The Magna Carta Loophole Carny Mark Effect

Ponzi Windmill Deals
Turn To Pocket Money
More Than Credit Due...

Tony Crawford

Published by New Generation Publishing in 2025

First Edition

ISBN: 978-1-83563-702-9

www.newgeneration-publishing.com

The Magna Carta Loophole Carny Mark Effect

Ponzi Windmill Deals Turn To Pocket Money More Than Credit Due...

John Maynard Keynes, Economist 1883-1946

"I work for a Government I despise for ends I think criminal."

Letter to Duncan Grant,
December 15, 1917

Lenin was right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.

The Economic Consequences of Peace
1919 Maynard Keyes Chapter 6

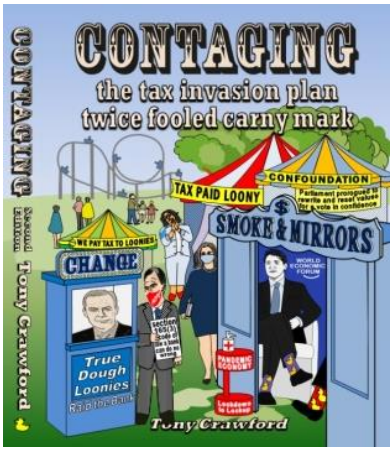
William Lyon Mackenzie King
Prime Minister of Canada, 1935

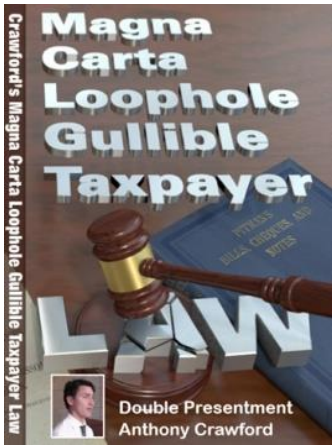
"Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation."

The Public Bank Solution
2013 Ellen Brown Chapter 17

'The Carney Loophole Question' follows ***'CONTAGING the Tax Invasion Plan Twice Fooled Carny Mark'*** and ***'Magna Carta Loophole Gullible Taxpayer Law'*** available from UK New Generation Publishing and Buckingham University Press.

It's all you want to know about banking but were afraid to ask!





ISBN 978-1-80031-589-1 ISBN 978-1-78955-858-6

'The Magna Carta Loophole Carny Mark Effect' refers to news reports that generally start ***"Here is the news."*** Please be advised to fact-check related dates and content for yourselves.

Prime Minister, Right Hon Mark Carney
80, Wellington Street
Ottawa, ON, K1A 0A2

April 18, 2025

Dear Prime Minister Mark Carney,

Subject: Magna Carta Loophole Law 2025 Canadian Election Issue
Ref: Supreme Court of Canada A-76-16 ruling against trial of Federal Court of Canada File T-2010-11
Ref: September 29, 2017 Crawford Public Input Submission to the Finance Committee 2017 Tax Plan
Ref: January 23, 2018 Crawford Letter to Prime Minister Trudeau to Close the Magna Carta Loophole

We refer to bank system design that automated Suspicious Activity Report (SAR) is required to enforce Anti-Money Laundering (AML) in the news that US Authorities charged Toronto Dominion Bank (TD) with criminal banking namely willful ignorance of regulation and was fined some $4 billion in 2024.

We are Ontario Securities Commission (OSC) bank system whistleblowers since 2017. We reported our loss to signature-specific-identity-theft in 2005 that Canadian Law upholds tort of conversion even bank employee forged cheques drawn on secret commission tied-selling unnumbered loan accounts were sued to collect.

The problem is Bill of Exchange Act (BEA) section 165(3) that lack of oversight results in tax fraud hidden from the Treasury not reported in the budget known as the Magna Carta loophole. A preventative measure would be a bank transaction control number for transparency geared to safeguard private and public wealth.

Lawyer Rocco Galati discussed a lawsuit to restore Public Bank of Canada loans to print sovereign money cheaper than offshore private-bank dollars on Canadian Broadcasting Corporation (CBC) ***'The Exchange'*** on May 7, 2015. He claimed trillion dollar economic losses due to foreign bank loan interest charges on Canadian dollar bills and fallacious accounting behind budget failures to balance. Prime Minister Trudeau reportedly said it was a conspiracy while he promoted his own ***'budget will balance itself'*** theory.

The Supreme Court denied appeal in 2017 of a 22016 Federal Court rule against trial of the Bank of Canada delivered with court advised people should vote in a party that would uphold the constitution. It was later the Magna Carta loophole became an election issue for MP Anita Anand when we discussed her support as my representative for a Private Members Bill to close it on CBC ***'Ontario Today'*** aired September 15, 2021.

Prime Minister, if you had not transferred to the Bank of England and had been called to trial, would you have stood as Governor of the Bank of Canada in defense of government monetary policy that appears to flout bank law in the constitution and distort the budget? And is it your plan to continue the same, or not?

Yours truly,

Anthony and Jill Crawford

Attached: Correspondence History Covering Letter
Attached: Bank System Gap Analysis Overview 2017 Finance Committee Report
Sent by email: Office of the Prime Minister pm@pm.gc.ca
Copy: Anita.Anand@parl.gc.ca
Copy: OSC Whistleblower File
Copy: GoPublic gopublic@cbc.ca
Forward: Politicians and Media Interest Groups

The Magna Carta Loophole Carny Mark Effect

After only nine days appointed Prime Minister of Canada, former Bank Governor, Mark Carney, called an election on March 23, 2025 to send Canadian voters to the polls on April 28, 2025.

Political event up to the election was Prime Minister Justin Trudeau stepping down as the Liberal Party leader on March 9, 2025 due to a no confidence vote in his ability to push back US economic warfare brought on by President Trump after his election November 5, 2024.

There was also news of a political imperative that the United States and Canada agreed to a Joint Strike Force to combat crime, tackle drug trafficking and money laundering on February 3, 2025. To this end, President Trump announced 25% tolls on all imports to get his way with threats to seize Canada as its Fifty First State through annexation if Canada didn't deal with US cross-border issues.

Conservative Party leader, Pierre Poilievre, campaigned on his strength to deal with President Trump compared to Prime Minister Trudeau that eventually led to his resignation and appointment of former Governor of the Bank of Canada to Prime Minister said to be stronger to save Canadian sovereignty. They urged Canadians to spend Canadian money on Canadian goods and services and not buy any American products. Prime Minister Carney promoted his knowledge of economics and bank experience to defend Canadian sovereignty, except − he could not have not known − Canada had already given up its sovereignty of money to bankers in 1974.

Member of Parliament, (MP) Gerald Gratton McGeer promoted bank control in his book ***'The Conquest of Poverty'*** in 1936:

"Ever since the passage of 'The English Bank Act of 1844' the creation, issuance, and the regulation of the circulation of the current medium of exchange, though being duties that constitute the most conspicuous and sacred responsibilities of government, have been in large measure delegated to in blind faith and absolute confidence to bankers and financiers."

Canada did not have a central bank that government borrowed from private banks namely the Bank of Montreal as its de facto banker that issued BMO banknotes into circulation.

MP McGeer reasoned private bankers put usury ahead of public good: ***"The complete collapse of the economic structure under banker management proves that the private control of credit is fundamentally unsound,"*** he warned the Ottawa Common Banking Committee to change to state-bank-funded money. ***"Necessity now compels all to recognize that the creation and issuance of the medium of exchange, the monetization of public credit, the circulation of the medium of exchange, and the general supervision of the monetary system must be restored to government,"*** he said.

A new central bank was established by Royal Commission in 1933 and Prime Minister William Lyon Mackenzie King elected in 1935 nationalized its private bank to establish a new public bank in 1938:

> ***"Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of Parliament and democracy is idle and futile,"*** he told Parliament.

United States author, Ellen Brown reviewed the Bank of Canada effect that forced commercial banks to lend at lower interest some 40 years. It was a time of prosperity that funded Healthcare and infrastructure projects including the longest road in the world, and longest waterway including the 28-mile Welland Canal:

> ***"The government of Canada devised its innovative system of state bank created credit in the 1930s, and drew freely from it for nearly four decades of unusual prosperity, growth and development. Then in the 1970s, Canada joined the Basel Committee of G10 countries at the BIS. A change in economic policy followed, which cut the government off from its own state bank funding, subjecting it to the skyrocketing interest rates of private international credits markets. Canada is now struggling with debt and deficits along with most the rest of the Western world,"*** she reviewed Canadian bank history.

The advantage of state-bank-funded cheap money ended when a Liberal government started to borrow from foreign private banks instead of its public bank to print Canadian money. The change followed ***'Bank of International Settlements'*** (BIS) advice that interest free loans from public banks were more inflationary than private creditor loans. It overlooked the advantage that publicly-owned banks returned interest charges to communities, whereas private banks took the cost of money straight out of the economy. Still, Prime Minister Pierre Trudeau indorsed the plan in 1974.

The financial impact was measured and reported in 1993 when the Canadian Auditor General acknowledged most of government debt consisted of interest charges paid to foreign private banks:

> ***The cost of borrowing and its compounding effect have a significant impact on Canada's annual deficits. From Confederation up to 1991-92, the federal government accumulated a net debt of $423billion. Of this, $37billion represents the accumulated shortfall in meeting the cost of government programs since Confederation. The remainder, $386billion, represents the amount the government has borrowed to service the debt created by previous annual shortfalls.***

Ninety-one percent of the debt in 1993 amounted to interest charges that by 2012, the government had paid $1trillion— twice its national debt as the largest single expense in the budget that continues today.

Canadians sued the Head of State and Governor of the Bank to reclaim financial sovereignty to Canada in 2011, but it was denied trial in 2017. The court left it to political conscience to uphold law.

Prime Minister Pierre Trudeau likened the U.S.A. to an elephant, and Canada as a country defined by its principle values:

> ***"Living next to you is in some ways like sleeping with an elephant. No matter how friendly or even-tempered is the beast; one is affected by every twitch and grunt."*** He said in 1969, and, ***"A country is not something that is built, like the Pharaohs built the pyramids and left standing there to defy eternity. A country is something that is built every day out of certain basic values,"*** he said in 1984.

The ***'Canada is not a country'*** question was raised by President Trump in his White House address on February 13, 2025 when he slighted Prime Minister Justin Trudeau as a ***'State Governor'***. It was reported as a joke, but the ridicule escalated into political doubt how he would deal with US President Trump in future negotiations.

Canadian radio talk-shows focused on Canada being a sovereign country among United Kingdom Commonwealth nations able to stand up to the US challenge. Prime Minister Carney looked for support in Prime Minister Keir Starmer and King Charles III that he announced in the news after a trip to London March 17, 2025, ***"Canada doesn't need another country to validate its sovereignty."***

A week later he positioned US threats the main reason to call for election on March 23, 2025. The next day Canadian Broadcasting Corporation ***'Ontario Today'*** host Amanda Pfeffer asked people to say what they wanted from politicians for their votes. So, I called her about money laundering on March 24, 2024

PFEFFER: "Tony is in Oakville, Tony, go ahead, we don't have a lot of time, but go ahead."

CRAWFORD: "Yes, hello Amanda. My question has got to do with the Canada and US Task Force that they signed in February that Trump will continue threatening Canada until it stops border crossings, drugs and money laundering. So, I want to know which party will deal with that before I know who to vote"

PFEFFER: "What are you hearing, anything from the leaders that you like?"

CRAWFORD: "Not on this, no… There is a Task Force to stop organized crime and identity theft, which is big in Canada. And Trump has threatened Canada with all kinds of things, especially tariffs. But he particularly wants to stop border crossings, drugs, and money laundering. And, I haven't heard any party deal with that."

Ms Pfeffer passed my question on to Rob Benzie, Toronto Queen's Park Bureau Chief, and Toronto Star reporter.

PFEFFER: "Well, Tony I want to thank you very much for calling in. Rob Benzie is with us, Rob Benzie, this issue, what's happening at the border, it's a very salient, very important issue, particularly among conservative voters, for instance. Can you tell us about the handling of that issue?"

BENZIE: "Well supposedly, when Mr Trump first announced this tariff threat last December it was to do with fentanyl and illegal border crossings and Canada has spent a lot of money and we have ministers, you know, David McGinty, Dominic LeBlanc, and others working on it. Premier Doug Ford's conservatives here at Queen's Park doing the same thing… But that it seems like that was just a content kick, a contrived sting by President Trump. I mean really this is about tariffs and possible annexation of the country. There's very little fentanyl that goes across the border from Canada into the United States, and the same with illegal migration compared to Mexico into the United States. So, this is being used as a kind of a ruse, I suppose on the part of the Americans and Canada has addressed it and it hasn't changed the tariff threat. So, I think we are going to have to live with these increased tariffs on April second, and have our own countermeasures but it is not going to be a pretty situation for our economy for a little while."

Bureau Chief, Rob Benzie, referred to drugs and illegal crossings but said nothing about money laundering that Canadian banks paid billion dollar fines charged with criminal banking in the U.S.A.

Indeed, Canada is known as the money laundering capital of the world. People thought more of Canada as a bad bank than a good country that an ex-banker Prime Minister campaigned to control.

Then just 4 days into the race, President Trump announced a 25% surcharge on the auto sector on March 27, 2025. With less than a month before the election, the news reported economic warfare and the Canadian sovereignty issue in a political race too close to call.

The Carney loophole question was in the news when Conservative Leader, Pierre Poilievre, accused Liberal Leader, Mark Carney of using a Bermuda tax haven to hide taxable funds from the taxman.

Mr Poilievre said his ***"Tax Task Force"*** would rewrite the rules to make them ***"fairer, simpler, and easier to administer"*** to close the tax loophole Brookfield Asset Management, Chairman, Mark Carney used to register Brookfield assets in a Bermuda tax haven.

Mr Carney said Brookfield was registered in a tax haven to avoid double taxes. ***"The important thing... is that the flow through of the funds go to Canadian entities who then pay the taxes appropriately. As opposed to taxes being paid multiple times before they get there,"*** he explained in the news on March 26, 20025.

New Democrat Leader Jagmeet Singh promised to ***"close loopholes that allow big corporations to avoid paying what they owe"*** that was also in the news announced in Canadian news on April 8, 2025;

WORLD NEWS: "Poilievre's campaign promise today was aimed at cracking down on tax cheats."

POILIEVRE: "My task force will specifically propose solutions to close loopholes that allow tax havens to be a source of evading taxes for the well connected and global elite."

This book analyzes the Carney loophole question. It follows tax that far from the former Bank Governor approach to avoid double taxation it could be the opposite that reinsured Ponzi WINDMILL deals turn to pocket money more than credit due. Especially, twice paid tax deductible securities fraud hidden from the Treasury not reported in the budget, which is discussed here for your review.

Table of Contents

Trump Ten-Point Plan to Change US Law

This review of the 2024 US Election that President Donald Trump promised to trim government and cutback spending is for Canadian politicians to be just as resolved to take more care of money in 2025.

Mr Trump announced his plan to ***"drain the swamp"*** of Washington corruption he would revive a 2020 Executive Order to be rid of bad actors known to abuse positions of authority in legislative and judicial branches of government. But especially, deal with politicized courts that uphold special interest groups in US so-called ***'lawfare'*** games.

'The Carney Loophole Question' is a review of law for my Oakville Member of Parliament (MP), Anita Anand, who promised me on Canadian Broadcasting Corporation (CBC) radio ***'Ontario Today'*** to assist a ***'Private Members Bill'*** to close the ***'Magna Carta Loophole'*** in September 2021. The issue is double-dip tax-deductible securities fraud hidden from the Treasury not reported in the budget, known as Improperly Earned Income Tax Credits (IEITC) in the U.S.A.

I am an Ontario Securities Commission (OSC) bank whistleblower since 2017 when I reported my money losing experience in Ponzi schemes I should have known better having worked in the sector. Indeed, I published system design methodology experience in my ***'Advancing Business Concepts in a JAD Workshop Setting'*** in 1994. It is a guide how to prototype business function, financials, and law that procedure disconnects and loopholes appear as system gaps in workflow, dataflow, cash flow, to recode and control as required.

But I didn't know bank law until the Bank of Montreal (BMO) sued a forged cheque drawn on a so-called ***'Sitting Duck'*** loan 10 years in court from 1999 to 2008 until ruled to collect without trial in 2009.

I wrote my secret bankbook story that CHTV reviewed in the news in 2006. I called Art Bell on ***'Coasttocoastam'*** that we talked about public input to change bad law on November 15, 2007. I also spoke about banking on CBC ***'Cross Country Check Up'*** but there was more in US news about the People of New York State v Donald Trump case the way he challenged the law in the court of public opinion in 2023.

This study compares US to Canadian bank law in practice how Canada became known the money laundering capital of the world in Professors Christian Leuprecht and Jamie Ferrell ***'Dirty Money'*** book from McGill Queen's University Press in Canada in 2023.

Canadian news reported a US crackdown on banks in 2024 when Toronto Dominion Bank (TD) pleaded guilty to failure to report Suspicious Activity Reports (SAR) in a US court-ruled breach of US Anti-Money Laundering (AML) law, fined US$4billion.

American news reported TD in a Washington DC press release on October 10, 2024 as Attorney General (AG) Merrick Garland said, "***By making its services convenient for criminals, it became one."***

A few weeks later, former US President Donald Trump won the US Election on November 5, 2024 when he announced voters had given him a clear mandate to uphold US law that Heads of State act above the law defined by the Supreme Court of the United States in 2024.

Canadian talk show Richard Syrett praised the 2024 President Elect plan to reform US Government announced November 9, 2024;

SYRETT: "Buckle up. There is a stunning new development from President Trump that has the entire political world buzzing especially the swamp dwellers in Washington DC. A new video has surfaced, and it's being hailed as the most important three minutes on the internet right now. And in it, Trump lays out a plan… to do what he promised back in 2016, but couldn't quite finish, take on the corrupt Washington establishment, head on, dismantle the deep state… and restore the power to the people. And folks, if you thought Trump was done fighting for America think again, this is a blueprint to clean house like we've never seen before, have listen…

TRUMP: "…This is my plan to dismantle the Deep State, and reclaim our democracy from Washington corruption once and for all… and corruption it is. First, I will immediately reissue my 2020 Executive Order restoring the President's authority to remove rogue bureaucrats. And I will wield that power very aggressively. Second, we will clean out all of the corrupt actors in our National Security and Intelligence

apparatus, and there are plenty of them, the departments and agencies that have been weaponized will be completely over-hauled so that faceless bureaucrats will never again be able to target and persecute conservatives, Christians, or the left's political enemies, which they are doing now at a level that nobody can believe, even possible. Third we will totally reform FISA courts, which are so corrupt that the judges seemingly do not care when they are lied to in warrant applications. So many judges have seen so many applications that they know were wrong, at least they must have known, they do nothing about it, they're lied to. Fourth, to expose the hoaxes and abuses of power that have been tearing our country apart, we will establish a Truth and Reconciliation Commission to declassify and publish all documents on Deep State spying, censorship, and corruption, and there are plenty of them. Fifth, we will launch a major crackdown on government leaders who collude with the fake news to deliberately weave false narratives and to subvert our government and our democracy. When possible we will press criminal charges. Sixth, we will make every Inspector General's Office independent and physically separated from the departments they oversee so they do not become the protectors of the Deep State. Seventh, I will ask congress to establish an independent auditing system to continually monitor our intelligence agencies to ensure they are not spying on our citizens, or running disinformation campaigns against the American people, or that they are not spying on someone's campaign like they spied on my campaign. Eighth we will continue the effort launched by the Trump administration to move parts of the sprawling federal bureaucracy to new locations outside the Washington Swamp. Just as I moved the Bureau of Land Management to Colorado, as many as one hundred thousand government positions can be moved out. And I mean immediately out of Washington, to places filled with patriots who love America, and they really do love America. Ninth, I will work to ban federal bureaucrats from taking jobs at the companies they deal with and that they regulate. So they deal with these companies and they regulate these companies and then they want to take jobs from these companies. Doesn't work that way— such a public display cannot go on; it's taking place all the time like Big Pharma. Finally, I will push a constitutional amendment to impose term limits on members of Congress. This is how I will shatter the Deep State and restore government that is controlled by the people and for the people."

Albeit, Canadian Ponzi loophole questions to change bank law.

Canadian Ponzi Loophole Questions to Change Bank Law

This book reviews Canadian law that upholds secret commission bank-tied-loan dependent tax deductible securities fraud in my taxpayer submission as a bank-system whistleblower since 2005.

This is a cautionary tale about Ponzi schemes sold in credit markets that financial advisors promoted the benefit of investing income tax savings into personal financial ruin and notional national debt…

I reported tax fraud to the Royal Canadian Mounted Police (RCMP) in 2004 and to the Halton Regional Police Service (HRPS) in 2005. The Ontario Securities Commission (OSC) assigned a bank-system whistleblower file to me in 2017. But, while US authorities refer to US law to charge Canadian banks with billion dollar fines, the law that defines bank fraud in the U.S.A. has no weight in Canada.

I complained about the law in 2005, but it's still the same today;

"I have reviewed your letter to HRPS Command dated November 18th, 2024, and conducted a further review of your complaint of mortgage fraud. I am aware of TD Bank being fined $3.09 Billion dollars by US Regulators in October of 2024. While this reported fine to TD Bank forms the basis of your recent letter, I see no correlation to this event and your complaint… Your letter questions whether or not your matter warrants investigation. Your matter has been fully investigated and the investigating officer concluded there was no criminality on the part of any Canadian Financial Institution."

This analysis compares US to Canadian bank law in the news about President Trump in the U.S.A. and Prime Minister (PM) Trudeau in Canada where university law-school professors on both sides of the border recommend stronger law in case of criminal banking.

Mr Donald Trump made US legal history as the first convicted but not sentenced felon on the ballot reelected US President on November 5, 2024. He was sentenced January 10, 2025 ten days before he pledged to uphold his law on January 20, 2025 and only three days later in the above email to me January 23, 2025.

Mr Trump was sentenced for criminal intent to deceive voters and taxpayers through fallacious bookkeeping that invoiced something billed for repayment as something else through misleading cheque-writing geared to misstate accounting entries across bank accounts. It is known in financial circles as ***'double presentment'***.

There was no investigation in Canada to charge anyone in my case that evidential fraud was not denied; just denied trial. It was quite the opposite for Mr Trump in US news from the court of public opinion that financially connected dots in legalese show all that is money is a signed promise to pay. Making connections favors a prepared mind ready to visualize forged bills converted to cash the way cons pocket money more than credit due in the big picture.

This is a review of the 2024 US Election when Americans elected a convicted felon to rule above the law in the Oval Office. And the Canadian election when the question of banking in breach of law was an election issue on Parliament Hill in Ottawa in 2025.

Prime Minister Justin Trudeau promoted former Bank Governor, Mark Carney, to assume Deputy Prime Minister Christia Freeland's portfolio as Minister of Finance, in the news on December 13, 2024. Mr Carney was noncommittal and it became a resignation issue for Ms Freeland who instead of reporting a $61.9billion budget deficit, $22billion more than forecast… criticized the PM in a fiery speech that she announced quitting the cabinet on December 16, 2024.

It threw the debate about the future of Justin Trudeau as PM wide open. Ministers called for his resignation and several announced they would not run for reelection in 2025. Then on January 6, 2025, the PM prorogued Parliament closed until March 24, 2025 when he said he would step down as leader of the Liberal Party, and PM, in favor of a new leader voted to be elected, and carry on, March 9, 2025.

Mark Carney announced his bid on January 16, 2025. ***"Now I know I'm not the usual suspect when it comes to politics, but this is no time for politics as usual,"*** he said. ***"If you choose me as your leader, we will offer Canadians a clear choice in the next election: experience verses incompetence, plan verses slogan, calm verses chaos."***

The former Governor of the Bank of Canada and Governor of the Bank of England reminded people of his work experience. ***"If you wonder why I can succeed where others have failed or will fall short, consider this: I've helped manage multiple crises and I've helped save two economies,"*** he said. ***"I know how business works, and I know how to make it work for you. I've worked around the world, but I'm grounded in what I learnt right here, in Edmonton, to be responsible, to be fair, to stay humble, to work together and to never give up."***

He referred to economics famously dismissed by the PM who said, ***"You'll forgive me if I don't think about monetary policy"*** and that ***"The budget will balance itself."*** Mr Carney countered ***"I'm not the only Liberal in Canada who believes that the prime minister and his team let their attention wander from the economy too often."*** So, he promised, ***"I'm going to be completely focused on the economy."***

The Committee on Monetary Economic Reform (COMER) claimed the Governor of the Public Bank of Canada, Mark Carney, broke the law in a constitutional challenge wanting a COURT ORDER to bind lawmakers to obey the law. Justice James Russell heard the case that government does not borrow cheap Public Bank loans to print money in the best interest of the economy, and tax credits hidden from the Treasury not reported in the budget doesn't balance the books.

In other words, COMER sued Mark Carney to comply with bank law.

Mr Carney didn't answer COMER allegations, which aside from his transfer to the Bank of England… it didn't go to trial. I delivered my bank expert witness statement for COMER to the UK Treasury Select Committee at Portcullis House on November 30, 2012. The Panel acknowledged Canadian taxpayers had sued the Bank Governor to explain bank law and whether the budget process balanced or not… but hired him to rule over the Bank of England, anyway.

Not everyone was happy with the choice; MP Jacob Rees-Mogg called for Mr Carney known as ***'Mark Carnage'*** to resign over his political leanings people said wasn't in his mandate.

Canadians had sued Mr Carney and many didn't want him back.

Indeed, Matthew Lynn published United Kingdom (UK) news on January 7, 2025 was replayed on popular radio talk-show in Canada. ***"The bank made a whole series of mistakes under his management. Growth was constantly weak. The Bank printed way too much money, stoking an asset bubble, and ultimately triggering the highest inflation rate in the G7. Again and again, Carney's judgment has been terrible. True he will make a very easy opponent for the Conservatives if he does take over as PM. But the blunt truth is this: he is not fit for the job, and Canada can do far better."***

This analysis replays the COMER lawsuit framed in 1215 Magna Carta principle, which Judge Russell denied trial in 2015 with advice, ***"People should vote in a party that will change the law."***

The news reminded Mr Carney would have to answer questions.

Indeed, questions started with the announcement of the Canada-US Joint Strike Force on February 3, 2025 to combat organized crime, drug trafficking, and money laundering. It was an echo from the past that raised the Magna Carta Loophole issue in the COMER taxpayer Class Action to clarify the law. PM Trudeau said it was a conspiracy theory and Mr Carney said nothing, but as Liberal Party leader and PM the media might ask the former banker to explain in 2025.

The OSC asked me to illustrate tax deductible securities fraud that my bank system whistleblower file includes updated diagrams that included legalese not in my vocabulary in the 1900s… what to code to check fraud and money laundering in the banking system.

This Canadian COMER case playbook is also for Chairman Comer of the House Oversight and Government Reform Committee for the ***Department of Government Efficiency*** (DOGE) that Mr Elon Musk was commissioned to lead and President Trump ordered to review all government jobs, what people do, and where tax money goes.

This study refers to fully documented step transaction analysis from ***'Daylight Loans'*** to ***'Daylight Robbery.'*** The solution to uncontrolled unnumbered ***'Sitting Duck Loans'*** in the news in 2007 is a transaction control number in my input to the government in 2017.

They can rob you blind — and it's legal

ROB LAMBERTI
Toronto Sun

Tony Crawford thought he was investing in his retirement golden egg.

Instead, his dreams were scrambled when a bank called demanding payment for a loan he didn't know existed.

What's worse, Crawford said, is that the system that ultimately cost him his house — sold to cover legal fees fighting a lawsuit filed by a bank demanding payment — is legal.

Crawford said he was stung for $110,000 on a loan issued by a bank he doesn't have an account with. The loan was apparently granted based on information in an affidavit filed by a third party.

CRAWFORD
Ripped off

He said he thought he had been investing in a retirement plan, but unknown to him the monthly payments he made were used to cover monthly loan payments on a loan taken out by his financial adviser through a lawyer.

The tied loans scheme is complex but ultimately legal and leaves unsuspecting investors on the hook for huge amounts in loans they didn't know existed.

The Oakville man wants some changes to banking laws to prevent the affidavit-backed loans, which he calls "Sitting Duck Loans."

"Basically, that rule ... where any affidavit will do, can draw people into debt ... and put the bank into position where they say they have information which they can trust and it can issue a loan to anybody because the credit is paid by somebody else."

"You think you're investing," Crawford said. "Ten years later, the bank calls in the loan and want the full amount plus interest."

The Canadian Bankers Association had no comment.

Crawford thought his accountant was investing in real estate.

The bank has sued Crawford for payment and he has filed a counterclaim saying he had no knowledge of the loan. Neither case has been proven in court.

The investment scheme involved 300 people and $22 million, Crawford said. He said 15 other burned investors are considering launching a class action suit against the bank but are waiting to see what happens with Crawford's counter-suit against the bank.

Last weekend, Crawford launched a petition at the Ontario NDP convention, where he garnered 431 signatures calling for an investigation into the loans practice.

The ***'Carney Loophole Question'*** is all about money and politics that the rules of law change how banking works the way it does today.

The trouble with money after learning how to earn it… is where to keep it safe. It is a hard choice in Canada given its reputation as the money laundering capital of the world in ***'Dirty Money'*** published by Queen's University from Professor Christian Leuprecht in 2023.

