

INFORMATION

Prosper International, Ltd

2000

1999

FREEDOM — PROSPERITY

The PIL Freedom/Prosperity Report # 2000 *How to Create and/or Restore Financial Freedom*

- Are you tired of increasing taxes and government regulations?
- Are you earning more, but keeping less of what you earn because of increased taxes?
- Are you concerned about a potential lawsuit or creditor action that could wipe you out financially?
- Have you ever seen someone you know financially ruined by a divorce settlement?
- Are you concerned about the loss of privacy and confidentiality in your personal and business affairs?
- Do you want to experience personal and financial freedom beyond your wildest dreams?
- Do you want your assets to grow without fear of lawsuits, creditors, ex-spouses or a debt-ridden government stealing what is rightfully yours? If so read on.

Every day our debt-ridden government is becoming increasingly intrusive into our personal and business affairs. Sophisticated computer data bases are being set up to pry into every aspect of our lives — particularly our finances. Why? Because the government is in a feeding frenzy. They need more and more tax money to pay for the enormous debt they are piling up day by day.

Did you know that approximately 46¢ of every dollar you earn is gobbled by federal and state taxes? This leaves only 54¢ out of every dollar as SPENDABLE INCOME for you and your family. Is it any wonder why you are feeling more and more financial pressure?

Decades of overspending and the need for billions of dollars to fund entitlement programs is strangling the taxpayer. There is no end in sight. As long as there are government employees and beneficiaries with a vested interest in their continuance, these programs will continue to expand and grow.

We not only have a nation that is being taxed at the highest rate in history, but one where its citizens are willing to give up their Second Amendment rights as well as their Constitutional rights to freedom, privacy, work, independence and self-reliance for more and more government control.

*Have you ever wondered??
Maybe taxation
WITHOUT
representation was
CHEAPER!*

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22882

\$50 **SELL THIS REPORT FOR \$50.00 AND YOU ARE** **\$50**
ON THE ROAD TO FINANCIAL FREEDOM

IT WASN'T ALWAYS THIS WAY

When Columbus landed, we doubt the Arawaks appropriated a monthly wampum payment to subsidize his living expenses. When our ancestors arrived at Plymouth Rock to face a cold and hostile environment, there was no one from "social services" there to greet them. When millions of poor Germans, Jews, Irish, Italians and Poles migrated to the United States, there were no entitlements and none were expected. But people got along. They worked! And they prospered!

The first entitlement program to come along for all Americans was Social Security. Originally it was set up as a self-funding trust. Of course, the government couldn't resist "borrowing" from the trust to balance the budget, while at the same time providing increased benefits to the participants. The end result is that the Social Security system is going broke.

A typical retiree on Social Security will receive his or her entire lifetime Social Security contributions, inflation-adjusted, in less than two years of retirement. In addition, the average retired couple will receive \$100,000 or more in Medicare coverage than they paid in Medicare taxes.

Essentially, the Social Security system is funded through the use of a pyramid, or Ponzi Scheme. A Ponzi Scheme is a scheme that spends money from new participants to pay benefits already spent and owed to the previous participants. Have you ever heard a better definition of Social Security?

If that weren't enough, the government has done the same thing with the Federal Employee Pension Funds. They do not have the money put aside that must be paid to future retirees. In reality, the unfunded entitlement programs such as Social Security and government pensions are *not* trust funds. They are pay-as-you-go pyramid schemes. If the government were a private firm, it would be required to have the pension money in the bank. *If a private firm (you or me) were to behave like the government, we would be charged with fraud.*

In addition to uncontrolled spending and entitlement programs, the government is growing exponentially through sheer incompetence and bad management. Not to mention the billions of tax dollars that will be needed to finance the "war on drugs" and the "war on crime."

This report can become one of your Primary Sources of Income. Sell it for \$50.00 and make 1000% each time. (You keep all the money!)

From Readers Digest, Sept. 1994:

Ever wonder why middle-class families find it harder to make ends meet? Taxes are the reason. Today the average family of four pays over 20 percent of its income in federal taxes and Social Security; since 1948, the percentage it pays in federal income tax alone has nearly tripled.

The eroding value of the tax exemption for dependents is one of the tax code's antifamily bias. In 1948 the exemption shielded 69.2 percent of the median income for a family of four from tax liability. By 1992 it protected only 20.6 percent... In 1992 a family of four could exempt only \$9200. from its taxable income. But if the dependent exemption had been worth as much in 1992 as it was in 1948 that same family would have been able to exempt \$30,873 from their income... In 1948 the typical home had only a single wage earner. Today in the majority of households, both husband and wife must work to maintain a comparable standard of living.

Imagine if there were a legal, effective means to reduce your tax liability by even 10, 15 or 20 percent! It would be like receiving a comparable pay raise! You would realize an increase in your after tax income, for the same time and effort you are applying now.

Remember Judge Learned Hand: "Anyone may arrange his affairs so that his taxes shall be as low as possible; there is not even a patriotic duty to increase one's taxes." Over and over again the courts have said that there is nothing sinister in so arranging one's affairs so as to keep taxes as low as possible.

The IRS's Handbook for special agents says: "Agents... Our tax system is based on self-assessment and voluntary compliance. The material contained in this handbook is confidential in character. It must not under any circumstances be made available to persons outside the service."

*When government takes [sic] responsibility for people, then people no longer take responsibility for themselves. —George Pataki
Governor of New York*

THE OFFSHORE TRUST — YOUR FIRST LINE OF DEFENSE

The best way to protect your assets is to *never keep your wealth in the country where you live* because, as we have discussed already, anything can happen, and usually does. The answer to this dilemma is an **Offshore Trust**. An Offshore Trust enables you to change the title on your personal or business possessions, including stocks bonds, real-estate, bank accounts, coins, gold, vehicles, boats, etc., from *yourself* to the *Trust*. *You may use and enjoy the Trust property during your lifetime, even though the property is in the Trust name.* Since assets are no longer in your name, there is no public record of personal ownership.

IN THE BEGINNING THERE WAS TRUST!

Before we explore tax strategies, asset protection and potential high returns on investments, we need to understand how to structure oneself to legally become privatized and conduct personal and business matters in a discreet and safe manner. In order to accomplish this *you as an individual must become invisible.* You do this by setting up (what is commonly called) a *pure trust* and signing over and placing everything you want protected into this *trust*, thus keeping *you* legally separated from those assets and liabilities.

Learning about how a *pure trust* works will give you a better insight on how the *rich* and *politicians* have *legally manipulated* their careers and fortunes for decades. This same *trust* will allow you to do the same as they have done for centuries.

WHAT IS A PURE TRUST?

A pure trust is one in which three parties of the Trust (Settlor, Trustee and Beneficiary) are, in fact, three separate entities. These three entities become one through this Trust, thus creating an entity in itself.

It is based on what is called *common law*. This is a pure contractual Trust called a "Declaration of Trust." It is recognized by most governments and governmental agencies throughout the world.

One person *can not totally* control and hold possessions or assets of the trust. This would be a conflict of interest and can destroy the credibility of the Trust. The most important thing to remember is to keep with the

form of a *pure trust*; you must have the three separate entities holding the three different positions the Settlor, the Trustee and the Beneficiary.

WHAT MAKES THIS PURE TRUST SUCH A POWERFUL INSTRUMENT?

As we have discussed earlier the reason this Trust is so powerful is that it is written under common law as a pure Trust. There is no other structure that exists which is more powerful and more flexible for personal or business purposes, written under common law.

WHAT IS THE DIFFERENCE BETWEEN A PURE TRUST AND A LIVING TRUST?

