

# **USE FORECLOSURE LAW!**

**Keep Your Home**



2nd Edition  
**2012**  
Updated Legal Issues

**...or Walk Away Under YOUR Terms**

**By Ken "Postman" Kappel**  
Sunlight Press

# **Use Foreclosure Law!**

## **Keep Your Home**

(Or, Walk Away Under Your Terms)

**Second Edition – 2012**

(1/13/12)

**Ken “Postman” Kappel**



**Sun Light Press**

# Use Foreclosure Law!

## Keep Your Home

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(1/13/12)

### Second Edition – 2012

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Every effort has been made to make this book as complete and accurate as possible. Yet, there may be mistakes, both typographical and in content. Information contained herein has been gathered from sources believed to be reliable, but, cannot be guaranteed as to their accuracy or completeness.

The purpose of this book is to remove the fear of the unknown for underwater homeowners through education; and, introduce current and future homeowners and residential investors to economic fundamentals they must be aware of, particularly regarding Wall Street's world of Structured Finance. All of the material herein is provided for informational purposes only. In the event of incidental or consequential damages in connection with, or arising out of, the furnishing of facts, opinion, ideas and an array of action options; the author, editors and publisher express no warranties, and are not liable for any actions or non-actions taken by readers.

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**Dedicated To:**

*Homeowners who discover that their mortgage is  
“underwater” aka “upside-down.”*

*Those wishing to own – some day.*

*Homeowners who do not realize that they were  
victims of fraudulent Predatory Lending and  
Securities Law violations.*

*Using Foreclosure Law they have the legal right  
and obligation to turn their situation  
strongly to the advantage of their families by  
Confronting Fraudulent Housing Debt*

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***Debt is Real***

*(You can believe it.)*

***Equity is Merely Opinion***

*(Believe what you will – first – be informed.)*

***Dump Your Debt***

*(Banks Dumped Their Debt – On You!!!)*

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## Acknowledgement

Special thanks to Mike Vego, my very best friend of thirty six years. Mike has been an advisor and trusted Consigliere. As a Real Estate Broker he brought a special insight to this work.

Over time, initially struggling against slowly accumulating, yet, compelling evidence, precipitated by the Housing Bubble, which makes up the core of this work, we came to understand that there was significant evidence that the lack of regulation and oversight of Mortgage Backed Securities (MBS), derivatives, CDS, hedge funds, multi-etceteras, was going to lead to a major collapse of our financial system. It has come to pass. The collapse is in. The moribund corpse has been mummified by infusions of Federal Reserve fiat money, money printing, it cannot continue too much longer before foreign nations will not accept the dollar. It only survives because the dollar is "reserve currency" of the world. This too shall pass. Ask the Chinese, Russians, Saudis, the list goes on.

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Borrower's were in many – if not most cases – systematically defrauded as the Bubble soared out of sight.

- Do anything – make the loan.
- Say anything – make the loan.
- Fudge the numbers – make the loan.
- Toxic or not – make the loan.
- Liable to fail into default – make the loan.

That was the Mandate, the Siren's Songs from Wall Street.

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Without Mike's willingness to suspend disbelief (and, as über-editor, he challenged, always challenged), his sharing of insight and strong suggestions for moderation, this book would no doubt be even more strident than what some may come to believe it now is. In mild defense we suggest that we've been generally correct about these issues since 2005. The evidence for Systemic Fraud leading to Systemic Crash mounts higher. Those who think that we're likely to muddle through economically this time – yet once again – may come around. Or not. We don't hold our breath. Denial is a fabled and wondrous enabler.

We were all systemically defrauded. Greenspan was the enabler. He refused to regulate Wall Street, as he was legally bound to do. Worse he enabled Wall Street to "create money" (leverage). Wall Street created a lot of money, which was/is actually debt. They gambled recklessly with that money to line their pockets. They now want taxpayer's to pay that (unpayable) debt, and, also, *continue* to line *their* pockets. Enough!

## CAVEAT

*“All the perplexities, confusion and distress in America arise not from defects in their Constitution or Confederation, nor from want of honor or virtue, so much as downright ignorance of the nature of coin, credit and circulation.”* Former U.S. President, John Adams [Emphasis added.]

*“... and if the national bills issued, be bottomed (as is indispensable) on pledges of specific taxes for their redemption within certain and moderate epochs, and be of proper denomination for circulation, no interest on them would be necessary or just, because they would answer to every one of the purposes of the metallic money withdrawn and replaced by them.”* Former US President Thomas Jefferson. [Emphasis Added.]

*“... and gave to the people of this Republic The Greatest Blessing They Ever Had – Their Own Paper To Pay Their Own Debts.”* Former US President Abraham Lincoln. [Emphasis Added.]

*“The Congress shall have the power: To coin money, regulate the value thereof and of foreign coin and to fix the standards of weights and measures.”* Constitution of the United States, Article I Legislative Department, Section 8, page 5. George Washington. President and Deputy from Virginia.

