DISCHARGE THAT DEBT

Here is how to set up a treasury direct account https://iscanner.com/sharing/d02fbae4

Here is another debt collection document

https://drive.google.com/file/d/1CANNwRDbwow2ntzHHCRt10Hdmh7bck7G/view?usp=drivesdk

DISCHARGE THAT ST 2.0 — STUDY GUIDE**

Section 1 — Foundation & Understanding the Process

Understanding the Importance of Foundation

Having a foundation — understanding what you are doing and why — is always better than just doing something.

The process taught in this class focuses on understanding:

- Securities
- Equity
- Trust relationships
- Indenture trustees
- UCC provisions
- Consumer protection laws
- Arbitration
- Proper documentation

The class emphasizes that you must:

- Do your own due diligence
- Learn the terminology
- Understand the documents
- Know where to send paperwork
- Create a proper paper trail

Section 2 — Registered Security Concept

The class discusses the importance of understanding the term:

“Registered Security”

When communicating with corporations, the class teaches that you should use their terminology and understand the language involved.

The process discussed involves:

- Finding the proper documents
- Identifying the indenture trustee
- Sending documents to the proper party
- Following up through proper channels

The class states that the indenture trustee is the party responsible for handling securities according to the indenture agreement.

Section 3 — Understanding the Indenture Trustee

The class teaches:

- Do not send documents to the CEO or CFO.
- Send documents to the trustee identified in the indenture agreement.
- The indenture trustee is usually a bank.
- The trustee information can be found through SEC filings.

The process taught:

1. Go to SEC.gov.
2. Search for the company.
3. Review the company’s:
    - 8-K filings
    - 10-K annual reports
4. Locate the indenture agreement.
5. Find the trustee listed in the agreement.
6. Locate the section regarding discharge.

Examples mentioned:

- Capital One → Bank of New York Mellon
- Discover → U.S. Bank National Association

The class states that the trustee's name on the agreement is the person to address registered mail to.

Section 4 — UCC 3-603: Tender of Payment

The class references:

UCC 3-603 — Tender of Payment

Quoted in the class:

"If tender of payment of an obligation to pay an instrument is made to a person entitled to enforce the instrument and the tender is refused, there is discharge to the extent of the amount of the tender."

The class explains:

- If you send someone payment and they refuse it, there is discharge.
- You are acting in good faith.
- You are creating documentation of non-compliance.

The class teaches:

- You do not "pay" a debt.
- You discharge a debt.
- Federal Reserve notes are promises to pay.
- A debt cannot be paid with another debt.

Section 5 — UCC 3-604: Discharge by Cancellation or Renunciation

The class references:

UCC 3-604 — Discharge by Cancellation or Renunciation

The class states:

A person entitled to enforce an instrument may discharge the obligation by:

- Surrendering the instrument
- Destroying the instrument
- Canceling or striking out the party's signature
- Adding words indicating discharge

The class teaches:

If a company receives the payment instrument and does not process it properly, this creates evidence of non-compliance.

Section 6 — The Stamp Method

The class teaches that the stamp method comes from:

31 CFR 328.50 — Forms of Endorsement

The class states this is from:

Title 31 — Money and Finance
Fiscal Service
Restrictive Endorsements of U.S. Bearer Securities

Endorsement Placement Requirements

The class states:

The endorsement must be:

- Imprinted on the left-hand portion of the face of each security
- The first line must be parallel to the left edge
- Clearly legible
- Must not obscure the serial number

Dimensions given:

- Approximately 4½ inches wide
- Approximately 1½ inches tall

Stamp Language

The class explains:

The stamp language comes from their interpretation of the endorsement requirements.

The class states:

- The words “United States Treasury” should be used in place of “Federal Reserve Bank” when securities are presented to the Bureau of the Fiscal Service.
- No subsequent endorsement will be recognized if the form of endorsement is different from the form prescribed in 328.50.

Understanding the Statement

The class teaches that the statement has two parts:

Top Portion

The class identifies this as:

- The bond
- The section where the stamp is placed
- The stamp goes on the top-left portion

Bottom Portion

The class identifies this as:

- The coupon/dividend check
- A statement, not a bill
- The portion showing the amount of interest gained on the account

The class states:

- The bottom portion should not be removed.
- The top portion with the endorsement should be included.

Steps Taught for the Stamp Method

According to the class:

Step 1 — Stamp the Bond

- Place the stamp on the top portion.
- Place it on the left side.