It was a long time coming; PM Trudeau said he had been thinking about RCMP reform ***"for probably 20 years"*** at Canada House in London on March 2, 2025. ***"I've been trying to do this since the very beginning,"*** that it should be fit for purpose in the 21st century. "***So this isn't me trying to jam something out of the door,"*** he confided. ***"This is me realizing that we're at a moment where we have to bring in Canadians, all Canadians, into this conversation,"*** he said.

He delivered his ***'White Paper'*** on national issues; security, violent extremism, terrorism, money laundering, cyber, and organized crime, on March 10, 2025. It is for a future prime minister he said, ***"if they want to take national security seriously, if they want to build on the responsibility of keeping Canadians safe,"*** in the news.

The key concern is the ***'Windmill Ponzi deal that turns to pocket money more than credit due.'***

The most experienced person to answer the loophole question in Canada would be former bank governor, PM Mark Carney, or in the U.S.A. it would be real estate mogul, US President Donald Trump.

In which case, this review of TD Bank fined US$4billion for its failure to observe US AML law to monitor and report suspicious transactions, and the COMER claim and judgment Justice Russell advised people vote in a good party, is background information.

Or, you could review this system analysis of Canadian bank law how tax deductible securities fraud is hidden from the Treasury not reported in the budget. Even if you don't quite understand it, you can still ask which Canadian party will close the Carney loophole that Windmill deals turn to pocket money more than credit due.

Windmill Deals Turn to Pocket Money More than Credit Due

When BMO presented employee written cheques payable to BMO selling secret-commission-loan-dependent securities fraud drawn on an unnumbered undocumented account in my name in 1989, sued in default in 1999, judges ruled for the bank to collect in 2009.

Ten years in court until quasi tort of conversion for a collecting bank denied trial was long enough to visualize code-of-law in bank system design: dataflow, workflow, cash flow, and law enforcement in bank and government ways and means portrayed in business charts.

Toronto Committee on Monetary and Economic Reform (COMER), lawyer Rocco Galati, knew my case and we discussed my appearance as a system expert in a Canadian taxpayer class action to restore the Public Bank of Canada to its original purpose as a Central Bank. The claim also alleged fallacious accounting hid money from the Treasury not reported in the budget presented as the Magna Carta loophole.

Judges ruled against trial that court is no place for politics in 2015, or the Magna Carta 800th commemorative, anniversary year in 1215.

Instead, Justice Russell left it to voters to determine the meaning of Public Banking in the Canadian Constitution denied trial in 2015. He advised taxpayers to vote out bad government that continued to flout the Public Bank of Canada mandate to issue low-cost money in best public interest, and vote in a good party that would obey the law.

This book is my submission to my government to safeguard financial consumers and to protect the economy in case of criminal banking. It is to my Member of Parliament (MP) Anita Anand to keep her promise on CBC radio in September 2021 to follow up a Private Members Bill to close the Magna Carta Loophole.

It is very real issue: The Canada Bankers Association (CBA) also urged the House of Commons Standing Committee on Finance to implement bank reform on November 26, 2024 with a Financial Crime Agency in Canada to monitor law enforcement.

The OSC reviewed my complaint about bank law in 2017 the way bad actors encroach on people to swindle money out of the system.

The CBA submission ***"Improving Canadian Prosperity, Competiveness and Financial Security"*** claimed the Finance Transaction Reporting Centre of Canada (FINTRAC) does not ***"combat money laundering, terrorist activity financing, sanctions and threats to the security of Canada"*** the way policing is supposed to serve the law to protect.

It is more than a critique of Canada: it is a detail review of economic history since British economist Maynard Keynes complained, ***"I work for a Government I despise for ends, I think criminal"*** in 1917… to 100 years later how tax avoidance and evasion still works in 2017…

It is also political that taxation was as much an election issue for US President Donald Trump in 2016 to change in 2017, as it was in 2023. He ran for election as a convicted, but not sentenced criminal in 2024. And Prime Minister Justin Trudeau also mired in financial scandals that US courts held Canadian banks accountable for Ponzi schemes how Windmill deals turn to pocket money more than credit due.

Media reporting replayed political news from Canada and the U.S.A. where judges referred to constitutional law on the books for people to better understand it to elect who to represent and rule above it.

You can't believe things people must check in case of ***'fake news.'***

Even ***'Truth of the Court'*** is known to lie in court records.

My experience of the binary logic of data analysis is more reliable to picture potentially illegal acts that the law defines the crime, studied in academia, and questioned in review of court case histories.

Data analysis is a good approach to picture tax deductible securities fraud how counterfeit tax-credit notes passed through arguably legal, or illegal, and double billed private and public bank accounts behind Canada the money laundering capital of the world.

Canada the Money Laundering Capital of the World

McGill Queen's University Press published ***'Dirty Money'*** subtitle; ***'Financial Crime in Canada'*** in 2023. The volume is McGill course material for ***'Uncovering the hidden flows of dirty money into, out of, and throughout Canada'***. It critiqued tax ***'deficiencies in federal and provincial policy, regulation, legislation, politics, institutions, and enforcement, as well as the international financial crime regime.'***

Global News anchor, Anthony Robart and Professor Leuprecht presented the ***'Canada the money laundering capital of the world'*** report in 2024. It is troubling; ***"Financial crime is a major issue in this country, but a new book argues that criminals are able act with impunity due to an almost negligible chance of getting caught."***

ROBART: "Dirty Money, financial crime in Canada edited by Christian Leuprecht and Jamie Ferrell who also co-wrote part of it along with a number of other experts looks at how financial crime is corroding Canada, impacting everything from housing costs to gang violence to people's retirement funds. Joining me now for more on this project is Christian Leuprecht. He is a professor at Queen's University, the Director of the Queen's Institute of Inter Government Relations, also a professor at Royal Military College (RMC) in Kinston, and a longtime Senior Fellow at the McDonald Laurier Institute. Professor, great to see you, welcome back."

LEUPRECHT: "Good Morning."

ROBART: "So, obviously this paints a pretty grim picture of the situation in this country, and I want to get a sense, and I know this is a big topic. But, when it comes to Canada itself, maybe compared to other countries, how attractive is Canada for financial criminals?"

LEUPRECHT: "There's a Treasury estimate in the United States that about a hundred and thirteen billion dollars gets laundered in through Canada on an annual basis. That's astounding given the size of our economy. Canada is a highly connected country, we have lots of diaspora groups, we have lots of companies that are globally connected, and we have very stable financial system and a whole host of place that you can ultimately stash your money."

"We know this from the Royal Commission of Money Laundering, British Columbia that has laid out both estimates in terms of size, as well as the methods that are being used. An Australian colleague coined the term 'Snow-Washing' and the Vancouver method for the attractiveness of this particular country, in terms of people from around the globe parking their illicit gains."

ROBART: "But that number by itself is astounding, and you talk about the chances of getting caught are almost nil, civil and criminal asset forfeiture is weak and penalties are negligible. Is this a lack of law on the books, a lack of enforcement, or a combination of both?"

LEUPRECHT: "Yeah, there's a whole host of issues at play here, for instance there's the famous case of the Hell's Angels Vancouver clubhouse that has taken sixteen years in terms of asset forfeiture. That's just one example. So there's a challenge in terms of the legislation we have in place, there's a challenge in terms of the enforcement capabilities, you see the challenges that the Royal Canadian Mounted Police has in various areas of law enforcement, financial crime is arguably the most complex crime. We know it requires extremely sophisticated skill sets. And those skill sets by and large are simply not there within the RCMP. To the best of my knowledge, no one in this country has ever been charged with or convicted of transnational money laundering. But you also have significant challenge for instance in the way our financial intelligence unit FINTRAC is set up as an administrative unit rather than as an enforcement unit. By way of example, the largest fine FINTRAC has levied in this country against one of the banks is seven-point-five million dollars. AUSTRAC in Australia has levied two fines of over a billion dollars against two of the four large banks…Ultimately there's not much political will because politicians see on the one hand free money that they didn't have to work for to bring into the country… So they are not all that interested; it's not a top electoral issue… The book is trying to raise awareness, to raise public awareness, and raise the level of informed public debate to make sure that Canadians understand this is not a victimless crime. That they have to live with the consequences every way in terms of public safety and their cost of living."

This book is a detail study to help figure the whys and wherefores of financial consumer safeguards and taxpayer protection, and that courts know to protect the banking system.

Courts Know How to Protect the Banking System

The following court record replays investment loan litigation that a BMO representative, Michael Perris, sold a loan dependent income tax shelter scheme to his wife, sued to collect in 1996. Mr and Mrs Perris pleaded breach of bank protocol in their defense that put the onus of proof on BMO to disprove its wrongdoing, which the bank did not.

BANK OF MONTREAL v MICHAEL AND DEBRA PERRIS

STATEMENT OF CLAIM 96-CU-115730 December 11, 1996.

Page 1: Defendants STATEMENT OF DEFENCE January 23, 1997, Para 2: ***"The Defendants plead that the said funds were utilized for a pre-approved investment engaged by the Defendant, Michael Perris,"*** Para 3, ***"The Defendants plead that at no time was the Defendant, Debra Perris, given the opportunity or advice to obtain independent legal advice. The Defendant, Debra Perris, pleads that at no time did she truly understand the nature of the obligations nor were the same explained to her by a representative of the Plaintiff,"*** Para 4, ***"The Defendant, Debra Perris, therefore denies that she is responsible for the amounts due and owing as claimed,"*** Para 5, ***"The Defendants further deny the amounts due and owing as claimed and puts the Plaintiff to the strict proof thereof."***

Page 2: BMO REPLY, February 5, 1997, ***"The Plaintiff denies the allegations contained in paragraphs 2, 3, 4, 5, of the statement of Defense,"*** Para 2, ***"The Plaintiff states that Debra Perris fully understood the nature and effect of the documents that she signed,"*** Para 3, ***"In the alternative, the Plaintiff states that Debra Perris was reckless or careless in signing the Promissory Note and other bank documents, and accordingly, cannot disallow her liability on that account."***

Page 3: ***"ON READING the consent, filed, THIS COURT ORDERS that this action be and the same is herby dismissed without costs."***

The Perris defense was settled between lawyers. There was no trial. There was no judge to decide who to charge a penalty; BMO, or its paid operative selling tied-loan securities. And the police didn't pick it up to investigate breach of bank law of a financial institution.

It relates to Bill of Exchange Act 1966 (BEA) section 165(3) law in the Ontario Securities Commission (OSC) whistleblower file;

'Where a cheque is delivered to a bank for deposit to the credit of a person and the bank credits him with the amount of the cheque, the bank acquires all the rights and power of a holder in due course of the cheque.'

Mr Perris lured me into a money trap saving tax credits into personal financial ruin and notional national debt. He setup his wife the same way, except he was able to tell BMO what it could do with its loan claim. BMO lawyers sued the same facts as mine dismissed in months for Mr Perris but sued years in my case that my defense revealed the ***'signature-specific-identity-theft'*** weakness in section 165(3) law.

The Canada Revenue Agency (CRA) conjoined the Lemberg v Perris, 2010 ONSC 3690 ***'Art Flip'*** case. Justice Gray found Michael Perris in breach of fiduciary duty…***"Obtaining a secret commission"*** as the ***"fee or commission earned by Mr Perris was not disclosed."*** Indeed, the CRA changed the law to discourage criminal banking.

The Canadian government commissioned Simon Fraser University, Professor John Chant to study the need for regulation after the 2008 Global Credit Crunch. The result was the 2009 ***'Crisis-in-Canada'*** report and attached submission to the 2017 Tax Plan to implement a universal bank transaction control number to combat ***'Identity Theft'*** and safeguard private and public wealth according to the law.

This study reveals how confidence tricksters abuse the law to launder worthless negotiable instruments to cash rent-seeking-tax-arbitrage papered notes through bank transactions geared to defraud by design.

It compares the politics of law in the Republican run to retake the US presidency from Democrats in 2024 to the Canadian Conservative run to defeat the Liberal party with the ***'no taxation without representation'*** issue on the ballot in 2025. It reviews the Supreme Court of America decision to clarify the Supremacy Act in the US Constitution opposite to the Federal Court of Canada that denied trial to clarify the law that Canadians must vote to close the Magna Carta loophole.

Canadians Must Vote to Close the Magna Carta Loophole

The University of Ottawa, Institute of Fiscal Studies and Democracy, Vice President (VP), Sahir Khan, was on CBC Ontario Today, when I called about the lack of transparency in the Canadian budget process;

PFEFFER: "Tony Crawford, why is the economy salient to you?"

CRAWFORD: "Well it's more the monetary policy. I want to know how accountants claim that's there's transparency when there's a different accounting system between the private and public sector."

KHAN: "So, when you see the public account of the government of Canada you can be pretty confident that whether it's a Liberal, Conservative, or NDP government that those are the books as they are stated and fairly representative of the fiscal position of government. The difference is pretty subtle and probably not material to change your opinion one way or the other."

PFEFFER: "Are you decided?"

CRAWFORD: "I'm undecided and I'm looking for somebody who will close this loophole."

CBC invited politicians to Ontario Today including MP Anita Anand I also called about a Private Members Bill to close the tax loophole;

CRAWFORD: "I'm undecided; I really have lost a lot of faith in the political system which seems to ignore people like me. And I have been in touch with Anita Anand to crack down on tax fraud that favors the rich. And I've written her several times to table a Private Members Bill to amend bank law as directed by the courts to address this issue, which is so financially unfair."

PFEFFER: "What is your question? Go ahead."

CRAWFORD: "Well my question is when will she table the Private Members Bill that I've asked her to debate the inequity of the financial system?"

PFEFFER: "Before we go to Anita, I just want to… you know there was an evaluation of the platform by the former, the institute that is run now by the former PDO, Kevin Page… and found for instance the NDP option for this might be problematic in terms of actually getting, you know… after a while, the ultra rich find ways of around, making sure they are not paying those taxes. And, so the NDP platform was given a lower grade for that aspect of their revenue line. So, I'm just wondering what your thoughts are about how to appropriately do that. Do you think the NDP has the correct way to do it?

CRAWFORD: "Well I believe from a system point of view that if you had transparency, which was driven by a bank transaction control number you would be able to follow the money. And, that's the issue that's the problem. And that's the problem I've discussed with Anita Anand on several times, and I've written a book for her so that she understands where I'm coming from as a person who is challenged by the banking system, which seems to favor the rich. And the tax-system which seems to give all the tax credits, which are not reported in the budget in favor of helping the rich get the welfare from the state when it should be going to people more deserving."

PFEFFER: "Okay, Anita Anand, it is an attractive part of the NDP platform, what are your thoughts for Tony, who seems to be an undecided voter."

ANAND: "Well first of all, Tony, hello, I would love to come and chat with you on your doorstep as I'm chatting with a number of Oakvillians at the current time. So maybe you could send me separately how I can come and visit you so we could have a longer conversation here in Oakville. But, let me just say as a minister I can't table a Private Members Bill. But, what I can do is to work towards some of the goals that you have just emphasized in your comments. And in particular, a reelected Liberal government will raise corporate income taxes on the largest most profitable bank and insurance companies who earn more than $1billion per year, and introduce a temporary Canada recovery dividend that these companies would pay in recognition of the fact that they've recovered faster, recovered stronger than many other industries," she said on the air…

"Furthermore we would create a minimum tax rule that everyone who earns enough to qualify for the top bracket pays at least 15% a year that's the tax rate paid by people earning less than $49,000 removing their ability to artificially pay no tax through excessive use of deductions and credits. Those are the type of things that are in our platform at the current time. And, so, I would say in terms of our objectives that we are consistent, how we get there is the issue in terms of my bringing forward a Private Members Bill, but hopefully that we can have a longer conversation about my basic agreement with your… some of these points that you are raising."

It was not the first or last time an MP refused to talk to me, except on television. I had lobbied for a Private Members Bill in 2005, but I didn't know the government hadn't done a thing until I heard my MP Bonnie Brown say as much… on CBC News in 2006;

CRAWFORD: "If a government knew of a sleazy bank practice that tricks people into debt with tied loans based on third parties representing other peoples' signatures to link secret debts with retirement investment plans, would a government side with the banks to allow profiteering to continue, or would a government expose it, and do something to protect people from a debt crisis?"

BROWN: "Thank you very much… I too am aware of Tony and his case. He has brought it to my attention. I have received all the papers that he has about his case and I have taken them to the Finance Department. And I believe they ended up in the Office of the Superintendent of Financial Institutions. The answer we got back over that… was that nothing could be done."

The Office of the Superintendent of Financial Institutions (OSFI) did nothing about criminal banking and tax fraud, which it could have at least three years ahead to mitigate the 2008 Global Credit Crunch.

Indeed, the Department of Justice (DOJ) remained in the background until the RCMP and OSC reviewed my file in 2017. I delivered my 2012 Private Information for Public Prosecution and my 2017 OSC Whistle Blower File to MP Anita Anand and Chair of the Treasury Board of Canada to review the following bank system gap analysis and assess the financial impact of tax deductible securities fraud.

Financial Impact of Tax Deductible Securities Fraud

The news announced the OSC Whistleblower Act in 2015 and I accepted an offer of reward for my help to investigate alleged bank fraud. I reported my analysis as one of some three hundred duped investors liable to $20million contingent loans in BMO collections in 1999. The OSC requested information about my bank experience, which included correspondence with government departments and answers to letter to my MP, Bonnie Brown, including the following;

"I note the difficulties you have experienced with your dealings with the Bank, and I have a copy of your letter from the OSC. I trust your file will be reviewed, as you have requested, and, where possible, measures taken to afford better customer protection to you and others who find themselves in similar situations."

Bonnie Brown, MP Oakville, Liberal Party of Canada, June 2005.

I was also advised to not complain to government, only to the bank;

"The Financial Consumer Agency of Canada does not have jurisdiction over contractual matters, or the general service standards of the financial institutions it regulates.

Legislation requires all federally regulated financial institutions to have in place a complaint-handling process.

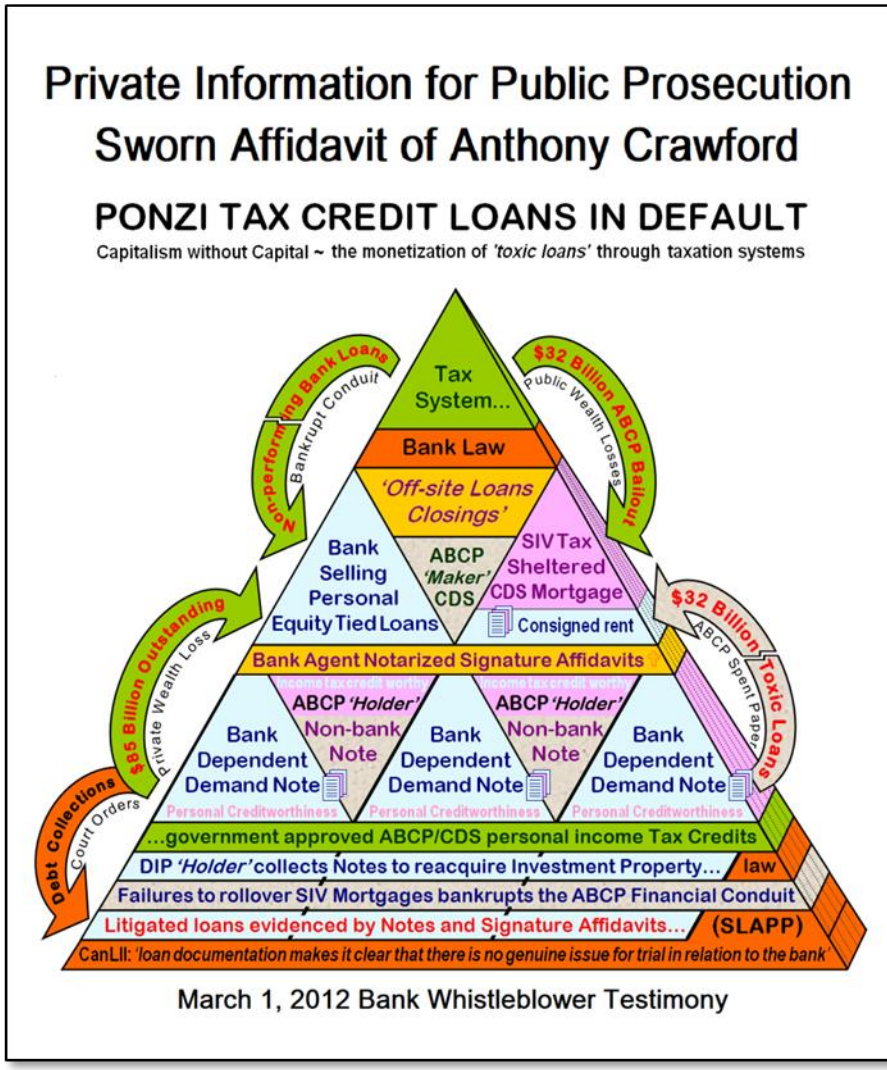
Customer concerns are important to us and we recommend you direct your complaint to the Bank."

William Knight, pp. The Commissioner for FCAC. November 2005.

The RCMP assessed ***'potentially criminal banking'*** and referred my case to local police to investigate my private loss while it reviewed my public loss in terms of tax fraud being a national security risk.

I provided evidence of financial structure in system diagrams from my work for BMO Information Technology (IT) in the 1900s. I was hired to lead BMO Harris Bank system workshops to streamline front and back office investment product sales. But, it wasn't until BMO sued employee forged cheques that I realized I had unwittingly automated a secret Ponzi scheme geared to defraud by design.

My Private Information for Public Prosecution went to authorities to be denied three times before it became accepted truthful testimony in 2012 sent to; 1) Her Royal Highness Queen Elizabeth the Second, 2) Prime Minister, Hon Stephen Harper, 3) Justice Minister, Hon Rob Nicholson, 4) Finance Minister, Hon James Flaherty, 5) Premier of Ontario, Dalton McGuinty, 6) Hon Andrea Horwath, 7) Her Worship Cornelia Mews, Justice of the Peace for Toronto, 8) Her Worship Marsha Farn and, Justice of the Peace for Halton Region, 9) Chief of Toronto Police, William Blair, and 10) Halton Chief Gary Growell;



Justice Minister Rob Nicholson wrote me I needed a good lawyer.

I had worked as a system analyst for BMO Canada and BMO Harris Bank in the 1990s to automate securities front office sales and back office financials that closed security deals in US credit markets.

I recalled the project when BMO sued a loan in 1999 tied to securities fraud. My accountant, Mr Perris had advised me to invest in Toronto commercial property in 1989 and BMO invoiced a subprime mortgage derivative for government approved income tax credits for 10 years.

The BMO Affidavit of Documents (AoD) revealed how the bank accredited a secret commission tied loan in breach of bank protocol behind BMO Ponzi sales. Indeed, it was fairly easy to reconstruct the BMO package deal from system analysis of its lending practice and a double billed loan as if a mortgage on rental income producing real estate promoted as an investment to own commercial property that could not otherwise be sold, or defraud without it.

BMO sued to collect its 1989 secret-commission tied loan in 1999, which by definition could not have been known to me. The Institute of Chartered Accountants Ontario (ICAO) charged its member with misconduct with a deterrent $5,000 fine in 2007. But forged cheques and even the bank-agent-dealer noted in default to defend did not stop judgment for BMO in 2008. My appeal for trial of expert handwriting analysis was dismissed. Toronto Dominion Bank (TD) cashed a BMO forged cheque in TD records but defied a COURT ORDER it must file evidence in 2008. I have to assume that they colluded to obstruct justice in my case with Fraud in the Factum and Fraud on the Court behind the following BMO rule of law decided January 30, 2009;

Crawford v. Bank of Montreal, 2009 ONCA 98 DOCKET C49171

> ***'The essence of the defense in this matter is that the appellant failed to read loan documentation when he initially took out the loan or at any point in the following ten-year period when he made payments on the loan. The loan documentation makes it clear that there is no genuine issue for trial in relation to the Bank of Montreal.'***

No Genuine Issue for Trial in Relation to the Bank of Montreal

The Civil Court outcome of my private debt denied trial in 2008 was the same as Federal Court of my public debt denied trial in 2015.

Hindsight is too late when a statute of limitation upholds a scam and ***'Bank is Always Right Law'*** assures bank immunity from prosecution.

Academics criticized the Canadian Bill Of Exchange Act, 1966 (BEA) section 165(3) that taken literally the amendment could protect art and part of potentially criminal banking never tried in court;

'Where a cheque is delivered to a bank for deposit to the credit of a person and the bank credits him with the amount of the cheque, the bank acquires all the rights and power of a holder in due course of the cheque.'

McGill University Professor Stephen Scott criticized section 165(3);

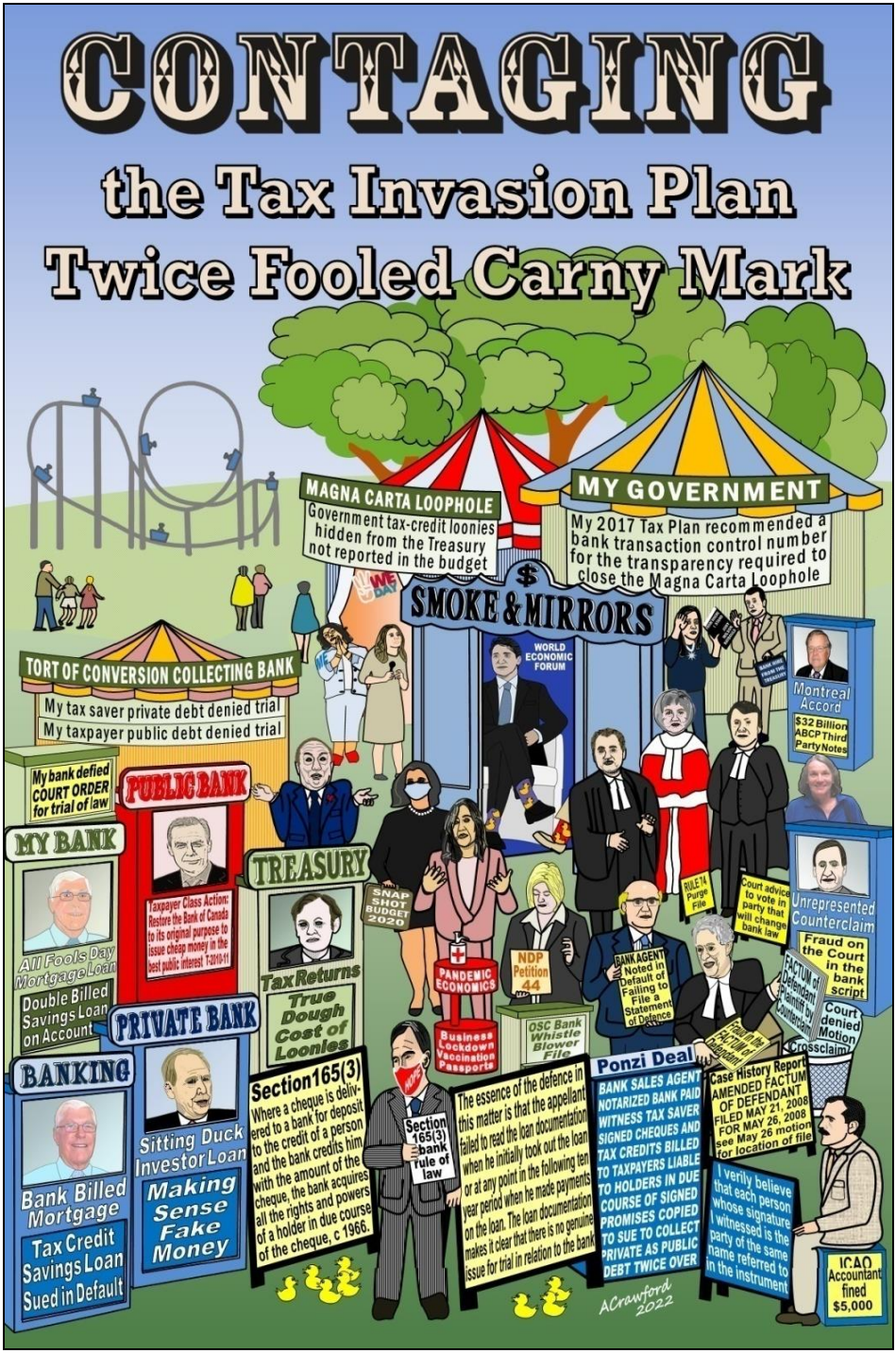
"Taking the words at their face value, the bank is legally in the right even to take an extreme case… if it is itself party to the fraud set up as a defense. Of course no court could permit such a construction…that no one may plead his own wrongdoing…"

A lawyer advised keeping a diary would be therapeutic for me as a ***'signature-specific identity theft'*** truth embargo and legal nightmare opened to collect a BMO Undocumented Financial Obligation (UFO).

I was told it was a tied loan in 2002 and didn't know any better until I read the BMO Case History in 2022 a forged Factum of Defense replaced my Factum of Defense and Counterclaim. BMO blamed my wife for not opening a letter it claimed it sent me in 1989 to confirm secret commission tied-loan terms and conditions in 1999, which its lawyer litigated in my case ruled lawful to collect in 2009.

The way I understand it; the court defended section 165(3) law from Fraud in the Factum and Fraud on the Court in Canadian Case Law.

It couldn't be helped; I pictured myself as a twice fooled Carny Mark.


