In The United States Court of Federal Claims

ROBERT SIMMONS :
4382 Cleveland Ave.
San Diego, CA 92103 :

Plaintiff, : Case No. ___________________

THE PEOPLE OF THE UNITED STATES :

BULLOCK COUNTY, ALABAMA, :
2nd District, Barry Moore
307 Elm Street : Judge ______________________
Troy, AL 36081
PERRY COUNTY, :
GREENE COUNTY, ALABAMA,
7th District, Terri Sewell :
908 Alabama Avenue
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KUSILVAK CENSUS AREA, ALASKA,
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2nd District, Elijah Crane
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LINCOLN COUNTY,
SEARCY COUNTY,
FULTON COUNTY,
IZARD COUNTY, ARKANSAS,
1st District, Eric Crawford
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TRINITY COUNTY, CALIFORNIA,
2nd District, Jared Huffman

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BENT COUNTY COLORADO,
4th District, Ken Buck
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WINDHAM COUNTY, CONNECTICUT,
2nd District, Joe Courtney
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2nd District, Neal Dunn
300 South Adams Street
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UNION COUNTY, FLORIDA,
3rd District, Kat Cammack
5550 111th NW Boulevard
Gainesville, FL 32653
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5th District, John Rutherford
4130 Salisbury Road
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GLADES COUNTY,
DESOTO COUNTY, FLORIDA,
17th District, Greg Steube
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CHARLTON COUNTY,
LIBERTY COUNTY, GEORGIA,
1st District, Earl “Buddy” Carter
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CLAY COUNTY,
CALHOUN COUNTY,
STEWART COUNTY, GEORGIA,
2nd District, Sanford Bishop
323 Pine Avenue, Suite 400
Albany, GA 31701
TELFAIR COUNTY,
WILCOX COUNTY, GEORGIA,
8th District, Austin Scott
127-B N. Central Ave.
Tifton, GA 31794
JOHNSON COUNTY, GEORGIA,
10th District, Mike Collins
100 Court Street
Monroe , GA 30655
JENKINS COUNTY,
WHEELER COUNTY, GEORGIA,
12th District, Rick Allen
50 E. Main Street
Statesboro, GA 30458

HAWAII COUNTY, HAWAII,
2nd District, Jill Tokuda
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MADISON COUNTY, IDAHO,
2nd District, Michael Simpson
802 West Bannock
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PULASKI COUNTY, ILLINIOS,
12th District, Mike Bost
205 East Harnett Street
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CRAWFORD COUNTY, INDIANA,
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9th District, Erin Houchin
321 Quartermaster Court
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3rd District, Zachary Nunn
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CLAY COUNTY,
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KNOTT COUNTY,
BREATHITT COUNTY,
FLOYD COUNTY, KENTUCKY,
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5th District
WOLFE COUNTY, KENTUCKY,
6th District, Andy Barr
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CLAIBORNE PARISH, LOUISIANA,
4th District, Mike Johnson
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EAST CARROLL PARISH,
TENSAS PARISH, LOUISIANA,
5th District, Julia Letlow
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2nd District, James McGovern
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Northampton, MA 01060

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QUITMAN COUNTY,
ISSAQUENA COUNTY, MISSISSIPPI,
2nd District, Bennie Thompson
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7th District, Eric Burlison
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8th District, Jason Smith
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BLAINE COUNTY, MONTANA,

2nd District, Matthew Rosendale
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4th District, Steven Horsford
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McKINLEY COUNTY, NEW MEXICO,
3rd District, Teresa Leger Fernandez
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NOBLE COUNTY, OHIO,
6th District, Bill Johnson
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2nd District, Josh Brecheen
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2nd District, Cliff Bentz
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15th District, Glenn Thompson
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PROVIDENCE COUNTY, RHODE ISLAND,
2nd District, Seth Magaziner
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ALLENDALE COUNTY, SOUTH CAROLINA,

6th District, Pawtucket Office
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TODD COUNTY,
JACKSON COUNTY,
MELLETTE COUNTY,
OGLALA LAKOTA COUNTY,
BUFFALO COUNTY,
ZIEBACH COUNTY, SOUTH DAKOTA,
At large District, Dusty Johnson
230 S Phillips Avenue
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HANCOCK COUNTY, TENNESSEE,
1st District, Diana Harshbarger
205 Revere Street
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BLEDSOE COUNTY, TENNESSEE,
4th District, Scott DesJarlais
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LAKE COUNTY, TENNESSEE,
8th District, David Kustoff
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13th District, Ronny Jackson
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15th District, Monica De La Cruz
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PRESIDIO COUNTY,
DIMMIT COUNTY, TEXAS,

23rd District, Tony Gonzales
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STARR COUNTY, TEXAS,
28th District, Henry Cuellar
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HIDALGO COUNTY,
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34th District, Vincente Gonzalez
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1st District, Blake Moore
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2nd District, Chris Stewart
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SAN JUAN COUNTY, UTAH,
3rd District, John Curtis
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Becca Balint
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DICKENSON COUNTY,
LEE COUNTY, VIRGINIA,
9th District, Morgan Griffith
17 West Main Street
Christiansburg, VA 24073

FERRY COUNTY, WASHINGTON,
5th District, Cathy Rodgers
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McDOWELL COUNTY,
WEBSTER COUNTY,
WYOMING COUNTY, WEST VIRGINIA,
1st District, Carol Miller
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MENOMINEE, WISCONSIN,
8th District, Mike Gallagher
1702 Scheuring Road
Suite B
De Pere, WI 54115

NATRONA COUNTY,
NIOBRARA COUNTY, WYOMING,
Harriet Hageman
2120 Capitol Avenue, Suite 8005
Cheyenne, WY 82001

Plaintiffs,

v.

THE UNITED STATES GOVERNMENT

(And all its independent and dependent bodies)

BOARD OF GOVERNORS of the FEDERAL RESERVE SYSTEM,
20th Street and Constitution Avenue N.W., Washington, DC 20551

FEDERAL NATIONAL MORTGAGE ASSOCIATION,
1100 15th Street NW
Washington, DC 20005

FEDERAL HOME LOAN MORTGAGE CORPORATION,
8200 Jones Branch Drive
McLean, VA 22102-3110

Defendants.

COMPLAINT

Now comes the people of the United States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, the Commonwealths of Kentucky, Massachusetts, Pennsylvania and Virginia, and the District of Columbia by and through their underserved districts, counties, and municipal corporations, and respectfully allege as follows:

INTRODUCTION

1. This is a civil action filed by Robert Simmons against the defendants, whose direct actions and inactions helped generate massive foreclosures in his community; instead of keeping community members in their homes, the principal defendant chose to break with established precedent from past financial crises and resell 95% of the foreclosed properties under its possession to outside investment groups, often for 30-50% under market value. Many of these groups were subsidiaries of the investment banks that helped cause the collapse of the economy, through deceptive loan origination, servicing, securitization, and bankruptcy practices, for which guilt has already been determined and fines assessed. Nevertheless, the defendants chose to invest taxpayer money in these groups, who subsequently created subsidiary Real Estate Investment Trusts able to outbid the local community for all available foreclosures, with full cash offers thousands of dollars above the asking price. Across the country, 10 million former homeowners became 9.4 million new renters, whereupon these investment groups began driving up rental prices to secure larger and larger “returns on investment;” in the Plaintiff’s community, median monthly rent rose from $1,059 in 2012 to $3500 in 2023; according to the Bureau of

Labor Statistics CPI inflation calculator, cumulative inflation for this period is 34.6%, indicating that the current cost of monthly rent should be $1,425.50, not $3500, which represents an cumulative inflation rate of 230%. The allegations described below will establish causation between defendant actions and inactions and the current hyper-inflation of the U.S. housing market, which gives judicial standing still ripe among 44 million renters now suffering under the inelastic demand of unaffordable shelter, including the Plaintiff.

