# Native American Law & Justice Center
# Word In Action Ministry
# Ecclesiastical Court Of Justice

54-250 Honomu Street Hau-ula, HI 96717, USA
Rendezvous for Court Hearings, Law College, Seminars
USA: Tel: 626-428-7669 ~ 808-781-1505
www.scripturalaw.org ~ scripturalaw@yahoo.co.uk

**A STATUS REPORT**

**By Judge Aidun N.C. Naidu**

**IN RESPONSE TO AN ENQUIRY REGARDING PROJECT FINANCING.**

## QUOTABLE QUOTES

"The study of money, above all fields in economics, is the one in which complexity is used to disguise truth, or evade truth, not to reveal it" (John Kenneth Galbraith, 1908-2006, world-renowned economist, authored a popular trilogy on economics with *American Capitalism, The Affluent Society, The New Industrial State*).

"*Money can neve be a safe and dependable devie in a society made up of people ignorant of its nature*". (Norman Angel, winner, Nobel Peace Prize, 1933).

"*Did you expect a corporation to have a conscience, when it has no soul to be damned and body to be kicked*". (Edward Thurlow, Lord Chancellor, 1731-1806).

"*The selfish spirit of commerce knows no country, and feels no passion of principle but that of gain*". (Thomas Jefferson, 1743-1826, 3rd US President)

"*…the most enlightened judicial policy is to let people manage their own business in their own way*".[(Justice Oliver Wendell Holmes, Jr. in Dr. Miles Medical Co. v. Park & Sons Co., 220 U.S. 373, 411 (1911)]

## CAVEAT

The author of this document unequivocally affirms that all information, details, data, and particulars contained in this Status Report are gleaned and collated from extensive reports and research papers related to the disciplines of history, political science law, economics, banking, and international finance.

The author strongly advises persons to conduct their own study and research on Asset Enhancement Programs (AEP's), and Project Financing Protocols (PFP's), as this Status Report is purely for educational purposes.

Persons interested in acquiring knowledge of finance and weath-building mechanisms are urged and encouraged to read and study — extensively - such disciplines as aphnology (the science of wealth); cambistry (science of exchange in international finance); autarky (economic self-sufficiency of a country); agiotage (study of stock speculation); and other related subjects in economics, finance, law, political science and sociology.

## SUGGESTED READING/BIBLIOGRAPHY


- *The Theft of Nations — Returning to Gold*, by Ahamed Kameel Mydin Meera, Pelanduk Publications, Malaysia;

- *Secrets of the Temple,* by William Greider, which outlines a comprehensive study of the inner workings of Federal Reserve, the central bank of the United States of America;

- *The Bankers: The Next Generation; The Builders: New Breed on Wall Street, Conflict of Interest: The Broker/Dealer Nexus; The Money Bazaars: Understanding the Banking Revolution Around Us; Markets — Who Plays, Who Risks, Who Gains, Who Loses; Whatever Happened to Madison Avenue; The Greatest Ever- Bank Robbery: The Collapse of the Savings and Loan Industry; The Bankers: The Next Generation*; by Martin Mayer (Guest Scholar, Economics Studies Program, The Brookings Institution).


## INTRODUCTION

Records indicate that, following the end of World War II, the world's leaders representing developed and emerging economies, met at Bretton-Woods in New Hampshire, U.S.A., sometime in the fall of 1945, and innovated a new wave in economics and finance. This groundbreaking innovation, and strategy, spawned the use of credit as an asset, and the innovative use of assets, including currency money. Some scholars say that the Keynesian theory of macro-economics and micro-economics espoused a revolutionary thinking in wealth-building parameters. The Keynesian theory literally told the consumer that if you cannot afford something, buy on credit. In the old days, you cut your coat according to your cloth. The Keynesian paradigm debunked the traditional thinking of the ancients. We are probably in a mess today because of this brazen approach to the use of money and credit, which by all accounts is spinning out of control.

Assets were meant to include real estate, precious metals, promissory notes, the entire gamut of commercial paper, stocks, bonds, futures, options, and debentures, and other documentary credits such as bank guarantees, letters of credit, certificates of deposits, medium-term notes (mtn's), standby letters of credit, and real estate investment trusts (reit's). These can be cumulatively called Asset Based Instruments (ABI).

## RATIONALE

All banking institutions, investment houses, and lenders, and others similarly situated in financial markets are always wary of risk. The risk is not restricted to failed loans alone, but often encompasses risk of recession, inflation, devaluation, fluctuations and manipulations in the money markets, political upheavals, bearish stock market reactions, and artificial machinations often operated by insiders.

The idea is to reduce, and if possible, eliminate risk. It is almost akin to betting on a horse race where there is only one horse running, therefore, what are the chances of that one horse losing?

Is it possible, then, that these Asset Enhancement Programs AEP's are designed to safeguard your ABI without any risk? Makes perfectly good sense.

A random survey and study of a publication called *Portfolio International*, based on *Standard & Poor's Micropal*, listed leading 100 offshore funds, and recorded the returns on USD 100.00 over 12 months, offer to offer, income reinvested. The best return recorded was that of Park Place Intl D Equity which paid out USD 1,172.74; while the last place went to GAM Brasilia, which paid out USD 268.74.

These are impressive figures by any measure.

## MODUS OPERANDI

An asset based instrument (ABI) is used to leverage its worth and value in an AEP. After all, why sit on an asset when it can be utilized as an investment to create wealth.

The mechanism works, we have learnt, is as follows:

1. The asset owner places his asset in an European bank with an AA-

rating or better. The asset must be worth at least USD 3 million.

2. The account is opened in this European bank and placed under the control of the asset owner for a fixed period of time.