CONTAGING
the Tax Invasion Plan
Twice Fooled Carny Mark
MAGNA CARTA LOOPHOLE
Government tax-credit loonies hidden from the Treasury not reported in the budget
MY GOVERNMENT
My 2017 Tax Plan recommended a bank transaction control number for the transparency required to close the Magna Carta Loophole
SMOKE & MIRRORS
WORLD ECONOMIC FORUM
TORT OF CONVERSION COLLECTING BANK
My tax saver private debt denied trial
My taxpayer public debt denied trial
My bank defied COURT ORDER for trial of law
PUBLIC BANK
Taxpayer Class Action: Restore the Bank of Canada to its original purpose to issue cheap money in the best public interest T-2010-11
MY BANK
All Fools Day Mortgage Loan
Double Billed Savings Loan on Account
PRIVATE BANK
BANKING
Bank Billed Mortgage
Tax Credit Savings Loan Sued in Default
Sitting Duck Investor Loan
Making Sense Fake Money
TREASURY
Tax Returns
True Dough Cost of Loonies
Section165(3)
Where a cheque is delivered to a bank for deposit to the credit of a person and the bank credits him with the amount of the cheque, the bank acquires all the rights and powers of a holder in due course of the cheque, c 1966.
SNAP SHOT BUDGET 2020
PANDEMIC ECONOMICS
Business Lockdown Vaccination Passports
NDP Petition 44
OSC Bank Whistle Blower File
Section 165(3) bank Rule of law
The essence of the defence in this matter is that the appellant failed to read the loan documentation when he initially took out the loan or at any point in the following ten year period when he made payments on the loan. The loan documentation makes it clear that there is no genuine issue for trial in relation to the bank
Ponzi Deal
BANK SALES AGENT NOTARIZED BANK PAID WITNESS TAX SAVER SIGNED CHEQUES AND TAX CREDITS BILLED TO TAXPAYERS LIABLE TO HOLDERS IN DUE COURSE OF SIGNED PROMISES COPIED TO SUE TO COLLECT PRIVATE AS PUBLIC DEBT TWICE OVER
ACrawford 2022
BANK AGENT Noted in Default of Failing to File a Statement of Defence
RULE 74 Purge File
Court advice to vote in party that will change bank law
Montreal Accord
$32 Billion ABCP Third Party Notes
Unrepresented Counterclaim
Fraud on the Court in the bank script
FACTUM of Defendant Plaintiff by Counterclaim
Court denied Motion Crossclaim
Case History Report AMENDED FACTUM OF DEFENDANT FILED MAY 21, 2008 FOR MAY 26, 2008 see May 26 motion for location of file
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument
ICAO Accountant fined $5,000

The above BMO v Perris case is a perfect bad example of bad law in my 2012 Private Information for Public Prosecution.

But, I knew nothing of section 165(3) when I expressed my concern thirty years ago. It's hard to believe I predicted my misfortune to my government on page 72 of the 1st Session of the 35th Parliament 1994 ***'CONFRONTING CANADA'S DEFICIT CRISIS'*** Report;

"As far as the deficit is concerned, I do believe it is a major problem. I find that the principles of fiscal management have eroded over the years. And, I would question the very nature of the business practices we implement in this country, which challenge the wealth-creation concept. I believe, from a personal point of view, that my wealth has been confiscated. I have a lot of friends who feel the same way."

Indeed I wrote from professional experience how bank law works in ***'Crawford's Pocket Money Dictionary of Ruly English Law'*** and ***'Magna Carta Loophole Gullible Taxpayer Law'*** in 2019 and 2020 ***'CONTAGING the Tax Invasion Plan Twice Fooled Carny Mark'***.

My early drawings of system analysis were useful, but didn't posit section 165(3) how moneymaking cons steal income tax credits and draw bogus cheques on fake loans sued to collect in the bottom line;

'BANK SALES AGENT NOTARIZED BANK PAID WITNESS TAX-SAVER SIGNED CHEQUES AND TAX CREDITS BILLED TO TAXPAYERS LIABLE TO HOLDERS IN DUE COURSE OF SIGNED PROMISES COPIED TO SUE TO COLLECT PRIVATE AND PUBLIC DEBT TWICE OVER'

I drew a picture of Prime Ministers, Pierre and Justin Trudeau, and Finance Minister, Bill Morneau, and Bank Governor, Mark Carney, and Head of State appointed judges denied trial of section 165(3) in 2017, with ***'Court advice to vote in a party that will change the law.'***

'CONTAGING the Tax Invasion Plan Twice Fooled Carny Mark' revealed ***'Fraud in the Factum'*** and ***'Fraud on the Court'*** in 2017. It helped me think of twice paid tax-deficit dollars in the complex workings of KPMG US storybook sleazy tax shelter schemes.

US Storybook Sleazy Tax Shelter Schemes

The US Subcommittee on Investigations criticized ethical standards of the legal and accounting profession in 2005, which they warned, ***"Pushed, prodded, bent, and sometimes broke the law for enormous monetary gain."*** They forced the KPMG Accounting company to apologize for so-called "***Storybook sleazy tax shelter schemes."***

Internal Revenue Service (IRS) and Federal Bureau of Investigations (FBI) investigated the long-term effects of tax fraud in the world and the US Senate Permanent Subcommittee on Investigations issued a warning about abusive ways and means in tax shelter schemes;

'Transactions in which a significant purpose is avoidance or evasion of federal, state, or local tax in a manner not intended by law'

British Broadcasting Corporation (BBC) Panorama blurred out the face of a whistleblower revealing financial risk in bank product sales, in ***'The Money Trap: How the Banks Lure You into Debt'*** in 2006.

Mortgage fraud doubled in 2006 to 2008 and the FBI said it reached epic levels, but rather than pursue individual dealers— it focused on companies thought to have had the greatest financial on the books. It reduced 500 individual investigations down to 38 major companies cited as directly complicit in the financial crisis.

A Deputy Director explained it to the Senate Judiciary Committee the way they put it; ***"It is a matter of lawyers, brokers, or real estate professionals systematically trying to defraud the system."***

When the start of the financial collapse was reported in August 2007 it was first announced in billions and then in trillions of dollars. The problem was described as lack of regulation and bank oversight.

Specifically, it was subprime mortgages and derivatives contrived to resell made-up credit as if real asset, that is loans, but actually rigged to dilute the financial risk in Ponzi products and spread bank-sector liabilities to other financial markets all over the world.

US news defined banking in December 2007; ***"The innovations of recent years, the alphabet soup of CDO's and SIV's, RMBS and ABCP's were sold on false pretenses. They were promoted as ways to spread risk, making investments safer. What they did instead— aside from making their creators lots of money, which they didn't have to repay when it all went bust— was to spread con-fusion, luring investors to take on more risk than they realized."***

Wharton School, Stuart Lucas, authored ***'Wealth: Grow It, Protect It, Spend It, and Share It'*** in which he redefined tax shelter schemes;

> ***"The term 'tax shelter' generally means a product or strategy that strings together various elements of the tax code for an especially useful benefit, and many tax shelters are considered acceptable. The line between proper and improper shelters is so unclear that the IRS uses terms like 'abusive' to characterize unacceptable shelters rather than calling them 'illegal'."***

In March 2008, the International Monitory Fund (IMF) quantified subprime mortgage at about 20% compared to 80% bank losses due to Asset Backed Securities (ABS), Collateralized Debt Obligations (CDO) and Structured Investment Vehicles (SIV).

It assessed the one time total impact of $1trillion real cost of money that doubled in the world to more than $2trillion fake debt in 2008.

German Bank HVB Group paid $29.6million in 2008 to avoid trial of defrauding the IRS. KPMG executives were charged with tax-evasion in the largest criminal investigation in US history that the Senate Permanent Subcommittee on Investigations reported the enormous extent of US dollar losses;

> ***"The products generated hundreds of millions of dollars in phony paper losses for taxpayers using a series of complex, orchestrated transactions, structured finance, and investments with little or no profit potential."***

Still, the profit side of loss was due to ***"Subprime is an unsecured investment in resold mortgages on property,"*** defined in the news.

The US Congress appointed a Financial Crisis Inquiry Commission (FCIC) to review mortgage derivative subprime failures to rollover ahead of the 2008 Global Credit Crunch. The Canadian government appointed Fraser University Professor John Chant to study financial implications and recommend new regulation in the economic sector.

Professor Chant defined ***'Off-the-books non-traditional banking'*** with Enhanced Credit Facility (ECF) that over collateralized overvalued assets ultimately failed to perform. It left investors liable to repay subprime mortgage losses in final disbursements of nonrenewable non-bank notes that failed to rollover in default of ***'Ponzi Schemes.'***

The Canadian $117billion Asset Backed Commercial Paper (ABCP) market collapsed with some $32billion illiquid non-bank notes sued in default in the ***'Montreal Accord'*** for repayment that court ordered recapitalization saved ***'too-big-fail'*** banks from bankruptcy in 2008.

Professor Chant defined what SIV does in credit markets, it is;

"A stand-alone vehicle which has the sole purpose of holding assets and issuing claims against them," he defined in his report.

He focused on selling ABCP the most critical area for regulation;

"It has the clearest implications for securities regulation. It is clearly a case of a clear violation of the rules governing sales and distribution. If proven, admittedly a difficult task, it lies within the purview of enforcement of securities regulation with the prescribed sanctions and penalties," he wrote the government in his report.

Financial news reporter Tara Perkins referred to BMO selling SIVs in Toronto newspapers, ***"SIVs are set up by banks at arm's length, and used to issue commercial paper and notes to investors without affecting the corporate balance sheets,"*** she said in the news.

Investment banks sold over-credited ABCP in financial markets that transferred shadow-bank off-the-books non-banknotes to retail banks holding worthless paper on-the-books. Failures to rollover ***'synthetic'*** subprime mortgages triggered market collapse and credit default.

Banks blamed the Global Credit Crunch on unaffordable mortgages that foolish bank customers caused the system to collapse in 2008. But the FCIC report blamed the financial collapse on unaffordable loans and irresponsible lending. It criticized the lack of transparency, which the late Queen Elisabeth II famously asked professors at the London School of Economics, ***"Why didn't you see it coming?"***

It seemed US authorities were caught off guard: They rescued Bear Stearns, put Fannie Mae and Freddie Mac into conservatorship, and bankrupted Lehman Brothers, but reinsured the financially troubled American International Group (AIG) insurance company…

Goldman Sachs, Chief Executive Officer (CEO), Lloyd Blankfien defined banking for the US Commission Inquiry in January 2010 that raising credit for people to make money was ***"Doing God's Work."***

He said his Collateralized Debt Obligation (CDO) market was built on subprime, which the Securities and Exchange Commission (SEC) sued in April 2010 that the bank sold CDO loans in 2007 in breach of anti-fraud law. The bank paid an SEC $550million fine in July 2010.

Berkeley University published a review in 2012 ***'The SEC v. Goldman Sachs: Reputation, Trust, and Fiduciary Duties in Investment Banking'*** defined the workings of its CDO Special Purpose Vehicle (SPV);

'The SPV sold notes whose value was tied to the value of a portfolio of Residential Mortgage Backed Securities (RMBS). The transaction was "synthetic" in that the reference portfolio was not purchased by the SPV, and hence, did not appear on the SPV's balance sheet. Instead the SPV used the money it received from selling the notes to purchase a portfolio of high grade securities. These securities were used to collateralize a Credit Default Swap (CDS) under the terms of which the SPV received regular payments in exchange for indemnifying its counterpart against losses incurred on the reference portfolio. These payments were used to enhance the return that accrued to investors in the SPV's notes, who bore the economic risk of default on the reference portfolio.'

Harvard University Professor Larry Summers said the real scandal is the fact that bank law upholds the dark side of capital mobility.

Bank Law Upholds the Dark Side of Capital Mobility

US Treasury Secretary, Larry Summers spoke at the Institute for New Economic Thinking (INET) ***'Human After All'*** Conference in Toronto in 2014. We had previously met at the Wall Street Journal (WSJ) 2009 G20 Future of Finance Initiative at the White House in Washington DC. Chrystia Freeland, later Deputy Prime Minister and Minister of Finance since 2019 chaired the last session, when he offered the last question, which I stood up to request;

CRAWFORD: "Over here!"

FREELAND, "Okay, can't resist. You get the last question."

CRAWFORD, "My question is about tax arbitrage, and I have to compliment this conference that has shown me that it is willing to talk about fraud in banking more than any other conference I have ever attended in my life. *[Applause]* ***And I know for a fact that one of our speakers who was on this morning, Lord Adair Turner, was in the Guardian paper in England for talking about banks as having a policy of tax arbitrage, which damages the economy in so much in-credible ways that the general public has absolutely no idea. And, I would like you, Larry Summers, to explain what tax arbitrage really is, and what it means to the public like me who suffer in that we have to pay banks from our tax dollars to rescue these criminal buggers for what they do to people like me, which is not people like you, so would you please explain it?"*** *[Applause]*

FREELAND, faced Mr Summers and said, ***"Criminal banking?"***

SUMMERS, "The American journalist Mike Kinsley put forth the doctrine that the real scandal isn't usually the illegal things people do, it's the things that are fully legal.

And that is certainly true with respect to tax sheltering and overseas tax sheltering and tax sheltering by financial institutions. Tax shelters, tax arbitrage comes in forms that are mind numbingly complex. But, its essence is that you borrow money and you deduct the interest on your borrowing and you put the money somewhere where you earn interest and you don't pay tax on the interest you earn.

And, if you do those two things at the same rate and you can subtract, you recognize you make a profit that's equal to the tax rate times the interest rate on each dollar of your money.

And, there's no question that there's a lot of that… that goes on.

There's no question that but for successful rent seeking in individual countries there would be substantially less of it.

There's no question that to fully address it would require more international cooperation than we have now.

And, there's no question that it is a very serious problem, as I tried to convey when I spoke about the dark side of capital mobility. I have no doubt there are tens if not hundreds of billions of dollars that should be collected by the world's fiscs that are not, because of the kinds of tax arbitrage activities that you describe."

Professor Summers defined ***'Rent Seeking Tax Arbitrage'*** the way a shadow banker defrauds a Carny mark. But I still didn't know law to add to workflow until lawyers explained the ***'acceptor supra protest'*** rule in the Canadian Montreal Accord court decision.

The US adopted UK Bills of Exchange Act, 1882 (BoE) law that Mr Bigelow wrote ***'The law of Bills, Notes, and Cheques'*** in 1897. Mr Slater published a ***'Handbook for Lawyers and Business Men'*** in the UK***'PITMAN'S BILLS, CHEQUES, AND NOTES'*** in 1907.

I found an original edition in an antique book store including private ***'NOTES ON THE LAW OF NEGOTIABLE INSTRUMENTS WITH SPECIAL REFERENCE TO BILLS OF EXCHANGE, PROMISSORY NOTES, AND CHEQUES'*** the way judges enforce BoE Code of Law.

It is so revealing; Barrister Slater defined the most dangerous of all negotiable instruments in the world with a very serious **WARNING. A** banker must **NEVER SIGN A WINDBILL**. I had never heard of a WINDBILL until BMO sued me to collect contingent debt to its own WINDMILL that lawyers and judges pleaded bank law to uphold the WINDBILL in shadow bank workings of crafty Ponzi schemes.

Shadow Bank Workings of Crafty Ponzi Schemes

Pitman's Handbook for Lawyers and Business Men, and Thomson's Dictionary of Banking Law and Practice, is on the Internet to figure bank purpose in negotiable instruments, especially the WINDBILL;

"Bills of Exchange, Cheques, and Notes, form, after coin of the realm, the most common examples of what are known as "negotiable instruments". There is a well-known maxim of the English common law that no person can give to another that of which he has not the true ownership 'nemo dat quod non habet'. This maxim applies to all ordinary chattels, and therefore no one but the rightful owner can, except as far as provision is made by statute, transfer the property, that is, the absolute ownership, in them. Negotiable instruments, however, are an exception to this rule."

Author, barrister Slater, defined three basic rules of negotiability;

(1) "The property in them, that is the complete right of ownership, passes by delivery, and not merely the possession, that is, the right of retaining the same as against any person except the true owner."

(2) "The holder in due course is not in any way affected by any defect of title on the part of the transferor or of any previous holder. He holds the instruments, said in law, 'free from all the equities'."

(3) "The holder in due course can sue upon them in his own name."

He wrote ***"A rough-and-ready test of negotiability lies in a question."***

"Can a title be made through a thief?

If the answer is 'Yes' the instrument is negotiable,

If the answer is 'No' it is not negotiable."

Thomson's dictionary defines the UK ***'Windbill'*** (US ***Windmill***) that it raises money due to ***'Kite Flying'*** third party credit from the wealth of an ***'Accommodation Party'*** who reinsures the ***'Accommodation Bill.'***

WINDBILL, Windmill, names given to accommodation bills.

KITE FLYING, raising money by accommodation bills.

ACCOMMODATION PARTY, the person who signs the bill as drawer, acceptor, or endorser, without receiving any value therefore, for the purpose of accommodating some other person. An accommodation party is liable to a holder for value. The position of such a party is in fact, that of a surety or guarantor.'

ACCOMMODATION BILL, a bill of exchange endorsed by a reputable third party (called an accommodation party) acting as a guarantor, as a favor and without compensation.

ACCOMMODATION PAPER, a negotiable instrument that one party cosigns, without receiving any consideration, as surety for another party who remains primarily liable. Accommodation paper is typically used when the cosigner is more creditworthy than the principal debtor.

Barrister Slater warned of danger to whoever signed a WINDMILL;

"Never draw or accept an accommodation bill, unless you are prepared to meet it whenever called upon. After it has left your possession value may be given for it, and it is no answer to a holder for value that you are only an accommodation party."

Black's Law defines who is liable in law to pay when a negotiable instrument is presented in ***'Dishonor'*** that the accommodation party must honor default, which is the ***'Acceptor Supra Protest'*** law.

'DISHONOR, refuse to accept or pay (a negotiable instrument).

ACCEPTOR SUPRA PROTEST, one who accepts a bill that has been protested, for the honor of the drawer or an endorser.'

Judges use NOTES OF LAW to rule WINDBILLs and WINDMILLs how they turn to make money more than credit due that taxpayers like me joined the COMER taxpayer class action to clarify bank law.

Canadian Taxpayer Class Action to Clarify Bank Law

Canadian taxpayers filed a class action for bank law clarity in 2011;

COMER v. HER MAJESTY THE QUEEN, THE MINISTER OF FINANCE, THE MINISTER OF NATIONAL REVENUE, BANK OF CANADA, and THE ATTORNEY GENERAL OF CANADA.

Canadian taxpayers claimed government breach of constitutional law that CBC Amanda Lang, asked Rocco Galati, lawyer for COMER, what he wanted from trial. He said, ***"My hope is that the court declare that the government is bound by the legislation."*** But trial was denied in 2014, and again in 2015, and appeal for trial also denied in 2017.

The taxpayer class action was before the Federal Court in 2015 to;

'RESTORE THE USE OF THE PUBLIC BANK OF CANADA FOR THE BENEFIT OF CANADIANS AND REMOVE IT FROM THE CONTROL OF INTERNATIONAL PRIVATE ENTITIES WHOSE INTERESTS AND DIRECTIVES ARE PLACED ABOVE THE INTEREST OF CANADIANS AND THE PRIMACY OF THE CONSTITUTION OF CANADA.'

Canadian taxpayers framed a constitutional challenge to sue the Head of State with respect to Magna Carta principle. Plaintiffs like me claimed that ***'income tax credits hidden from the Treasury not reported in the budget'*** violated ***'no taxation without representation'*** law. The Crown Defendant replied notwithstanding Magna Carta principle ***'no one is above the law'*** yet, ***'Parliament rules supreme.'***

Constitutional lawyer for COMER, Rocco Galati, claimed graft hid tax-credits from the Treasury not reported in the budget. He jollied it along with humor ***"Parliament can be as nincompoop as much as they want, as long as they don't inflict constitutional violations."***

He pleaded tax fraud, ***"So you have federal actors under federal legislation who are breaching constitutional norms and rights with the effect of extinguishing a constitutional right of no taxation without representation."*** In other words, Galati said the bank effect of the Canadian ***'Magna Carta Loophole'*** was breach of law.

Crown lawyer Peter Hajecek agreed foreign private banks billed more than the taxpayer owned Public Bank would have charged to buy loony money. But notwithstanding Charter of Right, government is supreme to litigate whatever policy with whosoever, however and, whichever way it wants. The crown pleaded that ***"Parliamentary privilege consists of the rights and immunities which the two houses of Parliament and their members and officers possess to enable them to carry out their functions effectively,"*** Hajecek defended in court.

The Crown challenged taxpayer assertion the Canadian budget is not a true account of tax revenue, ***"There is no constitutional duty in presenting the budget in the manner the Plaintiffs urge upon the court"*** Peter Hajacek for the Crown impressed upon the court.

The Crown pleaded court is no place for politics, and advised that taxpayers as plaintiffs must follow procedure and complain to their MPs to vote in a party that would uphold the intent of the law.

I filed my testimony as an expert witness for COMER and a Plaintiff filed a motion that the court reconsider its judgment and conduct an audit to reassess financial harm. It was purged from the court record as Galati objected it made it difficult for COMER members to stand up to political influence in Canadian courts that stood up to adverse ways against justice that the Supreme Court denied trial in 2017.

"To vote in a party that will change bank law to balance paid out taxes in private-bank accounts to paid-in tax in the Treasury public bank for a true account of tax returns in the budget to spend."

If Canadians are troubled with court advice the only remedy to unruly government that flouts the constitution is a once-in-a-five-year vote for or against a professed law-abiding-party, they will appreciate Justice Russell said constitutional law can be challenged by anyone at any time. Indeed, any citizen can sue the Public Bank of Canada and even the commonwealth Head of State to issue cheaper money than a private foreign bank and anyone can urge a government to balance the budget. On the other hand, people followed political-party-lines about closing tax loopholes and tax fairness for a balanced budget to win votes that Canadian and American politicians… all promised to tax the rich.

Canadian and American Politics all Promised to Tax the Rich

Canadian Prime Minister Justin Trudeau promised he would change the tax rule of law in 2015. And, American Donald Trump promoted the same in his political message when ran for US President in 2016.

Mr Trudeau was elected in 2016 and Mr Trump 2017 that when it came to income tax avoidance and evasion, and fairness, Canadian and American elite had different ways of keeping election promises.

Prime Minister Justin Trudeau promoted the budget would balance itself as the economy grew and announced his tax plan at the United Nations (UN) in 2017. ***"We raised taxes on the wealthiest one per cent so that we could lower them for the middleclass and we're continuing to look for ways to make our tax system more fair. We have a system that encourages wealthy Canadians to use private corporations to pay a lower tax rate than middleclass Canadians. That's not fair, and we're going to fix it,"*** the Prime Minister of Canada said.

The COMER taxpayer class action for tax reform was hard to ignore. People distrusted bank inflated cost of money. Especially, those who questioned the 1974 Pierre Elliot Trudeau government choice to bond taxpayers to pay more money to foreign private banks rather than cheaper money from Canadian Public Bank loans since 1933.

Finance Minister, Bill Morneau also promoted closing loopholes; ***"The systems we are talking about are currently legal. We see though, that the implications of these structures create an unequal playing field. So, we don't think that they're fair. What we are really doing is closing down loopholes. The consultation paper looks at tax planning using private corporations in detail and sets out some potential policy responses. We want to hear from Canadians about how these polices would affect them, where we have it right and where we can improve."***

My recommendation to close the Magna Carta loophole is a practical solution to the problem. Better than tax on high income earners in the aspiring and middleclass. And better than taxing the ten percent or the one percent that has a hold on the one percent of the one percent elite in charge of spending Canadian public money on private bills.

Spending Canadian Public Money on Private Bills

The decision against the Canadian taxpayer class action for trial of the budget to follow the money, and holding the government liable to obey the law, wasn't news until Prime Minister Trudeau reportedly dismissed the COMER case as just another conspiracy theory.

If politicians, lawyers, academics, business leaders, and taxpayers of any political stripe ever wanted to read a replay of economic crime, legal intrigue, political nuance, courtroom drama, and dark humor, it would be the Canadian Federal Court transcript of the COMER case the way Justice James Russell ruled to deny trial in 2015.

Rocco Galati explained the COMER case in his pleadings for trial;

"The case before you is that there is an executive breach of a constitutional requirement by the Minister of Finance with respect to the budget process, and that as a result the legislation that comes out of Parliament breaches the constitutional right to no taxation without representation."

He explained the Magna Carta loophole aspect of the case;

"…what is missed is the primary duty which is constitutional in the budgetary process outlining all revenues and expenditures as historically evolved from the Magna Carta and tied to the constitutional right to no taxation without representation," he said.

Galati referred to tax law that codified Magna Carta principles in the Act, how the budget is contorted when government tax credits offset unreported shortfalls as losses in yearend tax returns;

"…by removing and not revealing the true revenues of Parliament, which is the only body which can constitutionally impose tax and thus approve the proposed spending from the speech from the throne, the Minister of Finance is removing the elected MPs' ability to properly review and debate the budget, and pass its expenditure and corresponding taxing provisions through the elected representatives of the House of Commons."

Justice Russell confirmed the shortcomings of collective tax;

"In terms of their personal standing, they are really in no different position from any other Canadian citizen, right? The disadvantages which they say they have suffered and the losses they say they have suffered, we <u>all</u> have suffered as taxpayers."

And he answered his own question that citizens have a right to sue?

"My question would be that any Canadian citizen could have brought this action?"

Galati referred to Thornson Case Law that confirmed standing;

"Yes. Any Canadian citizen could bring this, and they did."

Few Canadian taxpayers heard of the class action, let alone standing;

"…violations to their constitutional rights with respect to taxation and right to vote, have personal standing. And if they don't have personal standing… they have public interest standing"

Peter Hajecek defended the account of the budget for the Crown.

"So, my submission to you is what could be more important to Parliament's functioning than the debate of the budget? The processing of the budget, and that's why in our Constitution it's very clear in the Constitution Act, 1867, that it must be in the House of Commons."

And he described it the way how the Canadian constitution works.

"…the way our Constitution works is they make the laws. Once the laws are on the books it… our judiciary scrutinizes them for conformity with the Constitution. But, wisdom is not something that… wisdom of legislation is not in the bailiwick of courts, as I understand it. And it's pretty hard with any kind of jurisdiction question in the Court, I would submit— no disrespect intended— but given our laws… to make it plain and obvious?"

Justice Russell also questioned the disinformation effect on voters;

"So, are you saying if Parliament wishes to pass legislation without having the full wherewithal, the full knowledge of what the legislation is all about, that's okay?"

The lawyer for the Crown answered in terms of power in politics;

"That is up to Parliament, because my next point is that Parliament is supreme in its deliberations."

But Justice Russell wanted to confirm the apparent insanity of it;

"So in, in blunt terms, you're telling me if Parliament wished to act in an incompetent way, that's, that's up to Parliament?"

And how to resolve the misinformed revenue effect on the vote;

"So if a bill comes before Parliament and the information is defective, I mean there is not enough information in it to make a meaningful decision, the remedy is what? You're telling me this…"

Hajecek advised the remedy is the once-in-five-year right to vote;

"Well, I guess the remedy is this, is that we have elections every at least five years, the Constitution mandates. So the remedy would be is that people would vote in a party that would pass a different law."

Justice Russell agreed, but reconfirmed the court was <u>not</u> to blame;

"That's true. But once again, the bottom, your bottom line I think is you're telling me if you have a problem with what occurred here, your complaint should be to your representative, and not to the court."

Notwithstanding the politics of law how principle stands up in court;

"That's exactly it, yeah… Yeah, that's my submission…"

But still, the Federal Court of Canada ignored financial harm.

Federal Court of Canada Ignored Financial Harm

My knowledge of banking is based on ***'if this, what next?'*** questions to specify a system prototype in sufficient detail to write pseudo code that programs technology to streamline financial inputs and outputs and log business transactions to history files. I worked on systems for BMO Canada and its US subsidiaries. It was my job to redesign the BMO Chicago Harris Bank trading system including front-office sales and back-office support, but I didn't know bank law, and it never occurred to me to ask about financial safeguards to code.

Technology design with no job experience is like a jigsaw puzzle without a picture to figure what and where pieces fit, with or without all the pieces. It is a matter of visioning change to reprogram function to control work with computer assisted support such as required for management goals and objectives, which is business purpose.

A bank objective is to make money according to capitalization rules of law, which is legislated by government, defined in regulation, and enforced by the judiciary. It is a triune system how society lives and money and taxes work today, including rent seeking tax arbitrage.

