

FORENSIC LEGAL ANALYSIS/MEMORANDUM OF LAW
SEC/USA v. SETSER FAMILY AND PARTNERS

NOTE: This analysis is written in layman's terms as much as possible and intended to be utilized by Greg to communicate with partners of IPIC International, Inc., a "second opinion" of the government's activities which have disrupted the lives of so many since November 17, 2003.

The question Greg asked "Do they play by any rules in this system?" which I'd heard before, was one I had asked my attorney in 1990 – after the Lord had whispered "[It is written](#)"¹ to my spirit.

As it is with questions about life's situations; the answers are written in the Bible – so it is with Federal law; the answers to who and where the laws are applicable are written by Congress in statutes².

Congress is presumed to write in statutes what they intended and if the authority is not found within a statute, the authority to act does not exist; and every Act of Congress must find it's authority in the Constitution of the United States.

The Constitution is the final authority. We the People are the creator, giver, guardian and enforcer of that authority. As Americans, it is our responsibility as stewards of freedom to understand who we are and that we are the employer and that all federal officers and employees work for us; that all Federal laws apply to them³ and within federal areas⁴ and do not apply to us as private citizens⁵.

The parallel which follows is an analogy which may help to clarify this important foundational point necessary to understand our role in relation to the federal system.

¹ www.fighting4freedom.com/fedbusters

² Federal Civil Judicial Procedures and Rules; Federal Criminal Code and Rules.

³ "The Attorney General and the Federal Bureau of Investigations may investigate any violation of Federal criminal law involving Government officers and employees" 28 U.S.C. § 535.

⁴ 18 U.S.C. §§ 5, 7(3); U.S. Constitution, Article I, § 8, Cl. 17.

⁵ "[Rules, Lies and Alibis](#)" at www.fighting4freedom.com/fedbusters.

In the beginning...⁶

God

Earth was formless and empty

And God said let there be light

And God said: Let there be an expanse between the water to separate water from water

And God said: Let the water under the sky be gathered to one place and let dry ground appear.

And God said: Let us make man in our image and likeness (Father, Son and Holy Spirit).

And let them rule over the fish of the sea, and the birds of the air, over the livestock, over all the earth and over all the creatures that move along the ground.

Nowhere did God give man dominion over man.

God gave the law (Ten Commandments) to one class of people – the Jews – to be enforced within the Jewish nation. The law did not extend to the surrounding Gentile nations or citizens thereof.

Columbus discovered America...⁷

We the People

America was a wilderness

And We said: Let us bring the light of Christ to this land – Magna Carta

And We said: Let there be God's government in this land – His Kingdom on earth as it is in Heaven – to separate British and Colonial government.

And We said: let the government be gathered to one place and the confederacy of 13 states convened the Continental Congress; and the Constitution appeared.

And We said: Let us establish three branches of government: Executive, Legislative and Judicial.

And let them rule over ten miles square and all places purchased from the states for government use and over the people who dwell therein and over all government officers and employees.

Nowhere did We the People give government dominion over We the People.

We the People gave Congress authority to make law (Acts of Congress) for one class of people – government officers and employees – to be enforced within Federal areas. Acts of Congress do not extend to the surrounding nations, states or citizens thereof.

⁶ Genesis 1: 1-26 (NIV)

⁷ 1492 American history

“And where there is no law there is no transgression”⁸ – and no penalty. Therefore, it is an impossibility as a matter of Constitutional and Congressional law for a private citizen e.g. Greg Setser, to be legally and lawfully convicted and imprisoned for an alleged violation of any Federal Criminal law.

The Federal judicial system is very limited in its jurisdiction and operates on the law of presumption i.e. the jurisdictional statement of the moving party (Plaintiff) is presumed to give standing to Plaintiff and jurisdiction to the court; two presumptions subject to rebuttal⁹. Should the defending party (Defendant) fail to timely rebut jurisdiction, the court proceeds to the merits. Neither party can convey jurisdiction of the subject matter on the court¹⁰, only Congress may do so. The question of whether the court enjoys subject matter jurisdiction can be raised at any time. When the question of jurisdiction is raised, the burden shifts to the Plaintiff to prove jurisdiction exists, before the court can proceed to the merits of the claim¹¹.