**Presidential Power.** We cite these former Presidents to set a tone for this book. Moreover, to indicate that all Americans must understand the nature of money if they are to have a deeper sense of empowerment, which comes from education. Our Founding Fathers well knew what they were about. We sincerely hope that we stay strong to our course, which in part calls for – begs for – readers to accept a willingness to suspend political biases – even if only temporarily. The Greater Task is to learn from our Founding Fathers who had arrived on these shores in order to escape Unjust Tyranny. They left behind systems of governance and control often exercised by European Despots, based on antiquated inherited privilege and acquiesce to previously accumulated wealth taken on the death of those unable to defend themselves against the raw power of sharp steel wielded significantly from Greed and Power Lust.

Yet, ultimately, *The People United Can Never Be Defeated*. At this point, January 2012, utilization of the Rule of Law is what we have left to defend our *families and our homes*.

**Information Is Power.** We disagree with John Adams, but *only* in the sense that he used the word “*ignorance*” when we think he might have better said: “lack of information.” For us – *ignorance* means to *know* the facts – and *ignore* them. Whereas, in adverse conditions, lack of information leads to fear, denial and often – loss. This book has been written to explain what happened in the housing market – in the economy – and to *outline a course of action* that can bring control and optimism back in your life. This can only happen through direct action – direct action by you. In a word – it begins with – *education*.

Rather than being paralyzed – in denial. Rather than continuing to pay on a loan, which is larger than the actual value of the home – being underwater. Rather than allowing foreclosure – to be taken against your family’s best interest – you need to *take action* in order to control the situation in the interest of security and happiness for your family. This applies to those who are facing foreclosure, and, frankly, moreover and particularly, for those who are underwater – who will assuredly be going deeper – underwater.

Currently there are approximately 72 million homes in America. Fifty-six million of those homes have mortgages. We allege and will attempt to prove to your satisfaction that nearly 90% of all mortgages issued after 2000 were illegally and fraudulently securitized – immediately after – if not simultaneously upon execution at the Close of Escrow (COE).

Further – as of this writing in late December 2011, 29% to 35%, if not more, of *all mortgages* are underwater right now. (See, Zillow.com). Zillow reports the underwater number as 28.9% of total homes with mortgages – 14.4 million homes. Yet, if a family had to sell, they must add in transaction costs running approximately 7%. Adding that 7% to 28.9%, means that 35% of all homes with mortgages are underwater. Most of the folks who think their debt equals the amount owed – and they are not underwater – are frankly kidding themselves.

This means that over 18 million mortgages are underwater. This is a condition precedent for massive Strategic Defaults (aka “walking away”) over the next few years. Never ever do that. Never strategically default. By educating yourself with this book and our blog [www.useforeclosure.com](http://www.useforeclosure.com), you can empower yourself to Confront Fraudulent Housing Debt and bring about Forced Debt Reorganization. Basically a mod with principal reduction to – or slightly below – current market value. If that is a mortgage you could live with, read on.

If you gain information – learn the facts – then you *know what you are doing*, and can start *doing what you are knowing*.

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Chuck Prince was the CEO of Citigroup, which is subject to allegations in the financial press that it may be insolvent. Mr. Prince was quoted in the *Financial Times*, stating:

***“As long as the music is playing, you’ve got to get up and dance.  
We’re still dancing.”***

The music has stopped. They’re not dancing any more. In fact, Mr. Prince was asked to leave the dance floor by Citigroup’s Board of Directors. They sat him down and terminated him. Citigroup and many depository banks around the world are in significant trouble because of a lack of liquidity (a lack of nearly free money which the Fed still passes out to them, and tries to hide that fact from all of us). Balance sheets are being tampered with in order to not have to show the world (and their shareholders) that actually many of them are insolvent. Their total financial liabilities exceed their total financial assets. Generally cause for bankruptcy declaration.

It’s a familiar refrain these days. Yet, not often reported in the Main Stream Media (MSM). Overall there are many reports that bank regulators, primarily the Federal Reserve System (Fed), is allowing banks to fudge their numbers, while the Securities Exchange Commission (SEC) also looks away. Of late, this seems to be Fed practice. Reward and protect the financial elites, to the detriment of the taxpayers. Remember, the SEC willfully ignored evidence presented to them over years that Bernie Madoff was running a Ponzi scheme.

We were pleased to see that they sometimes (rare enough) *get it* across the Pond in Great Britain. Mr. Prince’s remarks from March, 2008, were commented on by a major player in world finance.

*“If banks feel they must keep on dancing while the music is playing and that at the end of the party the central bank will make sure everyone gets home safely, over time the parties will become wilder and wilder. That might not matter were the consequences limited to the partygoers. But they are not.”* Governor of the Bank of England, Mervyn King. Bloomberg. June, 2008.

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"Fed actions only effect the economy accidentally. Their total focus is on protecting banks." James Rickards, widely quoted world class economics analyst, 12/19/2011.