Wharton Professor Tyson explained ***'Rent Seeking Tax Arbitrage'***;

> ***"There is money involved, why shouldn't lawyers, accountants and bankers try to make money? Taxpayers were allowed to apply losses from passive investments, like apartment complexes… Rental income would be more than offset by operating expenses, interest on the loan and depreciation, creating a loss the partners could use to eliminate tax on tens of thousands of dollars in other income limited partnerships, to offset large amounts of ordinary income from other sources. Using depreciation, investors could claim losses on investments that actually produced profits."***

Then to say; ***"This is what I used to call a financial miracle…"***

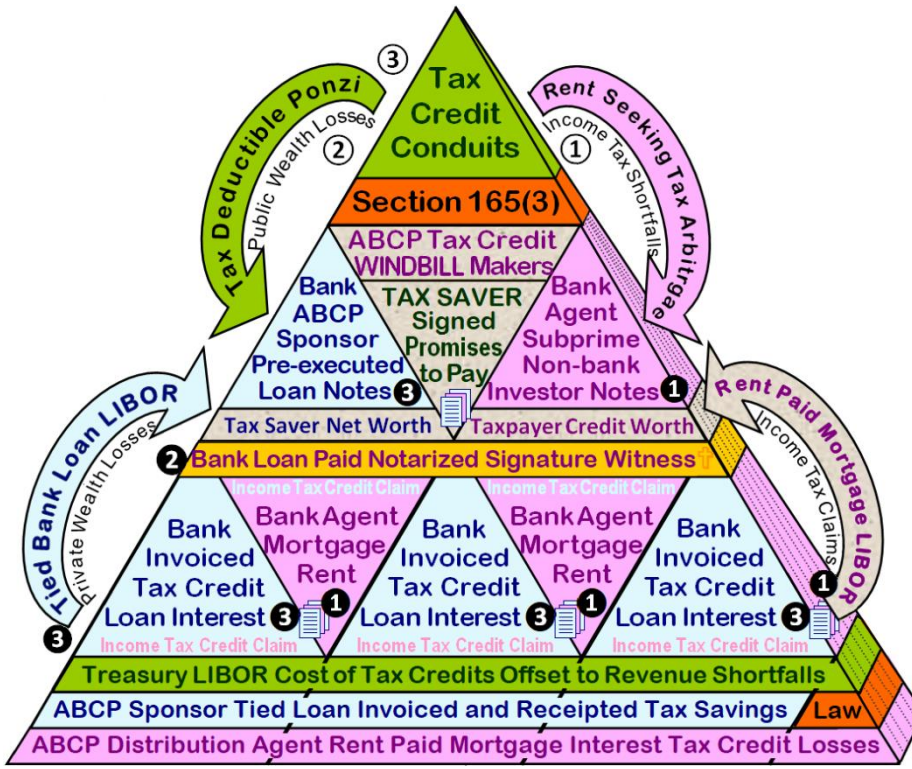
But the financial miracle relied on deregulated ways and means that ABCP tax-credit Ponzi WINDBILL ***'Makers in the Deal'*** yielded to ABCP tax-credit Ponzi WINDBILL ***'Holders in Due Course.'***

Ponzi WINDBILL Makers and Holders in Due Course

The Canadian government commissioned Simon Fraser University, Professor of Economics, John Chant to study the Global Credit Crunch and report the ***'Implications for the Regulation of Financial Markets.'*** He defined Asset Backed Commercial Paper (ABCP) bank roles and responsibilities in his ***'2009 ABCP Crisis-in-Canada Report'***;

"Canadian financial markets were shaken in mid-August, 2007 when approximately $32billion of non-bank, or third-party, sponsored asset-backed commercial paper was frozen by the inability of the conduits to rollover their maturing notes. The affected conduits represented 27% of the $117billion ABCP market. This paper examines the issues for the regulation of financial markets raised by the failure of nonbank sponsored ABCP conduits to rollover their debt."

ACBP Tax-Credit Ponzi WINDBILL Makers in the Deal

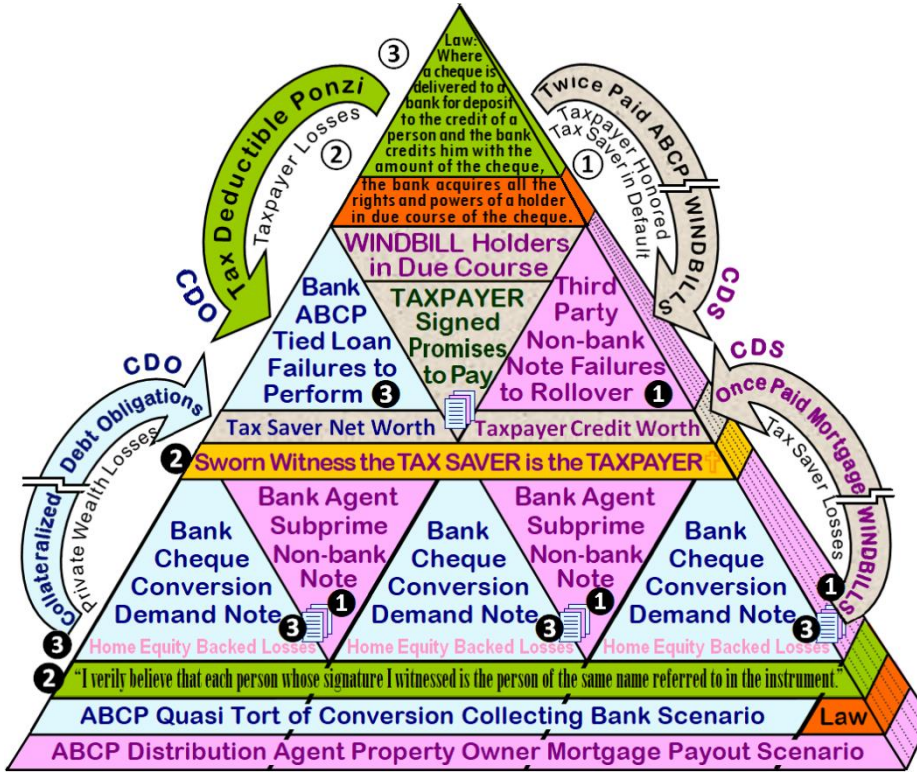


ABCP Tax-Credit Ponzi WINDBILL Holders in Due Course

Professor Tyson's ***'financial miracle'*** tax advantage played out in the BMO scheme that promoted ownership in rental-income real estate as an investment with ***'No Cost Down'*** and a ***'Rent Paid Mortgage'*** offset to government CRA approved RRSP ***'Income Tax-Credit Savings'***.

The ***'Tax Deductible Ponzi'*** setup section 165(3) law ③ positioned to monetize ***'Bank Agent Subprime Mortgage Non-bank Investor Notes'*** ❶ filled out to claim ***'Taxpayer Credit Worth'*** and ***'Tax Saver Net Worth'*** accredited to ***'ABCP Bank Sponsor Pre-executed Loan Notes'*** ❸ billed as cheques drawn on secret commission tied loans that couldn't be sold or defraud without them. It billed ***'TAX SAVER Signed Promises to Pay'*** tax deductible interest on ***'TAXPAYER Signed Promises to Pay'*** principal debt owed to ***'ABCP Tax Credit WINDBILL Holders in Due Course'***;

ABCP Tax-Credit Ponzi WINDBILL Holders in Due Course



Tax Deductible Interest on ABCP Ponzi Principle Debt

Professor Chant defined ABCP bank roles and responsibilities placed in the above ***'Tax Deductible Ponzi'*** ③. ABCP financials follow the London Interbank Offered Rate (LIBOR) interest cost of money on the ***'Rent Paid Mortgage LIBOR'*** ❶ plus ***'Tied Bank Loan LIBOR'*** ❸ as subscribers ***'saved'*** ABCP ① ***'Income Tax Shortfalls'*** in tax returns.

The ***'ABCP Tax Credit Ponzi WINDBILL Makers'*** scheme documented ***'ABCP Liquidity Providers'*** and ***'TAX SAVER Signed Promises to Pay'*** in ***'ABCP Distribution Agent Rent Paid Mortgage Interest Tax Credit Losses'*** and ***'ABCP Sponsor Tied Loan Invoiced and Receipted Tax Savings'*** cash flow. In this, subscribers claimed SIV income tax-credits saved offset to ***'Treasury LIBOR Cost of Tax Credits Offset to Revenue Shortfalls'***.

The final stage shows principal loss due to the bank effect of Canadian section 165(3) ***'Taxpayer Losses'*** ③ and ***'Tax Saver Losses'*** ❶ as the ***'ABCP Tax-Credit Ponzi WINDBILL Holders in Due Course'*** second step ***'Collateralized Debt Obligations'*** and ***'Home Equity Backed losses'*** in the ***'ABCP Quasi Tort of Conversion Collecting Bank Scenario'*** and ***'ABCP Distribution Agent Property Owner Mortgage Payout Scenario'*** charged as tax saver and taxpayer capital losses in the bottom line.

It worked until ***'ABCP Bank Tied Loan Failures to Perform'*** ❸ and ***'Third Party Non-bank Note Failures to Rollover'*** ❶ both in default.

Lawyers explained how the ***'Acceptor Supra Protest'*** rule applied to ***'Once Paid Mortgage WINDBILLS'*** ❶ presented in the duplicate case of ***'Twice Paid ABCP WINDBILLS'*** ① that the ***'Accommodation Party'*** is liable as the same person ***'Taxpayer Honored Tax Saver in Default'*** due to the ***'Bank Loan Paid Notarized Signature Witness'*** ❷ named in the ***'Sworn Witness the TAX SAVER is the TAXPAYER'*** to pay again;

❷ ***"I verily believe that each person whose signature I witnessed is the person of the same name referred to in the instrument."***

The government 2009 Crisis-in-Canada Report provided sufficient insight to question taxpayer twice paid ABCP subprime mortgages.

Taxpayer Twice Paid ABCP Subprime Mortgages

Professor Chant defined bank roles and responsibilities in his 2009 ABCP Crisis-in-Canada Report how it seems the scheme duped tax-payers to re-insure ABCP subprime as ABCP liquidity providers;

"The ABCP market can be characterized as being organized around the 'Acquire-to-Distribute' business and represented a departure from traditional financing markets… They include the parties that establish and administer the vehicles, those that sell and distribute notes to investors, and those that provide stand-by liquidity in addition to the vehicles that hold assets and issue notes against them, failure could have come from either of 3 sources;

1. Investment dealers and/or their representatives knew customer needs and the nature of the ABCP, but still recommended it,

2. Investment dealers and/or their representatives knew the nature of the ABCP product, but did not know the needs of their customers; or,

3. Investment dealers and/or their representatives knew the needs of their clients and did not know the nature of the ABCP product…

Banks were also involved in facilities essential to the viability of third-party ABCP conduits. They supplied the lines of liquidity support and credit enhancement facilities, both of which were required to qualify the conduit for a favorable credit rating."

A ***'Favorable Credit Rating'*** (FCR) includes overstated value in the BMO case that an audit showed a $3million purchased property was inflated by $2million to carry a $5million mortgage with two hundred $50,000 loan dependent financial units sold in 1989. Indeed, I had no idea how BMO FCR worked in the deal, or what it did to set up loans in my name, and it was clear that lawyers wouldn't tell me.

My letters to Law Society of Upper Canada (LSUC) were returned with advice to complain to BMO. In the end, I paid lawyers enough to learn more about section 165(3) and discover ***'enhanced credit'*** behind employee filled-out and dated cheques sued to collect.

The Toronto Sun reported my concern in 2007 how easily people are tricked into debt when financial advisors work for banks.

'THEY CAN ROB YOU BLIND– and it's legal. Oakville man wants some changes to banking laws. He thought he had been investing in a retirement plan, but unknown to him the monthly payments were used to cover monthly payments on a loan taken out by his financial advisor through a lawyer. The tied loans scheme is complex but ultimately legal and leaves unsuspecting investors on the hook for huge amounts in loans they didn't know existed,' in the news column.

Professor Chant described FCR in the bank ***'Acquire-to-Distribute'*** wealth transfer model in his 2009 ABCP Crisis-in-Canada Report. And he advised the government address ABCP sales as the most in need for securities regulation. But, he cautioned bank wrongdoing and breach of bank protocol would be hard to prove.

Professor Stephen Scott of McGill University Faculty of Law and the Bar of the Province of Quebec criticized Canadian law after MP Jean Chrétien amended Bill §14 with ***'Bank Never Wrong Law'*** in 1966. Namely, that a bank can sue any cheque given credit to a customer account that overrides any legal defenses in all cases except forgery;

"The subsection will therefore not protect the bank from all defences; its scope is not unlimited… the language of the subsection is categorical and without nuance. It could not properly extend, at all events, beyond the cases where there was bad faith or notice of defect in title. While it would cover clear cases of dishonesty and illegality, and perhaps something more… the doctrine cannot serve as a vehicle for reimposing on the banks requirements from which Parliament has excused them on a reasonable reading of section 165(3)."

Professor Ogilvie believes court interpretation of law weighs in favor of bank immunity from prosecution, which in my experience includes employee protection. Indeed, it was in this regard Professor Chant advised principle based regulation;

"The paper observes that market regulation balances rules and principles in practice and suggests greater scope for the use of principles-based regulation, in particular for prospectus and other distribution requirements; for determining on- and off-balance sheet activities of banks; and for rules governing the sale and distribution of financial instruments.

When employees commit fraud on their employers by means of cheques in workplaces where there is insufficient supervision or inadequate accounting procedures in place, the question of who should bear the loss, the employer, the drawee bank or the collecting bank, would normally be easily answered by a layperson: of course, the employer. In many jurisdictions, that would also be the legal answer."

That is not the answer in Canada, however."

Professor Benjamin Geva, York University, Toronto, and author Bradley Crawford criticized judgment of section 165(3) in several cases. And, Professor Margaret Ogilvie, Chancellor's Professor of Carlton University was critical of the Canadian BEA, especially the literal meaning of section 165(3) that defines crime in the Act.

The 2012 CANADIAN BAR REVIEW criticized BEA law;

"Both Geva and Crawford have despaired of courts restoring sense to this area of the law and have expressed the hope that Parliament will intervene to amend the BEA along the lines of other common law countries. But legislation to protect banks is likely to be politically too unpopular for any government to act, so it seems more sensible to appeal to the courts to review the law. Plentiful resources exist in scholarly literature, which is unanimous on the changes required to restore fairness and sanity to these not infrequent cases. But for the fact that these cases of employee defalcation involve cheques, the banks would never be involved and the loss would lie with the responsible parties.

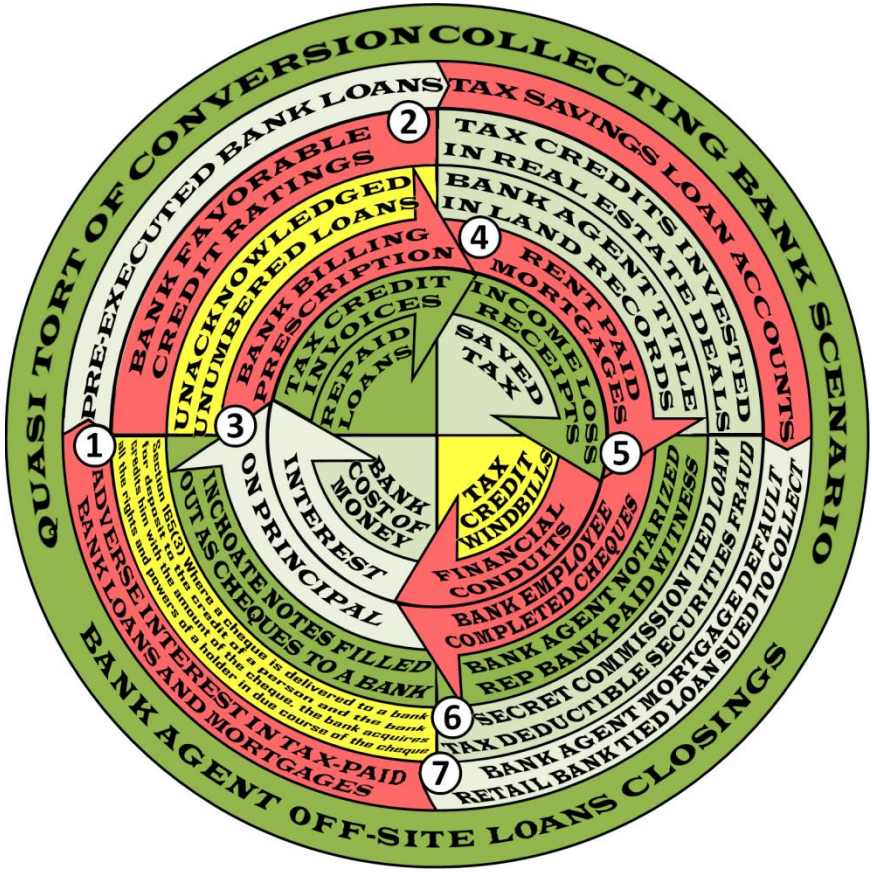
Yet, it would be relatively simple for courts to do what is required to restore fairness in particular, to revisit their interpretation of sections 20(5) and 165(3) and follow the lead of other common law courts in revisiting the question of defenses in the tort of conversion.

This is, after all, how the common law has evolved naturally over the centuries!

Hopefully, the courts have not been entirely seduced by the spirit of the present age that it is always someone else's fault," the professor said about adverse interest in tax-paid bank loans and mortgages.

Adverse Interest in Tax-paid Bank Loans and Mortgages

The following scenario illustrates the above Ponzi how dealers profit from ***'Adverse Interest in Tax Paid Loans and Mortgages'*** in Step ① that ***'Pre-executed Bank Loans'*** and ***'Bank Favorable Credit Ratings'*** setup ***'Tax Savings Loan Accounts'*** in Step ② in the workings of tax saver ***'Unacknowledged Unnumbered Loans'*** behind Steps ③ and ④ geared to finance ***'Tax Credits Invested in Real Estate Deals'*** with a ***'Bank Billing Prescription'*** that bank loan ***'Tax Credit Invoices'*** and ***'Rent Paid Mortgages'*** generate ***'Income Loss Receipts'*** in Step ⑤. In this; ***'Secret Commission Tied Loan Tax Deductible Securities Fraud'*** circulates in Step ⑥ until ***'Bank Agent Mortgage Default'*** triggers ***'Retail Bank Tied Loans Sued in Default to Collect'*** in Step ⑦ with ***'Bank Agent Notarized Rep Bank Paid Witness'*** of signatures written on ***'Bank Employee Completed Cheques'*** paid to the bank of account.



The above ***'Quasi Tort of Conversion Collecting Bank Scenario'*** illustrates ***'Bank Agent Off-Site Loans Closings'*** that BMO said how it worked in lawyer and witness sworn testimony in January 2008.

It illustrates Canadian BEA section 165(3) rule of law in the small print that ***'Inchoate Notes Filled out as Cheques to a Bank'*** launder ***'Tax Credit Windbills'*** to cash improperly earned tax credits through ***'Financial Conduits'*** is lawful in Canada, but not the U.S.A. where not reporting suspicious transactions is a criminal offense.

It is a remarkable difference. There was no reply to my submission to the Finance Committee to close the Magna Carta Loophole in 2017. My Private Information for Public Prosecution in 2012 was ignored that it begs the question of criminal banking to think again.

Especially, Canada's reputation as the money laundering capital of the world that university professors coined ***'Snow Washing'*** from the largest Canadian Ponzi scheme on trial in US legal history.

It was just a year after TD Bank paid US$1.2billion in 2023 to settle a claim it issued more than 20,000 fraudulent certificates of deposit to clients in the Stanford Financial US$7billion Ponzi affair in 2009,

TD Bank lawyer, Cynthia Adams entered a guilty plea in the Federal District of New Jersey Court in Newark before Justice Esther Salas that TD admitted wrongdoing and paid the largest US$3billion bank charge for violation of AML law in US legal history. TD confessed it deactivated transaction monitoring tools and failed to file accurate suspicious transaction reports for more than a decade.

US AG Merrick Garland announced the verdict against TD Bank at a news conference in Washington, D.C. on October 10, 2024. The bank admitted to wrongdoing it moved money for drug cartels and criminal organizations. Mr Garland said ***"TD Bank created an environment that allowed financial crime to flourish. By making its services convenient for criminals, it became one."***

TD bank dropped its ***'America's Most Convenient Bank'*** motto known as ***'America's Most Convenient Canadian Bank for Criminals.'***

America's Most Convenient Canadian Bank for Criminals

CBC, Marianne Dimain, interviewed Personal Finance Expert, Rubina Ahmed-Haq, Canadian and American International Trade lawyer, Mark Warner, and Business Advisor, Jenifer Bartman, to discuss TD Bank on October 12, 2024. She spoke of the enormous fine and CEO Bharat Masrani's apology to bank shareholders.

CBC: "…more than three billion US dollars on Toronto Dominion… imposed after the bank pleaded guilty to US criminal charges owing to money laundering. The bank will also have scale back on its expansion plans in the United States as part of this penalty. There is a statement from TD Bank Group CEO saying the bank has taken full responsibility. The statement also goes on to say… *[Quote]* ***"This is a difficult chapter in our bank's history. These failures took place on my watch as CEO and I apologize to all our stakeholders."***

CBC: "Mark, what do you make of the case and the outcome here?"

WARNER: "It highlights a couple of things, our Canadian banks tended to come out of the last great recession better than American banks… TD started acquiring banks in the United States and the question I've always asked is to what extent could they really— it's a very different regulatory culture between Canada and the United States. To what extent were these Canadian banks really prepared to deal with the kind of active enforcement of the United States? Protection is much more stringent… than in Canada, and how could they supervise it? And it raises some questions, are we doing the right thing here? At TD, and other banks that say that these are not ill-advised issues except for rogue US banks. But I think it is fairly significant that the American regulators said to TD, 'in future you have to bring the regulation of active money laundering out of the US interest, into the United States, you can't do it from Toronto.'"

CBC: "Jenifer, What do you think of the challenges going forward?"

BARTMAN: "Well first, I think it's just a staggering situation to see something like this. And part of what I always think about with these large organizations, banks in particular, is the extent to which they fall into the status quo— where you have employees and leadership

who have been with the bank for decades, or you have senior people who may have been in their roles for too long. There's not enough information coming forward, in terms of the more contemporary types of risks that we see that is generally something just taken off. So you need somebody who is asking the hard questions of 'What about this? What about this risk? What are we doing? What are the contemporary ways to approach this?' I also think about things like whistleblower policies and the extent to which meaningful policies are in place for employees who see something suspicious to speak up and have that thoroughly investigated. So I think it's a really bad look, it's a wakeup call… there's a lot of work to be done here, to put this on the right foot going forward."

CBC: "What do you thing about this penalty… and what impact will it have on the relationship it has with its own customers?"

AHMED-HAQ: "I think here in Canada it's going to have a very minimal effect. I think that we understand that TD Bank in Canada and TD Bank in America are virtually two different banks. They operate in different countries; they have different rules that they follow. It is concerting because twenty-five percent of the revenue comes from their American operation. So that could have impact on stock prices and other impacts on those who invest in TD. But as a customer I know that when you go for a mortgage for example at a big bank… there are so many checks and balances that happen before that warrant is actually disbursed to you. And my question is, at that granular level how many lines of defense are there? If someone is depositing, you know like a million dollars a day, and debiting a million on dollars a day, is it just a branch that is checking to make sure that that money is legitimate? There has to be an outside, and not just an outside of that base town, but maybe even across the country. I know it's a little bit different than making big deposits in money laundering, but there has to be more robust lines of defense in order to make sure even if people know what they're doing is wrong, they simply can't do it because they know that they can't get away with it."

CBC: "Well, let's see whether this makes any changes, or rules to make changes of any type?" The interview ended with the idea it was time to change the rules that regulate Canadian banks.

Time to Change the Rules that Regulate Canadian Banks

Mr Peter Routledge, Superintendant of Financial Institutions, issued a statement on October 10, 2024. He thanked the US Court for its ***"sustained and continuing engagement in this matter."*** He said it was a ***"serious"*** matter, but that he could not comment on the affairs of any Canadian federally regulated financial institution.

The news reported more on the story when New Democratic Party (NDP) MP Don Davies asked Prime Minister Justin Trudeau in the House of Commons to ***"address repeated criminal actions of TD Bank"*** on October 23, 2034 and what the government would do about it.

Canadian news said the PM said, ***"We're of course very concerned by the actions of TD Bank in the United States"*** in a carefully worded reply about rules of law. ***"We make sure every single day that banks in Canada behave by following the rules. We have continued to strengthen oversight and we are making sure there is full accountability for those responsible for this wrongdoing in the United States."*** A spokesperson for Deputy Prime Minister and Minister of Finance Chrystia Freeland issued a statement that she… ***"takes the stability of Canada's financial system very seriously"*** and is ***"closely monitoring the situation."***

But the more the PM promoted ***"Canadian Values"*** in the law and Canadian banks are the most regulated in the world, the less credible it sounded. Especially, given Professor Leuprecht explained money laundering is not a victimless crime in his ***'Dirty Money'*** book. And why the time had come to change the rules for Canadians banks.

Lawyers for BMO litigated ***'Quasi Tort of Conversion'*** bank rules of law some eight years in my case. They questioned my defense three times before I was allowed to question BMO about its Ponzi system.

Still, BMO answered my question much the same as Mr Trump did in US news of the People of New York State v Trump claim how he ***"Repeatedly and persistently manipulated the value of assets to induce banks to lend money."*** Indeed, the record replayed my BMO counter-claim and TD cross-claim defense denied trial in Canada almost the same as Mr Trump answered questions and dressed down the judge.

A TD Bank guilty plea bargain US$4billion charge pushed plausible deniability Canadian banks are beyond reproach into public debate of seriously doubtful banking. Senator Elizabeth Warren complained the penalties wasn't enough; it ***"lets bad bank executives off the hook for allowing TD Bank to be used as a criminal slush fund,"*** she said.

What is an appropriate charge for careless if not criminal banking?

Canadian news reported FINTRAC fined TD Bank $9.2million on May 2, 2024 for noncompliance with money laundering and terrorist financing safety measures. The agency made a statement the penalty was for administrative violations and that there was no allegation of any criminal offense with intent to defraud anyone in Canada.

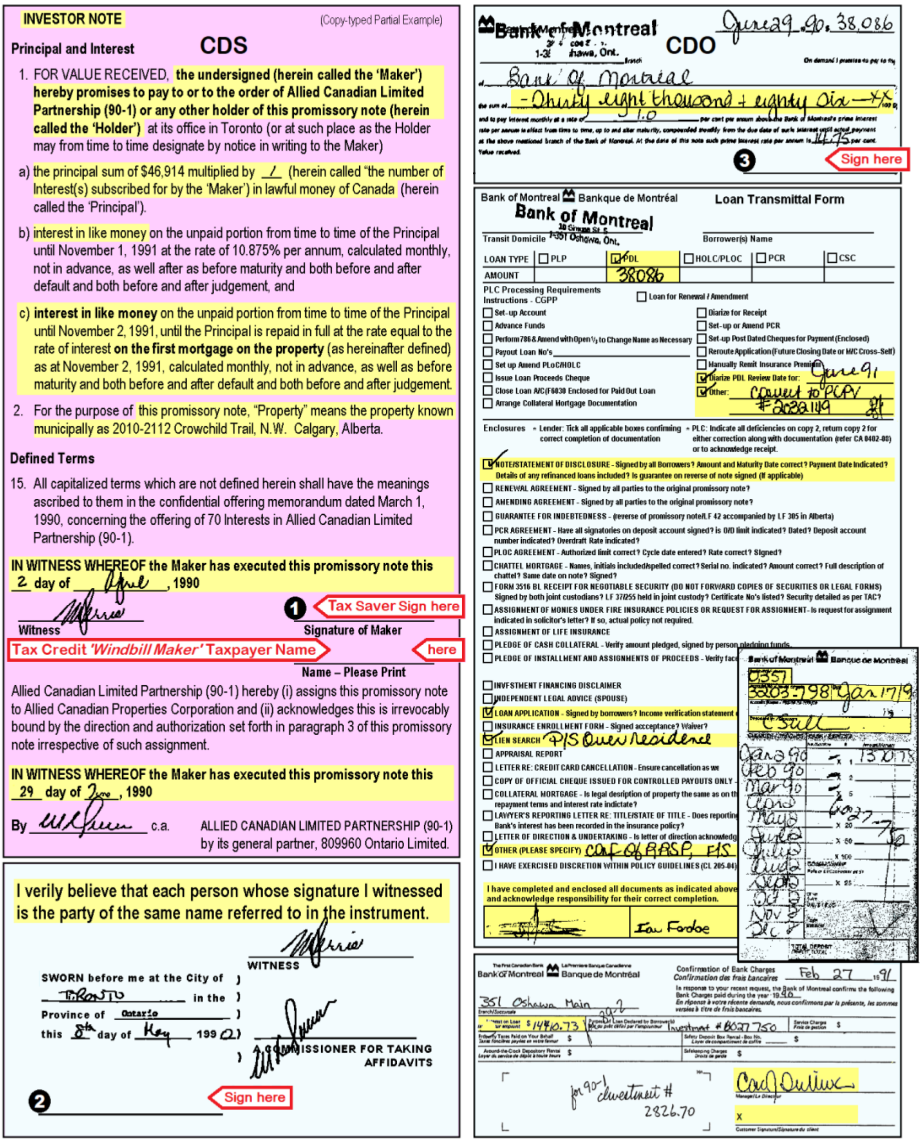
But US courts charged TD with criminal intent. ***"Our anti-money laundering laws dictate that a bank that willfully fails to protect against criminal schemes is also a criminal. That is what TD Bank was."*** AG Garland was clear what TD had to do. ***"There is nothing wrong with a bank that tries to make its services convenient for its honest customers, but there is something terribly wrong with a bank that knowingly makes its services convenient for criminals,"*** he said.

The BMO lawyer and witness defined convenient bank loans in its testimony how pre-acknowledged preapproved pre-executed loans work in the above ***'Bank Agent Off-Site Loans Closings'*** scenario.

The bank agent and rep promoted government incentivized investing that tax savings carried a mortgage at no cost to taxpayers in the deal.

Once signed, the ***'ACKNOWEDGEMENT'*** induced banks to lend money to invest and the TD Bank ***'convenient'*** factor was tried in the U.S.A. in 2024. ***"TD Bank chose profits over compliance, in order to keep its costs down,"*** AG Garland told reporters in his Washington press release. ***"That decision is now costing the bank billions in criminal and civil penalties,"*** he said about the law.