There are a number of jurisdictional issues which may be raised which can cause even a final judgment to be vacated, for, if a court lacks jurisdiction, its orders and judgments are void¹².

Summary

⁸ Romans 4:15b (NIV)

⁹ The party invoking the jurisdiction of the court has the duty to establish that federal jurisdiction does exist, *Wilshire Oil Co. Of Texas v. Riffe*, 109 F.2d 1277 (10th Cir. 1969), but since the courts of the United States are courts of limited jurisdiction, there is a presumption against its existence, *City of Lawton Okla v. Chapman*, 257 F.2d 601 (10th Cir. 1958). *City of Boerne v. Florez, Archbishop of San Antonio*, 521 U.S. 507 (1997), “The power to ‘legislate generally upon’ life, liberty, and property, as opposed to the ‘power to provide modes of redress’ against offensive state actions was repugnant to the Constitution.”

¹⁰ The lack of jurisdiction cannot be waived and jurisdiction cannot be conferred upon a federal court by consent, inaction or stipulation, *California v. LaRue*, 409 U.S. 109, 93 S. Ct. 390, 34L.Ed.2d 342 (1972).

¹¹ “When it clearly appears that the court lacks jurisdiction, the court has no authority to reach the merits. In such a situation the action should be dismissed for want of jurisdiction.” *Melo v. U.S.*, 505 F.2d 1026 (8th Cir. 1974).

¹² “A judgment rendered in violation of due process is void in the rendering State and is not entitled to full faith and credit elsewhere.” *Pennoyer v. Neff*, 95 U.S. 714, 732-733 (1878); *World Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286 (1980).

**of
Jurisdictional Defects**

The following Constitutional violations and statutory defects evidenced in the civil and “criminal” cases, individually or severally, constitute jurisdictional defects fatal to the government’s prosecution and which deprive the court of jurisdiction (authority) and require dismissal of the “criminal” case and vacation of judgment in the civil case, to wit:

I

Constitutional Violations

1. Deprivation of liberty and property without due process of law; no notice. Fifth Amendment to the Constitution of the United States.
2. Search and seizure of persons, houses, papers and effects without reason; no warrant issued. Fourth amendment to the Constitution of the United States.

II

Statutory Defects

3. Inapplicability of federal law: none of the alleged defendants are brokers/dealers registered with the Securities and Exchange Commission, nor officers or employees of the federal government, nor residents of federal property – federal law does not apply to any of the Defendants.
4. The government’s cases were filed in a “United States District Court” lacking Congressional authority to hear the complaints (civil injunction¹³; “criminal” indictment¹⁴). Congress, by statute (law) mandates that civil and “criminal” complaints brought by the federal government (United States/United States of America) are to be filed – if the alleged offense occurred within one of the 49 contiguous unions states on federal property situated therein – in a court established and ordained under Article III of the Constitution of the United States, a “district court of the

¹³ 15 U.S.C. §§ 77v(a) and 78aa – “district court of the United States”.

¹⁴ 18 U.S.C. §3231 – “district court of the United States”.

United States”¹⁵: only one of which may be found on the North American Continent – the United States District Court for the District of Columbia, in Washington D.C. The “United States District Courts” existing within a union state are territorial courts created (established) under Article I and ordained (given authority) under Article IV of the Constitution of the United States¹⁶: deriving authority from Congress by statute – “Acts of Congress”¹⁷ all of which must find authority in the Constitution.

