

REPORT #PCT02: THE POWER OF THE PURE CONTRACT TRUST

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Warning:

The following information may cause you pain, perhaps a cold sweat, maybe even nausea. Or, it may bring a sense of joy that you never thought was possible, a sense of peace, or a satisfaction that you have finally found some answers to the questions you have had. Either way *what you do with the information you're about to read, could change your life.*

"My dearest Kay,

I have taken my life in order to provide capital for you. The IRS and its liens which have been taken against our property illegally by a runaway agency of our government have dried up all sources of credit for us. So I have made the only decision I can. It's purely a business decision... You will find my body on the north side of the house." - Alex

When Kay Council of High Point, N.C. came home that night in June of 1988, this was not what she needed.

After 9 years of battling with the IRS over a disallowed tax-shelter, fighting over \$300,000 in taxes, interest and penalties. All of their financial resources exhausted, Alex Council made a business decision. To provide his wife with the funds needed to continue the battle. He took his life. It provided \$250,000 to continue the fight.

Mrs. Council eventually won a court ruling that she and her husband owed the IRS nothing.

Mrs. Council, 48, said, "I was cheated of growing old with the man I love."

The decision that Alex Council made was his own. From where I sit, it was a bad decision. But then again, I am not Alex Council, and I am not in the situation that he was in. But the tragic part of the whole situation is that he should have never been put in that situation either.

HE SHOULD HAVE NEVER HAD TO MAKE THIS DECISION!

If the Councils, had been using a Pure Contract Trust, these problems all could have been avoided.

*The business they managed could have been owned by a Pure Contract Trust.
The home they lived in could have been owned and protected by a Pure Contract Trust.*

They could have received a modest salary on which to pay taxes, and they would have had no need for the tax shelter that caused their problem.

Unfortunately this is not an isolated case, many people have to make decisions every day about how to protect the assets that they have worked so hard to accumulate.

The information you are reading will tell you how to avoid the pitfalls associated with asset accumulation and preservation. And will give you details on one of the greatest asset protection and privacy vehicles available today - the Pure Contract Trust.

Once you read through this information, you will be responsible for it. That means you will have to make a decision about what to do with it.

For many people this will be an exercise in futility. The decision will be "no decision" or "I need to look into that some more... some other time," or even "nothing will ever happen to me." These people are the dreamers, and most usually the whiners. The ones who will complain that the system isn't fair when something does happen to them.

Currently over two-thirds of the world's lawyers, more than 750,000, are practicing in the U.S. Statistics tell us that the odds of being sued in your lifetime are 1 in 4, and currently 1 of every 15 Americans is involved in a lawsuit. Keep in mind that this statistic includes all Americans. Welfare recipients, disabled, unemployed, etc.... Obviously your odds of being sued are much greater if you are an individual who has accumulated assets, or are working at accumulating them now.

For others, those who are willing to take responsibility for their own actions, this decision will be easy to make. These movers and shakers will have some questions written on this report, or on a separate paper, and will be motivated to learn more, and see if the Pure Contract Trust is right for them.

NOTE: If you are not a decision-maker, or if you are a whiner, please do both of us a favor and give this report to someone who is a self-reliant, capable, decision-maker.

WHAT IS A PURE CONTRACT TRUST?

A Pure Contract Trust, as we refer to it here, is a particular form of contract with a declaration of trust that is protected by the constitutional right to contract and by Common Law.

This should not be confused with a Common Law Trust, Massachusetts Trust, Business Trust, or any form or association of any type of statutory trust.

The Pure Contract Trust may provide these basic benefits:

- Privacy
- Asset Protection
- Rendering yourself judgment-proof
- The ability to engage in any lawful business anywhere
- Diversification of assets into separate "bullet-proof compartments"
- Elimination of probate and estate taxes
- Reduction of other taxes
- Elimination of government reporting

According to the U.S. Supreme Court:

"Concerning privacy, a trust organization created under the U.S. Constitutional right of contract cannot be abridged. The agreement, when executed, creates a federal organization not under the laws passed by any of the several State legislatures. "U.S. v. Carruthers, 219 F2s 21 (1925); Waterman v. MacKenzie, 138 US 252 (1981); Crocker v. MacCloy, 649 U.S. Sup. 39 at 270.

THE RIGHT TO CONTRACT

The right to contract is guaranteed by Article 1, Section 10 of the U.S. Constitution: "No State shall make any law impairing the obligation of contracts." It is further guaranteed by the Fourteenth Amendment: "No State shall make or enforce any law

which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

There are two classes of entities available today: Those created with permission from the government (corporations, partnerships, sole proprietorships, business license, drivers license, identification numbers, trusts), and those not subject to the jurisdiction of the government.

Those created with government permission are subject to government regulation, and the government can change their regulations whenever they wish.

