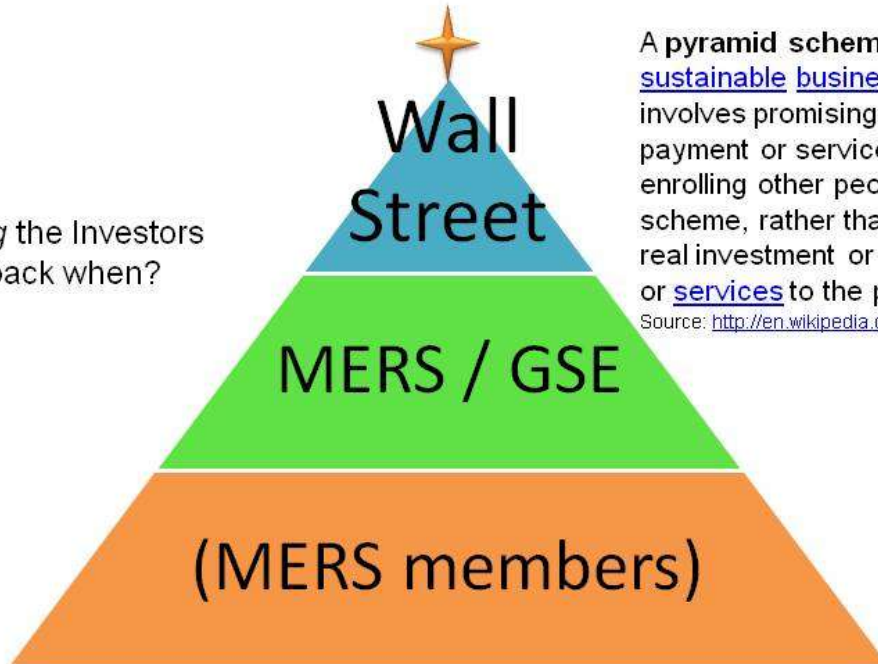


# PYRAMID / PONZI SCHEME

*"Mad" offering the Investors since way back when?*



A pyramid scheme is a non-sustainable business model that involves promising participants payment or services, primarily for enrolling other people into the scheme, rather than supplying any real investment or sale of products or services to the public.<sup>[1][2]</sup>

Source: [http://en.wikipedia.org/wiki/Pyramid\\_scheme](http://en.wikipedia.org/wiki/Pyramid_scheme)

(In Texas)

This is not legal advice, it is education.

## Disclaimer



I am truly sorry for those whom have an mindset in such a fashion that the homeowner is trying to get out of his/her debt obligation. Not true!

However, they too will come to realize they are indeed an unsuspecting party of this mess also. Just like those now.

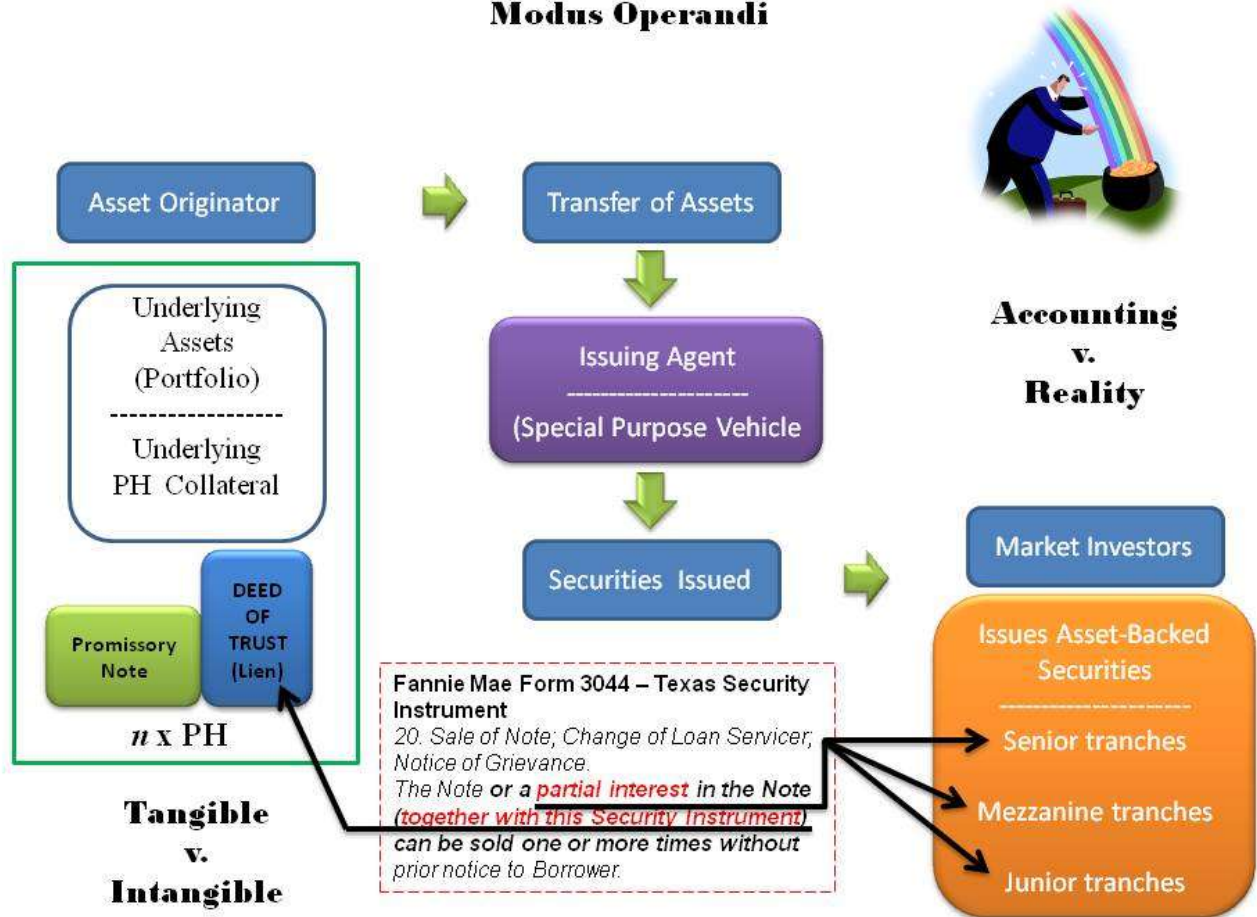
Sooner or later.

I am not an attorney nor do I pretend to be one. Neither do I give legal advice. And my information is not substitution for an Attorney. Find a competent Attorney for your legal matters. Not me.

I provide an education, that is all.

(Peace be with you)

## Modus Operandi



## One Tool of Deception

Just one of the many;

### Fannie Mae Form 3044 – Texas Security Instrument

20. Sale of Note; Change of Loan Servicer; Notice of Grievance.

The Note or a **partial interest** in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

TITLE 11 App. > FEDERAL > PART III > Rule 30012

Rule 3001. Proof of Claim

(d) Evidence of Perfection of Security Interest. If a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected.

Carpenter v. Longan - 83 U.S. 271,

In Texas, West v. First Baptist Church of Taft, 71 S.W. 2d 1090, 1098 (Tex. 1934),

**Willful Intent?**

# ALVIE EXPLAINS

## THE UCC thingy

**Uniform Commercial Code Article 9 Note  
Secured by an Underlying  
Uniform Commercial Code Article 3 Note**

5

## UNIFORM COMMERCIAL CODE "NOTE"?



Uniform Commercial Code Article 9  
**Note**  
(Intangible)

A Uniform Commercial Code Article 9 Note can be a non-negotiable instrument or a negotiable instrument ...

# UNIFORM COMMERCIAL CODE "NOTE"?

Transferable Record

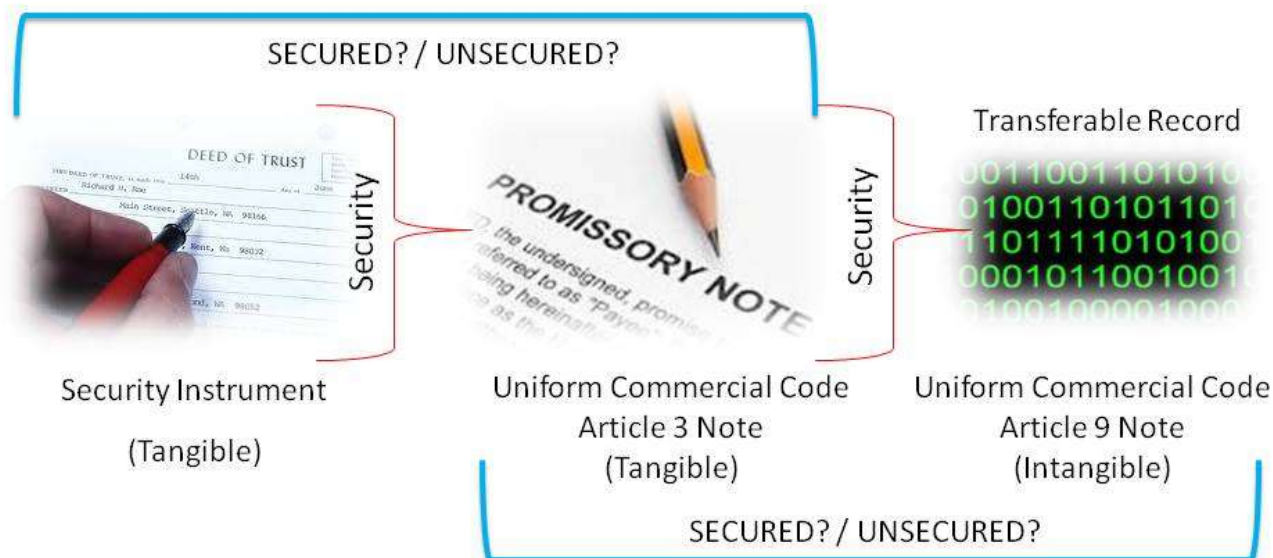


Uniform Commercial Code Article 9  
Note  
(Intangible)

.. and be a transferable record.

A tour of Two Notes  
7

# UNIFORM COMMERCIAL CODE "NOTE"?



Whether the Uniform Commercial Code's Article 3 Note is a Secured Note or Unsecured Note depends upon the status of the Security Instrument secured to the Uniform Commercial Code Article 3 Note.

# Con Artist(s)?



You can read the paper, look on the internet, watch on T.V. or witness it yourself and wonder what is happened in America? It is so slick it reminds me of a television message that runs on a T.V. channel in the Austin, Texas Area.

