5 Ways to Respond to a Presentment or Draft

1) HONOR – ACCEPTANCE → Accept and carry out performance of the presentment
example- the IRS says "You owe $20,000", so you pay it

2) HONOR – CONDITIONAL ACCEPTANCE → Accept upon party meeting conditions
conditionally accept and re-draft
example- with the CA4V conditional acceptance and the negative averment, which says "Sure, I'll pay you, upon proof of claim!

3) REFUSAL FOR CAUSE, WITHOUT DISHONOR
No Dishonor. Erroneous claim refused for cause. No liability evidenced.
[Pursuant to UCC 3-501 and Calif Comm Code 3501]

4) DISHONOR – REFUSAL → Argue the issues
example- who are you, what's your authority, I don't owe that much, or whatever issue

5) DISHONOR – REFUSAL → Default by remaining silent

Using conditional acceptance you can honor the presentment upon conditions that forces the other party to DISHONOR you. This turns the table on them. Then by using the Notary Protest on their dishonor you can perfect the dishonor. These helps you to achieve the agreement of the parties before coming into the court, so the substance is not at issue any longer, and the court is reduced to a ministerial duty - based on the evidence before it, which is that the only claim on the table - the claim of the notary who tried to get acceptance on the draft, and certifies that the dishonor of the opponent was deliberate!

Now you're before the court with your notary and his evidence. The judge has an administrative, not judicial, issue. This means it is strictly procedural, where NO DISCRETION IS ALLOWED, where there is no immunity. If you go conditional accept your opponent offer, giving him the opportunity to produce his claim and he doesn't do it, where is the controversy? Substance issue is over. Down and out! Now the judge gets to rule administratively, ministerially where there is no immunity.

UCC § 3-501. PRESENTMENT.

- (a) "**Presentment**" means a demand made by or on behalf of a person entitled to enforce an instrument (i) to pay the instrument made to the drawee or a party obliged to pay the instrument or, in the case of a note or accepted draft payable at a bank, to the bank, or (ii) to accept a draft made to the drawee.
- (b) The following rules are subject to Article 4, agreement of the parties, and clearing-house rules and the like:
    - (1) Presentment may be made at the place of payment of the instrument and must be made at the place of payment if the instrument is payable at a bank in the

United States; may be made by any commercially reasonable means, including an oral, written, or electronic communication; is effective when the demand for payment or acceptance is received by the person to whom presentment is made; and is effective if made to any one of two or more makers, acceptors, drawees, or other payors.

- **(2) Upon demand of the person to whom presentment is made, the person making presentment must (i) exhibit the instrument, (ii) give reasonable identification and, if presentment is made on behalf of another person, reasonable evidence of authority to do so, and (iii) sign a receipt on the instrument for any payment made or surrender the instrument if full payment is made.**
- **(3) Without dishonoring the instrument, the party to whom presentment is made may (i) return the instrument for lack of a necessary indorsement, or (ii) refuse payment or acceptance for failure of the presentment to comply with the terms of the instrument, an agreement of the parties, or other applicable law or rule**.
- (4) The party to whom presentment is made may treat presentment as occurring on the next business day after the day of presentment if the party to whom presentment is made has established a cut-off hour not earlier than 2 p.m. for the receipt and processing of instruments presented for payment or acceptance and presentment is made after the cut-off hour.

Conditional Acceptance (*sometimes called Battle of Forms***)**

UCC § 2-207. Additional Terms in Acceptance or Confirmation.

(1) A definite and seasonable expression of acceptance or a written confirmation which is sent within a reasonable time operates as an acceptance even though it states terms additional to or different from those offered or agreed upon, unless acceptance is expressly made conditional on assent to the additional or different terms.

(2) The additional terms are to be construed as proposals for addition to the contract. Between merchants such terms become part of the contract unless:

- (a) the offer expressly limits acceptance to the terms of the offer;
- (b) they materially alter it; or
- (c) notification of objection to them has already been given or is given within a reasonable time after notice of them is received.