Step 2 — Sign the Back

- Turn it over.
- Sign it with your beneficiary signature.

Step 3 — Add Stamps

The class teaches to:

- Look up “Stamp Duties 1863”
- Determine the amount of postage/stamps to affix based on the value of the security.

Step 4 — Send by Registered Mail

The class teaches:

- Send to the indenture trustee.
- Do not send to a P.O. Box.
- Find the proper address.

The reason given:

P.O. Boxes go through lockbox funding/scanning and may not be processed the same way.

Cover Letter

The class teaches including a one-page cover letter.

The letter should state:

“I’m sending my security, please process it for payment, here is the law…”

The class teaches:

- Keep the letter to one page.
- Follow up after one week if there is no response.

Why Send to the Trustee?

The class teaches:

- The trustee’s signature appears on the securities exchange documents.
- The trustee is responsible for ensuring securities are handled properly.
- The trustee is the party connected to the indenture agreement.

Registered Mail Instructions

The class teaches:

- Use registered mail.
- Use USPS Postal Form 3877.

The class states:

- Registered mail is used when sending a security.
- This invokes the Postmaster General.

The class also references:

- 2-cent stamps
- 5-cent stamps
- 10-cent stamps
- $5 stamps

and states they must come from the safe.

The phrase taught to use if questioned:

“I am sending a security.”

Additional Notes on the Stamp Method

The class discusses:

Reading the Bill Carefully

The class states:

- The bill itself provides instructions for where to send certain documents.
- American Express statements contain an address for “other instruments.”

Capital One

The class states:

- Capital One will close the account if you use the stamp or send an affidavit.
- The class teaches taking Capital One directly to arbitration instead.

American Express and Apple Card

The class discusses:

- American Express
- Apple Card
- Goldman Sachs as indenture trustee

The class states that some people have used the stamp method with these accounts.

Section 7 — Billing Error Method

The class references:

15 U.S.C. 1666 — Fair Credit Billing Act

The class teaches that a billing error method is based on a dispute regarding the contents of a periodic statement.

Definition of Billing Error

The class states:

A billing error is:

- A reflection on a periodic statement of an extension of credit not made to the consumer
- Or an extension of credit not made by someone with actual authority to use the credit

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Sending the Billing Error Notice

The class teaches:

Send the notice to:

- The address listed on the back of the bill
- Not the CEO
- Not the CFO

The class states:

The bill itself tells you where to send a billing error notice.

Information to Include

The class teaches including:

1. Your name
2. Your account number
3. A statement that you believe the statement contains a billing error
4. The reasons you believe there is an error

The class references:

Certificate of Indebtedness

The class states the reason for the billing error is:

The company did not credit the account for the dividend payment made off of the treasury coupon (referenced in the class under the Electronic Funds Transfer Act).

Response Timeline

The class references these timelines:

Within 30 Days

The creditor must:

- Send a written acknowledgment

Within 60 Days (no later than 90 days)

The creditor must:

- Make appropriate corrections

OR

- Send a written explanation

During the Billing Error Dispute

The class references:

12 CFR 1026.13(d)

The class states:

While the dispute is active, the creditor:

- Cannot collect the disputed amount
- Cannot report the disputed amount to credit
- Cannot take adverse action
- Cannot close the account

The class quotes:

“The consumer need not pay, and the creditor may not try to collect, any portion of any required payment that the consumer believes is related to the disputed amount, including related finance charges.”

Key Phrase Taught

The class teaches using the phrase:

“The company did not credit my account via the Electronic Funds Transfer Act of the interest on my treasury coupon.”

Past, Current, and Future Bills

The class teaches including language stating the dispute applies to:

“Past, current, and future bills under this contract”

The purpose taught:

To avoid disputing only one month at a time.

Written Communication

The class emphasizes:

- Everything should be done in writing.
- Calls are not the same as written documentation.
- Corporations communicate through paper records.

The class references Discover and states:

Their statement says:

“You may call us, but if you do, we are not required to investigate any potential errors.”

Section 8 — 15 U.S.C. 1666b — Timing of Payments

The class references:

15 U.S.C. 1666b

The class teaches:

A creditor may not treat a credit card payment as late unless the creditor has adopted reasonable procedures to ensure each periodic statement is mailed or delivered at least:

21 days before the due date

Late Payments as Billing Errors

The class teaches:

Late payments listed on credit card accounts may constitute a billing error.

Treatment of Credit Balances

The class references credit balances over $1.