A living trust can be operated by the same person who benefits from the Trust structure. In a pure Trust, you can't do that. There has to be a minimum of three entities: the Settlor, and the First Trustee for the benefit of the Beneficiary. If you were found to actually own the assets you were controlling, anyone could pierce that Trust. Someone has to make a gift to you of the initial assets in order to establish the pure Trust. After that, the way the Trust is written, anyone can donate or sell assets to the Trust, which is how you can transfer your possessions.



Anyone who has setup a living trust with the intention of total protection of assets will be surprised to find out they are at extreme risk and need to immediately setup a pure trust to achieve these goals.

**This report can be your
primary source of income. You
keep the \$50 dollars.**

WHAT IS LAYERING?

Get ready, because this is what you have been waiting for! Using the example of the Asset Management Trust (Personal Trust), and the Preferred Asset Holding Trust (Business Trust) that the Rich and the Politicians have been using, what is commonly called LAYERING is used to hide their business interests and their money from the public and the government. What you are about to learn will make and save you thousands of dollars in the years to come!

WHAT'S THE BEST WAY TO LAYER TRUSTS?

Your objectives and total assets will determine how you need to structure and layer the trusts. You should start with Asset Management trusts. Place your high-liability assets, in one trust such as cars, trucks, motor homes, boats. These assets have a tendency to run over people. Blood-sucking lawyers love to do asset-searches to find out how much they can make for themselves and their clients by suing *you*. If the car is under a trust name and the trust is not recorded (as you have learned, you do not need to record a trust) it's difficult to find what the trust is worth. If by chance the trust is sued, they can only take what is in that trust.

Passive assets such as checking accounts, stocks, bonds, cash reserves, etc. should be in another trust.

Each piece of real estate should be in a separate trust. Real estate has some liability in that someone can fall or be hurt. Keeping each piece of real estate in a separate trust allows a lawyer only take what the trust is worth. Here's a valuable tip. If your real estate has equity, attach a lien (either 1st or 2nd) on the real estate by creating an additional trust.

WHAT IS A "SPENDTHRIFT" OR "PROTECTIVE" TRUST?

In the event that the beneficiary becomes insolvent or any part of his property becomes liable to seizure or sequestration for the benefit of his creditors, the trust has the right to minimize the beneficiary's interest in trust funds to a degree necessary to prevent such action from hindering the smooth operation of the trust. It is designed to protect the beneficiary against his own incompetence or inability to properly handle money or property.

If we were directed from Washington when to sow and when to reap, we should all want bread.

—Thomas Jefferson

WHO REALLY OWNS THE ASSET PROTECTION TRUSTS?

NO one but the trust! There are beneficiaries, however. Typically your children should be the beneficiaries. If you don't have children, any relative you can work with directly to support the credibility of the trust. If you don't know who to place as beneficiary, use the same person you would name as an heir in your will. The purpose is the same.

Now here's where it can get very interesting. Any legal entity such as a corporation, charitable organization, limited partnership or even another trust can hold the position of either the Settlor, Trustee or Beneficiary. This tactic is used when a person wishes to create multiple layers of protection by establishing more than one trust.

Keeping with this concept, the more multiple-layered trusts you can establish, the more protection you have. Establish one or more business trusts of which it can either be the Settlor, Trustee or Beneficiary of one or all of the Asset Management trusts, holding the vehicle, cash, stocks, bonds, real estate, etc. Of course that business trust can run and control your business, and additional business trusts can be established to own and control assets for the business.

WHERE DOES A TRUST GET ITS NAME?

You are free to choose any name you wish (with limitations). Most people use the name that partially describes what they are doing, or they simply use a name of a city or location and add the extension "Holding Trust" or "Management Trust." You may not, however, use one that sounds like a banking or lending institution. Common knowledge also tells you to stay away from names that could be confused with those that are already protected by a trademark, patent or copyright.

DOES A TRUST HAVE TO BE REGISTERED ?

No! In fact you should avoid this procedure at all costs! A trust can be legally run without being registered. No one will know who runs the trust if you do not register it.

An offshore trust has all the advantages of a corporation and none of the disadvantages, and it can operate anywhere in world as *lawful* business. Corporations are taxed on their net profit prior to distributions of dividends. Shareholders are taxed on dividends received. offshore trusts are only taxed on the profits that are not distributed to the Beneficiaries. If all profits are distributed, the Trust has no tax liability.

The government does not want you to know about the benefits of an offshore trust. The primary goal of the government is to appropriate every tax dollar they can get their hands on. The fact that they cannot get their hands on money secured in an offshore trust (even if taxes are owed by the taxpayer) is very troublesome. If they could force every country to cooperate, they would. Fortunately, they can't. They can only pass laws that compel the taxpayer to voluntarily disclose the existence of an offshore trust and pay taxes where applicable, but they cannot get their hands on the trust's assets under any circumstances. The fact that the government does not, and cannot, control the laws of other countries, is why more and more citizens are seeking asset protection offshore.

Most attorneys do not want you to know about the benefits of an offshore trust. Why? Because we live in the most litigious society in the world. In the U.S. there are 2.67 lawyers for every 1,000 people. In Japan there is 1 lawyer per 100,000 people. In fact, *two-thirds* of the world's attorneys live and practice in the U.S., yet we have only 6% of the world's population!

Your chances of being involved in a lawsuit in any given year are one in four. We are swamped with greedy individuals and money hungry lawyers who must manufacture lawsuits to keep busy. Unfortunately, many of the lawsuits that are filed are frivolous and border on extortion. Did you also know that the average successful litigant collects less than 50% of a settlement? The rest goes for attorney fees, courts costs and collection fees. Any wonder why attorneys don't tell you about offshore trusts and how to avoid lawsuits.

Most citizens perceive offshore finance as too complicated. Even if they are interested in investigating the possibility, they do not know where to begin to get reliable information. More importantly, they do not have access to anyone *who can actually set up a legal non-discretionary offshore trust as well as an offshore bank account.* As you will see, this is no longer an obstacle. Now anyone can diversify his or her assets abroad in countries that have higher interest rates, with complete safety, tax-free!

The average citizen believes that offshore trusts, IBC's or offshore bank accounts must be illegal and are only for money-laundering crooks, tax evaders and those with illegal motives. Ignorance that surrounds offshore finance results largely from misinformation. However, the fact remains that *every fortune 500 company* has offshore financial interests, as do the *top 10 banks* in the U.S. In addition, tens of thousands of Americans now have over three trillion (that's *trillion*, not billion dollars) secured in offshore accounts. Rest assured, an offshore trust is 100% legal. Remember, the government does not want your money offshore. They prefer that you keep it a local bank where they can keep an eye on it. However, it is perfectly legal to take

your money out of the country *free of taxes.* Offshore investments are not only legal, but they're *smart!*

IS IT SAFE TO SEND MONEY OFFSHORE?

For too many people, the words "offshore investments" conjure up images of money laundering, drug trafficking, arms smuggling, insider-trading schemes, and tax evasion. The media are partly to blame for this false impression. Although the criminal element accounts for only a tiny fraction of the total offshore investment community, it has managed to tarnish the reputation of an entire legitimate financial option. Why? Because the global market is so inviting and so well-tailored to unregulated profit that it has easily fallen prey to those with less honorable intentions.

Assuming you understand that an offshore trust is a legal, ethical and highly effective method to preserving your assets, the next thing that comes to mind is, "How safe is my money if I send it offshore?"

Again, all skepticism concerning offshore banking is based in ignorance and fear. We will tell you right now that your money is *far safer* offshore than in the U.S. This will be discussed in detail throughout this report. As a point of fact, offshore banks are *safer* than U.S. banks. Here's why. Offshore banks *must* maintain a higher ratio of liquidity. Their reserve requirements are *much* higher than in the U.S. In other words, they are financially stronger and better managed. Unlike their U.S. counterparts, offshore directors are *directly liable* to the depositors.