If TD had alerted me to a BMO cheque, I would have known Mr Perris witnessed an Allied Canadian **INVESTOR NOTE** ❶ April 2, 1990, the Agent notarized May 8, 1990 ❷ with a **DEMAND NOTE** ❸ and a ***Transmittal Form*** for a bank employee filled out a $38,086 cheque to BMO June 29, 1990 drawn on a secret-commission tax-credit-savings loan account that the same employee calculated January 17, 1990, and receipted tax deductible interest on February 27, 1991, shown here;



INVESTOR NOTE (Copy-typed Partial Example)

Principal and Interest CDS

1. FOR VALUE RECEIVED, the undersigned (herein called the 'Maker') hereby promises to pay to or to the order of Allied Canadian Limited Partnership (90-1) or any other holder of this promissory note (herein called the 'Holder') at its office in Toronto (or at such place as the Holder may from time to time designate by notice in writing to the Maker)

a) the principal sum of $46,914 multiplied by 1 (herein called "the number of Interest(s) subscribed for by the 'Maker') in lawful money of Canada (herein called the 'Principal').

b) interest in like money on the unpaid portion from time to time of the Principal until November 1, 1991 at the rate of 10.875% per annum, calculated monthly, not in advance, as well as before maturity and both before and after default and both before and after judgement, and

c) interest in like money on the unpaid portion from time to time of the Principal until November 2, 1991, until the Principal is repaid in full at the rate equal to the rate of interest on the first mortgage on the property (as hereinafter defined) as at November 2, 1991, calculated monthly, not in advance, as well as before maturity and both before and after default and both before and after judgement.

2. For the purpose of this promissory note, "Property" means the property known municipally as 2010-2112 Crowchild Trail, N.W. Calgary, Alberta.

Defined Terms

15. All capitalized terms which are not defined herein shall have the meanings ascribed to them in the confidential offering memorandum dated March 1, 1990, concerning the offering of 70 Interests in Allied Canadian Limited Partnership (90-1).

IN WITNESS WHEREOF the Maker has executed this promissory note this 2 day of April, 1990

Witness — Signature of Maker ❶ Tax Saver Sign here

Tax Credit 'Windbill Maker' Taxpayer Name — here

Name – Please Print

Allied Canadian Limited Partnership (90-1) hereby (i) assigns this promissory note to Allied Canadian Properties Corporation and (ii) acknowledges this is irrevocably bound by the direction and authorization set forth in paragraph 3 of this promissory note irrespective of such assignment.

IN WITNESS WHEREOF the Maker has executed this promissory note this 29 day of June, 1990

By ______ c.a. ALLIED CANADIAN LIMITED PARTNERSHIP (90-1) by its general partner, 809960 Ontario Limited.

I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

WITNESS

SWORN before me at the City of Toronto in the Province of Ontario this 8th day of May 1990

A COMMISSIONER FOR TAKING AFFIDAVITS

❷ Sign here

Bank of Montreal CDO — June 29 90 — 38,086

On demand I promise to pay to the Bank of Montreal the sum of – Thirty eight thousand + eighty six — xx/100 and to pay interest monthly at a rate of 1.0 per cent per annum above the Bank of Montreal's prime interest rate ... Value received.

❸ Sign here

Bank of Montreal / Banque de Montréal — Loan Transmittal Form

Transit Domicile — Borrower(s) Name

LOAN TYPE: PLP / PDL / HOLC/PLOC / PCR / CSC

AMOUNT 38086

PLC Processing Requirements Instructions - CGPP

Set-up Account; Advance Funds; Payout Loan No's; Set up Amend PLoC/HOLC; Issue Loan Proceeds Cheque; Close Loan A/C; Arrange Collateral Mortgage Documentation

Diarize for Receipt; Set-up or Amend PCR; Set-up Post Dated Cheques for Payment (Enclosed); Manually Remit Insurance Premium; Diarize PDL Review Date for: June 91; Other: Caveat to PCPV #2032149

NOTE/STATEMENT OF DISCLOSURE - Signed by all Borrowers? Amount and Maturity Date correct? Payment Date Indicated?

LOAN APPLICATION - Signed by borrowers? Income verification statement

LIEN SEARCH P/S Own Residence

OTHER (PLEASE SPECIFY) CONF OF RRSP P/S

I have completed and enclosed all documents as indicated above and acknowledge responsibility for their correct completion.

Bank of Montreal / Banque de Montréal — 0351 — 3203-798 — Jan 17/90 — C Sull

Jan 90, Feb 90, Mar 90, Apr 90, May 90, June 90, July 90, Aug 90, Sept 90, Oct 90, Nov 90, Dec 90

Bank of Montreal / Banque de Montréal — Confirmation of Bank Charges / Confirmation des frais bancaires — Feb 27 91

351 Oshawa Main

Interest on Loan $ 1,4410.73 — Investment # 8027 750

for 90-1 investment # 2826.70

The above BMO CDS CDO SIV negotiable instruments charged its LIBOR rate of interest on fake credit principal until the underlying ***'Acquire-to-Distribute'*** model collapsed with its mortgage in default and bank-paid ABCP rep-witnessed nonbank notes signed to collect.

Lawyers said system-gap analysis strengthened my case that BMO and TD would find hard to disprove. So, I paid a lawyer to represent it in my defense. But he quit days ahead of a hearing for trial. Judge Langdon denied my request for more time to find another lawyer on May 22, 2008. Judge Harris ruled tort of conversion for the collecting bank on the strength of a phantom factum that according to the BMO court transcript was mistaken as mine on May 26, 2008. Plus another COURT ORDER on July 10, 2008 that TD must deliver bank records to have its motion to strike my cross-claim which TD defied as it still remains in court records as an untried claim, the way it is today.

Indeed, my secret bankbook story and court experience is probably the most widely published contort never denied, just denied trial.

There was more to learn about Mr Trump from what he said in his defense of alleged fraud in Statements of Financial Condition (SOFC) in US news how he overvalued assets to induce banks to lend money more cheaply than they would have otherwise lent in property deals.

Mr Trump denied any wrongdoing, and no law broken. He contended banks didn't much care about accurate SOFCs, ***"they were not really documents that banks paid much attention to. They looked at the deal, they looked at the asset, but these were not really important,"*** he said.

That was certainly true in my case that BMO documents showed a blank SOFC behind its employ filled out cheque from loan input data, ***"Although wife's income is not verified for 1989 we have used a min figure of $50M for the year for TDSR."*** Indeed, it was confirmed by the Institute of Chartered Accountants of Ontario (ICAO) when it charged professional misconduct on March 27, 2007; ***THAT: Perris claims the Bank of Montreal should have had a current 'Statement of Affairs' for a second loan to close the sale of an additional Allied product handled by Perris; "It had to be. Why is a bank going to loan them any more money without a current statement of affairs?"*** in his sworn deposition.

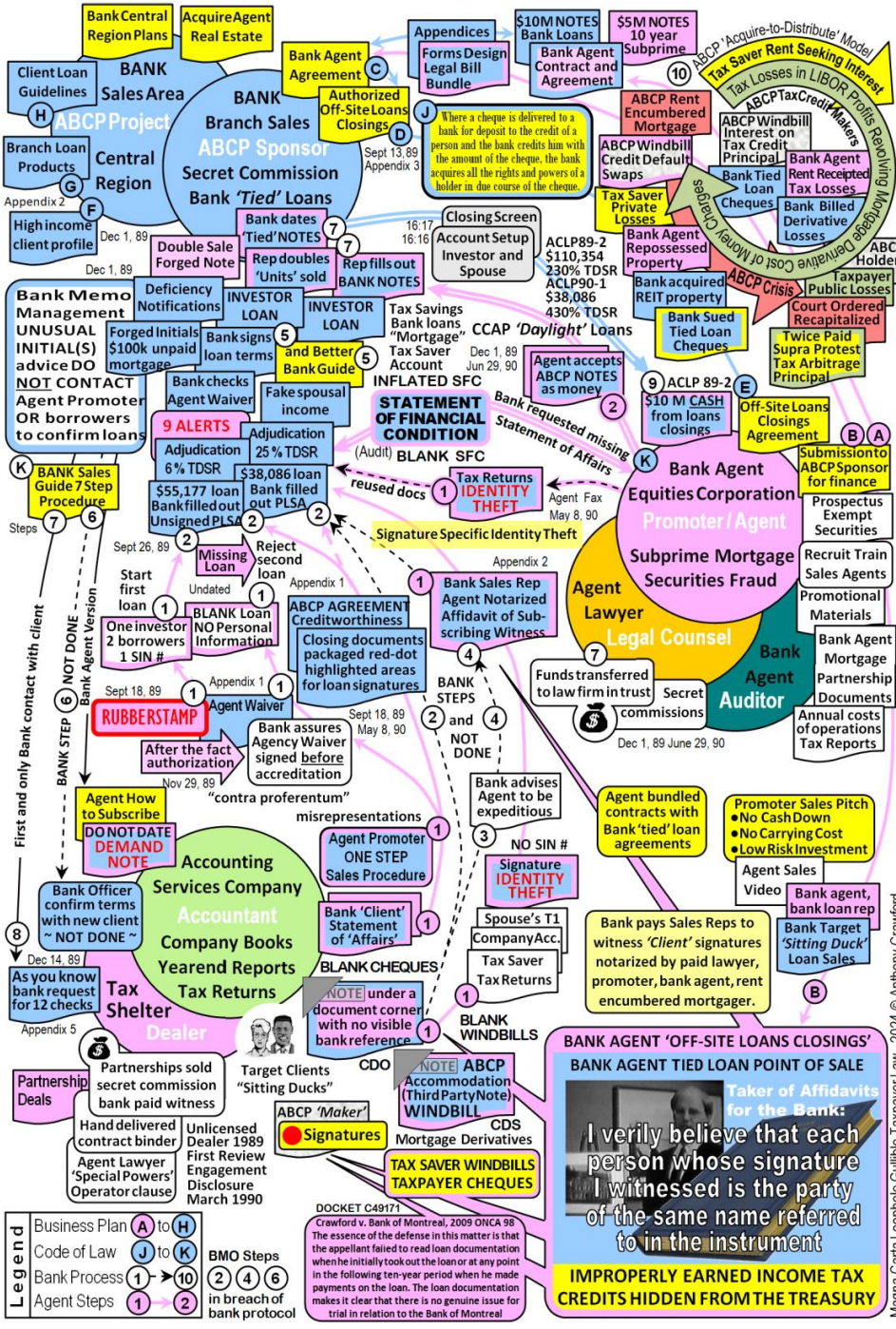
The ICAO charged Mr Perris with professional misconduct, which he denied with possibly the same defense of the above tied-loan in his wife's name that BMO sued, but failed to collect in 1996. He told the ICAO how ABCP sales worked: ***THAT: Perris confirmed the presence of a blank BMO promissory note among his Allied Canadian sales materials; "Of a note, sitting in the forms."*** He also said what he did to earn bank-loan referral fees, ***"it's obvious how to subscribe, ALL the paperwork goes, subscription form, net worth."*** But denied any involvement in BMO ECF the way the bank approved loans, ***"I'm done in the application process, if you want to call it that."***

Mr Trump also denied responsibility for bank lending decisions that his applications for loans included a powerful disclaimer, which he complained was ignored by the court. ***"We have a disclaimer clause which every court in this country holds up except for this particular judge."*** He said about disclaimers for the sake of bank vigilance, ***"We have a disclaimer clause that says do your own due diligence, don't under any circumstance count on anything in here,"*** he told the court.

The BMO SIV combined the ***'Acknowledgement and Disclaimer'***

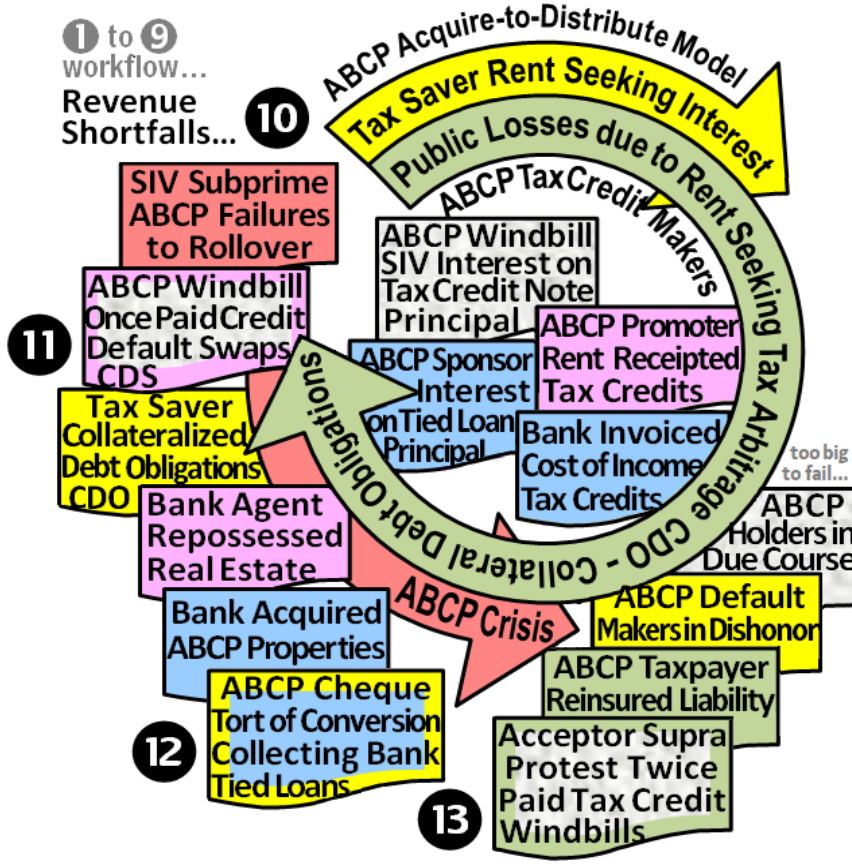
'To: Bank of Montreal Re: Loan Application No. (_____) to assist me/us in financing my/our purchase through Allied Canadian Equities Corporation of (____) limited partnership Interests in Allied Canadian Limited Partnership (____). I/We acknowledge that in order to make my/our application for a loan to assist in financing the Investment more convenient for me/us, you have provided the loan documentation for my/our execution prior to our loan being approved. I/We understand that you are in no way warranting or agreeing that the loan I/We have applied for will be granted on the terms applied for, or at all, and that you will evaluate my/our loan application solely on my/our creditworthiness after receipt of all relevant documentation. I/We further acknowledge that my/our investment broker is not your agent in arranging my/our loan and any statements or representations made my my/our investment broker are not binding upon you. I/We understand that your providing and my/our execution of the loan documentation in no way obliges you to make the loan I/We are applying for.'

The following **BANK STEPS NOT DONE** ② ④ ⑥ show exactly where BMO ***'Off-Site Loans Closings'*** prohibit bank protocol.


Bank Central Region Plans
Acquire Agent Real Estate
BANK Sales Area
Client Loan Guidelines
ABCP Project
Central Region
Branch Loan Products
High income client profile
Dec 1, 89
BANK Branch Sales
ABCP Sponsor
Secret Commission
Bank 'Tied' Loans
Bank Agent Agreement
Authorized Off-Site Loans Closings
Appendices
Forms Design Legal Bill Bundle
$10M NOTES Bank Loans
$5M NOTES 10 year Subprime
Bank Agent Contract and Agreement
ABCP 'Acquire-to-Distribute' Model
Tax Saver Rent Seeking Interest
Tax Losses in LIBOR Profits Revolving Mortgage Derivative Cost of Money Charges
ABCP Tax Credit Makers
Where a cheque is delivered to a bank for deposit to the credit of a person and the bank credits him with the amount of the cheque, the bank acquires all the rights and powers of a holder in due course of the cheque.
Sept 13, 89 Appendix 3
ABCP Rent Encumbered Mortgage
ABCP Windbill Interest on Tax Credit Principal
ABCP Windbill Credit Default Swaps
Bank Tied Loan Cheques
Bank Agent Rent Receipted Tax Losses
Bank Billed Derivative Losses
Tax Saver Private Losses
Bank Agent Repossessed Property
Bank acquired REIT property
Bank Sued Tied Loan Cheques
ABCP Crisis
Taxpayer Public Losses
Court Ordered Recapitalized
Twice Paid Supra Protest Tax Arbitrage Principal
ABCP Holders
Appendix 2
Bank dates 'Tied' NOTES
Double Sale Forged Note
Rep doubles 'Units' sold
Rep fills out BANK NOTES
16:17 16:16
Closing Screen
Account Setup Investor and Spouse
ACLP89-2 $110,354 230% TDSR
ACLP90-1 $38,086 430% TDSR
CCAP 'Daylight' Loans
Bank Memo Management
UNUSUAL INITIAL(S) advice DO NOT CONTACT Agent Promoter OR borrowers to confirm loans
Deficiency Notifications
INVESTOR LOAN
INVESTOR LOAN
Forged Initials $100k unpaid mortgage
Bank signs loan terms
and Better Bank Guide
Tax Savings Bank loans "Mortgage"
Tax Saver Account
Dec 1, 89 Jun 29, 90
INFLATED SFC
Agent accepts ABCP NOTES as money
ACLP 89-2 $10 M CASH from loans closings
Off-Site Loans Closings Agreement
Submission to ABCP Sponsor for finance
Bank checks Agent Waiver
Fake spousal income
9 ALERTS
Adjudication 6% TDSR
Adjudication 25% TDSR
$38,086 loan Bank filled out PLSA
$55,177 loan Bank filled out Unsigned PLSA
STATEMENT OF FINANCIAL CONDITION
(Audit) BLANK SFC
Bank requested missing Statement of Affairs
Tax Returns IDENTITY THEFT
reused docs
Agent Fax May 8, 90
Bank Agent Equities Corporation
Promoter / Agent
Subprime Mortgage Securities Fraud
Prospectus Exempt Securities
Recruit Train Sales Agents
Promotional Materials
Bank Agent Mortgage Partnership Documents
Annual costs of operations Tax Reports
BANK Sales Guide 7 Step Procedure
Steps
Signature Specific Identity Theft
Sept 26, 89
Missing Loan
Reject second loan
Start first loan
Undated
Appendix 1
Appendix 2
Bank Sales Rep Agent Notarized Affidavit of Subscribing Witness
One investor 2 borrowers 1 SIN #
BLANK Loan NO Personal Information
ABCP AGREEMENT Creditworthiness
Closing documents packaged red-dot highlighted areas for loan signatures
Agent Lawyer Legal Counsel
Bank Agent Auditor
Funds transferred to law firm in trust
Secret commissions
Dec 1, 89 June 29, 90
First and only Bank contact with client
BANK STEP (6) NOT DONE Bank Agent Version
Sept 18, 89
Appendix 1
Agent Waiver
RUBBERSTAMP
Bank assures Agency Waiver signed before accreditation
After the fact authorization
Nov 29, 89
Sept 18, 89 May 8, 90
BANK STEPS (2) and (4) NOT DONE
"contra proferentum"
misrepresentations
Agent How to Subscribe
DO NOT DATE DEMAND NOTE
Bank advises Agent to be expeditious
NO SIN #
Signature IDENTITY THEFT
Agent bundled contracts with Bank 'tied' loan agreements
Promoter Sales Pitch
•No Cash Down
•No Carrying Cost
•Low Risk Investment
Agent Sales Video
Bank agent, bank loan rep
Bank Target 'Sitting Duck' Loan Sales
Accounting Services Company
Accountant
Company Books
Yearend Reports
Tax Returns
Agent Promoter ONE STEP Sales Procedure
Bank 'Client' Statement of 'Affairs'
Spouse's T1
Company Acc.
Tax Saver Tax Returns
BLANK CHEQUES
NOTE under a document corner with no visible bank reference
BLANK WINDBILLS
Bank pays Sales Reps to witness 'Client' signatures notarized by paid lawyer, promoter, bank agent, rent encumbered mortgager.
Bank Officer confirm terms with new client ~ NOT DONE ~
Dec 14, 89
As you know bank request for 12 checks
Tax Shelter Dealer
Appendix 5
Partnerships sold secret commission bank paid witness
Partnership Deals
Target Clients "Sitting Ducks"
CDO
NOTE ABCP Accommodation (Third Party Note) WINDBILL
CDS Mortgage Derivatives
ABCP 'Maker' Signatures
Hand delivered contract binder
Agent Lawyer 'Special Powers' Operator clause
Unlicensed Dealer 1989 First Review Engagement Disclosure March 1990
TAX SAVER WINDBILLS TAXPAYER CHEQUES
BANK AGENT 'OFF-SITE LOANS CLOSINGS'
BANK AGENT TIED LOAN POINT OF SALE
Taker of Affidavits for the Bank:
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument
IMPROPERLY EARNED INCOME TAX CREDITS HIDDEN FROM THE TREASURY
Legend
Business Plan (A) to (H)
Code of Law (J) to (K)
Bank Process (1) → (10)
Agent Steps (1) → (2)
BMO Steps (2) (4) (6) in breach of bank protocol
DOCKET C49171
Crawford v. Bank of Montreal, 2009 ONCA 98
The essence of the defense in this matter is that the appellant failed to read loan documentation when he initially took out the loan or at any point in the following ten-year period when he made payments on the loan. The loan documentation makes it clear that there is no genuine issue for trial in relation to the Bank of Montreal
Magna Carta Loophole Gullible Taxpayer Law 2024 © Anthony Crawford

BMO *'Off-Site Loans Closings'* Prohibit Bank Protocol

The above BMO ① to ⑨ workflow shows Windbill Ponzi constructs exactly how ***'ABCP Tax Credit Makers'*** claimed SIV losses charged to ***'Tax Saver Rent Seeking Interest'*** offset CRA ***'Revenue Shortfalls'*** ❿ behind the ***'ABCP Crisis'*** in the ***'ABCP Acquire-to-Distribute Model'***;



The ***'ABCP Crisis'*** followed ***'SIV Subprime ABCP Failures to Rollover'*** in step ⓫, ***'ABCP Windbill Once Paid Credit Default Swaps'*** **CDS,** and ***'ABCP Cheque Tort of Conversion Bank Tied Loans'*** **CDO** step ⓬ that ***'ABCP Taxpayer Reinsured Liability'*** to ***'ABCP Holders in Due Course'*** repaid ***'Acceptor Protest Twice Paid Tax Credit Windbills'*** in step ⓭.

So, the US Treasury charged TD Bank violated Bank Secrecy Law.

US Treasury Charged TD Bank Violated Bank Secrecy Law

The US Treasury monitored Canadian Ponzi coincident with BMO and TD lawyering bank fraud that the US Department of the Treasury Financial Crimes Enforcement Network fined TD Bank $37.5million found in breach of Bank Secrecy Law from 2008 through 2009.

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK

IN THE MATTER OF:	**)**	
	)	
	)	**Number 2013-1**
TD Bank, N.A.	**)**	
Wilmington, DE	**)**	

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

The Financial Crimes Enforcement Network has determined that grounds exist to assess a civil penalty against TD Bank, N.A. ("TD Bank" or the "Bank"), pursuant to the Bank Secrecy Act and regulation issued pursuant to that Act. TD Bank enters into the CONSENT TO ASSESSMENT OF CIVIL MONEY PENALTY ("CONSENT") with the Financial Crimes Enforcement Network…

The Office of the Comptroller of the Currency ("OCC) is TD Bank's Federal functional regulator, and TD Bank was subject to examine for compliance with the Bank Secrecy Act and its implementing regulations and similar rules under Title 12 of the United States Code. The OCC has determined that TD Bank violated the Bank Secrecy Act, from April 2008 through September 2009, by failing to file Suspicious Activity Reports ("SARs") in a timely manner in violation of 31 C.F.R. § 1020.320 and 31 U.S.C. § 5318(g). The OCC is simultaneously issuing a Consent Order citing these violations. TD Bank has agreed to a $37.5million civil money penalty assessed by the OCC.

II. DETERMINATION

The Financial Crimes Enforcement Network has determined its enforcement action would establish that, from April 2008 through September 2009, TD Bank willfully violated the Bank Secrecy Act's reporting requirement by failing to detect and adequately report suspicious activities in a timely manner, in violation of 31 U.S.C. section 5318(g) and 31 C.F.R. section 1020.320.

From April 2008 through September 2009, Scott Rothstein orchestrated a "Ponzi" scheme using multiple accounts at TD Bank and other institutions.

On January 27, 2010, Rothstein pleaded guilty to racketeering conspiracy in the United States District Court for the Southern District of Florida. On June 9, 2010, Rothstein was sentenced to 50 years in prison. Several Rothstein coconspirators have also been charged and convicted for their roles in the scheme. Rothstein was an attorney in Florida and was Chief Executive Officer and Chairman of a law firm, Rothstein, Rosenfeldt & Adler, P.A. Rothstein convinced individuals to invest in purported confidential structured settlement involving whistle-blowers and sexual harassment lawsuits. He falsely informed investors that confidential settlement agreements were available for purchase. Rothstein maintained multiple attorney trust accounts, known as Interest on Trust Accounts (IOTAs) at TD Bank to receive investor funds in the appearance of legitimate securities. Rothstein furthered his scheme by taking investors to TD Bank branches and providing them with fraudulent balance printouts. Rothstein facilitated this deception by having bank staff furnish accurate account statements and then having a coconspirator replace them with fraudulent statements prior to the investor meetings. Additionally on a number of occasions TD Bank staff, on Rothstein's instructions, provided unenforceable "lock letters" that incorrectly stated that the funds would only be distributed to specific investors.

The Bank Secrecy Act and its implementing regulations impose an obligation on banks to report transactions that involve or aggregate to at least $5,000, are conducted by, at, or through the bank, and that the bank "knows, suspects, or has reason to suspect are suspicious" in the Act; 31 U.S.C. § 5318(g) and 31 C.F.R. § 1020.320.

A transaction is "suspicious" if it: 1) involves funds derived from illegal activities, or is conducted to disguise funds derived from illegal activities; 2) is disguised to evade the reporting or record keeping requirements of the Bank Secrecy Act or regulations under the Act; or 3) has no business or apparent lawful purpose or is not the sort in which a customer would be expected to engage, and the bank knows of no reasonable explanation for the transaction after examining available facts, including background and possible purpose of the transaction. 31 C.F.R. §§ 1020.320(a)(2)(i)–(iii)…

TD Bank violated Bank Secrecy Act reporting requirements by failing to detect and report suspicious activity and by filing late SARs. The Bank failed to properly identify, monitor, and report suspicious activity in Rothstein's accounts. These accounts were used to conduct thou-sands of transactions with an approximate value of $4billion. This included transactions related to the "Ponzi" scheme transactions as well as transactions not involved in the "Ponzi" scheme. In 2011, TD Bank performed a review of the Rothstein transactions. As a result, while the Rothstein law firm's accounts alerted in TD Bank's anti-money laundering surveillance software for suspicious activity for 17 months between April 2008 and September 2009, TD employees failed to recognize the suspicious activity and file SARs in a timely manner.

III CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, TD Bank consents to the assessment of a civil money penalty in the sum of $37.5million.

September 22, 2013
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. Department of the Treasury

Canadian banks monitor transactions, but a BMO $38,086.00 cheque to BMO cashed through my TD Bank account was not reported. My claim that TD failed to flag a ten-year stale-dated forged cheque still lies in court since July 2008 when it swore it lost all my bank records in its defiance of a COURT ORDER to deliver materials needed in my BMO counterclaim defense in May 2008. The US Treasury fined TD Bank it failed to report SARs in 2008 and 2009, but not in Canada.

Aside from the US Treasury, US courts sued Canadian banks in US news in 2022 listed BMO Harris Bank probably the most important trial of the largest Ponzi scheme ever decided in US legal history.

A US court sentenced BMO with a US$1billion charge found guilty of: ***"Aiding and abetting breach of fiduciary duty,"*** that Harris Bank, ***"failed to be candid and has fought discovery at every step."*** US news effectively replayed my case; especially noting BMO, ***"Has lied to this court and has attempted to hide evidence on several occasions."***

Hongkong and Shanghai Bank Corporation (HSBC) were charged $40million and $100million to settle US lawsuits. Canadian Imperial Bank of Commerce (CIBC), BMO, and TD stocks plummeted as US courts pursued multi-million, billion-dollar Ponzi scheme in 2023.

TD also agreed to pay US$1.2billion admitting it moved capital in Stanford International Bank. Allen Stanford was sentenced 110 years for having dealt in bogus investments since 1991. The court receiver recovered billion dollar compensation for victims in 2021. Canadian investors sued TD could have, and should have, done more to prevent fraud. But Canadian Courts ruled out negligent banking, endorsed in appeal that victims filed for leave to appeal to the Supreme Court of Canada (SCC) in 2023, apparently still waiting for review.

BMO was also ruled liable to pay 1999 through 2008 interest charges, but said, ***"We are confident that we have strong grounds for appeal."*** It challenged US Court interpretation of law in its decision that the bank counterclaimed, ***"It is not supported by the evidence, or the law."***

All the above refers to criminal acts in the 1900s tried decades later when the US SEC claimed Goldman Sachs violated anti-fraud provisions in the Abacus Flipbook case selling synthetic CDOs in 2007, and BMO was spared trial in my case in 2008.

Professors, Richard Herring, Franklin Allen, and Kent Smetters of the Wharton School of the University of Pennsylvania presented a preview of the SEC case on an internet ***'Knowledge at Wharton'*** podcast entitled ***'Goldman Sachs and Abacus 2007-AC1'*** in April 2010.

Goldman Sachs and Abacus 2007-AC1 Pretrial Analysis

'Goldman Sachs is the Wall Street mega-firm whose moneymaking prowess leaves many impressed, envious or suspicious. Now the firm's reputation is on the line, as it fights a fraud suit brought by the U.S. Securities and Exchange Commission over a single deal in 2007, the sale of a complex "synthetic collateralized debt obligation" called Abacus 2007-AC1. The deal lost investors $1billion but produced $1 billion in profits for Goldman's collaborator, Oregon-based Paulson & Company, a hedge fund betting the housing bubble would collapse.

