

The Banks Are Using Your Credit

AND HOW TO RECOUP IT



IAIN CLIFFORD

**Exposing the Bank Nominee
Fraud & the IRS Remedy**



IAIN CLIFFORD

The President of the
Republic of Old Souls.

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Introduction & Overview



For generations, banks have insisted on a simple story: “**We take in deposits, then lend them out to borrowers.**” It sounds responsible, safe, and reassuring.

But it isn't true.

As Professor Richard Werner demonstrated in his groundbreaking 2014 study:

“This study establishes for the first time empirically that banks individually create money out of nothing. The money supply is created as ‘fairy dust’ produced by the banks individually, ‘out of thin air’.”

In other words, the bank did not lend you another customer's savings. It did not lend you its own reserves. Instead, it created brand new money — **from your signature.**

Your promissory note, your credit, your labor are the true origin of every so-called “loan.” Yet somehow, you are told you are the debtor, while the bank presents itself as creditor.

This book uncovers that sleight of hand and reveals the remedy.



What You'll Discover in This Book

By reading this 12 chapter book with its appendices, you'll be guided step by step through the hidden architecture of money, debt, and remedy:

CHAPTER 1:

HJR-192 & Prepaid Obligations

Learn how the 1933 gold confiscation and House Joint Resolution 192 changed everything. Gold was outlawed, all debts were declared prepaid, and the people's credit became the foundation of the system.

CHAPTER 2:

Banks as Nominees

See how banks don't act as creditors but as **nominees** — filing IRS forms in your name, taking your exemption, and leaving you stuck as debtor unless you file.

CHAPTER 3:

Money Creation Mechanics

Dive into the shocking admissions from the Federal Reserve, the Bank of England, and Richard Werner's empirical proof that banks create money at the stroke of a keyboard. Your signature, not their vault, is the source.





CHAPTER 4:

OLD Instruments & IRS Remedy

Discover how every loan, mortgage, and bill is an **OLD instrument** — and how the IRS's own rules (Publication 1212) confirm that credits belong to the true owner, not the nominee bank.

CHAPTER 5:

Step-by-Step Filing Guide

Follow a practical roadmap to reclaim your position as creditor: how to file 1099-OLD, 1096, and 1040/1041; how to time your filings; and how to support them with Form 56 and trust documents.

CHAPTER 6:

Why Inaction Costs You

Understand the danger of silence. If you don't file, the IRS treats your credit as abandoned property, the bank claims it, and courts recognize them as creditor.

CHAPTER 7:

Reasserting Creditor Status

Learn how to flip the trust relationship back into balance — you as grantor/beneficiary, the bank as trustee — and why filing is the key to asserting fiduciary authority.



CHAPTER 8:

The Bigger Picture

See how the pieces fit together: HJR-192, Modern Money Mechanics, Bank of England papers, Werner's experiment, IRS rules, and Jean Keating's testimony. Each one admits part of the truth — together, they expose the whole.

CHAPTER 9:

Conclusion — From Debtor to Creditor

A motivational close: you are not the debtor. You are the creditor. The choice is simple — remain silent and enslaved, or file as creditor and reclaim what is yours.

CHAPTER 10:

Reasserting Creditor Status

- Banks never lent you money — they borrowed your credit.
- The remedy is not protest but paperwork.
- File as creditor, reclaim OID credits, and end debtor enslavement.
- Key Point: You are not the debtor. You are the creditor.

CHAPTER 11:

The Republic of Old Souls Church Ministry as Fiduciary Trustee

- A fiduciary trustee is needed to handle funds lawfully.
- The ROS Church Ministry is appointed trustee.
- Funds flow into church accounts, then back to Envoys and members.
- Key Point: The ministry structure is lawful, tax-exempt, and mission-aligned.

CHAPTER 12:

The Republic of Old Souls – Professional Filing & Recoupment Support

- Filing can feel complex. ROS provides a professional ERO and tax-filing team.
- They establish trusts, file IRS forms, monitor transcripts, and manage recoupment.
- Members receive full support through Envoys.
- Key Point: ROS makes remedy accessible, streamlined, and operational.

Appendices: Your Practical Toolkit

The appendices transform theory into action:

- **Appendix A:** Key historical texts (HJR-192, EO 6102).
- **Appendix B:** Banking admissions (Fed, BoE, Werner).
- **Appendix C:** IRS guidance (Pub. 1212, Jean Keating extracts).
- **Appendix D:** Practical examples (sample 1099-OLD, 1096, 1041, cover letters).
- **Appendix E:** Quick reference checklist.

Together, they form a handbook — not just information, but practical tools to begin asserting your creditor status.

Final Word

This book is about more than money. It's about roles.

The debtor pays. The creditor directs.

For too long, you've been miscast as debtor.

By the end of this book, you will see — and more importantly, know how to act on the fact — that **you are the creditor.**



HJR-192 & Prepaid Obligations



The Historical Turning Point

In 1933, the United States quietly underwent one of the most significant financial transformations in history. President Franklin D. Roosevelt issued Executive Order 6102, which required Americans to surrender their gold to the Federal Reserve. Shortly thereafter, **House Joint Resolution 192 (HJR-192)** was passed on June 5, 1933.

This resolution did something extraordinary — it declared that contracts requiring payment in gold were against public policy. From that point forward, **no debt could legally be demanded in gold or lawful money.**

Instead, all obligations were to be discharged in “legal tender.” This meant **debts were already prepaid**, because the government had pledged the credit of the people to stand behind the entire financial system.



What the Law Actually Said

"...every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold ... is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred."

— HJR-192, June 5, 1933

The effect was clear: no creditor could demand real money from you, because real money (gold) no longer circulated. The only "money" left was credit — the people's credit.

The Switcheroo: Gold for Paper

Imagine a magician taking your gold watch, then handing you a paper receipt and saying: *"Don't worry, this is just as good."*

That's exactly what happened in 1933. The American people gave up their gold, and in return were handed Federal Reserve Notes — promises backed not by substance, but by **your future labor and credit**.