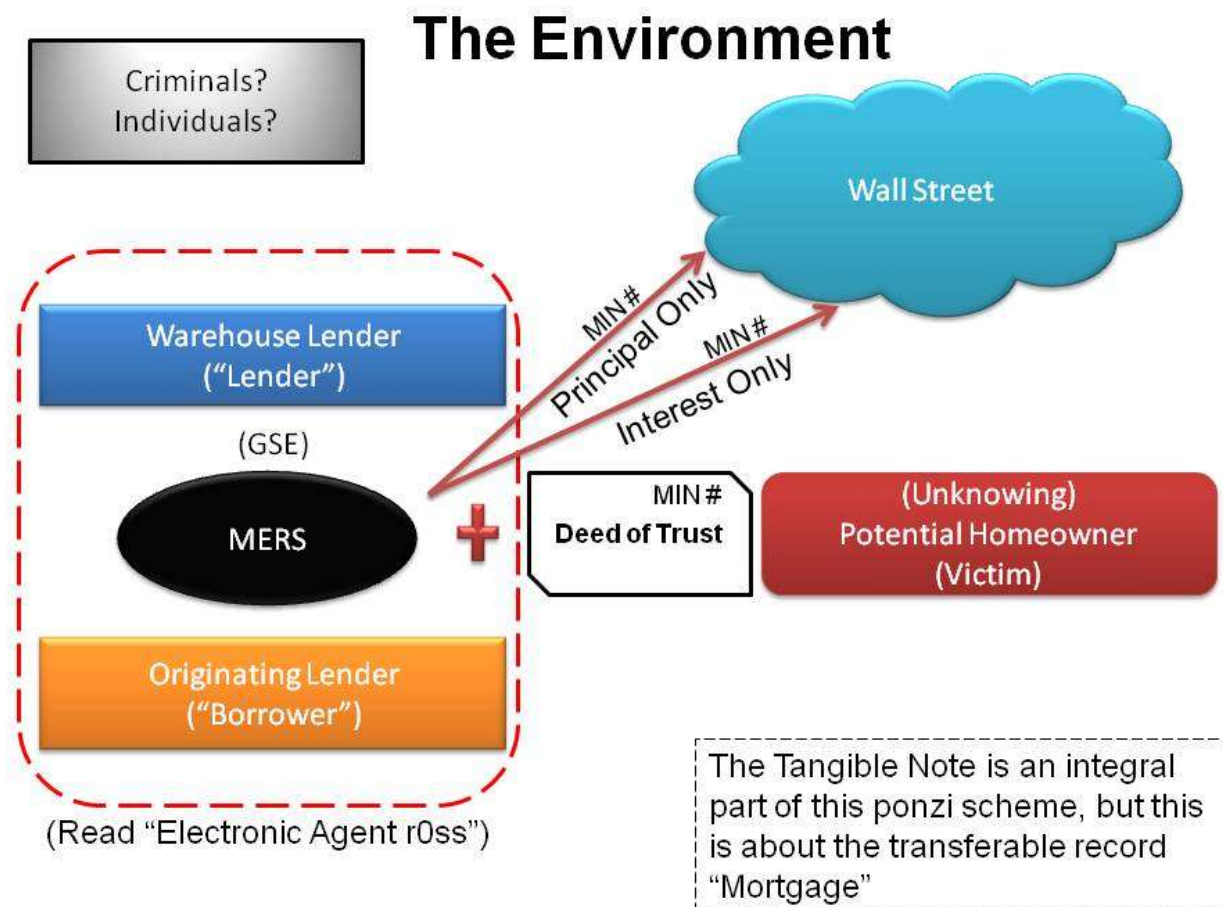
Here is the link: [http://www.texasinvestored.org/trust\\_psa.php](http://www.texasinvestored.org/trust_psa.php)

Here is what the actor said;

*"Hi. You can't tell by looking at me but, I'm a con-artist. I look like someone you can trust. I'm your friend, I'm your neighbor, I go to church with you. When you put you're faith in me, and you will. **I'm going to take you for everything you've got.**"*

Well folks, it has happened. In *that* video message; it appears as a good example of explaining the "judging a book by it's cover" analogy.

(In Texas)





Federal Reserve Banks  
Operating Circular No. 7

BOOK-ENTRY SECURITIES ACCOUNT MAINTENANCE AND TRANSFER  
SERVICES

Effective August 19, 2005

Think "stock market"

### 3.0 DEFINITIONS

3.4 **Book-Entry Security means a marketable security** issued in electronic form by the United States Government (the "Treasury"), any agency or instrumentality thereof, certain international organizations, or others, that the Reserve Banks have determined is eligible to be held in a Securities Account and is eligible for Transfer.

3.12 **Participant means an entity that maintains a Securities Account** with a Reserve Bank in the entity's name. Subject to the Reserve Banks' and the Board of Governor's risk reduction policies, where applicable, entities authorized by law, regulation, policy, or agreement to be Participants include:

3.18 **Transfer means the electronic movement** over the Fedwire® Securities Service of a par amount **of Book-Entry Securities** by debit to the designated Securities Account of the Sender and by credit to the designated Securities Account of the Receiver, or by debit to one Securities Account of a Participant and credit to another Securities Account of that same Participant, in which case that

# PONIZI SCHEME



# Wall Street

(In Texas)

## The Illusion



(EXPOSED)

Criminals?  
Individuals?

# The Environment



MERS is recognized in Texas as a “Book Entry System”. It is a **registration system for a transferable record**, not a recordation system for a Tangible “security Instrument”

MERS members create eNotes, then registers, and or transfer eNotes [transferable record] through this MERS eRegistration system that is not an official land recordation system provided for by the State of Texas.

The MERS eRegistration system provides “**actual notice**” of an assignment through eDelivery of a transferable record, not like a recordation system, a “constructive notice” of the security instrument through local public land records.

Criminals?  
Individuals?

# The Trust?

## What is SETTLOR?

settlor n. the person who creates a trust by a written trust declaration, called a "Trustor" in many (particularly western) states and sometimes referred to as the "Donor." The settlor usually transfers the original assets into the trust.

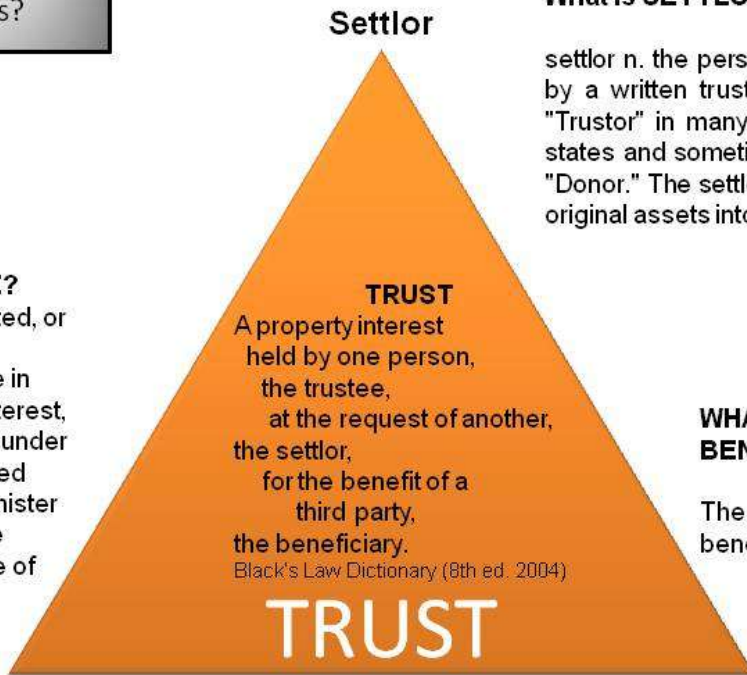
## What is TRUSTEE?

The person appointed, or required by law, to execute a trust; one in whom an estate, interest, or power is vested, under an express or implied agreement to administer or exercise it for the benefit or to the use of another.

## WHAT IS A BENEFICIARY?

The person who is benefited by the trust

Trustee



Beneficiary

Where does a lien called a “mortgage” or “deed of trust” fit in this scenario?



# The Trust?

Criminals?  
Individuals?

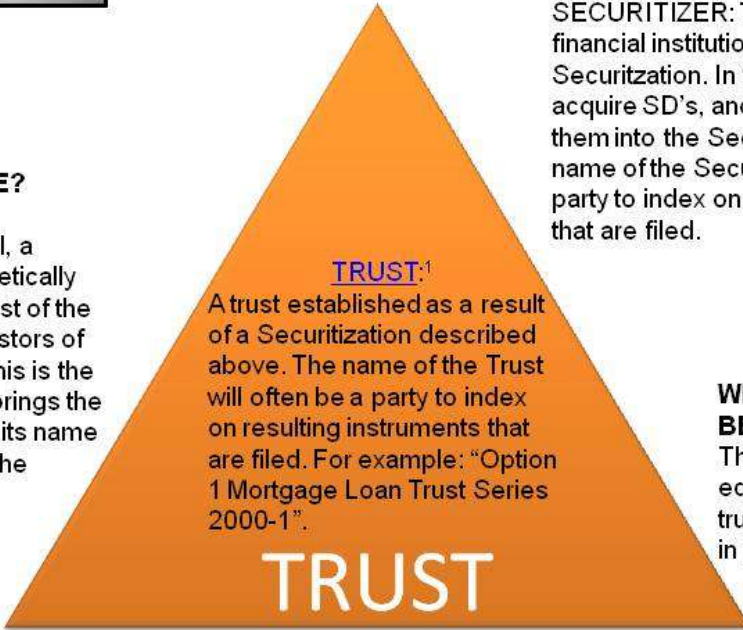
## What is a TRUSTEE?

**Trustee** - In General, a National Bank theoretically represents the interest of the securitized trust investors of the specific trusts. This is the party that generally brings the foreclosure action in its name "as trustee" against the borrower.

Securitizer

## What is a SECURITIZER?

**SECURITIZER:** The Securitizer is the financial institution that orchestrates a Securitization. In this process they acquire SD's, and then sell (assign) them into the Securitization Trust. The name of the Securitizer will often be a party to index on resulting instruments that are filed.



## What is a BENEFICIARY?

The beneficiary is the equitable owner of the trust property, in whole or in part.

Where does a lien called a "mortgage" or "deed of trust" fit in this scenario?

Source: [http://www.gsccca.org/filesandforms/files/guidelines/Indexing\\_Securitization\\_Trust\\_Instruments.pdf](http://www.gsccca.org/filesandforms/files/guidelines/Indexing_Securitization_Trust_Instruments.pdf)

# The Environment

Criminals?  
Individuals?

An Innocent Potential Homeowner relies upon an attorney who understands real estate laws. Question is; Do They?



The Tangible Note is an integral part of this ponzi scheme, but this is about the transferable record "Mortgage"

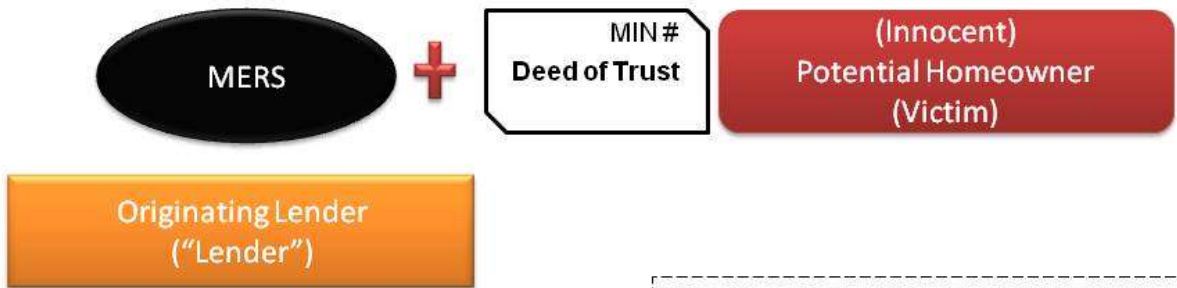
Criminals?  
Individuals?

## The Environment

*While the negotiable notes themselves are personal property and may be transferred by unrecorded assignment,<sup>97</sup> the negotiable quality of the note does not govern the lien securing it.<sup>98</sup>*

97. *South Texas Lumber Co. v. Nicoletti*, 54 S.W.2d 893, 896 (Tex. Civ. App. - Beaumont 1932, writ *dism'd*).

98. *McCarty v. Allen*, 113 S.W.2d 974, 976 (Tex. Civ. App. - Austin 1938, no writ).



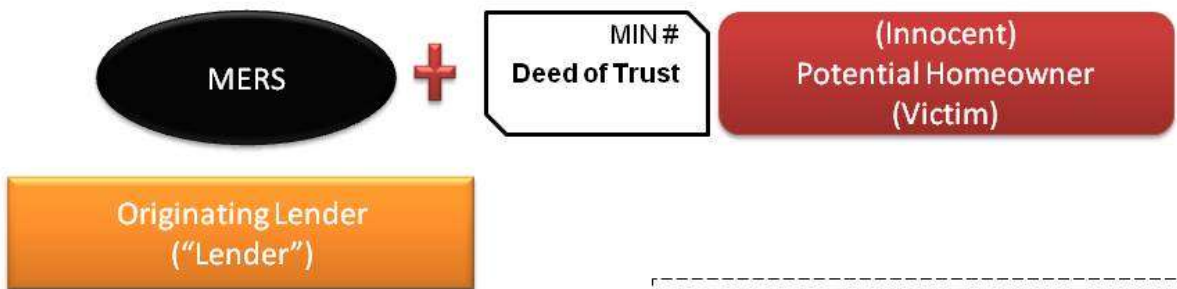
The Tangible Note is an integral part of this ponzi scheme, but this is about the transferable record "Mortgage"

Criminals?  
Individuals?

## The Environment

*The owner of a negotiable note secured by a lien on real estate must record his interest in the lien to protect himself against an innocent purchaser.<sup>100</sup>*

100. *McCarty v. Allen*, 113 S.W.2d 974, 977 (Tex. Civ. App. - Austin 1938, no writ).