III

Defects in the Proceedings

5. In the light most favorable to the government, presuming subject matter jurisdiction, the United States District Court lost any jurisdiction it might have enjoyed by reason of the following prejudicial procedural error:
 - A. The United States District Court
 - (1) lacks Congressional approved Rules by which to conduct a felony “criminal proceeding”¹⁸;

¹⁵ The words “district court of the United States” commonly describes Constitutional courts created under Article III of the Constitution not the legislative courts which have long been courts of the territories. *Int’l Longshoremen’s and Warehousemen’s Union et al. v. Juneau Spruce Copr.*, 342 U.S. 237 (1952); The term “District Courts of the United States,” as used in Criminal Appeals Rules, without an addition expressing a wider connotation, had its historic significance and described courts created under Article III of the Constitution and did not include territorial courts. *Mookini et al. v. U.S.*, 303 U.S. 201 (1938).

¹⁶ “The United States District Court is not a true United States court established under Article III of the Constitution to administer the judicial power of the United States therein conveyed. It is created by virtue of the sovereign congressional faculty, granted under Article IV, Section 3 of that instrument, of making all needful rules and regulations respecting the territory belonging to the United States. The resemblance of its jurisdiction to that of true United States courts in offering an opportunity to nonresidents of resorting to a tribunal not subject to local influence, does not change its character as a mere territorial court.” *Balzac v. Porto Rico*, 258 U.S. 298, 312, 42 S.Ct. 343, 66 L.Ed. 627 (1921).

¹⁷ “Act of Congress” includes any act of Congress locally applicable to and in force in the District of Columbia, in Puerto Rico, in a territory or in an insular possession, Rule 54(c) Federal Rules of Criminal Procedure (F. R. Cr. P.).

¹⁸ F. R. Cr. P. Rule 54(b)(1)-(4), removed proceedings from a ‘state’ court; offenses committed on the high seas outside a district or state; peace bonds; petty offenses and misdemeanors.

- (2) lacks Congressional authority to seat a grand or petit jury¹⁹; and
- (3) lacks authority to impose a sentence of imprisonment the length of which exceeds six months.²⁰

B. Civil case – *SEC v. IPIC International, Inc., et al.*, 3:03-CV-02781-P

- (1) Service of Summons and Complaint, etc. (process) was not effected on Defendants²¹;
- (2) Receiver entered private homes and offices without a search and seizure warrant²² and did remove personal property, seize and sell real property prior to notice²³ i.e. service of process on any Defendant;
- (3) Receiver was in contempt of court’s order to (a) file a bond with the Clerk of the court²⁴ and (b) to not breach the peace when executing Receiver’s order from court;²⁵
- (4) Receiver violated federal law requiring (a) Receiver file a bond as required by the court²⁶ and (b) file a copy of the Complaint and Receiver’s Order Appointing Temporary Receiver in the district court where the property was situated²⁷.

¹⁹ 28 U.S.C. § 1869(f) “‘district court of the United States’, ‘district court’ which is created by Act of Congress and ‘court’ shall mean any district court established by chapter 5 of this title [28], and any court in a territory and is vested with any jurisdiction of a district court established by chapter 5 of this title.” Only two such courts are so established; § 88 District of Columbia and § 91 Hawaii: all other “United States District Courts” were established prior to 1948, the year Title 28 was enacted.

²⁰ 1 Stat. 9, Judiciary Act of 1789.

²¹ Lawsuit does not begin until there are two parties; (Plaintiff – filed Complaint, Defendant – answers or defaults) an adversarial system requires service of process, Federal Rules of Civil Procedure (F. R. C. P.) Rule 4.

²² Fourth Amendment requirement – probable cause.

²³ Fifth Amendment requirement – due process.

²⁴ Order Appointing Temporary Receiver (OATR) Section 1, para. 2.

²⁵ OATR, Section 6, para. 4.

²⁶ 28 U.S.C. § 754.

²⁷ 28 U.S.C. §§ 754, 1692.

