

Transcript for Session 3

I. Discovering New Potential: SLP: Enhancing Your Privacy and Security

The Second Element

[This is *Strategic Living*.]

This comprehensive course provides expertise in many pertinent areas for accelerating and enhancing your own wealth accumulation efforts even if you are already wealthy.

This third session, *Discovering New Potential: Strategic Legal Planning: Enhancing Your Privacy and Security*, builds on your exercise of your rights and privileges and develops your protection against privacy invasion.

II. “Legal” and “Lawful”

Occasionally, you will notice the term “lawful,” which is related to but distinct from the term “legal.” Notice the differences: Merriam-Webster defines “**legal**” as “of or relating to law or lawyers,” “lawful: also: statutory,” and “enforced in courts of law,” and it defines “**lawful**” as “permitted by law” and “rightful.” Although *some* treat the terms as synonymous, what is **legal** is not necessarily **lawful**, and, at the same time, what is **unlawful** is not necessarily **illegal**.

How important is the difference? Understanding these distinctions makes possible understanding the differences between the various requirements of applicable law and the various standards of practice. In practice, tax collectors tend to demand tax money from taxpayers without any consideration of what the actual language of applicable **law** demands from taxpayers. When taxpayers pay tax money demanded by tax collectors but not demanded by the actual language of applicable law, the collection of such tax is both legal and not illegal, particularly since the payment of such tax is generally considered to be on a **voluntary** basis.

What is wrong with volunteering to pay taxes? When the actual language of applicable law does not require payment but a taxpayer pays anyway out of ignorance of the actual language of the law, the taxpayer essentially makes a **pledge** to pay by filing a tax form and **honors** the pledge by paying the tax. Accordingly, the collection of such tax is both **legal** and **not illegal**, but it also amounts to legal extortion, that is, a constructive fraud by which tax collectors **collect** taxes out of ignorance of the actual language of the law and taxpayers **pay** taxes out of ignorance of the actual language of the law. This makes the collection of such tax—as well as penalties and interest—**unlawful** both since it is not pursuant to the requirements of the actual language of applicable law and since it is non-refunded **over-payment** of tax, beyond the requirements of the actual language of applicable law.

For federal tax collectors, this phenomenon constitutes what the Internal Revenue Code identifies as the crime of operating under color of law—note that the IRC identifies this practice as a **crime**—such crime being “any extortion or willful oppression under color of law” or “knowingly demand[ing] other or greater sums than are authorized by law, or

receiv[ing] any fee, compensation, or reward, except as by law prescribed, for the performance of any duty” (refer again to the e-book, [Appendix III: The Internal Revenue Code](#)). It is in such a case of *insisting* that the law says that income tax is due that tax professionals *exceed* their authority.

Are tax professionals licensed with *extra* authority? It is true that a *license* authorizes the holder of the license to do something that is otherwise “illegal”—specifically against the law or even criminal—or “unlawful”—not permitted by law—with *extra* authority only in that he is licensed and others are not. Just as an adult has a license to drive, and a law enforcement professional has a license to kill, and a medical professional has a license to prescribe controlled substances, which licenses authorize the holders of such licenses to do things that are otherwise “illegal”—or, at least, “unlawful”—tax collectors are, by virtue of their respective offices, “*licensed*” to collect taxes without regard for the requirements of the actual language of applicable law. IRS tax collectors may be issued *badges* with *pseudonyms—false names*—and such individuals enforce excessive taxation with impunity, that is, technically, they cannot be held accountable for exceeding their authority by “knowingly demand[ing] other or greater sums than are authorized by law,” especially since—like their counterparts in society, from lowly, IRS-enrolled-agent-qualified tax preparers to credentialed CPA’s—they are not required to know the basic facts of the actual language of applicable federal income tax laws and regulations.

III. Convenience and Diligence

In this capitalist, market society, competition involves offering convenience as well as fair prices—Society is accordingly very convenience-oriented. The government, in particular, makes it *convenient* for you to provide benefits to individuals in the government and relinquish your own benefits, namely, by waiving both your right to pay “no more” than “only the correct amount of tax due under the law” or “only the amount of tax legally due” and your privilege of lawfully arranging your affairs so that your “taxes shall be as low as possible” and so that your wealth and income will be as high as possible. Take a *tax-deferred* retirement account as an example: for the *convenience* of saving a little money directly from your paycheck now and paying taxes on that money later, you must use that money precisely how and when required—you are charged tax penalties otherwise—and then you must pay taxes when you are *retired*—potentially, at a *higher* tax rate—when you really need *all* of your money the most.