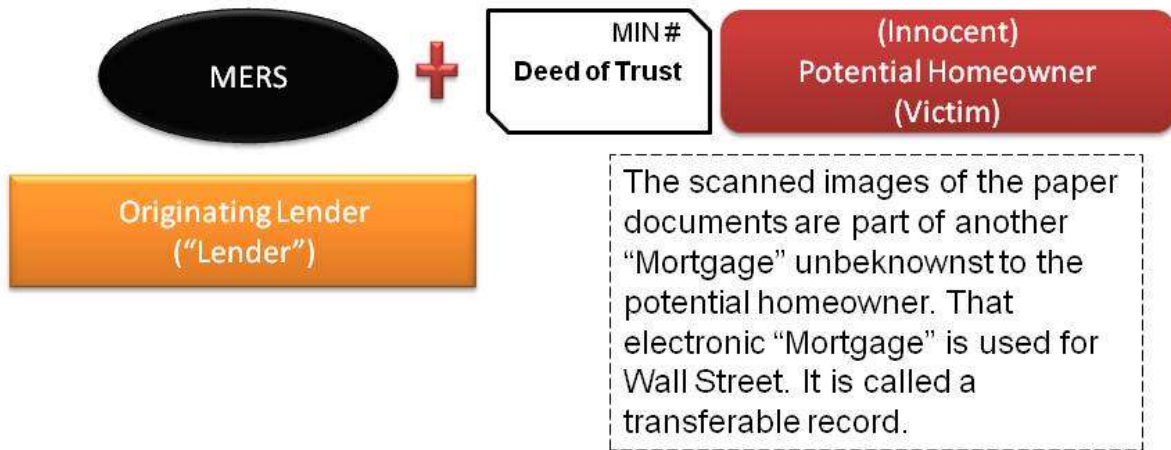


The Tangible Note is an integral part of this ponzi scheme, but this is about the transferable record "Mortgage"

Criminals?  
Individuals?

# The Environment

Paper is not plastic, neither is it electronic. After potential homeowner signed security instrument and whether before or after security instrument was recorded in official public land records, The paper had to be converted into a form that is electronic. MERS is electronic and paper does not fit in a hard drive. Only electronic binary data.



# The Mortgage

## MILESTONES for 1001310-2040769205-0



Description	Date	Initiating Organization / User	Milestone Information
Registration	11/03/2004	<a href="#">1001310</a> American Mortgage Network, LLC Batch	MIN Status: Active (Registered) Servicer: 1001310 American Mortgage Network, LLC

This is what the "newly" created transferable record, what they call a Mortgage. This is what it looks like in a MERS milestone when registered in the MERS system.

On the screen It looks like a homeowners mortgage, but it is not. IT is a transferable record they call a mortgage; the MERS member created and registered in the MERS eRegistration system.

How did they create it?

The MERS members or its agents, a criminally minded kind people came up with a way to "create money out of thin air". Many may have heard that saying before?

# The Mortgage

MILESTONES for 1001310-2040769205-0



Description	Date	Initiating Organization / User	Milestone Information
Registration	11/03/2004	<a href="#">1001310</a> American Mortgage Network, LLC Batch	MIN Status: Active (Registered) Servicer: 1001310 American Mortgage Network, LLC

This transferable record they call a "Mortgage" is the mortgage the criminals reference. Not the Tangible mortgage. The alleged Tangible "mortgage loan" is the underlying collateral, a payment stream for their mortgage.

Through this Mortgage the "alleged" underlying collateral, the potential homeowners Note and Security Interest become an integral part. The potential homeowners Note is the "Security Interest" for the Transferable Record [Mortgage] in the MERS eRegistry.

To know more about this "security interest" take a look at UCC Thingy.

# The Mortgage

MILESTONES for 1001310-2040769205-0



Description	Date	Initiating Organization / User	Milestone Information
Registration	11/03/2004	<a href="#">1001310</a> American Mortgage Network, LLC Batch	MIN Status: Active (Registered) Servicer: 1001310 American Mortgage Network, LLC

This Transferable Record "Mortgage" and the underlying collateral [homeowner mortgage], have separate types of laws that govern them. UCC 9 for the investors transferable record "Mortgage", then UCC 3, real estate law and laws of local jurisdiction for the homeowners "mortgage". Esp (Loc. Law Jur.)

Both set of laws must be followed or it becomes fatal to both the "Mortgage".

If you haven't realized this yet, this is a scenario of a secured debt, backed by a secured debt. It is a house of cards.

# Law of Local Jurisdiction (in 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.

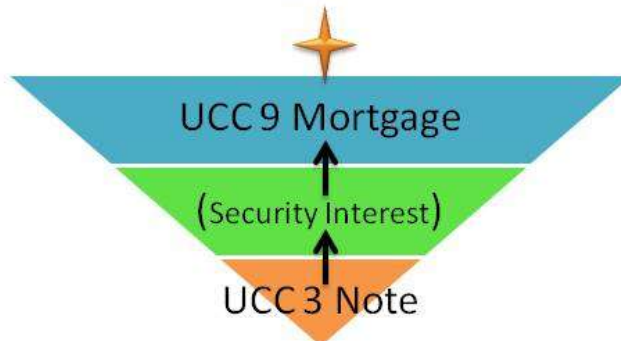
Added by Acts 1989, 71st Leg., ch. 1248, Sec. 53, eff. Sept. 1, 1989.

## The Mortgage

### MILESTONES for 1001310-2040769205-0



Description	Date	Initiating Organization / User	Milestone Information
Registration	11/03/2004	<a href="#">1001310</a> American Mortgage Network, LLC Batch	MIN Status: Active (Registered) Servicer: 1001310 American Mortgage Network, LLC



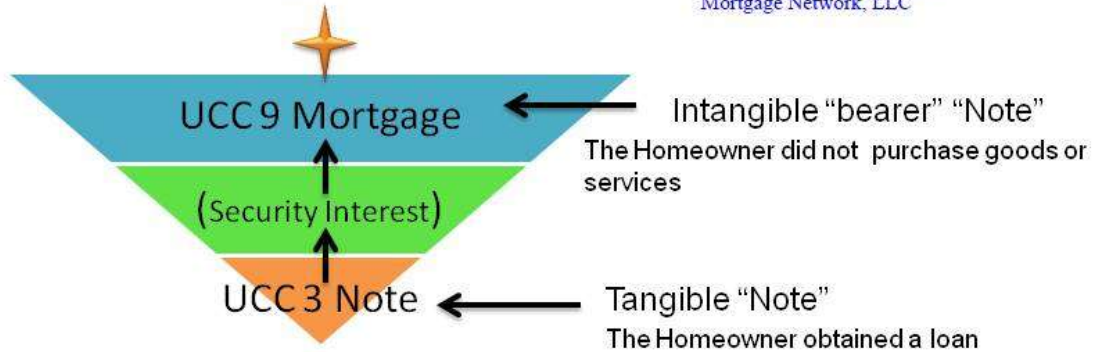
This transferable record "Mortgage" becomes an unsecured UCC 9 Mortgage, when the UCC 3 Note loses secured status by loss of perfection of the lien.

# The Mortgage

MILESTONES for 1001310-2040769205-0

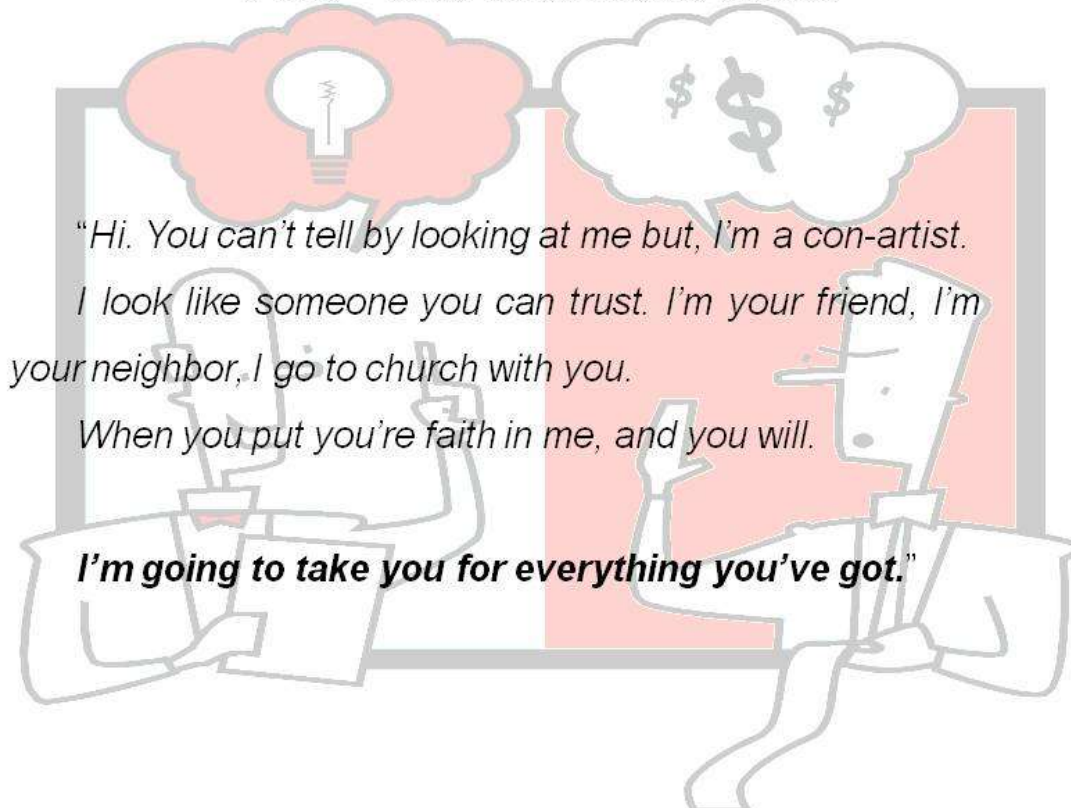


Description	Date	Initiating Organization / User	Milestone Information
Registration	11/03/2004	<a href="#">1001310</a> American Mortgage Network, LLC Batch	MIN Status: Active (Registered) Servicer: 1001310 American Mortgage Network, LLC



This “Mortgage Loan” is what is used by criminals to foreclose upon innocent homeowners. This transferable record “Mortgage” is what is used to “Mad” off the investors.

## The “Confidence Men”



# The Mortgage

## (Recordation)

Recording refers to the process of enrolling or incorporating the instrument into the records of the county clerk.<sup>1941</sup> An instrument must be recorded correctly and within a reasonable time after filing.<sup>1942</sup> Instruments "relating to the same property are recorded in the order that instruments are filed."<sup>1943</sup>

1941. *Vidor v. Rawlins*, 93 Tex. 259, 261-62, 54 S.W. 1026, 1027 (1900).

1942. TEX. PROP. CODE ANN. § 11.004(a)(1) (Vernon 2004).

1943. TEX. PROP. CODE ANN. § 11.004(a)(3) (Vernon 2004). TEX. LOC. GOV'T CODE ANN. § 193.001(a) (Vernon 1999).

# The Mortgage

## (Recordation)

Public policy requires that matters affecting title of real property be placed upon the public records so that potential purchasers and mortgagees may safely judge the status of the title.<sup>34</sup> The Recording Statute is intended to expose the chain of title to inspection by examination of real property records<sup>35</sup> and by this means protect innocent junior purchasers and lenders from secret titles and the subsequent fraud attendant to such titles.<sup>36</sup>

34. *Leonard v. Benford Lumber Co.*, 110 Tex. 83, 87, 216 S.W. 382, 383 (1919); *Moran v. Wheeler*, 87 Tex. 179, 184, 27 S.W. 54, 55 (1894); *Copelin v. Shuler*, 6 S.W. 668, 671 (Tex. 1887); *Hancock v. Tram Lumber Co.*, 65 Tex. 225, 232 (1885); *Henderson v. Pilgrim*, 22 Tex. 464, 476 (1858).

35. *Pondrum v. Gray*, 298 S.W. 409, 410 (Tex. Comm'n App. 1927, holding adopted); *Sanchez v. Telles*, 960 S.W.2d 762, 767 (Tex. App. - El Paso 1997, pet. denied); *Smith v. James*, 54 S.W. 41, 43 (Tex. Civ. App. - 1899, writ ref'd).