Corporations and other types of statutory entities listed above are created with government permission. When you get the government's permission, you give up your constitutional rights. You become subject to bureaucratic control. Fortunately one can establish an entity that is not subject to these statutes. The Pure Contract Trust is a Common Law entity, not subject to statutory control. It is not created by government permission as corporations are.

Most lawyers don't learn about the Constitution and common law. They learn statutory law. They swear an oath to uphold statutory law. In fact, if they want to be heard in a common-law court, they have to get special permission! Any entities that a lawyer creates such as corporations are statutory entities. Generally, any trust that they set up are statutory trusts. The entities they create are subject to being licensed, reporting to the government, being audited, and taxed. However, the Pure Contract Trust is not subject to these statutory intrusions.

HALE V. HENKEL

When I communicate the information that you have read so far to most people, the responses fall into one of two categories:

1. Hogwash
2. This is what I've been looking for all of my life!

No matter what the response, the *information you are about to read could make this the greatest day of your life.*

Let's consider the following U.S. Supreme Court case. The case contrasted the duty of the corporation with the duty of a Sovereign Individual.

(Note: If you have received a Social Security number, birth certificate, driver's

license, marriage license, etc.... YOU ARE NOT A SOVEREIGN INDIVIDUAL - unless you have taken special steps to correct your status. However, the Pure Contract Trust IS effectively a SOVEREIGN INDIVIDUAL!)

"There is a clear distinction in this particular case between an individual and a corporation, and that the latter has no right to refuse to submit its books and papers for an examination at the suit of the State. The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing therefrom, beyond the protection of his life and property. His rights are such as existed by the law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he does not trespass upon their rights." Hale v. Henkel, 201 U.S. 43 at 47 (1905).

Let's look at what is being said. First of all, there is a difference between an individual and a corporation. The corporation has no right to refuse to submit its books and papers for an examination at the demand of the State.

Secondly, the individual may stand upon his constitutional rights as a citizen. The key word here is stand. If you don't stand up for your rights, and take advantage of the opportunities provided by them, no one else will do it for you.

Third, it says "He is entitled to carry on his private business in his own way." Note that it says "private business" - you have the right to operate a private business. Then it says "in his own way." It doesn't say with the government's guidance, or interference.

Fourth, "His power to contract is unlimited." Notice this is a restatement of our rights under the constitution. There are several items that determine whether a contract is valid or not. The most obvious is that any contract that would harm others, or violate their rights would be invalid. Aside from that, your power to contract is unlimited.

Fifth, "He owes no such duty to the State (to submit his books and papers for an examination), since he receives nothing therefrom beyond the protection of his life and property." The individual doesn't need and didn't receive permission from the government, hence he has no duty to the government.

Sixth, "His rights are such as existed by the law of the land long antecedent to the organization of the State... " Take special note of this, The U. S. Constitution does not grant us rights, it guarantees the rights we already have! Don't believe it? Read Amendment IX which says, "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people."

Seventh, the Supreme Court said, "and can only be taken from him by due process of law, and only in accordance with the Constitution." Due process involves specific procedures, and safeguards such as a trial by jury.

Eighth, "Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law." The individual does not have to report anything about themselves or their business to anyone.

Last, "He owes nothing to the public so long as he does not trespass upon their rights." Does this mean what it sounds like? Yes, it does! The Sovereign Individual does not have to pay most taxes.

Pretty exciting stuff isn't it?

However, for most people it is not practical to relinquish their social security number, driver's license etc.... (In order to correct their status so they can become Sovereigns.) So, what do we do? Where do we go?

The Pure Contract Trust Answer

The answer to this and other questions, is to utilize a Pure Contract Trust. The Pure Contract Trust is a legal individual entity in the eyes of the law - a sovereign individual that has not compromised any of its constitutional or common-law rights. A sovereign individual not subject to statutory regulation.

The Pure Contract Trust can own property, do business, etc.... It is completely private. It has no reporting requirements to any government or state. It doesn't have to pay income taxes, capital-gain taxes, death or estate taxes, nor is it subjected to the probate process. If I use the Pure Contract Trust I make provisions that when I die my successors take over the management of it - all completely legal and private.

The Pure Contract Trust enables me to exchange assets into it while I still control the practical use of those assets.

The Pure Contract Trust can also operate a business, and provides limited liability. It is a perfectly private business with no reporting requirements to anyone.

The "Super Rich" have been utilizing similar trusts for centuries, and now this option has also become affordable to the rest of us, and at a price that most of us can afford.

WHAT MAKES THE PURE CONTRACT TRUST SUCH A POWERFUL INSTRUMENT? - THE "EMBARRASSING ISSUE PRINCIPLE"

There is a very powerful legal principle you can apply to reduce the risk of being attacked by government marauders. I call it "the embarrassing issue principle." I recently heard a story about a prosecutor saying to a judge, "But your honor! You can't allow this matter to be entered as evidence, because if you do, it'll destroy the judicial system!"