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**“Housing Doom.** “Experts already know that when mortgage holders have ‘negative equity’ they are much more inclined to put their keys in the mailbox.... Hence, the name for this *increasingly common practice* ‘jingle mail.’ Secretary of the Treasury Henry Paulson is desperately trying to put together a national “rate freeze” to avoid, what could be, the most devastating surge of foreclosures the world has ever seen. Paulson’s rate freeze does not offer ‘New Hope’ as promised, but rather, a lifetime of servitude paying off an asset of decreasing value.” [Mike Whitney](#).

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“What we are witnessing right now is not just a collapse of faith in one single institution. Instead, it stems from a loss of trust in the whole style of modern finance, with all its complex slicing and dicing of risk into ever-more opaque forms.” Gillian Tett, *Financial Times*.

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We want to be very clear; and have you understand that throughout this book you will find repetition. A lot of repetition. In literature they call it "echoing." All well and good. At the bottom line:

***Repetition is the Mother of Memory.***

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## PREFACE

*"We've given you a Republic – if you can keep it."*

Benjamin Franklin.

We have *not kept it*.

Our democratic Republic has been usurped by a rapacious Financial Monetary Apparatus – wrapped and operating as one – yet, going by many names:

- Rothschild's Centuries Old War-Based Central Banking;
- Deep Domestic and Global Generational Wealth;
- Entrenched Capital;
- The Cabal;
- The Powerz That Be (TPTB);
- Financial Elites;
- Financial Engineering;
- Structured Finance;
- Wall Street;
- Federal Reserve System (Fed);
- Wall Street Investment Banks (IBs);
- Too Big to Fail Banks (TBTF);
- Banksters.

The latter term – Banksters – is our frivolous – yet deeper – favorite name for *all* of the above.

They are all from *Bankistan*. In the U.S., generally located near the street named: *Wall*, in lower Manhattan. In 1685, Dutch settlers built a wall there to protect themselves from an Indian tribe called the Lenape People, who, after earlier selling Manhattan to these early America Settlers for a pittance, decided they wanted it back. A wall was constructed (east to west) from the East River to the Hudson River to protect the settlers who believed they had a *valid legal claim*, and who wanted to keep the land and their lives.

Some *walls* are well designed to keep people safely inside, while keeping potentially unruly people outside. Like – Occupiers and Tea Partiers.

Wall Street wants and intends to keep you:

- out of the loop;
- out of being in the know;
- generally dumbed down;
- most of all obedient; and,
- oh-so silent.

Yet, now comes a wild card – a very loud – *Occupy Movement* – repping for the (sometimes reluctant) 99%. Wall Street – the Banksters – seem to be concerned. Why not? Smart Tea Party folks are also showing up and Ron Paul made some nice comments re the Occupy Movement. *We'll* not head off into wild Conspiracy *Theories*, regarding Economic and/or Martial Law (see below), though over decades we've proudly become Conspiracy *Therapists*.

These Banksters have successfully evoked Fiscal (government) and Monetary (Fed) Policy and Practice that worked for their personal enrichment, particularly their bonuses – ridiculous bonuses – awarded in the face of failure by their beholden – captured – Board's of Directors, courtesy of still generous taxpayer bailouts, authorized by the Young President and freely given by the Fed. Can you say: Enough!!! Will you?

No state or nation can long endure if Financial Elites – clever and ruthless people acting in concert – who possess and share unconscious aberrant sociopathic and/or psychopathic tendencies and urges – conspire in unison (with "willing political accomplices") to suborn, take and control a nation for their own purposes through creation of enormous and unpayable debt. Ultimately, an (insolvent) U.S. Financial Elite Dominated Global Economic Empire, even though supported by F-18s and drones will ultimately be defeated by Mr. Market.

Particularly, if Mr. Market is aided by Americans standing up to protect their families who utilize the Rule of Law to protect and take back their underwater homes by Confronting Fraudulent Housing Debt in order to achieve a Forced Debt Reorganization.

Today, the "*willing accomplices*" mentioned above, are the most part of the American Congress, which today, 12/23/11, enjoys only an 11% approval rating by the American People. This is in no way intended to absolve the Young "*captured(?)*" President. (We really try to give benefit of doubt – if at all possible – even if a stretch.)

