

**The**  
**“INTERESTIN”g**  
**Compilation**

# OR Interest In

## From a Mortgage Backed Security

Depositor is generally engaged in the business of serving as depositor of one or more trusts that may authorize, issue, sell and deliver bonds or other evidences of indebtedness or certificates of interest that are secured by a pledge or other assignment of, **or represent an interest in, mortgage loans and other mortgage assets.** The Depositor is also generally engaged in the business of acquiring, owning, holding, transferring, assigning, pledging and otherwise dealing with mortgage assets.

## From a Security Instrument (Deed of Trust)

### **20. Sale of Note; Change of Loan Servicer; Notice of Grievance.**

The Note **or a partial interest in the Note (together with this Security Instrument)** can be sold one or more times without prior notice to Borrower.

**Interest in** is nothing but a Transferable Record whereas UCC 9 applies but Local Laws of Jurisdiction do not apply to Transferable Records, 15 USC 7003...

## **MERS to the nth**

Carpenter v. Longan - 83 U.S. 271, if in Texas, West v. First Baptist Church of Taft, 71 S.W. 2d 1090, 1098 (Tex. 1934), the Mortgage follows the Note. Under following theses established legal opinions, a Homeowners Mortgage securing a Homeowners Note cannot follow a “interest in” (Intangible Payment Stream, henceforth IPS) Note by relying upon Uniform Commercial Code Article 9 into various trusts as many secondary market investments vehicles would like us to believe.

To allow the securitization fraud to work in the electronic world using a paper Homeowners Note, to securitize the IPS, the payment stream derived from a Homeowners Note, required the IPS to be bifurcated from the Homeowners Note. To provide further illusion of lawfulness, Uniform Commercial Code Article 9 was argued to state an electronic copy of Security Instrument claiming to secure the Homeowners Note would follow as security for the IPS. The security to the IPS is the promise of a payment stream derived from the Homeowners Note. Perfection and assigning perfection of the Security Instrument securing a Homeowners Note is under governance of local laws of jurisdiction as such affects an interest in Real Property which requires recordation in public records, whereas assigning security rights to the IPS where such is not involve real property would be under UCC Article 9.

Investment vehicles commonly note in their prospectus, private place memorandums, .i.e., the security for the IPS is a promise to the payment stream derived from a Homeowners Note. The IPS and the UCC Article 9 allow for the IPS to be further bifurcated into different

payment streams, i.e. “Interest Only” and “Principal Only”. Here at this point of bifurcating Interest and Principal into splits makes it possible to apply Credit Default Swap(s) to provide for hedging loss. Wherefore, the creation of the splits is not in conformance to law, applying Credit Default Swaps would not be allowable? This creates a misunderstanding of application of law as the investment vehicles commonly requires an underlying action, negotiating a Secured Homeowners Note with all necessary chain of Indorsements and a perfected chain of assigned rights to the Homeowners Security Instrument into the investment trust by a specific closing date. Investment vehicles commonly note that compliance with state laws is not applicable when the Homeowners Loan package has been register on the MERS system. What few realize, MERS only tracks the buying and selling of the IPS, at best, the MERS Registry might be able to identify a custodian that may hold the Homeowners Note indorsed “in blank” whereas physical delivery has not occurred to subsequent purchaser of the IPS.

This provides the illusion that the trust has a perfected interest in the Homeowners Security Instrument which was to have secured the Homeowners Note.

Securitization utilizing the MERS Registry and applying UCC Article 9 for assigning security interest of the IPS to apply to the Homeowner Security Instrument circumnavigated states recordation laws and willful failure to file of public record and as such public records contain no identity as to what Secured Party has rights to the Security Instrument beyond the originating party of record. Where some state

have a finite time frame for filing of assigning rights, filing of an assignment beyond such date is a legal impossibility and if not timely filed in some states the filing of an instrument beyond a required timeframe instrument could be construed as a criminal offense. Additionally, the filing of these untimely instrument could be prima facie proof that the terms and conditions of the investment trusts were not complied with, this writer shall leave it up to the investment trust attorneys to determine if securities laws have been violated.

Whereas when the Note travels a path lacking true sale “special indorsement” negotiation by indorsement “in blank” has a fatal flaw that violates UCC Article 3 which UCC Article 9 cannot overcome. The assigning of the rights to the Homeowners Security Instrument was not timely conveyed. Additionally, MERS may be an agent to a party of the IPS but MERS losses agency relationship to the unidentified “missing” intervening Indorsers and Indorsee of the Homeowners Note and the missing intervening assignments of the Homeowners Security Instrument.

The Homeowners Security Instrument for the fraud to work would require the Homeowners Security Instrument [not the IPS Security Interest securing] to not follow the Note but follow an Interest in the Homeowners Note, the bifurcation of the Intangible Payment Stream from the Note lacks supporting law for the Homeowners Security Instrument to be secured to the Intangible Payment Stream.

The banks allege the Homeowners Security Instrument follows the Intangible Payment Stream and as-such is that of a party entitled to enforce the Homeowners Note and the Homeowners Security

Instrument. In many cases the Homeowners Note resides (hopefully not destroyed for such destruction might be a discharge of the obligation) endorsed “in blank” with a holder and non owner, Original Payee. Under UCC Article 3, a subsequent Indorsee is entitled to obtain the indorsement from the Indorser to complete the negotiation for a special indorsement. Where there has been multiple conveyances of the Note indorsed “in blank”, each Indorsee in turn would need to realize the indorsement from each predecessor Indorser to obtain a chain of indorsement to allow the final subsequent holder and owner of the Note to claim entitlement rights to a Secured Note along with proof of a chain of timely assignments of the Security Instrument. Chain of title does not work with a “bearer” instrument. A bearer instrument would give rights to enforce a Note but a bearer instrument does not convey the real property security underlying. Personal Property, another story.

The Uniform Commercial Code Article 9 and real property laws of local jurisdiction of many states have no legal method available for proving up a lost chain of entitled rights to the Security Instrument. Whereas there is no method to repair a broken timely filed chain of title to the Homeowners Security Instrument, the final Indorsee of a proved up Note has only rights to the Note and under bankruptcy law is considered an “Unsecured Creditor”. As to the Security Instrument where it claims that the Security Instrument is to follow the IPS has the potential of being the bridge for fraud, one would need to follow the path of the Security Instrument to determine the level of fraud.

It's not a House of Cards; It's an Upside Down House of Cards.

Explains the reason for 15 USC § 7003

For many states, the Mortgage is nothing but a lien that provides security for the Note. Bankruptcy Rule 3001(d) requires that in filing the Proof of Claim as a Secured Creditor of a Note, proof of such Secured Status must also be entered into the court record. In many bankruptcy cases, the alleged creditor files the Original Security Instrument, similar to the one previously noted, and notice of this Security Instrument being assigned to the filer of the Proof of Claim. Could one consider the assignment of a Security Instrument that contains a fraudulent act to be an assignment of the fraudulent act?