- C. “Criminal” case – *United States of America v. Gregory Setser, et al.*, 3:03-CR-0381-I
- (1) Indictment not returned in open court²⁸;
 - (2) Arraignment not authorized to be conducted by a magistrate judge in a felony case²⁹;
 - (3) Arrest warrant lacks seal of court and signature of Clerk³⁰ and was not returned by the arresting officer³¹;
 - (4) Arrest was effected by agents of the United States on property not subject to the jurisdiction of the United States³².

IV

Statement of Mixed Facts and Law

6. United States District Court for the Northern District of Texas, Dallas Division, Civil Case No. 3: 03-CV-02781-P
- Securities and Exchange Commission,
Plaintiff
- v.
- IPIC International, Inc.
IPIC Atlantic LLC,
Home Recovery Network, Inc.
Gregory Setser, Cynthia Setser, Charnelle Setser,
Deborah Setser, Charmaine Sears,
Torsten Thomas Henschke,
Defendants,
- and
- Eva Setser and Larry Kuncl,
Relief-Defendants.

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²⁸ F. R. Cr. P. Rule 6(f).

²⁹ F. R. Cr. P. Rule 5.

³⁰ 28 U.S.C. §§ 638(c), 1691

³¹ F. R. Cr. P. Rule 4(A).

³² F. R. Cr. P. Rule 4(c)(2)

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7. The federal court through its Receiver, violated Defendants' Fourth Amendment to the Constitution of the United States right to be secure in Person, houses, papers and effects when Receiver, Dennis Roossien entered Defendants' house without probable cause that a crime had been committed within the territorial jurisdiction of the United States or any where else and without a warrant authorizing search and seizure issuing from a San Bernardino County California, Superior Court and without Defendants' consent or the consent of any Person dwelling therein and did seize Defendants' houses and all personal property contained therein and did participate in the assault with deadly weapons, assault and battery on Defendants' Persons and the kidnapping³³ and unlawful imprisonment of Defendants, Gregory Setser, Cynthia Setser and Torsten Thomas Henschke and transport of them to Texas against their will.³⁴

“The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the

³³ 18 U.S.C. § 1201 - kidnapping

³⁴ 18 U.S.C. §1201(a)(1), (3) and (c) - kidnaping across state lines, by air transport and conspiracy.

place to be searched, and the persons or things to be seized.”
Amendment IV to the Constitution of the United States.

On November 17, 2003, the United States Securities and Exchange Commission (SEC) (Plaintiff) filed a civil injunctive complaint against IPIC International, Inc., and Gregory E. Setser, Cynthia F. Setser, Torsten Thomas Henschke and others (Defendants) in the United States District Court for the Northern District of Texas, Dallas Division (USDC NDT) as case No. 3:03-CV-02781. The Clerk’s Record of Documents (Docket) reflects that the Complaint was personally served on Defendants on November 19, 2003, two days after filing Complaint in the court, see Docket entries #25, 42, 44 and 46. Gregory Setser was also allegedly served on behalf of IPIC International, Inc., #43; Home Recovery Network Inc., #37 and Torsten Thomas Henschke was allegedly served on behalf of IPIC Atlantic, LLC, #26 and 45, the same date, November 19, 2003.

The sworn testimony of all Defendants is that they were not served personally or in any manner.³⁵

“Purpose of process is to give addressee notice of proceeding against him;... accordingly service of process is indispensable to court’s jurisdiction to proceed.” *Beecher v. Wallace*, 381 F.2d 372 (CA9Cal 1967)

Personal service under F. R. Civ. P. Rule 4 serves two purposes: it notifies defendant of commencement of action against him, and provides ritual that marks court’s assertion of jurisdiction over the lawsuit. *Hunsinger v. Gateway Mgmt. Assoc.*, 169 FRD 152 (DC Kan 1996).

