

## About - How to Control Your Creditors©

“How To Control Your Creditors©” helps those with heavy consumer debt understand debt, and instructs the consumer on how to eliminate debt legally. With over 25 years in the Finance business, the Asset Protector Group, LLC (APG) has teamed up with an American tax attorney who was more than willing to shed some legal light on the credit card debt and debt settlement industries to help consumers get out of debt legally and with dignity. Together, they have over 50 years of cumulative general debt and specific debt resolution strategies.

We have taken our cumulative knowledge and applied it to ways that you can stop debt collectors from using abusive techniques to literally “bully” you into paying money that you do not owe. In this eBook, we will explain why you do not owe certain debts, reveal secrets which collection agencies, banks, and attorneys do not want you to know or understand and expose banks for what they really are.

Use How To Control Your Creditors© to help you understand your financial situation and to learn what you can legally do to correct it so that you can have absolutely no debt. Read the eBook that your creditors, collection agencies, and credit bureaus do not want you to read because it provides the real solutions to consumer debt.

## Introduction

“...Man never made any material as resilient as the human spirit.”

**Bern Williams**

Are you \$25,000.00 or more in unsecured debt and don't know what to do about it? Can you only afford to make minimum payments on your credit cards? Is your mortgage a month behind, and your spouse just got laid off from the job? Let's face it. You have a serious problem. You didn't get into this situation overnight and there is not a magic wand that will make your debt “go away” overnight. However, you have legal options that will give you some breathing room and distance from the collection calls and letters that will surely come.

“...My wife was in a car accident and has not been able to go back to work. All of a sudden there is only one income when there used to be two. We started using credit cards for necessities. We didn't know what else to do. This isn't frivolous spending. You just buy groceries with the credit card, you get gas, and you basically do what you have to do to survive.”

**Roger S  
Sacramento, CA**

Does that sound familiar? It is only one of the thousands of real life stories coming from the trenches of debt ravaged North America. There are millions of us out here living in credit card houses. We owe billions of dollars in credit card and other unsecured debt to the banks and credit card companies who are raking in the profits at our expense. Last year alone the credit card industry took in \$43 billion just in credit card fees.

American families like yours and mine are struggling in an increasingly volatile economy. Our world is defined by job instability and continued layoffs under the guise of "downsizing". At the same time we're waking up to realize that if we make the minimum payment of 4% on \$25,000 credit card debt at 18% interest it will take 15 years and two months to pay it off. You will pay \$13,900 in interest for a total payout of \$38,900. Can you really ever get out of debt like this?

Your objective is to resolve your debt problems. Get out from under them. If it were an easy task, aside from writing a huge check to pay it off, then you would not need this program. Our methods have been tried and proven successful – but only if they are applied. Your time and effort expended will be worth it to you. Do not give up on yourself.

Throughout this book, we will be giving you legitimate tips that we know will serve you well and we will start right here in the introduction.

**FREE TIP: IF YOU HAVE A CHECKING AND/OR SAVINGS ACCOUNT IN THE SAME BANK THAT ISSUED YOUR CREDIT CARDS, DO THE COMMON SENSE THING: MOVE YOUR MONEY TODAY.**

While they may not legally be able to freeze your accounts, why give them the chance? They have been known to do so. If it happens, you may sue them to release the funds but being successful will be expensive and doubtful. Do the common sense thing and move the money to another institution.

That is just a little tidbit from our proprietary system for debt settlement and why it works. We will tell you what banks can and can't do. We will disclose the nasty little secrets of banks, credit card companies, and bill collectors. If you find yourself in a debt spiral that is careening out of control, you will want to pay close attention to the information contained in this e-book. When you have

finished reading it, you will feel empowered to do something positive about your financial situation. We promote the resiliency of your human spirit.

## How To Control Your Creditors©

### Past Debts

The credit and debt system began before the written word. Approximately 9,000 years ago, man invented counting tokens or trade beads to keep track of trades and obligations. In fact, the art of writing was invented to record our financial dealings. Is 9000 years of history just a little too much for you? O.K. then let us fast-forward to the era of credit in the US.

Buying on credit in the US has been around ever since the Pilgrims landed on Plymouth Rock. However, early borrowing tended to be store credit, usually paid off at harvest time. In those days, there was not a structured repayment schedule until the Singer Sewing Machine Company came up with their Hire-Purchase Plan that allowed buyers to take the machine home for a \$5 down payment. Americans went "credit crazy" over the popular "installment plan" and bought up virtually anything and everything that they could buy for "\$1.00 down and \$1 a week" from who ever offered it.

All that changed in 1950 when Diners Club offered the first universal credit card that could be used at more than one establishment. In the late 1950s, Bank of America issued the first true bank card (the BankAmericard) that allowed the holder to obtain a short-term loan up to a pre-set credit line, secured only by the cardholder's promise to repay.

According to one source, there were only about five million bank cards in existence in 1965. Yet the September 2006 a Nilson Report said that there were then over 800 million MasterCard and Visa cards alone, not counting American Express, Discover or any of the cards issued by individual retailers. It's probably safe to say that there are now well over a billion credit, debit, and charge cards in existence in the US today.

### Slaves to Credit Card Debt

Households have literally become slaves to credit card debt and, if things could not get worse, at the end of 2005 most bankcard issuers increased the monthly minimum payment to 4%, a 100% increase.

The effect of this change can be seen by assuming a \$10,000 credit card debt at 18% interest (all too common today). At only a 2% minimum payment, it would take over 57 years to pay off the debt and total interest paid would be almost \$29,000. Under the new rules, minimum payments are now in the 4% range. The same \$10,000 would take just under 15 years to pay off and total interest paid would be "only" \$5915.

### Banks Laying Traps

According to Harvard Law Professor Elizabeth Warren, the credit card companies are misleading consumers and making up their own rules. "These guys have figured out the best way to compete is to put a smiley face in your commercials, a low introductory rate, and hire a team of MBAs to lay traps in the fine print."

So where do we find ourselves today? Do you have any understanding of the banking system, and how it works? Don't worry. You are not alone. The next chapter sheds some light on an unenlightened subject.

## The Credit Cloud – How Banks Work

### Where do banks get all that money? – The Tinkerbelle Effect

They create money out of thin air. It exists only because you believe that it exists. This is called the Tinkerbelle effect. This is no joke.

The Tinkerbelle effect describes those things that exist only because people believe in them. The effect is named for Tinker Bell, the fairy in the play Peter Pan who is revived from near death by the belief of the audience. The effect includes the Rule of Law, the power of the vote, and money. <http://www.answersproject.com/index.html?action=AnswerFound&q=What+is+the+Tinkerbelle+effect>

### How Banks Create Money

Hmmm...so how DID that happen? How do banks create money out of thin air? THEY CAN'T DO THAT, CAN THEY? Yes they can, Dorothy, and they do. They create money from your promise to repay a loan ...that's how. Very simply put, when you go to the bank and get a loan for a house, car, or credit card you promise to repay the loan with interest by signing a contract. You create debt. The bank then takes that "promise to pay" to the Central Bank. They get at least 9 times that amount on your piece of paper. So the bank creates money from a piece of paper that you sign. In other words, banks create as much money as we can borrow.

Most people do not know where money comes from. How does a dollar appear? Let's say that there is \$200.00 in the total economy. Who makes the decision to change that number to \$300.00?

Most people would answer "the government" or "the central bank". These are good guesses, but they are wrong.

The correct answer is: you do. When you borrow a hundred dollars, those hundred dollars appear magically in the economy. They did not exist before you took out the loan and they will not exist after you repay it.

The monetary system works like this, somewhat simplified: a bank must have a certain fraction of its outstanding loans as savings accounts. That's called a "reserve". If that fraction is 1/9 (a common number), and you deposit \$1,000 in a bank, that bank has the right to get \$9,000 from the Central Bank and lend it to other people, at a higher interest.

"...I am afraid that the ordinary citizen will not like to be told that banks can and do create money. And they who control the credit of the nation direct the policy of Governments and hold in the hollow of their hands the destiny of the people."

**Reginald McKenna**  
**Past Chairman of the Board,**  
**Midlands Bank of England**

### Banks Lend Promises

In the real world, if you need a hammer and go to your neighbor to borrow the hammer, a piece of paper that promises to lend you that hammer does not work...you need the hammer. In the

artificial monetary world, a promise to pay money that the banks do not have is passed off as money. Banks do not lend money. They lend promises to supply money that they do not possess. So, if we can have no money without debt then if there is no debt then there is no money? That is exactly right. You might want to read that sentence again.

### **No Debt = No Money**

People like you create more than 95% of the money today by signing a piece of paper promising to pay back the bank for money that the bank never had to lend. That's not double talk, it is fact. Once upon a time when we were on the gold standard, we could only print money that equaled the amount of gold that the government had to back it up. Moreover, when we needed more money, we had to mine more gold. That is not true today. If you look on a dollar bill you will see that it says "Federal Reserve Note" and "This note is legal tender for all debts public and private".