TITLE 11 App. > FEDERAL > PART III > Rule 3001<sup>1</sup>  
Rule 3001. Proof of Claim

*(d) Evidence of Perfection of Security Interest. If a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected.*

**As the underlying collateral for the IPS (trust) is the Homeowners Note and where a trust declares a default, is it a default of the IPS or the underlying Homeowners Note?**

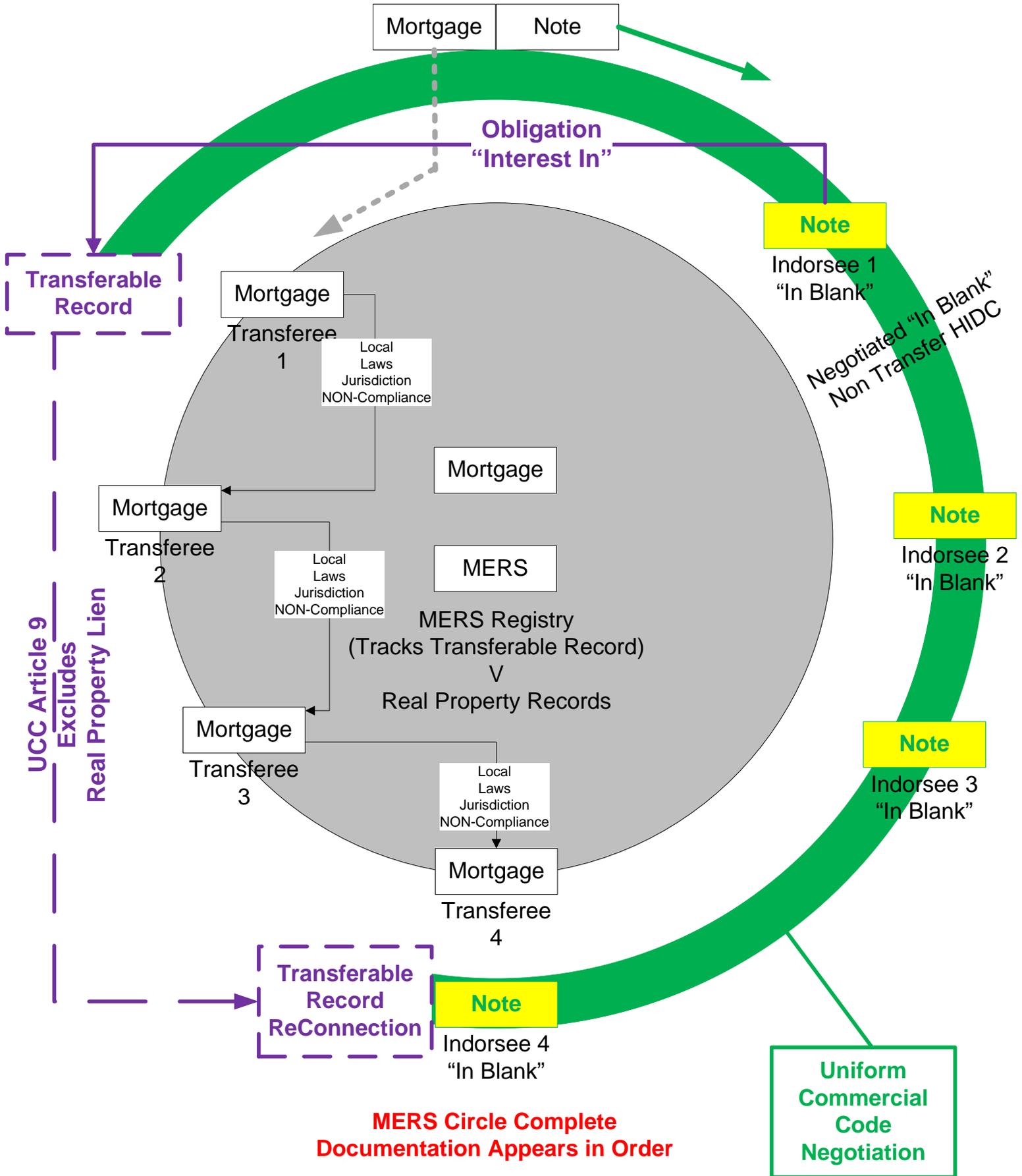
**Which Obligor (borrower) Defaulted?**

**Obligor to the trust “or” Obligor of the Homeowners Note**

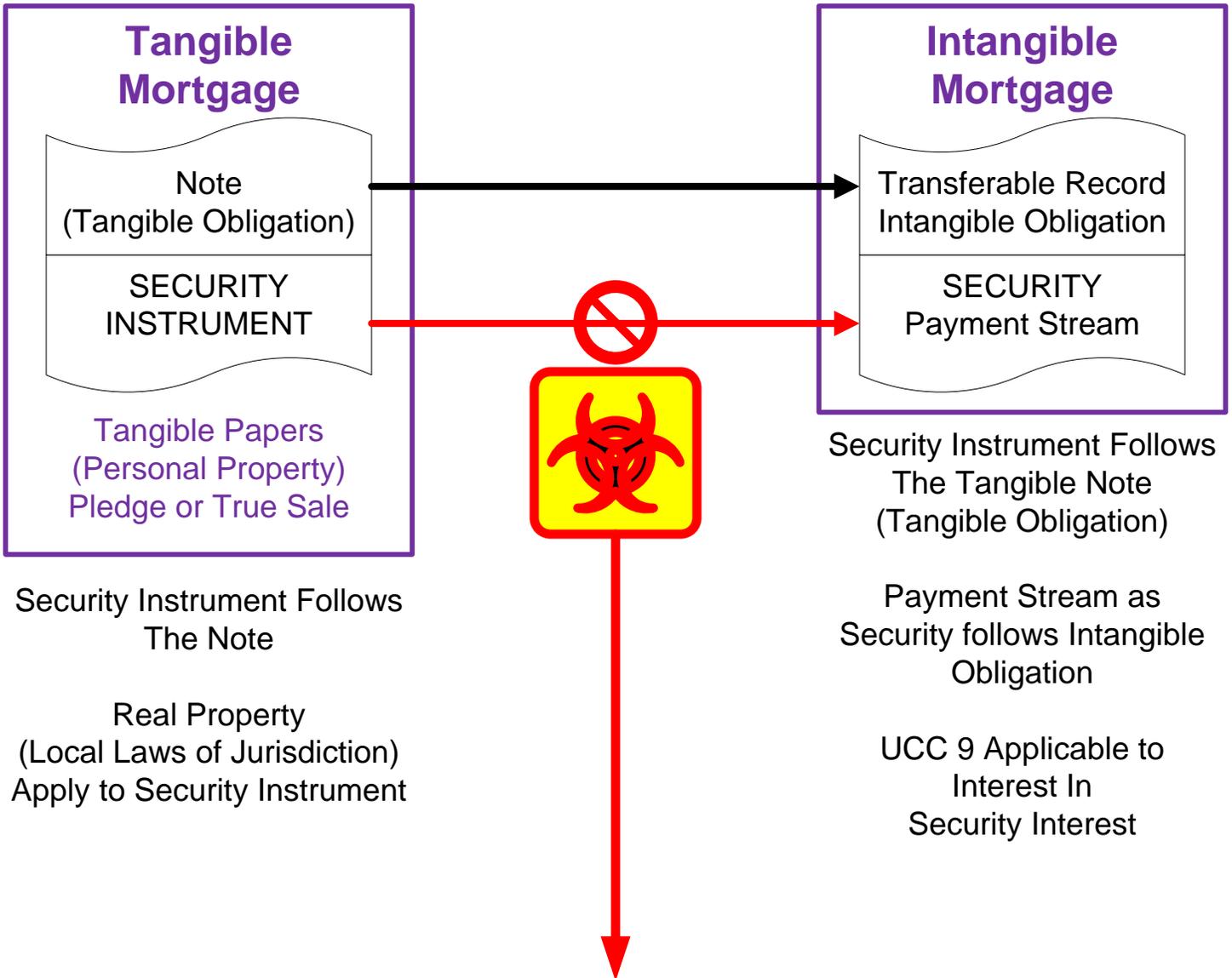
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<sup>1</sup> [http://www.law.cornell.edu/uscode/html/uscode11a/usc\\_sec\\_11a\\_00003001----000-.html](http://www.law.cornell.edu/uscode/html/uscode11a/usc_sec_11a_00003001----000-.html)