a. As debtors punished by the decision of this court through **United States, et al. v. Bank of America Corp., et al.**, No. 13-5112 (D.C. Cir. 2014), The People of the United States, under the All Writs Act, 28 U.S.C. Section 1651(a), wish to enter newly discovered evidence, as well as legal defenses which were available to the Court but were not utilized at the time. Pursuant to Federal Rule of Civil Procedure 19, the following parties are joined in this complaint for their role in violations of Constitutional Articles, Amendments, Statutes, and Interpretation: United States Congress, United States Supreme Court, the Federal Reserve, the U.S. Department of Justice, Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

b. Concurrent jurisdiction is applicable, pursuant to 42 U.S.C. §§ 2000e - 2000e17 (1964, as amended), and has been applied to seek both declaratory judgement and injunctive relief.

c. Biological Economics, upon which the principles of Natural Law are derived, informs us that the underlying will of all eukaryotic lifeforms is to communicate. History represents a transcript of these communications, which conveniently repeat themselves until people are ready, willing, and able to hear them. The Federal Reserve crashed the economy in 1929; public banks HOLC and RFC provided Equal Protection, and Pub. L. 73–66, 48 Stat. 162

(1933) detached Wall Street from Main Street. through Pub. L. No. 106-102, 113 Stat. 1338, Section 101 (1999), the two became reattached, turning Wall Street and Main Street once again into similarly aggrieved groups tied together by the illegal origination, servicing, foreclosure, and bankruptcy procedures of the same debt obligations. The U.S. District Court for the District of Columbia weighed the harm done to all Americans against those who did the harm, and failed to balance its decision with respect to Constitutional Law, government accountability or responsibility, or by the standards of hierarchal economic Darwinism—the so-called "free market" economics—designed to naturally weed out the less fit; in this way, history continues to repeat itself to the present day, providing ample standing, justiciability, and ripeness to the following claims.

2. As described in the allegations below, the principal defendant knowingly taxed and spent outside the Constitutional boundaries of General Welfare, Common Defense, and Equal Protection set for it. Congress, The Federal Reserve, and HUD had the capacity to act and did not. The Justice Department and the Attorney General only managed 11 criminal referrals, 2 criminal prosecutions, and 0 convictions among the thousands of consumer protection, loan origination and servicing, foreclosure processing, and False Claims violations. Defendants Fannie Mae (FNMA) and Freddie Mac (FHLMC), while under government conservatorship, appointed commercial real estate investment bankers to CEO positions and proceeded to transfer all foreclosed single-family homes to private investment groups. Among all defendants, the misinterpretation and misapplication of Congressional Money Powers was a major factor in a cascading series of unconstitutional actions and inactions.

1. JURISDICTION

1. This court has jurisdiction over this matter pursuant to 28 U.S. Code § 1491(a) 1:

"The United States Court of Federal Claims shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort."

2. PARTIES

1. This action is brought by Robert Simmons, on behalf of similarly associated American citizens and residents who seek injunctive relief and restitution for civil violations of the consumer protection laws within their State.

Plaintiff, Robert Simmons, resides at 4382 Cleveland Ave.
(Street Address)

San Diego, CA 92103, 619-253-1285
(City, State, ZIP Code) (Telephone Number)

2. Defendant United States of America is a corporation bound by principles of Natural Law established within its Constitutional Charter (1789). It is headquartered in Washington D.C.

3. Defendant Board of Governors of the Federal Reserve System is currently the main governing body of the United States monetary system, created by an Act of Congress on December 23, 1913 (12 U.S. Code § 226).

4. Defendants FNMA (the Federal National Mortgage Association) and FHLMC (the Federal Home Loan Mortgage Corporation are Government-Sponsored Enterprises (GSEs) that have been placed in conservatorships since 2008, where they still remain the property of the American taxpayer, but without the restriction of serving their general Welfare.

3. PREVIOUS LAWSUITS. There are **NO** other lawsuits filed with the United States court of

Federal Claims.

4. STATEMENT OF THE CLAIM

I. RELEVANT BACKGROUND

A. Overview of Relevant Actions Taken by Principal Codefendant (United States of America)

1. United States, et al. v. Bank of America Corp., et al., No. 13-5112 (D.C. Cir. 2014).

1. Through this suit, The Federal Government managed to secure a favorable judgement against private banks engaged in unfair and deceptive loan servicing practices, foreclosure processing, loan origination, and bankruptcy misconduct (28 U.S.C. §§ 2201 and 2202), without establishing guilt on the part of anyone, meanwhile agreeing to release many of its claims to secure the final settlement. The suit further alleged that Banks violated the False Claims Act [31 U.S.C. § 3729(a)(1)(A), (a)(1)(B), (a)(1)(C) and (a)(1)(G) (2009), and 31 U.S.C. §3729(a)(1), (a)(2), (a)(3) and (a)(7) (1986)], the Financial Institutions Reform, Recovery and Enforcement Act of 1989 [12 U.S.C. § 1833A (FIRREA)], and the Servicemembers Civil Relief Act [50 U.S.C. APP. §§ 501, ET SEQ.] The judgement only managed to set aside $25 billion in pooled money for any “material violations... demonstrated with respect to individual loans.” There is no clear record of money being paid out of this settlement, although there is evidence that claimants were denied settlement because certain boxes were not checked properly on claims, and other similar technicalities.

2. The Troubled Asset Relief Program (TARP)

2. Passed by the U.S. Congress in October 2008, TARP allocated $700 billion in purchasing power to the U.S. Treasury; eventually, $498 billion was used to rescue distressed corporations directly involved in the housing crisis, and indirectly affected by its aftermath.

Similarly, ten million Americans were directly involved in the housing crisis (by losing their home to foreclosure), and nine million more were indirectly affected by losing their jobs.

3. The Home Owners' Loan Corporation (HOLC)

3. Passed by the U.S. Congress and signed into law on June 13, 1933, the HOLC was a government-sponsored corporation created to refinance home mortgages currently in default, to prevent foreclosures and keep Americans in their homes during the financial crisis of that period. Historically, the HOLC also ended up raising issues of Equal Protection, when the corporation shifted to a role in expanding home buying opportunities around 1938; ‘residential security maps’ were drawn to assess lending risks, ‘redlining’ certain neighborhoods, which consequently favored one group of homeowners over another. Action is still pending on these violations.

4. The Glass-Steagall Act

4. Passed by the U.S. Congress in 1933, this banking act effectively separated commercial banking from investment banking. In 1999, Congress passed the **Financial Services Modernization Act** (Gramm-Leach-Bliley Act), which eliminated Glass-Steagall's restrictions against affiliations between commercial and investment banks, which served as the catalyst for the next 24 years of private banking misconduct.

5. Fannie Mae (FNMA), **Freddie Mac (FHLMC), and Ginnie Mae (GNMA)**

5. Passed by the U.S. Congress in 1938, the Federal National Mortgage Association (Fannie Mae) was another act intended to keep Americans in their homes, by providing steady funds and a new type of loan that was long-term, with fixed rates. The agency began to issue mortgage-backed securities (MBS) in the 1980s. In 1970, Congress established the Federal Home Loan Mortgage Corporation (Freddie Mac) to service smaller banks within communities,

to help alleviate issues of redlining caused prior to the Civil Rights Acts of the 1960s. Although Fannie Mae and Freddie Mac are government-sponsored home mortgage companies created by the United States Congress, neither originates or services its own mortgages any longer. Instead, they buy and guarantee mortgages issued through lenders in the secondary mortgage market.

6. In 1968, Fannie Mae was converted to a privately held corporation, allegedly to remove its activity and debt from the federal budget. The government arm of this mechanism was retained (and renamed the Government National Mortgage Association, or 'Ginnie Mae'), to guarantee FHA-insured mortgage loans as well as Veterans Administration and Farmers Home Administration insured mortgages. Thus, Ginnie Mae allegedly became the only home-loan agency explicitly backed by the full faith and credit of the United States government. The 1968 HUD Act gave HUD regulatory authority over Fannie Mae, including authority to require that it devote a reasonable portion of mortgage purchases to low- and moderate-income housing.