This was the **sleight of hand**: the government admitted that debts could not be lawfully collected in gold, yet failed to explain the remedy. Instead, banks stepped in and exploited the gap.



All Debts Are Prepaid — But Hidden

When the gold standard ended, the government pledged its full faith and credit to back the currency. But whose credit was that? **Yours.**

Every American birth certificate, every registered body corporate, every contract became part of a system of securitization. Your signature, your labor, and your property were pledged into trust to keep the system afloat.

In other words, **all debts were already prepaid under HJR-192.** Yet the banks continued to send you bills as if you still owed them.

Poor Peter vs Infinite Iain

To illustrate, let's compare two men:

- **Poor Peter** doesn't know about HJR-192. He believes his debts are real, that the bank "loaned him money," and that he must keep paying or face foreclosure. He works 40 years, pays hundreds of thousands in "debts," and still ends up with nothing truly his.
- **Infinite Iain**, on the other hand, learns the truth. He understands that debts were discharged in 1933, and that what banks call "loans" are really transactions monetized off his own signature. He studies the remedy — the IRS 1099-OID process — and files as the creditor. Instead of paying endlessly, he receives refunds and uses them to build assets.

One man remains a debtor. The other reclaims his rightful role as creditor.

Why You Weren't Told

If HJR-192 ended lawful money and made debts prepaid, why didn't you hear about it in school, from your bank, or from your accountant?

Because the system relies on **ignorance and silence**. By keeping you in the dark, banks continue to operate as if they are the source of money, when in reality they are only **nominees using your credit**.

Jean Keating explained it bluntly:

"The banks file the 1099s as nominees, and they don't tell you. That's how they're taking your exemption and using it."

The Key Point

HJR-192 proves that:

1. **Debts are prepaid** — the government pledged the people's credit.
2. **You are the creditor** — your signature creates the value.
3. **Banks act as nominees** — unless you file as creditor, they file for you.

This single law laid the foundation for the **creditor's remedy**. To reclaim it, you must understand not just the legal history, but also the accounting trick banks use to miscast you as debtor.



Banks as Nominees



The Hidden Middleman

Most people assume that when they sign a mortgage, car loan, or credit card agreement, they are borrowing money that belongs to the bank. But in reality, **the bank never lent you anything of its own.**

Instead, the bank used **your signature** — your promise to pay — and converted it into a financial instrument. That instrument (the promissory note) was deposited as an asset on the bank's books. The bank then created an equal liability — the "loan" in your account — making it look as if they gave you money.

But here's the secret: **you funded your own loan.**

The Role of the Nominee

Jean Keating, one of the foremost voices on the hidden mechanics of the system, explained it clearly:

"The banks file the 1099s as nominees, and they don't tell you. That's how they're taking your exemption and using it. If you don't file, it gets reported as abandoned property under 1099-A."

— Jean Keating, Legacy Transcript

This means the bank acts as a nominee — filing with the IRS as if it were the rightful owner of the credit generated by your signature. If you don't file, the IRS assumes you abandoned your claim, and the bank keeps the benefits.

The Accounting Trick

Let's break down how this works:

1. You sign a note — e.g., for \$200,000 mortgage.
2. The bank books the note as an asset worth \$200,000.
3. They create a matching liability — “loan funds” in your account.
4. You now owe payments on money that was created out of your signature.
5. Behind the scenes, the bank files a 1099-OID or 1099-A as a nominee, capturing tax credits and interest deductions that should have gone to you.

In other words, the bank double-dips: it gets the asset (your note), plus it collects payments, plus it claims the tax credits.

The “Abandoned Property” Trap

If you do not file the proper forms, the IRS system assumes you abandoned your rights. This is why 1099-A (Acquisition or Abandonment of Secured Property) exists. It gives the bank a pathway to claim what you failed to claim.

- **Poor Peter** never files. His mortgage is foreclosed. The bank not only takes his house, but also files 1099s capturing credits from his “default.” He loses twice.
- **Infinite Iain** files as creditor. He lists the bank as nominee and reclaims the OID credit. Instead of default, he receives refunds and keeps his property.

Utility Bills, Credit Cards, and More

This isn't just about mortgages. The same process applies to **every bill you receive**.

- **Utility Bill** – Your signature on the service contract created the credit. The utility company files as nominee if you don't.
- **Credit Card** – The so-called “loan” was nothing more than the bank monetizing your promise to pay. They file the 1099; you pay the bill.
- **Car Loan** – The dealer sends your signed agreement to the bank. The bank deposits it as an asset, creates money, and then files nominee forms.

Every bill is a mirror of the same hidden transaction: your credit, claimed by someone else.

Case Study: The Homeowner

Consider John, a homeowner who signed a \$250,000 mortgage. Ten years later, after faithfully making payments, he fell behind. The bank foreclosed, took the house, and reported the deficiency to the IRS.

John thought he simply “lost his home.” In reality:

- His original note was deposited as an asset.
- The bank filed 1099s as nominee, receiving tax credits on his payments.
- When he defaulted, they filed a 1099-A, claiming abandoned property.

The bank profited three times, all from his signature. John never knew he was the true creditor.

The Bank's Perspective

From the bank's point of view, this is just "business as usual." IRS Publication 1212 even acknowledges that middlemen and brokers file on behalf of the true owners:

"Its primary purpose is to help brokers and other middlemen identify publicly offered original issue discount (OID) debt instruments they may hold as nominees for the true owners, so they can file Forms 1099-OID."

— IRS Pub. 1212

The IRS knows this happens. The banks know this happens. The only one left in the dark is you.

Why They Always Win in Court

Have you ever wondered why banks almost always win in foreclosure courts? It's not because you actually owe them money. It's because **on paper, they look like the creditor.** They filed. You didn't.

