Both parties to an instrument give value and get rights. A lender gives value to the borrower in the form of banking services, in exchange for rights the lender receives in the promissory note. The borrower gives value to the lender in the form of a man’s signature, in exchange for rights to use currency in the public. The birth certificate is an instrument that gives value in exchange for rights. It is also an instrument that is issued based on value received, and represents rights that are given back in exchange. Rights in the birth certificate as a security are only available to the man on the public side, but he needs a fiduciary on the public side to hold the security for him. The man cannot use the birth certificate on the public side. He is substance, and the public side is fiction. He cannot go there.

The birth certificate is an instrument that is seen from two different perspectives. From the public side, the birth certificate is a security interest in the labor of the U.S. citizen the certificate represents, based on the U.S. citizen’s pledge to the United States. From the private side, the birth certificate is a security interest in distributions from the trusts established by the Constitution and by President Roosevelt in 1933. On the public side, the United States has an antecedent claim against the U.S. citizen’s labor through the pre-existing contract (pledge). On the private side, the man has an antecedent claim against the United States through the pre-existing contract (Constitution and the Article VI and Article II oaths). When an instrument is issued by an agent of the United States based only on an implied promise, it has to be issued for value, or the issuer would have no defences against a claim of fraud or abuse. The transferee has a security interest in the instrument if the issuer cannot produce an antecedent claim based on a pre-existing contract, which the issuer cannot do. If he could, it would not be issued for value. If the instrument is not accepted for value, and then returned for value, the transferee waives his security interest in the instrument and waives his position as holder in due course with the right to enforce the instrument. The issuer has the liability until someone else takes on the liability. That is supposed to be the transferee, if the agent’s plan works.

Transfer means moving something by a transferor to a transferee; from one place to another place. In commerce, a transferor is usually attempting to transfer his liability to the transferee, which is fine if he is also transferring the security interest along with the liability. In the United States, it is presumed the transferee (U.S. citizen) has an obligation on a pre-existing contract (pledge) to pay an instrument as the result of another party (international bankers) having a direct or indirect antecedent claim against the transferee. It could even be a pre-existing claim against the transferee’s (U.S. citizen’s) creditor (United States).

This is where “public” and “private” become hazy. When the United States is dealing with its sureties (U.S. citizens), you are looking at a public relationship controlled by public policy. The people are not under public policy. France is not under public policy of the United States either. When the federal United States is dealing with the country of France, the relationship is governed by the laws of nature. It is by private agreement. When corporate United States is dealing with corporate France, the relationship is governed by the Law Merchant. That is also by private agreement, but under a different set of laws. When the United States is dealing with its creditors, you are looking at a private relationship between corporate United States and other corporate persons that supposedly made loans to corporate United States. The Law Merchant governs commercial actions among corporate nations. It is public law, but the law of the individual contracts corporate United States has with those other corporate persons, is private law. When the national United States is dealing with its corporate subdivisions (State of ___), that relationship is governed by public law. The law of the contracts corporate United States has with its corporate subdivisions is administered by public policy. The law of the relationship the national United States has with its officers, agents, and employees is controlled by public law through statutes. The law of the relationship between the federal government and the people in the several states is the Constitution. This is a private arrangement. The people cannot have public contracts with corporate United States. They already have a private arrangement that puts the people as beneficiaries, and the President as the executive trustee. These are all relationships that are governed by some kind of law;
often a law that is not even considered by one of the parties.
People – people = private law (agreements)
Several States – people = private law (state constitutions)
Federal United States – people = private law (Article VI oaths)
U.S. citizens – people = private law (agreements)
Corporate United States – people = private law (agreements)
International lenders – people = no relationship
Federal United States – several states (Ohio) = private law (Constitution)
Federal United States – other countries = private law (treaties)
Corporate United States – international lenders = private law (agreements)
Federal United States – foreigners = private law (law of nature and nature’s God)
National United States – U.S. citizens = public law (statutes)
National United States – members States (State of Ohio) = public law (statutes)
Corporate United States – other nations = public law (international Law Merchant)
National United States – foreigners = public law (international Law Merchant)

Technically, a U.S. citizen has no direct obligation to the international bankers, so their presumed claim against the U.S. citizen is initially a failure. If the United States can get its surety (U.S. citizen) to acknowledge the claim being made by the international creditors, through the process of novation, the objective can be accomplished; the objective being that the U.S. citizen has voluntarily taken on the liability of the national debt. That is going to be in the capacity of 1) an accommodation party, or 2) a surety. Sureties have rights; accommodating parties don’t. That would be a political election, and only the person can make that choice.
Since you are representing a U.S. citizen, it is your choice. When the transferee receives an instrument issued and transferred for value, he has options. He can 1) accept it and pay it, 2) refuse it for cause and return it, or 3) accept it for value and return it as payment. The transferee gets an implied security interest (consideration) that he can enforce against the security the issuer is supposed to be passing on to the transferee. By operation of law, the instrument must carry the issuer’s obligation to pay it.

If the transferee actually is a party to a pre-existing contract, he must pay it or refuse it for cause, due to some defect in the collection process. Even if he is presumed to be a party to a pre-existing contract, he has the option of renegotiating the terms of that contract, or introducing a new contract. If he just accepts the instrument and does not timely 1) pay it or 2) refuse it for cause and return it, he is in default.
The reason he can refuse it for cause and return might be that there is some doubt as to whether the transferee is actually liable for an antecedent claim on a pre-existing contract. There is also some doubt that the proper procedures were used to transfer the debt to the transferee.