# The MERS Circle



# Intangible Obligation Security Instrument



In Example: Covenant #20 of a Uniform Security Instrument  
The Note (legal) or a partial interest in the Note (legal) along with this Security Instrument...(Not Legal) can be sold...

The Security Instrument follows the Tangible Note Obligation  
The Security Instrument cannot be bifurcated from the Tangible Note Obligation  
Security Instrument attempts to assign the Security Instrument to a Intangible Obligation where such Intangible Obligation's security is limited to the Payment Stream

## **Fannie Mae Form 3036<sup>1</sup>**

*20. Sale of Note; Change of Loan Servicer; Notice of Grievance.*

*The Note **OR** a partial interest in the Note **(together with this Security Instrument)** can be sold one or more times without prior notice to Borrower.*

Carpenter v. Longan - 83 U.S. 271, if in Texas, West v. First Baptist Church of Taft, 71 S.W. 2d 1090, 1098 (Tex. 1934), the Mortgage follows the Note. Under established legal opinion, a Mortgage cannot follow a partial interest in the Note by relying upon Uniform Commercial Code Article 9 into various trusts as the Fannie Mae Security Instruments would like us to believe.

Above with, *just love creating new words, about as much fun as banks finding ways to violate law*, in item #20, a common person can clearly see willful intent to deceive and was the precursor to allow investor to be defrauded. Contract Fraud? For you investors who want to sue the GSE's, the GSE's on Security Instruments provides you with the method and means to prove a fraudulent act and most all these Security Instruments can be found filed of record in nearly every county in the United States. Can you assign a criminal act?

For many states, the Mortgage is nothing but a lien that provides security for the Note. Bankruptcy Rule 3001(d) requires that in filing the Proof of Claim as a Secured Creditor of a Note, proof of such Secured Status must also be entered into the court record. In many bankruptcy cases, the alleged creditor files the Original Security Instrument, similar to the one previously noted, and notice of this Security Instrument being assigned to the filer of the Proof of Claim. Could one consider the assignment of a Security Instrument that contains a fraudulent act to be an assignment of the fraudulent act?

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<sup>1</sup> <https://www.efanniemae.com/sf/formdocs/documents/secinstruments/>

TITLE 11 App. > FEDERAL > PART III > Rule 3001<sup>2</sup>

Rule 3001. Proof of Claim

*(d) Evidence of Perfection of Security Interest. If a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected.*

To allow the securitization fraud to work in the electronic world using an Obligor's Note's, the partial interest in the Note (Intangible Payment Stream, henceforth IPS) had to be bifurcated from the Tangible Note. Additionally, to provide illusion of lawfulness, Uniform Commercial Code Article 9 was employed to state the security follows the IPS. Here lies confusion, the security to the IPS is the promise of a payment stream. As many of the GSE's securitized trust claim in their prospectus, the security is a promise of payment. To further muddy the understanding, many of the trusts require an unrelated underlying action, negotiating the Obligor's Note to the trust and to assign a perfected Security Instrument to the trust. This provides the illusion that the trust has a perfected interest in the Obligor's Note and the fraudulent Security Instrument. Where securitization relied upon UCC Article 9 for assigning security interest of the IPS allowed circumnavigation of states recordation laws for public records to identify a Secured Party of Record to the Security Instrument. Whereas the Note travels by different path lacking true sale negotiation by indorsement "in blank" has a fatal flaw as the UCC Article 9 would not be able to overcome if even applicable, the loss of agency relationship to the intervening Indorsers and Indorsee as related to the security interest or Security Instrument.

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<sup>2</sup> [http://www.law.cornell.edu/uscode/html/uscode11a/usc\\_sec\\_11a\\_00003001----000-.html](http://www.law.cornell.edu/uscode/html/uscode11a/usc_sec_11a_00003001----000-.html)

The Security Instrument for the fraud to work would require the Security Instrument [not the Security Interest] to not follow the Note but follow an Interest in the Note, the bifurcation of the Intangible Payment Stream from the Note lacks supporting law for the Security Instrument to be secured to the Intangible Payment Stream.

The banks allege the Security Instrument follows the Intangible Payment Stream and as-such is that of a party entitled to enforce the Note. In many cases the Note resides endorsed “in blank” with a holder and non owner, Original Payee. Under UCC Article 3, a subsequent Indorsee is entitled to obtain the indorsement from the Indorser to complete the Indorsement. Where there has been multiple conveyances of the Note indorsed “in blank”, each Indorsee in turn would need to realize the indorsement from each predecessor Indorser to obtain a chain of indorsement to allow the final subsequent holder and owner of the Note claim entitlement rights to the Note. The Uniform Commercial Code Article 9 and real property laws of local jurisdiction of many states have no legal method available for proving up a lost chain of entitled rights to the Security Instrument. Whereas there is no method to repair a broken chain of title to the Security Instrument, the final Indorsee of a proved up Note has only rights to the Note and under bankruptcy law is an “Unsecured Creditor”. As the Security Instrument has the potential of being the bridge for fraud, one would need to follow the path of the Security Instrument to determine the level of fraud.

It’s not a House of Cards; It’s an Upside Down House of Cards.

Explains the reason for 15 USC § 7003

## Front Middle Back UCC 3 Note

Most write about the entitled rights to a UCC 3 Note in the middle and forget the front end and back end and was the (Real Property Note) secured in accordance to laws of local jurisdiction at conception if fraud was involved. UCC 9 applies to an intangible transferable record (interest in [payment stream] the Real Property Note) and the security securing it is the right to the receive payments made under the Real Property Note; perfection of the Real Property Security Instrument to the Real Property Note and assigning perfection (local laws of jurisdiction) and perfection to the right of the payment stream and assigning perfection rights (UCC 9) are not one in the same.