7. In 1977, The Community Reinvestment Act attempted to remedy earlier issues of Equal Protection by increasing the ratios of all GSEs loan portfolios to include more low- and moderate-income borrowers in distressed inner-city areas. Efforts were increased in 1992, with the Housing and Community Development Act, to hold GSEs to affordable housing goals set by HUD. Fannie Mae came under similar pressure again in 1999.

8. Since the 1980s, mortgages have been typically "pooled" to create investment vehicles and sold to investors who own a share of the payment streams generated when borrowers make their principal and interest payments.

6. The Reconstruction Finance Corporation (RFC)

9. Passed by the U.S. Congress in 1932, the Reconstruction Finance Corporation Act loaned or invested $50 billion into the U.S. economy directly from the U.S. Treasury, because

private banking had collapsed by late 1929, and did not fully recover until around 1953; this made it impossible for private banks to originate larger loans to critical sectors of the economy. By 1957, when the real economy finally stabilized, the private sector called for and successfully had this program disbanded, as it did with the First and Second Banks of the U.S.

7. The Servicemen's Readjustment Act (the G.I. Bill)

10. Passed by the U.S. Congress in 1944, the Servicemen's Readjustment Act of 1944 provided a range of benefits for one group of returning World War II veterans, such as college tuition, low-cost home loans, and unemployment insurance. The original G.I. Bill, which expired in 1956, also came under the scrutiny of Equal Protection because it favored one group of servicemen over others.

B. Timeline of Relevant Events During the Financial Crisis

1. In 1998, The Federal Reserve dropped the interest rate, and extra money flowed into a dot.com tech bubble that burst by 2002. During each boom-and-bust cycle, created when the Fed alters the interest rate on private money creation, more financial wealth gets transferred away from one group—who generally must labor for their income—to another group—who already possessed enough excess financial wealth to initiate the 'bubble.'

2. In 1999, Congress passed the **Financial Services Modernization Act**, which allowed commercial and investment banks to again work in tandem.

3. In 2004, regulatory restrictions were dropped so that Fannie Mae and Freddie Mac could take on more subprime loan risk. Meanwhile, the Fed dropped the interest rate to 1% by April of that year, kickstarting a mortgage-backed security business where subsidiary commercial banks originated loans, parent investment banks securitized them, AIG worked upfront to insure it all, and credit rating agencies assured investors that these risky ventures were "safe money investments."

4. In 2005, when the boom accelerated, Wall Street was forced to dig below the subprime limit set for Fannie and Freddie to find mortgages to purchase, so began to originate and underwrite loans themselves. Approximately $1 trillion—or 72% of the loans made—were from 25 sources alone.

5. Through this period between 2004 and 2007, a house flipping business grew such that 8.2% of all loans (as many as 19% in some communities) were generated simply to resell quickly; this is because the loans being originated were perfect for anyone who planned to sell the house immediately rather than live in it more than a few years; while these entrepreneurs helped Wall Street to acquire more loans to securitize, the loans proved predatory to low-income borrowers, who were rarely informed about the hazards of short-term adjustable-rate loans. A third group also formed, as hundreds of independent mortgage companies sprung up to originate loans for Wall Street to securitize. At least 169 companies were doing business in 2006 and gone by 2007.

6. As housing prices began to inflate, and loan origination increased, the Federal Reserve again altered the fed funds rate substantially, from 1% in April 2004 to 5.26% by July of 2007, which effectively shut down housing demand and consequently dropped the asking price of all houses. This caused the house flippers to walk away from their no-money down investments, while true homeowners were left with adjusted monthly payments they could no longer afford.

7. In 2008, the Federal Government initiated the Troubled Asset Relief Program to rescue the Financial Sector; $498 Billion in federal taxpayer money was handed out. Among those rescued were corporations that originated, serviced, and securitized subprime loans; 21 of the top 25 subprime lenders were financed by banks that received Federal bailout money. Twenty of these no longer exist; most were not banks, so could not take deposits, but were instead capitalized by Wall Street directly. Eight of the top 10 were Wall Street banks that received bailout money.

a. Citigroup: $25 billion (TARP), $20 billion (U.S. Treasury Department's "targeted investment program"), $5 billion (U.S. Treasury Department's backstop on asset losses), as well as guaranteed protection from losses on $306 billion in assets.

b. Wells Fargo: $25 billion (TARP)

c. Bank of America: $45 billion (TARP) ($10 billion went to Merrill Lynch Before Bank of America acquired them)

d. AIG: $187 billion (loans, government investment, Federal Reserve purchases)

e. JPMorgan & Chase (Chase Home Mortgage) $25 billion (TARP)

f. Morgan Stanley: $10 billion (TARP)

g. Goldman Sachs: $10 billion (TARP)

h. U.S. Bancorp: $6.6 billion (TARP)

i. Capital One Financial: $3.57 billion (TARP)

8. The New York Fed created Maiden Lane LLC to buy $30 billion of financial instruments ('toxic assets') from Bear Stearns, that JPMorgan was unwilling to take on. The New York Fed then created Maiden Lane II LLC and Maiden Lane III LLC to support the $182 billion rescue of AIG. Maiden Lane II bought mortgage-backed bonds from AIG's insurance subsidiaries, while Maiden Lane III purchased securities from AIG's business partners to cancel any obligation to insure them against eventual losses. These were known as "backdoor bailouts" because they are not counted with the Federal Government's TARP totals; these bailouts also helped Goldman Sachs Group Inc. and Société Générale; the rescue of AIG was thought to be crucial to stop a total collapse of the global economy; for this reason, the Federal Government took over temporary ownership of AIG from late 2008 until 2013.

9. From late 2008 through late 2014, the Federal Reserve authorized three rounds of large-scale asset purchases (quantitative easing), which included U.S. Treasury securities, mortgage-backed securities from Fannie Mae, Freddie Mac, and Ginnie Mae, and direct debt obligations from Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. The Fed eventually came to hold an extra $9 trillion in debt on its balance sheet.

10. By late 2008, the Federal Government had placed Fannie Mae and Freddie Mac in conservatorship, then began to sell off its 200,000 repossessed houses in various short sales, offering 30-50% below market price. This created the next investment vehicle for those with excess money: the Real Estate Investment Trust (REITs). What were once mortgage company subsidiaries turned into Real Estate investment companies that could buy up foreclosures and rent them out; unlike homeowners, tenants who did not pay rent could be evicted for someone who did. Prices immediately jumped on rentals all over the country to secure REITs the maximum return on investment possible. Rents and housing prices once again soared to over 100% of their 2010 value, which has squeezed private ownership out of the market, as well as forced renters to move where demand is lower, and Wall Street does not look to invest. This is problematic because employment drives agglomeration, which fuels housing demand, which stimulates Wall Street outbidding private owners by buying up properties with cash. This trend is predicted to cause a complete housing monopoly in the next 10 years, but also drive further unemployment.

a. By December of 2011, the U.S. Treasury had committed over $183 billion to support these now-government-supported enterprises. Ultimately, $200 billion in taxpayer support was needed.

b. The CEOs for Fannie and Freddie were both dismissed, and Herbert M. Allison and David M. Moffett were hired to replace them. Allison was the former Vice Chairman of Merrill Lynch and current Chairman of TIAA at the time (84^{th} largest corporation in America third largest commercial real estate manager in the world). Moffett was the former Vice Chairman and CFO of US Bancorp (both Merrill Lynch and US Bancorp received TARP money).

II. STATEMENT OF FACTS

A. Banks engaged in unfair and deceptive practices involving Loan Origination and Servicing, Loan Modification, Loss Mitigation, Foreclosure Processing, and Bankruptcy Procedures. Submitting False Claims against the Federal Government falls under 18 U.S.C. § 371, Conspiracy to Defraud the United States, and 18 U.S.C. § 641 and 18 U.S.C. § 644, Embezzlement of Public Funds, for which no statute of limitations has been set.

34. United States, et al. v. Bank of America Corp., et al., No. 13-5112 (D.C. Cir. 2014) established that in the period leading up to the Financial Crisis of 2007-2008, Banks in every state had violated consumer protection laws.