(3) Conduct by both parties which recognizes the existence of a contract is sufficient to establish a contract for sale although the writings of the parties do not otherwise establish a contract. In such case the terms of the particular contract consist of those terms on which the writings of the parties agree, together with any supplementary terms incorporated under any other provisions of this Act.

ALTERNATIVE RESPOND TO GOVERNMENT using these steps in your reply

1- RESPOND
2- ACCUSE
3- DENY
4- STATE YOUR INTENT
5- MAKE YOUR DETERMINATION
6- MAKE YOUR DEMAND
7- STATE YOUR AUTHORITY
8- SET A TIME LIMIT
9- CHANGE THE PRESUMPTION
10- NOTIFY THE AGENT'S BOSSES

GENERAL GOVERNMENT RESPONSE LETTER

The following letter can be adapted to almost any government inquiry. It is reprinted with permission from the *AntiShyster*, PO Box 540786, Dallas, TX 75354-0786, or call (214) 559-7957 - annual subscription $25. The importance of the letter is its structure and the strategy it reveals.

One Patriot Plaza, Rochester, Indiana 46975 August 17, 1990 Agent Iluv Toripuoff - Examiner Internal Revenue Service 666 Fraudhaven Drive Indianapolis, Indiana 46244 Dear Examiner Toripuoff: **[RESPOND]**I am in receipt of a form letter 904(DO), dated August 5,1990, that caries your stamped signature and which claims that you have been assigned to examine my "federal tax returns for the years stated above" and that you have set an appointment date of August 23, 1990 for me to come to your office along with a literal grocery list of personal documents. **[ACCUSE]**Mr. Toripuoff, you are in error and proceeding on a false assumption if you believe that I have some obligation to attend any meeting that you scheduled, without first confirming that I had any obligation to meet with you and confirm whether any date you set for an appointment was convenient for me. **[DENY]**I am hereby giving NOTICE UPON YOU of those errors and also declaring my objection to any such presumed claim by you or anyone else in your Service. I deny that I have any obligation or requirement to appear and produce for your examination, any personal papers or records. **[STATE YOUR INTENT]**I want to make it clear that it is my intention to obey all laws that legitimately impose a requirement or obligation upon me. However, I have no desire to volunteer where no obligation exists, especially when the waiver of my rights is involved. I am relying on what the Supreme Court held long ago: "An individual may be under no obligation to do a particular thing, and his failure to act creates no liability; but if he voluntarily attempts to act and do a particular thing, he comes under an implied obligation in respect to the manner in which he does it." Guardian T&D Co. v. Fisher (1906) 26 S.Ct. 186,188. **[MAKE YOUR DETERMINATION]**Therefore, I have determined that I am not one of your subjects for whom you can set a meeting without first requesting my permission. Neither am I one to whom you can demand that I produce personal papers for your review or that I have any obligation to submit those papers for an examination by you for any purpose. **[MAKE YOUR DEMAND]**If you agree with my determinations, I make timely demand that you notify me of the actions you have taken to correct your error. If you disagree with my determination I will expect you to document your position and authority with at least the following documents: 1) All documents on which you base your claim that I have any obligation to you or your Service or the United States and that I am the one who is required to produce books and records for your examination. 2) Copies of all documents that identify how I came within the purview of the statutes which you claim obligate me to produce personal documents for your examination. 3)