For the upstream side of the Note to be secured, if one looks at the current Fannie/Freddie website:

<https://www.efanniemae.com/sf/formsdocs/documents/secinstruments/>

and retrieve the currently used, as well as in the past, the Uniform Security Instrument that was to make the Real Property Note Secured has a potential serious legal flaw. Covenant #20 of the Uniform Security Instrument notices the Real Property “Note” could be sold **“OR”** an “Interest in” the Note [payment stream] along with the Real Property Security Instrument that was to be the security for the Real Property Note, hence this claims that the Real Property Security Instrument follows the Intangible [payment stream]. One needs to apply contract law as it appears that when one writes a contract which contains

inducement to commit fraud, such contract is null and void. {Verify with each state laws} If such Uniform Security Instrument contract is a nullity at conception, would that not render the Real Property Note as being an Unsecured Real Property Note? Were it to be the Real Property Security Instrument is judicially determined to be fraudulent, and as to additionally follow *Carpenter v Longan*, no Real Property Security Instrument followed the “Interest in” [payment stream]. Is it a crime to introduce fraud into the Securities Market? YES.

For the downstream side, wording in many of the Mortgage Backed Securities is assigned an “interest in [payment stream]” derived from the entitlement to the cash flow from the Real Property Note, which is the payment intangible stream. Further reading into a Mortgage Backed Securities formation documents usually under the section titled, “Conveyance of the Mortgage Loan, per se”, require that a Secured Note being a true sale to the Mortgage Backed Security that evidences a transfer of all perfected rights. How could one transfer an interest that has already been transferred? Real Property Security Instrument, could this be considered a fraudulent intentional statement to conceal the Covenant #20 fraud?

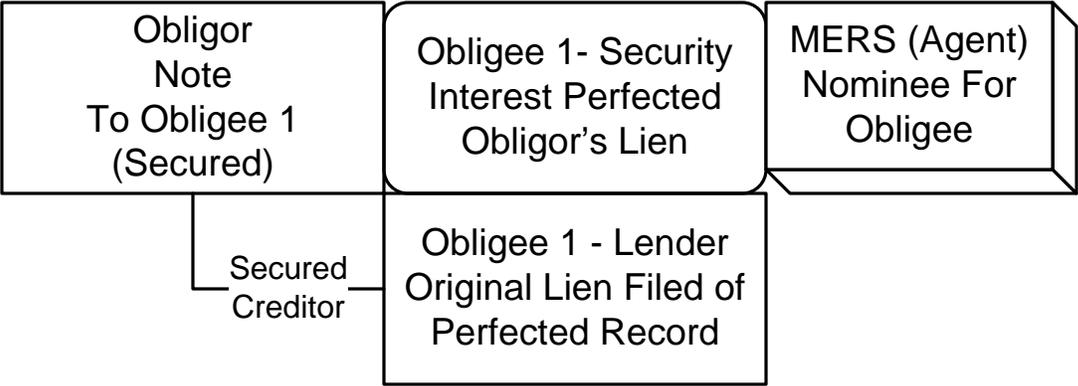
Considering many Real Property Note(s) are indorsed “in blank” and warehoused by the originator or possibly by the warehouse lender or a custodian, bankers should hope hopefully not destroyed, where such custodian of the Real Property Note is in accordance to Fannie/Freddie Custodial guidelines:

<https://www.efanniemae.com/is/doccustodians/pdf/dcreqdoc.pdf>

reveals that MERS did not track the True Sale of a Secured Real Property Note but tracked the selling of the Intangible Interest [payment stream] derived from the Real Property Note. Whereas a Real Property UCC Article 3 Note cannot be bifurcated into an Interest Only Note and a Principal only Note, the interest in the Note [payment stream] could have been bifurcated into multiple components if a lawful premise existed. Each component then could be offered up into the securities market and provide additional contracts for servicing.

Why have a single source of servicing fees when you can slice and dice the Intangible Payment Stream to create multiple investment vehicles for which a servicing fee could be charged. Here, the Mortgage Backed Securities formation documents concealed the illegal act committed in the original Security Instrument and as such hid fraud from the investors.

# Security Interest in a Security Instrument



Perfection Security Interest  
Transferable Record  
UCC Article 9

Creditor Status  
Negotiation of Obligor Note  
UCC Article 3

Secured Creditor Status  
Assignment of Perfected Security Instrument (Lien)  
Local Laws of Jurisdiction

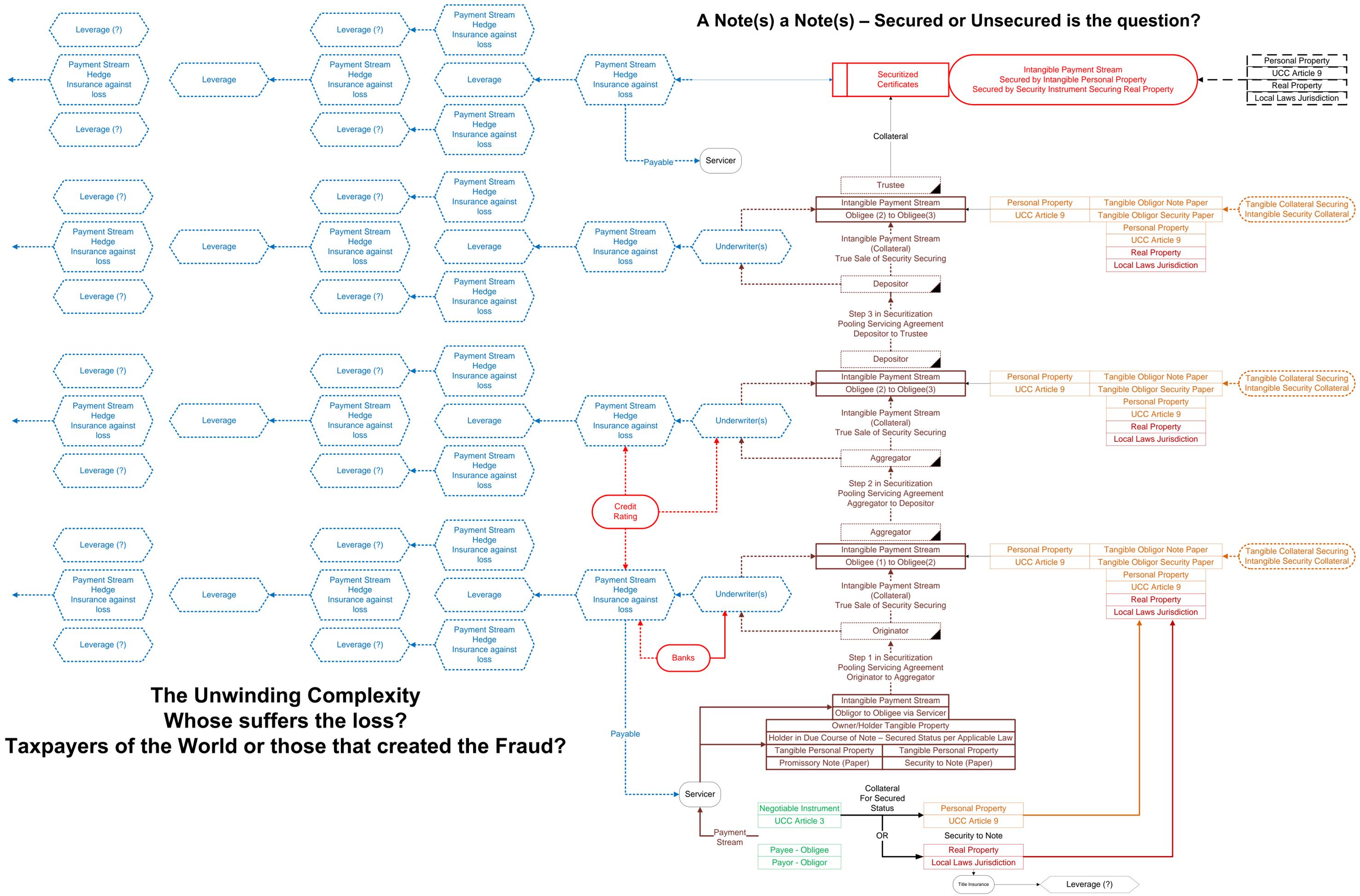
“Argued”