Offshore banks operate efficiently and economically because they are basically structured accounting systems. This means they have low overhead and, no expensive buildings, ongoing advertising budgets or high wages. This enables them to pay higher returns to their depositors. They operate the same way as banks do in the U.S. and, in fact, use the same channels and clearinghouses.

WHAT IS INVOLVED IN SETTING UP AN

Foreign bankers respect you, your money and your privacy. Domestic Bankers do not.

HOW DOES THE SETTLOR COMMUNICATE INSTRUCTIONS TO THE TRUSTEE?

The Settlor sends a "Letter of Wishes" that contains the instructions or request. The Settlor can, for instance, ask the Trustee to send funds, request a change in Beneficiaries, make new investments, request a loan to himself or another Beneficiary, or appoint a new Trustee or Protector. While it appears that Trustee has full control and authority, the Settlor, in fact, has considerable control over the trust and the Trustee. It is in the Trustee's best interest to take care of the Settlor's reasonable requests, otherwise the Trustee will be out of a job.

When it comes to offshore trusts, the most common question is "How do I know I can trust the Trustee?" After all, when someone, particularly a stranger in another continent, controls your money, you have a legitimate concern that the Trustee may embezzle, squander, lose your money or make bad investments. In reality there is very little basis for this concern. Foreign Trustees are known to have impeccable track records for honesty and prudence. In fact, we have never heard of one instance where an individual has ever lost one dollar to theft by a foreign Trustee.

In addition to the inherent honesty of the Trustee, an offshore haven cannot afford an embezzlement scandal. They make their money by building confidence to attract foreign investors. If, for any reason, a Trustee should prove dishonest, the tax haven will move towards making quick restitution because they cannot afford nor do they want the negative publicity.



WHAT HAPPENS WHEN THE SETTLOR DIES?

One of the greatest benefits of an offshore trust is that it is "heir conditioned!" Normally, upon the death of the Settlor the assets will be distributed according to trust provisions. The final Beneficiaries and method of distribution are kept on record through a Letter of Wishes or a series of letters that reflect changes. The trust ordinarily provides that it will dissolve upon Settlor's death, or after a certain number of years the assets will go to the remainder of the Beneficiaries.

HOW DO MY HEIRS TAKE OVER UPON MY DEATH?

If your heirs are the beneficiaries of the trust, there is no change needed. The Successor-Trustee takes over and conducts business as usual. If your heirs were not the Beneficiaries at the time of your death and would like to be afterwards, the present Beneficiaries need to relinquish their position and have it cleared by the Trustee. If your heirs simply want to control the assets like you did before your death, you will need to make sure their names are established as "Successor Trustee" in the appropriate minutes. That way, in the event of your death, they automatically take over your position as First Trustee.

WHAT IS A TRUST CERTIFICATE UNIT AND TCU HOLDER?

A trust Certificate Unit is similar to a stock certificate in that it represents ownership to an asset or group of assets. A trust may have any number of certificates issued. The Settlor designates exactly how the TCUs are divided. The trust can be issued one Bearer Certificate to be transferred to the beneficiary of your choosing upon your death.

WHAT A TRUST ISN'T:

- ⇒ Not a bank account
- ⇒ Not an investment account
- ⇒ Does not have a "return" (until invested*)
- ⇒ Not usually registered or recorded
- ⇒ Has no reporting or accounting requirements
- ⇒ Assets not subject to taxation
- ⇒ Assets not subject to probate or estate duties
- ⇒ Does not need an attorney/accountant to set up

* Funds only invested by Trustee at your request

INFORMATION INFORMATION

As with bankruptcy, all asset transfers to a trust and legal or beneficial interest in a trust must be disclosed to the IRS when it attempts to enforce collection. However, even if they know about it, they cannot seize assets, nor can they force you to remove assets in an Offshore Trust under any circumstances. Remember, you no longer own the assets. The Trustee owns the assets and will not allow them to be seized under any circumstances.

YOUR BUSINESS CAN BE A TRUST

WHY DO I NEED ALL THIS SECRECY IF I HAVE NOTHING TO HIDE?

Privacy is a dirty word to bureaucrats. Consequently it is virtually extinct and unavailable in the United States today. The government neither respects nor guarantees your privacy. Your private records are not protected. Our debt-ridden government wants a bigger bite of your wealth so it searches harder and harder each year for more dollars for more taxes to confiscate from you and your family. They use any excuse including National Security and Crime Prevention to invade your financial privacy.

Your financial records can be subpoenaed not only from you but from your bank, accountant, investment broker, or financial planner. The United States government has at least 30 active files on you as a typical American. If you are a high profile individual they may have 100 or more files which they freely share with anyone who wants to know about you.

Think your income tax information is confidential? Think again! New rules enable the IRS to hire outside contractors to process tax return information. The new rules state that providing tax return information to outside companies will not violate taxpayer confidentiality. Common sense says that anyone, other than the IRS, who has access to YOUR tax return has the ability do whatever they want with them.

This is why they are no longer confidential! In addition, laws force you to expose your every financial detail to any litigant, creditor, tax collector, ex-spouse, prospective heir, competitor or other curiosity-seeker. Even though your assets may never be threatened, your personal affairs are an open book.

CONFIDENTIALITY IN THE U.S. IS VIRTUALLY NON EXISTENT

YOU AND YOUR BANK!!

BANKS AS G-MEN

This obligation to federal authorities includes bank employees' becoming the on-site, front-line eyes and ears of the federal bureaucracy - backed up by the force of the law. Using powers of the bank secrecy act, for instance, the government imposed regulations on 23,000 banks and depository institutions, including all foreign bank branches in the U.S. Similar rules will be imposed on all other financial institutions at a future date.

Revolutionary in character, these broad rules force bank officers and employees to act as police, imposing on them a legal duty to notify the government via a "suspicious activity report" (SRA) of any individual or cumulative transaction of \$5,000 or more (cash, wire or otherwise) which in the individual's subjective judgment "has no business or apparent lawful purpose or is not the sort in which the particular customer is expected to engage, and the [bank] knows of no reasonable explanation for the transaction after examining the available facts including the background and purpose of the transaction"

Did you ever read the fine print on the signature card your bank gets you to sign when you open an account? It reads: "The undersigned hereby agrees to abide by all the rules of the bank." Did you ever see those rules? What you have actually done is agree to abide by all the administrative rules of the Secretary of the Treasury (i.e., the government)

You have in fact signed a contract with the government, voluntarily waved your right to privacy, and agreed to be accountable to the state. Is that what you really want? A partnership with the government?

While it may not be practical for most people to get out of the banking system altogether, through the use of a pure trust you can minimize this problem or even eliminate it entirely by establishing an affordable international business corporation (IBC) with a private offshore bank account. The government then knows nothing of your banking business and, as demonstrated by the highlighted press release, has no way to find out. Now, doesn't that sound like a better arrangement?

ALL CITIZENS SHOULD LEARN TO JUDGMENT PROOF THEIR ASSETS.

IS MY SOCIAL SECURITY NUMBER CONFIDENTIAL?

NO. Your Social Security number is the most frequently requested identification number used in America today. Initially, Social Security numbers were used for only one purpose — to keep track of Social Security benefits. Then it was used to keep track of federal tax information.