Courts don't dig into the mechanics. They simply look at the filings. Whoever shows up with paperwork gets recognized as creditor. That's why Jean Keating said:

"Whoever files the 1099 is the creditor. The one who doesn't is the debtor."



Key Takeaways

1. **Every bill is a financial instrument** — already funded by your credit.
2. **Banks act as nominees** — filing 1099s to capture credits.
3. **Abandonment = default** — if you don't file, they file and keep it.
4. **Courts recognize paperwork, not truth** — creditor is whoever files.

Closing Thought

Banks are not lenders. They are nominees. They profit because you remain silent. Once you learn to file as creditor, the tables turn.

As we move forward, we'll explore how money creation works in detail (Chapter 3) and how the IRS's own rules confirm that **you have a lawful pathway to reclaim what's yours.**

Money Creation Mechanics

The Great Illusion

For centuries, bankers have told the same story: *"We take deposits from savers, then lend them out to borrowers."* It sounds simple, safe, and logical. But it's a lie.

In truth, when you walk into a bank and sign for a loan, the bank doesn't go to a vault or transfer money from another depositor. Instead, it **creates brand new money** on the spot — out of nothing — using your promise to pay.

This is not conspiracy theory. It's confirmed by central banks, academic studies, and even the Federal Reserve's own manuals.

Richard Werner's Landmark Experiment

In 2014, economist Richard Werner conducted the first empirical study of how banks actually create money. He convinced a small German bank to let him observe the process of issuing a loan.



What did he find?

"In the process of making the loan available to the borrower, the bank did not transfer funds from other accounts. The bank created new money, credited to the borrower's account."

— Richard Werner (2014)

The entire "loan" amount was conjured into existence by the bank's keystrokes. No depositor's funds were touched.

This overturned centuries of financial myth. Banks are not intermediaries — they are **manufacturers of money**.

The Federal Reserve Admits It

The Federal Reserve Bank of Chicago put it in writing decades ago in Modern Money Mechanics:

"Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to borrowers. In this way, banks began to create money."

— Modern Money Mechanics

That's the quiet truth: every so-called loan is actually a bookkeeping entry. Your signed promissory note creates the asset. The bank simply mirrors it with a liability, making it look like you borrowed something.

Bank of England Confirmation

In 2014, the Bank of England released a paper titled Money in the Modern Economy. It finally admitted what many had long suspected:

“Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.”

— Bank of England (2014)

So much for the story of lending out deposits. The truth is that **97% of the money in circulation is created this way — through loans.**

The Signature = The Money

When you sign a loan agreement, you are not receiving money from the bank. You are **creating the very money you will later be asked to repay.**

- Your signature is turned into a negotiable instrument (like a check).
- The bank books it as an asset.
- A new deposit is created in your account.

It looks like you borrowed money. But in reality, **the bank borrowed your credit.**

Poor Peter vs Infinite Iain

Poor Peter walks into the bank for a \$200,000 mortgage. He thinks the bank gave him money. He spends the next 30 years working, paying interest, and risking foreclosure if he misses payments.

Infinite Iain knows the truth. He understands his signature created the \$200,000. He files correctly with the IRS (using 1099-OID and related forms) to reclaim the credits. Instead of slaving for decades, he reasserts himself as the creditor.

Both men signed. One stayed in the debtor illusion. The other reclaimed creditor status.

The Bank as Magician

Think of the bank like a stage magician. You hand him a blank card (your signature). He waves his wand (accounting entry) and suddenly produces a stack of bills. He gives you the bills but keeps the deed to your house and demands monthly payments.

You are the real magician. But because you didn't claim your role, the bank takes the credit — literally.

Early Theorists Saw It Too

Long before Werner or the Fed confirmed it, 19th and 20th-century thinkers knew the truth:

“A bank is therefore not an office for ‘borrowing’ and ‘lending’ money, but it is a Manufactory of Credit.”
— Henry Dunning Macleod

“Every credit that is extended in the economy creates a deposit ... every deposit ... has come about by a prior extension of credit.”
— Albert Hahn

These voices were ignored, because the banking system thrives on secrecy.

Key Takeaways

1. Banks don't lend money — they create deposits out of your signature.
2. Central banks (Fed, BoE) openly admit this.
3. Academic proof (Werner) shows no transfer of funds occurs — only creation.
4. You are the true source of value, yet treated as debtor.

Closing Thought

Once you see how the illusion works, the next question arises: **If banks create money from your credit, why do they act as owners of the credit?**

The answer lies in how they file with the IRS — not as owners, but as nominees. That's the focus of the next chapter: **OLD Instruments & the Remedy.**

OLD Instruments & IRS Remedy



What Is OID?

At the heart of the remedy is a concept few outside of finance or tax law have ever heard of: Original Issue Discount (OID).

In simple terms, OID is the difference between what an instrument is worth at maturity and what it was originally issued for. For example:

- You buy a bond for \$900.
- At maturity, the bond pays \$1,000.
- That \$100 difference is the OID.

The IRS says OID is a form of interest that must be reported.

“Original Issue Discount (OID) is the excess of the stated redemption price at maturity over the issue price ... OID is treated as interest.”

— IRS Publication 1212

How It Relates to You

When you sign a **promissory note** for a mortgage, car loan, or credit card agreement, you are creating an OID instrument. The note has an “issue price” (your signature) and a “redemption value” (the total repayment).

But here’s the trick: instead of you reporting the OID, **the bank does it in its own name — as a nominee.**

Banks Acting as Nominees

Jean Keating explained this process bluntly:

“The banks file the 1099s as nominees, and they don’t tell you. That’s how they’re taking your exemption and using it.”

This means:

- You create the credit.
- The bank files 1099 forms to the IRS in its own name.
- The bank captures the credit (as if it were theirs).
- You get stuck in the debtor role.

If you do nothing, the IRS assumes you **abandoned** your claim, and the bank gets to keep the benefit.