36. *Ojeda de Toca v. Wise*, 748 S.W.2d 449, 450 (Tex. 1988); *Moran v. Adler*, 570 S.W.2d 883, 886 (Tex. 1978); *Fleming v. Ashcroft*, 142 Tex. 41, 51, 175 S.W.2d 401, 407 (1943); *Kimball v. Houston Oil Co.*, 100 Tex. 336, 342, 99 S.W. 852, 855 (1907); *Edwards v. Brown*, 68 Tex. 329, 334, 5 S.W. 87, 88 (1887).

# The Mortgage

## (Recordation)

The law exacts from a buyer a duty to place his title of record to entitle him to the full advantage of his purchase,<sup>37</sup> and failing to do so, the senior title must yield to a junior interest that the senior owner has assisted to mislead.<sup>38</sup> This rule fosters the security of land titles by allowing persons to rely on the apparent status of title as it may appear from the real property registry of the county where the land is located.<sup>39</sup> As against an innocent purchaser apparent title becomes title in fact.<sup>40</sup>

37. *Bryan v. Crump*, 55 Tex. 1, 13 (1881); *McEvoy v. Ron Watkins, Inc.*, 105 B.R. 362, 365 (N.D. Tex. 1987).

38. *La Pice v. Key*, 88 Tex. 209, 212, 30 S.W. 867, 867 (1895); *King v. Elson*, 30 Tex. 246, 255 (1867); *McEvoy v. Ron Watkins, Inc.*, 105 B.R. 362, 365 (N.D. Tex. 1987).

39. *Pustejovsky v. K.J.Z.T.*, 124 Tex. 504, 504-05, 79 S.W2d. 1084, 1084 (1935); *Kempner v. Comer*, 73 Tex. 196, 199, 11 S.W. 194, 195 (1889); *Parkerv. Coop*, 60 Tex. 111, 114 (1883); *Moran v. Adler*, 570 S.W.2d 883, 886 (Tex. 1978); *Donley v. Youngstown Sheet and Tube Co.*, 328 S.W.2d 192, 194 (Tex. Civ. App. - Eastland 1959, writ ref'd n.r.e.). The registration laws are predicated upon the possibility that a vendor may assign or sell a right or title consistent with his apparent right to sell but exceeding his actual title or right. *Pustejovsky v. K.J.Z.T.*, 124 Tex. 504, 508, 79 S.W2d. 1084, 1086 (1935).

40. *New England Safe-Deposit & Trust Co. v. Harrell*, 39 S.W. 142, 144 (Tex. Civ. App. 1896, writ ref'd).

## A "TEXAS SIZE" CONSPIRACY

### How they did it in Texas



Building Laws?



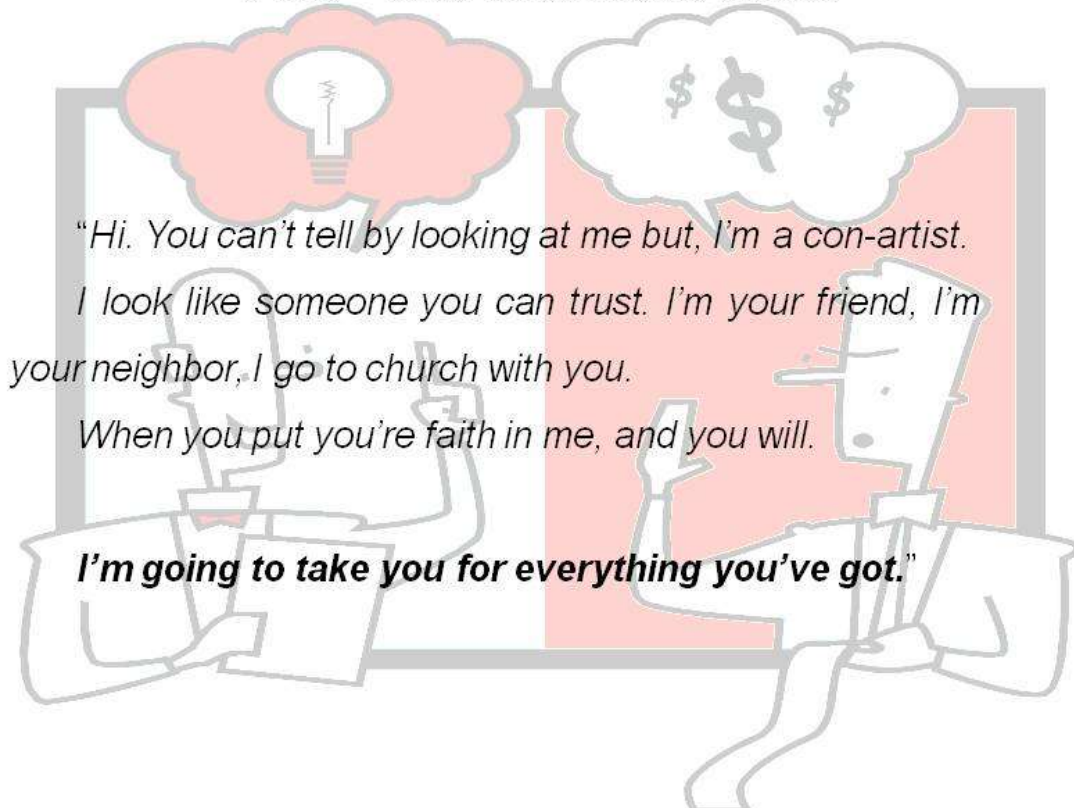
# The Illusion



The “Confidence Men” of the pyramid scheme have infiltrated practically every “person” or “governing body” to make this pyramid scheme effective and unnoticed.

(EXPOSED)

## The “Confidence Men”



*“Hi. You can’t tell by looking at me but, I’m a con-artist.*

*I look like someone you can trust. I’m your friend, I’m your neighbor, I go to church with you.*

*When you put you’re faith in me, and you will.*

***I’m going to take you for everything you’ve got.”***

## The Conspiracy?

# MEETING OF THE TASK FORCE ON JUDICIAL FORECLOSURE RULES

November 7, 2007

Available on Texas Supreme Court website

<http://www.supreme.courts.state.tx.us/jfrtf/pdf/110707transcript.pdf>

The following are only a few of the comments, one will need to read the transcript to learn more.

## The Conspiracy?

**TASK FORCE MEETING – pg 25, (16) MR. BASTIAN:** Well, **MERS is going to be the (17) mortgagee of record.** In about 60 percent of all loans (18) MERS is going to be the mortgagee of record, **but all MERS (19) is is a registration system. That's all it is.** It really (20) is a piggyback on what happened in the securities market (21) back in the early Seventies when Wall Street was (22) exploding, and back in those days whenever you bought and (23) sold stocks or bonds you had to have a paper certificate.

**TASK FORCE MEETING – pg 27, (6) MR. BARRETT<sup>[1]</sup>:** Judge, I think that's a very (7) good point. This is Mike Barrett, and I know we've had (8) this difficulty. **There really isn't such a document, (17) finding a document that says, "I am the owner and holder, (18) and I hereby grant to the servicer the right to foreclose (19) in my name" is an impossibility in 90 percent of the(20) cases.**

**TASK FORCE MEETING - Pg 28, (8) HONORABLE BRUCE PRIDDY:** **And what the – (9) happens is they just execute a document like Mr. Barrett (10) says doesn't exist. They just create one for the most (11) part sometimes, and the servicer signs it themselves (12) saying that it's been transferred to whatever entity they (13) name as the applicant.**

<sup>[1]</sup>Michael C. Barrett, founding partner of Barrett Daffin Frappier Turner & Engel LLP. Mr. Barrett was also chairman emeritus of the default mortgage processing services firm National Default Exchange, as well as a member of the Executive Advisory Board of Frost Bank Group

## The Conspiracy?

**TASK FORCE MEETING - Pg 31 (12) MR. REDDINGS: Mike?(13) MR. BAGGETT: Yeah.(14) MR. REDDING: Mike, I was just looking at (15) 736. You know, there is no definition of "applicant" in (16) it.(17) MR. BAGGETT: Well, I don't remember what it (18) says.(19) MR. BASTIAN: That's exactly right.(20) MR. BAGGETT: Yeah, that's true. Maybe we (21) just define "applicant," and the applicant really would be (22) the mortgage servicer.(23) MR. BASTIAN: Yeah.(24) MR. REDDING: Or the mortgagee.(25) MR. BAGGETT: Or owner and holder or**

**TASK FORCE MEETING Pg 32 (1) enforcing this note, not some, you know, Bank of New York (2) as trustee for series XYZ home equity loan --**

**TASK FORCE MEETING Pg 33 (6) Judge, this is Tim Redding. The other problem that I see (7) -- and, Tommy, you and I talk about it regularly -- that (8) we have a bunch of servicers that are corporations or (9) trusts attempting to foreclose on behalf of other trusts (10) using a power of attorney, and I don't think that's really (11) proper. I mean, we all kind of turn a blind eye to it,**

Michael C. Barrett, founding partner of Barrett Daffin Frappier Turner & Engel LLP. Mr. Barrett was also chairman emeritus of the default mortgage processing services firm National Default Exchange, as well as a member of the Executive Advisory Board of Frost Bank Group

## TEXAS PROPERTY CODE

### SUBTITLE B. LIENS

### CHAPTER 51. PROVISIONS GENERALLY APPLICABLE TO LIENS

**Sec. 51.0001. DEFINITIONS.** In this chapter:

(1) "**Book entry system**" means a national book entry system for registering a beneficial interest in a security instrument that acts as a nominee for the grantee, **beneficiary**, **owner**, or **holder** of the security instrument and its successors and assigns.

(3) "**Mortgage servicer**" means the last person to whom a mortgagor has been **instructed by the current mortgagee** to send payments for the debt secured by a security instrument. A mortgagee may be the mortgage servicer.

(4) "**Mortgagee**" means:

- (A) the grantee, **beneficiary**, **owner**, or **holder** of a security instrument;
- (B) a book entry system; or
- (C) if the security interest has been assigned of record, the last person to whom the security interest has been assigned of record.

(5) "Mortgagor" means the grantor of a security instrument.

(6) "**Security instrument**" means a deed of trust, mortgage, or other contract lien on an interest in real property.

# TEXAS PROPERTY CODE

## How they did it in Texas



Official Public Land Records

### TEXAS - FHA DEED OF TRUST

**State of Texas** **DEED OF TRUST**

FHA Case Number  
495-711138-703  
MIN: 1001310-2040769205-0

**Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: Your social security number or your driver's license number.**

THIS DEED OF TRUST ("Security Instrument") is made on OCTOBER 29, 2004 . The Grantor is HUSBAND AND WIFE.

First hint that a transferable record is to be used.