Over the past decade there has been an explosion of information available through sophisticated computer databases. It didn't take long for other sources to realize that using your Social Security number would be an easy way to identify you and keep track of information about you. Banks, credit card companies, landlords, doctors, dentists, insurance companies, lenders, employers, schools and credit bureaus almost always require it as a condition of service. Through decades of blind and unquestioned cooperation, most Americans have *freely and voluntarily* given up their *rights to privacy* by automatically giving out their Social Security number to anyone who asks for it.

Although it has become commonplace for others to ask for it, is important to understand that you are *not* required to give out your Social Security number to any company, individual, or business that does not affect the revenue for your Social Security account. That includes your creditors, credit bureaus, doctors, hospitals, banks, private businesses such as car rental agencies, or anyone else who may want to keep track of you.

Under the Privacy Act, Title 5 of the United States Code no state or local government agency can deny you any rights, benefits or privileges if you refuse to provide your Social Security number. The only exception would be any law passed before 1975 that specifically states that you must provide your number to that agency. The Privacy Act, Title 5 clearly states that *"It shall be unlawful to deny any individual any right, benefit or privilege provided by law because of such individual's refusal to disclose his or her or her Social Security number."*

You must have a Social Security number to work in the US. Other than the Social Security Administration and the Internal Revenue Service, the only other entity you are *required* to give to your Social Security number to is your employer.

This is necessary to prepare tax records for the above agencies. Your employer is forbidden by law to divulge your Social Security number to anyone. The problem is that just about anyone with a computer who has access to your Social Security number can find out your net worth, credit history, phone number (even if unlisted), phone records, U.S. bank accounts, credit card statements, court records, licenses, what groceries you buy or other information about you that is not supposed to be available.

This information concerning *your* private life is available to any individual who has the money to pay for it.



Tax auditor to taxpayer: "Mr. Smith, the trick of it is to stop thinking of it as your money."

It gets worse! As we were preparing this report, we just read an article about a new company advertising on the Internet. They provide a service where you can find the name, address, two previous addresses, month and year of birth, telephone number, maiden name and *Social Security number* of almost anyone through their web site. Think of what others could do with this information about *you!* So what's the solution? You can't change the information that is already available, *but you can start to become invisible by going offshore!*

ARE MY U.S. BANKING & CREDIT CARD RECORDS CONFIDENTIAL?

Remember the fine print on the signature card your bank gets you to sign when you open an account? It reads, *"The undersigned hereby agrees to abide by all the rules the bank "* Did you ever ask to see the rules? What you have actually done is to abide by all the administrative rules of the Secretary of the Treasury, i.e., the government. **You have in fact signed a contract with the government, voluntarily waived your right to privacy, and agreed to be accountable to the state.** Is this what you really want? A partnership with government?



This report can become one of your Primary Sources of Income. Sell it for \$50 and make 1000% each time.

DID YOU KNOW?

The IRS recently declared that the number of millionaires filing federal income taxes rose 33% between 1985 to 1994. And that's not counting those who didn't file and those who sought tax shelters and tax havens. It does illustrate, however, that the opportunity to become a millionaire is still available to those who still believe in the American Dream.

DID YOU KNOW?

In Belize City, Friday, January 20, 1995, the Belize Court made a landmark decision asserting Belize's sovereignty as an Offshore Financial Jurisdiction. The Supreme Court of Belize upheld the country's confidentiality laws by revoking a previous court order set in motion by the US Securities and Exchange Commission requesting that confidential documents belonging to Swiss Trade and Commerce Trust, Ltd., be handed over to them.

The decision is expected to have major international repercussions as the world financial community looks to Belize and its new *offshore services industry*. It is certainly a shot in the arm for the offshore industry because it is an industry that is just beginning. A country's ability to assert its *sovereignty* without the interference of outside forces, such as the United States is a major factor in choosing a place to invest and protect personal property.

The decision clearly shows the SEC stepped out of bounds to obtain confidential information, the matter having been urged on both sides by learned Queen's Council.

The case arose after the SEC appeared at Swiss Trade's office on March 3, 1994 with the expectation that they would be able to just take the files and leave the country with them, with no regard whatever to Belizean law. The quick reaction of company employees prevented any further disregard for the law on the part of the SEC and its Belizean lawyer, Eamon Courtenay, who previously had been the lawyer for Swiss Trade.

DID YOU KNOW?

EVERYBODY NEEDS A TRUST!

In case you still have doubts or are having trouble convincing some prospects, consider this.

"THE LIABILITY OF OWNERSHIP"

"The American Dream" (what people used to want to emigrate to the USA for) used to be *to own property*. In today's litigious society, *to own* has become a liability. We all know that 1% of the population controls 90% of the wealth, and almost all of them have a trust. Only government and attorneys want us to continue "owning." Sure they do; it's their best source of income — Government through *taxes* and attorneys through *litigation*. Did you know that 2/3 of all the world's attorneys

live and practice in the USA? That means tremendous competition for income. That's why most attorneys don't want you to know about the benefits of pure trusts (they only tell you about living trusts and wills). Pure trusts eliminate the need for *probate* (attorneys biggest source of income). Pure trusts also *shelter* your assets, so it becomes unprofitable for attorneys to sue you. You no longer own anything. Did you also know that the average successful litigant collect only 15% of a settlement? The rest goes to attorneys' fees and costs.

Don't wait until you too become a 1 in 4 victim. Take responsibility for and control of your own affairs. Manage your assets through an offshore trust.

Robert Kennedy, ex-Attorney General of the US called *Probate* "a political tollbooth extracting tribute from widows and orphans." Watch for graduated increases in death taxes, inheritance taxes and probate fees. The high cost of dying is not the funeral, it's the legal and administrative cost of getting the estate through probate.

A pure trust removes you completely from the "statute law system," giving you privacy of your personal and business affairs and judgment-proofing. Government and attorneys can't take anything from someone who owns nothing.

**Irrevocable - discretionary
An offshore individual common-law pure trust is
your best protection.
JOIN PILL**

Just remember where the attorney's duty lies: First to the court, second to the public, third to you, the client.

**The "Heir" Conditioned Financial Plan
You're Invited!**

We invite you to become a PILL Associate Member by completing the Application and Registration on page 27, and enjoy all the offshore benefits offered through the membership.

Even new toasters must come with a disclaimer - so here goes! While all attempts have been made to verify information provided in this report, the author assumes no responsibility for errors, omissions or contradictory interpretation of the subject matter herein. This report is not intended as a source of legal or accounting advice. The users are advised to retain counsel to determine what state, local or federal laws or regulations apply. MasterCard & VISA are trademarks of MasterCard and VISA.

THE PROSPER TRUST

The PIL Freedom/Prosperity Report #2000

PART II

THE MOST FREQUENTLY ASKED QUESTIONS ABOUT

PILL

WHO: Don Shaw and Jay Savoy, two sexagenarians with over 50 years of marketing experience between them. Both ex-military, retired (several times) U.S. citizens with considerable MLM knowledge, decided it was time to bring the Common-Law Trust and its benefits to a maximum number of people who need it.

WHAT: An affordable individual Common Law Trust located offshore, as tax shelter, judgment proofer and asset protector. Available for an unbelievable \$200 membership fee and three referrals.

WHY: Because of frustration with government bureaucrats, the economy, loss of freedom, security, privacy, standard of living, and independence, it was time this fantastic secret the rich have been hiding for years was brought to the attention of the largest group possible. (MLM is helping us do this).

DO YOU HAVE YOUR SHARE?
That's the question that gave birth to Prosper International League Ltd. We read a statistic that said: "For every man, woman and child in the entire world, there is one million dollars, if it were divided equally." We went even further with the question, "Do you have your share of: freedom, security, privacy, confidentially and success?"