The class teaches the creditor must:

1. Credit the amount to the account
2. Refund the amount upon request
3. Make a good faith effort to refund any remaining balance after six months

Section 9 — 1099-A and 1099-C Method

The class discusses the use of:

- **1099-A**
- **1099-C**

The class states the following update from the previous class:

1099-A Method

The class teaches that the 1099-A can now be used for debts under three years old.

Examples given:

- Light bills
- Gas bills
- Water bills
- Car loans
- Credit cards

The class describes these as current debts.

1099-C Method

The class teaches that the 1099-C is for debts:

- Over three years old
- That have not had a collection attempt in over one year

Example given:

- Accounts already in collections on a credit report

What NOT To Do

The class specifically states:

Do not:

- Print out a form and walk into a dealership trying to use it as payment.
- Put “111 Constitutional Drive, the Treasury” as the lender.

The class states:

That is not your money to authorize and could result in an investigation for fraud.

Contacting Treasury or Federal Reserve

The class teaches:

Do not contact:

- The Federal Reserve
- The Treasury

about securities.

The class references TreasuryDirect.gov and states:

If you have issues with securities, contact your bank or financial institution.

Filling Out the 1099-A

The class teaches using:

1099online.com

Lender Information (You)

The class teaches:

You are the lender.

The class states:

Not the Treasury.

The class explains:

Social Security is a trust and only trusts can deal with trusts.

Lender Box Instructions

First Name Box

Enter:

- First name
- Slash
- Middle name
- Colon

Example format:

First Name/Middle Name:

The class teaches:

Skip the middle name box.

Last Name Box

Enter:

Your last name followed by:

BENEFICIARY

Example format:

LAST NAME BENEFICIARY

The class states:

BENEFICIARY should be in all capital letters.

Lender TIN

Use:

- Your Social Security number

Borrower Information (Company)

The class teaches:

Enter:

- Company name from the 8-K or 10-K filing
- Company EIN/TIN
- Principal business address from SEC filings

The class teaches:

- Perform a TIN match.
- Verify the EIN is current.

Filing Year

The class gives this example:

If filing in 2023:

- Report tax year 2022

1099-A Box Instructions

Box 1

Date of lender’s acquisition or knowledge of abandonment

The class teaches using:

- The date you opened the account
- The date you signed the contract

Box 2

Balance of outstanding principal

The class teaches entering:

- The monthly balance

Example given:

$15.99 for Netflix

Box 3

Leave blank.

Box 4

Fair market value of the property

The class teaches:

Use:

- Full annual value

Example:

$\$15.99 \times 12 = \$191.88$

OR

- Full loan amount

Box 5

Check:

“Borrower was personally liable for repayment of the debt”

The class states:

Yes, because the company is responsible for discharging it.

Box 6

Description of property:

Examples:

- Auto loan
- Credit card
- Real property

Include:

- Account number

After IRS Acceptance

The class teaches:

After acceptance:

1. Print Copy B for the borrower.
2. Send a copy to the indenture trustee.
3. Include a cover letter.

The class gives this wording:

“I have filed this form. I know it is your responsibility to discharge this debt. Here is evidence of IRS acceptance. Date: ___”

Cost Mentioned

The class estimates:

Approximately $3 per filing:

- Around $1 for mailing

- A few cents for TIN match

Important Note From the Class

The class states:

Continue paying bills until the remedy goes through.

The class teaches:

- This is not an overnight process.
- If you stop paying and the company repossesses property or disconnects services, that is on you.
- Set up a payment plan if past due while working through the process.

Section 10 — UCC Framework, Notice of Default, Opportunity to Cure, and Arbitration Process

The class teaches that:

UCC 3-603 and UCC 3-604 are the foundation.

The class describes the process as:

1. Tender a payment/instrument
2. If refused, there is discharge
3. Create documentation of non-compliance

The class teaches that the goal is to build a paper trail.

Progression Taught by the Class

The class outlines the following sequence:

Step 1 — Send the Instrument

The class teaches:

- Send the instrument using the process discussed in the stamp method.
- Properly document the mailing.

Step 2 — Notice of Default

If the instrument is not processed:

The class teaches sending a:

Notice of Default

The class states this informs them:

- They have not processed the payment.
- They have an opportunity to address the issue.

Step 3 — Opportunity to Cure

The class teaches:

Provide another opportunity for the issue to be corrected.

The purpose described:

- Give them a second chance to cure the issue.
- Continue documenting the process.