The government does, however, permit you to be *diligent*—and you can still enjoy the same conveniences others enjoy without also waiving your constitutional, lawful rights and privileges. Take a permanently-risk-free-*tax-free*-interest-bearing retirement account as an example: with a little *diligence*, you can use your excess interest and tax costs to fund such an account, observe all **three principles** in combination for achieving financial prosperity, and watch your account value periodically double to the point of returning to you an annual, six-figure, tax-free-interest income for the rest of your life.

Such diligence also helps you beat the silent killer, inflation. Affecting even the most disciplined individual, inflation is the cancer that slowly but surely drains the life out of bank savings, money market, and CD accounts, investments in government bonds, and even small retirement accounts of all kinds. However, properly funded, a permanently-**risk-free**-tax-free-interest-bearing retirement account is able to grow well above the rate of inflation and provide a more-than-sufficient, annual, six-figure, lifelong income.

IV. Your Third Step to Reach Your Financial Prosperity Goals

Would keeping your specific methods and their extremely profitable nature private from those who would otherwise rob or scorn you help you reach your financial prosperity goals?

As soon as you have developed your personal strategy, legally organized your business with your State, and established your **non-private** business bank account, **your third step is to begin enhancing your privacy and security.** Whether or not you are accustomed to paying state income tax, the second thing you must do to ease income tax burden lawfully is arrange for the legal and lawful means to generate as much state and federal income-tax-free revenue as possible by obtaining **membership in at least one private, lawfully-income-tax-free organization.**

V. Appearance of Agency

How important is appearance? Appearance is everything. However, appearance as it is explained here is not about showing off to family, friends, and neighbors—it is about **not** looking **guilty**, specifically, not appearing to have any liability or obligation not established by the actual language of the law. **Preventing** the **wrong** appearance is essential to enhancing your privacy and security and is accomplished by virtuously exercising your basic constitutional and lawful rights to privacy, contract and agency.

By virtuously exercising your basic constitutional and lawful rights to privacy, you prevent both the possible appearance and the related presumptions that you are liable for more tax than the actual language of the law requires of you and that your lawful conduct is unlawful or even illegal. Furthermore, by virtuously exercising your basic constitutional and lawful rights to contract, you prevent both the possible appearance and the related presumptions that your earnings may be diminished through tax withholdings in spite of the actual language of the law and that you have no recourse. Still further, by virtuously exercising your basic constitutional and lawful rights to agency, you prevent both the possible appearance and the related presumption that you are liable for income tax on all of the earnings you generate in spite of the actual language of the law.

Moreover, by virtuously exercising your basic constitutional and lawful rights to privacy, contract and agency by means of membership in at least one private, lawfully-income-tax-free organization, you prevent both the possible appearance and the related

presumptions that, together, effectively act as an open invitation for others to steal from you, either directly by means of larceny or indirectly by means of extortion and fraud.

What is agency, exactly? Of the three concepts, the right to agency may seem unfamiliar to some, though it is the most important of the three for preventing the wrong appearance. An agent acts in behalf of a principal. Merriam-Webster defines “**agency**” as “one through which something is accomplished: INSTRUMENTALITY,” “the office or function of an agent,” “an establishment doing business for another,” and “an administrative division (as of a government),” and it defines “**principal**” as “the person from whom an agent’s authority derives.” For example, the IRS and its employees are **agents** or **agencies** of a **principal**, the US Department of the Treasury, in the same way that a pharmaceutical representative is an agent of a principal that is a pharmaceutical company or a person who delivers newspapers is an agent of the principal that is the news company.

What are the benefits of agency? The existence of agent-principal or agency-principal relationships, along with relationship details and even the very identity of either or both parties to such relationships, may or may not be fully disclosed to others since disclosure of such information is often not required for the completion of business transactions. For example, in the case of an IRS employee, while you may not know the true name or pay grade of the employee, you know the employee is a representing agent and you know the principal is the IRS (or the Treasury Department), and, in the case of the Kirby vacuum cleaner salesperson, while you may not know the salesperson’s commission rate or whether commissions are paid on contract or through wages, and you may not know the name of the principal, the local Kirby franchise owner, you know the salesperson is an agent representing Kirby Company. By obtaining membership in at least one private, lawfully-income-tax-free organization, you establish at least one **private** agent-principal or agency-principal relationship and may act as agent in behalf of each principal without disclosing to **anyone** the parties, the details, and/or even the existence of each relationship.

What does it take to obtain such a membership? Business entities and structures with no income tax consequences to the individual can cost tens-to-hundreds of thousands of dollars to organize. However, your purchase of this course has opened the door for you to organize or purchase either a new or an existing entity or structure for a fraction of the typical cost and/or to obtain private membership in at least one other existing entity or structure for an even smaller cost.