“In Blank”  
Loss of  
Lien Perfection

“Avoided”

“Overlooked”

# A Note(s) a Note(s) – Secured or Unsecured is the question?



**The Unwinding Complexity  
Whose suffers the loss?**

**Taxpayers of the World or those that created the Fraud?**

# Bifurcation

How do you split a Security Instrument from the Note?

YOU CAN'T

Bankruptcy Courts, Federal and State District Court's have opined similar and correctly to the opinion found in *Carpenter v. Longan*, 16 Wall. 271, 21 L.Ed. 313, 83 U.S. 271 (1872).

*“The note and mortgage are inseparable; the former as essential, the latter as an incident. An assignment of the note carries the mortgage with it, while an assignment of the latter alone is a nullity.”*

*“All the authorities agree that the debt is the principal thing and the mortgage an accessory. Equity puts the principal and accessory upon a footing of equality, and gives to the assignee of the evidence of the debt the same rights in regard to both. There is no departure from any principle of law or equity in reaching this conclusion.”*

Very clear to see by current case law of many courts the Security Instrument (Mortgage as applies to real property) and the Note cannot be bifurcated. As where many argue before the courts that the Note and Security were separated is an incorrect argument. Where many of modern day Security Instruments create a full value Intangible Obligation from the Tangible Obligation (Electronic Transferable Record, UCC 9), thus rendering the value of the Tangible Obligation to zero value. Additionally, without supporting law and in opposite of case law many of the modern day Security Instrument's provide verbiage that the Security Instrument is to follow the “or interest in the Note.” As noted above, this is a legal impossibility.

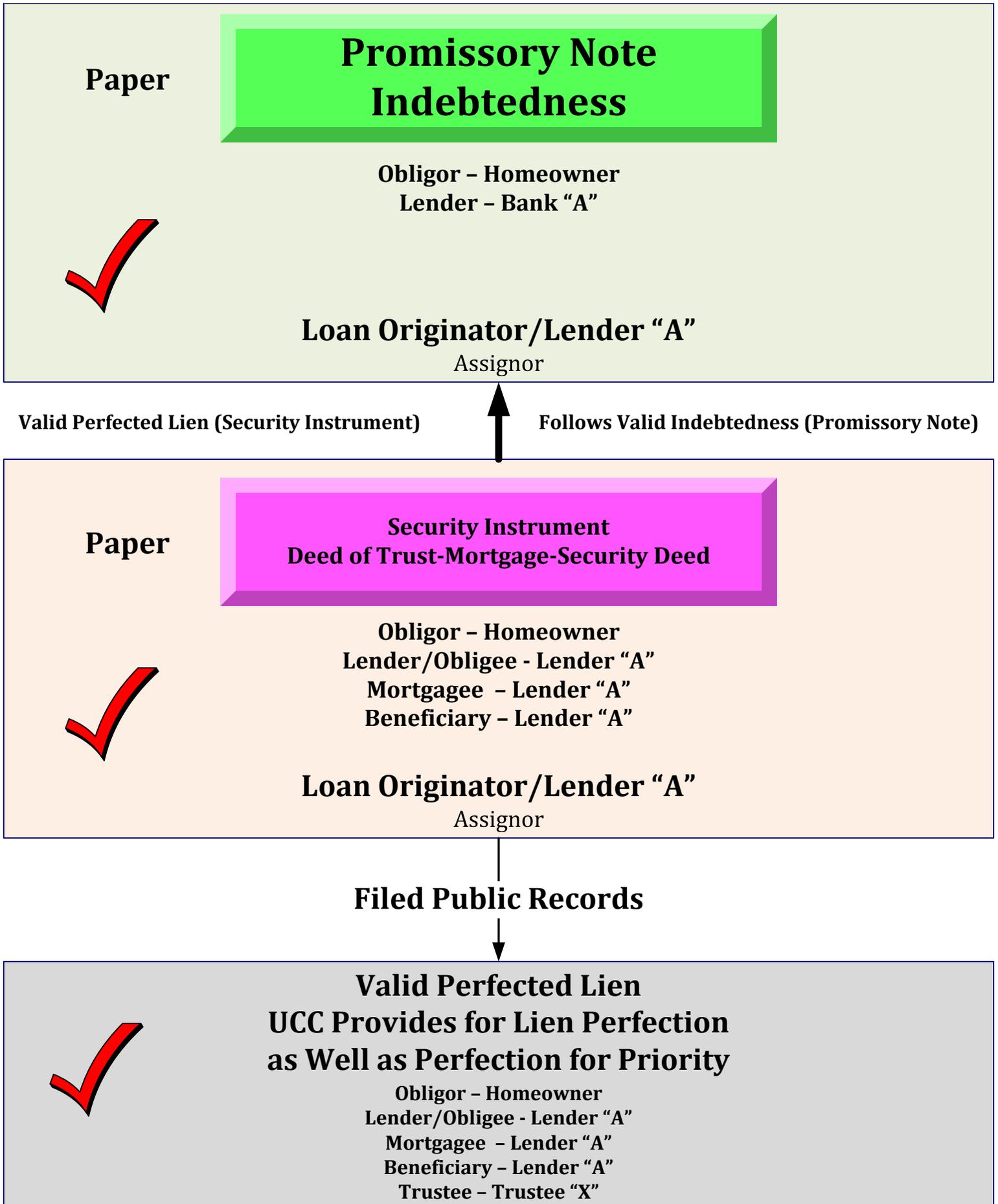
This past week, counsel for a financial institution in open court objected to raising the term “electronic records.” Where as most if not all Security Instruments are filed of public record and mostly introduced into a courts record, what grounds does counsel have for objecting to what the evidence shows?