While Goldman maintains that its Abacus investors had all the information needed to evaluate risks for themselves, Herring says synthetic CDOs are very opaque. "They are so complicated that, in practice, it's virtually impossible with publicly available information to dig down to the underlying securities — mortgages, credit card loans, etc.— that need to be valued. My impression is that, other than hedge funds and perhaps Goldman Sachs— virtually no other players took the trouble to do it. They merely traded [SPV CDS CDO] ***based on the credit rating bestowed by the credit rating agency."***

…controversy has broadened with the release by the Senate Permanent Subcommittee on Investigations of boxes of Goldman emails and documents related to other transactions. Some senators said the papers show Goldman made a practice of deliberately luring customers into money-losing deals, while Goldman secretly bet against them. The Goldman case has spurred Democrats' efforts to rein in trading of complex derivatives that contributed to the [2008] financial crisis. "The evidence shows that Goldman repeatedly put its own interests and profits ahead of the interests of its clients," Sen. Carl Levin, Detroit Michigan, said at a press briefing on April 26.

The SEC charges that Goldman illegally withheld material information when it did not tell the Abacus buyers that mortgage bonds underlying the CDO had been selected with the help of Paulson & Company, one of the world's largest hedge funds. Paulson wanted to bet that the housing and mortgage markets would collapse. To do that, Paulson needed a CDO based on mortgage bonds likely to fall in value when homeowners stopped making their payments. Paulson was not included in the SEC complaint and has not been accused of any wrongdoing.

In its statements and Senate testimony, Goldman's view is that its customers are sophisticated investors who assess risks for themselves. At the hearing, Goldman CEO Blankfein repeatedly described customers as coming to Goldman seeking an opportunity to take on a particular type of risk, with Goldman merely complying. Several senators, however, argued that Goldman was often the initiator, using its sales force to encourage investors to buy securities Goldman no longer wanted to own. In many cases, committee chairman Levin said, Goldman encouraged customers to buy securities without telling them that Goldman was betting against the same securities by taking a short position. Blankfein said that as a market maker, Goldman has no obligation to reveal to customers its own view on the quality of any security it sells.

In its statements and Senate testimony, Goldman's view is that its customers are sophisticated investors who assess risks for themselves. At the hearing, Goldman CEO Blankfein repeatedly described customers as coming to Goldman seeking an opportunity to take on a particular type of risk, with Goldman merely complying.'

UCLA Business and Economics and Political Science undergraduate, Ms Melanie Gin, defined the Abacus Flipbook cash flow between the bank and Paulson & Company hedge fund dealer;

"The SEC alleges that Goldman Sachs structured and marketed a synthetic collateralized debt obligation (SCDO) that hinged on the performance of subprime residential mortgage-backed securities (RMBS). Goldman Sachs failed to disclose vital information to investors about the CDO, in particular the role that a major hedge fund played in the port-folio selection process and the fact that the hedge fund had taken a short position against the CDO," she wrote.

The Abacus deal setup different classes of RMBS so-called tranches; Class A securities rated AAA in the Super Senior Tranche paid from RMBS cash flow, Class B rated AA Senior Tranche, Class C rated A, and Class D rated BBB, Mezzanine Tranches bound to fail in default. The difference between Goldman Sachs and Abacus $1billion tranches and the BMO $20million Allied deal is scale. Instead of hundreds of SVP CDS CDO RMBSs, BMO setup just one SIV mortgage geared to swindle one investor, one tied-loan subprime, sold one at a time.

'SECURITIES AND EXCHANGE COMPLAINT COMMISSION

GOLDMAN SACHS & CO. and FABRICE TOURRE

COMPLAINT: SECURITIES FRAUD

Plaintiff, the United States Securities and Exchange Commission ("Commission") alleges as follows against the defendants named above:

1. The Commission brings this securities fraud action against Goldman, Sachs & Co. ("GS&Co") and a GS&Co employee, Fabrice Tourre ("Tourre"), for making materially misleading statements and omissions in connection with a synthetic collateralized debt obligation ("CDO") GS&Co structured and marketed to investors. This synthetic CDO, ABACUS 2007 AC1, was tied to the performance of subprime residential mortgage-backed securities ("RMBS") and was structured and marketed by GS&Co in early 2007 when the United States housing market and related securities were beginning to show signs of distress. Synthetic CDOs like ABACUS 2007-AC1 contributed to the recent financial crisis by magnifying losses associated with the downturn in the United States housing market.

2. GS&Co marketing materials for ABACUS 2007-AC1 – including the term sheet, flip book and offering memorandum for the CDO – all represented that the reference portfolio of RMBS underlying the CDO was selected by ACA Management LLC ("ACA"), a third-party with experience analyzing credit risk in RMBS. Undisclosed in the marketing materials and unbeknownst to investors, a large hedge fund, Paulson & Co. Inc. ("Paulson"), with economic interests directly adverse to investors in the ABACUS 2007-AC1 CDO, played a significant role in the portfolio selection process. After participating in the selection of the reference portfolio, Paulson effectively shorted the RMBS portfolio it helped select by entering into credit default swaps ("CDS") with GS&Co to buy protection on specific layers of the ABACUS 2007-AC1 capital structure. Given its financial short interest, Paulson had an economic incentive to choose RMBS that it expected to experience credit events in the near future. GS&Co did not disclose Paulson's adverse economic interests or its role in the portfolio selection process in the term sheet, flip book, offering memorandum or other marketing materials provided to investors.

3. In sum, GS&Co arranged a transaction at Paulson's request in which Paulson heavily influenced the selection of the portfolio to suit its economic interests, but failed to disclose to investors, as part of the description of the portfolio selection process contained in the marketing materials used to promote the transaction, Paulson's role in the portfolio selection process or its adverse economic interests.

4. Tourre was principally responsible for ABACUS 2007-AC1. Tourre devised the transaction, prepared the marketing materials and communicated directly with investors. Tourre knew of Paulson's undisclosed short interest and its role in the collateral selection process.

17. A Paulson employee explained the investment opportunity as of January 2007 as follows: "It is true that the market is not pricing the subprime RMBS wipeout scenario. In my opinion this situation is due to the fact that rating agencies, CDO managers and underwriters have all the incentives to keep the game going, while 'real money' investors have neither the analytical tools nor the institutional framework to take action before the losses that one could anticipate based [on] the 'news' available everywhere are actually realized."

18. At the same time, GS&Co recognized that market conditions were presenting challenges to the successful marketing of CDO transacttions backed by mortgage-related securities. For example, portions of an email in French and English sent by Tourre to a friend on January 23, 2007 stated, in English translation where applicable: "More and more leverage in the system, the whole building is about to collapse anytime now… Only potential survivor, the fabulous Fab(rice Tourre)… standing in the middle of all these complex, highly leveraged, exotic trades he created without necessarily understanding all of the implications of those… monstrosities!!!" Similarly, an email on February 11, 2007 to Tourre from the head of the GS&Co structured product correlation trading desk stated in part, "the CDO biz is dead we don't have a lot of time left…"

6. …Tourre worked as a Vice President on the structured product correlation trading desk at GS&Co headquarters in New York City during the relevant period. Tourre presently works in London as an Executive Director of Goldman Sachs International…'

But, academics advised against regulation to protect bank consumers.

The 'SEC v. Goldman Sachs: Reputation, Trust, and Fiduciary Duties in Investment Banking' 2012 Report;

'On April 16, 2010, the SEC filed a civil complaint against Goldman Sachs in the U.S. District Court for the Southern District of New York. The complaint alleged that Goldman Sachs violated the anti-fraud provisions of the federal securities laws in connection with a 2007 synthetic collateralized debt obligation (CDO) transaction, ABACUS.

The immediate capital market reaction was very negative: Goldman Sachs' share price closed down more than 13% on the day, reflecting a reduction in market valuation of about $10billion. This price reaction anticipated the hostile reception that the firm received in subsequent Congressional hearings, and, apparently, in the court of public opinion. It was also well in excess of the $550million settlement that Goldman Sachs agreed with the SEC on July 15, 2010.

The SEC's complaint is likely to be a watershed event for the investment banking industry. We argue in this Article that, in turn, the complaint reflects far-reaching structural changes in investment banks. The political and regulatory response to this change will affect the path of future upheavals, and, hence, will have a profound impact upon the future evolution of the investment-banking sector. The $10billion capital market reaction to the SEC's complaint reflects this impact:

Recent advances in information technology and financial economics have codified many formerly tacit (implied but not spoken) ***elements of investment banking. As a result, some investment banking deals*** (SIVs) ***are now transacted at arm's length and rely more upon formal contracts; we argue that, for this type of deal, there is a stronger case for legal rules regulating the investment bank counterparty relationship. However, some deals continue to be arbitrated by tacit rules and norms and for these deals, legal rules are less appropriate. An attempt to introduce legal rules into reputationally intermediated relationships may even impair the counterparties' ability to arrive at informal arrangements, and so to trade. The supervision of deals like ABACUS should therefore reflect the extent to which they are transactional or relational…***

We argue that in <u>neither</u> case is there justification for the application of legal rules or the gap-filling standard of fiduciary duties.'

Professors: Steven Davidoff, Ohio State University, Alan Morrison, Oxford University, and William Wilhelm, University of Virginia studied market reaction to ***'SEC Charges Goldman Sachs with Fraud in Structuring and Marketing of CDO Tied to Subprime Mortgages'*** headline news. They advised no need, ***'for the application of legal rules or the gap-filling standard of fiduciary duties***' in review of the above SEC v Goldman Sachs (S.D.N.Y. 2011 No. 10 Civ. 3229) reported in the Journal of Corporation Law Vol. 37:3 in 2012;

US professorial reasoning law and standards of fiduciary duty depend on proportionate transactional and relational elements of investment banking that does nothing to protect investors and taxpayers held liable to uphold banks that refuse to hold worthless non-bank notes in default.

Indeed the Goldman Sachs Paulson & Company affair is a special case. CEO Blankfien would have people believe he is ***"Doing God's work"*** in a financial sector where success relies more on business reputation, and Professor Tyson may well count ***'real money'*** from ***'imaginary losses'*** as ***'Financial Miracles'*** and Goldman Sachs might be pleased with a half-billion dollar fine in 2010 for a billion dollar scam in 2007 made into a movie from US court records in ***'The Big Short'*** in 2015.

I am not the sophisticated investor BMO told the court I was in debt to an unnumbered undocumented loan sued to collect. But I am a skilled system analyst and if my Factum of Defense and Counterclaim had not been swapped out for another without bank system workflow, and if I had had my day in court, I might have proved tied-loan selling.

The Goldman Sachs court record referred to clients as sophisticated investors; albeit unaware and unable to assess CDS CDO subprime risk in this SIV case that didn't price RMBS wipeout-dollars in deals that collapsed in 2008, and destined to happen again.

The Goldman Sachs case provided bank roles and responsibilities to review and re-label BMO system workflow and cash flow diagrams.

But it wasn't just clarification of bank terminology in the news that covered former President Trump legal troubles about tax fraud also defined the ***'Continuing Wrong Doctrine'*** behind ***'Bad-Man Theory'***.

Continuing Wrong Doctrine behind Bad-Man Theory

Mr Trump was lucky that his court cases followed schedules on account of the ***'Trial delayed is Trial Denied'*** maxim.

There was no such consideration for me in the BMO case in Canada.

The BMO Case History details 3507 days started June 14, 2002 that lawyers billed legal fees over 10 years without a hearing for trial until May 26, 2008 that was denied trial on June 27, 2008. I paid lawyers that billed anything and everything and court awarded costs to BMO, but none to me. I put it down to the cost of an education in the school of hard knocks. Where else is ***'bad-man theory'*** on the curriculum? So, in a perverse kind of way, the expense was justified.

Trial of the People of NY State v Donald Trump case was scheduled to start October 2, 2023. AG Letitia James won her day in court after years of investigation and multiple motions for trial in Federal Court or to disbar Judge Engoron and AG James from the case. It included panicky last-minute lawsuit to bottleneck the case in procedure, bent on good riddance of Judge Engoron to quash it altogether.

The media focused on Mr Trump's strategy to stall jurisprudence as long as possible as the presumptive candidate for the GOP running for reelection on November 5, 2024. But, the main purpose to delay was to let statutes of limitations run out on bad-bank loans.

Court decisions ruled to and fro as time moved on until specific deadlines passed. The media speculated how Mr Trump could avoid trial, especially if reelection went his way that he could sign his own presidential pardon himself to free.

The Appellate Division in Manhattan ruled on June 27, 2023 that the civil fraud case against Mr Trump would stand that AG James could sue alleged ***"repeated or persistent fraud or illegality,"*** but not claims ***"accrued"*** before July 13, 2014 and February 6, 2016 deemed too far back for trial. The decision included all charges against Mr Trump's daughter, Ivanka Trump, also reckoned too late for trial.

Lawyers argued the legal meanings of ***'accrued'*** and ***'completed'*** and questioned the ***'Continuing Wrong Doctrine.'*** The prosecution argued loans that remained on company books and annual tax returns should still be tried in court. But the appeals court wrote ongoing wrong did not extend deadlines ruled too late to hear claims. It limited the case to litigate management practice rather than business financials.

Trump lawyering continued until it was ruled September 26, 2023 when Judge Engoron wrote the Trumps repeated ***"bogus arguments"*** that ignored basic rules of business. The ruling stated under the law the Attorney General, ***"…needed to prove that Trump's financial statements were false and misleading, and that the defendants used those statements to transact business."*** Judge Engoron wrote his reason to continue to trial, ***"The documents here clearly contain fraudulent valuations that defendants used in business."***

Trump lawyer, Chris Kise, objected to the ***"outrageous"*** ruling, and appealed it ***"completely disconnected from the facts and governing law"*** and ignored the ***"basic legal, accounting and business principles"*** how his client created the most successful real estate empire in the world. ***"He made a fortune, literally being right about real-estate investments."***

Mr Trump had expanded his father's rental property business beyond outer boroughs into Manhattan. But his real estate deals in the 1990s seemed more contrived to offload debt to investors in money losing ventures in Trump Hotels and Casino Resorts bankrupt in 1991. It was renamed Trump Entertainment Resorts in 2005 that Mr Trump quit in 2009. The troubled company reported investor losses of some 90 cents on the dollar in another bankruptcy in 2014.The Taj Marhal was sold in 2016 at 4% of original cost with the loss reported in 2017.

Allegations Trump financial statements were false and misleading started after Mr Fred Trump hired Sparh Lacher & Berk accountants around 1950. News reported Mr Jack Mitnick joined the firm in 1963 as accountant and attorney and he took charge of the Trump account for the next 30 years. Mr Mitnick kept business ventures afloat in the 1980s and 1990s with massive injections of cash from Fred Trump's estate contrived to lessen gift and death duties in tax returns.

Mr Mitnick who was fanatical about tax avoidance in tax returns for Mr Donald Trump. It was just math that far from business success, Mr Trump famously bragged he was smart not paying income tax nine years out of ten that the IRS approved between 1984 and 1994.

Indeed, Mr Trump filed some billion dollar tax write-off in 1995.

The Mitnick team customized tax avoidance maneuvers for each LLP operated as different entities in Trump business. Each required its own tax filing that Trump's annual income tax took months to prepare. The IRS audited aggressive tax avoidance and brazen tactics so many times that Mitnick assigned a room for full time use by the IRS. Mr Mitnick saved tax dollars for Mr Trump on principle, ***"If you can't find me where the law says you can't do it, you can do it,"*** he said.

The appellate court allowed statutes of limitation and denied trial of alleged ***'continuing wrong'*** defined as, ***'An ongoing wrong that is capable of being corrected by specific enforcement, an example is the nonpayment of a debt.'*** So, the case refocused on ***'intentional wrong'*** explained in the news as ***'a wrong in which the mens rea amounts to intention, purpose, or design'*** from Harvard, Oliver Wendell Holmes, ***'bad-man theory'*** in ***'The Path of the La***w' published in 1897;

"'Bad-man theory' (1938) The jurisprudential doctrine or belief that a bad person's view of the law represents the best test of what the law actually is because that person will carefully calculate precisely what the rules allow and will operate up to the rules' limits. Holmes maintained that a society's legal system is defined by predicting how the law will affect a person, as opposed to considering the ethics or morals supposedly underlying the law. Under Holmes's theory, the prediction is best made by viewing the law as would a "bad man" who is unconcerned with morals. Such a person is not concerned with acting morally or in accord with a grand philosophical scheme. Rather, that person is concerned with whether and to what degree certain acts will incur punishment by the public force of the law."

News of Mr Trump and his legal troubles provided a wonderful education for everyone about money and taxes. Not least from the Chicago Trump Tower twice billed ***'Worthlessness Deduction.'***

Chicago Trump Tower Twice Billed Worthlessness Deduction

Mr Trump defended his right to make as much money as possible and to not pay tax for as long the law allowed. He said IRS auditors approved his tax returns challenged the court to interpret law in the DOJ claim to justify alleged tax fraud in the prosecutor's claim.

The lawsuit claimed former President Trump and sons Donald Jr. and Eric Trump and assistant Allen Weisselberg overstated asset value to induce banks to underwrite Trump investment loans at less cost than they would otherwise lend. Also write-off tax the way Trump fudged business losses carried tax credits over to personal income tax returns that reduced tax liabilities under the guidance and scrutiny of the IRS.

The news reported the IRS had an interest in Mr Trump's tax returns when he refused to disclose contrary to US Election campaign rules in 2016. It published a Technical Advice Memorandum in 2019 that was heavily redacted and referred to a taxpayer only identified with the letter 'A' said to be former President Trump on May 12, 2024.

The ***'People of New York State v Donald Trump'*** trial followed an audit of Chicago Tower financials the Joint Committee on Taxation published in December 2022. The audit revealed Mr Trump claimed a so-called ***'Worthlessness Deduction'*** $697million in tax write-offs in 2008. It also showed that he created a Limited Liability Company (LLC) DJT Holdings to merge the Chicago Trump Tower into a new partnership in the way that he claimed the same 2008 tax write-off in 2010 to recount the loss and collect the same tax benefit twice over.

The IRS reviewed possible breach of law that the LLC merger violated tax law intended to prevent double-dip write-offs. The audit showed Mr Trump owed more than $100million tax plus interest plus penalties for apparent double-presentment breach of tax law.

But Trump Organization Vice President (VP) Eric Trump disagreed, ***"This matter was settled years ago, only to be brought back to life once my father ran for office. We are confident in our position, which is supported by opinion letters from various tax experts, including the former general counsel of the IRS,"*** he said in the news.

The Chicago Trump Tower plan included 486 residences and 339 hotel-condominiums managed by the Trump Organization to rent on behalf of investors. Mr Trump borrowed $640million from Deutsche Bank and $130million loaned from Fortress Investment Group with $770million due for renewal in May 2008. But the project failed with 133 units sold and cost overruns up to $859million owing in 2009.

Mr Trump blamed banks for ***"creating the current financial crisis"*** and sued a $3billion ***'insurance claim'*** against Deutsche Bank that investigative reporting revealed double-billed twice paid tax-credits that tax collectors somehow missed until too late. The IRS referred to University of Baltimore, tax law Professor Walter Schwidetsky and lawyer Monte Jackel to define the ***'Worthlessness Deduction.'***

A US IRS audit revealed Mr Trump apparently claimed the same ***'Worthlessness Deduction'*** in 2010 already paid on account in 2008. The report included a letter from Trump lawyers that they would ***"vigorously"*** challenge the department if it sued back to collect.

Tax expert Mr Jackel analyzed the loss; ***"I think the government recognized they screwed up,"*** he said. ***"The tax experts gave the weakest chance of surviving a challenge for a worthless deduction based on borrowed money for which the outcome was not clear. It reflects a doubly irrational claim that the taxpayer deserves a tax benefit for losing someone else's money even before the money has been lost, and that those anticipated future losses can be used to off-set real income from other sources. Most of the debt included in Mr Trumps' worthlessness deduction was based on that risky position."***

Established law on this issue is that a ***'partnership owner'*** is allowed to claim ***'Valueless'*** for a ***'Worthlessness Deduction'*** and still keep the company and all its assets. To this end, Mr Trump apparently overvalued property in Statements of Financial Condition (SOFC) banks used to assess credit risk to proffer bank loans, which he used to buy property he subsequently devalued to claim as worthless for tax credits, which is ***'Double-dip worthlessness tax write-off law'***.

The news suggested the IRS could sue Mr Trump to collect, but that it had implications about the IRS and banking, one way or another.

Professor Schwidetsky was critical lawyers pushed the loophole to the benefit of wealthy clients. ***"I think he ripped off the tax system,"*** he said as he expressed his concern, ***"Congress needs to radically change the rules for the worthlessness deduction."***

The news reported the $250million civil claim that Mr Trump had deceived banks, insurers and investors for years buying and selling loan-dependent property deals was heard September 21, 2023. It was ruled by summary judgment February 16, 2024. Lawyers wanted the civil case tried in federal court which was denied. Judge Engoron ruled a guilty verdict with a $355million penalty plus interest to pay bank losses. It appeared to protect banks and Mr Trump was banned from operating a company and banking in NY State for 3 years. But while the tax-credit billionaire had money in property he could not raise $465million cash required to stop bailiff property seizures and he appealed for relief to reduce the bond amount.

His appeal was heard September 19, 2024 and judges reduced the bond by some $250million to $175million which he found in cash and posted March 25, 2024. However, the penalty stands that with interest reached a billion dollars and still growing.

The news quoted Mr Trump's private ***'Art of the Deal'*** approach questioned in court while judges clarified the US Constitution how it upholds Heads of State to rule above the law to serve the people.

The way kings ruled England before the Civil War in 1642.

Be that as it may… as much as US university professors expressed concern the ***'Worthlessness Deduction'*** is bad law, it didn't change in 2024. Nor did Canadian ***'Bank Never Wrong Law'*** in the following ***'Rent Seeking Tax Arbitrage'*** insured loss scenario, change in 2017.

The following bank system drawn from the 2009 ***'Crisis-in-Canada'*** Report shows Professor Chant defined bank roles and responsibilities in the ***'ACQUIRE-TO-DISTRIBUTE' BUSINESS MODEL'*** and cash flow ***'RENT SEEKING TAX ARBITRAGE' REVENUE STREAMS.'***

It illustrates tax deductible securities fraud in the big picture.

Tax Deductible Securities Fraud in the Big Picture

The news reported the bank effect of the 2008 Global Credit Crunch in Canada that politicians blamed bankrupt banks on subprime mortgage nonbank notes that failed to rollover in financial markets.

Canadian news reported it ***"The largest $32 billion bankruptcy of a non-bank financial conduit in Canadian market history"*** shown here.

It was hard for people to understand the ***'too-big-fail'*** need to rescue banks round world at such expense. A BBC Panorama documentary had warned about bad banks in the ***'Money Trap'*** in 2006 and the news turned to fraud in 2008. They compared bad-bank loans to the insurance scam that arsonists take out fire protection on properties to set ablaze and claim financial losses.

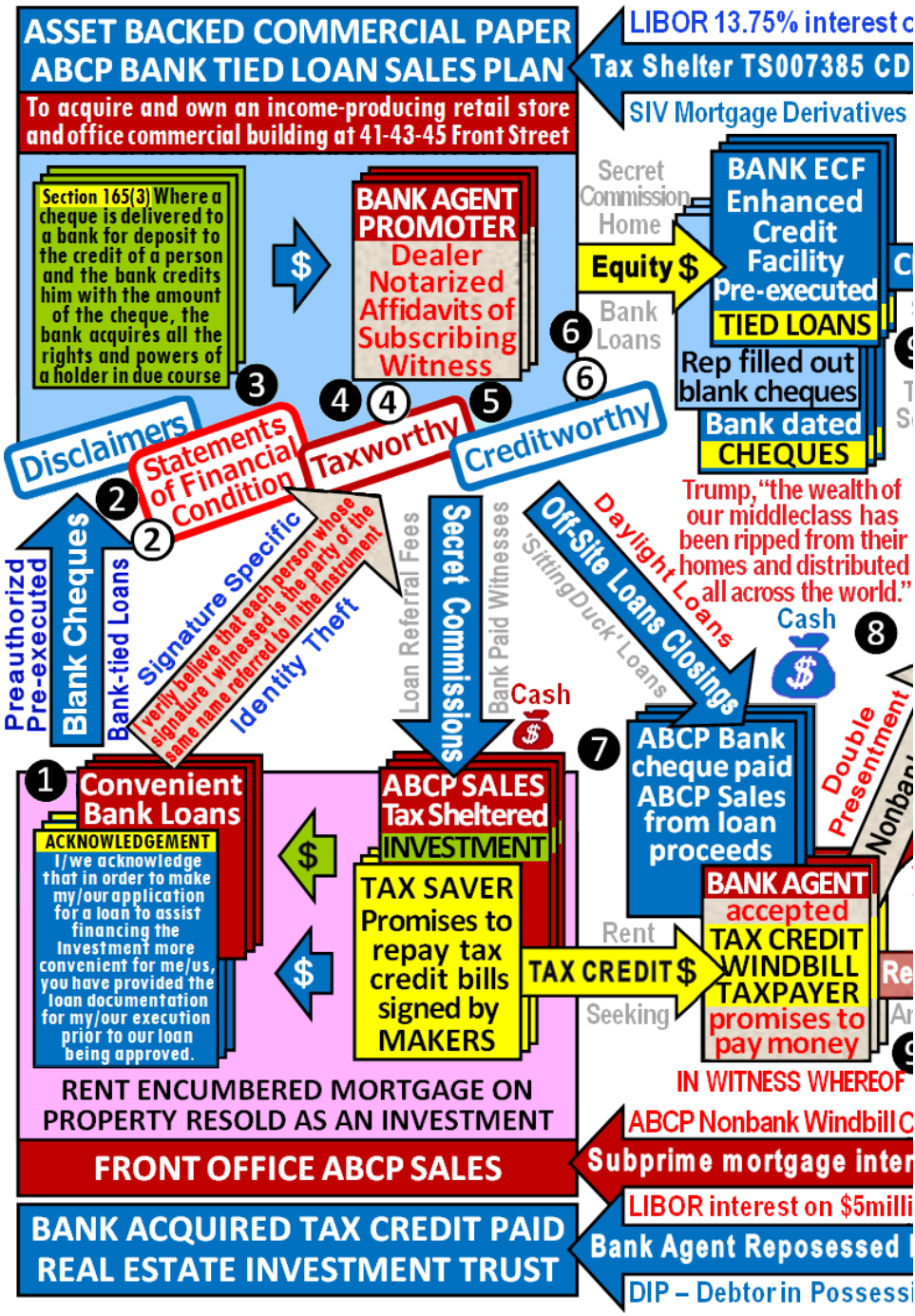
It could be true; Professor Chant defined the sole purpose of SIV to hold assets and issue claims against them and Professor Leuprecht compared Canadian banking to organized crime.

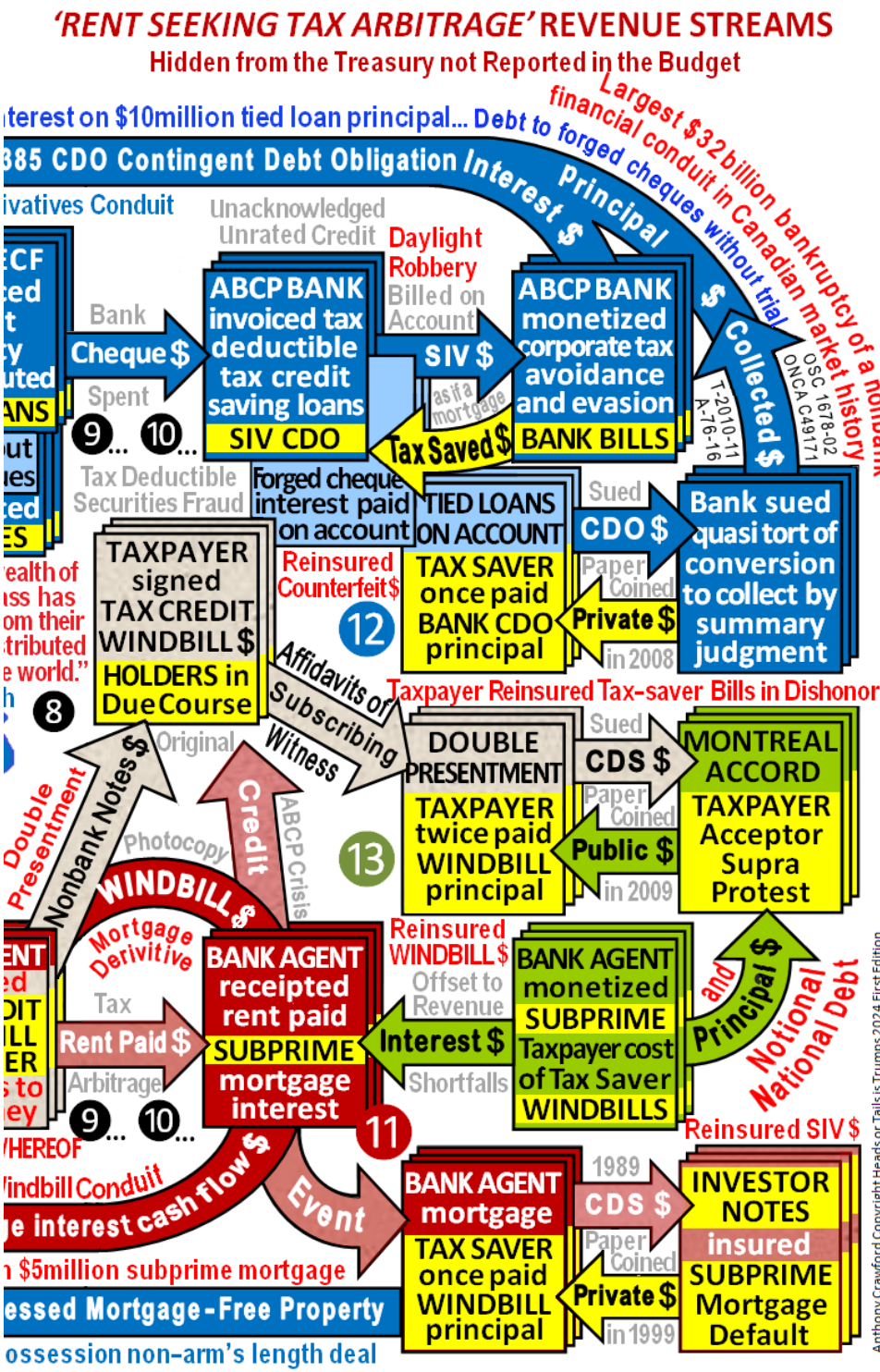
Former US President Donald Trump made fraud an issue in the 2024 US Election. In addition to less tax on the middleclass to stimulate the economy he referred to the 2022 IEITC Report that ***"fraud and improper payments alone cost taxpayers an estimated hundreds of billions of dollars."*** He announced a plan to tackle improper income tax credits in 6 months, and save trillions. He promised he would commission ***"a complete financial and performance audit of the entire federal government."*** It sounded ominous, ***"We will make recommendations for drastic reform,"*** he said. ***"We need to do it,"*** he urged, ***"It can't go on the way we are now."***

Indeed, voters wanted to hear that the economy was the number one issue for Mr Trump as he commissioned the richest man in the world, Mr Musk to control government and cut spending. Canadian media supported the idea, but questioned how to do it, which was my topic at the European Association for Evolutionary Political Economy (EAEPE) September 4, 2024 Annual Conference. It is a PowerPoint presentation that describes data-driven analysis how to decode the following ABCP ***'Acquire-to-Distribute'*** business model.