Service of process (notice) is required in order for the case to begin. A complaint may be filed and remain with the Clerk of the court for 120 days, after which, it is void if not served; the court lacks authority over the Defendants until 20 days (federal court) after service is effected. If the defendant fails to “answer” the complaint and service was personally effected, the court has jurisdiction over the lawsuit and presumably over the defendant; and Plaintiff may request the court enter a “default” judgment. This is what happened in *SEC v. IPIC International, Inc.*, 3:03-CV-02781-P; judgment by default – no answer, no trial. The law allows whatever claims made in the complaint to be accepted by the court as true and agreed to by the defendant – self-executing contract – based on the legal principal that silence is consent.

³⁵ [Petition to Vacate Judgment.](#)

In this case, however, the Defendants were under arrest and in federal custody on November 19, 2003, the day process servers attempted to serve the civil complaint (*SEC v. IPIC*) and the U. S. Marshals would not allow the person attempting service to do so, nor leave the complaint with any of the Defendants. However, the process servers filled out the affidavits that they had indeed personally served the Defendants, and the SEC (Plaintiff) requested the court enter default judgments, which it did.

So the government's fraud on the court begins... and on IPIC International, Inc., the other Defendants and joint venture partners. It is evidenced on some of the process servers reports that they informed the "client" (SEC) that they were not able to leave the documents; yet somehow affidavits were still filed with the court that service was made. California and Florida as well as the federal environment recognize that persons in custody are under a "legal disability" and do not permit service of process or if effected allow defendants to avoid having to "answer" and default judgments must be set aside; therefore, the weight of evidence for lack of personal service being the truth is with Defendants. Defendants, having no notice, were stripped of all their real and personal property – a violation of their Fifth Amendment rights to due process; notice and opportunity to defend in a civil matter; and Fourth Amendment right to be secure in Persons, houses, papers and effects.

"No judgment of a court is due process of law, if rendered without jurisdiction in the court, or without notice to the party." *Scott v. McNeal*, 154 U.S. 34, 46, 38 S.L ed, 896, 901, 14 Sup Ct. Rep. 1108

The Plaintiff's failure to effect service of process on Defendants means that the case never began; the judgment must by law, be vacated. This means, by law, Defendants must be made whole (put back in same status as they were on November 17, 2003) regardless of what claims of violation of "federal" laws are made in the complaint. Regardless of what allegations were made by the government (SEC), the Constitution becomes the mediator between the government employee (SEC attorney) and the employer (Gregory Setser, et al. and as owner of IPIC), and it demands that due process, i.e. notice be given before the claims of violation may be heard by an impartial "judge". When the government through its Plaintiff failed to follow the supreme law of this land, the Constitution, the case may not be heard by any judge; it is as if Gregory Setser, justified by the Constitution, had never been accused by the SEC of an alleged violation of Securities law. Gregory

Setser and every joint venture partner contracting with him through IPIC are heirs to the rights and guarantees enumerated in the Constitution:

the right to free speech³⁶;

the right to contract³⁷;

the right to be secure in Person, houses, papers and effects³⁸;

the right to notice; due process of law³⁹.

These rights were violated by the government through its officers who took an oath to support and defend and not violate these rights⁴⁰.

Therefore, like a roaring lion, the government has been the accuser of Gregory Setser and other Defendants – but, the government broke the law first, a higher, more perfect law than administrative rules and regulations designed for employees and broker/dealers of securities and impugned the integrity of every partner. Thus the judge cannot “hear” the government’s accusations when the Constitution is pled in defense. The fact is, notice was not given to Defendants and this analysis could end here, as the ultimate result is vacation of judgment and government liability. However, since the question of service is in dispute, this analysis needs to continue... to seal the issue of government wrong doing and vindication of the partners’ faith in the Constitution, IPIC and Gregory Earl Setser, et al.