All documents of determination that indicate I am one who is liable or subject to any statute that you or your Service claim to have authority to enforce. 4) Copies of all documents that identify the facts on which those determinations were made. 5) Copies of all statutes on which those facts were applied to make any of the determinations that I am one who is liable or subject. **[Item 6 helps establish future due process claims and defences]**6) Copies of the Notices sent or served upon me prior to making those determinations. 7) Copies of your delegation of authority to inquire into my personal affairs or make any demand upon me, and the delegations of authority of those who made the above determinations that I am liable or subject to those determinations. 8) Copies of your document of appointment to the position which you now hold and copies of the documents that identify by name title, position, G.S.#, and office, each party who participated in any aspect of the above determinations. 9) The document that describes the procedural format for expungement of alleged determinations, improperly or unlawfully made within you Service. **[STATE YOUR AUTHORITY]**My authority for making this demand for verification of your authority has been well established as follows: "Whatever the form in which the Government functions, anyone entering into an arrangement with the Government takes the risk of having accurately ascertained that he who purports to act for the Government stays within the bounds of his authority... and this is so even though, as here, the agent himself may have been unaware of the limitations upon his authority." Federal Crop Insurance Corporation v. Merrill, 332 U.S. 380 at 384 (1947). **[SET A TIME LIMIT]**I will expect your response as to my demand for the correction of your error or the documents requested above within 30 days of your receipt of this letter. If you need additional time, please make your request in writing and it will be granted. **[CHANGE THE PRESUMPTION]**If I do not hear from you, within that time, your lack of response will establish the presumption that you or your Service do not have the documentation or the authority to support your claim of any requirement or obligation upon me. Sincerely, Samuel Adams Certified Mail #:_____ **[NOTIFY THE AGENT'S BOSSES]**Copies to: Agent Toripuoff; IRS District Director, IRS Commissioner, Secretary of the Treasury; U.S. Congressman; U.S. Senator.
********** end of Alternate Response method **********

House Joint Resolution (HJR)192 of June 5, 1933 – Not required to pay debt with substance.

What HJR-192 did was, remove the liability of an obligor (someone obligated to pay a debt) by making it against Public Policy to pay debts with debt. **All that needs to be done now is discharge the debt with an appropriate credit "dollar for dollar," or exchange the "bill for the bond" or the "past liability for the future liability," thus passing over the present liability of the "Note."** The "Note" is the promise to deliver the offer. The one problem the industrial society has is there is no money to even credit the account with and because of that we (the creators of the industrial products) are the credit that the industrial society needs to adjust the ledger. They need our acknowledgement of having received the charge from them to be able to discharge their duty, just like electrical currency otherwise, they have an aging accounts receivable that they cannot close without our endorsement as to the benefits that were provided. As the operator, they need to charge us so we can ground/charge-back the account thus paying the tax. Debt must be "discharged dollar for dollar".

Are you an “Accomodation Party”

“Accommodation Party” is defined as:

“One who signs commercial paper in any capacity for the purpose of lending his name (i. e. credit) to another party to instrument.” UCC § 3-415 Such party is a surety.

But what if you did not “sign” an instrument, say for example, the Certificate of Live Birth Report filed with DHHS or Dept. of Commerce, or Dept. of the Treasury (Register)? Are you still a surety, or guarantor? The answer is yes.

“Signed” includes any symbol executed or adopted by a party with present intention to authenticate a writing.” UCC § 1-201(39). The UCC commentary of this section has this to say:

“Signed” (after the fact the name, or credit, was lent): The inclusion of authentication in the definition of “signed” is to make clear that as the term is used in this Act (UCC) a complete signature is not necessary. Authentication may be printed, stamped or written; it may be by initials or by thumb print. It may be on any part of the document and in appropriate cases may be found in a bill heading or letterhead.

What is an appropriate case? For purpose of this discussion, an appropriate case may be a legal document called a court caption on a legal pleading, or a Certificate of Live Birth Report filed and registered by a physician, and with your Name your Credit, and your Title passing to the Holder-in-due-course; always.

Title to goods (Goods = the unborn young of animals) passes to the Holder-in-due course involved in the transaction. The Thing (res - pronounced RACE) or Title to the goods, in the form of a Warehouse Receipt, or Field Warehouse Receipt, once registered, becomes a perfected security, leaving the “pledgee” in the position of a sub-ordinate debtor, for the simple reason there are creditors, and there are debtors, and one can not assume both capacities on the simple reasoning and sound logic that one can not be obligated to ones self, i.e., one can not contract with one’s self to form a binding contract. This precedence can be found articulated in the landmark case “Trustee of the Dartmouth College v. Woodward.

“Such a pledge is obligatory on the pledgee ..... and once transacted, leaves the pledgee without title, rights, nor remedy .... except to complain of the trustee’s performance .....”