("Borrower") The trustee is GEORGE M. SHANKS, JR.  
1455 WEST LOOP SOUTH, SUITE 200, HOUSTON, TX 77027

Mortgage Electronic Registration Systems, Inc. ("MERS"), a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is organized and existing under the laws of Delaware and has an address and telephone number of P. O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS; and

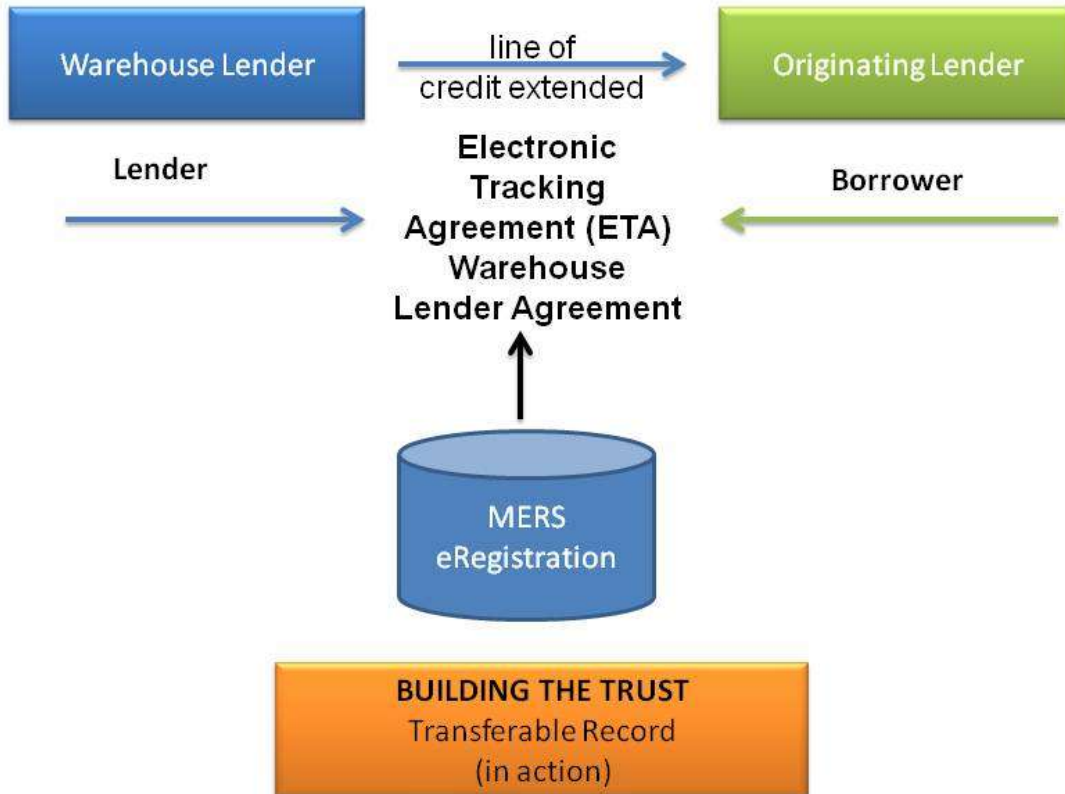
AMERICAN MORTGAGE NETWORK, INC. DBA AMNET MORTGAGE

which is organized and existing under the laws of DELAWARE . and whose address is P.O. BOX 83463 SAN DIEGO, CA 92186

("Lender"). Borrower owes Lender the principal sum of

In Texas; This is a Lien

## Borrower and Lender



## MERS – 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**").

Sec. 112.002. **INTENTION TO CREATE TRUST.**  
A trust is created only if the settlor manifests an intention to create a trust.

**agent.** 1. Something that produces an effect <an intervening agent>. See CAUSE (1);

**ELECTRONIC AGENT.** 2. One who is authorized to act for or in place of another; a representative <a professional athlete's agent>. — Also termed commissioner. Cf. PRINCIPAL(1); EMPLOYEE. [Cases: Principal and Agent 1, 3. C.J.S. Agency §§ 2, 4–9, 11– 6, 18, 23, 25–27, 33, 38–40, 58.]

**clearing agent. Securities.** A person or company acting as an intermediary in a securities transaction or providing facilities for comparing data with respect to securities transactions. • The term includes a custodian of securities in connection with the central handling of securities. Securities Exchange Act § 3(a)(23)(A) (15 USCA § 78c(a)(23)(A)). — Also termed clearing agency.

## MERS – The Electronic Agent

### 15 USC 7006 – definitions

(2) **Electronic**

The term “electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) **Electronic agent**

The term “electronic agent” means a **computer program** or an **electronic or other automated means used independently to initiate an action or respond to electronic records or performances in whole or in part** without review or action by an individual at the time of the action or response.

(4) **Electronic record**

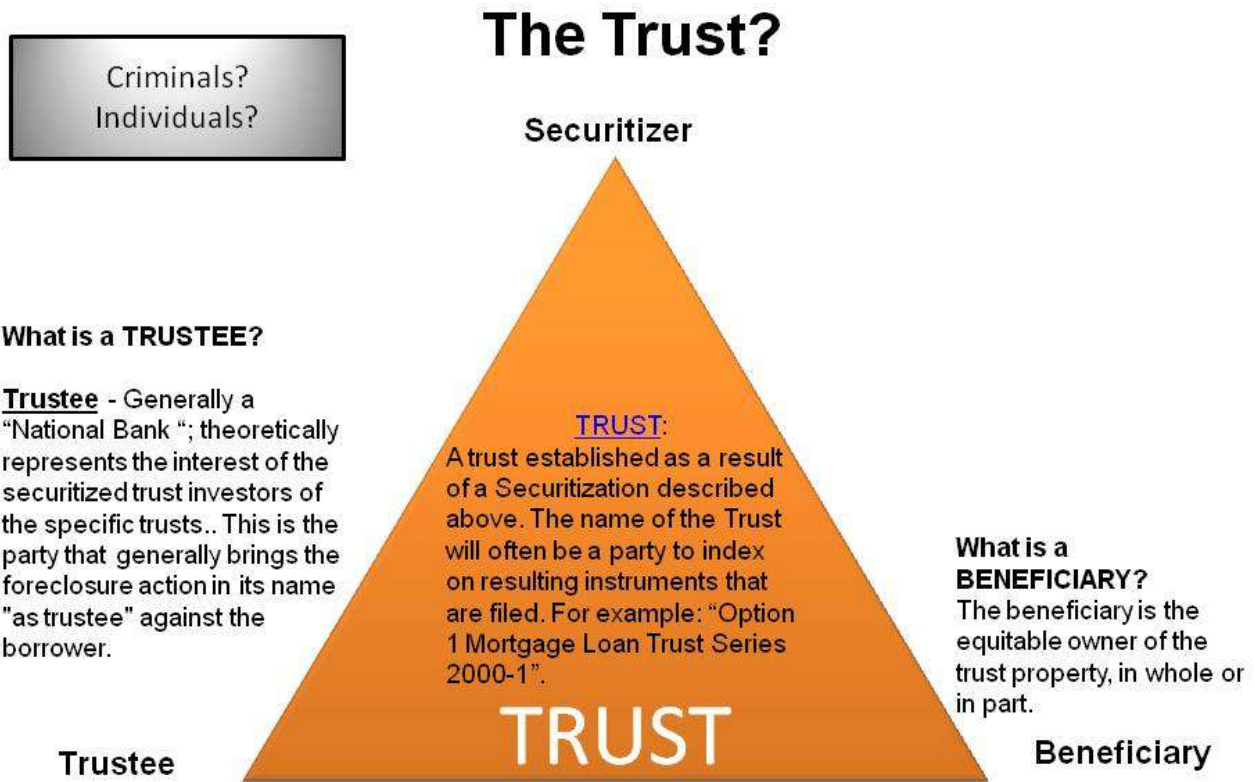
The term “electronic record” means a **contract or other record created, generated, sent, communicated, received, or stored** by electronic means.

(5) **Electronic signature**

The term “electronic signature” means an electronic sound, symbol, or process, attached to or logically **associated with a contract or other record and executed or adopted by a person with the intent to sign the record.**

(6) **Federal regulatory agency**

The term “Federal regulatory agency” means an agency, as that term is defined in section 552(f) of title 5.



Where does a lien called a “mortgage” or “deed of trust” fit in this scenario?

# The Trust?

Criminals?  
Individuals?

## Sec. 112.001. METHODS OF CREATING TRUST.

A trust may be created by:  
(1) a property owner's declaration that the owner holds the property as trustee for another person;

Securitizer

Sec. 112.031. **TRUST PURPOSES.** A trust may be created for any purpose that is not illegal. The terms of the trust may not require the trustee to commit a criminal or tortious act or an act that is contrary to public policy.

### TRUST:

A trust established as a result of a Securitization described above. The name of the Trust will often be a party to index on resulting instruments that are filed. For example: "Option 1 Mortgage Loan Trust Series 2000-1".

# TRUST

Trustee

Beneficiary

## Sec. 112.005. TRUST PROPERTY.

A trust cannot be created unless there is trust property.

# The Trust?

Criminals?  
Individuals?

## Sec. 112.001. METHODS OF CREATING TRUST.

A trust may be created by:  
(1) a property owner's declaration that the owner holds the property as trustee for another person;

Securitizer

## Sec. 112.008. CAPACITY OF TRUSTEE.

(a) The trustee must have the legal capacity to take, hold, and transfer the trust property. If the trustee is a corporation, it must have the power to act as a trustee in this state.

(b) Except as provided by Section 112.034, the fact that the person named as trustee is also a beneficiary does not disqualify the person from acting as trustee if he is otherwise qualified.

### TRUST:

A trust established as a result of a Securitization described above. The name of the Trust will often be a party to index on resulting instruments that are filed. For example: "Option 1 Mortgage Loan Trust Series 2000-1".

# TRUST

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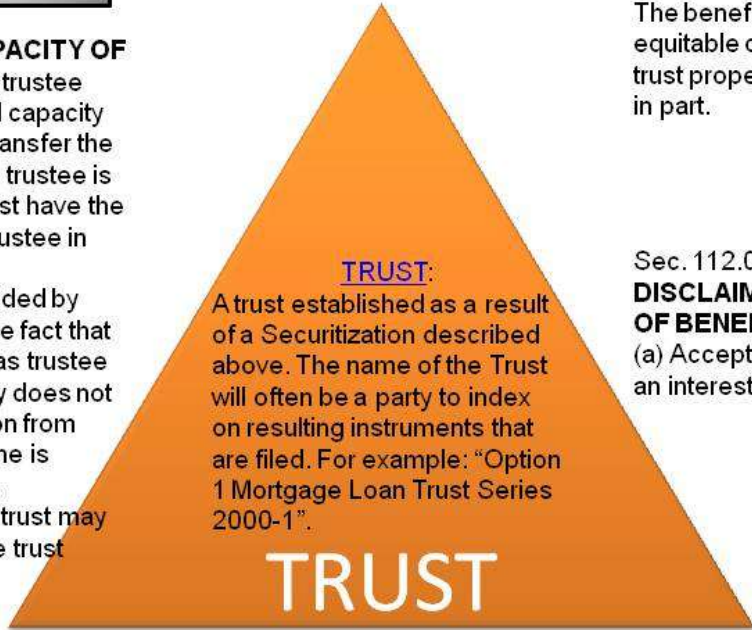
# The Trust?

Criminals?  
Individuals?

Sec. 112.008. **CAPACITY OF TRUSTEE.** (a) The trustee must have the legal capacity to take, hold, and transfer the trust property. If the trustee is a corporation, it must have the power to act as a trustee in this state.  
(b) Except as provided by Section 112.034, the fact that the person named as trustee is also a beneficiary does not disqualify the person from acting as trustee if he is otherwise qualified.  
(c) The settlor of a trust may be the trustee of the trust

Securitizer

**What is a BENEFICIARY?**  
The beneficiary is the equitable owner of the trust property, in whole or in part.



Sec. 112.010. **ACCEPTANCE OR DISCLAIMER BY OR ON BEHALF OF BENEFICIARY.**  
(a) Acceptance by a beneficiary of an interest in a trust is presumed.

Trustee

Beneficiary

Where does a lien called a "mortgage" or "deed of trust" fit in this scenario?

Source: [http://www.gsccca.org/filesandforms/files/guidelines/Indexing\\_Securitization\\_Trust\\_Instruments.pdf](http://www.gsccca.org/filesandforms/files/guidelines/Indexing_Securitization_Trust_Instruments.pdf)

## MERS eRegistry – The Mortgage

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").

Example of a "Loan Modification"

Sec. 112.005. **TRUST PROPERTY.**  
A trust cannot be created unless there is trust property.

Sec. 112.003. **CONSIDERATION.**  
Consideration is not required for the creation of a trust. A promise to create a trust in the future is enforceable only if the requirements for an enforceable contract are present.

In essence; This agreement does not mention another "borrower", but in fact does mention "Potential Homeowner".

So, did the "borrower" (YOU) agree to use MERS?



## MERS eRegistry – The Trust

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”),

(Example of a “True Sale”?)

### Sec. 112.001. METHODS OF CREATING TRUST.

A trust may be created by:

- (1) a property owner’s declaration that the owner holds the property as trustee for another person;

**clearing agent. Securities.** A person or company acting as an intermediary in a securities transaction or providing facilities for comparing data with respect to securities transactions. • The term includes a custodian of securities in connection with the central handling of securities. Securities Exchange Act § 3(a)(23)(A) (15 USCA § 78c(a)(23)(A)). — Also termed clearing agency.

## MERS eRegistry – The Trust

### Obligations of the Electronic Agent

(a) The Electronic Agent shall ensure that MERS, as the mortgagee of record under each MERS Designated Mortgage Loan, shall promptly forward all properly identified notices MERS receives in such capacity to the person or persons identified in the MERS® System as the servicer or if a subservicer is identified in the MERS® System, the subservicer for such MERS Designated Mortgage Loan.

