

BUSINESS TIP

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COMPARISONS

In <http://www.treas.gov/education/faq/currency/legal-tender.shtml#q1> , in answer to the question “What are Federal Reserve Notes...?”, part of the answer provided states:

“Federal Reserve notes are not redeemable in gold, silver or any other commodity, and receive no backing by anything”

The Federal Reserve is a privately owned corporation, 51% owned by non-USA citizens and 49% owned by USA citizens.

Federal Reserve Notes, like any other notes, are payment instruments with value measured in the medium stipulated for payment.

Albeit questioned by some, the U.S. Treasury stamp “This note is legal tender...”, not other backing, is what makes Federal Reserve Notes usable as “fiat currency” for exchanges.

But, the law does not require it to be accepted for exchanges and businesses may decline to do so; which they often do by posting notices of certain denominations not being accepted!

As stated in the above referenced Internet Site:

“There is, however, no Federal statute mandating that a private business, a person or an organization must accept currency or coins as for payment for goods and/or services.”

Regardless, BUSINESS CANNONS BUSINESS GROUP accepts that Federal Reserve Notes are a legitimate means of exchange, with value measured in U.S. Dollars.

But, the BUSINESS GROUP does not know of any law, any Executive Order, or any Court decision to the effect that Federal Reserve Notes are, in and of themselves, U.S. Dollars!

When Federal Reserve Notes are deposited in a bank, they are (in reality) exchanged for “Bank Deposit Funds”, with value measured in U.S. Dollars.

Whereas Federal Reserve Notes bear the U.S. Treasury inscription “This note is legal tender...”, Bank Deposit Funds are nothing more than ledger entries within the books of a “business”.

The “value” of Bank Deposit Funds depends on insurance that might be obtained to secure the value (such as FDIC insurance) and the credibility of the firm (i.e., bank).

Thus, without disparaging their value to support the undertaking of business, the BUSINESS GROUP does not believe Bank Deposit Funds legally qualify:

- 1) To be considered as “U.S. Dollars”, albeit their value may be measured in U.S. Dollars.
- 2) To be considered as “legal currency”, albeit created (as ledger entries) through exchanges involving Federal Reserve Notes and albeit not “illegal”.

- 3) To have “real world” intrinsic value, other than insurance which may be applicable or other “real world” collateral assets that might be owned by the “business” (i.e., bank).

Why are the above comments and observations important?

Because, debt contracts, in their majority, have been written to where, without excluding them, Bank Deposit Funds or Federal Reserve Notes are not required as payment!

A case published in Black’s Law Dictionary shows a Court decision that, in the absence of other specific stipulation, a contracted debt may be paid using:

“money, a check, a bill, or anything of value”.

If a contract calls for payment in “U.S. Dollars”, unless interpreted as meaning “valued in U.S. Dollars”, the debt would not be payable, because there are no U.S. Dollars available!

That is, Federal Reserve Notes, Bank Deposit Funds, or other modes of payment would not be permissible!

If a contract calls for payment using “lawful currency of the USA”, following the Court decision quoted, coupled with the government’s published statements regarding Federal Reserve Notes:

Payment could be made with “money, a check, a bill, or anything of value”.

A business (i.e., a bank) may certainly choose the means in which it is willing to accept payment and include that in a contract.

But, after a contract is written and signed, it is too late!

Therefore, it is the BUSINESS GROUP’S belief that most existing debt contracts are payable, without further recourse by a debtor, through payment with

“money, a check, a bill, or anything of value”.

Because UAPN have “real world” value; because, applying the “mark to market” rule that value is proven; it is the belief of the BUSINESS GROUP that they constitute valid payment!

The BUSINESS GROUP believes that this position is further strengthened by protocols whereby a debtor can exchange UAPN for Bank Deposit Funds in any desired currency.

More importantly, today, with financial advisors counseling abandonment of debt obligations, payment using UAPN so as to benefit all parties could return sanity and avoid chaos!

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