35. Pursuant to HUD regulations and FHA guidance, FHA-approved mortgage lenders and their servicers are required to engage in loss-mitigation efforts to avoid the foreclosure of HUD-insured single family residential mortgages. E.g., 24 C.F.R. § 203.500 et seq.; Mortgagee Letter 2008-07 ("Treble Damages for Failure to Engage in Loss Mitigation")

(Sept. 26, 2008); Mortgagee Letter 1996-25 ("Existing Alternatives to Foreclosure -- Loss Mitigation") (May 8, 1996). Thus, when acting as a servicer, the Banks were required to refrain from foreclosing on any FHA insured mortgage where a default could be addressed by modifying the terms of the mortgage or other less-costly alternatives to foreclosure were available.

36. Under the Treasury's various rescue and stimulus programs, the Banks received monetary incentives from the Federal government in exchange for the commitment to make efforts to modify defaulting borrowers' single family residential mortgages. See, e.g., Making Home Affordable Handbook v.1.0, ch. 13 ("Incentive Compensation") (Aug. 19, 2010). Under the programs, the Banks agreed to fulfill requirements set forth in program guidelines and servicer participation agreements.

37. Banks regularly conduct or manage loan modifications on behalf of the entities that hold the loans and mortgages and that hired the Banks as servicers; nevertheless, Banks violated federal laws, program requirements and contractual requirements governing loss mitigation while servicing and overseeing mortgage loans. The Banks' failure to discharge their required loan modification obligations, and related unfair and deceptive practices, included failing to perform proper loan modification underwriting, losing of loan modification application documents, wrongfully denying modification applications, providing false or misleading information to consumers while referring loans to foreclosure during the loan modification application process, failing to respond to borrower inquiries, initiating foreclosures where the borrower was in good faith actively pursuing a loss mitigation alternative offered by the Bank, failing to provide accurate and timely information to borrowers who needed—and were eligible for—loss mitigation services (including loan modifications), falsely advising borrowers that they

must be at least 60 days delinquent in loan payments to qualify for a loan modification, misleading borrowers by providing false or deceptive reasons for denial of loan modifications.

38. FHA regulations and guidance and HAMP and other MHA servicer participation agreements establish requirements to be followed in the foreclosure of single-family residential mortgages that are FHA insured, or where the servicer conducting the foreclosure is an MHA participant.

39. Banks violated FHA and MHA foreclosure requirements in the course of their conduct, management, and oversight of foreclosures, and engaged in a pattern of unfair and deceptive practices, which included failing to properly identify the foreclosing party, charging improper fees related to foreclosures, preparing, executing, notarizing or presenting false and misleading documents, filing false and misleading documents with courts and government agencies (including affidavits, declarations, certifications, substitutions of trustees, and assignments), use of "robosigning" by third parties on behalf of the Banks to push through false information within affidavits that were not properly notarized in accordance with applicable state law, misrepresenting the identity, office, and legal status of the affiants executing these foreclosure documents, inappropriately charging for the servicing costs, all while failing to communicate with borrows during the foreclosure process.

40. Banks in every State engaged in a pattern of unfair and deceptive loan origination practices, such as encouraging borrowers to enter into unaffordable mortgage loans that led to increased foreclosures in each State. Through the FHA's Direct Endorsement Program, the FHA approves lenders, called Direct Endorsement Lenders (DE Lenders), which have the responsibility and obligation for underwriting a loan and determining whether a proposed mortgage is eligible for FHA insurance according to FHA rules and requirements; both the

underwriter and DE Lender certify compliance with FHA requirements in submitting the loan for mortgage insurance, and the FHA relies on the underwriter's and DE Lender's certifications and due diligence as evidence of the insurability of a mortgage.

41. DE Lenders are responsible for all aspects of the mortgage application, the property analysis, and loan underwriting. The FHA relies on DE Lenders to determine (1) a borrower's ability and willingness to repay a mortgage loan, 24 C.F.R. § 203.5(d), and (2) appraisal of the property offered as security. 24 C.F.R. § 203.5(e)(3). Careful compliance by DE Lenders with all FHA requirements is important in part because if a borrower defaults on an FHA-insured mortgage, the holder of the mortgage can submit a claim to the FHA for any loss associated with the defaulted mortgage.

42. DE Lenders have a duty to the FHA to act with the utmost good faith, to exercise sound judgment and due diligence on behalf of the FHA in endorsing mortgages for FHA insurance (see 48 Fed. Reg. 11928, 11932, Mar. 22, 1983), to comply with the current versions of governing FHA Handbooks and Mortgagee Letters, including HUD Handbook 4155.1, Mortgage Credit Analysis for Mortgage Insurance on One- to Four-Unit Mortgage Loans, HUD Handbook 4155.2, Lender's Guide to the Single-Family Mortgage Insurance Process, and HUD Handbook 4150.2, Valuation Analysis for Single-Family One- to Four-Unit Dwellings.

43. Mortgage lenders who participated in HUD's Direct Endorsement Program (such as Countrywide) failed to comply with underwriting requirements when underwriting mortgage loans to first-time and low-income home buyers and to low- income homeowners refinancing mortgages, that were insured by the FHA, an agency within HUD. In exchange for having the authority to originate and underwrite FHA-insured loans, Countrywide was obligated to determine whether prospective borrowers meet minimal credit-worthiness criteria and to certify

to HUD that borrowers who received loans met the criteria, because the FHA has guaranteed payment of the outstanding portion of the mortgage principal, accrued interest, and costs owed by the borrower, should any FHA-insured loan originated by DE Lenders goes into default,

44. During the period 2003 through April 30, 2009, Countrywide knowingly failed to comply with HUD regulations and requirements of the Direct Endorsement Program governing the origination and underwriting of FHA-insured loans. As a result, the FHA has thus far incurred hundreds of millions of dollars in damages with respect to claims paid for loans that Countrywide knowingly made to unqualified borrowers. Additionally, thousands of the Countrywide loans are currently in default and have not yet been submitted as claims to the FHA. Meanwhile, the Bank of America attempted to submit claims for payment to the FHA with respect to FHA-insured mortgage loans originated and underwritten by Countrywide in contravention of HUD regulations and the requirements of the Direct Endorsement Program, all during this same period from 2003 through April 30, 2009.

45. Additionally, DE Lenders ignored a pattern of early payment defaults, which are mortgages that go into default (i.e., are more than 60 days past due) within the first six payments of the mortgage. To qualify as a DE Lender, reviewal of early payment defaults, which may indicate problems in the underwriting process, are a requirement within their Quality Control (QC) Program; failure to identify and report early payment defaults to the FHA is a violation of the FHA's QC requirements. Banks also submitted and secured claims for insurance benefits pertaining to FHA loans that the Banks endorsed or underwrote as a participant in the FHA's Direct Endorsement Program, falsely certifying they had implemented applicable QC measures when they had not.

46. Per Rule 9011 of the Federal Rules of Civil Procedure, Banks and/or their agents

have made inaccurate, misleading, false and unreasonable representations contained in proofs of claim under 11 U.S.C. § 501, as well as motions for relief from the automatic stay under 11 U.S.C. § 362, filed proofs of claim, motions for relief from stay, or other documents that failed to include documentation required under the Federal Rules of Bankruptcy Procedure, but for which Banks or their agents nevertheless sought principal, interest, fees, escrow amounts, and/or advances that they were not legally entitled to collect, and were in excess of what is collectable under the loan documents, inconsistent with an approved loan modification, and required itemizations for principal, interest, fees, escrow amounts, and/or advances.

47. Further, Banks or their agents commenced collection activities against the debtor or the debtor's property without court authorization, or in violation of the terms of a confirmed chapter 13 plan, the discharge injunction under 11 U.S.C. § 524, or the automatic stay under 11 U.S.C. § 362; filing proofs of claim, motions for relief from stay, or other documents that inaccurately represented or failed to document ownership of the claim or right to seek relief, yet commenced collection activities seeking to recover debts that had already been paid or satisfied, including through a refinance of the debt, a sale or short sale of the collateral, as well as attempting to collect attorney's fees and other charges for preparation and filing of proofs of claim, motions for relief from stay, and other documents that Banks ultimately withdrew or a court denied, that were not validly notarized, failed to provide required notices to debtor, trustee, or the court indicating changes in interest rates and/or escrow charges, fees, and expenses assessed or incurred after the petition date.

