing law)

To continue “perfection” and before the expiration of temporary status of a subsequent Secured creditor of the alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

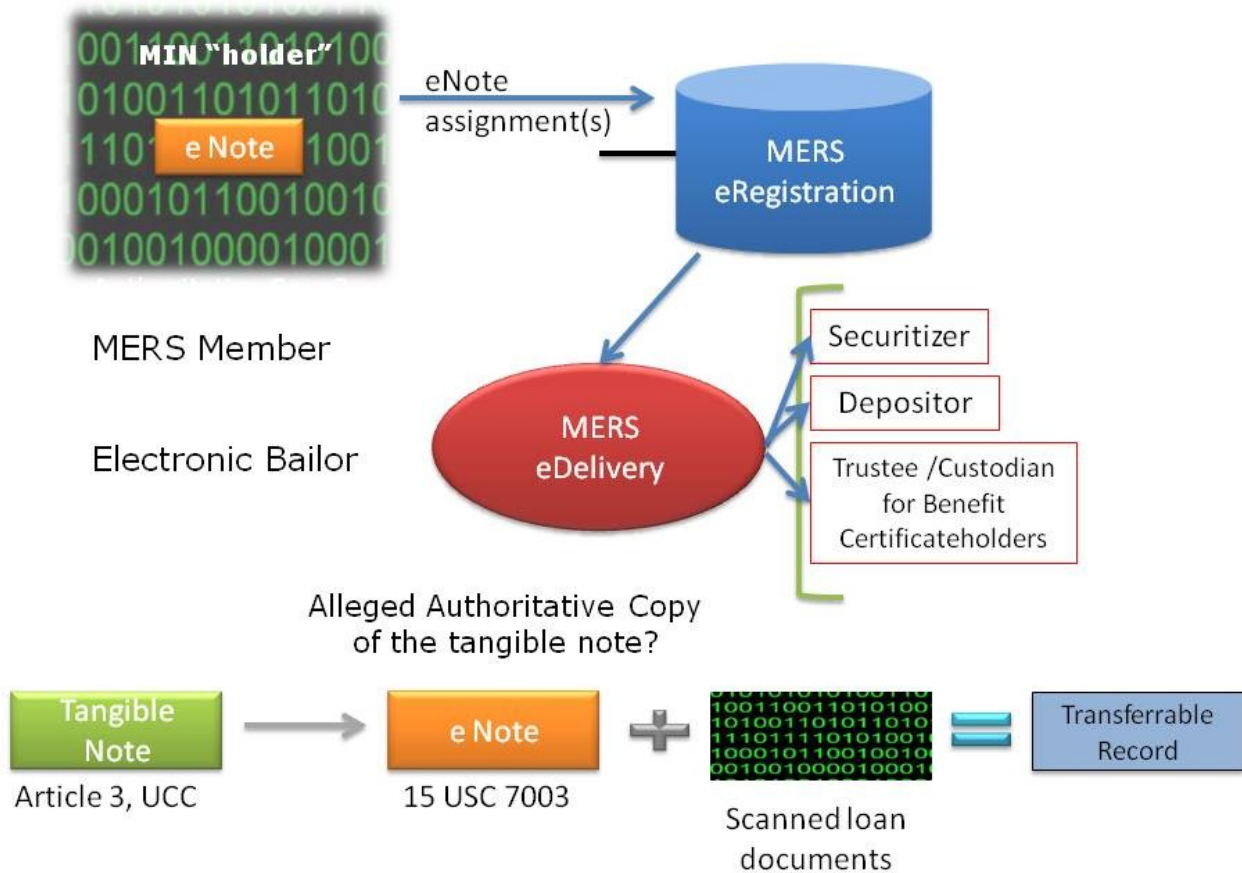
MERS System
 “Transfer of Rights”

Contents of the “Intangible” an interest in Personal Property is passed through the Investment Vehicle;

“Trustee/Custodian for Beneficial Certificateholders”

Intangible
 (Electronically scanned image of tangible Mortgage Note)
 ----- Authoritative Copy -----
 (Electronically scanned image of tangible Deed of Trust (lien))
 Transferable Record

Borrower and Lender



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) **2012**

Tangible
Mortgage Note
Deed of Trust (lien)
Secured Indebtedness?