What does exercise of agency through such private membership accomplish? As mentioned in the first session, individuals in the US Congress and most of the state congresses have enacted nearly innumerable laws to create the **appearance** of an obligation to pay taxes relative to earnings, and yet all three branches of the US government publish the fact that you can lawfully avoid even taxes that **are** required by the actual language of the law by simply arranging your affairs properly. It is accordingly necessary to incorporate or organize a business and then obtain membership in at least one private, lawfully-income-tax-free organization for the

purpose of lawfully operating without an **appearance** of any liability for any tax that is not established by the actual language of the various applicable state and federal laws. There is another, a third, **synergy** between organizing a business and obtaining membership in at least one private, lawfully-income-tax-free organization, in that your foundation for financial prosperity is **reinforced** and your wealth-generating power is **unrestricted** by operating properly by means of both organizations.

Why must you obtain membership in **at least** one private, lawfully-income-tax-free organization? By obtaining **two** private memberships, you further enhance your security. To prevent **indirect** theft through extortion and fraud, use your membership in one private organization that pays no income tax but voluntarily **files** federal income tax returns for business purposes (i.e., contracting, generating revenue as agent in the name of the private organization, and writing and depositing checks from your company to the private organization). To prevent **direct** theft (larceny), use your membership in the other private organization that pays no income tax and may or may not voluntarily **file** federal income tax returns for asset management (i.e., purchasing and holding personal and real property such as home furnishings, electronics and appliances, cars, trucks, boats, and recreational vehicles, and even land and homes).

How does an agent operate? Operating properly as an agent is a matter of acting with integrity. A principal authorizes an agent to represent the principal and to act in behalf of the principal with the principal's best interests in mind. It is only appropriate for the agent to be keenly interested in the welfare of both the principal and the agent and, to that end, to carry out the responsibilities of agency with utmost integrity, confident in the resulting benefits to both the principal and the agent. Just as the agent rightly expects to be rewarded for benefitting the principal, you rightly should expect rewards for the integrity of your agency.

Now that you know the facts, though, why not just stop paying taxes? Unless you are a very young person who has not yet begun working, receiving annual reports of earnings (copies of which are also received by the IRS), and signing and submitting income tax forms based on such annual reports of earnings, until now, you have been inadvertently maintaining an **appearance** that you are liable for various taxes, whether or not the actual language of the law establishes liability for such taxes.

Can this appearance be changed? It is not possible to **change** this appearance or to **stop maintaining** this appearance without first making it **legally possible** to operate in a way that does not **support** this appearance. In other words, until now, you have been generating all of your revenue in ways that are **taxable** to you, and it is **impossible** for you to generate revenue that is **not** taxable to you unless you arrange to generate **tax-free** revenue. Accordingly, you must **deliberately, legally, and lawfully** generate revenue that, by law, is **not taxed**. Otherwise, you will simply continue contributing to the appearance that you created when you first volunteered to sign and submit a federal income tax form, that is, the appearance that you are liable for various taxes for which the actual language of the law does not make you liable.

E-mail your first name, State, phone number, and the best time to reach you with assistance in regard to either purchasing a private, lawfully-income-tax-free organization and/or obtaining private membership in at least one private, lawfully-income-tax-free organization.

VI. Private Operation

In our litigious society, people tend to “pass the buck” to lawyers and attorneys on any questions of law, and then they reason that lawyers and attorneys are too expensive, and then they retreat and do nothing. Rather than utilize resources readily available to the public (such as online search engines), people tend to remain uninformed of the actual language of the law regarding requirements, or lack thereof, or rights and privileges under the law. However, observing both the restrictions and the protections of the law as well as the standards of practice of government employees (so as to experience no challenges presented by such law and standards) makes it possible to enjoy enhanced privacy and security.

Strategic Legal Planning is about making legal arrangements for the automatic **invocation** and **enforcement** of individual rights and privileges to generate additional streams of income and the **protection** of such additional streams of income against legal extortion and other theft. Understanding such legal arrangements and the resulting great benefits **motivates** the individual in implementing a personal **Strategic Legal Plan**. Understanding the fact that such legal arrangements are both available to the public and commonly used by financially successful individuals and families **reassures** the individual in implementing a personal **Strategic Legal Plan**.

As soon as you have obtained membership in a private, lawfully-income-tax-free organization, arrange for the legal and lawful protection of your money from unlawful levy and seizure that is based on standards of practice that are based on misapplication of the law by opening a bank account in the name of the organization in another State (or at least, say, two hours’ travel distance from your operating location). (This is a **private, levy-proof** business bank account.) Establishing this account as agent for the organization is essential to enhancing your privacy and security.

If you have other legal or privacy concerns, you can reduce your excessive legal costs in addition to your other excessive costs: professional legal services and identity theft protection are available to you for very, very small monthly installments.