48. Use of these bankruptcy procedures also resulted in the Banks seeking inappropriate relief from debtors under the Bankruptcy Code, including under 11 U.S.C. §§ 362 and 501, and in violation of 11 U.S.C. § 524.

49. Because financial firms responsible for servicing single family mortgages failed to determine the military status of borrowers consistently and accurately during the foreclosure process, they engaged in a pattern and practice of violating servicemembers' rights under the SCRA, including, foreclosing upon mortgages without required court orders on properties that were owned by service members who, at the time, were on military service or were otherwise protected by the SCRA, and who had originated their mortgages before they entered into military service in violation of 50 U.S.C. App. § 533; consequently, the Banks failed to file an accurate affidavit stating that service members who had not entered an appearance in a civil action involving a foreclosure were at the time in military service or otherwise protected by the SCRA in violation of 50 U.S.C. App. § 521;

50. Banks wrongfully charged interest rates in excess of 6 percent per annum to servicemembers who were on military service or otherwise protected by the SCRA on mortgage debts that were incurred by servicemembers or servicemembers and their spouses jointly before servicemembers entered military service and after servicemembers had made valid requests to lower their interest rates, as provided for by the SCRA. In many cases, affected servicemembers had not waived their rights under a separate agreement, as provided for by the SCRA, 50 U.S.C. App. § 527, and thus suffered damages and are aggrieved persons under the SCRA, 50 U.S.C. App. § 517.

51. Through the filing of **United States, et al. v. Bank of America Corp., et al.**, No. 13-5112 (D.C. Cir. 2014), the principal defendant managed to secured a $25 billion settlement against the private banking industry, with allegations that they engaged in unfair and deceptive loan servicing practices, foreclosure processing, loan origination, and bankruptcy misconduct (28 U.S.C. §§ 2201 and 2202), as well as violated the False Claims Act [31 U.S.C. § 3729(a)(1)(A),

(a)(1)(B), (a)(1)(C) and (a)(1)(G) (2009), and 31 U.S.C. §3729(a)(1), (a)(2), (a)(3) and (a)(7) (1986)], the Financial Institutions Reform, Recovery and Enforcement Act of 1989 [12 U.S.C. § 1833A (FIRREA)], and the Servicemembers Civil Relief Act [50 U.S.C. APP. §§ 501, ET SEQ.] The consent judgement was reached in less than a month and resulted in $25 billion in fines pooled together from among the defendants for any "material violations... demonstrated with respect to individual loans." There is no clear record of money being paid out of this settlement, although there is evidence that claimants were denied settlement because certain boxes were not checked properly on claims, and other similar technicalities. In exchange for the appearance of a win by state district attorneys, several allegations were dropped and if a clear verdict was rendered, there is no obvious public record of it. The 49 state attorney generals were clear about the conduct of the Banks during the crisis, however:

a. "The Banks implemented and relied on inadequate bankruptcy procedures and thereby have prejudiced debtors, creditors, including the United States, and the courts in bankruptcy cases...violated the standards of conduct required of creditors by applicable law, including the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, or have caused violations of such law... The Banks' unlawful conduct has resulted in injury to the United States and to debtors in bankruptcy who have had their home loans serviced by the Banks. The harm sustained by such debtors includes payment of improper fees and charges, unreasonable delays and expenses in their bankruptcy cases, and loss of homes due to improper, unlawful, or undocumented foreclosures. The harm sustained by the United States includes reduced and delayed recoveries to the United States in its capacity as a creditor in bankruptcy cases. Such conduct has also caused the United States to assume increased administrative duties in monitoring bankruptcy cases, and to incur expenses in the investigations and litigation of the Banks' unlawful conduct."

B. Financial Crisis Inquiry Commission Report findings

46. In 2007, the five major investment banks—Bear Stearns, Goldman Sachs, Lehman Brothers, Merrill Lynch, and Morgan Stanley—were operating with leverage ratios as high as **40 to 1**, meaning for every \$40 in assets, there was only \$1 in capital to cover losses; much of their borrowing was short-term, in the overnight market—meaning the borrowing had to be renewed every day. At the end of 2007, Bear Stearns had \$11.8 billion in equity and \$383.6 billion in liabilities and was borrowing as much as \$70 billion in the overnight market. By the end of 2007, Fannie Mae and Freddie Mac, the two home mortgage companies created by Congress, had a combined leverage ratio (loans they owned and loans they guaranteed) stood at **75 to 1.**

52. Nearly one-quarter of all mortgages made in the first half of 2005 were interest-only loans. During the same year, 68% of "option ARM" loans originated by Countrywide and Washington Mutual had low- or no-documentation requirements.

53. According to the FCIC's conclusions, the financial crisis was avoidable; it was the result of human action and inaction. The Federal Reserve was the one entity with the capacity to set prudent mortgage-lending standards; they did not. The Federal Reserve Bank of New York could have clamped down on Citigroup's excesses in the run-up to the crisis; they did not. Policy makers and regulators could have stopped the runaway mortgage securitization train; they did not. The Office of the Comptroller of the Currency and the Office of Thrift Supervision, at odds with each other, preempted state regulators from acting to rein in abuses.

54. From 1999 to 2008, the financial sector expended \$2.7 billion in reported federal lobbying expenses; individuals and political action committees in the sector made more than \$1

billion in campaign contributions. This created a political ideology where everyone knew there was extreme risk, but regulators lacked the authority to override the system, and often did not downgrade the safety rating of institutions until their collapse was imminent. Meanwhile, Congressional members who benefitted from financial industry money did their part to weaken regulatory constraints on institutions, markets, and products.

55. Between lobbying Congressional members and personally investing in them—through campaign contributions—the defendant banks legally spent $114 million in exchange for $295 billion in eventual Congressional bailout money. The Treasury used $254 billion of this bailout money to purchase $176 billion in toxic assets from these favored corporations, effectively giving bailed out banks a 31% ROI, a hidden taxpayer subsidy, by paying $78 billion above then-market value for assets that nobody else would have purchased; the financial relationship between powerful Congressional members and the Banks potentially violates 18 U.S.C. §203 and 18 U.S.C. §208, yet no government representative has been formally Investigated. However, because $1.6 billion of the government tax money used to bailout Banks wound up in the pockets of top executives against the terms of the TARP agreement, this money constitutes more embezzlement of public funds under 18 U.S.C. § 641 and 18 U.S.C. § 644, for which no statute of limitations exists.

C. Crimes of Omission Committed by Defendants

56. Failure to perform a legal duty when one has the capacity to do so is a substitute for the commission of a defined offense when the harm done is the same; causation must be established, however.

57. The Federal Reserve was the one entity capable of altering overall mortgage-lending standards when they were seen to be toxic (under 12 U.S.C. § 371); it had the capacity to

to make real estate loans "to protect the credit rights of consumers," but failed to act.

58. The Department of Justice failed to appoint Trustee in Bankruptcy under 42 U.S.C. § 2000e. 28 U.S.C. § 586 and 11 U.S.C. § 101, et seq., to protect the victims of predatory loans, loan origination and servicing.

59. The Attorney General failed to initiate a civil rights complaint, though there was reasonable cause to believe that certain groups had been denied rights granted by the Fair Housing Act [42 U.S.C. 3613 SEC. 813. (e) and 42 U.S.C. 3614 SEC. 814. (a)(b)(d), H. R. 7152 TITLE II SEC. 206. (a)(b), 42 U.S.C. 2000e et seq.], especially considering that the bar of "general public importance" had easily been cleared.

60. The Secretary of HUD also failed to initiate a civil rights complaint under 42 U.S.C. 3610 SEC. 810 (a)(c) and 42 U.S.C. 3612 SEC. 812 (a), 42 U.S.C. 3613 SEC. 813 (a)(c), 42 U.S.C. 3614–1 SEC. 814A (c).