The SEC requested a “Receiver” be appointed by the court (judge) in anticipation of winning their argument by way of Complaint. This is the second major mistake made by Plaintiff (SEC), the first being filing in the wrong court (one lacking authority to hear the government’s complaint) as a Receiver is normally not appointed until after either default or a hearing is held to determine if the defendant had indeed violated a securities law (due process) and the court at that time.. by order, takes possession of the assets of defendants. In this *SEC v. IPIC* case, the Receiver was appointed

³⁶ U.S. Constitution, Amendment I.

³⁷ U.S. Constitution, Article 1, § 10.

³⁸ U.S. Constitution, Amendment IV.

³⁹ U.S. Constitution, Amendment V.

⁴⁰ 5 U.S.C. § 3331.

the same day the SEC filed it's complaint, November 17, 2003. The acts of the Receiver, as an officer of the Texas federal court, immediately following his appointment, sealed the government's fate as a credible complainant in both the civil and "criminal" case, let's see how...

Statutory Violations

By the Receiver, Dennis Roossien:

1. Congress mandates that a receiver give bond prior to taking possession of property situated in a different district, 28 U.S.C. § 754:

“A receiver appointed in any civil action or proceeding involving property, real, personal or mixed, situated in different districts shall, **upon giving bond as required by the court,** be vested with complete jurisdiction and control of all such property with the right to take possession thereof.” (Bold emphasis added.)

On November **17**, 2003 the court required the Receiver to give a bond in the amount of \$10,000 to the Clerk of court: Order granting motion to Appoint Temporary Receiver, Dennis Roossien – “Receiver shall file \$10,000 bond.” See, 3:03-CV-02781 Docket entry #12.

- A. On November **18**, 2003 the Receiver entered the home and offices of Defendants and did take possession thereof and of all books and records and other personal property. On **December 16**, 2003 the Receiver obtained a bond from Western Surety Company in the amount of \$10,000 and filed it with the court. See, Docket entry #54. The court required a bond and the receivership could not take effect until bond was given, i.e. filed with the court. *Levin v. Garfinkle*, 514 F.Supp 1160, 1166 (1981). Therefore, on **November 18, 2003**, the Receiver did not have jurisdiction and control of the property and had no legal right to take possession thereof.

2. 28 U.S.C. § 754 also requires a receiver to file copies of the complaint and his order of appointment in the district court in which the property is located:

“Such receiver shall, within ten days after the entry of his order of appointment, file copies of the complaint and such order of appointment in the district court for each district in which property is located. The failure to file such copies in any district shall divest the receiver of jurisdiction and control over all such property in that district.”

The property in question, Defendants' home and offices and personal property, were located in San Bernardino County, California, which is in the judicial district known as the Central District. The Central District comprises of three divisions: Eastern, Western and Southern. The Eastern Division comprises the counties of Riverside and San Bernardino, see 28 U.S.C. § 84. The Receiver did not file a copy of the complaint and his order of appointment in the district court in the division in which the property was located, the Eastern Division of the United States District Court for the Central District of California. Even if the Receiver had timely posted bond (November 17, 2003) in order to enjoy jurisdiction of the property located in a district different than Northern District of Texas, Dallas Division, the Receiver's failure to file in the Eastern Division eliminated any possibility of the Receiver having jurisdiction and control of Defendants' property at any time, being divested per statutory requirement to file within ten days. The controlling case, *SEC v. Bilzerian*, 378 F.3d 1100, (D.C. 2004) requires timely filing of complaint and appointment orders as a "first step" to invoking 28 U.S.C. § 1692, which allows the orders of the Texas court to be executed in California. Therefore, the Receiver did not have jurisdiction, control or any legal right to take possession of Defendants' property on November 18, 2003 nor at any time thereafter.

3. The Receiver's Order appointing him authorized the possession of the property only on the condition he not "breach the peace" in so doing. See Order Appointing Temporary Receiver, P. 3, para. 4. The term "breaching the peace" means, in essence, to obtain permission and thus not cause a disturbance of the peace and sanctity of the home in order to preserve the Constitutional Fourth Amendment guarantee of a person's right to be secure in their home. Neither Defendant, Greg Setser, nor any person present at the time of Receiver's entry into home or office gave consent to his entry and taking possession. Therefore, by breaching the peace, the Receiver was divested of jurisdiction, being in contempt of the order of the court.