A question arises in regards to enforcing the Note. If the full value of the Note was securitized as an Intangible Payment Obligation [stripping of all value from the Note]. Would there remain any value in the Note to sustain and action of law or equity. Not to mention the attempt by the transferor of the Note to transfer a Note that is affected by a fraudulent act. As the Security Instrument cannot be bifurcated from the Note and attached to the Intangible Payment Stream and as such this Security Instrument carries forward to the securities market a potential fraudulent act.

Where the Security Instrument cannot be bifurcated from the Note, and in the failure to follow the laws of local jurisdiction noting a proper chain of title for the Security Instrument, the Security Instrument not being bifurcated but fails to show a continuous perfection to a secured creditor, would possibly render the Note Unsecured. Were it to be opined that the Tangible Note no longer had value, would the Security Instrument expire by operation of law, if there is no debt, there is no enforceable security.

Robo-signing of assignment(s), in this writer’s opinion is nothing more than an illusion to assign the non bifurcated security instrument back to the Note.

# The Creation of a Valid Mortgage



# The Creation of an Invalid Security Instrument

**Paper**

**Promissory Note  
Indebtedness**



Obligor - Homeowner  
Lender - Bank "A"

**Loan Originator/Lender "A"**  
Assignor

Invalid Lien (Security Instrument)

Does Not Follows Valid Indebtedness (Promissory Note)

**Paper**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS



Filed Public Records



**Invalid Perfected Lien**  
**UCC Provides for Lien Perfection  
as Well as Perfection for Priority**

Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS



# NON MERS Electronic Conversion Paper Promissory Note To Electronic Promissory Note

Paper

## Promissory Note Indebtedness



Obligor - Homeowner  
Lender - Bank "A"

UCC Article 3 Governs Negotiable Instrument  
Tangible (Writing)

**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "A"

Lacks Supporting Laws



# NON MERS Electronic Conversion Paper Security Instrument To Electronic Security Instrument

**Paper**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - Lender "A"  
Beneficiary - Lender "A"  
UCC Article 9 Governs Security Instrument  
Tangible (Writing)**

**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

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- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



**Electronic**

**Electronic Security Instrument**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - Lender "A"  
Beneficiary - Lender "A"**



**Loan Originator/Lender "A"**  
Assignor

# MERS Electronic Conversion Paper Security Instrument To Electronic Security Instrument

**Paper**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS  
(Invalid - Tangible)**



**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

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- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



**Electronic**

**Electronic Security Instrument**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS  
(Intangible)**



**Loan Originator/Lender "A"**

# First Negotiation Electronic Promissory Note

Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "A"  
Assignor



Electronic Note Negotiated  
Assignor to Assignee

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

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- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "B" (Seller/Securitizer)  
Assignee



MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)

# Second Negotiation Electronic Promissory Note

**Electronic**

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "B"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



**Electronic**

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "C" (Depositor)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**

# Third Negotiation Electronic Promissory Note

**Electronic**

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "C"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

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- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



**Electronic**

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "D" (Trustee)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**

# Fourth Negotiation Electronic Promissory Note

Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "D"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