As we asked ourselves these questions, we realized how we were being robbed of "our share" of these important ingredients of life. Every day the out-of-control growth of

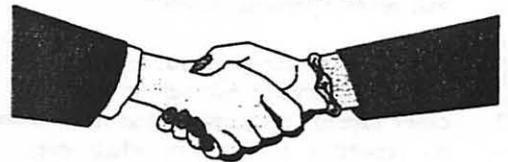
government and bureaucracy is depriving us of our God-given and Constitution protected rights to freedom, privacy, security, work, success, prosperity, independence. These are reasons our forefathers came here. Where did it all go? What to do about it?

SHELTER YOUR ASSETS! GET AN OFFSHORE TRUST!

WHERE: Belize, Central America, Well located, sound government, 90% literate, English speaking, strict privacy laws, recent trust and banking laws, totally independent, no tax treaties, ideal tax haven, still reasonably priced.

WHEN: We started an International Business Corporation (IBC) in Belize in early 1994, taking several months to set up banking, trustee, and offices. In Mid 1994 we started marketing PILL.

Now you can enjoy all the



benefits and advantages of an Individual offshore trust at low cost or no cost, without the complex documentation and legal fees. We would like to introduce you to the PROSPER TRUST.

YOUR SPONSOR # IS 22882

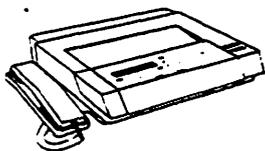
OFFERED BY PROSPER INTERNATIONAL LEAGUE LTD

ARE THERE ANY ADDITIONAL HIDDEN CHARGES?

No. The only other cost is a nominal maintenance fee paid to the Trustee, which is about \$160 per year, billed every quarter at \$40 per quarter. You may pay *additional funds directly* into the trust.

HOW LONG DOES IT TAKE TO PROCESS MY APPLICATION?

Within 24 hours of faxing your application and a copy of the payment you will receive your ID number. At the same time you fax your application, you should mail the original to PILL in Florida with your payment.



After PILL receives your application, usually in 7-10 days, you will be welcomed with a Starter Kit which should arrive in another 10 days. When the trust is activated, you will receive a trust document and instructions from the Trustee in approximately 30 days.

WHEN WILL MY OFFSHORE TRUST BE SET UP?

Your Individual trust is automatically activated as soon as full payment has been received by PILL.

WILL THE TRUST FUNDS BE HELD IN A BANK ACCOUNT?

Absolutely. All trust funds are immediately deposited in the bank account.

DO I NEED TO USE A SOCIAL SECURITY NUMBER, FEDERAL ID NUMBER OR AN EMPLOYER IDENTIFICATION NUMBER?

No. There is no identifying information necessary. Your Social Security number is never required in any transactions either with the bank or the trust.

HOW MUCH DO I NEED TO OPEN THE TRUST?

A minimum of \$200 and 3 additional PILL memberships or a total of \$800 or \$2000 for the PILL PLUS program. This includes all the fees you will incur in establishing the trust.

Bad habits are easier to abandon today than tomorrow
-Yiddish Proverb

WHAT FEES ARE CHARGED TO MY ACCOUNT TO SET IT UP?

The total out-of-pocket expenses will be \$160 U.S.

DO I STILL MAINTAIN CONTROL OVER MY FUNDS?

Yes, and No. Your Trustee has control of the trust. Your access is through a "Letter of Wishes." The trust is irrevocable and discretionary. This means you have given the Trustee full power and discretion. He has control, and all transactions must go through him.

This is the way it *should* be if the trust is to be effective. That's the way *you want* it.

WHO HAS ACCESS TO THE TRUST FUNDS IN THE ACCOUNT?

Only the Trustee of that trust will have access to the funds. The Trustee may transfer funds under the direction of the Settlor or Beneficiary through a "Letter of Wishes."

CAN I CONDUCT BUSINESS IN MY OWN COUNTRY UNDER THE NAME OF THE TRUST?

Yes. Simply treat this like a real person and you will understand how a trust operates. The trust can buy, sell or trade assets at any time, or start up a new business activity that the Trustee sees fit and appropriate.

CAN I GET A CREDIT/DEBIT CARD TO USE IN MY OWN COUNTRY TO DRAW UPON THE TRUST ACCOUNT?

Yes. PILL will set up an International VISA or MasterCard credit account. No SSN# or credit information is required. The card will be issued in *your name* with a \$500 credit limit. Your limit may be increased by transferring additional funds into the collateral account, or you may convert to a debit card by depositing extra funds into the card account. The card gives you direct access to the trust at all times. The card may be used anywhere in the world. It is completely confidential and there is no reporting and no paper trail. (Set-up time for the above takes approximately 20 days.)

HOW CAN I PAY MONEY INTO THE TRUST?

You can deposit money into the trust: [1] by electronic funds transfer (EFT); [2] by sending a money order, cashier's check, personal check or travelers checks to the Trustee. Cash can also be paid into the trust in any currency from anywhere in the world.

- If they can't see the *need* or the *opportunity*, then there is nothing you can do or say that will make them change their minds.
- If you are interested in more than just activating your own trust and would like to earn a substantial income, PILL and PILL PLUS have several ways to assist you.
- The PILL PLUS plan is a straight referral paying you \$900 for each new PILL PLUS member introduced after the first two.
- The PILL PLUS plan will also offer you the opportunity to obtain an IBC (International Business Corporation) in lieu of the third referral commission (\$900.)

COMMUNICATIONS CENTER

A potential member can call:
(407) 679-5039 anytime (24 hours) and press 1 and follow directions. They can listen to the recorded message: "All about PILL programs."

FAX ON DEMAND

A potential member can dial (407) 679-5039, press 1, then follow directions, and receive directly on their fax machine any of several documents which include newsletters, application forms etc., plus the FAQ (Frequently Asked Questions) documents.

NEW! LEND A DISK - VIEW A DISK

PILL now has available a 3.5 IBM compatible computer disk that runs on Windows®. The interactive disk explains the PILL program with all the benefits in living color on your computer. You can load it on your own computer and have the prospect look at it with you, or load it on his or her computer and review it together. You may also make a copy of the disk and let them review it privately. This new marketing tool is terrific and does the entire presentation for you.

The disk contains:

- ⇒ A full color PILL presentation.
- ⇒ Copy of the actual trust document from Belize.
- ⇒ List of Frequently Asked Questions.
- ⇒ PILL Membership application.
- ⇒ Newsletters.

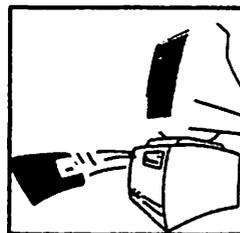
This disk is included *free* with your membership. It is not copyright protected so you can make as many extra copies as you wish.

PREPAID MEMBERSHIPS



Once your trust is activated and you have at least \$200 in it, you may order prepaid memberships in your name at \$25 each, or \$100 for PILL PLUS paid directly from your trust. Here is how it works: You call PILL and indicate how many prepaid memberships you wish at \$25 each and how you would like to pay for them. This can be from your PILL earnings, from trust funds, from your VISA or MasterCard or by check or money order.

PILL will send you the membership identification numbers, and starter kits, including the NEW interactive computer presentation on 3.5 IBM-compatible disk.



The new member completes the application form and sends it to PILL. That's all there is to it! They become *instant members*. You advise PILL of the new name for the ID # you have assigned, and you pocket the membership fee in *cash*. What's more, you are converting \$25 into \$200 or \$100 into \$1000 every time.

On the prepaid PILL memberships you will initially earn \$175 instead of \$200, but the Prepaid Membership offers substantial advantages, including:

- ⇒ No money transfer problems.
- ⇒ No currency exchange problems.
- ⇒ No mailing delays.
- ⇒ No checks, money orders, bank transfers.
- ⇒ No paper trail.
- ⇒ Cash in your pocket — tax-free!
- ⇒ You distribute the Starter Kit and create an instant member.