"Trustee/Custodian"

Subsequent Purchase Reflects
Chain of Negotiation (indorsement)
Chain of Title (assignment/transfer of lien)

Indentured

Texas Local Government Code §192.007
(Local governing law)

To continue "perfection" and before the expiration of temporary status of a subsequent Secured creditor of the alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

MERS System
"Transfer of Rights"

Intangibles

(Multiple)

(Electronic Promissory Notes)
----- Authoritative Copy -----

(Electronic Security Instruments)
(liens)

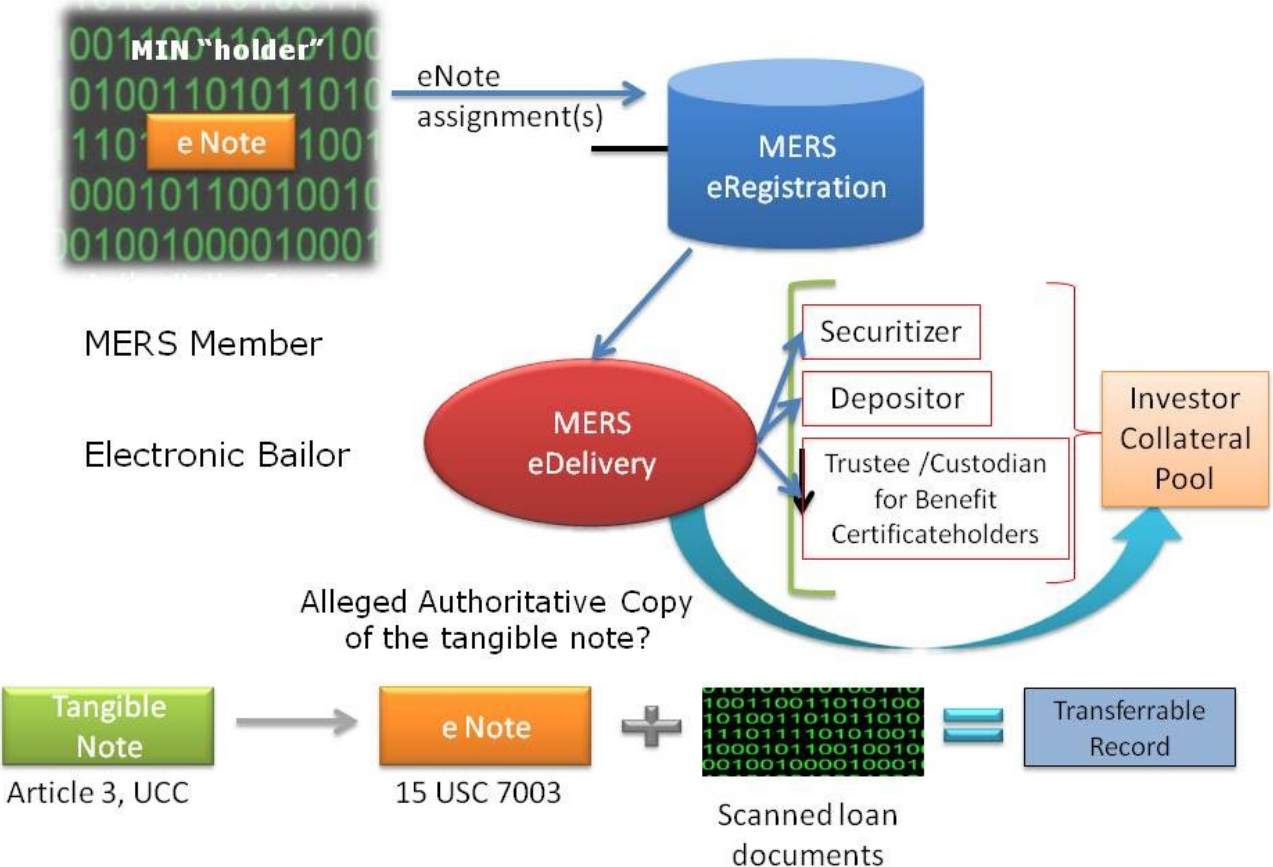
Transferable Record

Contents of the "Intangibles" multiple interests in Personal Property are passed through to the Investor Collateral Pool;