**What ails the U.S.?** To mention a few items:

- Illegal foreclosures are rampant.
- Our Banks, which are falsely considered Too Big To Fail (TBTF), are insolvent.
- Inflation actually runs at 7.5%, not 3.6%, falsely reported by the Fed; (<http://www.shadowstats.com>).
- Unemployment runs at 23%; not 9%, falsely reported by the Fed; (<http://www.shadowstats.com>).
- GDP is closer to -1.3, not +2.1, falsely reported by the Fed; (<http://www.shadowstats.com>).
- Central Banking has gone berserk.
- American taxpayers bailing out the European Union, and their TBTF Banksters, so they don't (at least not until summer, 2012) take our TBTF Banksters down with them.
- Big Oil, Pharma, Agra, Nuclear etc., are poisoning people and the environment – while destroying the American Way of Life.
- The wide spread nuclear fallout and contamination of the Japanese People from the accident in Fukushima, Japan is suppressed by the media. *Nothing to see here. Move along. False.*
- NIHONMATSU, Fukushima -- Anger and anxiety are spreading here after highly radioactive gravel from inside the Fukushima nuclear disaster evacuation zone was traced on Jan. 17, 2012 to several construction projects in the city, including at local schools. The contaminated gravel, quarried in the town of Namie, was first discovered in the concrete at a new apartment block.  
<http://mdn.mainichi.jp/mdnnews/news/20120118p2a00m0na012000c.html>.
- Talk of "recovery" is mere cheer leading by the Fed, designed to boost confidence for the stock market, etc., in our "consumer economy."
- Black Friday retail sales: 2011 – \$41.2 billion; 2008 – \$64 billion <http://www.advisorone.com/>
- Christmas 2011 retail sales up a robust 4.5% over 2010. Yet retailers gloomy re 2012. <http://retailindustry.about.com/od/statisticsresearch/>  
<http://www.rte.ie/news/2011/1229/retail-business.html>
- FBI reported record-breaking firearm sales over the holidays. Gun dealers requested more than 1.5 million background checks – highest single-month topping November 2011, CNN reported. Allegedly 10,800,000 guns sold in US in 2011. Yet, crime is down. Go Figure. <http://nssf.org/newsroom/>.
- "Squeezed by rising living costs, a record number of Americans — nearly 1 in 2 — have fallen into poverty or are scraping by on earnings that classify them as low income." [www.npr.org](http://www.npr.org)
- Currently 49 million Americans receive food stamps; and, college loan debt exceed \$1 Trillion, now higher than all outstanding credit card debt.
- Our National Debt is unsustainable and unpayable. See below.
- The National Defense Authorization Act of 2011 enables the President or the military to declare any American a "suspected" terrorist and be detained indefinitely without arraignment, formal charge of crime, right to counsel, due process, or enabled to bring a Writ of Habeas Corpus, long a pillar of our Constitution. A prelude to Martial Law? Congress allegedly debated this issue for one hour. Initially, it took Jon Stewart to put the matter forward strongly. And, of course the ACLU has now taken notice. Great Good Luck.

- The US Senate voted 86 - 14 to pass the National Defense Authorization Act of 2011 which allows for the indefinite military detention of American citizens without charge or trial. "*Montanans have announced the launch of recall campaigns against Senators Max Baucus and Jonathan Tester, who voted for the bill.*" [www.Salem-News.com](http://www.Salem-News.com)."
- In response – 99% are emerging.
- Alternatively, did 99% emerging force the NDAA?
- Recently discovered in December, 2011 is that the National Association of Realtors (NAR) has "*inadvertently*" been overstating the actual number of home sales for the last three years. Their numbers are widely used as an economic gauge. Can you say: "*It's a Great Time To Buy.*"
- "*Throughout the foreclosure crisis, Washington has done little to help people hang on to their homes. All those programs that were supposed to help — HAMP, HARP, Hope for Homeowners — have mostly failed.*" Gretchen Morgenson, NY Times, 12/24/11.
- Lloyd Blankfein, CEO of Goldman Sachs, told a reporter for the *Sunday Times* of London that he's just a banker "... *doing God's work.*" Thereby invoking the ultimately discredited *Divine Right* Of Kings, which, in part, our Founding Father's fought off to establish our democratic Republic. A perfect example – beyond arrogance – demonstrating the avaricious nature and ethos of the unscrupulous – if not psychotic trader – following a war-based business model that slaughters millions of innocents. He unconsciously claims divinity? Makes a joke? More like a Fraudian slip!
- Again: illegal foreclosures are rampant; and,
- More homeowners are underwater every month. From 29-33% are actually underwater – with no equity, 1/2/11. Yet, 44% believe they are underwater.

**Ownership Society?** That is not the current condition. It is no "ownership society;" and the center can not – nor will not – hold much longer. If you consider the "center" to be the Middle Class, then face it. It's over. The center has not held. Breath. Feels good to step through the "looking glass," and come to terms with reality. Then, we can get to work. Let's do it! Let's go!

If you enter this place – please – leave your politics outside the door. We get way too much of that in the Main Stream Media (MSM).

### Left(?) – Middle(?) – Right(?)

Give us a break. We speak those languages, have enjoyed "feeling good" being in and proudly –of – those Belief Systems – over time – as we grew up. Finally – we had to put away childish things. Here's your first homework assignment. Google: "*Hegelian Dialect,*" and you'll understand exactly what we're trying to say. We'll try again: Powerz wisely pit left v. right – against one another – in endless circus-like non-consequential finger pointing electoral debates and so much more. This presidential electoral circus collectively costs several billion dollars – to buy office – and now takes place for 18 months before each Presidential election. Please.