Suppose you operate some business or activity which is perfectly legitimate, but some bureaucrats don't like it, and they've passed some unconstitutional statute or regulation prohibiting it. Suppose you have taken a certain legal precaution such that if the government criminals haul you into court, they'll be unable to prevent you from bringing one or more "embarrassing issues" before the court. As soon as they discover your precaution, they may very well back down and leave you alone.

In 1993 government agents raided the free-enterprise bank of Anthony Hargis in Orange County, California. They illegally seized money, records, and computers. The contract Hargis has his clients sign, includes several "embarrassing issues." Hargis also submitted an "Affidavit of Truth," containing certain "embarrassing issues" to the appropriate government agencies. Earlier this year they returned everything they had seized.

Hargis told me that there are certain issues that make the bureaucrats tremble. They couldn't prosecute Hargis, because if they did, they would not have been able to prevent Hargis from introducing certain issues into court as evidence. The bureaucrats know that if these embarrassing issues are introduced in court, they will most likely lose. So they just back off completely.

The Pure Contract Trust contains in the contract itself eight of these embarrassing issues. If bureaucrats were to challenge the Pure Contract Trust in court, it would be virtually impossible for them to prevent these eight embarrassing issues from being raised in court.

The reason why this stratagem is possible is that certain "judicial irregularities" (to put it mildly - judicial fraud is more accurate!) were perpetrated in order to subvert the government system to its current degree of unconstitutional oppression. Many senior bureaucrats are aware of what has been done to subvert the system. They don't want the "judicial irregularities" exposed, because they know they can't defend them. So, in the case of Anthony Hargis's free-enterprise bank, they backed off completely with their tails between their legs, when their weak spots were challenged. Exactly the same is likely to happen if they try to attack the Pure Contract Trust.

FIVE OTHER FACTORS THAT MAKE THE PURE CONTRACT TRUST VERY POWERFUL

- Legality. Every aspect of the Pure Contract Trust is perfectly legal and backed by the U.S. Constitution and by U.S. Supreme Court decisions and other court decisions. These issues are covered in detail in Report #PCT04: The Pure Contract Trust in a Nutshell.
- Jurisdictional Challenge. The Pure Contract Trust is a constitutional common-law entity. It is not subject to statutory control. The legal aspects of this factor are also covered in Report #PCT04: The Pure Contract Trust in a Nutshell. If the user or managing director of the trust is threatened, challenged, or attacked by a bureaucrat, then the bureaucrat is served with a Jurisdictional Challenge. The bureaucrat is challenged to prove that he or the statutory agency he represents has jurisdiction over the trust which is a constitutional entity. The bureaucrat is also put on notice that if he or she violates the constitutional rights of the trust, then he or she will be prosecuted to the full extent of the law and that payment to recover damages suffered will be sought. Bureaucrats usually back off when they are confronted with the Jurisdictional Challenge. See Report #PCT05: The Jurisdictional Challenge.
- Unanimous Approval Required from Trustees to Reveal Information. The privacy of the affairs, books, and records of the Pure Contract Trust is guaranteed by the Fourth and Fifth Amendments to the U.S. Constitution. In addition, the contract includes a clause to the effect that information about the trust affairs may only be divulged subject to unanimous approval by the trustees. So, if a user or managing director of the trust is asked for information, the user says, "I'll gladly cooperate with you Mr. Bureaucrat, however, before I can proceed, I need approval from the principals (or trustees). I'll contact the trustees and ask their permission. Please contact me again in a week." The trustees almost never give unanimous approval. So if the bureaucrat tries again, he is told that the trustees didn't give their approval.
- Trustees are Sovereign Individuals. The government operates on the basis that

citizens are their slaves because they have contracted away their constitutional rights by acquiring birth certificates, social security numbers, driver's licenses, etc. The trustees have taken the necessary steps to revoke all these "hidden" or "adhesion" contracts. They have restored their constitutional rights. They know how to stand up for these rights and defend them. They stand ready to defend the trust if it is attacked.

- Dispute Resolution. Three trust experts, including an attorney, have indicated that the Pure Contract Trust is a very solid private contract because it includes a private dispute resolution procedure. Governments usually operate on the basis that they are a party to a contract, because it's their function to resolve disputes resulting from the contract. This is one of the reasons governments claim give them a right to intrude in the affairs of a contract. In the case of the Pure Contract Trust they can make no such claim.

THE NEXT STEP

It has been said that "Man's mind, once stretched by a new idea never regains its original dimensions."

Your mind has now been stretched. Since you have read this far, you are obviously a self-starting, motivated, and independent individual, who wants the very best that life has to offer. Since that is the case you have the responsibility to learn more.

Now some people say "I'll get around to that." - They seldom do.

Some say "I'll think it over." - They go back to watching TV.

Some say, "It sounds too good to be true, and if it sounds too good to be true it usually is." - That's right it usually is, but what if this is not one of the "usually?"

Don't you owe it to yourself and your loved ones to investigate further?

Take the next step, do it now!

This may be the greatest day of your life!

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