Now you are confused, right? What exactly does Federal Reserve mean? Who are these people and how did they get involved? They are the people that print and regulate your money. Don't you think you should know who they are?

Do you remember when we talked about the Central Bank and how banks take your note to them and get at least 9 times the note? This bank also known as the Federal Reserve System or the "Fed". It prints all the money in the United States. Now the Fed is a very curious institution. Some people think that the Federal Reserve is a part of the government. We did research and here is what we found out.

"...I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around [the banks] will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered. The issuing power should be taken from the banks and restored to the people, to whom it properly belongs. "

***Thomas Jefferson (1743 - 1826),  
Letter to the Secretary of the Treasury Albert Gallatin (1802)***

### **Federal Reserve**

Some people say that they are a private corporation ... however...  
The "Federal Reserve" is not a government institution but a private central bank owned by a handful of major banks and bond dealers. As such, it is a cartel owned, controlled, and essentially for-profit driven, not by the people of the United States but, instead, by the banking industry's ruling elite. This oligarchic setup generates the most costly, debt-based, money system and greatest conflicts of interest in the history of the world. It is a system clearly at odds with the intent of the founders of the United States of America.

But The Federal Reserve says that they are not private...they state it on their website...  
The Federal Reserve System is not "owned" by anyone and is not a private, profit-making institution. Instead, it is an independent entity within the government, having both public purposes and private aspects.

Now everyone is really confused. How can you not be private and have "private aspects"? The "Fed" as they are fondly called, further states that they are "independent within the government."

So we went to a court decision where a Mr. Lewis sued the United States of America claiming that the Federal Reserve Bank is an Agency of the United States.

Lewis v. United States, 680 F.2d 1239 (1982)  
John L. Lewis, Plaintiff/Appellant,  
v.  
United States of America, Defendant/Appellee.  
No. 80-5905  
United States Court of Appeals, Ninth Circuit.  
Submitted March 2, 1982.  
Decided April 19, 1982.  
As Amended June 24, 1982.

Plaintiff, who was injured by vehicle owned and operated by a federal reserve bank, brought action alleging jurisdiction under the Federal Tort Claims Act. The United States District Court for the Central District of California, David W. Williams, J., dismissed holding that federal reserve bank was not a federal agency within meaning of Act and that the court therefore lacked subject-matter jurisdiction. Appeal was taken. The Court of Appeals, Poole, Circuit Judge, held that federal reserve banks are not federal instrumentalities for purposes of the Act, but are independent, privately owned and locally controlled corporations.

We now know that money is printed by an independent, privately owned corporation called the Central Bank or the Federal Reserve. We also know that banks create money out of thin air when you obtain a loan for a mortgage, car or credit card. They then take your promise to pay to the Central Bank where they get 9 times the money you borrowed to lend to other people who believe that it exists. What a scam.

### **Hooked on Plastic**

Ok. It's your fault and it's their fault. I guess when you signed up for the first credit card that you ever owned you were ecstatic. Thought that you had arrived, right? Oops!!\

Credit card companies say that if people are "mislead then they aren't paying attention"; yet they send you 3,000 marketing messages a day and 4.29 million solicitations annually.

***Getting hooked on credit cards ...overpriced.  
Having knowledge to be aware of the problem ...Priceless  
There are some things that money can't buy...for everything else there is 29%  
interest***

There are 15 pages in the typical credit card contract and the print is so small that it is difficult to read. Let's say that again. You signed a legal document that is 15 pages of legal verbiage in small print and you are supposed to understand it. RIGHT? What if we told you that your bank tricks you EVERY TIME you write a check? Do you think that is possible, that your own bank could deceive you each time you sign your name on one of your pre-printed checks? Here's a banking secret very few people know. Get one of your checks. Do it now. Also, get a magnifying glass – a strong one. Use a jeweler's loop if you can get one. Now, look very closely at the line above which you sign your name. You'll have to look really closely – because all these years you thought it was just a line. It isn't!!! It is the terms and conditions you just agreed to. Now do you think it is possible that banks run a game on you?

So, who are THESE PEOPLE? The credit card companies are the banks that are tied in with processing companies like VISA and MASTERCARD to offer you a line of credit depending on your financial status and your credit rating. We will get to your credit rating later, but for now let's stick with the credit cards themselves.

## Plastic Kings

Let's first take a look at VISA and MasterCard. These companies do not extend credit to you, neither do they set the rates or terms and conditions of your credit card. They began as membership organizations made up of thousands of financial institutions including banks, each issuing their own credit cards. VISA and MasterCard provide the network that these transactions run on. Banks issue credit. You received your credit card from a bank. Look on your cards and you may see a logo for the largest issuers of credit cards.

- Advanta
- BankFirst
- Bank of America
- Chase Manhattan
- CitiBank
- Capitol One
- Fidelity Investments
- First Bank of Delaware
- First USA
- HSBC
- Merrill Lynch
- New Millennium Bank
- Plains Commerce Bank
- Pulaski
- US Bank

This is your issuing bank. Each bank sets its own rates, and terms and conditions for each credit card that they issue.

*"In the child's game of musical chairs, so long as the music continues—no one loses."  
This is what has been threatening the markets recently — the music is about to stop;  
because credit everywhere is drying up.*

Maybe you are wondering how we got ourselves in so much debt? You don't have to look very far to see that we have been played like a Stradivarius. All you have to do is to consider the practices of banks over the past 30 years.

## A Matter Of Interest

Did you know that there is no federal limit on the interest rate a credit card company can charge? A credit card bank can charge you as much as 35% on your outstanding balance.

Did you know that our own congress had to create laws to protect us from banks charging too much interest on our credit cards? Congress set the limit at 18%. Then the banks won a couple of lawsuits and now can charge you as much interest as they want, and they don't have to tell you.

**Example:** If you have a total debt of \$25,000 at 12% interest and you make payments of \$556.11 per month, it will take you 60 months to pay it off. You will pay \$8,366.67 in interest for a total cost of \$33,366.67.

Let's say that the credit card company raises your interest rate to 18.9%. On the same \$25,000, making minimum payments of 4% per month (\$1000), you will pay a total of \$66,455.53 over the course of 410 months or 34+ years..

So, what else can they do to you? Well, they can also charge you a late fee, generally \$29 to \$39 on each late payment, drop your available credit and charge “over limit” fees – and then charge interest on those fees! Then through Universal Default, increase your interest rate to 29% or higher..

### **Why would they do that to us?**

Let us see. Would it have anything to do with the revenue generated by Late Fees?

1996: \$1.7 billion  
2002: \$7.3 billion

Then there are other fees such as balance transfer fees; the over-the-limit fees; the cash advance fees, and the foreign exchange fees.

Total revenue generated by all fees:

1996: \$8.3 billion  
2004: \$24 billion

They simply want to keep you in debt, so that they can create more money to loan.

No wonder the banks like the “revolvers”, the folks who never pay in full, while the customers who pay their balances off in full every month are called “deadbeats”. Well the deadbeats don’t have anything to worry about. Or do they?

### **Universal Default**

The banks who issue credit cards have conjured a way to raise the interest rate of the best paying customer by including a “universal default” clause in credit card agreements. This means that if you are late on another credit card or a phone, car or house payment, the bank can raise your interest rate...just because... they think you owe too much. They must not like us because they treat us so badly. Wrong again. In 2001 credit card companies sent out over 5 billion solicitations to American homes. So they must really, really like us!!!

Linda Sherry of Consumer Action, a nonprofit organization that conducts an annual survey on fees and rates says that "Credit card companies are the only industry in the world to re-price something you already paid for."

### **Here’s a real horror story for you...**

“...my credit card, the same one I have had for over 20 years, suddenly demanded interest at incredible rates (almost 30%) after the card issuer was purchased by a large New York bank. What an avaricious feast the big NY bank has had!”

***Posted by: Jerry B. | July 10, 2006 10:50 AM  
Industry Practices***

Before 1978, 37 states had usury laws that capped interest rates and fees on credit cards for customers in their state, most at less than 18 percent APR. In 1996 two court cases effectively invalidated state usury laws allowing that national banks could charge credit card customers the highest interest rate allowed in the bank’s home state as opposed to the customers. As a result,

major banks moved to states like South Dakota and Delaware, where there were no usury ceilings on rates.

Many credit card companies now use a tiered penalty system that is based on your monthly balance. The more you owe, the bigger the penalty if your payment is late. In 1994, the average late fee was \$12.55. By 2004, the average credit card late fee had risen to \$32.65. And on top of that, the company may exact further punishment by jacking up your interest rate as high as 41 percent, although we have yet to see one exceeding 35%.