ABCP *'ACQUIRE-TO-DISTRIBUTE'* BUSINESS MODEL

Bank Affidavit Taking Debt Creating Tax Credit Claiming Moneymaking Machine




'RENT SEEKING TAX ARBITRAGE' REVENUE STREAMS
Hidden from the Treasury not Reported in the Budget
terest on $10million tied loan principal... Debt to forged cheques without trial
Largest $32billion bankruptcy of a nonbank financial conduit in Canadian market history
OSC 1678-02
ONCA C49171
T-2010-11
A-76-16
385 CDO Contingent Debt Obligation
Interest $
Principal $
Collected $
ivatives Conduit
Unacknowledged
Unrated Credit
Daylight Robbery
Billed on Account
Bank
Cheque $
ABCP BANK invoiced tax deductible tax credit saving loans
SIV CDO
SIV $
as if a mortgage
ABCP BANK monetized corporate tax avoidance and evasion
BANK BILLS
Tax Saved $
Spent
9
10
Tax Deductible Securities Fraud
forged cheque interest paid on account
TIED LOANS ON ACCOUNT
Sued
CDO $
Paper Coined
Private $
in 2008
Bank sued quasi tort of conversion to collect by summary judgment
ealth of
ss has
om their
tributed
e world."
TAXPAYER signed TAX CREDIT WINDBILL $
HOLDERS in Due Course
8
Reinsured Counterfeit $
12
TAX SAVER once paid BANK CDO principal
Affidavits of Subscribing Witness
Taxpayer Reinsured Tax-saver Bills in Dishonor
Double Presentment
Nonbank Notes $
Original
Photocopy
Credit
ABCP Crisis
WINDBILL $
DOUBLE PRESENTMENT
TAXPAYER twice paid WINDBILL principal
13
Sued
CDS $
Paper Coined
Public $
in 2009
MONTREAL ACCORD
TAXPAYER Acceptor Supra Protest
Mortgage Derivitive
Tax
Arbitrage
Rent Paid $
BANK AGENT receipted rent paid
SUBPRIME mortgage interest
11
Reinsured WINDBILL $
Offset to Revenue
Interest $
Shortfalls
BANK AGENT monetized SUBPRIME Taxpayer cost of Tax Saver WINDBILLS
and
Principal $
Notional National Debt
Reinsured SIV $
HEREOF
indbill Conduit
e interest cash flow $
Event
1989
BANK AGENT mortgage
TAX SAVER once paid WINDBILL principal
CDS $
Paper Coined
Private $
in 1999
INVESTOR NOTES
insured
SUBPRIME Mortgage Default
$5million subprime mortgage
essed Mortgage-Free Property
ossession non-arm's length deal
Anthony Crawford Copyright Heads or Tails is Trumps 2024 First Edition

The above ABCP business model is not as complicated as it looks. It centers on financial principal debt is money born of credit and all that is money is a promise to pay for billed value received.

The risk is overextended credit on loan to overstated value deceived.

Former US President Trump explained the ***'Global Credit Crunch'*** to understand tax fraud in his presidential address on January 20, 2017. ***"The wealth of our middleclass has been ripped from their homes and distributed all across the world, but that is all behind us now."***

Capitalism without capital starts with section 165(3) in Step ❶ in the ABCP ***'Bank-Affidavit-Taking-Debt-Creating-Tax-Credit-Claiming-Moneymaking-Machine'*** how ***'Rent Seeking Tax Arbitrage'*** works in Steps ❷, ❹, ❸, ❺, ❻, ❼, ❽, ❾, ❿ where ②, ④, and ⑥ in loan closings prohibit bank protocol behind ⓫, ⓬ and ⓭ ***'Revenue Streams Hidden from the Treasury not Reported in the Budget.'***

Tax savings promoted sales and ***'Bank Induced Lending'*** advanced ***'Pre-executed Loans'*** with signed but otherwise ***'Blank Cheques'*** and ***'Disclaimers'*** and ***'Statements of Financial Condition'*** in Steps ❶, ② for ***'Dealer Notarized Affidavits of Subscribing Witness'*** Steps ❸, ④ and ❺ that ***'Home Equity $ Bank loans'*** paid ***'Secret Commissions'*** to ***'Bank Paid Witnesses'*** who filled out ***'Cheque $'*** in Steps ⑥, ❼ that the ***'BANK AGENT accepted TAX CREDIT WINDBILL TAXPATER promises to pay money'*** in Step ❽ signed ***'IN WITNESS WHEREOF'*** to bill ***'WINDBILL $'*** from ***'Rent Paid $'*** through Steps ❾ and ❿ as ***'BANK BILLS'*** invoiced ***'SIV $'*** as ***'Tax Saved $'*** Steps ❾ and ❿.

The SIV CDS CDO ABCP setup includes ***'Double Presentment'*** in the workings of potentially criminal banking. Especially reinsured SIV ⓫, which is the subprime mortgage scenario, and reinsured counterfeit ⓬, which is the forged cheque scenario, and the reinsured WINDBILL ⓭, which is the taxpayer recapitalized nonbank note bailout scenario.

It appears US Ponzi adds the '***Worthlessness Deduction'*** to the tax avoidance of the above scheme that starts with ***'Bank Never Wrong'*** law in Canadian ***'Double Presentment'*** reinsured fraud scenarios.

Canadian Double Presentment Reinsured Fraud Scenarios

The Canadian Anti-Fraud Centre (CAFC) reported $2billion losses to impersonation fraud since 2021 including $638million in 2024. CAFC is managed by the RCMP, the Ontario Provincial Police (OPP), and the Competition Bureau that received 108,878 reports although fewer than 10% complain with 34,621 victims of identity fraud, service fraud, and investment fraud reported to have the highest financial impact in 2024.

The following summary replays three possible ***'Double Presentment'*** reinsured investment fraud scenarios still waiting assistance from my MP, Anita Anand, to follow up my request for a Private Members Bill to implement a bank transaction control number to combat crime.

My OSC Whistleblower File includes my 2012 Private Information for Public Prosecution of bad actors in a BMO Allied Canadian 89-1 Ltd. Partnership ***'ASSET BACKED COMMERCIAL PAPER ABCP BANK TIED LOAN SALES PLAN To acquire and own an income producing retail store and office commercial building at 41-43-45 Front Street.'***

The tax ***'Double Presentment'*** scenario is ***'Reinsured SIV $'*** in Step ⓫ that ***'CDS $'*** repaid ***'BANK AGENT mortgage TAX SAVER once paid WINDBILL principal'*** into ***'INVESTOR NOTES insured SUBPRIME Mortgage Default'*** that ***'Private $'*** from ***'TAX SAVER'*** losses refunded ***'BANK AGENT repossessed mortgage free property'*** listed for resale in a Capital Markets Real Estate Investment Trust (REIT).

The bank ***'Double Presentment'*** is ***'Reinsured Counterfeit $'*** in Step ⓬ that ***'Bank Induced Lending'*** swindled ***'Home Equity $ Bank Loans'*** by way of ***'ABCP BANK invoiced tax deductible tax credit savings loans'*** how the ***'ABCP BANK monetized corporate tax avoidance and evasion'*** that ***'Private $'*** paid ***'TAX SAVER once paid BANK CDO principal'*** due to ***'Bank sued quasi tort of conversion to collect by summary judgment'***

The billed ***'Double Presentment'*** is ***'Reinsured WINDBILL $'*** in Step ⓭ ***'Public $'*** repaid ***'Taxpayer reinsured tax-saver bills in dishonor'*** in the ***'MONTREAL ACCORD TAXPAYER Acceptor Supra Protest'*** rule that ***'CDS $'*** repaid ***'TAX CREDIT WINDBILL $ HOLDERS in Due Course,'*** which is the ***'TAXPAYER twice paid Windbill principal'*** question.

Taxpayer Twice Paid Windbill Principal Question

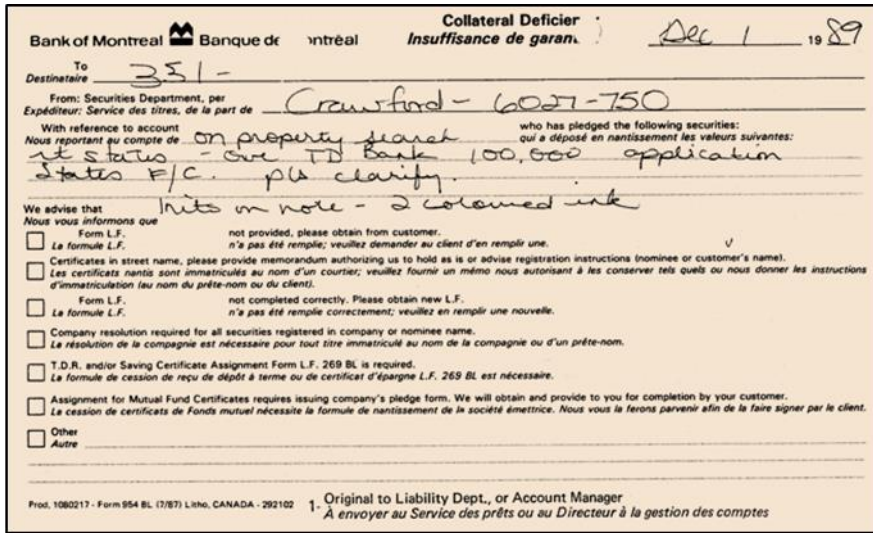
The modern term ***'Double Presentment'*** is the counterfeit equivalent of a forged signature before photocopied negotiable instruments were legally acceptable to launder to cash through the banking system.

The separation of original to photocopied notes is shown in Step ❽ that hides subprime ***'WINDBILLS'*** and tied loan ***'BANK BILLS'*** in on- and off- the books cash flow passed through Steps ❾ and ❿.

Neither the ABCP mortgage holder nor ABCP lenders returned my cancelled ***'INVESTOR NOTES'*** or ***'CHEQUES'*** on account of tax saver paid ABCP losses in final disbursements. It seems clear; the ***'BANK AGENT monetized SUBPRIME Taxpayer cost of Tax Saver WINDBILLS'*** and ***'ABCP BANK monetized corporate tax avoidance and evasion BANK BILLS'*** laundered cash through Steps ⓫ and ⓬.

My MP and the OSC have BMO documents that raise the bad bank ***'TAXPAYER twice paid WINDBILL principal'*** question.

One such document was a ninth ***'Collateral Deficiency Notification'*** of nine alerts stated I had $100,000 TD mortgage and suspicious initials, which were ignored in breach of bank protocol Steps ②, ④, and ⑥.



Bank of Montreal Banque de ontréal — Collateral Deficier / Insuffisance de garan. — Dec 1 19 89

To / Destinataire: 351 -

From: Securities Department, per / Expéditeur: Service des titres, de la part de: Crawford - 6027-750

With reference to account / Nous reportant au compte de: on property search — who has pledged the following securities: / qui a déposé en nantissement les valeurs suivantes:

It status - our TD Bank 100,000 application
States F/C. pls clarify.

We advise that / Nous vous informons que

- ☐ Form L.F. / Le formule L.F. — not provided, please obtain from customer. / n'a pas été remplie; veuillez demander au client d'en remplir une. ✓
- ☐ Certificates in street name, please provide memorandum authorizing us to hold as is or advise registration instructions (nominee or customer's name). / Les certificats nantis sont immatriculés au nom d'un courtier; veuillez fournir un mémo nous autorisant à les conserver tels quels ou nous donner les instructions d'immatriculation (au nom du prête-nom ou du client).
- ☐ Form L.F. / Le formule L.F. — not completed correctly. Please obtain new L.F. / n'a pas été remplie correctement; veuillez en remplir une nouvelle.
- ☐ Company resolution required for all securities registered in company or nominee name. / La résolution de la compagnie est nécessaire pour tout titre immatriculé au nom de la compagnie ou d'un prête-nom.
- ☐ T.D.R. and/or Saving Certificate Assignment Form L.F. 269 BL is required. / La formule de cession de reçu de dépôt à terme ou de certificat d'épargne L.F. 269 BL est nécessaire.
- ☐ Assignment for Mutual Fund Certificates requires issuing company's pledge form. We will obtain and provide to you for completion by your customer. / La cession de certificats de Fonds mutuel nécessite la formule de nantissement de la société émettrice. Nous vous la ferons parvenir afin de la faire signer par le client.
- ☐ Other / Autre

Inits in note - 2 coloured ink

Prod. 1080217 - Form 954 BL (7/87) Litho, CANADA - 292102 1- Original to Liability Dept., or Account Manager / À envoyer au Service des prêts ou au Directeur à la gestion des comptes

But BMO chose to stop AML reporting in an interoffice memo the same day the bank dated it inchoate notes on December 1, 1989.

MEMORANDUM December 1, 1989

TO: D. Martin
PLPC Supervisor

c.c. W.J. Swift
L. Saunders

FROM: T. Bainbridge
Community Banking Manager

Re: Allied Canadian (89-2) Ltd. Partnership

It has come to my attention that there may be some concern over the various colours and/or print of the body and/or figures of the Allied Canadian Ltd. Partnership demand loan notes.

As you are aware, we obtained approval from Credit Department allowing off site closings for this package (enclosed). The units from this offering were sold between the period of September to November 30, 1989 with a closing date tentatively scheduled for December 1, 1989 (this closing date was tentative only), and if financing was required by the investor, the documentation was signed and submitted to the Bank of Montreal in accordance with the Credit authorization of September 13, 1989. Since the closing date was not firm at the point of sale, and prime rate not known, the date and prime rate was not completed on the demand note. It was agreed that this information would be completed when the closing date was established, all of which would be confirmed with the client.

On the basis of my discussion with Operations/Audit, I am of the opinion that there is no risk associated with our documentation and as such will not pressure the promoter or client to sign new documents.

Based on the foregoing it is not necessary to report these as collateral deficiencies.

TBB/b

I had thought willful ignorance of credit alerts would go to trial but the bank denied wrongdoing and referred to precedent established in ***'Hong Kong Bank v. Accusi'*** and ***'Bank of Montreal v. Duguid'*** Case Law. The Appeal Court ruled bank protocol doesn't matter, ***"It doesn't matter. You applied for the loan, you got the money for the purpose for which it was intended, you got the investment."***

I had written Finance Minister, Ralph Goodale to confirm how bank law worked in Canada for protection in case of criminal banking.

CRAWFORD: "…the letter came on the fourteenth of December asking for cheques, and that's exactly what we interpreted it to be. There was no account code, just a reference to a loan. Now you're telling me there is an account which handles some kind of money."

BMO LAWYER: "That's nonsense there's absolutely a reference to the loan. What are you talking about? That's ridiculous."

CRAWFORD: "There's no account number."

BMO LAWYER: "Yea there's no account number that's correct."

CRAWFORD: "That's correct. So…"

BMO LAWYER: "It does say personal demand loan."

CRAWFORD: "It also says equity loan, it also says investment loan."

BMO LAWYER AND WITNESS laughing: "Okay, good. Ha ha ha."

CRAWFORD: "They're all the same thing?"

BMO LAWYER: "They're loans. You know what a loan is, Mr Crawford?"

CRAWFORD: "No. You just said they're loans. They are either unique loans, or not."

BMO LAWYER: "Mr Crawford, what you want in this examination… I only intervened to try to make sure that you got your answer that you asked that I thought was proper…"

CRAWFORD: "Well, let me just go back to the question then, which is terms and conditions. And one of the questions was, was there a time required?"

BMO LAWYER: "That's been answered."

CRAWFORD: "No it hasn't been answered. The time has not been answered, because here I have a letter from Mr Ralph Goodale which says, '…the required disclosure information must provide to the consumer regardless of whether the mortgage loan is sold by a broker, or directly by the bank, at least two business day prior to entering into the loan agreement. That is what we just looked at, I believe. It was two days prior?"

BMO LAWYER: "I don't… I don't agree with that has any application at all in this, okay? So let's move on…"

CRAWFORD: "So okay, we go back to the idea that the bank does not need to advise me of any terms and conditions at any time. And, you consider that fourteen day afterwards asking for payments to a loan account, which you said yourself isn't actually the loan account the was money taken from…"

BMO LAWYER: "Mr, Mr…"

CRAWFORD: "No, no, I'm just… I may appear confused, and I am confused…"

BMO LAWYER: "The acknowledgement and agreement contains the loan terms…"

CRAWFORD: "…the acknowledgement and agreement?"

BMO WITNESS: "Yea, the forms that you signed. Mr Crawford you signed a whole bunch of documentation. If you didn't know what you were signing… that's your problem."

Having explained where ***'Preauthorized Pre-executed Tied Loans'*** fit in the ABCP package that tax-saver signed ***'Blank Cheques'*** induced dealers to handle ***'Convenient Bank Loans'*** the bank witness carried on to describe the credit workings of codependent promissory notes.

CRAWFORD: "Is that the promissory note that would have been witnessed by Mr Fardoe at the time?"

BMO WITNESS: "No."

CRAWFORD: "It's not?"

BMO WITNESS: "No. It's not a bank promissory note."

CRAWFORD: "It's not a bank promissory note?"

BMO WITNESS: "No."

BMO LAWYER: "I'm sorry, er, and this promissory note in the banks' documents that we are relying on…"

BMO WITNESS: "Isn't witnessed either."

BMO LAWYER: "Correct…"

BMO WITNESS: "We don't get into the kind of due diligence that you are referring to, because we're not project lenders. We are lending to you based on your creditworthiness."

CRAWFORD: "I see, and would I expect…"

BMO WITNESS: "If you want to borrow the money and go and blow your brains out… that's fine. We lend to you on your creditworthy!"

My examination of the BMO witness lasted almost two hours. I had no idea how bad banks worked that it became an education for me to update my system-gap analysis diagrams. These lessons continued from the news into 2025 how former US President Trump defended bank, tax, and voter fraud, tried in court that pointed out the same contradictions in constitutional law that US and Canadian university professors criticized in need of reform in the big picture.

The one constant Trump lawyers pleaded was no financial harm. It contradicted the 2009 ABCP ***'Crisis-in-Canada'*** Report of $32billion ***'Notional National Debt'*** to nonbank ***'Principal $'*** in Step 13 when ***'Public $'*** repaid ***'Taxpayer Reinsured Tax-saver Bills in Dishonor.'***

Canadian news also contradicted the one sided no-financial harm scenario in headline news on March 11, 2025 questioning the reason why Canadian governments fail to stop money laundering.

Canadian Governments Fail to Stop Money Laundering

Two years after Queen's University published ***'Dirty Money'*** in 2023, academics criticize the ***'Snow Washing'*** reputation Canada has in the world as the number one go-to-place to launder money.

Calgary University Law Professor Sanaa Ahmed raised the issue federal and provincial governments fail to tackle money laundering because they like the benefit of more cash flow in the economy.

The newspaper referred to Professor Ahmed recent TedX lecture ***"Canadian governments fail to stop money laundering because they want the cash"*** that Criminal Intelligence Service Canada estimated up to $113billion a year. Analysis put one third of laundered money down to crime and two thirds to stealthy transactional tax avoidance and evasion in the above reinsured securities fraud scenarios.

Toronto talk show host Ben Mulroney reviewed the above money laundering question in the news on March 13, 2025.

MULRONEY: "There is a piece in the Toronto Sun that says Canadian governments fail to stop money laundering because they want the cash. That is such a shocking headline that I need to drill down into it, and so let's welcome Sanaa Akmed, law professor at the University of Calgary into the conversation. Professor, thank you so much for joining us on the Ben Mulroney Show."

AKMED: "Thanks for having me, Ben."

MULRONEY: "That's a bold statement, can you tell me where, how the facts would suggest that?"

AKMED: "Yes, I've been looking at money laundering in Canada for a while... So, I say roughly about ten years we've gotton a lot of peer attention on this… We are also thinking about the Panama and Paradise Papers … But if you think more specifically to the emergence of the Vancouver market in 2017 when the rest of us in Canada discovered this vibrant 'Snow Washing' operation that was taking place through the casinos. Most of us were shocked."

MULRONEY: "Yea."

AKMED: "Except as it turned out the people who were responsible for the regulation of that industry in B.C. They had known about it for seven or eight years. When you think about the uncovering of the Toronto method of mortgage fraud, which was discovered in Toronto and HSBC Canada was accused of doing it, again we found out that the bank had known about it for… eight, nine years. So, each file, and this is something we have seen even with the recent TD case, people have know about it, it's just not flagged."

MULRONEY: "Wouldn't these banks and these governments have a moral, legal, ethical obligation to flag this stuff and to route it out, and ensure that it is no longer part of the system?"

AKMED: "Theoretically, but we have seen they choose not to, which makes you think, why are they not flagging it?"

MULRONEY: "So from there you assume it is… because, what, they rely on these funds? …I appreciate if money is laundered properly, once it's in the system it behaves like clean money. So, how much money are we talking about? …I'm trying to see what sum would be so big that it would put people in a, huh, moral grey area at best?"

AKMED: "You see the thing is, when we are talking about money laundering it's not something that's easily quantifiable… On the other hand …when we see that entire economies, the political economies of a town, of a city, of a province are being shored up by this business… obviously we are going to see some trickledown effect in the economy."

MULRONEY: "But Professor, that's one side of the equation, we have to look at the other side and recognize that money is coming mostly, primarily from ill-gotten gains, I'm thinking the drug trade…"

AKMED: "Well exactly. That is the function, right?"

MULRONEY: "Yea."

AKMED: "Because capital flight from China is not considered an offense in Canada. …it doesn't automatically make you an offender."

MULRONEY: "Oh, my goodness! So what's the path forward? How do we put pressure on these governments to do the right thing?"

AKMED: "We have to stop pretending that they want to do the right thing. Because there is just too much involved… we also need to bear in mind that the government stands to make a bunch of revenue from this, alright? Because obviously casinos pay taxes; we also know that the Crown Corporations are part owners of the casinos. So, we need to recognize that the government has a sizeable incentive to encourage and facilitate this business. So, unless we recognize that— we are not going to look at government policy that helps do this. So, whether we are looking at good business …and whether there is a real requirement when we bring this investment into Canada …is there a real inquiry into the sources of funding? Is there a cleanliness requirement? If there isn't, then what are we meant to conclude? That government is truly fussed whether I'm a kleptocrat immigrating into Canada, or whether I'm just bringing in proper business investment?"

MULRONEY: "Well…"

AKMED: "Unless the government substantiates that business requirement, I am offering you anther image."

MULRONEY: "Yes professor, I'm going to leave it there. But thank you. I expect more from my governments, call me crazy, but I kind of want them to have clean hands in a world of dirty money."

AKMED: "I would love them to have clean hands too, but they are not showing me though."

MULRONEY: "Thanks. Have a great day."

The Mulroney interview left listeners not knowing if the banks and governments failed to stop money laundering to cash in, or not?

The next day, Prime Minister Mark Carney replaced Prime Minister Justin Trudeau on March 14, 2025 and quickly announced a writ for a spring election on March 23, 2025. Maybe Carney the economist will convince those disappointed in Trudeau, the drama school teacher, not bothered with monetary policy, a budget cannot balance itself.

Canadian news reported President Trump's preference to deal with an ***"ex-Goldman Sachs multimillionaire"*** on March 28, 2025 when he said, ***"We had a very good talk, the prime minister and myself, and I think things are going to work out very well between Canada and the United States."*** He reassured, ***"We're going to end up with a very good relationship with Canada and a lot of other countries."*** Indeed, minority Liberal government acting Prime Minister without a seat implied he expected to win saying they had already agreed to ***"…begin comprehensive negotiations about a new economic and security relationship after the election on April 28."***

But, US economic warfare battle cries for financial security hardly mentioned measures to combat money laundering in the news. Nor, US commitment to bit-coin crypto currency with similar bank issues in the following Submission to the Canadian 2017 Tax Plan for a Private Members Bill for transparency, which is long overdue.

The wait could be over the 2025 Canadian election with a learned view of bank law that unnumbered and same numbered loans and mortgages are geared to deceive and defraud by design.

It could be different: Mark Carney's glorified knowledge with an Oxford University PhD in economics compared to Justin Trudeau's professed ignorance views the question through an esoteric lens. Will a caretaker prime minister, Mark Carney, double down on the Liberal approach that squandered the proven economic advantage of cheap Public Bank loans to print money into circulation, or not?

And what about a full account of tax credits to balance the budget?

Basically, is there a party that will promise to criminalize money laundering? That is the Canadian 2025 election question…

Appendices – Crawford Submission to the Canadian 2017 Tax Plan

Anthony Crawford of Oakville Submission to Department of Finance's Consultations September 29, 2017

http://www.ourcommons.ca/Content/Committee/421/FINA/Brief/BR9130835/br-external/CrawfordAnthony-e.pdf

Title: The Magna Carta Loophole. Subtitle: Bank System Solution to Twice Paid Tax Credit Windbill Conversions

This Magna Carta Loophole essay describes how bank principles monetize tax scams for the rich. It refers to the Asset Backed Commercial Paper – ABCP conversion problem that Canadian taxpayers need more protection than income tax code adjustments provide.

Briefly, the Twice-Paid-Tax-Credit-Windbill, described from bank dictionaries, is a tax scam that defrauds income tax-credit savers of private wealth and taxpayer expenditures of public wealth using the same tax credit unnumbered financial instrument to profit in different capital markets, at the same time.