This leaves the pledgee with no credit, name, or title in effect “stramineus homo, a dummy, or strawman” in the capacity of a subordinate debtor (to the Holder - in - due - course). Thus, if one has not re-secured the pledge (bailment, in the form of a debenture), or security interest, one’s silence or inaction is all that is necessary for the holder-in-due-course to give legal effect to the preceding act, and you become the

accomodation party, with no value, rights, or remedy. Congratulation concerning your transformation into the “goyim.”

Without the name, title, or credit, you have little or no rights, and no remedy. What’s worse, all your precious labor and services to fulfill the American Dream, is considered nothing more than a gift to the Holder-in-due-course (see: 31 USC § 321(d)(2)).

And, when the IRS gets involved, do you really believe you’re being targeted for a tax liability, from some realized duty of citizenship? Poppycock! You are being fined for not honoring the pledge made in your behalf (see: 18 USC § 3613(c)), i.e., “.... as if the liability of the person fined were a liability for tax assessed...” There you have it, plain and simple.

The registration of the pledge, by accomodation, perfects a security interest in the goods pledged, in favor of the holder-in-due-course, and this pledge (i.e., pignus or hypotheca; is a species of bailment) runs in perpetuity unto the tenth generation of unborn children who have yet to become a gleam in daddy’s eye who unfortunately owe the holder-in-due-course in excess of eighty three (83) thousand dollars, money’s worth, or value. The Posterity is tricked into spending the assets of their future progeny, all the meanwhile convinced, this is all well and good; this is America.

And if you do not comprehend a moral problem with this scenario, then what makes you think I should? Right. This is nothing more than perpetual debt bondage, in the commercial world.

Government operates with commercial paper, nothing more. Municipal corporations issue bonds on the collateral held in trust (jure gistionis) which are brought by someone, thus leaving the (priority-tax exempt) collateral (pledge, accomodation party) in a seriously subordinate capacity; the issuer of the bond, the debtor, liable to redeem the bonds at a given date; and the purchaser in the position of creditor with primary and paramount title to the collateral, i.e., YOUR STRAWMAN for commercial purpose.

Ever wonder why “Notice of Federal Tax Lien (Levy)” is filed with the County Recorders? The answer is simple. The filing against “personal property” where the subordinate debtor resides, with no title, name, credit, or value, and having taken the value (benefit) from the holder-in-due-course and transferred this value to your own use, leaves you either with a duty to account therefore (filing the 1040), or a liability (to pay, or discharge) both civilly and criminally depending on the holder-in-due-course attitude for the moment, or whatever profile you fit into.

This is always an admiralty “in rem” type of action, or transaction because it always involves a duty or debt to the title holder with all of your value... What was that, you say.... this is FRAUD? B.S.

What the fraud could be with a little effort on your part is that government is now privatizing the security interest in the collateral, making them, or it, the absolute Lord Proprietor.

This type of privatizing (jure imperii) is what the CAFR’S call unjust enrichment, because the pledgee is left out of the loop either as debtor, or creditor, and always with the Liability, i.e., consumer obligation, i.e., by YOUR (PARTY) ACCOMMODATION...

UCC § 3-103. DEFINITIONS.

- (a) In this Article:
  - (1) "**Acceptor**" means a drawee who has accepted a draft.
  - (2) "**Drawee**" means a person ordered in a draft to make payment.
  - (3) "**Drawer**" means a person who signs or is identified in a draft as a person ordering payment.
  - (4) "**Good faith**" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
  - (5) "**Maker**" means a person who signs or is identified in a note as a person undertaking to pay.
  - (6) "**Order**" means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative but not in succession. An authorization to pay is not an order unless the person authorized to pay is also instructed to pay.
  - (7) "**Ordinary care**" in the case of a person engaged in business means observance of reasonable commercial standards, prevailing in the area in which the person is located, with respect to the business in which the person is engaged. In the case of a bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial standards do not require the bank to examine the instrument if the failure to examine does not violate the bank's prescribed procedures and the bank's procedures do not vary unreasonably from general banking usage not disapproved by this Article or Article 4.
  - (8) "**Party**" means a party to an instrument.
  - (9) "**Promise**" means a written undertaking to pay money signed by the person undertaking to pay. An acknowledgment of an obligation by the obligor is not a promise unless the obligor also undertakes to pay the obligation.
  - (10) "**Prove**" with respect to a fact means to meet the burden of establishing the fact (Section 1-201(8)).
  - (11) "**Remitter**" means a person who purchases an instrument from its issuer if the instrument is payable to an identified person other than the purchaser.