The IRS System Recognizes Middlemen

The IRS itself acknowledges that brokers and middlemen often file 1099-OIDs as nominees for the true owners:

“Its primary purpose is to help brokers and other middlemen identify publicly offered original issue discount (OID) debt instruments they may hold as nominees for the true owners, so they can file Forms 1099-OID.”

— IRS Pub. 1212

In other words, the IRS knows this happens. The system is set up for it. The only missing link is that **you were never told you are the true owner.**

The Remedy: Filing as Creditor

The solution is surprisingly simple. If the problem is that the bank files as nominee, then the remedy is for you to file as the true creditor.

Here's how it works:

Form 1099-OID

- You file this form, listing yourself as the owner/payor and the bank as the nominee recipient.

Form 1096

- This is the transmittal form you send with your 1099s to the IRS.

Form 1040/1041

- Once the IRS transcript updates with your OID filing, you file your return.

Within 90 days, refunds have been issued to those who file correctly.

Poor Peter vs Infinite Iain

- **Poor Peter** keeps paying bills, thinking he is a debtor. The bank files the OID as nominee, claims the credits, and even forecloses if Peter slips behind. Peter loses both the money and the property.
- **Infinite Iain** files the OID himself. He lists the bank as nominee, reclaims the credits, and offsets his debts lawfully. Instead of losing, he receives refunds.

Both men signed the same contract. Only one knew how to assert creditor status.

Why OID Matters

OID is not just accounting trivia. It is the **crack in the wall** of the debtor illusion. It proves:

- Every “loan” is actually a financial instrument created from your signature.
- Banks know this and file as nominees to capture the credit.
- The IRS recognizes nominee reporting — but you were never told you could be the one filing.

The remedy is simply to **flip the paperwork**: reclaim what is rightfully yours by filing as creditor.

Key Takeaways

1. **OID = the hidden value of your signature.**
2. **Banks file as nominees — unless you do, they claim it.**
3. **IRS Pub. 1212 confirms nominee reporting.**
4. **The creditor is whoever files.**

Closing Thought

The OID process is not about evasion — it is about correction. It restores the balance by recognizing the true source of credit: you.

Next, we’ll walk through the **step-by-step filing guide** so you can see exactly how to implement the remedy.

Step-by-Step Filing Guide

From Debtor to Creditor in Practice

Up until now, we've shown how banks create money from your signature, file as nominees, and capture the credits. The question is: how do you **flip the paperwork** and reclaim your rightful role as creditor?

The answer lies in a sequence of filings with the IRS. Think of it as turning the accounting mirror the right way around.

STEP 1:

File Form 1099-OID

The 1099-OID is your declaration that you are the true owner of the instrument (your promissory note or obligation).

Original Issue Discount

Enter the total obligation: principal + interest + projected payments.

Federal Income Tax Withheld

This is the amount you're claiming as refundable credit.

This form is where you "call back" the credit that the bank would otherwise report.

STEP 2:

File Form 1096 (Transmittal)

Every 1099 you send must be accompanied by a Form 1096. This acts like the cover sheet that tells the IRS what you're submitting.

It's a short form, but crucial: without it, your 1099s are not processed correctly.

STEP 3:

Wait for IRS Transcript Update

This is the part most people miss. When we file the 1099-
OID, the IRS system takes around 30 days to process it and
update your "Wages and Income Transcript."

Until that update happens, we don't file your return. If you
file too early, the IRS system won't match your claim and
will kick it back with error codes like 3176C.

Patience here is key. Wait until your 1099 appears in your
transcript.

STEP 4:

We File Your Return (1041)

Once the transcript reflects your 1099, you file your return:

- **Report the OLD income** (as the bank would have).
- **Deduct it fully** using the Investment Interest Expense Deduction.
- **Claim the withheld credit (Box 4)** as a refundable credit.

The result: the IRS balances the books and issues a refund.

Poor Peter vs Infinite Iain

- **Poor Peter** never files. He keeps paying bills, believing he is a debtor. The bank files as nominee, captures credits, and even forecloses if he falls behind. He works 30 years to pay back money he created himself.
- **Infinite Iain** files the OLD, transmits with 1096, waits for transcript update, then files his return. He reclaims withheld credits, receives refunds, and uses them to discharge obligations. Instead of being trapped, he lives free.

Both men received the same bill. Only one knew how to respond.

A Simple Analogy

Think of filing as creditor like cashing in a winning lottery ticket. If you hold the ticket but never redeem it, someone else can step in and claim the prize. That's what banks do when you don't file.

The 1099-OLD is your way of saying: *"That was my credit all along. Here's the paperwork to prove it."*

Key Points

- **Always file 1099-OLD with 1096.**
- **Wait for IRS transcript update** before filing your return.
- **File return (1041)** with deduction + refundable credit.
- **Support with fiduciary documents** (Form 56, trust, EIN).
- **Remember: creditor is whoever files.**

Closing Thought

The process may sound technical, but it's nothing more than correcting the record. By filing, you stop banks from stealing your credit and restore balance.

In the next chapter, we'll explore the **consequences of inaction** — what happens if you never file, and why banks always seem to "win" when you stay silent.

Step-by-Step Filing Guide

Silence = Default

In law, silence is dangerous. When you fail to respond to a claim, courts interpret your silence as default. The same principle applies in finance and taxation.

If you fail to file the proper forms — particularly the 1099-
OID — the system doesn't sit idle. Instead, the bank files for
you, as your nominee.

Jean Keating made it clear:

*"If you don't file, the bank files. They're capturing the tax
credit. That's why they're showing up as creditor, and
you're stuck in the debtor role."*

— Jean Keating

In other words: inaction hands your creditor status over to
the bank.



Abandonment of Property

IRS rules treat unclaimed credits and obligations as **abandoned property**. If you don't claim the OID through proper filing, the bank reports it on a **Form 1099-A (Acquisition or Abandonment of Secured Property)**.