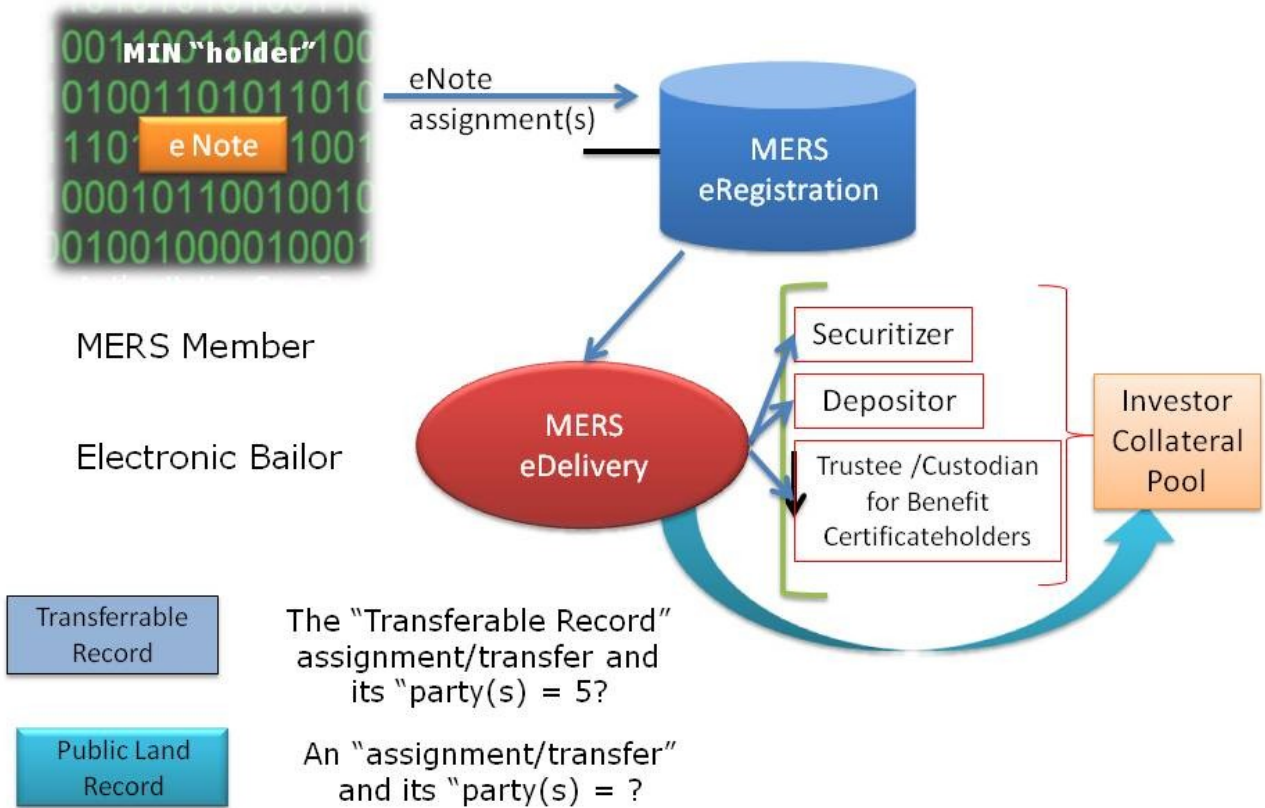
"INTANGIBLE"

No matter how many times that eNote is transferred or "pooled" Texas Local Government Code §192.007 states that any subsequent instrument that transfers an interest in real property **MUST** be recorded.