This work – our/your – journey here – is about families and their homes. So forget about blaming anybody – no time for that. Well – we can and do blame Banksters and their hired politicians. If you didn't before – by the time you finish this book – you likely will as well. Let's get to work.

**The Good News.** Here – with this book and our blog – we offer you information that if studied – becomes knowledge – called education. If you do the work, you will be empowered and disposed towards Confronting Fraudulent Housing Debt.

Those with fortitude, resolution and determination to protect and defend their family and their home by reading this book and our blog (see, [www.UseForeclosureLaw.com](http://www.UseForeclosureLaw.com)), will subsequently be offered "tools," which will enable you to take affirmative and proactive legal action. Will empower underwater homeowners – by removing the fear of the unknown.

**Our Story?** That's it. And, were sticking to it. <g> Capiche?

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**Another Point of View.** Gerald Celente is founder and director of The Trends Research Institute, author of Trends 2000 and Trend Tracking (Warner Books), and publisher of The Trends Journal. He has been forecasting trends since 1980.

Below is what Gerald recently wrote on December 22, 2011. Oh, but wait, first, understand this. You see – Gerald is widely regarded by many as the top Trend analyst around. He was recently personally economically burned. A six figure investment he had placed in MF Global, which recently went down, was "confiscated." Some think it may have been a "controlled take-down," such as what many people think is what happened to former venerated Investment Bank, Lehman Brothers. Some say Henry Paulson, was the engineer of that debacle as the Treasury Secretary in the 2008 Crash. We remind you that Mr. Paulson had recently been Chairman of Goldman Sachs, and killing Lehman Brothers certainly did reduce the competition.

At any rate, Gerald, as a result of his recent experience, has recently surmised in other articles and interviews, that they've ripped the face off of the Rule of Law; and that *no investments* are safe any longer. Many others have chimed in, and a consensus of deep systemic fraud is emerging. We're just saying: be very careful where you have your money – your retirement funds – your investments.

The theory goes that under a second oncoming (since the prior one in 2008) historically unprecedented Crunch; if the Banksters need your money to prop themselves up and avoid bankruptcy – and they certainly do – they're just liable to take it. Witness: MF Global. Over \$2 Billion client money initially disappeared. Though, guess what? Some believe that JP Morgan who sits on the Bankruptcy Court *Creditor's* Committee, has got all that "missing money" tidied up in *their* London office. And very recent reports show Goldman Sachs also played a hand just two months before MF Global filed for bankruptcy. Well whadda ya know!

If you missed it, just Google: "MF Global," and you'll be up to speed.

This just in, on 1/5/12, Gerald announced on CoasttoCoastAM.com radio that he has received 70% of his purloined funds. Where's the rest of it?

Gerald wrote:

"Hold onto your hat, your wallet, and your wits."

"After a tumultuous 2011 in which many of the trends we had forecast became headline news around the world, we are now forewarning of an even more tumultuous year to come."

"While it would give us great pleasure to forecast a 2012 of joy and prosperity – all brought about by the wisdom and benevolence of our fearless leaders – since we are not running for office or looking to profit by gulling the people, we tell it as we see it in our: **12 Top Trends 2012.**"

"One megatrend looms on the near horizon. And we forecast that when it strikes, it will be a shock felt around the world. Hyperbole it's not! Our research has revealed that at the very highest levels of government this megatrend has been seriously discussed. Read on:"

**1. Economic Martial Law:** Given the current economic and geopolitical conditions, the central banks and world governments already have plans in place to declare economic martial law ... with the possibility of military martial law to follow."

**2. Battlefield America:** With a stroke of the Presidential pen, language was removed from an earlier version of the National Defense Authorization Act, granting the President authority to act as judge, jury and executioner. Citizens, welcome to "Battlefield America."

**3. Invasion of the Occtupy:** 15 years ago, Gerald Celente predicted in his book Trends 2000 that prolonged protests would hit Wall Street in the early years of the new millennium and would spread nationwide. The "Occtupy" is now upon us, and it is like nothing history has ever witnessed."

**4. Climax Time:** The financial house of cards is collapsing, and in 2012 many of the long-simmering socioeconomic and geopolitical trends that Celente has accurately forecast will come to a climax. Some will arrive with a big bang and others less dramatically ... but no less consequentially. Are you prepared? And what's next for the world?"

**5. Technocrat Takeover:** "Democracy is Dead; Long Live the Technocrat!" A pair of lightning-quick financial coup d'états in Greece and Italy have installed two unelected figures as head of state. No one yet in the mainstream media is calling this merger of state and corporate powers by its proper name: Fascism, nor are they calling these "technocrats" by their proper name: Bankers! Can a rudderless ship be saved because a technocrat is at the helm?"

**6. Repatriate! Repatriate!:** It took a small, but financially and politically powerful group to sell the world on globalization, and it will take a large, committed and coordinated citizens' movement to "un-sell" it.

“Repatriate! Repatriate!” will pit the creative instincts of a multitude of individuals against the repressive monopoly of the multinationals.”