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;**

### Sec. 112.008. CAPACITY OF TRUSTEE.

- (a) The trustee must have the legal capacity to take, hold, and transfer the trust property. If the trustee is a corporation, it must have the power to act as a trustee in this state.
- (b) Except as provided by Section 112.034, the fact that the person named as trustee is also a beneficiary does not disqualify the person from acting as trustee if he is otherwise qualified.
- (c) The settlor of a trust may be the trustee of the trust

## MERS eRegistry – The Trust

### Obligations of the Electronic Agent

(a) The Electronic Agent shall ensure that MERS, as the mortgagee of record under each MERS Designated Mortgage Loan, shall promptly forward all properly identified notices MERS receives in such capacity to the person or persons identified in the MERS® System as the servicer or if a subservicer is identified in the MERS® System, the subservicer for such MERS Designated Mortgage Loan.

(b) Upon receipt of a **Notice of Default**, in the form of Exhibit C, from the Lender in which the Lender shall identify the MERS Designated Mortgage Loans with respect to which the Borrower's right to act as servicer or subservicer thereof has been terminated by the Lender (the "Affected Loans"),

#### Sec. 112.008. CAPACITY OF TRUSTEE.

(a) The trustee must have the legal capacity to take, hold, and transfer the trust property. If the trustee is a corporation, it must have the power to act as a trustee in this state.

(b) Except as provided by Section 112.034, the fact that the person named as trustee is also a beneficiary does not disqualify the person from acting as trustee if he is otherwise qualified.

(c) The settlor of a trust may be the trustee of the trust

## MERS eRegistry – The Trust

### EXHIBIT C NOTICE OF DEFAULT

Attention: Sharon M. Horstkamp  
MERSCORP Holdings, Inc.  
1818 Library Street, Suite 300  
Reston, Virginia 20190

Ladies and Gentlemen:

Please be advised that this **Notice of Default** is being issued pursuant to Section 4(b) of that certain Electronic Tracking Agreement (the "**Electronic Tracking Agreement**"), dated as of \_\_\_\_\_, 200\_, by and among (the "Lender"), the (the "Borrower"), MERSCORP Holdings, Inc. (the "Electronic Agent") and Mortgage Electronic Registration Systems, Inc. ("MERS"). The Affected Loans are listed on the attached Schedule 1 (including the mortgage identification numbers). **Accordingly, the Electronic Agent shall not accept instructions from the Borrower, the Servicer, any subservicer and from no party other than the Lender** with respect to such Mortgage Loans, until otherwise notified by the Lender.

Any terms used herein and not otherwise defined shall have such meaning specified in the Electronic Tracking Agreement.

**Credit Default Swaps?**

#### Sec. 112.008. CAPACITY OF TRUSTEE.

(a) The trustee must have the legal capacity to take, hold, and transfer the trust property. If the trustee is a corporation, it must have the power to act as a trustee in this state.

(b) Except as provided by Section 112.034, the fact that the person named as trustee is also a beneficiary does not disqualify the person from acting as trustee if he is otherwise qualified.

(c) The settlor of a trust may be the trustee of the trust

## **The Law – The Mortgage follows the Note (Paper/Tangible)**

Many cases point out that an assignment of the note carries with it an assignment of the mortgage. More importantly, and here's where the "separate obligation" theory argument breaks down, an assignment of the mortgage by itself is a nullity – that the mortgage can have no separate existence from the note. This principle dates all the way back to a U.S. Supreme Court case from 1872 – Carpenter v. Longan, 83 U.S. (16 Wall.) 271, 274 (1872). Many courts have incorrectly concluded that a note follows the deed of trust, but that is simply not the case based on the language of the Supreme Court case. The deed of trust follows the note, and not the other way around.

Source:

<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CCMQFjAA&url=http%3A%2F%2Fwww.bxsb.uscourts.gov%2Fbankruptcy%2FListservePresentation.ppt&ei=9mBQUPXQEOTI2wWLIoCwBw&usq=AFQjCNE7hMCdZlmxOguApkqmXsiYphXDmw>

## **The Law – The Mortgage follows the Note (Paper/Tangible)**

The Texas Supreme Court cited Carpenter with approval in a 1934 decision – West v. First Baptist Church of Taft, 71 S.W. 2d 1090, 1098 (Tex. 1934) ) (“The trial court’s finding and conclusion ignore the settled principle that a mortgage securing a negotiable note is but an incident to the note and partakes of its negotiable character. . . .

**‘The note and mortgage are inseparable; the former as essential, the latter as an incident.’**” (quoting Carpenter). The West case goes on to state that the **mortgage securing the negotiable note (i.e., the deed of trust), is but an incident to the note** “and partakes of its negotiable character”, which appears to directly contradict the notion that you can foreclose without satisfying the UCC requirements.

This principle from that 120-year old supreme court case has not been overturned.

Source:

<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CCMQFjAA&url=http%3A%2F%2Fwww.bxsb.uscourts.gov%2Fbankruptcy%2FListservePresentation.ppt&ei=9mBQUPXQEOTI2wWLIoCwBw&usq=AFQjCNE7hMCdZlmxOguApkqmXsiYphXDmw>

## The Law – The Mortgage Note involved is a Bearer Instrument

United States Fidelity and Guaranty Co. v. Eades, 144 SE 2d 703 - W Va:  
Supreme Court of Appeals 1965144 S.E.2d 703 (1965)

“As heretofore stated, the plaintiff cannot recover on the grounds of negligence on the part of the defendant Bank herein, **because the negotiable instruments involved are bearer instruments and any negligence, even gross negligence, of the Bank, if presented, would not allow recovery as a matter of law.** However, it may be evidence of bad faith and material as bearing on the question of good faith relative to notice. “

[Page v. W. F. Hallam & Co., 212 Ill.App. 462; Fidelity Trust Co. v. Mayhugh, 268 F. 712, \(CCA 5\); Kuolt v. Canright, 202 Ill.App. 502; West v. First Baptist Church of Taft, 123 Tex. 388, 71 S.W.2d 1090, reversing Tex.Civ.App., 42 S. W.2d 1078.](#)

MERS, GSE's in essence; use “bearer Notes” to claim upon a homeowner “Note”.

Source:

[http://scholar.google.com/scholar\\_case?case=9620217859485905554&q=%22west+v.+first+baptist+church+of+taft%22&hl=en&as\\_sdt=2,44](http://scholar.google.com/scholar_case?case=9620217859485905554&q=%22west+v.+first+baptist+church+of+taft%22&hl=en&as_sdt=2,44)

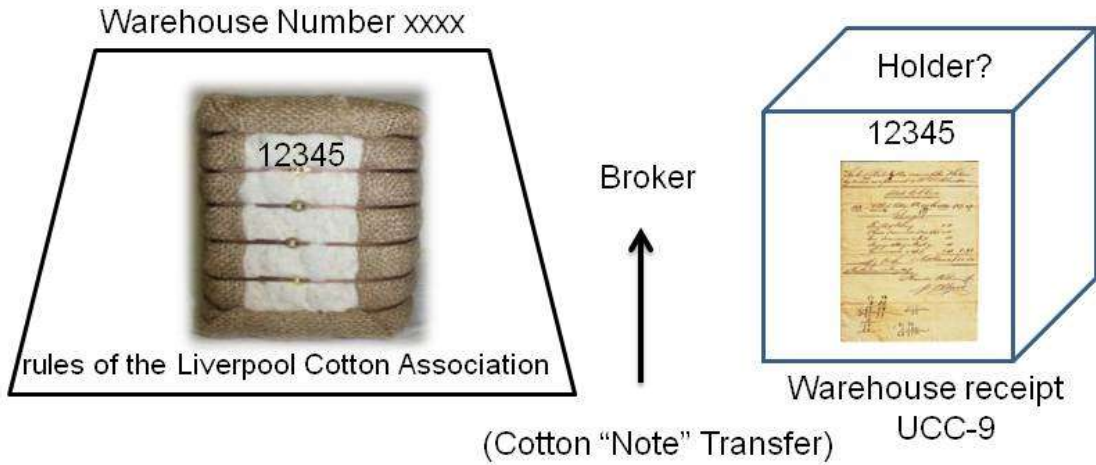
### Your Home is not a Warehouse

The Security Instrument follows the House Note,  
NOT the Cotton Note



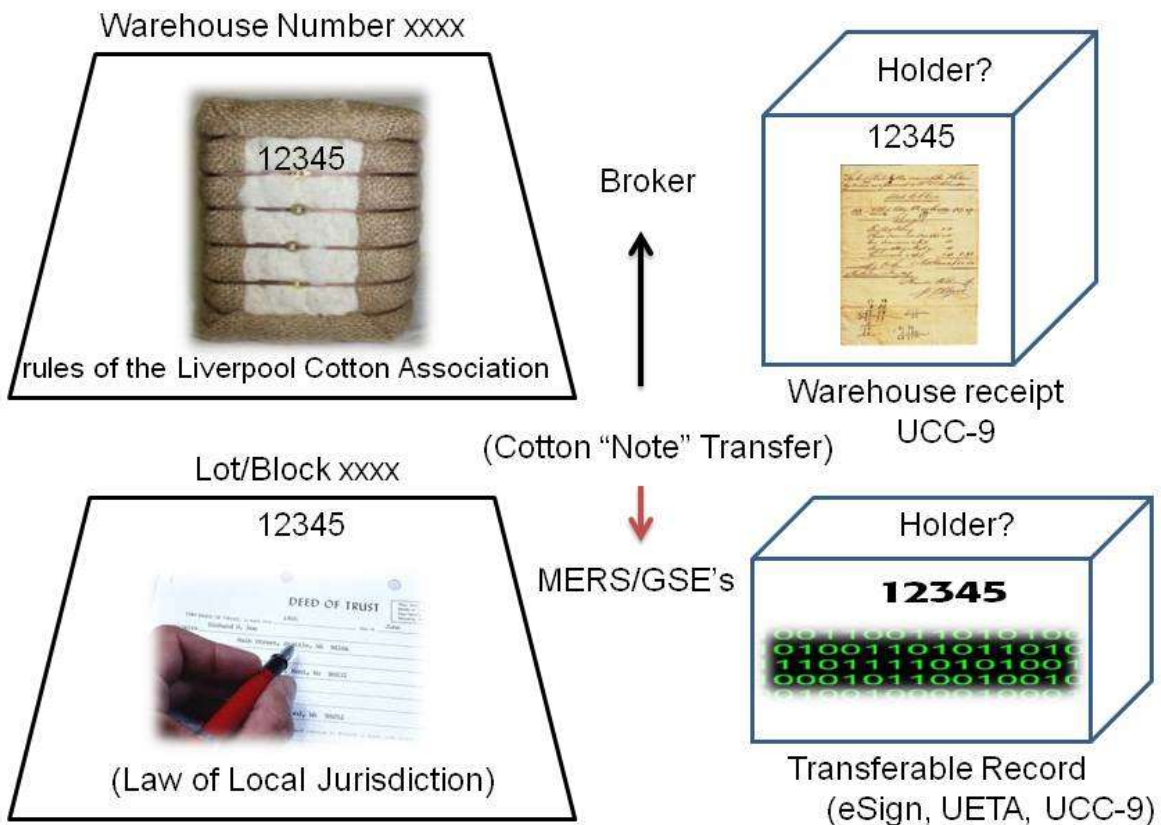
The Transferable Record that appears in the  
MERS Milestone  
reflects the Cotton Note transfers  
NOT the House Note transfers