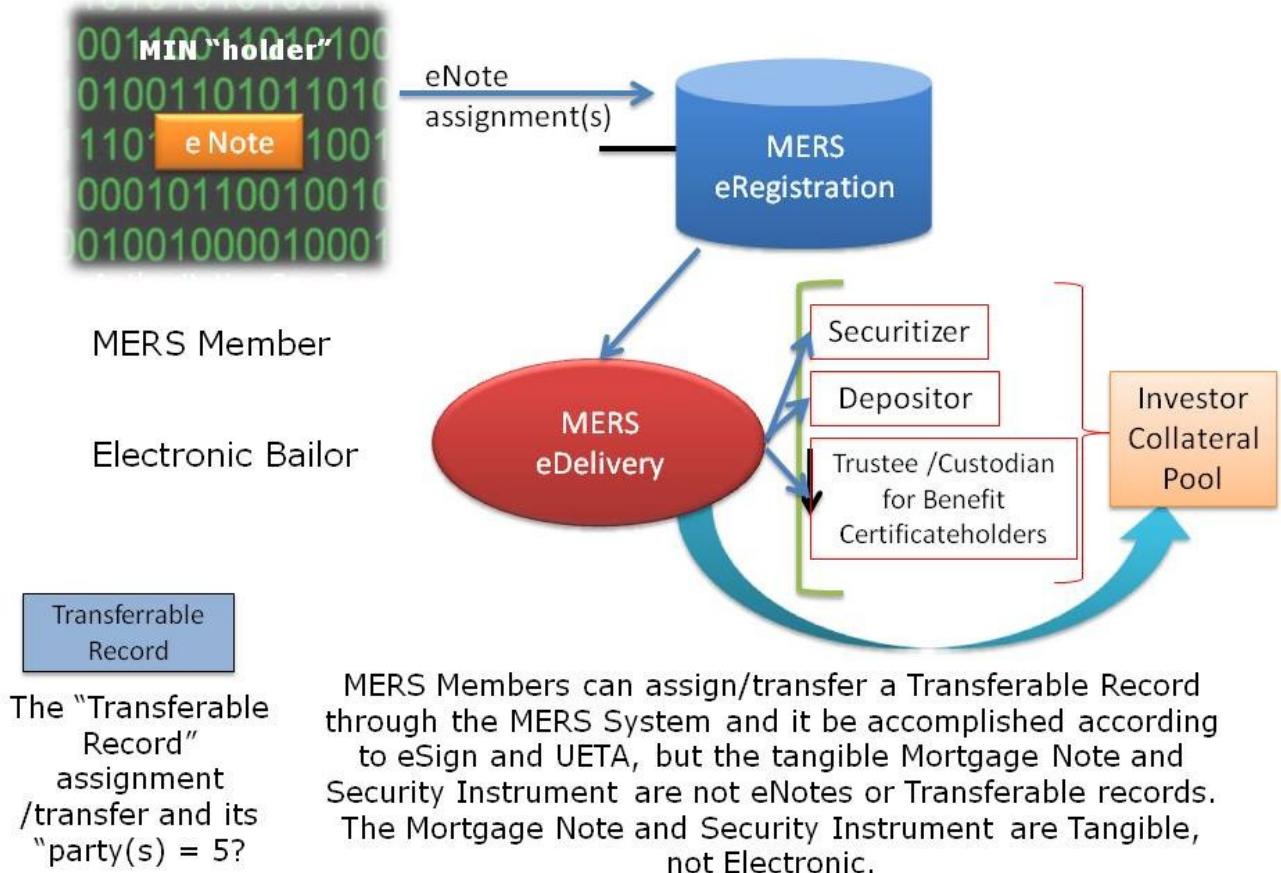
Borrower and Lender



Borrower and Lender



Borrower and Lender



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) **2012**

Tangible
 Mortgage Note
 Deed of Trust (lien)
 Secured Indebtedness?

"Securitization Pool"

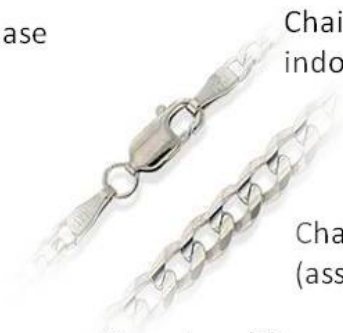
- Subsequent Purchase Reflects
 - Chain of Negotiation (indorsement)
 - Chain of Title (assignment/transfer of lien)
- Indentured

Texas Local Government Code §192.007 (MUST RECORD)

To continue "perfection" and before the expiration of temporary status of a subsequent Secured creditor of the alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) **2012**