**"7. Secession Obsession:** Winds of political change are blowing from Tunisia to Russia and everywhere in between, opening a window of opportunity through which previously unimaginable political options may now be considered: radical decentralization, Internet-based direct democracy, secession, and even the peaceful dissolution of nations, offering the possibility for a new world "disorder."

**"8. Safe Havens:** As the signs of imminent economic and social collapse become more pronounced, legions of New Millennium survivalists are, or will be, thinking about looking for methods and ways to escape the resulting turmoil. Those “on-trend” have already taken measure to implement Gerald Celente’s 3 G’s: Gold, Guns and a Getaway plan. Where to go? What to do? Top Trends 2012 will guide the way."

**"9. Big Brother Internet:** The coming year will be the beginning of the end of Internet Freedom: A battle between the governments and the people. Governments will propose legislation for a new “authentication technology,” requiring Internet users to present the equivalent of a driver’s license and/or bill of health to navigate cyberspace. For the general population it will represent yet another curtailing of freedom and level of governmental control."

**"10. Direct vs. Faux Democracy:** In every corner of the world, a restive populace has made it clear that it’s disgusted with “politics as usual” and is looking for change. Government, in all its forms – democracy, autocracy, monarchy, socialism, communism – just isn’t working. The only viable solution is to take the vote out of the hands of party politicians and institute Direct Democracy. If the Swiss can do it, why can’t anyone else?"

**"11. Alternative Energy 2012:** Even under the cloud of Fukushima, the harnessing of nuclear power is being reinvigorated by a fuel that is significantly safer than uranium and by the introduction of small, modular, portable reactors that reduce costs and construction time. In addition, there are dozens of projects underway that explore the possibility of creating cleaner, competitively priced liquid fuels distilled from natural sources. Plan to start saying goodbye to conventional liquid fuels!"

**"12. Going Out in Style:** In the bleak terrain of 2012 and beyond, “Affordable sophistication” will direct and inspire products, fashion, music, the fine arts and entertainment at all levels. US businesses would be wise to wake up and tap into the dormant desire for old time quality and the America that was."

In the event that you have lingering doubts regarding the veracity of indictments of high finance herein, we offer the following by Michael M. Thomas, whose Wall Street career spanned some thirty years. He retired as a partner at Lehman Brothers, directly in the belly-of-the-beast. In retirement years he wrote the brilliant "Midas Touch" column at the *New York Observer*.

He makes it clear that the Wall Street – including the Investment Banks that were all partnerships back in the day – was a kinder, gentler and much more ethical place. Starting in the seventies, *traders* began their intrusion into management, and by the time the Investment Banks went public in the nineties, any focus on ethical conduct was lost to a hand over fist "personal profit mania," heedless of any value added. Except to their increasingly unethical – which morphed to now – clearly fraudulent daily practice – designed to exclusively enrich themselves. We give you: **The 1%.**

"At the end of the day, the convulsion to come won’t really be about Wall Street’s derivatives malefactions, or its subprime fun and games, or rogue trading, or the folly of banks. It will be about this society’s final opportunity to rip away the paralyzing shackles of corruption or else dwell forever in a neo-feudal social order. You might say that 1384 has replaced 1984 as our worst-case scenario. I have lived what now, at 75, is starting to feel like a long life."

"If anyone asks me what has been the great American story of my lifetime, I have a ready answer. It is the corruption, money-based, that has settled like some all-enveloping excremental mist on the landscape of our hopes, that has permeated every nook of any institution or being that has real influence on the way we live now."

Quote above comes from Mr. Thomas' article called: The Big Lie posted at The Daily Beast. (Hat tip May S, via Yves Smith).

**National Debt.** To put another brick in the wall – to alert you to the certainty of our oncoming domestic economic demise – below are comments from John Williams speaking at KingWorldNews.com. Mr. Williams is widely considered the leading if not single economic analyst that tracks and publishes *real numbers based on current statistics* in direct contradiction to the lies and obfuscations released by the Fed. His web is located at ShadowStats.com, <http://www.shadowstats.com/>. "

His 12/29/11, commentary was titled: "*Annual Deficits of \$5 Trillion Are Not Sustainable.*"

"Significant space was taken up in the government's latest financial statements to assess the sustainability of the current system. Most of the material covered was overly misleading nonsense."

"Those looking at the current \$80 trillion of government debt and obligations, who think such is stable, need to consider that the circumstance is getting worse each year by at least \$5 trillion. Taxes cannot be raised enough to bring the system into balance for one year, let alone for the ongoing future."

"Every penny of government spending—except for Social Security and Medicare—could be cut and the system still would be in annual deficit. Massive cuts have to be put in place (an absolute necessity with the social insurance), if there is to be any hope of restoring long-term solvency for the United States government...."

"There is no political will apparent among those currently controlling the White House and Congress to do so. Accordingly, the U.S. will be doomed to an eventual hyperinflation, as the government prints money to meet its obligations. That process already has started. There is little time."