3. The asset owner enters into a contractual relationship with an AEP Provider after he/she seeks one out following his/her due diligence. (NOTE: The AEP Provider usually does NOT advertise or market the AEP, which does not mean it is covert and below the radar, so to speak. It is usually a strictly confidential matter between seeker and provider)

4. The bank where the ABI is placed issues the asset owner evidence and proof that an account is opened, unencumbered, and not to be depleted by the asset owner for a fixed period of time.

5. This proof and evidence of such account is then handed over to the AEP Provider by the asset owner, who thereafter prepares a series of documents that are signed and sealed and exchanged between both parties. A due diligence fee is payable by the asset owner to the AEP Provider. This fee is refundable IF the AEP Provider is unable to perform.

6. After forty weeks, the asset owner earns a lucrative return WITHOUT the ABI or funds leaving his/her bank account. The asset owner may nominate a receiving bank for these returns.

## FREQUENTLY ASKED QUESTIONS REGARDING AEP's

1. **So how much can I earn or make, say if I placed USD three million in one of the AA-rated or better European banks?**

   ***Answer****: Talk to your AEP Provider, if you can find one, and you will have a great smile on your face. Reports indicate it is extremely lucrative given the fact that there are no perceivable risks.*

2. **Is there any risk involved?**

   ***Answer***: *The only risk is if the AEP Provider does not perform, which is MOST unlikely. In any event, your asset/funds never left your bank account because it is under your control, and in your name.*

3. **Can I expect to get paid every week for forty weeks?**

   ***Answer***: *The AEP Provider can arrange for this to happen.*

4. **So, let's say I placed the USD one million in the European bank on April 2, 2007. When can I expect to earn the profits?**

   ***Answer***: *Allow for 7 weeks after which you will reap the benefits. Your returns will commence on the 2nd week of May, 2007 and continue for another 40 weeks.*

5. **What about taxes?**

   ***Answer***: *Check with your tax accountant or attorney. If you do not have such professional assistance, the AEP Provider may be able to direct you to professionals in Europe or the USA who handle such matters.*

6. **Is all this real?**

   ***Answer***: *The truth undergoes three phases: first, it is ridiculed; next it is violently opposed; ultimately, it is accepted as self-evident (Arthur Schopenhauer)*

7. **Is it possible to talk to some of the people who have participated in AEP's to obtain a feedback?**

   ***Answer***: *Usually, they will want to remain anonymous for obvious reasons.*

## PROJECT FINANCING PROTOCOLS (PFP)

PFP's are usually the mechanism used by project owners who seek financing for their projects in excess of USD 10 million. These projects range anywhere from real estate development to construction of bridges, dams, and highways; agricultural and industrial development, manufacturing, shipping, aviation and its related industries, etc.

Again, the lenders are wary of risk. In the 1980's, lenders were in quandary when they began foreclosing on real estate, buildings, factories, equipment, homes, and farms because of failed loans. The element of risk became a nightmare for lenders. The lenders suddenly found themselves owing tangible properties, and being forced to get fifty cents on the dollar.

Project financing is designed to drastically reduce risk because of specialized mechanisms set in place. See below. So, a primary bank and a secondary bank step in.

Their first qualification for any Project Owner to become eligible for PFP is to have anywhere from a good to an excellent working relationship with his or her bank or lending institution.

## Modus Operandi

1. The Project Owner presents his Business Plan to the PFP Lender, and remits a due diligence fee of USD 500,000.00 (USD five hundred thousand) for the PFP Lender's actuaries, accountants, and attorneys (3-A Team) to study, review, evaluate, and analyze the Business Plan's earning capacities, and the attendant profitability capabilities.

2. The Project Owner is expected to obtain a MT760 documentary credit from his bank or financial institution (primary bank). The MT760 is essentially funds placed in a blocked account in the Project owner's bank or financial institution. Blocked funds means, the Project Owner cannot utilize these funds.

3. If the Project Owner is unable to secure a MT760, then the PFP Lender may obtain one on his behalf. <u>But, in this scenario, the due diligence fee increases to USD one million</u>.

4. The PFP Lender now backs the Project Owner's MT760, that is, if the Project Owner's bank has agreed to issue one, with a Bank Guarantee, from a secondary bank, with a face value of ten percent of the blocked funds. For example, if the MT760 is for USD50 million, the PFP Lender places a USD55 million Bank Guarantee. Risk is assumed by the PFP Lender. The primary bank is assured of the assumption of the risk by the secondary bank. The PFP Lender, at this point in time, is satisfied with the Project Owner's Business Plan as approved by his 3-A Team.

5. The MT760 is then placed in an AEP <u>WITHOUT</u> the funds leaving the bank.

6. The funds for the loan requested for by the Project Owner are deposited in a bank of the Project Owner's choice every week for 40 weeks, or sooner

depending on the specific program, and the needs of the Project Owner.

7. The PFP Lender pays the Project Owner's bank for the MT760, and retrieves the Bank Guarantee. All fees and costs are borne by the PFP Lender.

8. The Project Owner then prepares separate documents to repay the loan to the PFP Lender WITHOUT the payment of interest. The Project Owner is required to spread out the payment of principal only over a certain period of time, usually ten years. The PFP Lender will require at least 25% equity stake/position, based on net earnings, in the Project Owner's business until the loan is repaid.

## CONCLUSION

As mentioned earlier, this Report is based on years of research and discovery. The reader is, again, urged and encouraged, in the immortal words of Mr. Lee Kuan Yew of Singapore, to check, recheck, and cross-checks all his or her facts in efforts to understand the ramifications of wealth-building, investments, and project financing.