## **Unscrupulous Shylocks**

### **1. Rate hikes and fees for late payments**

- a. All the major issuers now raise a cardholder's interest rate when their payment is late — often to 29% or more. Late payment penalties affect millions of cardholders. Also, there is no longer a late payment grace period. A payment is "late" if it arrives after 1:00 or 2:00 on the specified due date. Issuers have also begun systematically mailing statements closer to the due date, giving customers less turn-around time.
- b. Some banks have changed their "Due date" to the end of the month rather than the first, thereby trapping many unsuspecting consumers.
- c. In addition to raising the interest rate on the card, issuers also charge the consumer a late fee, now typically between \$29 and \$39. According to one survey nearly 60% of consumers had been charged a late fee in the past year.

### **2. Penalty and Other Fees Skyrocketed in the late 1990s**

While annual fees have largely disappeared, credit card issuers now levy several different fees other than the late fee: the balance transfer fee; the over-the-limit fee; the cash advance fee and the foreign exchange fee.

### **3. "Bait and Switch" / Universal Default Policies**

Card issuers now routinely check their cardholders' credit reports and will raise the interest rate on the card if there has been a change in the consumer's score. For example, if a Bank One Visa cardholder is late on their MBNA MasterCard, Bank One will now raise the cardholder's interest rate — even if that cardholder has never missed a payment with them. Interest rate increases can also be triggered when a cardholder's profile has changed due to the addition of new loans, such as a mortgage, car loan, or other type of credit.

### **4. New Minimum Payment Requirements**

Credit card companies have also increased their minimum payment requirement from a standard 2% to 4%.

### **5. Aggressive Marketing and Credit Line Extension**

- a. There is no limit on the amount a credit card company can charge you for being even an hour late with a payment.
- b. Even if you make your credit card payments on time, the credit card bank can raise your interest rate automatically if you're late on payments elsewhere -- such as on another credit card or on a phone, car, or house payment -- or simply because the bank feels you have taken on too much debt.

Did you know that virtually anything that can be sold or assigned can be protected by traditional asset protection and estate planning strategies? The only exception to this has been employment income or income from self-employment sources, at least until The APG **DebtSol**® Program.

Would you benefit if your total monthly payment on all of your credit cards was only \$600 on a collective balance of \$55,000? You are spending possibly \$1200 now, losing the time value of that money, and conveying that benefit to the creditor. What could you do with that extra \$600 you are not paying out over twelve months? (\$7200) What could you do with the next 18 months of those payments?

What if you had \$25,000 in cash to use in a settlement on the entire balance? What could you do with that money if instead of paying creditors? What if you invested it and used the return for something that would improve your financial position? This is not to advocate something which would be considered illegal by any measurement. In fact, this is a standard practice in business today. If it was your original intent to pay what your creditors wanted, wouldn't you be better able to do this if you were first in a better financial position? Of course!

Why would anyone want to try to pay creditors from a position that depletes their savings, compels borrowing from family and friends or places them further into debt, especially against their home? It makes no sense. Creditors will never tell you this, but if you have the ability to place yourself in a better financial position and then make payment arrangements with creditors, you will not only serve yourself and your family first, you will be better able to return the money you borrowed and do it in a way that is mutually beneficial to the both of you.

There's a better plan, an alternative that you should find out about. Keep reading.

## No Credit eBook Mod 5 - Your Personal Debt Storm

### Debt as Your Goal

We know that you did not start your adult life with debt as your goal. You never expected to find yourself in so much debt that you literally don't have enough time to pay it off. So how did you get into so much debt? The following article from over a year ago might give you a clue.

### Subprime Mortgage Crisis

Looking for ways out of the subprime mortgage crisis  
POSTED: 11:11 a.m. EDT, March 30, 2007

2 million people with subprime loans are facing foreclosure  
Some economists say the mortgage defaults could spur recession  
Federal Reserve chair says impact likely contained  
Members of Congress contemplating action  
By Kristi Keck - CNN

(CNN) – “The recent wave of defaults in the subprime mortgage sector that sent shocks through Wall Street has caught the attention of Congress.

“More than 2 million people with subprime loans are facing foreclosure this year and nearly 20 percent of subprime mortgages issued between 2005 and 2006 are projected to fail, according to a December 2006 study by the Center for Responsible Lending, a nonpartisan research and policy organization.

“Foreclosures in the subprime mortgage market are expected to cost American households as much as \$164 billion in lost equity from 1998 through 2006, the center reported. Meanwhile, at least four subprime lenders have filed for bankruptcy since late December and many others closed last year.

### Predatory Lenders

“Observers of the credit industry place the blame on predatory lenders and borrowers ignorant of the loans' terms and conditions. Subprime loans are typically granted to people with less than perfect credit. The loans have low interest rates for the first two or three years. In some cases, the loans are then adjusted to a higher rate every six months to a year, making the monthly interest payment much higher than the borrower may have initially planned for.

“Some economists say the mortgage defaults in the subprime sector could push the economy into a recession because lenders are tightening their standards and making it more difficult for people to get loans.

“Federal Reserve Chairman Ben Bernanke told Congress Wednesday that while the problems in the subprime mortgage sector have caused ‘severe financial problems for many individuals and families,’ they may not affect the overall economy.

“At this juncture ... the impact on the broader economy and financial markets of the problems in the subprime markets seems likely to be contained,” he said.

## **'Unconscionable' Practices**

Senate Banking Committee Chairman Christopher Dodd called the predatory lending practices "unconscionable and deceptive" at a Congressional hearing to investigate the subprime mortgage crisis.

## **The Bail Out**

Massachusetts Rep. Barney Frank, the Democrat who leads the House Financial Services Committee, said there wasn't much that could be done for borrowers in trouble.

"It is very hard to go back and undo this," he said in a telephone interview. "What we can do is pass legislation that makes it less likely that these kinds of loans will be given in the future."

## **No Bail Out for You**

Nope... but one year later...2008... your government bailed out a subprime lender...one of the "predators"... from crashing.

Fed and Rival Bail Out Bear Stearns

Friday March 14, 6:09 pm ET

By Stephen Bernard and Joe Bel Bruno, AP Business Writers On the Brink of Collapse, Bear Stearns Gets a Lifeline From a Rival and the Feds

NEW YORK (AP) -- On the verge of a collapse that could have shaken the very foundations of the U.S. financial system, investment bank Bear Stearns Cos. was bailed out Friday by a rival and the federal government. The near-miss raised new alarm about the credit crisis -- and whether other big firms might be in jeopardy.

The rescue came from JPMorgan Chase & Co. and, in an extraordinary step, the Federal Reserve, both rushing to pump new money into the venerable Wall Street firm after its financial state deteriorated so much in a 24-hour period that it threatened to fail.

Bear Stearns stock lost nearly half its market value, about \$5.7 billion, in a matter of minutes, and pulled the broader market down with it. The Dow Jones industrial average fell nearly 200 points.

In backing up JPMorgan, the Fed dusted off a rarely used Depression-era provision to provide loans. It also said it was ready to step in to fight an erosion of confidence in the nation's largest financial institutions.

Isn't there anything that the government can "dust-off" for you to help you with YOUR debts? Maybe your debts just aren't big enough for the government to bother with. They'll just let you sink.

Well we won't. The Asset Protector Group, LLC team has come together to offer you a set of solutions to your financial problems. It's called APG DebtSol®, and it works.

## **NOW IS THE TIME TO ACT!!!**

First of all, we know that if you are in debt then you are stressed. I mean let's be reasonable. You must have food, clothing and shelter. If you're in a situation where you have to make a choice between paying your mortgage or your credit card debt then you're in trouble. If you and your spouse fight about money, you're in trouble.

Most people in debt are embarrassed by their situation. Financial stress is common when you're forced into "counting pennies" because of a lost job, death in the family, illness, divorce, or being over your head in debt, etc. This can lead to feelings of insecurity, fear, anxiety, anger, and, of course, depression.

These feelings can also cause you to make poor decisions. These poor decisions can lead to heavier debt loads and start a vicious cycle of fear, anxiety, and panic that never seems to end. You need to look at your options immediately. Don't wait until the bill collectors come calling, which they will do.

If the bill collectors are already calling, then don't wait until the sheriff shows up with a lawsuit. If you have already been served, then don't wait until your wages have been garnished. Your debts and obligations won't go away by themselves. Whatever your situation, there are answers for you. Sticking your head in the sand isn't one of them.

### **Before You Can Decide What Option to Consider...Determine Your Situation.**

Are you only able to make minimum payments on your credit cards and you are beginning to feel the stress that goes along with just not being able to keep up? Are you trying to juggle the dollars so that everyone gets paid on time no matter what the price?

If yes, then you are deeply in debt and you need to know what your options are. First, find out how much you owe. Many people discover that they don't owe as much as they thought while others of you will find out that you are sinking in debt. The only way to find out where you stand is to evaluate your debt or have someone do it for you.

The Asset Protector Group, LLC offers you a free, proprietary debt evaluation based on 12 key questions. When you finish reading this free eBook, we suggest that you take a few minutes and fill out the questionnaire. This is the beginning of our DebtSol® Program. You will be offered this free evaluation when you finish reading this eBook.