GUARANTEED INTERNATIONAL CREDIT CARD

"THE FREEDOM CARD"

One of the *most* appealing benefits of the Prosper League membership is the guaranteed international VISA credit card with *no credit check* and *no paper trail*. Many people would love to have a *confidential, private* VISA or MasterCard that can be used in over 400,000 ATM's and four million retail outlets worldwide! In addition, they can use the card to withdraw funds from their trust at any time, anywhere worldwide. The Freedom Card is the first credit card that will not *push* you further into debt. It becomes a *debit* card as you deposit funds into it.

P.I.L.L.
4270 Aloma Ave Suite 124
PMB 66K
Winter Park FL 32792 USA
Phone: 407-679-2959 Fax: 407-679-5039 Email: pill@pill.net

SETTLOR (SINGLE INDIVIDUAL NAME ONLY)

FIRST NAME: _____ LAST NAME: _____

ADDRESS: _____

CITY: _____ ST: _____ CODE (ZIP): _____

COUNTRY: _____ EMAIL: _____

PHONE: _____ FAX: _____

Please Select Only One:

_____ \$200 PILL-Trust activated by 3rd PILL referral. \$200 commission 3rd and after.

_____ \$800 PILL QUICK START-Trust activated at once.

_____ \$1000 PIL PLUS-Trust activated & FREEDOM CARD issued by 1st PIL PLUS referral.

_____ \$2000 PIL PLUS QUICK START-Trust activated & FREEDOM CARD issued at once.

METHOD OF PAYMENT (Circle One): MONEY ORDER - BANK DRAFT - TRAVELERS CHECK - VISA - MASTERCARD

Card Number: _____ Exp. Date: _____

Cardholders Signature _____ (5% PROCESSING FEE FOR CREDIT CARD PAYMENTS)

TERMS AND CONDITIONS - POLICIES AND PROCEDURES

All applications and payments for membership fees must be sent to PILL and be made payable to PILL. Fax a copy of application & payment to PILL at 407-679-5039. Mail the application and payment to PILL. Your ID # will then be faxed back to you. PILL only endorses & is affiliated with programs specifically mentioned in this application or found on the official PILL web site at www.pill.net. PILL and/or PIL PLUS earnings may only be transferred into activated trusts.

I hereby agree to the Terms & Conditions and authorize the appointed Trustee to sign the settlement document.

SIGNATURE: _____ DATE: _____

PILL SPONSOR ID # 22882 YOUR ID# _____

_____ Please PROVIDE A FOREIGN GRANTOR FOR THE \$200 ADDITIONAL FEE ENCLOSED.

_____ Please PROVIDE AN INTERNATIONAL BUSINESS CORPORATION (IBC) FOR A \$1000 ADDITIONAL FEE.

Visit the OFFICIAL PILL web site at: <http://www.pill.net>

PILL - THE ORIGINAL

The original PILL program consists of payment of a \$200 membership fee. This fee is credited to the sponsor's trust. Your first paid referral of \$200 is distributed upline four levels at \$40 per level starting with your sponsor. Your second paid referral of \$200 pays all the setup costs of the trust. Your third paid referral of \$200 is deposited to the trust and the trust is activated. With an activated trust each additional paid referral pays \$200 to the trust. The trust also receives \$40 for each FIRST paid referral from everyone you sponsored and the first paid referral they sponsor – four levels down. Once the trust has accumulated or you have deposited \$1000 in the trust you may request a FREEDOM CARD (an International credit card). The funds will be held in trust as a security deposit for the FREEDOM CARD and will be released to the trust when you return the card.

PIL PLUS - A GREAT PROGRAM MADE EVEN BETTER!

The PIL PLUS, a \$1000 membership program is a straight referral program. The sponsor receives \$900 of the fee. Upon payment you will receive a starter kit plus Reports # 1000 and 2000. Your first paid referral (PIL PLUS) at \$1000 or first five (5) paid referrals (PILL) at \$200 each provides:

1. Setup and activating the trust.
2. FREEDOM CARD.
3. Freedom/Prosperity Report # 5000.

Report # 5000 - a comprehensive educational course offering practical information on using the trust, international business corporations and other offshore services. PIL PLUS members may promote and will be paid for referrals from both the PILL and PIL PLUS programs. Referral fees will be paid into the trust at \$200 and \$900 respectively.

QUICK START

Offered for those who desire to obtain a trust but are not interested in recruiting new members immediately into the PILL programs. The cost is \$800 under the PILL program or \$2000 under the PIL PLUS program. You will also receive 3 additional ID #s for joining the PILL program. You can resell these for \$200 each. If you join the PIL PLUS Quick Start program, you will receive one additional PIL PLUS ID # which you can resell for \$1000.

NOTE: The PIL PLUS QUICK START program includes the FREEDOM CARD and other benefits.

THE PREPAID MEMBERSHIP PROGRAM!!*

Like magic \$25 becomes \$ 200 for the PILL program and \$100 becomes \$1000 everytime!! Like magic!! NO MORE currency exchange problems. NO MORE waiting for erratic mail delivery. NO MORE waiting for money transfers to and from Belize. NO MORE waiting for ID numbers and faxes. NO MORE waiting for reports, statements and confirmations. NO MORE waiting for starter kits. NO MORE searching for money orders, bank and/or travelers checks. NO MORE need for credit cards to access your funds. INSTANT SPONSORSHIP!! INSTANT MEMBERSHIP!! HERE'S HOW IT WORKS: You call us and indicate how many PREPAID MEMBERSHIPS you wish and how you intend to pay for them: 1. From your PILL earnings. 2. From trust funds. 3. From your credit card (Visa or Master Card) 4. By check or money order. We send you New Member Starter Packs complete with ID numbers and all promotional material. You collect the money from them. You put the money in your pocket. (How's that for privacy and confidentiality??) Only you and the new member know about the deal! The new member completes the attached application form, sends it to PILL. IT'S DONE! THAT'S ALL THERE IS TO IT! YOU HAVE TURNED \$25 INTO \$200 OR \$100 INTO \$1000 LIKE MAGIC!!

*You must have an activated trust in order to qualify to purchase and sell PRE-PAID memberships.

*A PILL member may not purchase and sell PIL PLUS PRE-PAID memberships.

FOREIGN GRANTOR TRUSTS *

Foreign Grantor Trusts (FGT) are trusts established by a Settlor in a foreign jurisdiction. For purposes of U.S. taxation, the Settlor cannot be an U.S. citizen, resident or taxpayer. The FGT is created and administered under the laws of the foreign jurisdiction and the Trustees are not located in the U.S. or its possessions. For purposes of U.S. taxation, the assets and profits of the FGT are treated as if owned by and taxed to the Foreign Settlor, and as such should not be subject to U.S. taxation, unless the assets are situated in the United States. In the case where the assets are situated in the U.S., there may be tax consequences.

Benefits

U.S. citizens or residents may transfer money directly to a FGT. There are income tax benefits to the FGT in that non-U.S. citizens and residents are taxed in the U.S. only on income derived from the U.S. that is fixed or determinable such as interest, dividends, rents etc. Non-U.S. citizens are not taxed on capital gains unless the capital gains relates to conduct of a U.S. business or trade or relates to U.S. real property interest. There is no U.S. gift tax applied to gifts of intangible property by non-U.S. citizens or residents.