# Difference?

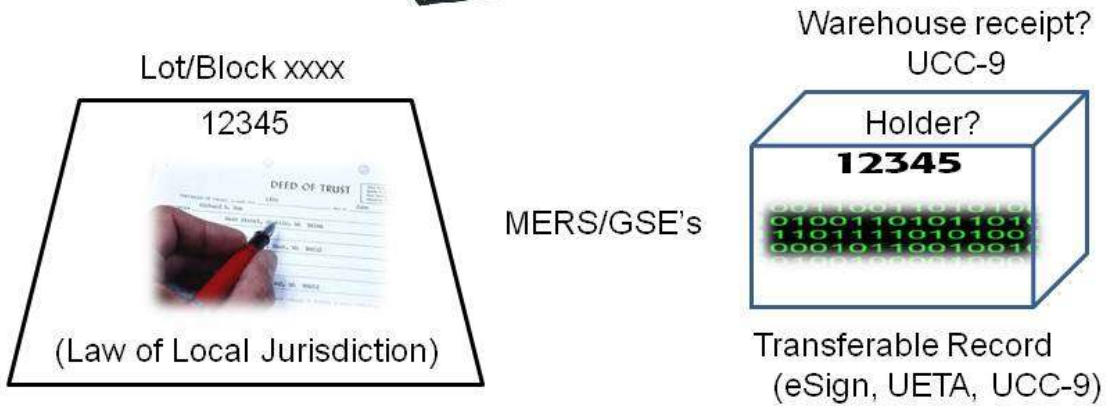
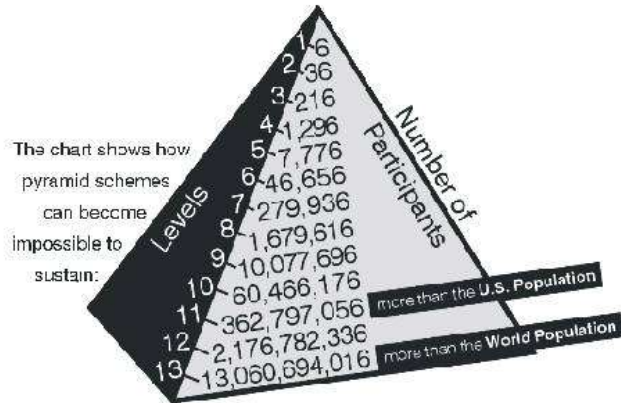


UCC 9 Laws govern warehouse receipts  
(Bearer Instruments)

# Difference?



# The Pyramid Scheme?



UCC 9 Laws govern warehouse receipts

# Need we go Further?



## TEXAS PROPERTY CODE

### SUBTITLE B. LIENS

#### CHAPTER 51. PROVISIONS GENERALLY APPLICABLE TO LIENS

**Sec. 51.0001. DEFINITIONS.** In this chapter: (CONTINUED)

(6) "**Security instrument**" means a deed of trust, mortgage, or other contract lien on an interest in real property.

(7) "**Substitute trustee**" means a person appointed by the current mortgagee or mortgage servicer under the terms of the security instrument to exercise the power of sale.

(8) "**Trustee**" means a person or persons authorized to exercise the power of sale under the terms of a security instrument in accordance with Section 51.0074.

Covenant 18 - FHA Deed of Trust

**If Lender invokes the power of sale, Lender or Trustee shall give notice of the time, place and terms of sale by posting and recording the notice at least 21 days prior to sale as provided by applicable law. Lender shall mail a copy of the notice of sale to Borrower in the manner prescribed by applicable law. Sale shall be made at public venue between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.**

## TEXAS PROPERTY CODE

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(8) "**Trustee**" means a person or persons authorized to exercise the power of sale under the terms of a security instrument in accordance with Section 51.0074.

Covenant 18 - FHA Deed of Trust

**Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the**

# TEXAS PROPERTY CODE

## SUBTITLE B. LIENS

### CHAPTER 51. PROVISIONS GENERALLY APPLICABLE TO LIENS

Sec. 51.0001. DEFINITIONS. In this chapter: (CONTINUED)

(6) "Security instrument" means a deed of trust, mortgage, or other contract lien on an interest in real property.

(7) "Substitute trustee" means a person appointed by the current mortgagee or mortgage servicer under the terms of the security instrument to exercise the power of sale.

(8) "Trustee" means a person or persons authorized to exercise the power of sale under the terms of a security instrument in accordance with Section 51.0074.

And, Not Trustee of "security Interest"

Covenant 20 - FHA Deed of Trust

**20. Substitute Trustee.** Lender, at its option and with or without cause, may from time to time remove Trustee and appoint, by power of attorney or otherwise, a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

## APPOINTMENT OF SUBSTITUTE TRUSTEE?

### APPOINTMENT OF SUBSTITUTE TRUSTEE

DEED OF TRUST

DATED: October 29, 2004

GRANTOR(S):

Grantor Names

RECORDED IN: CLERK'S FILE NO. 2004086763

PROPERTY COUNTY: WILLIAMSON

The owner of such obligation and beneficiary under said Deed of Trust, according to the provisions therein set out, does hereby remove the original Trustee and all successor substitute trustees and appoints in their stead JOHN LATHAM, TOBEY LATHAM OR JOHN W. LATHAM as Substitute Trustee, who shall hereafter exercise all powers and duties set aside to the said original Trustee under the said Deed of Trust; and, further, does hereby request, authorize, and instruct said Substitute Trustee to conduct and direct the execution of remedies set aside to the beneficiary therein.

Executed on September 3, 2008.

WELLS FARGO BANK, N.A.

BY:   
STEPHEN C. PORTER  
VICE PRESIDENT LOAN DOCUMENTATION

Attorney;  
Barrett Daffin  
Frappier, Turner &  
Engel, LLP

At first look, this appears as if Wells Fargo is the owner of the such obligation and beneficiary under the Deed of Trust?

Signed by an alleged Vice President of Wells Fargo –Stephen C. Porter.

Trustee of "Security Interest"



INSTRUMENT?

ASSIGNMENT OF NOTE AND DEED OF TRUST

BDFTE No.: 20080169805737  
Investor/Loan Type: FHA

Date of Assignment: Effective August 22, 2008

Electronic Agent

Assignor: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE FOR LENDER AND LENDERS SUCCESSORS AND ASSIGNS

For Who?

Prema facie proof of the electronic negotiation of the transferable record allegedly from an unknown eNote holder to Wells Fargo Bank, N.A.

Assignee: WELLS FARGO BANK, N.A.

Holder/Controller of Transferable Record (eNote)

NOTE and DEED OF TRUST--

Maker/Grantor: .....

Date: Grantors

Original Amount: .....

Payee: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE FOR LENDER AND LENDERS SUCCESSORS AND ASSIGNS

Trustee: GEORGE M. SHANKS, JR.

Recording Information: CLERK'S FILE NO. 2004086763 (including county) (WILLIAMSON)

Assignment of "Transferable Record"

INSTRUMENT?

ASSIGNMENT OF NOTE AND DEED OF TRUST

BDFTE No.: 20080169805737  
Investor/Loan Type: FHA

WHEREAS, on the date of assignment indicated above, for value received, Holder of the Note and Deed of Trust transferred and assigned each to Assignee, and warranted that the lien was valid against the property in the priority indicated; and

WHEREAS, the Holder of the Note and Deed of Trust and the Assignee desire to evidence and memorialize such transfer and assignment and warranty by this document;

NOW THEREFORE, for value received Holder of the Note and Deed of Trust does hereby evidence and memorialize its transfer and assignment of the Note and Deed of Trust to Assignee on the date of assignment indicated above.

When the context requires, singular nouns and pronouns include the plural.

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. AS NOMINEE FOR LENDER AND LENDERS SUCCESSORS AND ASSIGNS

Attorney, Barrett Daffin Frappier, Turner & Engel, LLP

BY: [Signature] ASSISTANT SECRETARY  
ITS: [Signature] DAVID J. BARD  
CORPORATE ACKNOWLEDGMENT

Assignment of "Transferable Record"

# TEXAS – Intent to initiate unlawful Sale of Real Property ?

## NOTICE OF [SUBSTITUTE] TRUSTEE'S SALE

*Nancy C. Hester*  
County Clerk, Williamson Co. TX

Assert and protect your rights as a member of the armed forces of the United States. If you are or your spouse is serving on active military duty, including active military duty as a member of the Texas National Guard or the National Guard of another state or as a member of a reserve component of the armed forces of the United States, please send written notice of the active duty military service to the sender of this notice immediately.

1. **Date, Time, and Place of Sale.**

Date: October 02, 2012

Time: The sale will begin at 11:00AM or not later than three hours after that time.

Place: THE NORTHEAST BASEMENT DOOR IN THE NEW ADDITION TO THE WILLIAMSON COUNTY JUSTICE CENTER OR AS DESIGNATED BY THE COUNTY COMMISSIONERS or as designated by the county commissioners.

2. **Terms of Sale.** Cash.

3. **Instrument to be Foreclosed.** The Instrument to be foreclosed is the Deed of Trust or Contract Lien dated May 10, 2006 and recorded in Document CLERK'S FILE NO. 2012040395 real property records of WILLIAMSON County, Texas, with ?

grantor(s) and **MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS"), AS NOMINEE, mortgagee.**

4. **Obligations Secured.** Deed of Trust or Contract Lien executed by \_\_\_\_\_ securing the payment of the indebtednesses in the original principal amount and obligations therein described including but not limited to the promissory note and all modifications, renewals and extensions of the promissory note. MIDFIRST BANK is the current mortgagee of the note and Deed of Trust or Contract Lien.

5. **Property to Be Sold.** The property to be sold is described as follows:

## INSTRUMENT?

495-7111138  
20080169805737

GRANTOR(S): \_\_\_\_\_

ORIGINAL MORTGAGEE:  
MORTGAGE ELECTRONIC REGISTRATION SYSTEMS,  
NOMINEE

Mortgagee of transferable record

CURRENT MORTGAGEE:  
WELLS FARGO BANK, N.A.

MORTGAGE SERVICER:  
WELLS FARGO BANK, N.A.

Servicer of Transferable Record

## SUBSTITUTE TRUSTEE'S DEED

DEED OF TRUST DATE: October 29, 2004  
DATE OF SALE OF PROPERTY: September 7, 2010

TIME OF SALE: 11:38 AM PM

PLACE OF SALE OF PROPERTY:  
THE NORTHEAST BASEMENT DOOR IN THE NEW  
ADDITION TO THE WILLIAMSON COUNTY JUSTICE  
CENTER OR AS DESIGNATED BY THE COUNTY  
COMMISSIONERS

GRANTEE/BUYER:  
WELLS FARGO BANK, N.A.

GRANTEE/BUYER'S MAILING ADDRESS:  
3476 STATEVIEW BLVD.  
MAC# X7801-014  
FT. MILL, SC 29715

Grantor conveyed the property to Trustee in trust to secure payment of the Note. Mortgagee, through the Mortgage Servicer, declared that Grantor defaulted in performing the obligations of the Deed of Trust. Current Mortgagee of the Note, through the Mortgage Servicer, accordingly has appointed Substitute Trustee and requested Substitute Trustee to enforce the trust.

Purchase of "Transferable Record"

TEXAS - FHA DEED OF TRUST  
(Reiterated)

("Borrower"). The trustee is **GEORGE M. SHANKS, JR.**  
1455 WEST LOOP SOUTH, SUITE 200, HOUSTON, TX 77027

Mortgage Electronic Registration Systems, Inc. ("MERS"), a separate corporation that is acting solely as  
a nominee for Lender and Lender's successors and assigns. MERS is organized and existing under the laws of  
Delaware, number of P. O. Box 2026, Flint, MI 48501-2026, tel. (888)  
679-3411

**AMERICAN MORTGAGE NETWORK, INC. DBA AMNET MORTGAGE**

which is organized and existing under the laws of DELAWARE  
address is P.O. BOX 85463  
SAN DIEGO, CA 92186

, and whose

("Lender"). Borrower owes Lender the principal sum of

Intent of creating "Transferable Record"

INSTRUMENT?