Electronic

**Electronic Note**

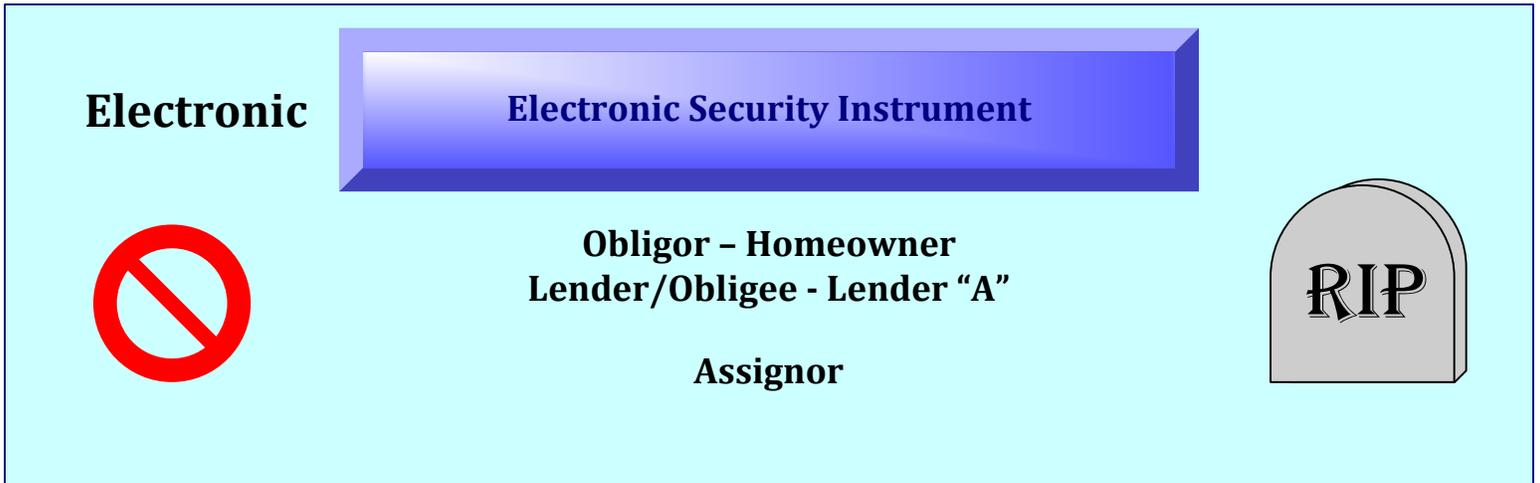


**Obligor - Homeowner  
Lender - Bank "E" (Custodian for Trust)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**

# Notice of Assignment Lender "A" to Lender "D" (Lender "E" Not Included In Chain of Title)



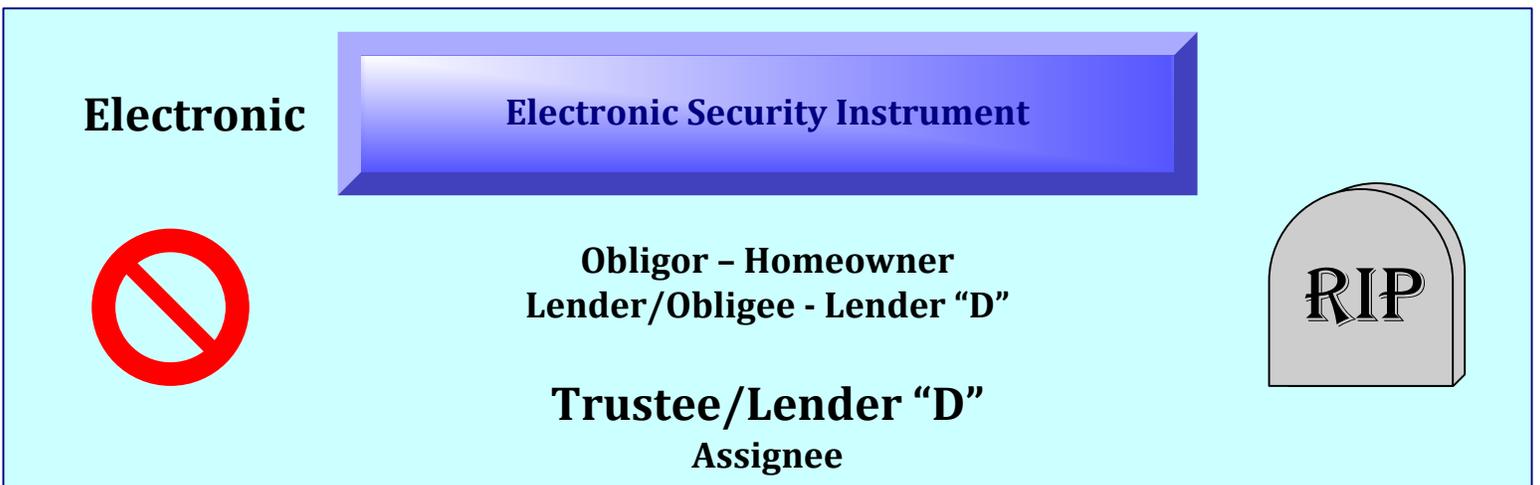
TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



**Filed Public Records**



# The Unlawful Forclosure

Original Paper Retrieved From Vault or Lost Note Affidavits Issued if Destroyed

**Promissory Note  
Indebtedness**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**

Electronic

**Notice of Assignment**



**Unlawful  
Notice of Assignment**



**Unlawful Filing Public Records**



Electronic

**Electronic Note**



**Unlawful Electronic Promissory Note**



Electronic

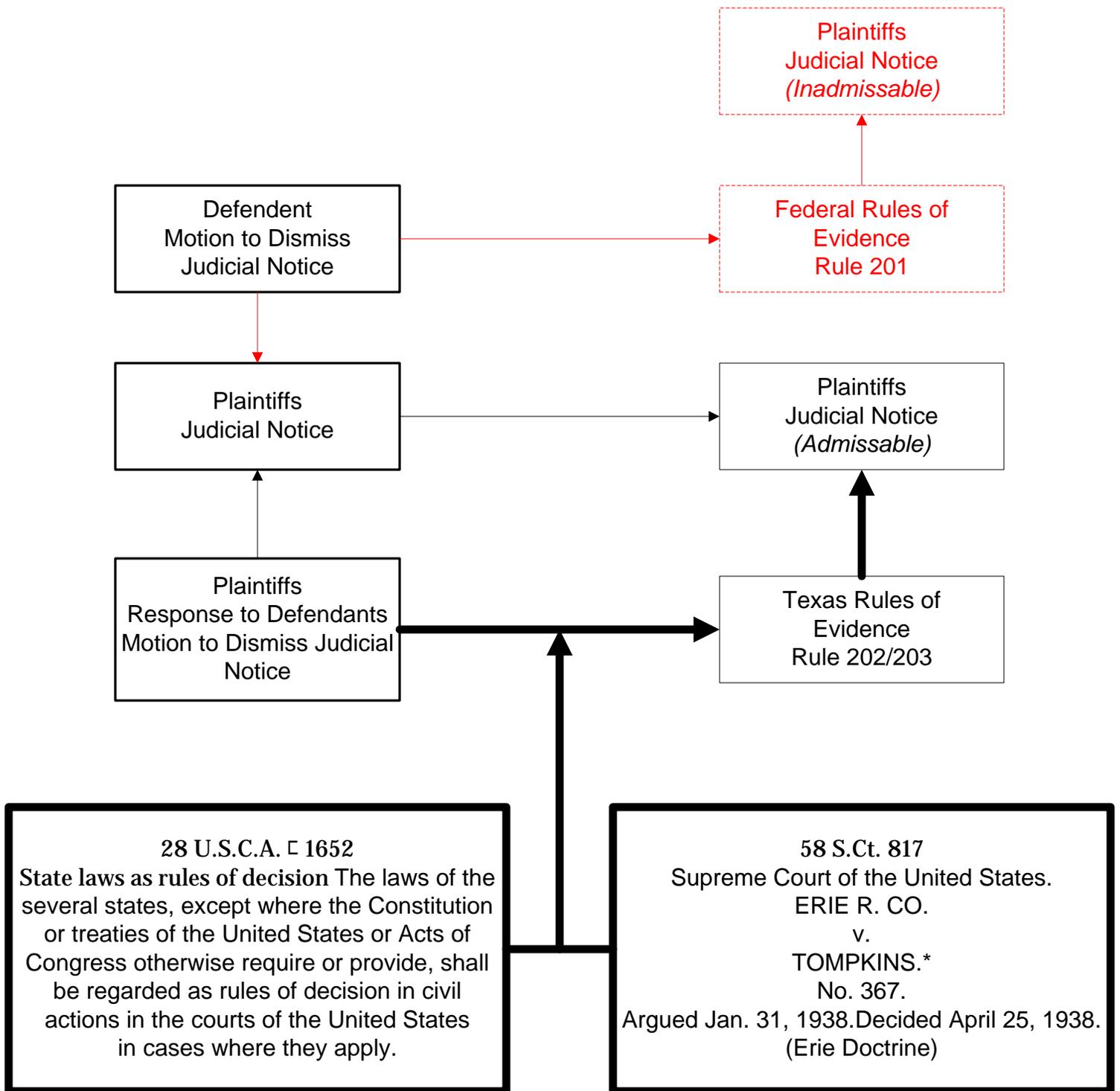
**Electronic Security Instrument**



**Unlawful Security Instrument**



# Judicial Notice



# Intangible Payment Stream Tangible Note and Lien

**Note Loss of Secured Status  
Lien Void  
Intangible Void**

**CDO/CDS  
Triggers**  
Legal but  
Un-Sustainable

Banks have lost rights to collect on the tangible side (right) so they deceive all to believe they can enforce the note via the intangible side (left) that failed when the note was rendered unsecured due to loss of lien. With intermediaries willfully destroying the notes, Investors have no legal means available to collect on invalid liens or destroyed notes.