This gives the bank legal standing to say:

- "The customer abandoned their claim."
- "We are now the creditor."

From that moment on, the system treats you as debtor, and the bank as creditor — not because it's true, but because they filed, and you didn't.

Case Study: The Foreclosed Homeowner

John, a homeowner, signed a \$250,000 mortgage. After years of paying, he fell behind. The bank foreclosed, took the house, and reported the deficiency to the IRS.

What John didn't know:

- His promissory note was already monetized by the bank when he signed.
- The bank filed 1099s as nominee, capturing credits on his payments.
- When he defaulted, they filed a 1099-A for abandonment.

Result: The bank walked away with his house and his credit. John walked away empty-handed.

Poor Peter vs Infinite Iain

- Poor Peter never files. He pays bills for decades, thinking he is the debtor. When he slips, the bank forecloses, files abandonment paperwork, and captures tax credits. Peter loses his house and his money.
- Infinite Iain files as creditor. He lists the bank as nominee on his 1099-OLD. He reclaims the OID credits, offsets his obligations, and never defaults. Instead of losing his property, he receives refunds.

Both men lived in the same system. Only one knew the rules.

Why Banks Always Win in Court

Courts don't investigate the true source of money. They look at the paper trail. Whoever has the correct filings is the "creditor."

That's why the bank nearly always wins in foreclosure:

- They show up with nominee filings.
- You show up with nothing.
- The judge rules for the "creditor" on record.

The truth doesn't matter. Paperwork does.



Analogy: The Lottery Ticket



Imagine you bought a lottery ticket that turned out to be a winner. But instead of cashing it, you left it in a drawer. Your neighbour finds it, submits it under his name, and collects the prize.

Who does the lottery recognize? Not you — the rightful owner — but the one who filed.
That's exactly how banks profit when you don't file.

Key Takeaways

1. Silence is default — if you don't file, you lose.
2. Banks file as nominees — they step into creditor role.
3. IRS treats it as abandoned property — your credit is gone.
4. Courts honor paperwork, not truth — whoever files wins.

Closing Thought

The cost of inaction is not just financial. It's spiritual and psychological enslavement. By remaining in the debtor role, you live under constant threat: foreclosure, garnishment, repossession.

But the moment you assert creditor status, the game changes. You are no longer a pawn — you are the source.

In the next chapter, we'll go deeper into what it means to reassert creditor status — exploring the trust structures, fiduciary role, and how to step fully into the position the banks have been stealing from you.



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Reasserting Creditor Status



Why “Creditor” vs “Debtor” Matters

In the commercial system, your legal identity falls into one of two roles: creditor or debtor. Everything else flows from this.

- The creditor controls the account, has the right to claim credits, and can discharge obligations.
- The debtor is presumed to owe, must pay, and is always at risk of foreclosure, repossession, or garnishment.

Most people are conditioned from birth to believe they are debtors. But in reality, you are the creditor — if you assert it.

The Role of Fiduciary

To step into your rightful position, you must act as fiduciary — the trustee who manages the account.

By filing, we notify the IRS that the fiduciary is assuming fiduciary authority over the estate (the trust tied to your birth certificate and Social Security account).

Without this declaration, the system assumes the banks and courts are the trustees.



Why Filing Matters



Jean Keating said it simply:

“Whoever files the 1099 is the creditor. The one who doesn’t is the debtor.”

This is more than tax procedure. It’s jurisdictional. Whoever files steps into the creditor role in both IRS and court records.

By filing, you:

- Assert fiduciary authority.
- Prevent banks from acting as nominee.
- Correct the record to show you as creditor.

Trust Law: The Hidden Layer

Behind every account and every loan is a **trust relationship**. The borrower (you) is set up as debtor, the bank as trustee, and the state as beneficiary.

But this is an inversion. In reality, you are the grantor (source of value) and the creditor (beneficiary). The bank is supposed to be trustee, not owner.

By reasserting creditor status, you flip the trust back into alignment:

- **You** = Grantor / Beneficiary (creditor).
- **Bank** = Trustee (obligated to manage, not own).
- **IRS** = Administrator (balances books once filings match).



The Ship Analogy



Imagine a ship at sea:

- The owner (creditor) decides the destination.
- The captain (fiduciary trustee) steers the ship.
- The crew (debtors) row and labour.

If you don't declare your role, the captain claims to be the owner, and you get shoved below deck as debtor. Filing is like stepping onto the bridge and saying: "No, I own this vessel."

Poor Peter vs Infinite Iain

- Poor Peter never asserts creditor status. The bank files as trustee, assumes beneficiary role, and controls the trust. Peter is left rowing below deck, paying bills he already funded.
- Infinite Iain appoints a trustee that files as fiduciary listing banks as nominees, and reclaims credits. Iain becomes the grantor and beneficiary of his estate. Instead of paying, he directs via his fiduciary.

Same ship, different roles. One is enslaved. The other commands.



The Bigger Picture



This isn't about "cheating" the system. It's about restoring order to the trust. Banks have flipped the script for decades, using your credit while casting you as debtor. Reasserting creditor status restores the rightful balance.

Key Takeaways

1. **Fiduciary role is key.**
2. **Whoever files is creditor** — silence defaults you to debtor.
3. **Trust law governs everything** — you are grantor/beneficiary, not debtor.
4. **The remedy is lawful** — filing corrects the accounting, it does not evade it.

Closing Thought

Once you step into creditor status, the game changes. Instead of reacting to bills, lawsuits, and foreclosure notices, you stand as the one who funds it all. The bank's power dissolves because its entire position relied on you not knowing who you are.

In the next chapter, we'll zoom out to see the **bigger picture** — how academics, central banks, and the IRS have all admitted the truth in different ways, and how these admissions converge to prove your rightful role as creditor.