Subsequent Purchase Reflects

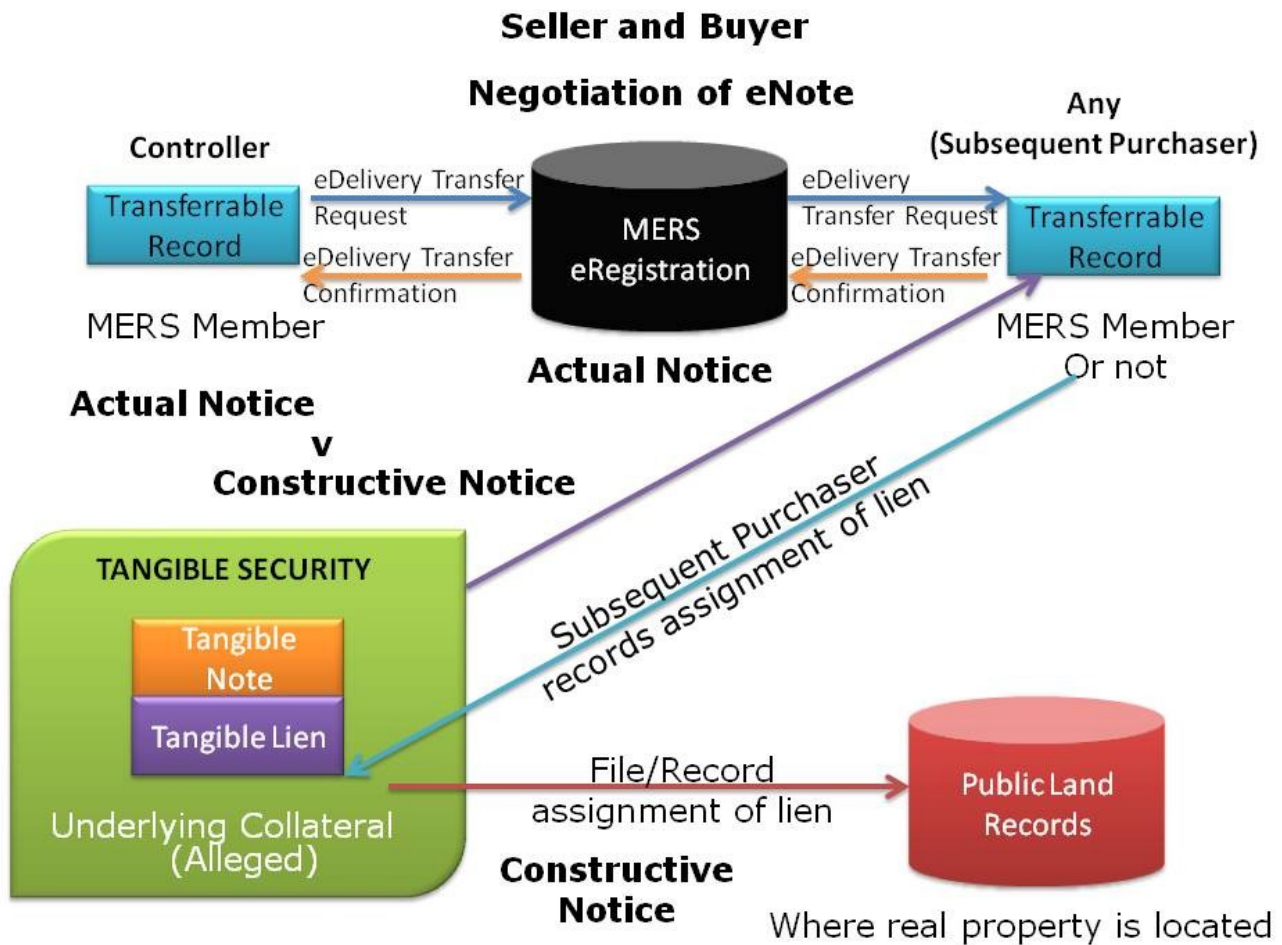


- Chain of Negotiation (Note indorsement)
- Chain of Title (assignment/transfer of lien)

Indentured

Texas Local Government Code §192.007 (MUST RECORD)

To continue "perfection" any alleged subsequent Secured creditor of an alleged tangible Mortgage Note and Security instrument, an assignment/transfer of the Mortgage Lien **MUST** be filed/recorded in county clerk records (public land records) where the real property is located.



TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Does a printed PDF scan copy of the paper tangible qualify as a paper promissory note?



An eNote does not look like a paper promissory note. If it does? Could it be considered counterfeiting?

The Role of MERS eRegistry - Source: Fannie Mae's How to implement eMortgages

While ownership and other rights to a paper note are determined largely by endorsements and possession, the eNote by virtue of its electronic status requires a different structure. At a high level, to qualify for "transferable record" status, (i) the eNote must qualify as a promissory note but for its electronic nature,

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Does a printed
PDF scan copy of
the paper
tangible qualify
as a paper
promissory note?