Option 1 requires the transferee to part with possessions, such as cash, digits in a bank account, or titles to things. Option 2 requires the transferee to understand a great deal about court procedures and the ability to think on his feet if he participates in a court proceeding. Option 2 is very useful to those who have learned the mechanics of the administrative courts. It is also useful if the transferee starts an immediate dialogue with the issuer as soon as the instrument is delivered. The focus for this option must be on due process. It cannot present arguments about the existence of the obligation or the amount of the obligation, but can present questions about proper collection procedures. Option 3 requires knowledge of who you are and how to enforce your rights.

If the instrument is issued for value, it can be accepted for value because it comes with a security interest built into the instrument. If the transferee accepts the instrument for value and returns it for value, he is acknowledging the instrument was issued for value. He is informing the issuer that he intends to renegotiate the terms of the implied simple contract (that he is a surety) or introduce terms for a new contract.
On a new contract, the issuer can be made to acknowledge that he is liable for the instrument he issued. If the issuer has defenses, he will be OK. An issuer’s defences normally would be the record of the antecedent claim on the pre-existing contract, but he might have to produce it. Since it is a simple contract, it will be
difficult to produce. The evidence of that simple contract is signed applications for the birth certificate, for the social security number, for licenses, for passports, for permits, for bank accounts, etc. If the pre-existing claim resulted from an implied contract that the transferee is a surety, the issuer will not want to produce it. If the United States issues and transfers an instrument for value, it runs the risk of having it returned for value, putting the liability back on the United States, which has no choice but to close the account. It has no actual antecedent claim based on a pre-existing contract.

**UCC 3-303. Value and consideration**

A. An instrument is issued or transferred for value if:

3. The instrument is issued or transferred as payment of, or as security for, an antecedent claim against any person, whether or not the claim is due;

UCC 3-303 says an instrument is issued or transferred for value if it is issued or transferred 1) as if it were a payment of, or 2) as if it were a security for, an antecedent claim against any person; and it does not matter if the claim is due. The “antecedent claim against any person” can be and usually is, the claim international lenders have against the United States. U.S. citizens are sureties for that debt, and the United States is the principal. When a surety is called upon to pay his principal’s debt, a demand for payment has already been made of the principal. For whatever reason the principal did not pay when the demand was made, so the attention then turns to the sureties. The sureties are required to pay immediately. Since U.S. citizens have not expressly signed on as sureties for the United States, demand can only be made for value. The United States acting for its creditors, can make demands for value, ie. for loans. When the surety (transferee) receives a demand for value, the demand needs an endorsement to make it negotiable. The issuer is looking for the transferee to supply the endorsement. That can be a blank endorsement or a qualified endorsement. The choice is yours.

The instrument can be issued or transferred for value as a payment or as a security. The endorser decides which it is. The antecedent claim can be against any person, not necessarily against the transferee. That “any person” can be the United States for the national debt if the transferee is a surety for the United States. If the transferee agrees to be surety, he has an obligation to pay the instrument immediately. If the transferee gives the instrument to the man who represents him, he can use the commercial rules to A4V the instrument and return it for value and for closure of the account. Either way, the transferee has an obligation to do something with the instrument.

“Giving value” from 1-201 is not the same as “transferring for value” from 3-303.

The transferor (issuer) in 303 usually wants to get a valuable consideration back for an instrument he issues for value, and he wants a new contract on which he or the person he represents is the creditor. An issuer for value has no pre-existing contract and no antecedent claim that authorizes him to issue an instrument, so he issues it for value and delivers it to someone (the target) with the hope that the receiver will accept it without conditions. The one who receives an instrument issued for value does not have to accept the liability attached to it, unless he has an obligation to accept the liability. If there is no obligation, the transferee can view the instrument as a payment, and return it with a proper endorsement to pay the instrument and to close the account. The instrument pays the instrument! The issuer pays the issuer! Confusing, isn’t it?

The instrument can also be an offer to contract, and no one is required to contract if he does not choose to do so. The presumption that everyone is obligated to enter these contracts is based on an implied simple contract. That is not a very strong position. When an instrument issued for value is received and retained, it is accepted as though the receiver has given it a blank endorsement, and the transfer of liability has been successful. A blank endorsement waives all the defects, and the main defect in an instrument issued for value is that there is no security attached to it. If it were not for the inherent security interest in the instrument itself, the whole project would be fraud. The issuer is not giving value; he is seeking value. The issuer is not giving consideration; he is seeking consideration. These abnormalities can be cured if the
transferee gives it a qualified endorsement as a payment and returns the payment for closure of the account. After acceptance through a blank endorsement, the issuer’s consideration is presumed, and the endorser is liable on the instrument. A commitment (implied or express) by the transferee (to take on the liability) through a general acceptance would be a valuable consideration on his part, and would result in a binding contract. He is then obligated on the instrument to make immediate payment.

Subsection 4 of 3-303 deals with negotiable instruments. The issuer is seeking a negotiable instrument in return for the instrument he is transferring to the transferee. In most cases, the transferee does not know that the instrument itself is going to be made negotiable. The transferee is the only one who can decide what endorsement is going to be one the instrument.