**Failure to Perfect  
Intervening Assignments of Lien**  
  
**Secured Status Lost  
Lien VOID**

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Benefit of Investors

Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Trustee

Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Depositor

Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Aggregator

Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Note

Security Perfection  
UCC Article 9

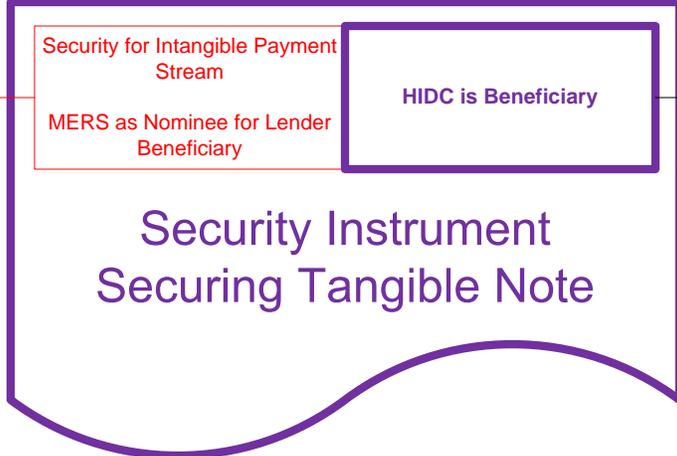
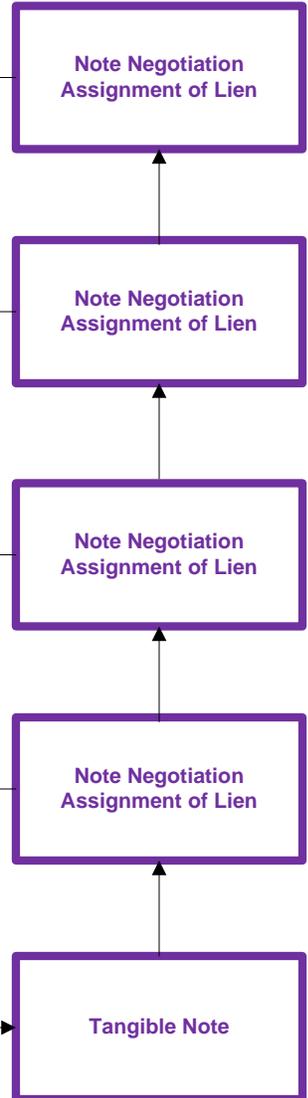
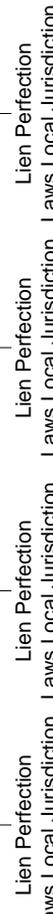
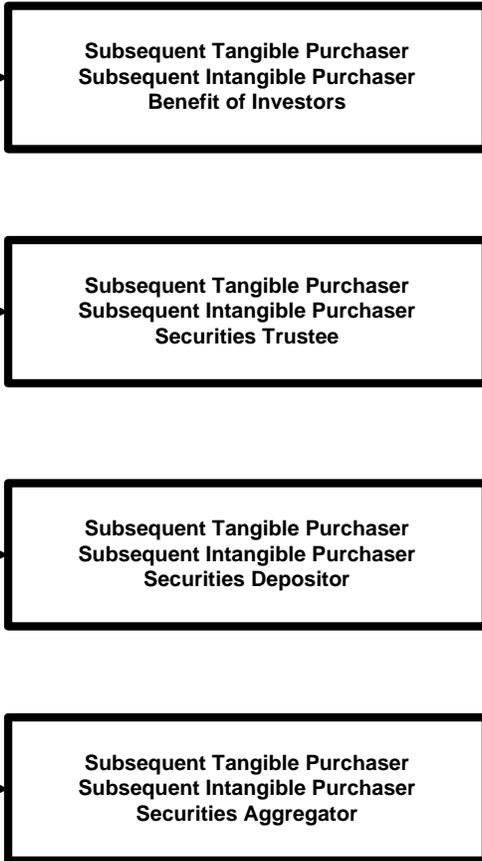
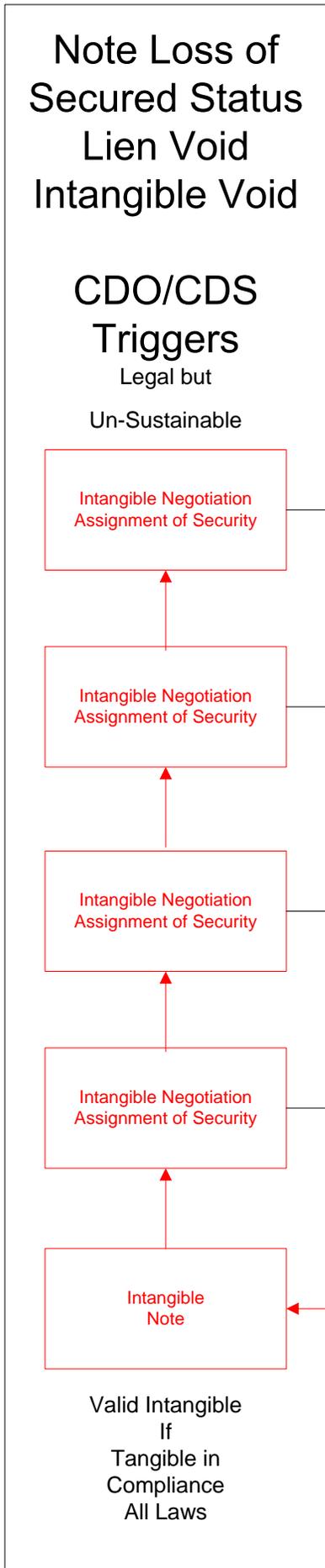
Security for Intangible Payment Stream  
MERS as Nominee for Lender Beneficiary  
HIDC is Beneficiary

Tangible Note

Valid Intangible  
If  
Tangible in Compliance  
All Laws

**Security Instrument  
Securing Tangible Note**

Valid Note  
Valid Lien



# Intangible Payment Stream Dependent Upon a Tangible Secured Note with a Valid Perfected Lien

Banks having lost rights to collect on the tangible side (right) so they deceive all to believe they can enforce the lien via the intangible side (left) that failed when the note was rendered unsecured due to loss of lien. With intermediaries willfully destroying the notes, Investors have no legal means available to collect on invalid liens or destroyed notes.

**Failure to Perfect  
Intervening Assignments of Lien  
  
Secured Status Lost  
Lien VOID**

**Notes Loss of Secured  
Status = Voids Lien  
Void Lien = Void  
Intangible**

**CDO/CDS  
Triggers  
Legal but  
Un-Sustainable**

**Original Attachment/Perfection Carries if Valid Tangible Lien Exists**

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

**Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Benefit of Investors  
(Payee Intangible/Tangible less fees)**

Assignment  
Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

**Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Trustee**

Assignment  
Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

**Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Depositor**

Assignment  
Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Intangible Negotiation  
Assignment of Security

Security Perfection  
UCC Article 9

**Subsequent Tangible Purchaser  
Subsequent Intangible Purchaser  
Securities Aggregator**

Assignment  
Lien Perfection  
Laws Local Jurisdiction

Note Negotiation  
Assignment of Lien

Payment Intangible  
Intangible Note  
(Security - Tangible Lien's  
Payment Stream)

Intangible  
Payment

Tangible  
Payment

Security for Intangible Payment  
Stream  
(Payment Intangible)  
MERS as Nominee for Lender  
Beneficiary

Attachment/Perfection  
UCC Article 9

HIDC is Beneficiary  
Perfected Lien

Security Instrument  
Securing Tangible  
Note

Tangible Note

Attachment/Temporary  
Perfection at Closing

Lien Filed for  
Permanent Perfection

**If Tangible  
Fumbles  
Intangible Fails**