If you cannot pay all your bills, then you need to evaluate which bills are the most important. This should be a no brainer since we all know that you can't quit paying your mortgage because your family needs a home. How about the car? Nope...they would just repossess it and you would lose all the equity, plus you would have no way to get to work. Why would anyone want to pay creditors from a position that depletes their savings, compels borrowing from family and friends or places them further into debt, especially against their home? It makes no sense.

Creditors will never tell you this, but we will. You have the ability to place yourself into a better financial position and then make payment arrangements with creditors. You will not only serve yourself and your family first, you will be better able to return the money you borrowed and do it in a way that is mutually beneficial to the both of you. We will show you how by using the legal tools available to you in the APG DebtSol® program.

***Tip: The APG Financial Shield provides our customers with a time buffer that will protect their income, assets, and bank accounts and ward off the imminent collection advances of their lenders.***

In coming chapters we'll discuss available options and why they work or don't work. Keep reading. You've got this eBook because you want to know what to do about your financial situation.

## Mod 6 The Collection Process

### You Decide Who You Pay

Remember that continuing to pay when it is inevitable that you will not be able to continue paying in the amounts demanded by the creditors is just wasting money, you will not protect your credit and you will lose your cash and buying power.

It is important that you understand that you can pay everybody, some people or nobody. Determine who you will pay and how you will legally deal with creditors that you can't pay.

***Tip: Control Your Creditors© is exactly what you need if you are getting collection notices in the mail or phone calls from your creditors.***

### Who's Got Your Paper

The first thing you should determine is whether the business you are dealing with is the original creditor or a collection agency. Since these two types of creditors are regulated differently, you'll need to know the right laws for each, and which agencies to contact if you have problems with their collection methods.

### Original Creditors

The doctor, department store, credit card company or bank with whom you originally signed an agreement is the original creditor. If the debt is still with that business, then that is with whom you are going to work.

Original creditors must comply with state law when collecting a debt. While most states' laws closely mirror federal law, each state has slight legal variances. You can contact your state Attorney General's office to learn the exact law in your state.

The collection practices of original creditors are often less confrontational than those of collection agencies. This makes sense since it is in the company's best interest to maintain a positive business relationship with you, particularly if you are a long-time customer. If you are unhappy with their collection practices and believe they have overstepped their legal boundaries, speak up! Contact them and explain why you are displeased and that you want the action to stop. If they continue to break the law, however, report them to the Better Business Bureau and your state's Attorney General's office.

### Collection Company

A collection agency or third party collector is someone an original creditor uses to collect the original creditor's debt. Under the Fair Debt Collection Practices Act, a collection agency or third party collector also includes:

- An original creditor that collects its debts under a different name or by sending letters signed by lawyers.
- A lawyer who regularly collects debts owed to others. See *Heintz v Jenkins* 115 S Ct 1489 (1995)
- Any company that purchases debts for the purpose of collecting them

- The original creditor if it re-acquires the debt.

## Your Legal Defense

The Fair Debt Collection Practices Act (FDCPA) is the basis of your defense against nearly every unsecured collection instituted by a third party (assignee) debt collector. The complete text can be found in the Asset Protector Group Resource library. There are a number of guidelines that debt collectors must follow, and you should familiarize yourself with them.

The Federal Trade Commission is a great source of information for identifying abuses within the collection industry. There are many. Part of the reason is that collectors in general have policies that routinely violate or allow these violations. A few abusive collection attempts are not isolated and we've included an example list reported by the Federal Trade Commission so you can better understand that you are not alone. You will be able to find the list in the Asset Protection Group Resource Library.

***Tip: You know that these people have to be dealt with but you don't want to do it...then you will want to take a look at our CreditGuard© Package. This service redirects harassing phone calls from customer's creditors to our TeleGuard© operators.***

## Abusive and Deceptive Guidelines

The Act prohibits certain types of "abusive and deceptive" conduct when attempting to collect debts, including the following:

- Hours for phone contact:
  - contacting consumers by telephone outside of the hours of 8:00 a.m. to 9:00 p.m. local time
- Contact after being asked to stop:
  - contacting consumers in any way (other than litigation) after receiving written notice that said consumer wishes no further contact or refuses to pay the alleged debt, with certain exceptions, including advising that collection efforts are being terminated or that the collector intends to file a lawsuit or pursue other remedies where permitted
  - Contacting consumers at their place of employment after having been told verbally or in writing that this is not acceptable
  - Contacting consumer known to be represented by an attorney
  - Contacting consumer after request for validation: contacting the consumer or the pursuing of collection efforts by the debt collector after receipt of a consumer's written request for verification of a debt (or for the name and address of the original creditor on a debt) and before the debt collector mails the consumer the requested verification or original creditor's name and address
- Misrepresentation or deceit:
  - misrepresenting the debt or using deception to collect the debt, including a debt collector's misrepresentation that he or she is an attorney or law enforcement officer
  - Publishing the consumer's name or address on a "bad debt" list
  - Seeking unjustified amounts, which would include demanding any amounts not permitted under an applicable contract or as provided under applicable law
  - Threatening arrest or legal action that is either not permitted or not actually contemplated
  - Abusive or profane language used in the course of communication related to the debt
  - Contact with third parties: revealing or discussing the nature of debts with third parties (other than the consumer's spouse or attorney) or threatening such action

- Contact by embarrassing media, such as communicating with a consumer regarding a debt by post card, or using any language or symbol, other than the debt collector's address, on any envelope when communicating with a consumer by use of the mails or by telegram, except that a debt collector may use his business name if such name does not indicate that he is in the debt collection business
- Reporting false information on a consumer's credit report or threatening to do so in the process of collection

For many people, the cold call from the bill collector is an intimidating and even humiliating experience. They are unprepared to deal with these collectors who are trained to handle every type of response. Relentlessly assertive, collectors focus on "the close" -- your commitment to pay.

The less knowledgeable you are about your rights, the more confident a collector becomes. The more worried you are, the less concerned the collector becomes. Collectors know that it's easier to manipulate a conscientious debtor into a payment plan that benefits the collector, not the debtor.

### **Bill Collector's Secrets**

You'll be in a better position to resist collectors' pressures and negotiate a sensible repayment plan if you were prepared for the tactics they're likely to use. Here, then, are secrets that bill collectors don't want you to know.

Collectors get commissions -- usually 30 to 50% -- on money they bring in, which often doubles or triples their salaries. This means they have a strong incentive to press for a big "down payment" from you, even if this deepens the cycle of debt. Collectors hoping for a big commission may claim that the boss insists on a big down payment. In fact, blaming it on a mythical manager is designed to deflect your anger away from the collector.

### **Payment Deadlines Are Phony**

Payment deadlines set by collectors are meaningless. Collectors simply want to create a sense of urgency, because the longer it takes to get you to pay, the less chance there is of collecting the debt.

### **They Don't Need a 'Financial Statement'**

Collectors often claim they need a "financial statement" from you, so they can work out a realistic repayment plan. You'll notice, though, that the information they ask for -- bank account numbers, references, place of employment -- is far more than they need for that purpose. They're fishing for information that will help them find you if you move or sue you if you don't repay the debt.

### **The Threats Are Inflated**

Collectors always graphically detail the disastrous consequences of failing to pay a debt. "Your credit rating will be ruined," they warn. (Not mentioning that it's probably already not so good, since a collection company is after you.) "Your personal possessions, including your car, could be seized and sold at a public auction!" (Never mind that this virtually never happens; it's illegal in some states and impractical because of the expense.) Probably 95% of the time, collectors go after only bank accounts and wages.

### **You Can Stop Their Calls**

You have the right, under federal law, to tell a collection agency to stop contacting you. Just do it in writing and contacts must stop unless they're to tell you that collection efforts have ended or the agency is going to take a specific action (like filing a lawsuit) against you.

### **They Can Find Out How Much You Have in the Bank**

A collector who has your bank account and social security numbers can probably easily find out the balance of the account. Because big banks now have automated account inquiry systems, the collector doesn't even have to speak to a human being; all it takes is a phone call to the automated voice-mail service. When the account number and social security numbers are punched in, the computer promptly supplies an up-to-the-minute account balance.

### **If You're Out of State, They're Out of Luck**

Collection agencies routinely call out-of-state debtors to demand payment. But if a creditor has sued you and won, you are probably safe from enforcement action if you bank and work outside the state where the lawsuit was filed. That's because to collect, the collection agency must transfer the judgment to your state, which is prohibitively time-consuming and expensive.

### **They Can't Take It All**

Certain income, such as social security, pensions and 75% of your take-home pay, is exempt from enforcement action. You can file a claim of exemption from a garnishment of the other 25% of your wages if it would cause you or your family severe hardship.