"The next Fed action to help the economy (a.k.a. prop-up banking system liquidity), easily could be the one that pushes the U.S. dollar into the abyss. Much greater detail, again, will follow with the new hyperinflation report...."

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Not looking too good. It's a big job to fix it right up. Yet, we're up to it. *You* can do it!!!

Remember, your job is to protect and defend your family and your home. If enough of you do so – significant numbers – the rest of it will fall into place, albeit with a great gnashing of teeth and extreme pushback from "Banksters." Imagine – what would happen if the 99% moved their checking accounts from TBTF Banks into local and regional banks, credit unions and savings and loan entities? That'll be the day! Read on.

## INTRODUCTION – SECOND EDITION

(December, 2012)

*Much has occurred* since we closed out the First Edition of this book in June, 2009. That is frankly a very mild understatement. We have seen the further erosion of the Middle Class (the engine of our Consumer Economy); rampant unemployment; a government in Washington D.C. that is in a near perpetual adolescent gridlock; and, moreover, in relation to the focus of this book, continuing destruction of housing values, leaving perhaps, 17 million homeowners underwater – virtual lessees – indentured debt slaves in their very own homes.

Why would Powerz That Be, allow this to occur?

The Powerz simply do not care. They are the Financial Elites that have merged with the National Security State – the War Machine – and through the genius of Central Banking (a wretched spawn of the Centuries-old Rothschild Banking System) are busy practicing Empire on the Global Financial Stage. Worse, they've destroyed that as well. How?

It's quite simple. If a nation issues excessive debt-based fiat money (which is the definition of "inflation") then such debt – *liquidity* as it's called by Financial Powerz – ultimately destroys the value of all currencies, which results in "price inflation that you see at the pump, the grocery store, which leads to hyperinflation, which is arguably on the way.

Above, we say "all currencies" because today most nations are controlled in some way by Central Banking issuance of fiat currency. (Individual Sovereign European governments are constrained in that they can not issue Euros.) Nonetheless, it has now *metastasized* and all nations and people are victims of the Banksters.

We discuss this throughout the book, and will leave it to that. However, we are on the verge of destruction of the dollar, and a Greater Depression than what the world experienced in the 1930s. No one can say with certainty, *when* that will happen, but, most realistic economic analysts assert that it is not a matter of *if*, it is a matter of *when*.

We will touch on – rather expose – the oncoming Global Financial Crash later in the book – count on it. But, to touch briefly; we all read that Europe is falling down, their nations and major banks are insolvent. And, the European Central Bank is borrowing money from the Federal Reserve and a few other central banks to prop up the Euro. Etcetera. Well, Europe and the Euro *are* falling. This drags down *their* banks, AND, *our* intertwined, so-called Too Big To Fail banks who are heavily invested in the major European banks, generally through derivative exposure (big un-backed insurance type gambling). In this case they are not holding cash reserves to pay off on bank default claims. The AIG bailout is an example. The Fed pumped \$180 billion into AIG, which immediately passed out \$12 billion to Goldman Sachs. How nice of the taxpayers.

In reality several financial entities are *Too Big To Survive* because – as they have proven – they threaten to destroy the U.S. and World economies with their reckless creation of debt. This can never be allowed to happen again. Well, not for 50 to 80 years or so when a new business cycle is upon us largely because people who remember what happened have passed on. So history repeats itself. Evermore. We have an entire chapter on Business Cycles.

**Our Mission** is to remove the Fear of The Unknown for underwater homeowners through education, enabling them to:

*Confront Fraudulent Housing Debt.*

By reading and studying this book, which contains the fundamentals – the foundation of your education; and, our blog: [UseForeclosureLaw.com](http://UseForeclosureLaw.com), which contains breaking news, particularly, near daily updates on the emerging legal context; and, then telling us you have done so, we can offer "tools," legal information, not legal advice, to enable you to use what remains of the Rule of Law in order to:

*Confront Fraudulent Housing Debt.*

This book exists to inform underwater homeowners that by Using Foreclosure Law to Keep Their Homes, average Americans can use existing laws (based generally on *fraudulent inducement* and *failure to legally disclose* in loan origination) to legally leverage control away from “lenders,” and ultimately rebalance the economy. We can drive the Young President’s release from capture by Financial Elites, led in public, by Tim-Boy “Tax Dodger” Geithner. He of the AIG bailout when Mr. Geithner was President of the New York Federal Reserve Bank. Though Geithner is Treasury Secretary (his predecessors were Robert Rubin and Henry Paulson), they all arguably worked as *double agents* for the Banking Cartel. Witness: all three are wretched spawn of Goldman Sachs.

Mr. Geithner played a number of interesting roles through his early career; first, as a protégé of Henry Kissinger. His Master ultimately became Robert Rubin, former Co-Chairman of Goldman Sachs, and subse-

quently Bill Clinton's Treasury Secretary, where Rubin played a principal role in the mid-nineties in setting in place a scheme that would successfully blow up – *Housing Bubble Boom* – then blow out – *Housing Bubble Bust* – the housing market while he and his friends on Wall Street, *took* historically unprecedented fortunes, through executive bonuses and stock options.