Costs

A Foreign Grantor Trust can be established through PILL for the cost of \$200.00 plus a document amendment fee of \$25.00. These fees can be deducted directly from trusts or mailed in with a Letter of Wishes requesting a FGT. The trust documents will be reissued naming the foreign Settlor, and a Power Of Attorney will be provided to the member in order that the member may carry out activities in the name of the trust.

*Materials condensed from "Offshore Asset Protection & Tax Planning Strategies" by Alan R.Eber, LL.M.

** Disclaimer: PILL arranges foreign Settlor services. The member is responsible for and encouraged to seek the advice of Tax Planning professionals to determine whether this service meets his needs.

THE IBC STORY

The PIL Freedom/Prosperity Report #2000

PART III

One Size Does Not Fit All!

Now that you have been introduced to offshore trusts, you may find that you need additional offshore support services. A trust may not be the whole answer for you.

You may also need an IBC.

INTERNATIONAL BUSINESS CORPORATION

If you want to:

- ⇒ Develop a secondary income sheltered and unencumbered.
- ⇒ Establish a Trading Account.
- ⇒ Have an offshore Bank Account you control.
- ⇒ If you just want to do business offshore.

Are you tired of your government dictating what, where and how you can run your business? Constantly creating new rules and regulations? Have you noticed these same legislators are the first to judgment-proof themselves and their assets?

All citizens should learn to judgement-proof their assets.

THEN YOU NEED AN IBC IN A TAX HAVEN. YOU AND YOUR BANK!

Did you ever read the fine print on the "signature card" your bank gets you to sign when you open an account? It reads, "The

undersigned hereby agrees to abide by all the rules of the bank: Did you ever see those rules? What you have actually done is agree to abide by all the administrative rules of the Secretary of the Treasury (i.e. the government).

You have in fact signed a contract with the government, voluntarily waved your right to privacy, and agreed to be accountable to the state. Is that what you really want? A partnership with the government?

While it may not be practical for most people to get out of the banking system altogether, through the use of a pure trust you can minimize this problem, or even eliminate it entirely by establishing an affordable *international business corporation* (IBC) with a private *offshore bank account*. The government then knows nothing of your banking business and, has no way to find out. Now, doesn't that sound like a better arrangement?

OFFSHORE TRUSTS AND IBC'S

International Business Corporations (IBC's) and Trusts can protect you, your business and your family in four ways:

1. Reduce the amount of hard earned cash your government can grab in taxes.
2. Ensure that your wealth is passed on to heirs intact.
3. Prevent seizure by the authorities including the courts acting on behalf of third parties.
4. Protect you and your heirs from capital gains tax.

Continuing attacks on IBC's and trusts by tax authorities are certain proof that offshore companies do work.

INFORMATION REQUIRED FOR THE FORMATION OF AN IBC

1. Proposed name(s) of company (we recommend 3 names in order of preference).

A.	
B.	
C.	

2. Name of Beneficial Owner: *Prosper Trust* # _____

3. Name(s) of Contact Person(s): _____

Telephone: _____ Fax _____ E-mail: _____

Correspondences to be sent by: Courier _____ AirMail _____

4. The structure of the Company - Share Allocation Information

Capital: US\$5,000.00 divided into 5,000 shares US\$1.00 each.

SHAREHOLDER	ADDRESS	OCCUPATION	NO. OF SHARES
<i>Prosper Trust</i> # _____			

6. Director: (Directors may be a Company or an individual. Company may have more than one Director if desired. Director need not be resident of The Bahamas.)

NAME OF DIRECTOR	ADDRESS	OCCUPATION

7. Officers: (None required, but officers can be appointed if needed. It is usual practice to appoint a Secretary)

NAME OF OFFICER	ADDRESS	OCCUPATION	OFFICE HELD

8. Special Instructions: _____

Signature: _____ Date: _____
 Approved by: _____ (PILL)

PLEASE NOTE: If the spaces allocated for responses are not sufficient, please continue on overleaf

1298

SPONSOR # 22882

GLOBAL DIVERSIFICATION

The PIL Freedom/Prosperity Report #2000

PART IV

THE CASE FOR GOING GLOBAL

- 1) Steady devaluation of the US\$ - 90% since 1939 - 30% since 1985 - More to come.
- 2) Destructive feeding frenzy of an insatiable CONFISCATORY GOVERNMENT: When was the last time real taxes were reduced? What about sales tax, Capital gains tax, death duties/estate tax, income tax, property tax, countless other hidden taxes making your dollars worth pennies.
- 3) Pending World Wide Currency Crisis.
- 4) The Growing Problem of the OUT OF CONTROL WELFARE STATE.

During the next 25 years the world will see the biggest shift in economic strength for more than a century. Money is on the move around the world. New wealth is being created at a frantic pace in different countries, Asia, South America, Europe and the Middle East. Old money is following new money as savvy investors look to get in on the phenomenal growth of these areas, often while their own countries are stagnating. It doesn't mean, the US will be washed away, but it does mean that one should be prepared to diversify GLOBALLY.

We live in a new era. One of change, mobility and stress:

PROTECTION OF YOUR ASSETS IS OF PARAMOUNT IMPORTANCE

Life has become "GLOBAL." Walls have come down in Europe, - Russia, - China - the world economic powers are shifting and it is affecting all of our lives. The advent of COMPUTERS, EMAIL, the INTERNET, WORLD WIDE WEB, THE INFORMATION SUPERHIGHWAY, makes information available so easily, not only to you the consumer, but also to those who wish to intrude into your personal & financial affairs.

PRIVACY & CONFIDENTIALITY is gone. Just look at the new reporting requirements imposed on all facets of business and banking:
"Cash Transaction Reporting"
"Cash Deposits Reporting"
"Cash Withdrawal Reporting"
"Cash Transfer Reporting"

More and more it becomes essential that a portion of your estate (no matter how large or small it is) be DIVERSIFIED and SECURED OFFSHORE in a Bank or a Trust - Now this is affordable to all of us not only to the rich.

In less than 20 years the World stock market inventory has grown 700%. In 1970 US Equities comprised fully 2/3 of the world's stocks - today less than 1/3 are American - The Dow, the NASDAQ are being outperformed daily by other world markets. The fastest growing markets are: Indonesia - India - Thailand - South America - Hong Kong - Asia - Europe.

In 1976 US stocks accounted for 85% of the value of all stocks in the world. Today the figure is only 40% and the downward trend continues. People not willing to invest outside the US cut themselves off from a broad range of opportunities in many fast growing markets.

For many years Americans have thought that for investment and banking to be safe - they had to be "AMERICAN" Then we went after guarantees like FDIC and agencies such as the SEC and various States Attorneys General. What have these guarantees cost us and how much are we willing to keep paying for them? The cost has been lower return on our investments and uncontrolled growth of regulatory agencies resulting, of course, in complete loss of Privacy and Confidentiality.

Is the "GUARANTEE" worth the sacrifice?

AVERAGE AMERICAN WORKS FOR HALF PAY!!

30 seconds of every minute you work, you are working for the government. A detailed examination of ALL TAXES reveals approximately 108 hidden taxes we all pay every day when we purchase goods and services, this translate to just over 50% of your income going to taxes. As if that's not enough, our BANKRUPT government has found another way to get at what we own, "ASSET FORFEITURE" 84% of the people who have assets seized have no criminal or legal charges filed against them.

President John F. Kennedy 10 days before his assassination stated: " The high office of the President has been used to foment a plot to destroy the American's freedom, and before I leave office I must inform the citizen of his plight."