### **They May Not Know a Thing**

Sometimes a collection agency lawyer, trying to collect a judgment debt, sends questions on a court form asking about your income and assets. (These are called "post-judgment interrogatories" or "information subpoenas.") This is good news for you -- it means that the agency has no information and is hoping you will be intimidated enough by this legal questionnaire to complete it. Many people do because the forms list sanctions, such as fines, for not doing so. But normally it is too expensive and time-consuming for an agency to go to court and force compliance.

Remember that continuing to pay when it is inevitable that you will not be able to continue paying in the amounts demanded by the creditors is just wasting money. You will not protect your credit and you will lose your cash and buying power. And remember that we don't have debtor's prison anymore.

Now that you know what they can't do...how about what you can do.

## Mod 7 Turn the Tables on the Debt Collector

Debt collection companies are businesses just like any other, whether non-profit or not, and they need to collect on their accounts in order to satisfy investors, cover expenses and pay their people. To accomplish this, they need methods to “close sales” through sales agents. We know them as collection agents. The caller is trying to close a sale by convincing you to make a payment.

The caller wants you to make payment over the phone while giving confidential information that can be used against you later to forcibly collect money without your consent. Did you realize that cooperating with the caller is totally voluntary and within your control? Did you know that the callers attempting to collect are following a script and using sophisticated software to monitor and record your responses? You can use this knowledge to gain a substantial advantage over the caller and turn the tables in your favor.

Follow these steps:

**Step 1:** Never discuss the account that they are calling about. Your first concern is to get the caller’s full name, mailing address and phone number.

**Step 2:** Write this down in a log next to your phone along with the time and date.

**Step 3:** Next, never, never, never give out any information about yourself to the caller, not your address, phone number, banking information, social security number, driver license number, place of employment, nothing.

**Step 4:** Do not acknowledge the accuracy or inaccuracy of any information they provide.

**Step 5:** Inform the caller that the conversation is being recorded, that he has the right to remain silent and that anything he says may be used against him in a court of law. Expect him to end the call at that point, but be prepared to continue to explain that you do not want to receive any more calls from this organization and that any further calls will constitute harassment and a class 1 misdemeanor under state law. Explain that if anyone calls you again from his organization, that you will hold him personally responsible and file a written complaint for telephone harassment against him individually with the state attorney general’s office.

**Step 6:** Tell the caller that you are requesting a validation of the disputed account. Never indicate that you refuse to pay.

**Step 7:** Next, request a copy of their “do not call policy” as required by the Federal Telephone Solicitations Act.

**Step 8:** Send the collector the request for validation and the notice to stop telephone communications.

**Tip:** Use MailGuard© to receive your collection notices and other debt related “nasty grams”. You then can respond to the notices as you choose via our MailGuard© service thus protecting your privacy.

Remember that what you say will be summarized or quoted in their call management software database. Follow these steps and you can use this to your advantage. If they do not have it, they don’t need it and it’s their problem. You may need to confirm that they have the right person in order to complete the next steps, but give them nothing else.

This procedure is absolutely effective at stopping a large percentage of unwanted phone calls, without regard to the matter about which they are calling.

In very few circumstances, you will have a collector who thinks that the law does not apply to him and who will ignore all of these responses. You can pursue the complaint to the attorney general's office, but there is one more strategy you can apply that is more effective.

Legally, a collection call is considered soliciting. They are selling you on the benefits of paying them what they say you owe, in exchange for them not continuing to harass you, not making any more claims on your credit history and/or not suing you. That is the implication anyway, some will even say it. Consequently, the callers are monitored for their productivity. A call without a "sale" (your verbal commitment to make payments) is not productive and they might call you again. However, a call without a sale that substantially exceeds the average call time for most calls of this nature will result in your account being placed on the "do not call" list or listed as "uncollectible," in which case you will no longer receive any calls.

This is a little time-consuming but it works very well. Your objective, if you choose to follow this strategy, is to keep the caller on the phone for as long as possible. The trick is to never discuss the collection account but make it appear as if you are sincere. Talk about politics, collection laws, the evil banking system and your political opinion about the Federal Reserve System. Talk as if you are not listening to them, or that you are not smart enough to address their specific questions. For example,

**Bill Collector:** "Sir, I need to know when you intend on paying this bill."

**You:** "You people are all the same, you called me last week. You know, this banking system has to go, it's nothing but evil."

It does not really matter what you say, just avoid discussing the collection account, do not give any payment information, do not make any commitments to pay, and always sound sincere. If it sounds like the caller is going to end the call, ask for a supervisor. This could double the call time in many cases.

### **Collection Notices:**

It is important to understand if a collection notice is coming from a creditor or third party debt collector (and not the creditor). Attorneys are not debt collectors. They represent them, but they are not usually debt collectors themselves. A third party debt collector is a corporation that never provided you with credit and is not in the banking or credit business. Most of us are familiar with the corporate names commonly known as creditors, such as Citibank, Discover, but companies like "Asset Acceptance Corporation and NCO and First Select" are not creditors.

In response to a third party debt collector, do not send the same responses as you would for creditors and do not use the arbitration process. If you do, you may waive your argument that there is no valid assignment, no consideration and be left with defending their collection in court as if they were the original creditor. You do not want this to happen. Always request a validation (much the same as verification) from the debt collector.

***Tip: The APG CreditRSVP© service has attorney-trained staff in place who are trained to reply appropriately to all collection correspondence following the Control your Creditors© process.***

## **The Fair Debt Collection Practices Act**

The Fair Debt Collection Practices Act provides that you can request a validation of any collection account that is in dispute. In the case of Chaudhry v. Gallerizzo, 174 F.3d 394, 43 Fed.R.Serv.3d 1063 (4th Cir. 04/05/1999), the court ruled that the collector (or creditor) is only responsible for providing some record that they have your name spelled correctly and that the account number and mailing address is correct. The purpose it serves for us is that it helps us determine what information they do have or how they will respond.

Remember it's just a sales call. It's just a sales letter. If they feel that they have the right to harass you then you should have some ammunition for your guns.

***Tip: We have prepared a number of form letters that will help you...join now to access our Resource Library.***

Everything is fair in love and money!!!

## **Mod 8 High Cost of A Credit Score**

It should not surprise you that there are secrets here too. A credit bureau is a company that collects information from various sources and provides consumer credit information on you for a variety of uses. This helps lenders assess credit worthiness, the ability to pay back a loan, or as we have discovered “the ability to create debt” and can affect the interest rate applied to loans.

### **Rate Discrimination**

Interest rates are not the same for everyone, but instead can be based on anything they want. This is a form of price discrimination based on the different expected costs of different borrowers, as set out in their credit rating. A common form of this analysis is a 3-digit credit score provided by independent financial service companies such as the FICO credit score. (The term, a registered trademark, comes from Fair Isaac Corporation, which pioneered the credit rating concept in the late 1950s.)

Equifax, Experian and Trans Union are household names. All of the financial institutions use one, or all, of these CRAs (Credit Reporting Agencies) to pull your credit when you apply for a loan.

According to the latest federal law, once a year you can get a free copy of your credit report from these companies. If you have not taken advantage of this freebie, go to <http://www.ftc.gov> and follow the free credit report link.

All of this you probably already knew. But were you aware that the “big three” have a few “secret sisters” that you have never heard of which means you don’t know they exist. If you don’t know they exist, you don’t know their potential danger to your personal financial health.

### **Secret Data**

If you have ever had a telephone, checking account, ATM card, applied for an apartment, or have done any of the consumer type things we all do, you might be in one of these unknown databases.

There is a “telephone bill deadbeat database”. Unlike the credit deadbeats...these people are late or skipped out on a telephone bill somewhere. The official name is the National Consumer Telecommunications Data Exchange, Inc. (NCTDE). It was “legalized” by the U.S. Department of Justice (DOJ) in September 1997 and went into operation in March 1998. You didn’t know that the Department of Justice had legislative power, did you?

The NCTDE (bureaucrats are fond of acronyms) is an information exchange service for its long distance carrier members. Each member reports the names of the people who failed to pay their long distance charges. Not only do they report you to NCTDE but to a third party set up by the NCTDE to maintain the database. At the moment, that third party is Equifax, one of the big three credit reporting services.

There is also a database of bad check writers. Chex System, TeleCheck and SCAN each maintain a database of bad check writers. Have you ever forgotten to post a check in your register and WHAM, you write another one and it clears before the first one and BOING you are now in another deadbeat database.

Once on this list, you can be refused check writing privileges by any subscribing merchant. Plus, you may not be able to open a checking account at your home town bank. That’s right, banks are

subscribing members too. If you are having problems in this area, the best resource we can find for actual help and results is:  
<http://www.creditinfocenter.com/FeaturedArticles/ChexSystems.shtml>

Or

**ChexSystems**

[www.chexhelp.com](http://www.chexhelp.com)  
1-800-428-9623

**SCAN**

[www.scanassist.com](http://www.scanassist.com)  
1-800-262-7771

**TeleCheck**

[www.telecheck.com](http://www.telecheck.com)  
1-800-710-9898

**Debit Bureau**

OK just when you thought it couldn't get any worse, there is now a Debit Bureau and you won't believe the information this database has on you. They maintain more vital information on you than your credit report. They have your (bank) account opening and closing history, check order history, check writing history, collections data, frequency of debit and ATM card use and your personal demographics.