Word has it that Rubin is *still* the ultimate owner of Obama's left ear, while the irascible Jamie Dimon, CEO of JP Morgan Chase, owns Obama's right ear. Today the instrument – the ear-holder – the gate keeper – is the Young President's Chief of Staff, Bill Daley, arguably No. 3 man to Mr. Dimon. Rahm Emanuel, former Chief of Staff, was long on Goldman's Sach's "consultancy" payroll before he was appointed Chief of Staff to control the ears, eyes and gate to the White House.

Whoops. This just-in, 1/11/12. There is yet another change in Whitehouse Gatekeepers.. Daley going back to Chicago to spend more time with his grandchildren. Hope they're young enough to appreciate it.

**The New New Guy.** Jack Lew is now in as the Young President's Chief of Staff, Chief Gatekeeper. Here's his background according to the [Wall Street Journal](#).

*"Age-Birth Date-Location:* 56; Aug. 29, 1955; New York City.

*"Education:* Graduated with bachelor's degree from Harvard in 1978 and a law degree from Georgetown University in 1983.

*"Experience:* Served in Obama administration as Deputy Secretary Of State from 2009-2010 and as Budget Director from Nov. 2010 to present. Served as Budget Director in Clinton administration from 1998-2001. Began career in Washington in 1973 as Legislative Aide on Capitol Hill, including stint as Domestic Policy Adviser to House Speaker Thomas P. O'Neill, Jr. Private sector experience includes serving as Managing Director and Chief Operating Officer of Citi's Global Wealth Management Branch. Also served as Chief Operating Officer and Executive Vice President of New York University."

So this gentleman has been a Government Apparatchik for most of his career until he slipped out for a bit to take Banking Cartel training at Citibank. But, there's more. At Citibank he headed a branch that invested in John Paulson's Advantage Plus LP, which in partnership with, yes, you guessed it, Goldman Sachs. Paulson bet that housing would destruct, and worked closely with Goldman, in what amounted to them selling Mortgage Backed Securities to their Institutional Investors clients, while at the same time – without disclosure to their *own* clients, betting with Paulson that these investments in MBS would fail.

Lawsuits and even the government's case against Goldman Sachs continue. So – Lew has been trained at Citibank and indirectly by Goldman Sachs on how to sack the American People. His salary that one year at Citi was \$1.1M. Handsome pay!!! And, to think of the pay cut he has willingly endured to control who gets to speak to the President. Guess, he'll make the money back on the back end. You can't make this stuff up.

**Questions Abound:** In lieu of law - Jack Lew? Has JP Morgan Chase truly lost the Young President's ear due to in-fighting? Or, is it mere passing of the baton? Has Bob Rubin (originally of: Goldman Sachs (the Mother Ship), then Treasury Secretary, closing out his *public* career at Citibank overseeing the housing debacle that in part he designed) brought in his man once again? Does he not own Geithner - and New Man: Jack Lew? Is Jack Lew the creature of Bank Lobbying's highest art form? Beyond campaign funding money control, would it not be logical to make certain that the Young President continues to only see and listen to folks vetted by the Banking Cartel? Is it: "Yes" to all of the above? We're just saying.

Some still wonder *why* the Young President seems to be so effectively “captured” by banking interests – the Banking Cartel. Looking back a couple of years ago; their clear and continuing power was exhibited the week ending May 3, 2009, the very day this book (First Edition) was closed out and submitted for publication.

That week Republican Senators stopped a provision in a Bankruptcy Bill – that would have enabled a Bankruptcy Judge to order a home owner “cramdown” (principal reduction) to current market value. "Cram-down" in that context simply meant "principal reduction." These would be achieved with what we call a "*legitimate loan modification*," but, the banks will not go there.

We believe that principal reductions to current market value will only be achieved through: **Forced Debt Reorganization**. Those words are our construct, and simply mean a *legitimate* loan mod; brought about through the threat of, or, in fact – litigation – whereby the underwater homeowner is able to prove up Securitization (and other) Fraud in the loan origination process.

Don't try that at home. Only very few professionals are able to achieve that on behalf of underwater homeowners, and we know some of them. We'll be glad to make introductions, IF, you educate yourself. You're already reading the book. You must also read the blog thoroughly. By becoming a knowledgeable and *profes-*

*sional client*, you can work with professionals, and not slow them down. Better yet, they won't have to bill you for the time it takes to educate you. You come to the dance already educated – ready to dance – ready to rock.

Then you work with a professional who can provide proper legal pleadings, buttressed with an "Affidavit" by a legally qualified "expert witness." This qualifies as "evidence" in a court proceeding, because in fact without such an Affidavit, a Securitization Audit is only a "report." More below.

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That's all folks for this free excerpt. Hope you enjoyed a look-see. Heck, we hope you buy the book. <g>