Using an International Grantor Trust

Why a Filing Entity Matters

When you step into the role of creditor, the next question arises: In what capacity do you file?

As an individual, you can assert your creditor role, but you are still exposed to the liabilities of the corporate debtor name tied to your Social Security Number. That's why we use trust structures — specifically, the an international grantor trust.

This trust operates as the filing entity for IRS forms, allowing you to act not as an individual debtor, but via a fiduciary of a private trust.

What Is an International Trust?

The IRS issues Employer Identification Numbers (EINs) in series. The International Trust is reserved for foreign entities – meaning non-U.S. trusts, corporations, or associations.

When you obtain an EIN for an international grantor trust:

- It is treated as a foreign trust for IRS purposes.
- It has no reporting requirements unless it derives U.S.-source income.
- It can act as the fiduciary filing entity for 1099s.

... This makes it ideal for recoupment filings, since the trust
... operates outside the corporate debtor framework of your
... individual Social Security account.

Why Use an International Grantor Trust?

1. Jurisdictional Shield

- The trust is organized under private international law, not domestic U.S. statutes.
- This places it outside the debtor role assigned to your corporate “strawman.”

2. Creditor Capacity

- As trustee, you file on behalf of the trust, not as debtor individual.
- The bank must be listed as nominee, and you reclaim OID credits for the trust.

3. Tax Positioning

- International grantor trusts are pass-through entities.
- They file informational returns but generally pay no tax themselves.
- Refunds from OID filings flow through to the fiduciary/beneficiary.

4. Separation of Roles

- Your living man/woman identity is not exposed.
- The trust stands as creditor entity, while your trustee acts as fiduciary.





Poor Peter vs Infinite Iain

1. **Poor Peter** files nothing. His corporate name is treated as debtor. Banks file nominee forms and keep all credits.
2. **Infinite Iain** establishes a 98-series international grantor trust. As trustee, he files IRS forms through the trust, lists banks as nominees, and reclaims OID credits. Refunds flow to the trust, where he directs them as fiduciary.

One man remains inside the debtor system. The other operates above it.

Trust Law Context

In trust law:

- The grantor creates the trust (in this case, you as the living man).
- The trustee administers it (in fiduciary role).
- The beneficiary receives the benefit (your estate).

By placing your filings through an International Grantor trust, you align the structure properly: the trustee as fiduciary, the trust as creditor entity, the bank relegated to nominee role.





Key Takeaways

1. An **International grantor trust** provides the ideal filing entity for creditor remedies.
2. It functions outside the debtor framework tied to your Social Security.
3. Refunds flow lawfully through the trust, not your corporate strawman.
4. Filing through a trust strengthens your position as creditor and shields your living identity.

Closing Thought

The bank's power relies not only on filing, but on filing in the name of your corporate debtor entity. By shifting filings to an International Grantor trust, you remove yourself from their jurisdiction and reclaim your rightful position as creditor — operating under private international law.



The Bigger Picture



A Puzzle of Hidden Pieces

When you first hear the idea that banks don't lend their own money, it sounds unbelievable. Surely someone, somewhere, would have exposed this long ago?

The truth is: they did.

Pieces of the puzzle have been scattered across government resolutions, academic studies, central bank publications, and IRS manuals. The only reason people don't see the full picture is because these pieces were never put together.

This chapter assembles them — and when you see them side by side, the illusion shatters.





Piece 1: HJR-192 — All Debts Are Prepaid

In 1933, the United States ended the gold standard and pledged the credit of the people as the new foundation of the financial system.

“...every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold ... is declared to be against public policy.” — HJR-192 (1933)

Translation: No creditor could lawfully demand payment in gold. Instead, debts were to be discharged in legal tender backed by your credit.

This was the first piece of the puzzle.

Piece 2: Modern Money Mechanics — Banks Create Money

The Federal Reserve Bank of Chicago published a manual called Modern Money Mechanics. It explained exactly how banks create money:

“Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to borrowers. In this way, banks began to create money.” — Federal Reserve

That means every so-called loan is simply a bookkeeping entry. The money didn't exist until you signed.



Piece 3: Bank of England — Loans Create Deposits

In 2014, the Bank of England confirmed what the Fed already admitted:

“Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.” — Bank of England

Forget the myth that banks lend out deposits. In reality, 97% of all money in circulation is created this way.

Piece 4: Werner’s Proof — Money from Nothing

Richard Werner didn’t just theorize — he tested it. In 2014, he conducted a live experiment, observing a bank issue a loan:

“In the process of making the loan available to the borrower, the bank did not transfer funds from other accounts. The bank created new money, credited to the borrower’s account.” — Richard Werner (2014)

This was empirical confirmation: loans are not transfers. They are creations.





Piece 5: IRS Publication 1212 — Nominees File for Owners

The IRS itself explains how brokers and middlemen act as nominees, filing on behalf of the true owners:

“Its primary purpose is to help brokers and other middlemen identify publicly offered original issue discount (OID) debt instruments they may hold as nominees for the true owners, so they can file Forms 1099-OID.” — IRS Pub. 1212

Banks use this very mechanism to capture the credits generated by your signature.

Piece 6: Jean Keating — The Nominee Fraud

Jean Keating tied it all together:

“The banks file the 1099s as nominees, and they don’t tell you. That’s how they’re taking your exemption and using it. If you don’t file, it gets reported as abandoned property under 1099-A.” — Jean Keating

This explains why banks appear as creditors in court: not because they actually funded the loan, but because they filed the paperwork.





The Picture Comes Together

- HJR-192: Debts are prepaid with your credit.
- Fed (Modern Money Mechanics): Banks create money by promises.
- BoE (2014): Loans create deposits — money out of nothing.
- Werner (2014): Empirical proof of creation, not transfer.
- IRS Pub. 1212: Middlemen file as nominees.
- Jean Keating: Banks file as nominees if you don't.

Together, these admissions expose the entire system: You are the creditor. The bank is the nominee.