For more information on the Debit Bureau visit: [http://www.background-checks-systems.com/efunds\\_debit\\_report.htm](http://www.background-checks-systems.com/efunds_debit_report.htm) The information they maintain on an individual's credit score, along with his or her credit report, affects his or her ability to borrow money through financial institutions such as banks.

Did you know that for the last thirty years, creditors have been able to coerce payment out of their customers when they had nearly no money to pay, simply because of the credit reporting system?

**Value of High Credit Score**

If you're still concerned about keeping your high credit score, let's take a look at what it costs and what it gives in return, in other words, what is the value of a high credit score?

Let's put some numbers in the picture to make it real. Let's say you are \$40,000 in unsecured debt, mostly credit card debt. At 7% interest, even if you are paying \$1600 every month, it will take you 12 years and 9 months to pay off the debt. During this time you'll also pay out \$6568 in interest payments.

But what if you missed one of your many payments – even by one day? Universal Default will cause your interest rates to sky rocket to as much as 29%.

But what if the interest on the \$40,000 only goes to 18%? Keeping your monthly payments at \$1600, it will take 16 years and 8 months to pay it off – and you'll pay out \$22,338 in interest. That's your cost of maintaining your high credit score. It is a real number and a true cost. Is it worth it?

Maybe. It may be worth it if it returns something in exchange, right? So what does a high score buy you? The answer may startle you into realization. Listen closely. It buys you the ability to acquire more debt. And that's it. That's all you get from a high credit score. More debt, more interest payments, more headaches.

But you need that credit card, right? You have to buy things at the market, pay for airline tickets, hotels... you NEED that credit card.

### **No Interest in This**

No, you don't. Debit cards work the same as credit cards and THERE IS NO INTEREST CHARGE ON DEBIT CARDS. ATMs, stores, the grocery, airlines... they are all happily take your debit card just as they did your credit card. And after spending the same \$40,000 you're ahead by all that interest that you didn't have to pay.

But will you ever be able to use credit cards again once you have entered the APG DebtSol® Program. Of course! Will you ever be able to get a mortgage again? Of course!

Even with a lien in place you can still qualify for both credit cards and for mortgages. But why would you want to get into the credit card rut again? A mortgage? You will pay a few more points, just as you would have had you opted for bankruptcy. Plus, you are in control. Complete negotiations with your creditors, then take the lien off. You have the power. Bang. Instant uplift in your FICO, instant revival of your credit score and you are ... instantly able to return to ...PAYING INTEREST.

## Mod 9 Debt Settlement

### Typical Debt Settlement Programs

There are no other programs exactly like the **APG DebtSol®** Program, which makes it impossible to compare ourselves with competing products and services. Our multi-modular synergistic system is unlike any other. What we can do however is to compare ourselves with programs that are the “most like” our system and that would be programs within the Debt Settlement industry.

When you Google “Debt Settlement”, you will see that there are 4.75 million results. The industry is huge and represents a market that surpasses 1 trillion dollars in unsecured debt. This kind of market creates predators overnight. Now you not only have to deal with the bill collectors who are harassing you but all the so-called debt negotiation groups that want to provide “help”.

### Comparison Shopping

Let’s just take a quick look at the first 10 entries

**Wikipedia** – Even the encyclopedia entry is flawed. “Collection calls and lawsuits often push debtors into bankruptcy, in which case the creditor often recovers no funds. “ With the **DebtSol®** Program, the creditor recovers only what you are willing to pay, we receive collection calls for you and you are not pushed into bankruptcy.

**Debt Consolidation Care** – They call themselves a “get-out-of-debt community”. Would you like to live in a neighborhood where all your neighbors are in debt? They also think that settling for 40%-60% of the principal is a commendable savings. “An efficient settlement company can reduce the payable amount to 40% - 60% of your original amount.” The APG **DebtSol®** Program succeeds in realizing a 10% settlement or a dime on the dollar to your creditors. That’s what you call efficient settlement.

**DebtSettlementUSA** – They say that their program is “...actually quite simple.” They take your money every month and put it in an “account”. Then when the account gets to a certain percentage of your debt they negotiate with your creditors. They say that “...your current level of unsecured debt will be skillfully negotiated for you”. If their program were “skillfull”, you wouldn’t have to pay a monthly fee and you would only have to pay your creditors a dime on a dollar. This is the APG **DebtSol®** strategy.

**Financial Web** – Talks about going through personal bankruptcy. The only thing that the APG **DebtSol®** Program says about personal bankruptcy is that it will not happen if you follow our steps.

**Ben Franklin Debt Relief** – They sport a quote from Ben himself, “I’d rather go to bed without supper than rise in debt.” The APG **DebtSol®** Program never suggests that you or your family:  
1. Go to bed without supper or  
2. Worry about how much debt you are in. Ben Franklin also has the 40%-60% settlement deal for your creditors.

...7...8...9...10... All just about the same offering. Yadayadayada. You get the picture.

The APG **DebtSol®** Program is unique. It is such a well-researched and well-documented program that you deserve to look into it as the answer for your debt dilemma. We don’t just go after a debt settlement. Our system is a year long process. Each step has a specific objective

and purpose. Even the way you talk to creditors is scripted for you. Just take a minute and read the following. This is a dramatization of a phone conversation that someone who has been through our program recently had with a collection attorney. The name has obviously been changed.

### **Real Replies**

**Attorney:** Hello, I'm calling for Sam Jones.

**Debtor:** This is he

**Attorney:** Hello Sam, I'm calling in behalf of the bank to ask if we can reach a settlement and avoid a lawsuit.

**Debtor:** Sure, how much does the bank want?

**Attorney:** Well, we're looking at a current balance of \$8,312 plus costs; it could be more if there are additional fees from a lawsuit.

**Debtor:** Wow, okay, what is the current interest rate being charged by the bank?

**Attorney:** Uh, let me check... it's 33%.

**Debtor:** Okay, and what is the current legal interest rate allowed by the state for judgment liens?

**Attorney:** Why do you want to know that?

**Debtor:** You want a settlement right?

**Attorney:** Yes?

**Debtor:** This will help us arrive at an offer.

**Attorney:** Well, okay, the legal limit on a judgment lien in your state is 9%.

**Debtor:** Okay, so if you obtain a judgment lien against me, the interest rate on the account will drop from 33% down to 9%?

**Attorney:** I guess so, yes.

**Debtor:** Now, if I pay a lump sum cash amount to settle this, will I be subject to federal income tax for the unpaid balance like a friend of mine said he was on his settlement?

**Attorney:** Yes, I don't know about your friend's situation, but there will be a tax on the unpaid settled amount.

**Debtor:** So I pay your client now and then the government later? It doesn't sound like a good idea. I mean, if you get a judgment against me, my interest rate drops by 24% and I won't pay any additional taxes right?

**Attorney:** That is legally correct, but we could garnish your wages.

**Debtor:** Really? How much would you take if you could?

**Attorney:** I don't know, not many debtors ask that question. I do know that a wage garnishment is restricted by the Consumer Credit Protection Act.

**Debtor:** Never heard of that, can you explain?

**Attorney:** I cannot advise you of your rights but I know that my client can garnish as much as 25% of your take home pay, unless state law restricts it further.

**Debtor:** Hold on a second (pushes buttons on his calculator). You mean that if you could garnish my wages that would come out to less than my monthly payments before I stopped making them.

**Attorney:** (silence)

**Debtor:** Hello? Are we still talking about a settlement?

**Attorney:** Yes, sorry, I'm here. Yes, settlement, how much are you willing to pay to settle this?

**Debtor:** I'm willing to pay only what you're legally allowed to take. From what you're telling me, if I pay you nothing, you can reduce my interest rate by 24%, prevent additional taxes and lower my monthly payments. Is this correct?

**Attorney:** Well, yes but, you owe this money. You have a moral duty here.

**Debtor:** I believe I have a moral duty to take care of my family first. And now I understand that you have a contractual duty to lower my interest rate by 24%, help me avoid more taxes, and lower my monthly payments.

**Attorney:** (after a few moments of silence...) There are attorney fees and court costs.

**Debtor:** Okay, so the amount you want now will increase because of your fees involved with getting the judgment lien?

**Attorney:** Yes.

**Debtor:** Will that increase my monthly payments?

**Attorney:** Um, no.

**Debtor:** Were you aware that I am already subject to a substantial lien from another creditor?

**Attorney:** No.

**Debtor:** It's public record, didn't you check before calling me?

**Attorney:** Um, no, but that doesn't change anything.

**Debtor:** What do you mean?

**Attorney:** Just because you have another lien doesn't excuse you from paying my client.

**Debtor:** Okay, assuming you are correct, if you could proceed to garnishment, how much would your client garnish from my paycheck?