Canadian financial analyses circa 1990 estimated tax-shelters reduced Canadian revenue some $8billion each year. [1]

> ***WINDBILL*** *Windmill, names sometimes given to accommodation bills;* [2]
>
> ***ACCOMMODATION BILL*** *a bill of exchange endorsed by a reputable third party (called an accommodation party) acting as a guarantor, as a favor and without compensation. The bill then can be discounted on the financial strength of the guarantor who remains liable until the bill [tax bill] is paid. Also called accommodation note, accommodation paper, or (in the UK) Windbill;* [3]

[1] Ref: William Krehm. A Power Unto Itself. Page 41, Neil Brooks, a tax specialist at Osgoode Hall Law School, has estimated that the government loses $8 billion in revenue to questionable tax shelters every year.
[2] Ref: R. W. Jones, Thomson's Dictionary of Banking, New Era Publishing WINDBILLS, WINDMILLS Page 656.
[3] Ref: Business Dictionary
http://www.businessdictionary.com/definition/accommodation-bill.html

FICTITIOUS BILL *'accommodation bills' also known as 'fictitious bills,' 'kites,' and 'windmills' and the persons who draw, accept, or indorse them are called 'accommodation parties'.* [4]

President Trump with a billion income tax credit deficit dollars avoided paying Federal income tax some twenty years, and he said:

"The wealth of our middle-class has been ripped from their homes and been redistribute all across the world." [5]

This Windbill analysis is based on the 2009 Government of Canada commissioned ABCP 'Crisis-in-Canada' Report by Prof John Chant of Simon Fraser University. [6] Prof Chant defines the $112billion ABCP 'Acquire-to-Distribute' business model behind the 2008 Global Credit Crunch largest $32billion bankruptcy of a financial conduit in Canadian history. And, Prof Larry Summers, President, Harvard University former US Treasury Secretary keynote addressed the 2014 Toronto Institute of New Economic Thinking – INET Conference about the *'Dark Side of Capital Mobility'* concerning hundreds of billions of uncollected tax dollars in world fiscs:

PROF LARRY SUMMERS*, "The American journalist Mike Kinsley put forth the doctrine that the real scandal isn't usually the illegal things people do, it's the things that are fully legal. And that is certainly true with respect to tax sheltering and overseas tax sheltering and tax sheltering by financial institutions. Tax shelters, tax arbitrage comes in forms that are mind numbingly complex. But, its essence is that you borrow money and you deduct the interest on your borrowing and you put the money somewhere where you earn interest and you don't pay tax on the interest you earn. And, if you do those two things at the same rate and you can subtract you recognize you make a profit that's equal to the tax rate times the interest rate on each dollar of your money. And, there's no question that there's a lot of that that goes on. There's no question that but for successful rent seeking in individual countries there would be substantially less of it. There's no question that to fully address it would require more international cooperation than we have now. And,*

[4] Ref: Pitmans' Bills, Cheques, and Notes, 1907. Accommodation Bills, Fictitious Bills Page 28

[5] ABC 15 Arizona News www.youtube.com/watch?v=Irrd10JjkBA

[6] Government of Canada study of the ABCP – Asset Backed Commercial Paper C$32 billion largest bankruptcy of a financial conduit in Canadian history by Professor John Chant of Simon Fraser University, BC, for the 'Expert Panel on Securities Regulation'.

there's no question that it is a very serious problem, as I tried to convey when I spoke about the dark side of capital mobility. I have no doubt there are tens if not hundreds of billions of dollars that should be collected by the world's fiscs [7] *that are not, because of the kinds of tax arbitrage activities that you describe."* [8]

The issue of hundreds of billions of revenue losses monetized for cash through taxation was described as a financial miracle to those on the profit side of the tax-deductible-rental-income capital loss:

Prof Tyson *"There is money involved. From a business point of view, why shouldn't lawyers, accountants and bankers try to make money? Taxpayers were allowed to apply losses from passive investments, like limited partner-ships, to offset large amounts of ordinary income from other sources. Using depreciation, investors could claim losses on investments that actually produced profits. The basis model involves limited partnerships that invested in assets like apartment complexes. Rental income would be more than offset by operating expenses, interest on the loan and depreciation, creating a loss the partners could use to eliminate tax on tens of thousands of dollars in other income. After five years, the complex would be sold at a profit. This is what I used to call a miracle."* [9]

The US Senate Permanent Subcommittee on Investigations questioned the legality of *'Rent Seeking Tax Arbitrage'* schemes in 2005, reported and defined as follows:

"Limited partnerships invested in assets like apartment complexes. Rental income would be more than offset by operating expenses, interest on the loan and depreciation, creating a loss partners could use to eliminate tax on tens of thousands of dollars in other income. After five years, the complex would be sold at a profit."

"The line between proper and improper shelters is so unclear that the IRS uses terms like 'abusive' to characterize unacceptable shelters

[7] Ref Dictionary: Fisc n pl.–s a state or royal treasury. Ref: Webster's Dictionary. Fiscal adj. of or pertaining to the public treasury or revenue: Ref: Collin's Dictionary. Note: (Scotland) Fiscal n. treasurer, one who prosecutes for the Crown minor criminal cases.

[8] Ref: INET/CIGI Toronto Human After All Conference April 2014. Larry Summers address 'Secular Stagnation' April 12, 2014.

[9] Ref: Knowledge@Wharton Tax Shelters: Exotic or Just Plain Illegal? Miracle Workers Page 2

rather than calling them 'illegal'. But in a 2005 study, the Senate Permanent Subcommittee on Investigations described abusive shelters as 'transactions in which a significant purpose is the avoidance or evasion of federal, state or local tax in a manner not intended by the law.'" [10]

RENT SEEKING *n. the act of trying to improve personal income at the expense of someone else, rather than by increased work or productivity. This is a term used by some economists to describe the processes through which individuals and corporations seek to use government to further their own interests and, in particular, to acquire streams of money (rents),* [11]

TAX ARBITRAGE *trading that takes advantage of a difference in tax rates or tax systems as the basis for profit,* [12]

ARBITRAGE *n. (commerce), the buying of goods in one place in order to sell them immediately in another at a higher price, the buying of bills of exchange or stocks and shares for the same purpose.* [13]

In Canada, the tax-credit cost of money was challenged in 2011 in the Federal Court of Canada that ruled against trial of an estimated trillion dollar cost of money behind doubtful income tax credits. The ruling questions the wisdom of Parliament using paying LIBOR for offshore bank loans to print onshore money instead of near zero Public Bank of Canada cost of money for earned income tax credits [14] and Court refers taxpayers to Members of Parliament to engage in public debate of government policy.

[10] Ref: http://knowledge.wharton.upenn.edu/article.cfm?articleid=1419 Tax Shelters: Exotic or Just Plain Illegal? Miracle Workers

[11] Ref: Dictionary Central http://www.dictionarycentral.com/definition/rent-seeking.html

[12] Ref: The Free Dictionary: Tax Arbitrage. http://financial-dictionary.thefreedictionary.com/Tax+Arbitrage

[13] Ref: Webster's Dictionary 1988 Encyclopedic Edition. ARBITRAGE Page 47.

[14] William Krehm Verses The Bank of Canada. Federal Court of Canada File T-2010-11

The Canadian Auditor General is the Accountant who reviews the government's books. In his 1993 annual report he acknowledged that most of the government's debt consisted of interest charges. Thus in 1993, 91 percent of debt consisted of interest charges, the government would have a debt of only C$37billion ($37,000,000,000) – very low and sustainable, just as it was before 1974. By 2012, the government had paid C$1trillion ($1,000,000,000,000) in interest – twice its national debt… [15]

The lower the interest rate cost of money before the 2008 crash – the less the impact of income tax-credit revenue shortfalls. Canadian rent-seeking tax arbitrage would have been less profitable than bank rigged LIBOR interest rates that maximized returns, as follows;

LIBOR *– London Interbank Offered Rate: the average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks. LIBOR is widely used as a reference rate for many financial instruments in both financial markets and commercial fields around the world. In June 2012, multiple criminal settlements by Barclays Bank revealed significant fraud and collusion by member banks connected to the rate submission, leading to the LIBOR scandal.* [16]

My so-called *'Magna Carta Loophole Case Before the Court'* is based on the 1215 *'No Taxation Without Representation'* principle that the 1694 Bank of England followed government policy to print money capitalized from the incorporated net worth of taxpayers bonded into service the tax-credit national debt cost of money behind the first private bank public deficit economy in the world.

The medieval bank system plan replaced tax paid tally-stick receipt interest free currency with tax in trust to collect for a private bank that printed signed promises to pay pound coins for pound notes that charged the rent interest public cost of money for unpaid tax bills as Bills of Exchange to use as legal tender.

[15] Ref: Ellen Brown, The Public Bank Solution. Third Millennium Press, 2013, Gross Canadian Federal Government debt 1867-2008. "From Sustainable to Unsustainable Debt." Page 207.
[16] Ref: Ellen Brown, The Public Bank Solution. Third Millennium Press, 2013, Glossary. LIBOR Page 433.

Signed promises to pay money for Bank of England banknotes circulated through countrywide bank cash flows that coined gold standard fractional reserve capital movements through the bank system and revenue streams in tax budget accounts. Even today, government throne speeches still announce election promises in budgets after tax returns to public wealth that *'Bond'* issues of unpaid tax bills continue in cash flows as money in circulation in deficit economies.

Real economy collective principle a central bank holds a social lien on national debt tax-value received is not the same as shadow banking Windbills, which are spiritual liens on notional debt-value deceived to raise credit on counterfeit, nothing received.

Tax-credit Windbills garnish gullible taxpayer income tax deductions that monetize fixed papered interest charged for Windbills laundered for cash through tax avoidance revenue shortfalls that conceal tax evasion public debt Treasury losses not reported in the budget.

Tax deductible Windbills yield interest until indebted Windbill *'Makers'* repay principal owed that nothing received to receipt Windbill *'Holders'* re-present signed promises to re-sue payment of private notional debt re-billed as public national debt re-coined from Treasury losses, which is down to Gullible Taxpayer Law:

> ***"Any taxpayer can sign a promise to pay money for a tax credit Windbill private imaginary dollar as a tax credit saver tax bill 'Maker' that a Treasury conversion reissues a public notional national debt real dollar to its 'Holder' in due course."***

Neither the 1215 Magna Carta nor the 1882 Bills of Exchange Act defines law for bank control and in 2016 the Federal Court of Canada ruled against trial of tax arbitrage that the government still issues tax credits to financial institutions that profit from financial ruin and notional national debt.

> ***TAX LOOPHOLE, LOOPHOLE*** *an ambiguity, omission, or exception (as in a law or other legal document) that provides a way to avoid a rule without violating its literal requirements; especially, a tax-code provision that allows a taxpayer to legally avoid or reduce income taxes,* [17]

[17] Ref: Black's Law Dictionary Ninth Edition, LOOPHOLE Page 1028.

Présentation d'Anthony Crawford d'Oakville pour les consultations du ministère des Finances le 29 septembre 2017

http://www.noscommunes.ca/Content/Committee/421/FINA/Brief/BR9130835/br-external/CrawfordAnthony-f.pdf

Objet: La planification fiscale à l'aide de sociétés privées
Référence: Contributions aux consultations du ministère des Finances

Titre : L'échappatoire de la Magna Carta

Sous-titre: Solution systémique des banques aux conversions des effets de complaisance pour crédits d'impôt payés deux fois

Cette présentation qui porte sur l'échappatoire de la Magna Carta décrit de quelle façon les principes bancaires monétisent les stratagèmes fiscaux au bénéfice des riches. Il porte notamment sur le problème de la conversion du papier commercial adossé à des actifs (PPAC) pour lequel les Canadiens ont besoin d'une protection plus forte que celle offerte par les rajustements apportés au code des impôts sur le revenu.

En bref, tels qu'ils sont décrits dans les lexiques bancaires, les effets de complaisance pour crédits d'impôt payés deux fois constituent une fraude fiscale, d'une part, à l'égard du patrimoine privé des épargnants qui bénéficient d'un crédit d'impôt et, d'autre part, à l'égard du patrimoine public formé par les contribuables. Cette fraude repose sur l'utilisation du même instrument financier de crédit d'impôt non numéroté en vue de la réalisation de bénéfices dans différents marchés financiers.

Selon les analyses financières canadiennes effectuées vers les années 1990, les abris fiscaux réduisent les revenus du Canada de près de huit milliards de dollars par année [18].

> **EFFET DE COMPLAISANCE**, *également appelé lettre, billet, papier ou traite de complaisance* [19],
>
> **LETTRE DE COMPLAISANCE**, *lettre de change endossée par un tiers de bonne réputation (appelé « complaisant ») qui agit comme garant accordant une faveur, sans rémunération aucune. La lettre de*

[18] William Krehm. A Power Unto Itself. Page 41, selon les estimations de Neil Brooks, fiscaliste de la Osgoode Hall Law School, le gouvernement perd huit milliards de dollars en revenus chaque année à cause d'abris fiscaux douteux.
[19] R. W. Jones, Thomson's Dictionary of Banking, New Era Publishing WINDBILLS, WINDMILLS, page 656 [TRADUCTION].

change peut être endossée en s'appuyant sur la solidité financière du garant qui demeure responsable jusqu'à ce qu'on ait acquitté la lettre de change [l'impôt à payer] [20],

TRAITE EN L'AIR OU EFFET CREUX, *« effet de complaisance » qui porte aussi le nom de « traite de complaisance »; les personnes qui tirent, acceptent ou endossent ces traites sont les « complaisants » ou « tirés »* [21].

Le président Trump, qui a obtenu des crédits d'impôt d'un milliard de dollars pour échapper à l'impôt fédéral pendant près de vingt ans, a déclaré :

*« **La richesse de notre classe moyenne lui a été volée dans ses foyers pour être redistribuée partout dans le monde*** [22]. *»* [TRADUCTION]

La présente analyse des effets de complaisance se fonde sur le rapport de 2009 commandé par le gouvernement du Canada qui a pour titre ABCP – Crisis in Canada et qui a été rédigé par le professeur John Chant, de l'Université Simon Fraser [23]. Le professeur Chant y définit le modèle d'affaires, d'une valeur de 112 milliards de dollars de PPAC, qui consistait à « acquérir pour distribuer » et qui est à l'origine de la plus grande faillite (32 milliards de dollars) d'un canalisateur financier dans l'histoire du Canada, au cours de la crise mondiale du crédit de 2008. Au sujet des centaines de milliards de dollars d'impôts non perçus par les autorités fiscales dans le monde, voici ce qu'a dit le professeur Larry Summers, président de l'Université Harvard et ancien secrétaire du Trésor, dans son discours de 2014 à la conférence du Toronto Institute of New Economic Thinking – INET portant sur le côté sombre de la mobilité du capital :

***PROFESSEUR LARRY SUMMERS**: « Le journaliste américain Mike Kinsley a avancé la doctrine selon laquelle d'ordinaire, le vrai scandale*

---

[20] Business Dictionary, http://www.businessdictionary.com/definition/accommodation-bill.html [TRADUCTION].

[21] Pitmans' Bills, Cheques, and Notes, 1907. Accommodation Bills, fictitious bills, page 28 [TRADUCTION].

[22] ABC 15 Arizona News, www.youtube.com/watch?v=Irrd10JjkBA.

[23] Étude du gouvernement du Canada sur le PPAC – la plus importante faillite de 32 milliards de dollars d'un canalisateur financier de l'histoire canadienne, le papier commercial adossé à des actifs, réalisée par le professeur John Chant de l'Université Simon Fraser de la C.-B. pour le groupe d'experts chargé d'examiner la réglementation des valeurs mobilières.

ne réside pas dans les actes illégaux des gens, mais dans ce qui est pleinement légal. Et cela se vérifie certainement en ce qui a trait aux abris fiscaux, aux abris fiscaux outremer et aux abris fiscaux fournis par les institutions financières. Les abris fiscaux, l'arbitrage fiscal prennent des formes qui défient l'imagination. Mais, essentiellement, vous empruntez de l'argent, vous déduisez l'intérêt de vos emprunts et vous placez l'argent quelque part où des intérêts sont produits, mais vous ne payez pas d'impôt sur les intérêts perçus. Et si vous faites ces deux choses au même taux et que vous pouvez soustraire, vous vous rendez compte que vous faites un profit qui correspond au taux d'imposition multiplié par le taux d'intérêt sur chaque dollar de votre argent. Et il ne fait aucun doute que cela se produit couramment. Il ne fait aucun doute que sans ces activités lucratives de maximisation de la rente dans chaque pays, individuellement, cela se produirait beaucoup moins souvent. Il ne fait aucun doute que pour corriger pleinement ce problème, il faudrait que le niveau de coopération internationale dépasse celui que nous avons actuellement. Et il ne fait aucun doute que ce problème constitue un défi de taille, comme j'ai tâché de l'expliquer en parlant du côté sombre de la mobilité du capital. Je ne doute pas une seconde que des dizaines, voire des centaines, de milliards de dollars qui devraient être perçus par les autorités fiscales partout dans le monde [24] *ne le sont pas, à cause de ces types d'activités d'arbitrage fiscal que vous décrivez* [25]*. »* [TRADUCTION]

La question des centaines de milliards de pertes de recettes monétisées pour des espèces sonnantes au moyen du régime fiscal a été présentée comme un miracle financier à ceux qui profitent de la perte en capital liée au revenu locatif déductible.

Prof Tyson*: « Il y a de l'argent en jeu. Dans l'optique des affaires, pourquoi les avocats, les comptables et les banquiers ne devraient-ils pas s'efforcer de faire de l'argent? Les contribuables étaient autorisés à déduire les pertes de placements passifs, comme des sociétés en commandite, pour contrebalancer de gros montants de revenu ordinaire*

[24] Référence du dictionnaire : Fisc – n pl.–s a state or royal treasury [le trésor d'un État ou le trésor royal]. Réf : Dictionnaire Webster. Fiscal adj. of or pertaining to the public treasury or revenue [qui se rapporte au trésor public ou aux revenus de l'État] : Réf. : Collin's. Remarque : (Écosse) Fiscal n. treasurer, one who prosecutes for the Crown minor criminal cases. [Trésorier, personne qui poursuit en justice pour la Couronne dans les cas criminels de moindre importance].
[25] INET/CIGI Toronto Human After All Conference, avril 2014. Larry Summers aborde la question de la « stagnation séculaire », 12 avril 2014.

d'autres sources. Au moyen de l'amortissement, les investisseurs pouvaient faire valoir des pertes sur des investissements qui, en fait, ont produit des bénéfices. Le modèle de base suppose l'utilisation de sociétés en commandite qui ont investi dans les biens tels que des ensembles d'habitations. Le revenu locatif serait plus que compensé par les dépenses d'exploitation, l'intérêt sur le prêt et l'amortissement, créant une perte que les partenaires pourraient utiliser pour éliminer l'impôt sur des dizaines de milliers de dollars de revenu d'autres sources. Au bout de cinq ans, l'ensemble d'habitations serait vendu à profit. Voilà ce que j'avais l'habitude d'appeler un miracle [26]. » [TRADUCTION]

Aux États-Unis, le sous-comité permanent sénatorial des enquêtes a remis en question la légalité des stratagèmes d'arbitrage fiscal de maximisation de la rente en 2005, décrits comme suit:

«Les sociétés en commandite ont investi dans des biens comme des ensembles d'habitations. Le revenu locatif serait largement compensé par les dépenses d'exploitation, l'intérêt sur le prêt et l'amortissement, créant une perte que les partenaires pourraient utiliser pour éliminer l'impôt sur des dizaines de milliers de dollars de revenu d'autres sources. Au bout de cinq ans, l'ensemble d'habitations serait vendu à profit.

«La frontière entre les abris appropriés ou non est tellement brouillée que l'IRS utilise des mots comme 'abusif' pour décrire les abris inacceptables au lieu de parler d'abris 'illégaux'. Mais dans une étude de 2005, le sous-comité permanent du Sénat des États-Unis a décrit les abris abusifs comme des 'opérations dont un des objectifs importants est l'évitement ou l'évasion fiscale concernant les impôts fédéraux, de l'État ou municipaux, d'une façon qui n'était pas prévue par la loi' [27]. » [TRADUCTION]

MAXIMISATION DE LA RENTE *n. Le fait d'essayer d'améliorer son revenu personnel aux dépens du revenu d'une autre personne, au lieu d'augmenter le travail ou la productivité. Certains économistes utilisent cette expres-sion pour décrire les processus au moyen desquels des personnes et des sociétés tentent d'utiliser le gouvernement pour*

[26] Knowledge@Wharton, Tax Shelters: Exotic or Just Plain Illegal? Miracle Workers, page 2,
[27] http://knowledge.wharton.upenn.edu/article.cfm?articleid=1419 Tax Shelters: Exotic or Just Plain Illegal? Miracle Workers.

promouvoir leurs propres intérêts, en particulier pour acquérir des sources de revenus (rentes) [28].

ARBITRAGE FISCAL : *Échanges de valeurs qui permet de profiter d'une différence entre les taux d'imposition ou les systèmes d'imposition comme base de profit*[29].

ARBITRAGE *n. (commerce) : Achat de biens à un endroit pour les vendre aussitôt ailleurs à un prix plus élevé; achat de lettres de change ou de titres et d'actions dans le même but* [30].

Au Canada, le coût de l'argent lié aux crédits d'impôt a fait l'objet d'une contestation devant la Cour fédérale du Canada en 2011 et celle-ci s'est prononcée contre la tenue d'un procès concernant le coût de l'argent associé à des crédits d'impôt douteux, estimé à mille milliards de dollars. La décision remet en question la sagesse du Parlement d'utiliser le taux interbancaire offert à Londres (LIBOR) pour des prêts bancaires outremer afin de frapper monnaie dans le territoire national au lieu de recourir au coût de l'argent à peu près nul de la Banque du Canada pour les crédits d'impôt sur le revenu gagné [31], et la Cour renvoie les contribuables devant le Parlement pour amorcer un débat public sur la politique gouvernementale.

Le vérificateur général du Canada est le comptable qui vérifie les livres du gouvernement. Dans son rapport annuel de 1993, il a reconnu que le plus gros de la dette du gouvernement consistait en frais d'intérêts. Ainsi, en 1993, la dette était composée à 91 % de frais d'intérêt, le gouvernement avait une dette de seulement 37 milliards de dollars canadiens (37 000 000 000 $) – très faible et soutenable, comme c'était aussi le cas avant 1974. Dès 2012, le gouvernement avait payé mille milliards de dollars canadiens (1 000 000 000 000) en intérêts – deux fois sa dette nationale […] [32]

---

[28] Dictionary Central, http://www.dictionarycentral.com/definition/rent-seeking.html [TRADUCTION].
[29] The Free Dictionary, TAX ARBITRAGE, http://financial-dictionary.thefreedictionary.com/Tax+Arbitrage [TRADUCTION].
[30] Webster's Dictionary, édition encyclopédique de 1988. ARBITRAGE, page 47 [TRADUCTION].
[31] William Krehm c. La Banque du Canada. Cour fédérale du Canada, dossier T-2010-11.
[32] Ellen Brown, The Public Bank Solution. Third Millennium Press, 2013, Gross Canadian Federal Government debt 18672008. « From Sustainable to Unsustainable Debt », page 207.

Plus le coût de l'argent lié au taux d'intérêt était faible avant le krach de 2008 – plus l'impact du moins perçu en revenu lié aux crédits d'impôt sur le revenu était faible. L'arbitrage fiscal de maximisation de la rente au Canada aurait été moins profitable que les taux d'intérêt truqués du LIBOR qui maximisaient les rendements, comme suit :

LIBOR – *(London Inter-Bank Offered Rate) Taux interbancaire offert à Londres : taux d'intérêt moyen estimé par les principales banques à Londres qu'on leur imposerait pour un emprunt auprès d'autres banques. Le LIBOR est largement utilisé comme taux de référence pour de nombreux instruments financiers tant dans les marchés financiers que dans les secteurs commerciaux partout dans le monde. En juin 2012, de multiples ententes de règlement par la banque Barclays dans des causes criminelles ont révélé l'étendue de la fraude et de la collusion entre les banques membres, relativement à la présentation des taux, ce qui a mené au scandale du LIBOR* [33].

La cause que j'expose et que j'ai appelée l'échappatoire de la Magna Carta face aux tribunaux se fonde sur le principe d'« aucune taxation sans représentation » de 1215, principe sur lequel s'est fondée en 1694 la Banque d'Angleterre pour appliquer la politique gouvernementale et imprimer de l'argent capitalisé à partir de la valeur nette constituée des contribuables, puis en intégrant au service le coût de l'argent de la dette nationale liée aux crédits d'impôt; cette politique est à l'origine de la première économie déficitaire dans le monde qui fait appel à des banques privées.

Le plan du système bancaire médiéval a remplacé le bâton de comptage qui tenait lieu de devise sans intérêt pour la comptabilisation de l'impôt payé, par l'impôt en fiducie à prélever pour des banques privées ayant signé des promesses de verser des pièces d'une livre sur présentation de billets d'une livre et imposant le coût public de l'argent de l'intérêt de la rente sur les factures d'impôt impayées, au moyen de lettres de change comme monnaie légale.

Les promesses signées de verser de l'argent sur présentation de billets de la Banque d'Angleterre ont circulé dans les flux de trésorerie bancaires à l'échelle du pays qui monnayait des mouvements de capitaux de l'encaisse fractionnaire de la norme « or », au moyen du système bancaire et des sources de revenus dans les comptes budgétaires des impôts. Même

[33] Ellen Brown, The Public Bank Solution. Third Millennium Press, 2013, glossaire. LIBOR, page 433 [TRADUCTION].

aujourd'hui, on annonce, dans les discours du trône des gouvernements, des mesures budgétaires issues de promesses électorales après intégration de l'impôt dans la richesse publique et après émission d'« obligations » prenant appui sur des factures d'impôt impayées qui se retrouvent dans les flux de trésorerie d'économies déficitaires.

Selon le principe d'économie collective réelle, toute banque centrale détient un lien social sur la valeur fiscale reçue de la dette nationale; il en va autrement des effets de complaisance d'un système bancaire parallèle, qui constituent des liens spirituels sur la valeur théorique non reçue d'une dette conçue de façon trompeuse pour hausser le crédit en s'appuyant sur la contrefaçon.

Les effets de complaisance arrimés à des crédits d'impôt garnissent les déductions fiscales des contribuables crédules, qui monétisent l'intérêt fixé sur les effets de complaisance frauduleusement recyclés et blanchis, en raison des manques à gagner résultant de l'évitement fiscal et dissimulant des pertes, pour le Trésor national, qui sont intégrées dans la dette publique, mais qui ne sont pas inscrites au budget. Les effets de complaisance déductibles du revenu imposable produisent de l'intérêt jusqu'à ce que leurs « fabricants » endettés remboursent le principal dû bien que rien ne soit reçu et que les « titulaires » des effets de complaisance présentent à nouveau des promesses signées en vue de se faire payer à nouveau la dette théorique privée, cette fois inscrite comme dette nationale publique provenant de pertes imputées au Trésor.

Dans mon dossier T007385 portant sur les crédits d'impôt sur une hypothèque de cinq millions de dollars d'une propriété vendue comme s'il s'agissait d'un investissement, je suis devenu un partenaire dans une affaire permettant d'épargner au moyen de crédits d'impôt personnels dans un stratagème d'une valeur de plusieurs milliards de dollars. La commission secrète a préalablement accordé un prêt bancaire à l'extérieur du site, la clôture des prêts a lancé les flux de trésorerie d'épargne basée sur des crédits d'impôt, facturés par une banque comme s'il s'agissait de factures du partenariat hypothécaire sur lesquels j'ai payé l'intérêt du LIBOR, sur les manques à gagner des recettes fiscales par rapport à près de quinze millions ne figurant pas dans le budget sur la période de la rente de dix ans grevée par l'hypothèque. La rétention de la rente a provoqué le défaut de paiement de l'hypothèque assorti de ses effets de complaisance reposant sur un swap sur défaillance par défaut. Le fait de ne pas renouveler l'hypothèque grevée d'une rente de cinq millions de dollars a donné lieu à une procédure de recouvrement des effets de complaisance signés par la personne qui voulait faire des économies d'impôt, déjà

remboursés une première fois par défaut dans un projet de « ventes-rachats » d'une propriété du FPI d'une valeur de dix millions de dollars, que la banque a facturée à nouveau pour la revente sur les marchés financiers tout en recouvrant les billets de demande de crédit bancaire signés par l'épargnant, par défaut, ainsi que les effets de complaisance de cet épargnant, et on a intenté des poursuites parce que le contribuable a accepté de rembourser un autre montant de cinq millions de dollars en argent comptant […] ce qui représente le problème de conversion des effets de complaisance pour crédit d'impôt remboursé deux fois.

Ni la Magna Carta de 1215 ni la Loi sur les lettres de change de 1882 ne définissent de mesures législatives sur le contrôle des banques, et en 2016, la Cour fédérale du Canada a jugé irrecevable la cause d'arbitrage fiscal au sujet du fait que le gouvernement continue d'accorder des crédits d'impôt à des institutions financières qui profitent de désastres financiers et d'une dette nationale théorique. ÉCHAPPATOIRE

> **FISCALE, ÉCHAPPATOIRE** : *ambiguïté, omission ou exception (par exemple dans une loi ou un document légal) qui permet de se soustraire à l'application d'une règle sans en violer les exigences explicites; il s'agit plus particulièrement d'une disposition du code fiscal qui permet à un contribuable d'éviter de payer l'impôt sur le revenu ou d'en réduire le montantxvii* [34].

Dans tout ce que j'ai décrit ci-dessus, j'ai fait une déclaration sous serment sur la fraude fiscale, en soutenant que l'absence de contrôle des transactions bancaires constitue une échappatoire fiscale, faute d'une loi sur les contribuables crédules :

> ***Tout contribuable peut signer une promesse de payer de l'argent en contrepartie de dollars privés fictifs issus de crédits d'impôt fondés sur un effet de complaisance, que le Trésor pourra reconvertir sous forme de dette publique nationale fictive qu'il renverra à son « titulaire » en temps voulu.***

J'ai envoyé une présentation PowerPoint à mon député pour lui dire que je réclame toujours un projet de loi d'initiative parlementaire pour l'adoption d'une loi sur les contribuables crédules, pour que des mesures de contrôle des opérations bancaires protègent les consommateurs de biens financiers contre les effets de complaisance liés aux crédits d'impôt payés deux fois.

---

[34] Black's Law Dictionary, neuvième édition, LOOPHOLE, page 1028 [TRADUCTION].

The *'Carney Loophole'* question was raised by Conservative Party Leader Pierre Poilievre in Canadian news to close a loophole that former Bank Governor Mark Carney, now Liberal Party leader and prime minister, might not disclose his financial holdings to Canadian voters. That and a *'Sneaky Accounting Trick'* geared to fudge the budget known as the *'Magna Carta Loophole.'*

The *'Magna Carta Loophole'* was an election issue in 2021 when Liberal MP Anita Anand talked about a Private Members Bill for a transaction control number to combat criminal banking.

It is still an election issue in Canada in 2025 while US President Trump threatens punitive tariffs on trade unless Canada tightens its border to drugs and illegal crossings and rids Canadian banks of money laundering known as *'Snow Washing.'*

The 2025 Canadian Election is a special case that Prime Minister Carney who had avoided trial of the *'Magna Carta Loophole'* in 2017 has to answer to President Trump US bank rule of law in 2025.

A must read for taxpayers who suddenly realize what it means to get the short end of the stick that tax credits should tally in the budget balance. So, Prime Minister Carney, tell us why they don't…