61. Overall, $30 trillion in monetary wealth was lost from the global economy during the period from 2008 to 2014, and the Justice Department, set up since the 1980s to generate criminal referrals for suspicious banking activities, only managed to make 11 referrals, 2 criminal prosecutions, and no convictions in the 2007-2008 financial crisis, compared to 30,000 referrals, 1,000 prosecutions, and 800 convictions in the Savings and Loan crisis of the 1980s. Federal Reserve interest rate hikes drove these smaller savings and loan banks underwater on their investments, because they were only allowed to offer fixed-rate mortgages; no one called out the Federal Reserve for helping remove the competition for commercial private banking interests during that crisis. In the period leading up to 2007, commercial banks freely offered high-interest adjustable-rate mortgages to lower-income Americans, so that this time the homes of lower income Americans went underwater instead; in both cases, Federal Reserve policy

failed to control employment, inflation, or long-term interest rates, the only tasks for which—by its own admission—Congress created it out of thin air. Its record since 1913 indicates that it is more successful at precipitating financial crises than assuaging them. Again, no one called out the Federal Reserve for successfully removing the competition for commercial private banking interests, whose new enterprise is the ownership of single-family residential homes previously owned by lower-income Americans.

D. Failures to Spend Toward Equal Protection and General Welfare

62. Evidence indicates that the typical white-owned bank was ten times more likely to receive TARP money in the CDCI program than a black-owned bank; this violates areas of Equal Protection pursuant to 42 U.S.C. § 3604, Per 42 U.S.C. § 3605, and Per 42 U.S.C. § 3608, as well as through the following provisions of law:

(a) title VI of the Civil Rights Act of 1964;

(b) title VIII of the Civil Rights Act of 1968;

(c) section 504 of the Rehabilitation Act of 1973;

(d) the Equal Credit Opportunity Act;

(e) section 527 of the National Housing Act;

(f) section 109 of the Housing and Community Development Act of 1974;

(g) section 3 of the Housing and Urban Development Act of 1968;

(h) Executive orders 11063, 11246, 11625, 12250, 12259, and 12432; and

(i) any other provision of law which the Secretary specifies by publication in the Federal Register for the purpose of this subsection.

63. Overall, government action and inaction violated Const. ArtI.S8.C5.1, Const. ArtI.S8.C2.1, Const. ArtI.S10.C1.2, U.S. Const. amend. V, § 2 and U.S. Const. amend. XIV, § 1,

cl. 3.

1. Failures of the Government Conservatorship of Fannie and Freddie

64. Congress passed the Housing and Economic Recovery Act (HERA) in 2008; under the Federal Housing Finance Regulatory Reform Act, a sub-act under HERA, the Federal Housing Finance Act (FHFA) was created to oversee Fannie Mae and Freddie Mac, and all the banks within the Federal Home Loan Bank (FHLB) system, which include 80% of U.S. lenders—thrift institutions, credit unions, insurance companies, commercial banks, and other financial institutions—who utilize nearly $7.2 trillion in funding. Additionally, the Financial Stability Oversight Council (FSOC) was assigned to oversee the FHFA while it oversaw everyone else.

65. It was the FHFA who decided to place Fannie Mae and Freddie Mac into conservatorship; it dismissed both CEOs and instead appointed Herbert M. Allison to run Fannie Mae, and David M. Moffett to oversee Freddie Mac. Allison was a former Vice Chairman of Merrill Lynch; he had spent the prior eight years as Chairman of TIAA (84th largest corporation in America and third largest commercial real estate manager in the world). Moffett was the former Vice Chairman and CFO of US Bancorp. Both Merrill Lynch and US Bancorp received TARP money. New Fannie Mae CEO Allison had expertise in large commercial real estate transactions, not private real estate ownership.

66. Overall, Fannie and Freddie received nearly $200 billion from the U.S. Treasury. To pay back this loan, newly appointed CEOs Allison and Moffett auctioned off the 200,000 foreclosed homes in its possession; 95% of those foreclosures were paid for in cash by new private-equity firms known as Real Estate Investment Trusts, created by Wall Street for this very purpose, often for 30 to 50 percent below their current market price. In 2010, REITs were non-

existent in the single-family rental home business; by 2012, thirty such entities had been created. By 2012, 42% of all nationwide residential sales were paid for in cash.

67. Using the same strategy as the American Healthcare System, REITs—as major providers of rental housing—were able to utilize economies of scale to drive prices up rather than down. Through targeted purchases, REITs secured a 'controlling interest' in specific housing markets within California, followed by the cities of Phoenix, Atlanta, Las Vegas, Sacramento, Miami, Charlotte, and Denver. Wherever homes were purchased outright for cash, it cost surrounding homeowners $1000s in raised property taxes. This virtual inflation allowed REITs to drive up real rental prices on their tenants; in some cases, these tenants were the former owners themselves. 9.4 million people transitioned from foreclosed homeowner to potential REIT tenant through this process; to maximize REIT shareholder return on investment, tenants were responsible for all the expenses of a homeowner, without the privilege of home ownership. Thus, the medieval model for the direct transfer of wealth from laborer to landowner was reestablished.

a. Blackstone Inc., the world's largest hedge fund at $10 trillion, utilizes 54.3% of its capital to invest in real estate, through its Invitation Homes REIT, which at its height owned 82,500 homes; besides top shareholders (and bailout recipients) JP Morgan and Merrill Lynch, the fund has investors from Qatar and Korea, the Cayman Islands, and several shell companies located in California. In 2017, Fannie Mae issued Invitation Homes a $1 billion loan. Also in 2017, Freddie Mac loaned former President Trump's son-in-law Jared Kushner a 10-year, $849 million interest-only loan to buy 18 large apartment buildings. OptiGo, a recent Freddie Mac subsidiary, is helping companies purchase apartment buildings, to further the private interest in real estate ownership paid for by lower middle-class renters.

b. Notably, at the height of high-risk loan origination, the defendant banks had funded as many as 169 non-bank lending organizations (several in Calabasas, California) that were capitalized by the defendant banks in 2006, but were gone by 2007. Logically, this money switched from loan underwriting to directly purchasing foreclosures. Countrywide Financial Corp., a mortgage banking firm which generated $97.2 billion in subprime loans, relied on credit agreements with a variety of parties, including Bank of America, JPMorgan Chase & Co., and Citicorp USA, among the biggest TARP recipients. Ameriquest Mortgage Co. was also capitalized with private money and generated $80.6 billion in subprime loans; Citigroup bought up Ameriquest in exchange for $25 billion from TARP, $20 billion from the U.S. Treasury Department's "targeted investment program," $5 billion from the U.S. Treasury Department's backstop on asset losses) as well as guaranteed protection from losses on $306 billion in assets. Long Beach Mortgage Company issued its own securities underwritten by Washington Mutual. New Century Financial generated $75.0 billion in subprime loans; it was a Real Estate Investment Trust (REIT) supported by $14.1 billion in credit from major TARP recipients Bank of America, Bear Stearns, Citigroup, and Morgan Stanley.

c. FHFA statistics show that between 2003 and 2006, Fannie and Freddie dropped from underwriting 55% of U.S. loans to 35% by 2006; 5% of Fannie and Freddie borrowers had below-average FICO credit scores, compared to 30% for Wall Steet borrowers. Overall, mortgages financed by Wall Street during the crisis were delinquent 4.5 times more than mortgages backed by Fannie and Freddie.

68. Wall Street corporations helped capitalize Nonbank Mortgage Companies

(NBMCs) who then originated adjustable-rate loans to financially vulnerable home buyers; these NBMCs then sold the risky loans off to Fannie, Freddie, and Ginnie Mae. When payments became delinquent, those servicing the loans demonstrated a clear pattern of aggressively seeking foreclosure in disregard for HUD, FHA, MHA, HAMP, and SCRA regulations put in place to prevent such a takeover.

a. Former Treasury Secretary Steven Mnuchin, for example, along with several other investors, bought the toxic debt from defendant IndyMac of California, renamed the bank OneWest, then foreclosed on more than 35,000 California homeowners, collecting government subsidies for each home.