**Attorney:** I cannot answer that question.

**Debtor:** Why not?

**Attorney:** I cannot give you legal advice.

**Debtor:** Understood. I am not asking for legal advice. You want to settle this right? How much would your client take?

**Attorney:** It depends. How much are they garnishing your check for now?

**Debtor:** Garnishing my check? Do you not have my new address in North Carolina? North Carolina has consumer protection laws against wage garnishment.

**Attorney:** (call is disconnected)

**Debtor:** Hello? Are you there?

### **Objections to Debt Settlement**

There are five main objections to typical consumer debt settlement programs:

- Damages credit
- Increased collection calls
- Possibility of lawsuits
- Tax consequences
- Need to settle with all creditors

**Damages credit** -- anytime one chooses to not pay his or her monthly installments, credit will be damaged. The alternative is the high cost of maintaining that high credit score. Is it worth it to continue making those payments, to sacrifice one's money to continue to pay for something that only allows you to get more credit, to continue the downward spiral? Is it not better to pay the family first?

**Increased collection calls** – let us handle those for you. Our TeleGuard© program provides a professional answering service to take the pressure off of you and your family. In addition, our operators cannot provide sensitive data that you or your family members answering the phone could inadvertently do.

**Possibility of lawsuits** – in the US anyone can sue anyone else for anything. Creditors do sue, no question about it. Our system takes them through a maze of problems, making their collection costs “out of the normal range” and, therefore, making our clients less likely to be sued. Does it happen? Yes, it does. And we can complete all the required paperwork to see you through it – and see you through it successfully much of the time.

### **Tax consequences abound on debt relief**

Many people are not fully informed of the tax consequences resulting from a settlement agreement. This is one reason to avoid any settlement agreements directly with the original creditor. You will have to pay federal income tax on the difference between what they said you owed and the amount you paid to settle the account. This is known as imputed income. Here's how it works.

You negotiate with your credit card company to get your bill reduced from \$10,000 to \$5,000. You only have to pay Visa \$5,000, but the Internal Revenue Service is likely to tax you on the \$5,000 you didn't have to pay. If you are in the 30% tax bracket, that's \$1500 in taxes due. . A debt forgiven won't be forgotten by the IRS. They considers it earned and taxable income. In fact, your creditor will probably will send you a 1099 form detailing your miscellaneous income. Don't think you're free from the IRS if you don't get the form.

**Need to settle** – if a debt is not paid, it is never eliminated. There are hundreds of so-called “debt elimination” companies who falsely claim they can eliminate debts. There is only one actual way to do that – settle it, pay it off, take care of it. And the **DebtSol**® Program is the **ONLY** system available today that actually has a full plan of action to do so.

We not only have the ability to effectively settle with the collectors, our customers enjoy a full system – everything from our shielding their assets, to answering their collection phone calls, to responding to their collection notices, to the actual settlement negotiations, all the way through credit clean up. Here is the logical sequence of events:

Generally after 3 to 6 months of futile collection efforts the original creditor will charge off your account and sell it for pennies on the dollar to a third party collection company. You do not owe this third party anything, although these bill collectors will make you think that you do. When the collection calls begin, our operators answer the calls. We then use every legal means available to “wear down” this bogus “new creditor” making collection efforts too time consuming. They will soon begin sending “collection notices” which we will respond to correctly, returning the responses to you for signature and mailing.

Some will attempt to sue. Your Financial Shield will be in place making their efforts useless. They will simply move on to the next name on a long list of the weak and vulnerable. This places you in a position of power to settle with 3rd party companies. With the efforts from our attorney partners and the additional costs and efforts we have caused them, they are now more willing to settle for a significantly lower amount just to get rid of the case – a dime on a dollar.

Settling with them for 10% or less of the original debt does not incur debt relief from them – therefore there is no tax liability. Your debt is paid. You owe no imputed tax. **THIS IS DEBT ELIMINATION.**

## Mod 11 Debt Consolidation

### How about Debt Consolidation

We are sure that you have received those emails with subject line promises like:

**“CUT YOUR INTEREST RATES TO ZERO”  
“DEBT RELIEF IS JUST A CLICK AWAY”.**

Debt Consolidation does have a certain ring to it...doesn't it? It sounds like all your debt can be stuffed into one little neat package and by magic it becomes smaller. Somehow it becomes more manageable, more contained. Well, we don't mean to burst your bubble but Debt Consolidation is nothing more than another loan. You borrow money to pay off debt.

#### Easy to Get Myth

You dig a hole to fill up a hole. You still have the same amount of debt – plus probably some heavy closing costs, and you shift unsecured debt to secured debt, usually by pledging the equity in your home. What makes this seem attractive is the reduction in monthly payments. That suckers in many people – until they do the math.

The biggest myth about debt-consolidation loans is that they're easy to get. If you really need a loan, it's probably because you've already messed up your credit history and you are a credit risk. You will probably be suckered into believing that your monthly payment will be lower and end up paying astronomical interest rates.

Extending the payments over 20 to 30 years, which consolidation does, makes the total payout more than twice the amount. Even doing a net present value analysis will show that debt consolidation is a bad choice. In fact, it is the most expensive choice of them all. The reason that this option is so heavily advertised on television is due to the huge profits within the segment. A side note, in today's falling housing value market and tightening of credit, this option may be drying up.

#### Just More Bad Debt

Debt consolidation is another way to incur more bad debts to cover the real problem of your current bad debt. The sales pitch is that you can consolidate or group all your unsecured debts into one payment by attaching or securing a new loan against your home or other properties. This is simply another mortgage that requires you to give up your equity because of the loan amount, interest, and fees.

According to Chris Viale, general manager of a nonprofit credit counseling agency, seventy percent of Americans who take out a home equity loan or other type of loan to pay off credit cards end up with the same (if not higher) debt load within two years. These statistics underscore a major problem with debt consolidation: it feeds upon the tendencies that got you in trouble in the first place.

By taking on yet another creditor, you're adding the proverbial fuel to the fire. In this case, you are losing your home equity and could possibly lose your home should you find yourself in debt

trouble again in the future. If you've taken on so much debt that you're looking for more as a solution, chances are you won't qualify for the very low interest rates you see advertised. Those generally go to people with stellar credit ratings. In consolidating, you could lose your home! You cannot borrow your way out of debt.

## Who Can the APG DebtSol® Program Help?

### Resolve Your Debt

Unlike conventional debt settlement programs, which require clients to repay at least 40% of their total debts (and has income tax consequences on the forgiven portion), the **APG DebtSol® Program** saves our clients tens of thousands of dollars.

Of all the means and methods of resolving your debt burden, the one that stands out is **APG DebtSol®**. It is an attorney written and supported program that provides absolute protection from banks, credit cards companies, bill collectors, and other civil law suits.

The **APG DebtSol® Program** operates by creating a Financial Shield over which only you have control. This Shield then precludes any creditor such as a bank or debt collector from imposing any levy against your bank account or attaching your assets. It also protects any real estate equity you have. You can use the same shield to protect different properties throughout your state and in other states as well. Assuming we are the first in line, this will be a Superior Lien. It will not take precedence over liens previously filed or actions already in progress.

The best time to join the program is when you do not have current collection problems involving an attorney. This allows you to create the lien before anyone else without the risk of having to compete with other creditors. A newly placed lien can be overlooked by the courts if there is some aspect of a creditor's claim that supersedes it.

A law firm with over 30 years experience oversees the entire process in tax law. The lien filing should not take longer than six weeks to complete.

### For Those in Debt

The more unsecured debt you have, the more beneficial this program will be for you. To qualify, you should have in excess of \$25,000 in unsecured debt. This includes credit cards, lease agreements, hospital bills, debts left over from repossessions, and any third party debt collection efforts.

**The APG DebtSol® Program** is unique. There are no tax liabilities associated with this program. The program benefits will not directly protect your paycheck against federal or state income tax levies, or those involving student loans which are guaranteed by the Department of Education, child support, or alimony.

## **For Those Not in Debt**

Not only to protect you from creditors, the benefits of the **DebtSol® Program** extends to protection from all civil liabilities, such as slip and fall cases, malpractice cases, and any other civil suit. An example might be a family with teenage drivers who carry minimum amounts of insurance. Any accident with judgment above their minimums would involve civil liability. Similarly, a physician may wish to reduce his or her medical malpractice insurance to the minimums required to practice in his or her state or hospital.

## **The Process**

Immediately upon joining the Program, you will experience the benefit of being able to stop making unsecured payments. This will free available income to enable you to meet secured obligations such as home mortgages, car payments, child support or other court ordered payments, etc. Excess or disposable income can become available for investing.