E-mail your first name, State, phone number, and the best time to reach you with assistance in regard to either opening a **private, levy-proof** business bank account or obtaining professional legal services or identity theft protection.

VII. Self-Government

If your intent is virtuous, and if your strategy is careful observance of the law, and if your method is to manage all potential obstacles, and if your practices are upright, you will be

successful and you will be free of suspicion. In other words, if your goal is to achieve as much happiness as possible without engaging in unlawful behavior, and if your plan is the honorable pursuit of such happiness, and if you cooperate with both the law and the standards of practice, and if you exercise your rights to privacy, contract and agency in a manner consistent with such premises, you will enjoy the greatest-possible privacy, wealth and income and the lowest-possible tax costs. In a nutshell, if you do the right things for the right reasons, you will prosper greatly.

The US Department of the Treasury-Internal Revenue Service publishes your *right* to pay “**no more**” than “**only** the correct amount of tax due under the law,” “**only** the amount of tax legally due.” **Only eleven** States [US map] actually statutorily require the payment of income tax, but the federal government and the other thirty-nine states [US map] **do not** actually statutorily require the payment of income tax, so you can feel good about exercising your right to pay as little tax as possible by taking steps to **ensure** that you do not overpay your statutory obligation for income tax—**private, lawful** steps to **contract** for your privacy and maintain it through **agency**.

VIII. Stacked Deck

Much of what you do with the government today is like gambling. Even when people win at gambling, they have the tendency to gamble away their winnings—hoping to win even more—and then eventually come away empty-handed or—at best—with only their original “investment”—the house nearly always wins and rarely ever loses. In at least three ways, it is similar with the government, except that nobody **ever** comes away with his original “investment”—the “house” **always** wins.

First, throughout their lives, people pay taxes not required by the actual language of the law—most of them far **over-paying** their lawful obligation, **betting** they will not get into trouble with tax collectors, and reasoning that it is better to over-pay than pay only what is required by the actual language of the law and lose out on receiving lump-sum fun money in the form of a small, annual refund on an ever-growing, interest-free, never-to-be-repaid loan to the government. They may not come away completely empty-handed, but what they do come away with is far less than their original “investment.” The resulting loss of accumulation of funds with compound interest is devastating to their financial prosperity.

Second, people also have the tendency to reason that this behavior guarantees for them the privilege of getting credit from the banks, which charge interest that multiplies the actual cost of what is obtained with such credit. Aside from the fact that over-paying lawful obligation for taxes does not guarantee anything—certainly not privileges or government benefits that are **already** guaranteed by law—the resulting cost of interest and the corresponding loss of accumulation of funds with compound interest is further devastating to their financial prosperity.

Third, all people pay the hidden tax known as inflation, which steadily diminishes the value of their current and future income and assets. This loss of value is even further devastating to their financial prosperity.

The “house” **always** wins. Just as a gambler has the tendency of gambling away his own money and then doggedly gambling away all of his small winnings on the false hope of “the big money,” people in general, wishing for a few imagined advantages, have the tendency of doggedly foregoing earning interest, gambling away their own money in over-payment of non-refunded taxes not required by the actual language of the law, gambling away more of their own money by spending interest, and never getting either “the big money” or even “the little money.”

IX. Advantageous Application

How are you benefitting from all of this? With the specific knowledge and insight you are gaining, you are empowering yourself for reducing, eliminating, or even preventing financial losses due to lawful and unlawful—if not illegal—activities of governmental and non-governmental individuals and for fully exercising all of your constitutional, lawful rights and privileges, namely, the rights to privacy, contract and agency and the privilege of choosing the most efficient and secure vehicles for amassing the greatest-possible wealth and income.

Let us review. **Your third step is to begin enhancing your privacy and security.** Add to your strategy a specific plan to prevent the wrong appearance, a specific plan to avoid or beat **anything** that diminishes your ability to accumulate wealth—namely, procrastination, interest, inflation, taxes and penalties, less-than-best-available interest earnings, and limited growth potential due to savings restrictions—and a specific plan to establish and reinforce the legal basis for protection of your privacy and security and protection of your generation of at least nine additional streams of non-taxable income.

What do you need to do? Once you have completed Step 2, **obtain membership in at least one private, lawfully-income-tax-free organization** and open a bank account in the name of the organization in another State (or at least, say, two hours’ travel distance from your operating location).

The third **synergy** exists between organizing a business and obtaining membership in a private, lawfully-income-tax-free organization, in that your foundation for financial prosperity is **reinforced** and your wealth-generating power is **unrestricted** by operating properly by means of both organizations.

With the fourth session, you will begin implementing the sub-steps for realizing maximum-possible account value.