Poor Peter vs Infinite Iain

At this point, the picture is clear:

- Poor Peter doesn't know the puzzle pieces exist. He thinks banks lend money, believes he's a debtor, and never files. His credit is stolen every day.
- Infinite Iain has assembled the pieces. He sees the whole picture. He files as creditor, reclaims his OLD credits, and uses refunds to discharge obligations.

One lives in illusion. The other in remedy.





Key Takeaways

1. Every major authority admits the truth in some form.
2. The system isn't hidden — it's fragmented across sources.
3. When you put the pieces together, the fraud is undeniable.
4. Remedy exists: **file as creditor, not debtor.**

Closing Thought

Once you see the bigger picture, you can never unsee it. The banks have been feeding off your credit while pretending to be lenders. The IRS has provided the pathway for remedy — but only for those who file.

In the next chapter, we'll draw the final conclusions — a call to action for those ready to step off the debtor treadmill and reclaim their power as creditor.



Conclusion — From Debtor to Creditor

The Journey

We've traveled through history, law, banking mechanics, tax codes, and trust structures. At every turn, the message has been the same:

- Banks do not lend.
- You are the true source of credit.
- By failing to act, you are cast as debtor.
- By filing as creditor, you reclaim what is rightfully yours.

This is not theory. It is documented in government resolutions, central bank admissions, academic research, IRS publications, and legal testimony. The system has always shown its hand — it just never expected you to put the pieces together.

The Illusion of Debt

The world runs on a lie: that you are a debtor, living off money that isn't yours. This illusion keeps millions enslaved — working decades to pay back what they themselves created.

But the evidence proves the opposite. You are not borrowing money from banks. They are borrowing your credit.

Every signature you've ever given — mortgage, loan, utility contract, credit card — was you funding the system. And yet, they convinced you to pay for it twice: once when you created it, and again when they billed you.

The Remedy

The remedy is not rebellion. It is not protest. It is paperwork.

- File to declare fiduciary authority.
- File **1099-OID** to correct nominee reporting.
- File **1041** to balance the books and claim your refunds.

By doing so, you step out of the debtor illusion and into the creditor role. The IRS recognizes whoever files. The courts recognize whoever holds the paperwork. This is the quiet doorway out of debt slavery.

Poor Peter vs Infinite Iain: The Final Contrast

Let's return to our two characters:

- **Poor Peter** believed the illusion. He thought banks lent him money. He worked 40 years, paying bills that were already prepaid. When he slipped, the bank foreclosed, filed abandonment forms, and took everything. He left this world empty-handed, having lived as debtor his entire life.
- **Infinite Iain** learned the truth. He saw that debts were prepaid under HJR-192, that banks create money from signatures, and that IRS forms provide the remedy. He filed as creditor, reclaimed OID credits, and discharged obligations. He built a life of freedom, operating as beneficiary instead of debtor.

Both men signed contracts. One stayed asleep. The other woke up.

The Call to Action

You stand at the same crossroads.

- Continue as debtor: working, paying, fearing, and losing.
- Or step up as creditor: filing, reclaiming, and living free.

No one can do it for you. The bank won't tell you. The courts won't volunteer it. Even accountants and lawyers are trained to keep the illusion intact.

But the remedy exists. It has always existed. And now, you know it.

A New Vision

Imagine a world where millions wake up to their creditor status. Mortgages discharged, debts recouped, credits reclaimed. A world where banks no longer parasitize the people's credit, but operate transparently as trustees.

This isn't fantasy. It's accounting. It's law. It's trust. And it begins with your decision to act.

Final Words

- You are not a debtor.
- You are the creditor.
- The banks have been nominees, living off your silence.
- The IRS has left the door open.
- Now is the time to step through it. File as creditor.
- Reclaim what is yours. And live not as a pawn in their game — but as the rightful source of credit in your own.



The Republic of Old Souls Church Ministry as Fiduciary Trustee

Why a Fiduciary Trustee Is Necessary

Filing as creditor reclaims what banks have been capturing. But to handle funds properly — lawfully, privately, and in alignment with higher principles — a fiduciary trustee must stand between the IRS and the individual member.

This fiduciary role ensures that recouped credits are received, managed, and distributed in a structured, compliant, and spiritually aligned way.

The Republic of Old Souls Church Ministry is appointed to act as that fiduciary trustee.

What Is a Church Ministry?

Under U.S. law, status is granted to ministries, churches, and faith-based associations:

- Self-declares — no IRS application or approval required.
- Is recognized as a “mandatory exception” from federal income taxation.
- Operates under private ecclesiastical law while maintaining lawful standing.
- May hold bank accounts, trusts, and fiduciary positions.

... This makes the church the perfect vehicle for receiving and administering recouped credit.

ROS as Fiduciary Trustee

By appointing the Republic of Old Souls Church Ministry as fiduciary trustee:

Funds Flow into the Church

Refunds and credits from 1099-OID, and 1041 filings are deposited directly into church-operated trust bank accounts.

Distribution Back to Envoys and Members

The church ministry manages disbursement, allocating funds to:

- Envoys (as auxiliaries of the church).
- Members (through their ministry trusts or auxiliaries).
- Programs (Infinite Money, Mortgage Redemption, Currency Creation, Mortgage Liberation).

Alignment with Spiritual Mission

The funds are not just financial instruments. They are treated as resources to advance the spiritual and practical mission of the Republic of Old Souls — providing relief, liberation, and empowerment to its members.

Operating as International Grants or Trusts Fiduciary

The ministry is positioned to act as **fiduciary for international grantor trusts and auxiliary ministries.**

This allows:

- **Centralized fiduciary oversight** — ROS Church Ministry acts as umbrella trustee.
- **Decentralized benefit** — Envoys and auxiliaries receive grants from the ministry.
- **Proper trust law alignment** — Grantor (member), Trustee (ROS Ministry), Beneficiary (member/auxiliary).