- (b) Other definitions applying to this Article and the sections in which they appear are:
- "Acceptance" -- Section 3-409
- "Accommodated party" -- Section 3-419
- "Accommodation party" -- Section 3-419
- "Alteration" -- Section 3-407
- "Anomalous indorsement" -- Section 3-205
- "Blank indorsement" -- Section 3-205
- "Cashier's check" -- Section 3-104
- "Certificate of deposit" -- Section 3-104
- "Certified check" -- Section 3-409
- "Check" -- Section 3-104
- "Consideration" -- Section 3-303
- "Draft" -- Section 3-104
- "Holder in due course" -- Section 3-302
- "Incomplete instrument" -- Section 3-115
- "Indorsement" -- Section 3-204
- "Indorser" -- Section 3-204
- "Instrument" -- Section 3-104
- "Issue" -- Section 3-105
- "Issuer" -- Section 3-105
- "Negotiable instrument" -- Section 3-104
- "Negotiation" -- Section 3-201
- "Note" -- Section 3-104
- "Payable at a definite time" -- Section 3-108
- "Payable on demand" -- Section 3-108
- "Payable to bearer" -- Section 3-109
- "Payable to order" -- Section 3-109
- "Payment" -- Section 3-602
- "Person entitled to enforce" -- Section 3-301
- "Presentment" -- Section 3-501
- "Reacquisition" -- Section 3-207
- "Special indorsement" -- Section 3-205
- "Teller's check" -- Section 3-104
- "Transfer of instrument" -- Section 3-203
- "Traveler's check" -- Section 3-104
- "Value" -- Section 3-303
- (c) The following definitions in other Articles apply to this Article:
- "Bank" -- Section 4-105
- "Banking day" -- Section 4-104
- "Clearing house" -- Section 4-104
- "Collecting bank" -- Section 4-105
- "Depositary bank" -- Section 4-105
- "Documentary draft" -- Section 4-104
- "Intermediary bank" -- Section 4-105
- "Item" -- Section 4-104
- "Payor bank" -- Section 4-105
- "Suspends payments" -- Section 4-104
- (d) In addition, Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

UCC § 3-102. SUBJECT MATTER.

- (a) This Article applies to negotiable instruments. It does not apply to money, to payment orders governed by Article 4A, or to securities governed by Article 8.

UCC § 3-104. NEGOTIABLE INSTRUMENT.

- (a) Except as provided in subsections (c) and (d), "**negotiable instrument**" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:
  - (1) is payable to bearer or to order at the time it is issued or first comes into possession of a holder;
  - (2) is payable on demand or at a definite time; and
  - (3) does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain (i) an undertaking or power to give, maintain, or protect collateral to secure payment, (ii) an authorization or power to the holder to confess judgment or realize on or dispose of collateral, or (iii) a waiver of the benefit of any law intended for the advantage or protection of an obligor.
- (b) "**Instrument**" means a negotiable instrument.

UCC § 3-105. ISSUE OF INSTRUMENT.

- (a) "**Issue**" means the first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the purpose of giving rights on the instrument to any person.
- (b) An unissued instrument, or an unissued incomplete instrument that is completed, is binding on the maker or drawer, but nonissuance is a defense. An instrument that is conditionally issued or is issued for a special purpose is binding on the maker or drawer, but failure of the condition or special purpose to be fulfilled is a defense.
- (c) "**Issuer**" applies to issued and unissued instruments and means a maker or drawer of an instrument.

UCC § 3-409. ACCEPTANCE OF DRAFT.

(a) "**Acceptance**" means the drawee's signed agreement to pay a draft as presented. It must be written on the draft and may consist of the drawee's signature alone. Acceptance may be made at any time and becomes effective when notification pursuant to instructions is given or the accepted draft is delivered for the purpose of giving rights on the acceptance to any person.