An eNote does not look like a paper promissory note. If it does ? Could it be considered counterfeiting?

The Role of MERS eRegistry – Source: *Fannie Mae's How to implement eMortgages*

- (ii) *The borrower must agree to the creation of the eNote, and*
- (iii) *there must be a reliable system to establish who is in control (i.e., who holds) the eNote.*

Who controls the eNote?

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

*"They are a
logical
impossibility"*



*"I would walk very slowly away and
break into a run as soon as I can."*

Electronic Promissory Notes as explained by Joseph Sommers, NY
Federal Reserve Bank

TANGIBLE IS TANGIBLE, INTANGIBLE IS ELECTRONIC (In Texas) 2012

Joseph Sommer, NY Fed Reserve
Speaking of eNotes



If I were confronted with an "electronic promissory note", I would walk very slowly away and break into a run as soon as I can. They are a logical impossibility, along with electronic chattel paper and UCC 7 electronic warehouse receipts.

The word "electronic" is miserably defined in all the statutes. But we all kinda sorta know what it means: something in a computer, rather than in some more fixed medium. Of course, a computer is made of matter and energy, just like a slip of paper or the side of a cow. So it must mean something special to be "in a computer."

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Speaking of eNotes



And it does! Most records are stably associated with a particular agglomeration of matter which--if it is not realty--can be physically transferred from one person to another. This includes paper, cows, and DVDs. If the piece of paper or Old Bossy or the DVD is uniquely distinguishable from any other piece of paper or cow or DVD that bears the same data structure, we have the basis for a system of negotiability.

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However, computer records are not stably associated with any particular piece of matter. Instead, they are stably associated with a system, which contains many pieces of matter amongst which the record may be sitting, at any given moment. Or the record could be sitting in 12 places in the system; it makes no difference. You don't need a unique piece of matter to uniquely identify an obligation—there is no unique matter (or energy) associated with the record. You just need an authoritative registry.

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Hence the logical impossibility of an electronic promissory note. "Promissory note" means unique piece of matter. "Electronic" means that there is no unique piece of matter, and we're dealing with authoritative registries. UCC 8 gets this right.

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It has two property systems that rely on unique pieces of matter (registered and unregistered certificates), **and two systems that rely on authoritative registries** (transfer agents and securities intermediaries.) The cotton warehouse system gets this right, and talks in great detail about authoritative registries.
UCC 7, 9 and UETA screwed up.

They are bad law—literally incomprehensibly bad law.

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Does a PDF
qualify as a paper
promissory note?



An eNote does not look like a paper promissory note. If it does? Could it be considered counterfeiting?

The courts will probably eventually define 7, 9, and UETA into registry systems of some kind. But until then, I would treat electronic negotiability systems as if they were rabid cows."

Electronic Promissory Notes (eNotes)
"RABID COWS "
of the electronic mortgage world

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Subsequent Purchase Reflects

Chain of Negotiation (Note indorsement)



Chain of Title (assignment/transfer of lien)

Indentured

MERS is a national eNote registry. Nothing else.

It is the MERS members who created this devastating crime to the peoples of the world.

Duh? They created MERS.

LET'S SEE IF YOU UNDERSTAND THIS ?

2012



Tangible debt

Debt covered by U.S. taxpayer monies to IRS.



Intangible debt

Secondary "payment Intangible" Market Debt not covered by U.S. taxpayer monies to IRS.

"Who pays for this"?

The Secondary "Payment Intangible" Market can never be sustainable. It is inevitable that this "electronic promissory note" scheme and just as all other "ponzi" schemes, it will crash. At that time, the peoples of the world will truly see who is behind this largest crime in history.

NEVER MIND THE MULE, JUST LOAD THE WAGON?

2012



Let's put it another way?

When the builder designed the wagon, it was designed for a certain "load bearing capacity" for the mule and its ability to pull it. We'll call it the "controlled servitude" wagon. When the MBI designed the "new/improved" wagon, the same load bearing capacity was used as was for the "controlled servitude" wagon along with the extra "load bearing capacity" of "never mind the mule, just load the wagon.

NEVER MIND THE MULE, JUST LOAD THE WAGON?

2012



HEE HAW!!!!!!