The Receiver, acting on November 18, 2003 without any authority of the Texas or California District Courts and without a search and seizure warrant was without any lawful or legal authority and therefore committed criminal acts of criminal trespass, breaking and entering, burglary, grand larceny, theft, assault, assault with a deadly weapon, battery, kidnaping, false imprisonment and extortion. These acts preclude the Receiver appearing in the "criminal" case and testifying as an expert witness as to what he "found" in the books and records he stole on November 18, 2003 and

entering those stolen documents as “evidence” against the Defendants. In legal terms this type of evidence is called “fruit of the poisoned tree” obtained by lie and deception and is not permitted to be used in a court of law. Inasmuch as Dennis L. Roossien, Receiver, did appear, testify and present evidence, including joint venture agreements, obtained unlawfully, the criminal “conviction” must, by law, be set aside.

The Defendants in both civil and “criminal” cases are not guilty of violating any federal law. The immediate and unconditional release of Greg and others in custody is mandated by law. A demand to vacate the civil judgment will be made on September 6, 2006 with copies to be sent to the Assistant United States Attorney, prosecutor in the “criminal” case. It has been my experience with the federal judicial system⁴¹ that even when faced with the facts of government wrong doing and mounting financial liability, the “wheels of justice” turn slowly. The government admitted to investigating the Defendants for less than six weeks before filing criminal charges; the Receiver seized all the Defendants property and business records one day after the filing of a civil complaint and before any trial of the issues! Perhaps the Defendants in this instance will be an exception to the rule, and will be immediately returned to their families. If not, it may be necessary for those People (Partners) injured financially, emotionally and in some cases spiritually, by the government’s interferences with their right to contract and who remain free, to exercise another right: freedom of speech... and use it to demand the release of those imprisoned. Joint venture partners may file a tort claim with the government and pursue private or class action litigation.

Litigation in the judicial system can be costly and time consuming. Greg has had the foresight to protect the financial interests of all joint venture partners. Upon learning of the bad faith actions of the government in failing to give notice and allow a defense, Greg extended an opportunity to the government to produce its authority to violate his and his family’s rights as guaranteed by the Constitution. By failing to respond, when it has the duty to do so, the government has admitted it’s lack of authority, it’s violations and liability, and has willingly entered into a settlement based on Greg’s noticed valuation of his rights, freedom and immunities. The settlement is a Security Agreement in the amount of Four Billion (4,000,000,000) dollars backed by the full faith and credit of the United States and is accruing penalties of One Million (1,000,000) dollars per

⁴¹ 1989 to present.

day of continued deprivation of Greg's rights, and will do so until the day of his release. This Security Agreement is a valid contract which may be pledged, hypothecated and encumbered and is negotiable by Greg at the time of his release.

Second Opinion Services is recommending an amount of Two Hundred Million (200,000,000) be pledged by Greg for the benefit of the joint venture partners and hypothecated to an escrow account held by a third party. This amount is more than sufficient to cover the principal and profit of all partners.

Summary

The government through its agencies, Securities and Exchange Commission and Department of Justice have accused, prosecuted and convicted Gregory Earl Setser, Cynthia Faye Setser, Deborah J. Setser, Charnelle Setser⁴², Joshua Setser, Torsten Thomas Henschke⁴³ and others without cause and authority and in violation of the Constitution of the United States, International Treaty and its own laws.

No settlement, however great, will truly make all the injured parties "whole", but we have a Friend who can, and will, if we but ask; and I have witnessed Greg doing so on a daily basis, since June 12, 2006.

Respectfully submitted by
One of the People in His service,

Lonnie G. Schmidt, Senior Consultant

⁴² Acquitted at trial.

⁴³ Acquitted at trial.