THE INFORMATION AGE

CAPITAL is becoming more mobile, the capacity to earn high income is no longer tied to residence or specific locations. Today wealth can be earned almost anywhere by anyone using highly portable information technology. Soon the advances of the information age will make income taxes truly voluntary i.e. they will become uncollectable, governments will be forced to get their money from consumption and/or head taxes. The paradigm that "government should pay the bills of anyone afflicted by hardship" is rapidly changing to "rewards must match more closely the productive capacity of the individual." For decades now failure has been subsidized and ordinary people have come to believe that failure is an asset. This attitude has to change. The welfare state cannot be Sustained:

NO ONE CAN AFFORD IT.

THE AGING OF AMERICA

Shouldn't this be a pleasant experience? Unfortunately the cost of out of control GOVERNMENT and the growing BUREAUCRATIC intervention in all aspects of our lives is making the American Aging Experience most unpleasant indeed.

DO YOU REALIZE? The cost of Regulation to American Society now exceeds the cost of federal taxation, according to Daniel Oliver, former chairman of the Federal Trade Commission. One study by the Heritage Foundation estimated the cost of Federal Regulation at \$667 Billion a year - that's about \$8400 for every American household. Add the State and Local Government regulatory costs and the burden leaps to \$1.6 Trillion or \$17,100 per household.

DID YOU KNOW? America has the lowest rate of savings per capita of any nation in the world... Why is that? Could it be TAXATION? Capital gains, estate, probate, taxation on income no matter where in the world you earned it? (a uniquely American phenomenon.)

SAVINGS! There is certainly something discouraging Americans from putting money aside for a "rainy day."

DID YOU KNOW? That Capital Gains tax is more like "confiscation" than "taxation?" Consider this, inflationary "Gains" are taxed on investments that actually lost money relative to inflation: How's that for discouraging savings and investments?

DO YOU KNOW? What America's REAL debt is? We all know about the "on the books" debt that is the \$4.6 Trillion, that is \$3.4 Trillion of Publicly held debt and the \$1.2 trillion Federal Trust Funds. (this "on the books" debt is scheduled to grow to \$6 Trillion in the next 7 years.)

What most of us don't realize is that there is an "OFF THE BOOKS" debt, meaning the UNFUNDED BENEFIT LIABILITIES, Pension obligations of the federal government, employees of the Government, military and social security. A whopping \$14.4 Trillion. That means a total of \$17.4 Trillion of debt. This is based on 1991 and 1994 figures. That's \$70,000 for every man, woman and child in the country, even retirees and welfare recipients. IF THE GOVERNMENT WERE A PRIVATE FIRM IT WOULD BE REQUIRED TO HAVE THAT PENSION MONEY IN THE BANK. IF A FIRM IN THE PRIVATE SECTOR WERE TO BEHAVE LIKE THE GOVERNMENT, IT WOULD BE CHARGED WITH FRAUD.

OVERHEARD IN THE HALLS OF CONGRESS

"They can't be allowed to take it with them. It must be distributed to society." In fact there is legislation being considered in Congress this very moment to:

- a) Lower the \$600,000 individual exemption from estate taxes to less than \$200,000.
- b) To legislate an "EXIT TAX" so that citizens cannot "take it with them" if they leave the country.
- c) New reporting regulations aimed directly at transfers of assets to foreign trusts.



Fortunately there is very little chance of this legislation passing at least for the time being. What this does prove however is a growing tendency of government to feel that they have a right to the "fruits of our labor." Is this really what you intended when you sent your Congressman up there to work for you?

"We must find a way to get more money out of the taxpayers without disturbing the voters"

ADVANTAGES AND DISADVANTAGES OF PROBATE

If you do not have what is referred to as a "Living Trust" when you die, the court will appoint someone to tax you, pay your bills, distribute your property, and charge you, regardless of whether you have a will or not.

This person will have no idea who you are and what you want. This is called "probate" and the average time for it is two years.

Curiously, if you have a will, then you must go to probate. More curious yet, even if you haven't made a will, you already have one, *the state*. Every state has its own version of a will, just in case you don't. Of course, you could try giving away everything while your alive.

This means the property may be subject to gift tax. It also leaves open the possibility that whomever you give your property to while your alive may not do with it what you want. Or, you could try a power of attorney to avoid probate, the only problem with that is that it is automatically revoked upon death. The alternative, of course, is the *TRUST*, preferably an *OFFSHORE TRUST*. If a trust sounds preferable to Probate consult your tax advisor or contact us.

LET'S DO SOMETHING!! NOW!!

AMERICA is the only country in history that was actually founded on the principles of

FREE MARKET and INDIVIDUALISM.

The American Revolution was People against the State as opposed to one strongman against another strongman. But with "aging", AMERICA has degenerated. It is no longer an ideal to which free men can strive. This was inevitable given the nature of Government. The US Government seems to be moving inexorably toward a total corporate state, and it has already reached the point where it can be counted on to place its' interest and the logic of power above the interests of its citizens. The more power and functions the government amasses the less freedom and resources are left for the citizens.

GOVERNMENT is like a creeping plague growing exponentially, gobbling up things that used to be done rather well, privately. After creating a MIDDLE CLASS, it is now impoverishing this same middle class, partly through excessive taxation, partly through inflationary financing and borrowing, and mostly through sheer incompetence and bad management. Do you know any government that will voluntarily limit its' own power and privileges. Despite all of its speech-making to the contrary, government will keep increasing its power, its scope, its privileges, and taxation all the time. Government once created, becomes a magnet for power seekers.

If government were treated as a private business they would have gone bankrupt (or been arrested) decades ago.

We are seeing in the western democracies, and in the USA in particular, the growth of the corporate state which is gradually conceding to itself the right to regulate and interfere in every activity of the individual, on the basis that it is doing so "for the common good".

DO YOU REALIZE ???

—1/3 of the average business persons' time is spent filling out government forms. The American economy is already burdened with so many controls and regulations that the price of many goods and services is doubled by tariffs, quotas, duties, franchises subsidies, minimum wages, price regulation, state sanctioned cartels, licensing, social security, bureaucracy, EPA regulations and thousands of other burdens. What to do?? What to do??

—20c of every tax dollar goes to pay the interest alone on the enormous country debt!! Over \$4 TRILLION, and growing by \$11,000 EVERY SECOND.

—50% of the wealth created by western industry is spent by this bureaucratic machine, and not by the productive part of the population who generate it in the first place. Not surprising when you consider all the government we have to live with: Federal, State, County and Municipal.

—To fund its' enormous money appetite, government has no alternative but to keep inventing new taxes, new tolls new duties, new fines.

—We are now living with the first generation in history who will be less well off than their parents before them. We have to work twice as hard just to make ends meet. (the standard of living and the buying power is actually decreasing).

—We are living in the most LITIGIOUS society in the world. In fact 2/3 of all the worlds attorneys live and practice in the USA. (think about it, one lawsuit for every man woman and child in the country in 1992, that's one every 30 seconds). That's a lot of people chasing your legal service dollar. Is it any wonder, attorneys don't tell you about Trusts, and how to avoid probate?

THE TRIALS AND TRIBULATIONS OF THE US DOLLAR

Another very good reason for diversifying offshore. As if our BANKRUPT, OUT OF CONTROL WASHINGTON GOVERNMENT didn't have enough to worry about: WHAT ABOUT THE US \$\$.

Quote two recent articles on the subject in HARPER'S MAGAZINE (Dec. 94)

"OUR CURRENCY IN CYBERSPACE" The US dollar headed south last spring, right into the heat. In two mad sprints downward in May and June, our money hit postwar lows against the Japanese Yen and the German Mark.

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The main subject of the reports - Offshore Trusts, International Banking and Global Diversification have been well kept secrets for decades. Spreading the word is difficult but not impossible. We believe that this can and is being done by using a "Low Key" marketing program - i.e. share this report with your friends and acquaintances.

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