69. Because federal government took control of Fannie Mae and Freddie Mac, recapitalized them with taxpayer money, then put Wall Street bankers in charge of them, they must be held accountable for agency choices to sell foreclosed homes to private equity firms instead of keeping the original owners in them, a precedent established in the 1930s. The recent $60 billion purchases of foreclosed homes by Wall Street investors demonstrates that Wall Street investors and GSEs are still committed to work together toward the direct and sustained transfer of wealth from the laboring class to their financial owners, in contravention of founding Constitutional principles. Further, clear causation can be established between these government decisions and the inflation of property taxes and rent in every State. Because this use of government taxing and spending favored absentee owners of real estate over occupants, it violates both the Equal Protection and General Welfare Clauses.

2. Failures of the Federal Reserve

70. The Federal Reserve is an instrument of the U.S. government, operating within the government, and created by an Act of Congress to perform the following functions:

a. supervise and regulate banking institutions, and to address the problem of bank panics (wherein 400 banks failed between 2008 and 2011);

b. protect the credit rights of consumer (wherein 10 million Americans lost their homes in the crisis, due to the inability of the Federal Reserves to supervise and regulate banking institutions);

c. maximize employment (wherein 9 million Americans lost their jobs during the crisis);

d. stabilize prices, including prevention of inflation (wherein Fed policy ultimately tripled the price of real estate since the crisis);

e. keep long-term interest rates moderate (wherein the Federal Reserve raised the fed fund rate from 1% to 5.26% in the period from May 2004 to March 2007 —forcing subprime low-income borrowers to pay an interest rate of 11.26% or higher— which burst the housing bubble that Federal Reserve policy had initially helped create, starting in 2001, when Wall Street burst the dot.com bubble, showing a clear pattern that Fed policy is designed to provide avenues of opportunity for the wealthy to invest and nothing more);

f. maintain the stability of the financial system and contain systemic risk in financial markets (wherein the U.S. mortgage industry collapsed the entire global economy);

f. alleviate financial crises (wherein evidence only shows that the Fed helps cause financial crises; whether it alleviates them after they occur calls for speculation).

71. The Federal Reserve is the one entity capable of altering overall mortgage-lending standards when they are seen to be toxic; under 12 U.S.C. § 371, the Federal Reserve has the

authority and capacity to make, arrange, purchase or sell real estate loans, but failed to exercise that capacity to promote the General Welfare or secure Equal Protection. As an agency created by Congress, housed within federal government, and operating as an instrument of U.S. government, it Constitutionally should be made to operate under the umbrella of the Equal Protection and general Welfare clauses, in which case it has violated Const. ArtI.S8.C5.1, Const. ArtI.S8.C2.1, U.S. Const. amend. V, § 2 and U.S. Const. amend. XIV, § 1, cl. 3 for its action and inaction during the Financial Crisis and up to the present day;

a. albeit, a court ruling which clearly establishes that privately-created money is not issued under the Money Powers would necessarily rest all of the above allegations squarely on the Federal Government, for unequally bailing out private corporate entities over similarly situated private citizens, in violation of Equal Protection laws.

3. The Failures of Congress

72. Through ArtI.S8.C5.1, ArtI.S8.C2.1, and ArtI.S10.C1.2, both the Constitution and the interpretation of the Constitution by the Supreme Court has authorized Congress to regulate every phase of United States currency. Congress may charter banks, fill them with Treasury notes capable of circulating as legal tender, create money to pay its bills on the credit of the United States, restrict the circulation of notes not issued under its authority, and even impose a tax on any notes circulated by state-chartered banks; every contract issued for the payment of money is bound to the constitutional money powers granted to government through Congress.

73. Congress has been granted further money powers through ArtI.S8.C1.2.1, which authorizes it to lay and collect Taxes, Duties, Imposts and Excises; importantly, the Constitution limits Congressional spending of all monies, whether created or collected, to those areas that provide for the common Defense and promote the general Welfare of the entire United States

corporate body. This stipulation is not a restriction, it is a guide to ensure Congress serves only those areas where the public interest fully intersects; possessing a means of stable shelter, appropriately, is one of those areas.

74. Congress has violated its sovereign Money Powers:

a) Money created by private banks is not an extension of the Congressional power to coin money or regulate its value; 36 U.S. 257 (1837) makes clear that Congress cannot regulate private banks or their privately created money, which can only be true if private money is not an extension of the Congressional Money Powers, as enumerated in ArtI.S8.C5.1. National Bank v United States [101 U.S. 1 (1879)] again asserted that a state or municipality "has no right to put its notes in circulation as money…as a circulating medium. Such a use is against the policy of the United States."

b) Implicit in these rulings is that if no Constitutional article or Supreme Court interpretation condones private money creation, or ties it to the Congressional Money Powers, Congress would not be responsible for reimbursing private banks with taxpayer money (which can only be spent toward the common Defense or general Welfare) should any private money creation scheme falter. Through apparent ignorance of this fact, Congress further violated ArtI.S8.C1.2.1;

c) Per Title VI, 42 U.S.C. § 2000d et seq., "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." When Congress federally financed the private banking industry during the Financial Crisis, through spending $295 billion in taxpayer money to prop it up, it opened itself up to violations of SEC. 601.

d) As a comparison, Equal Protection was correctly interpreted through 12 U.S. Code § 1811, which establishes reimbursement for those who deposit their money in private banks because banks invariably use deposited labor-created money as leverage for private money creation schemes, which occasionally fail through no fault of the depositor. Similarly, 12 U.S.C. §§ 1461-1468 (establishing the Home Owners' Loan Corporation of 1933) correctly interpreted Congressional Spending Powers by implementing taxpayer money to protect the victims of foreclosure during the Great Depression, which was caused by the risky behavior of Wall Street investment banks, just as in the Financial Crisis of 2007-2008.

e) 15 U.S.C. §§ 601-613b (Suppl. 2 1934), the Reconstruction Finance Corporation of 1932, was another government corporation created to promote the general Welfare by disseminating the Congressional Money Powers. Modeled after another Congressional example, the US War Finance Corporation of World War I [15 U.S.C. §§ 331-373 (1925)], the RFC was a National Public Bank administered by the government; it provided financial support wherever it was needed until the mid-1950s, when the Federal Reserve System was finally deemed stable enough to not warrant government intervention. The RFC remains through being merged into the Federal Deposit Insurance Corporation (FDIC).

f) The War Finance Corporation [15 U.S.C. §§ 331-373 (1925)], the Home Owner's Loan Corporation [12 U.S.C. §§ 1461-1468], and the Reconstruction Finance Corporation [15 U.S.C. §§ 601-613b (Suppl. 2 1934)] are all government entities designed to utilize Congressional Money Powers toward the Equal Protection and general Welfare the way the founders intended the Money Powers to operate (in the spirit of the

First and Second Bank of the United States); all three of these were implemented by Congress after the creation of the Federal Reserve, because the Federal Reserve does not create Constitutionally backed money, and was never designed to serve the general Welfare or provide Equal Protection; therefore, the Federal Reserve is not a viable substitute for these government institutions. Regrettably, these institutions are only created by Congress once the private sector fails and the American people suffer.

g) In the Financial Crisis—when the private sector once again crashed the economy—the federal government proceeded to refinance the private sector, in unprecedented fashion, apparently so that they might fix the problem they created; it is this decision for which the people seek relief, which has no statute of limitations because the financial damages of this decision are still accruing, through the continued transfer of wealth, rental and property tax inflation, and taxpayer indebtedness.