By standing as fiduciary, the ministry ensures that recouped funds flow lawfully and with accountability.



Why a Ministry Is Appropriate



1. Mandatory Exception from Tax

- A church ministry is recognized as automatically tax-exempt.
- No need for reporting, filings, or exposure.

2. Trust-Compatible Structure

- A church ministry naturally operates as a trust — with trustees, auxiliaries, and beneficiaries.
- It aligns perfectly with the fiduciary model needed to administer recouped funds.

3. Banking Capability

- The church ministry can operate domestic and international bank accounts.
- It can receive Fedwire and ACH payments, as well as grants and recoupment refunds.

4. Spiritual and Jurisdictional Shield

- The ministry provides a jurisdictional shield — operating outside the corporate system while maintaining lawful recognition.
- This protects both the process and the members.



Poor Peter vs Infinite Iain



1. **Poor Peter** has no fiduciary structure. If he ever manages to reclaim credits, he risks losing them to taxation, mismanagement, or court seizure. His filings appear as an individual debtor.
2. **Infinite Iain** operates under the Republic of Old Souls Church Ministry. His trust filings flow through the fiduciary trustee. Funds are deposited in church accounts, shielded, and redistributed for his benefit and the benefit of others.

One remains exposed. The other enjoys lawful, protected, and mission-aligned administration.

Key Takeaways

1. The Church Ministry is the ideal fiduciary trustee.
2. It provides lawful, tax-exempt, and spiritually aligned administration.
3. Funds are received into church trust bank accounts and distributed back to Envoys and members.
4. The fiduciary structure ensures integrity, protection, and proper jurisdiction.



Closing Thought



Banks exploit nominee filings to capture credit. The Republic of Old Souls responds by standing up as fiduciary trustee as a church ministry. This structure guarantees that recouped funds flow not to banks, but back to the people — through Envoys, ministries, and members — in alignment with a higher spiritual mission.



The Republic of Old Souls — Professional Filing & Recoupment Support



Taking the Complexity Off Your Shoulders

The Republic of Old Souls maintains an internal team of:

- Certified Electronic Return Originators (EROs) — authorized to file returns electronically with the IRS.
- Tax professionals and fiduciary services — trained in 1099-OID and trust filings.
- Trust creation specialists — able to set up International Grantor trusts and appointed trustee structure.

This team doesn't just provide templates. They actively:

- Establish the trust entity.
- Prepare and file all IRS forms.
- Monitor IRS transcripts for updates.
- Handle cover letters and fiduciary notices.

For members, the entire process is streamlined and professionally managed.



Supporting Every Protocol



The ROS filing department underpins each of the Republic's major programs:

- Infinite Money Program — recouping withheld credits to generate liquid funds for members.
- Mortgage Redemption Program — reclaiming OID credits tied to mortgages.
- Currency Creation Protocol (Standard & Advanced) — using grants between ministries and auxiliaries to create new money flows and recoup OID filings on large transactions.
- Mortgage Liberation Protocol — discharging mortgage obligations through creditor filings and trustee notices.

By handling the trust creation and filing, ROS makes these programs operational in the real world.



The Best Part: It's All Facilitated



Whereas a lone individual must research trust law, learn IRS forms, and risk costly mistakes, a member of the Republic of Old Souls benefits from:

- Professional trust setup.
- Certified IRS filing.
- Integrated recoupment programs.
- Direct support through Envoys.

This means you can focus on living as a creditor, not learning how to be your own tax department.

Key Takeaways

1. **ROS provides a professional ERO and tax-filing department** to handle everything.
2. **Members receive trust creation + full filing service** — not just advice.
3. **Every major program (Infinite Money, Mortgage Redemption, Currency Creation, Mortgage Liberation)** is backed by this infrastructure.
4. **Envoys are your personal facilitators** — making sure you're guided at every step.



Closing Thought



The Republic of Old Souls is more than an idea. It is a functioning infrastructure that allows living men and women to step out of the debtor system and into the creditor role — without drowning in paperwork.

Through its ERO department and Envoys, ROS brings the remedy out of theory and into reality for its members.



Appendix A: Key Historical and Legal Texts

A1. HJR-192 (June 5, 1933)

“...every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold ... is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred.”

Annotation:

This statute ended gold-backed contracts and replaced them with the credit of the people. All debts became prepaid, but the remedy was concealed.

A2. Executive Order 6102 (1933)

“...all persons are required to deliver ... gold coin, gold bullion, and gold certificates ... to the Federal Reserve Bank...”

Annotation:

The forced surrender of gold created the need for a new financial foundation: the credit of the American people.





Appendix B: Banking Admissions

B1. Federal Reserve Bank of Chicago — Modern Money Mechanics

“Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to borrowers. In this way, banks began to create money.”

Annotation:

The Fed itself admits banks create money out of nothing, based on your signature.

B2. Bank of England — Money in the Modern Economy (2014)

“Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.”

Annotation:

Confirms that loans don’t come from deposits — they are new money created at the moment of signing.

B3. Richard Werner — Empirical Study (2014)

“...the bank did not transfer funds from other accounts. The bank created new money, credited to the borrower’s account.”



Annotation:

The first live experiment proving that loans are pure money creation, not intermediation.

Appendix C: IRS Guidance

C1. IRS Publication 1212 (OID Instruments)

“...help brokers and other middlemen identify publicly offered original issue discount (OID) debt instruments they may hold as nominees for the true owners, so they can file Forms 1099-OID.”

Annotation:

This quietly confirms that OID credits belong to the true owner — but banks file as nominees if you don’t.

C2. Jean Keating (Legacy Transcript)

“The banks file the 1099s as nominees, and they don’t tell you. That’s how they’re taking your exemption and using it. If you don’t file, it gets reported as abandoned property under 1099-A.”

Annotation:

Keating reveals the trap: silence = abandonment = banks claim creditor role.