AFFIDAVIT

STATE OF TEXAS }  
COUNTY OF DALLAS }

BEFORE ME, the undersigned authority on this day personally appeared Matthew Cunningham, who after being duly sworn, deposed  
and stated:

- I am an employee of National Default Exchange, LP, an affiliated service provider for BARRETT DAFFIN FRAPPIER TURNER & ENGEL, LLP, attorney for WELLS FARGO BANK, N.A. at the time of the events hereinafter set forth and make this affidavit for the purpose of declaring the incidents of statutory and contractual compliance of the entity or entities set out below.
- This affidavit is made with respect to the foreclosure of that certain Deed of Trust dated October 29, 2004, recorded in CLERK'S FILE NO. 2004086763, Real Property Records, WILLIAMSON County, TEXAS, executed by:

to **GEORGE M. SHANKS, JR., Trustee(s)** to secure payment of a Note to **MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS"), AS NOMINEE.**

- WELLS FARGO BANK, N.A. is the Mortgage Servicer** for WELLS FARGO BANK, N.A., the Mortgagee of the indebtedness secured by said Deed of Trust. The Mortgage Servicer is authorized to represent the Mortgagee by virtue of a current servicing agreement with the Mortgagee.
- To the best of my knowledge and belief, proper notice of default was served prior to acceleration of the indebtedness. All obligations and duties of the Mortgage Servicer were performed in the manner required by law and all notices were served on each debtor at the last known address of each such debtor.
- At the instructions and on behalf of the Mortgage Servicer, notice of acceleration of indebtedness and Trustee's Sale was served on each debtor obligated on the debt, in strict compliance with the Texas Property Code, by certified mail at least twenty-one (21) days prior to the date therein specified for sale at the last known address of each such debtor.
- At the instructions and on behalf of the Mortgage Servicer, Notice of Trustee's Sale was filed with the County Clerk in the county or counties in which the subject property is situated and copies thereof posted at said courthouse(s) as required by law and in the manner specified by ordinance and custom.

DATED: September 07, 2010

AFFIANT: Matthew Cunningham

## Fight Back!

*A person cannot obtain bona fide purchaser status under Texas law when one of the links in the chain of title is a **forgery**. See *Bellaire Kirkpatrick Joint Venture v. Loots*, 826 S.W.2d 205, 210 (Tex. App.—Fort Worth 1992, writ denied) (joint venturers **could not obtain bona fide purchaser status with a forged deed** in their chain of title); *Dyson Descendant Corp. v. Sonat Exploration Co.*, 861 S.W.2d 942, 947 (Tex. App.—Houston [1st Dist.] 1993, no writ) (forged deed is void ab initio and **no person can be an innocent purchaser of land where a link in the chain of title is a forgery**); *Commonwealth Land Title Ins. Co. v. Nelson*, 889 S.W.2d 312, 318 (Tex. App.—Houston [14th Dist.] 1994, writ denied) (stating same). Though Taylor, as substitute trustee of the Arnold Deed of Trust, was required to sign the Substitute Trustee's Deed, Quigley executed it instead, effectively conveying the Property to himself. The record contains no evidence that Quigley had authority to do so. As proper execution of the Substitute Trustee's Deed was required to pass legal title to the Property to Quigley, Quigley's unauthorized signature rendered the Substitute Trustee's Deed a forgery. And because the forged Substitute Trustee's Deed is a link in the chain of title from Quigley to DLB, DLB could not acquire bona fide purchaser status with respect to the Property.*

## Accessory to a Crime?

Texas is a Non-Judicial Foreclosure state. What this means for the homeowner? Know the Laws! You will be forced into civil litigation. Law enforcement will not be able to assist until you prove criminal. Maybe then.

Criminals have induced homeowners into unknowingly signing a Fannie Mae Security Instrument that unbeknownst to the potential homeowner is evidence that fraud is being committed against Wall Street investors.

The proof is in the instrument. Read covenant 20 (Texas-3044) to better understand. **LOOK AT YOUR SECURITY INSTRUMENT!**

This is very sad and only very sick minded individuals would come up with such a fraudulent scheme. And they act like your friend? Neighbor?

“Judges are not immune from criminal sanctions under the Civil Rights Act. *ex parte Virginia* (1879), 100 U.S. 339.”

Neither are lawyers!

Shouldn't those acting under the color of law; followed the Laws just as they expect others to?

## Due process rights ?

Texas is a Non-Judicial Foreclosure state. What this means for the homeowner? Know the Laws!

These criminals are going to take you for everything you've got. They even do it in Judicial Foreclosure Courts. So, is it the Court who failed to utilize age old case law that supports the real property owner in Texas, or is it selected individuals, cloaked with the impression of a Court provided for by the Constitution, whom abused the Color of Law? Do they even know?

“Judges are not immune from criminal sanctions under the Civil Rights Act. *ex parte Virginia* (1879), 100 U.S. 339.”

They should have followed the Laws just as they expect us to.

## Due process rights ?

Texas is a Non-Judicial Foreclosure state. Those whom committed these crimes have violated homeowners Civil Rights.

“Judicial definition that misuse of power possessed by virtue of state law and made possible only because wrong-doer is clothed with authority of state law is action taken under color of state law within this section is applicable to judge. *Duke v. state of Texas*, DC Tex. 1971, 327 F.Sup- 1218.”

“Title 42, Section 1983 has been held to provide a civil action to protect persons against misuse of power possessed by virtue of state law. “Was clothed with the authority of the state.” *Davis v. Johnson*, 1955 DC Ill. 138 F.Sup., 572; *Jobson v. Henne*, 1966 Ca. 2 NY 355 F. 2d 139.”

According to the FBI website, “Color of Law abuse page”<sup>[1]</sup> Title 18, U.S.C., Section 242, Deprivation of Rights Under Color of Law;

*This statute makes it a crime for any person acting under color of law, statute, ordinance, regulation, or custom to willfully deprive or cause to be deprived from any person those rights, privileges, or immunities secured or protected by the Constitution and laws of the U.S.*

<sup>[1]</sup> [http://www.fbi.gov/about-us/investigate/civilrights/color\\_of\\_law/color-of-law](http://www.fbi.gov/about-us/investigate/civilrights/color_of_law/color-of-law)

## Civil Rights Violations?

"To maintain an action under 1983, it is not necessary to allege or prove that the defendants intended to deprive plaintiff of his constitutional rights, or that they acted willfully, purposely, or in pursuance of a conspiracy... It is sufficient to establish that the deprivation of constitutional rights or privileges was the natural consequences of defendants acting under the color of law, irrespective of whether such consequence was intended. (Civil Rights) *Ethridge v. Rhodes* (1967 DC Ohio) 268 F.Sup. 83; *Whirl v. Kern* (1968, Ca. 5 Tex.) 407 F.2d 781."

"Title 28 U.S.C.A. Section 1342 expressly grants jurisdiction to the federal district courts in civil actions for violations of civil rights, that is, for any wrongs specified therein. *U.S. Agnew v. City of Compton*, 239 F.2d 226."

## Civil Rights Violations?

*"Title 42, Section 1983 has been held to provide a civil action to protect persons against misuse of power possessed by virtue of state law 'Was clothed with the authority of the state.' Davis v. Johnson, 1955 DC Ill. 138 F.Sup., 572; Jobson v. Henne, 1966 Ca. 2 NY 355 F. 2d 139."*

"It has been stated that there is no convincing proof that the Congress is responsible for the Civil Rights Act ever intended to immunize any state or territorial officials or employees, and that it is more likely that the congress intended to do away with whatever common-law immunities existed. *Congressional Globe*, 42 D Congo 1st Sess., 365-6, 268, 385 (1871)."

"When a judge exceeds his jurisdiction and grants or denies that beyond his lawful authority to grant or deny, he has perpetrated a "non-judicial" action. *Yates v. Hoffman Estates* (1962, DC Ill.) 209 F.Sup. 757."

## **Civil Rights Violations?**

“A claim under the civil rights act expressly gives the district court jurisdiction, no matter how imperfectly the claim is stated; this is another thing, the style under Rule 8 that poor defendants counsel has been so disturbed about, the judges feelings that the case is probably frivolous does not justify by-passing the right to a hearing on the merits. *Harmon v. Superior Court of the States of California*, 307 F.2d 796 (Ca. 9, 1962).”

“Any plaintiff who can allege deprivation of federal right by reason of action under color of law can maintain action under this sub-chapter. *Nationwide Amusements, Inc. v. Nattin*, DC La. (1971), 325 F.Sup. 95. »

## **Civil Rights Violations?**

“Civil action for deprivation of rights: This section making any person who, under color of state law, deprives U.S. citizens of his constitutional rights liable to party injured is to be construed liberally. *Nanez v. Rigger*, DC. Wis. 1969, 304 F.Sup. 354.”

“Any plaintiff who can allege deprivation of federal right by reason of action under color of law can maintain action under this sub-chapter. *Nationwide Amusements, Inc. v. Nattin*, DC La. (1971), 325 F.Sup. 95. »

## Civil Rights Violations?

As I know this for myself; And you should also

First and foremost, I am a peaceful man, with a strong voice.

I am an American!

I was born in America!

I live in America! I live in Texas!

I work in America! I work in Texas!

I was given Equal Rights in this country and state by the Constitution(s)!

My Constitutional(s) rights have been violated!

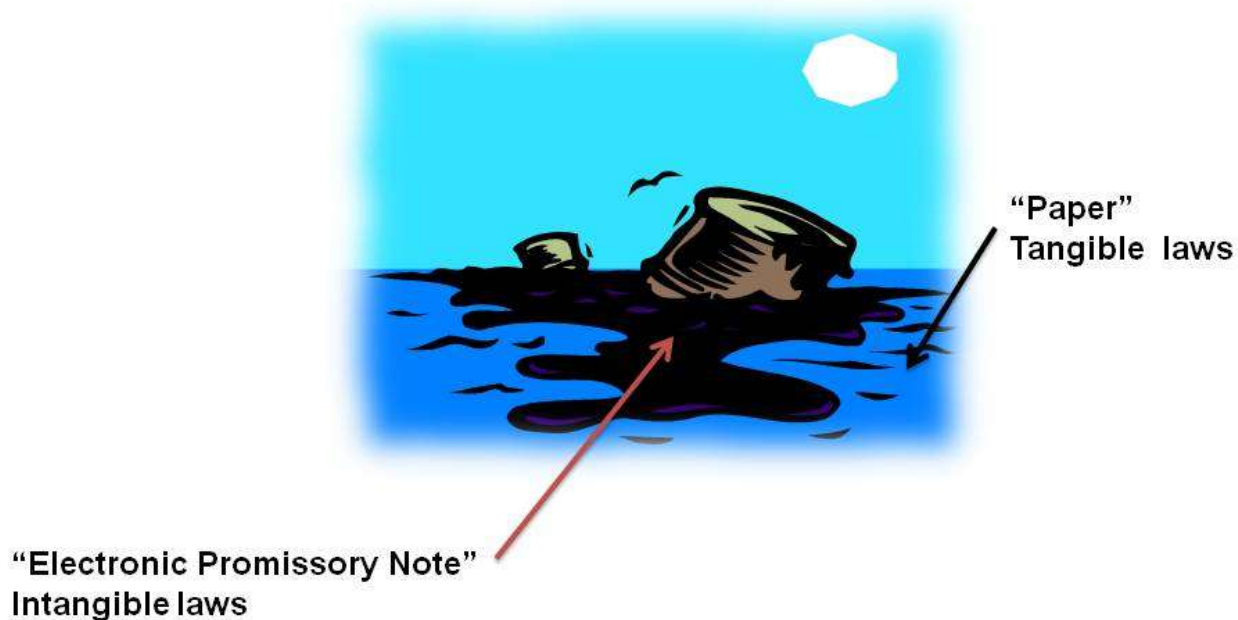
I have a Right to Vote. I will vote.

I am a victim of "person(s)" overtaking a judicial system outside their official capacity. (It is more than judicial)

I will fight with the pen to recover my Rights as an American!

Our leaders **MUST** do something **NOW** before other countries who have invested in JUNK find out. I do not believe they will do anything with a pen, but with a sword!

**Oil and Water  
DO NOT MIX!**



*"Ye that love the LORD, hate evil..."*



***“Woe unto you, lawyers! For ye have taken away the key of knowledge: ye entered not in yourselves, and them that were entering in ye hindered.”***

In TRIBAL TIMES, there were the medicine-men. In the Middle Ages, there were the priests. Today there are the lawyers.

It is the lawyers who run our civilization for us – our governments, our business, our private lives. Most legislators are lawyers; they make our laws. Most presidents, governors, commissioners, along with their advisers and brain-trusters are lawyers; they administer our laws. All the judges are lawyers; they interpret and enforce our laws. There is no separation of powers where the lawyers are concerned. There is only a concentration of all government power – in the lawyers. As the schoolboy put it, ours is “a government of lawyers, not of men.”

Source: [Woe Unto You Lawyers](#)

### **YOUR Rights, and a warning**

Do not blame the current President. He walked into it, just like the next one will.

**By the Pen,  
Not the sword!**

# Vote 2012

Enoch's Prophecy will come True