Within six weeks the Shield will be in place. The process can then assume the natural flow of phases, such as stopping bill collection calls, responding to collection notices, preventing wage garnishment, etc. Each step is clearly outlined in the Member Section to which you will be directed with a secure pass code. Here your documents will be available. You will be able to track your progress through the system and obtain copies of all documents needed. We recommend printing those pertaining to your lien and retaining them in a safe place.

## **Lawsuit Defense**

The reality is that defending yourself from lawsuits is an option. However, ignoring them is not a wise choice. Therefore, included in the Member section are the documents you will need for your defense. This is a do-it-yourself section but includes easy-to-follow instructions. As an option, you may elect for our paralegals to prepare all your documents for you. The worst case scenario is that a creditor wins in court. What can they accomplish? They have an uncollectible judgment. They probably cannot garnish your wages or salary, they cannot legally attach your bank accounts, and they cannot force the sale of your properties. They have expended a great deal of money to obtain judgment and have little or nothing to show for it.

## **You Have the Power**

Once your creditors realize what has happened, they will also realize there is nothing they can do to collect money from you. You have usurped their power. You have nothing to fear from them. We recommend that our customers stay in their program for a year before proceeding to the final phase.

## **Debt Resolution**

The ultimate goal of any program is to resolve the existing debts. This means to eliminate them entirely. There are a limited number of ways to do this. Some programs will suggest that simply to force the creditor to go dormant is debt elimination. That is false logic. An ostrich does not eliminate danger by sticking his head in sand. You do not make debt go away by not seeing it. It must be resolved by either time or payment.

Each state has a statute of limitations. You may choose to wait it out by keeping your lien in place. This may mean as long as 14 year in some states; however, your lien may expire before than as most states have a limit on the number of years a lien may exist. It is usually a shorter time than the statute on debt.

### **Debt Settlement – On Your Terms**

A better solution is to deal with the creditor directly. Within a year they will have solid knowledge that they cannot extort money from you. You have taken away their power. It is now up to you to decide whom to pay, when to pay, how much to pay, or to not pay at all. We recommend attempting a debt settlement, but one on your terms and conditions. The creditors know they cannot force you to pay, they know they can win in court and still not collect a dime, they know you can choose to never pay them.

Approaching a creditor to eliminate this debt is a matter of a sales call – you are calling them. A possible scenario is as follows: “Mr. Creditor, you probably know that I have a large lien against me which I am unable to pay or get rid of. It is preventing me from being able to pay any of my creditors, including you. I have a plan that might help us both. Are you interested? If you will do two things for me, I will do something for you.

If you will guarantee me in writing that you will not send me a 1099 and that you will report my account as paid in full to the credit reporting agencies, I will send you 10% of what you say I originally owed. Is that fair? If you do not accept my offer, I will pay you nothing.” Upon receipt of their acceptance, a dime on the dollar has eliminated your debt.

Don't fee comfortable attempting that, or tried it and it didn't work? Then use the available option of having our attorneys do the negotiating for you. They're experienced, they're tough, and they can do the job for you. But it requires you to have been in our system. Read on.

### **If They Say No**

You still want to restore your credit; you still want to have a credit score above 700. As a member of the **APG DebtSol® Program** you have the option of cleaning up your credit report. It is an available option available only to our customers and at an added fee at the time of execution. Included at no extra fee is a complete section on how to d it yourself. Included are the step by step instructions you may follow. Or, once again, use the option of our legal team doing it for you. Experience pays.

### **The Complete Package**

The **APG DebtSol® Program** is a complete package of programs, ranging from the core event of providing the time-buffer to hold off your creditors, keeping them at bay without consequences through to defending yourself in court and repairing your credit. We offer a prevention plan from the fear of wage or salary garnishment.

We provide a complete set of forms, letters, and motions you will need to prevent and defend yourself from creditor suits. We can optionally restore your credit rating to above 700 and even show you how to eliminate your debts. In addition, we offer telephone answering and mail drop services as well as a response package to answer collection notices efficiently and properly.

There is not now nor has there ever been a more thorough or effective debt resolution program available to residents of the United States and Canada. This is as good as it gets.

## **HOW TO CONTROL YOUR CREDITORS©**

OK, now you're up on how you got here, how they seduced you into using all that credit, why your interest rates have skyrocketed... so now what do you do about it? The solution is here and it starts today. Why wait to take the steps necessary to clear up your financial situation? It is not going to get any better. We have the most intensive and complete program on the market to keep you on the right track.

***YOUR FIRST STEP: IF YOU HAVE A CHECKING AND/OR SAVINGS ACCOUNT IN THE SAME BANK THAT ISSUED YOUR CREDIT CARDS, DO THE COMMON SENSE THING: MOVE YOUR MONEY TODAY.***

This is common sense stuff but you would be surprised how many people don't think of it. Hundreds of people who have gone through the program admit they had never thought about that. They have used the same bank account and same credit cards for years and haven't realized that the bank just might not be their friend if they stop making their monthly payments. While the bank may not LEGALLY be able to freeze your account, they do it. Want to get it "unfrozen"? Take them to court. It'll take time and money – and you still might not get your money back. MOVE THE MONEY TODAY. This one simple tip will potentially save you thousands of dollars!!

### **Collection Calls? We Have the Answer.**

Next will come the phone calls. There are specific laws the bill collectors must follow. Did you know that they cannot legally call you before 8 in the morning or after 9 at night your local time? If they do, you can report them to your state's Attorney General. Problem is that you have to have their correct full name and mailing address. Good luck in getting that. Rarely, if ever, will they give you their full name – and the first name is usually bogus.

Surprisingly, they can call you on Saturday and Sunday. That's not illegal. They can also call you at work until you tell them that they can't – but you'll need to do that in writing as well. There are specific ways to handle those collection calls and we offer a professional service that handles them for you.

You don't have to be hassled at home, work or on your cell phone. It is not necessary to remember what you should or shouldn't say to bill collectors. Control Your Creditors© professional operators answer collection calls for you. You never have to have fear of telephone calls again. Our trained staff knows how to Control Your Telephone Calls.

### **Got Mail? We Respond!**

Next will come the Collection Notices. These are the demands for payment, even the Settlement Offers. You have to answer each of these correctly. Failure to respond – sticking your head in the sand – only makes matters worse.

To better protect yourself, you might try moving to a garnishment protected state if you are employed; unless that would cause you to lose your job. Or, perhaps get a mailbox in one of the four protected states and have your mail forwarded back to you. The very last thing you want to see happen is for you to be sued or to lose in arbitration to a law firm like Wolpoff and Abramson. They will move to garnish your wages and are generally successful.

**Control Your Creditors©** includes step-by-step instruction about responding to every possible document or correspondence you can ever receive from a creditor, collector, or any attorney or law firm. This is the most comprehensive and accurate publication of its kind. In fact, it's the only one of its kind.

**Control Your Creditors©** is based on a few key points. First, we never sue the creditor first, but you may file a counter suit to their lawsuit. This dramatically increases their costs of litigation, well beyond what they had anticipated in most cases. Next, we begin discovery with some very well written interrogatories and requests for admission. The course then shows you how to use their non-responsive or evasive answers, and even their good answers, to either have the case dismissed or force one of their employees into a deposition to cross examine the evidence. The course anticipates every trick the opposing attorney may try against you to avoid answering or not participate in discovery.

The most important part is to understand how to write a motion for summary judgment. In some cases, it is important to know how to respond to their motion for summary judgment. This is where the party filing the motion tries to win the case. The process is so well organized that while it might take a law firm with an attorney and two paralegals working together about ten hours to write one of these documents, **Control Your Creditors©** can show the most unsophisticated individual how to file a complete document in a turnaround time of several days and about one hour of reading. This is incredible. You will be walked through it step by step so that you involve the least amount of your time and achieve the greatest results. And we offer you a choice – do it yourself or let us do it for you.

**Control Your Creditors©** offers a response service for your convenience. Why take the chance that you might respond incorrectly or not respond at all? Subscribe to our collection response service to be assured that your notices are being properly answered and you are on your way to financial freedom. .

## **Debt Analysis**

Our debt analysis is unique. Most debt settlement services only want a way to get in touch with you so that sales people can begin their relentless pitches. We, on the other hand, have prepared a proprietary and sophisticated debt analysis questionnaire that will provide our counselors with an in-depth look into your financial situation. By having taken the few minutes to complete this short analysis, we will have a very good idea of the products and services that will help you. It is absolutely free and is the only questionnaire of its kind in the marketplace today.

Take advantage of the Debt Analysis so you will have a clear picture of your potential risks. You should also take advantage of our Answer and Response Services. Our preparing the correct responses, letters, and motions will help you stay out of court or improve your chances of success should you have to go.

You can **Control Your Creditors©** but it is tough without professional help. We are here to assist you. Get in touch with us today. Call 800/488-2051 Ext. 80. A consultant is ready to answer your questions and to assist you in getting started.