Step 4 — Arbitration

The class teaches:

After three rounds of non-response:

Move to arbitration.

Arbitration Process

The class states:

Every contract has an arbitration clause.

The class teaches:

- Arbitration is the venue for remedy.
- Companies are responsible for filing fees according to their own arbitration clauses.

The class mentions:

- Up to $5,000 filing fee.

Status During Arbitration

The class teaches:

Once arbitration is filed:

- “Do not pay”
- “Do not collect”

status begins immediately.

Remedy Discussed

The class states:

You are entitled to:

- Two times the value of the contract

The class states:

This is not just a clear title.

Statute of Limitations

The class teaches:

- Securities fraud has no time limit.
- Arbitration outlives the statute of limitations.

Debt Collector Lawsuits

The class discusses situations where someone is being sued by a debt collector.

The class teaches filing:

Motion for Removal Due to Mandatory Arbitration Clause

The class states:

- They cannot take you to state court after that.
- They must take the matter to arbitration.
- The class states that you can bring them to arbitration.

Section 11 — Finding the Indenture Trustee Through SEC Filings

The class teaches using:

[SEC.gov](SEC.gov) (EDGAR search)

Steps to Find the Trustee

Step 1

Go to:

[SEC.gov](SEC.gov)

Step 2

Search:

The company name.

Step 3

Review:

- 8-K filings
- 10-K annual reports

Step 4

Locate:

Indenture Agreement

The class states:

Scroll to the bottom of filings and look for clickable links to the indenture agreement.

Step 5

Find the Trustee

The indenture agreement names:

- The trustee
- The party responsible for the trust agreement

Section 6 — Discharge

The class teaches:

In the indenture agreement:

Find:

Section 6 — Discharge

The class instructs:

- Highlight this section.
- Review the discharge language.

Additional Research Sources Mentioned

The class references:

- Last10k.com
- S&P Global

for:

- Trust flow charts
- Additional company information

Credit Unions

The class teaches:

Credit unions may appear under another company name in SEC filings.

Example given:

Navy Federal → Navy Federal Financial Services LLC

Delaware Chancery Court

The class discusses:

Many companies are registered in Delaware.

The class states:

Delaware Chancery Court is:

- An equity court
- A venue where federal laws can be used alongside securities fraud claims

Section 12 — Closing Summary and Research References

The class summarizes the methods taught:

The Five Methods Discussed

1. The Stamp Method

The class describes this as:

- The ultimate method
- Based on the rules discussed from 31 CFR 328.50

The class teaches:

- Proper endorsement
- Proper mailing
- Sending to the indenture trustee

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2. Billing Error Method

Referenced:

15 U.S.C. 1666 — Fair Credit Billing Act

The class teaches:

- Use written billing error notices.
- Send them to the address provided on the bill.
- Create documentation.

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3. 1099-A and 1099-C Method

The class teaches:

- Use the applicable IRS forms according to the situations discussed.
- File the forms.
- Send documentation to the indenture trustee.

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4. Notice of Default / Opportunity to Cure

The class teaches:

- Build a paper trail.
- Give notice.
- Provide an opportunity to cure.
- Document responses or lack of response.

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5. Arbitration

The class describes arbitration as:

- The final venue for remedy.
- The place where disputes are handled under the contract's arbitration clause.

Research References Mentioned

The class teaches researching:

Trust Indenture Act of 1939

The class instructs:

- Read the Trust Indenture Act.
- Pull the security agreement.
- Review Section 6 of the security agreement.
- Highlight discharge-related sections.
- Send documentation.

Electronic Funds Transfer Act

Referenced:

15 U.S.C. 1693

The class teaches reviewing:

- Electronic Fund Transfer Act provisions
- Consumer credit laws

Consumer Credit Protection References

The class mentions:

Chapter 41 of Title 15

Including:

- Truth in Lending
- Restrictions on Garnishment
- Credit Reporting
- Equal Credit Opportunity
- Debt Collection Practices
- Electronic Fund Transfer

IRS FOIA Request

The class teaches requesting:

A FOIA from the IRS in Atlanta.

The class states:

Request:

- All 1099s filed on your account
- From age 18 to present

The class states:

The IRS will send the information on a CD.

The class teaches:

This shows what has been written off in your name.

Final Closing Message From the Class

The class closes with the message:

The level of remedy received reflects:

- The level of study
- The amount of time invested
- Understanding the process

The class states:

If one person in the class can get remedy, everyone can.

“We want to see everybody win.”