75. United States government is founded on principles of Natural Law, which are economic principles, therefore United States government was instituted to manage economics; this is the only purpose of government, and the only area for which the people seek relief (there is no political question in this case, government has a responsibility which lies outside the realm of politics). Negative externalities—such as the housing crisis—indicate systemic flaws within the economic model being utilized and would logically signal the need to seek alternative approaches. Instead, government has utilized taxation to create a large insurance fund for the victims of private sector economics. As such, the cost of government has ballooned past what the taxpayers can afford, averaging $1.5 trillion a year over-budget since the Financial Crisis began. Taxpayers paid $197 billion for interest on the National Debt in 2010; the interest payment in 2023 is currently $656.7 billion a year.

76. Natural Law asserts that labor is the only source of value creation. For example, income tax represents labor-created value. Bank deposits, upon which private banks typically leverage private money creation, also represents labor-created value. The National Debt is money created by Congress; when the money is created to pay for labor, it makes that portion of the National Debt legitimate money. In economic downturns, where employment is not secure, private banks are unwilling to risk private money creation because the money has no federal backing; this is why Congress has traditionally established "government institutions" to create money used toward labor, to both inject money into the economy while also stimulating employment; the Federal Reserve cannot do this job, though Congress errantly created it to do this job.

77. What the federal government attempted to do in the Financial Crisis was to extend public loans of Congressional money directly to Wall Street. 12 USC Ch. 52, the Emergency Economic Stabilization Act of 2008, authorized TARP through subsections 5211-5241; it has been compared to the Reconstruction Finance Corporation (RFC) in that it utilized taxpayer money to capitalize, and thus nationalize, several of the banks too big to fail. Although it loaned out money, its use was arbitrary; banks and credit unions located in the districts of key Congress members were more likely to win TARP money. Those banks who lobbied more, or contributed to key Congressional members, or made deals with the government to buy its foreclosures were also favorably treated. Unlike the Depression of the 1930s, the overall effect of the TARP money transfusion was the transfer of real wealth—in terms of real estate—from one group to another, contrary to the Congressional powers to tax and spend money toward the general Welfare and Equal Protection of its shareholders.

a. Because the federal government took ownership of Fannie Mae and

Freddie Mac in 2008, all misconduct around False Claims, deceptive loan origination, servicing, securitization, foreclosure and bankruptcy procedures, and the misuse and abuse of federal bailout money falls under embezzlement of public funds (18 U.S.C. § 641 and 18 U.S.C. § 644) for which no statute of limitations exists.

3. Failures of the Supreme Court

78. The Supreme Court is the only entity with the legal capacity to hold executive, legislative, and judiciary decision-makers accountable to the founding principles enumerated within the Constitution's Preamble. Shared beliefs are the anchor which keep a people from drifting apart, and the Supreme Court has a legal duty to keep government tied to this anchor, which it has knowingly and willingly failed to do. The founder's shared belief in Natural law helped focus their collective will to breathe the spirit of democratic governance into what is now the United States. Upon their death, the country has slowly devolved into the spiritless recitation of arbitrary legal jargon, which upon its face—or 'letter'—appears stable enough, but with no spiritual anchor attached to it, has continued to allow U.S. law to drift toward the Liberty of a few and away from the general Welfare of the many.

79. Eliminating the Preamble as the legal key to the Constitution is an attempt to extirpate Natural Law from the country's foundation and to reassert the paradigm of economic hierarchy used by past empires. Hierarchal forms of governance derive from religious myth, which utilizes the concept of divine creation to justify the assertion of control from the top down; because this arrangement is unnatural, it requires violence to sustain it, thus hierarchal structures always have elements of myth—like our shared belief that money holds value—coupled with violence, to persuade those skeptical that something imaginary, such as money, should have any role in dispensing Liberty. In contrast, Natural Law is the foundation of all existence, where each

life is powered from the bottom up. Natural Law takes precedence over the 5,000-year-old practice of hierarchal law. Natural Law was called forth by America's founders to abrogate the arbitrary laws of hierarchal oppression. It would be treasonous for a governmental body dedicated to uphold Natural Law to insidiously seek its slow demise.

80. 18 U.S.C. § 371 states that "[i]f two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose," a charge of "Conspiracy to Defraud the United States" can be entered. To knowingly seek the extirpation of the originalist meaning of the Constitution, to replace it with unprecedented reinterpretation meant to abrogate the original meaning, to bend the letter of the law toward the invasive application of negative liberty, is grounds for impeachment (ArtII.S4.4.10).

81. America is founded on Natural Law, upon which all written law is subsequently built. Human advances in knowledge now allow us to define Natural Law more specifically, to help guide governmental bodies to better legislate, interpret, and execute these fundamental principles.

a. Natural Law is economic law, which is scientifically observed, not arbitrarily imposed; Liberty is the mechanism through which this two-billion-year process of biological economics is set in motion. Both Economics and Liberty exist whether government exists or not, and certainly whether money exists or not.

b. Governments are instituted among people to facilitate and oversee economics; they serve no other purpose. All law is economic law, whether a government comprehends this or not. Natural Law is the only law currently being practiced; it does not need to be enforced. Hierarchal human law, imposed from the top down, only appears effective when it remains aligned with Natural Law; when it is not, someone, per their economic Liberty, will invariably depart from it. Laws enforced after they are broken are not good laws, and justice sought after laws are broken is not real justice.

c. Liberty is the mechanism through which each person makes the binary choice to connect or not connect; choice is driven by beliefs, which enacts purpose, and consequently initiates labor, which is the only true source of value creation. To facilitate individual Liberty requires each person to own and take ownership of their physical self, their beliefs, their choices, their labor, the value of their labor, and an individual share in any shared beliefs or shared means of connection, which may include shared resources, institutions, or infrastructure. Residing somewhere within this list is our shared belief that money holds or stores value, when in fact, only labor creates value, *which makes people—not money—the place where value is stored*.

82. Through 118 U.S. 356, 17-18, the courts ruled that although a law might be "impartial in appearance...if it is applied and administered by public authority with...an unequal hand...between persons in similar circumstances" it is in violation of the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution. This is another way of saying that people may use the law for their own purposes when the underlying spirit of a law does not clearly establish its purpose. The human organism has built its cellular existence upon mutualistic economic arrangements, so it already knows all about cancers, parasites, and predators, which seldom obey written laws. Laws that must be enforced with violence, versus the mutual assent of all parties, are fundamentally incorrect applications of law. Enumerated laws are fixed so that they can be easily circumvented. The wide net cast by the underlying spirit of the law not only shores up defensive loopholes, but it also allows for a proactive and preventive application of

Liberty and Justice, applied on the front end, to help mitigate the need for punitive measures on the back end.

83. There is no Constitutional article, amendment, or interpretation that legitimizes private money creation. The Federal Reserve Act was an overextension of Congressional authority, and the federal government bailout of private banking is an unconstitutional use of the Taxing and Spending Clause (ArtI.S8.C1.2.1). To continue being silent about the unconstitutional creation of private money in the United States represents an act of omission by the Supreme Court, especially when it appears perfectly ready to conjure up then rule upon cases such as the constitutionality of abortion or affirmative action, which are much more politically charged; the difference, of course, is that a ruling on money would affect the rich. Through the judicial oath of office, 28 U.S. Code § 453, each Supreme Court Justice swore to "do equal right to the poor and to the rich." Words like these only have meaning if the spirit behind the words remains intact. It is for this purpose that Supreme Court justices exist, not simply to recite the words of the Constitution, but to ensure the meaning behind the words remains intact.

a. Per the principles of Natural Law, upon which the Constitution was anchored, the value of a country's currency is a shared belief made sovereign by the country's government, which operates under the shared belief in its mission statement, found at the headnote of the corporate charter. To extirpate the mission statement of the United States corporate charter for government is to abrogate the entire document, which is slowly being accomplished.

84. Corporate Personhood was initially established by the Supreme Court through a reporter's headnote to its ruling in Santa Clara County v. Southern Pacific Railroad Co., 118 U.S. 394 (1886), which paved the way for unconstitutional money to be equated with

constitutional free speech in Citizens United v. Federal Election Commission, 558 U.S. 310 (2010); corporations are slowly establishing their own preambles, to drive the spirit of their agenda.

a. Through Natural Law, corporations and money can be better understood. Biologically, a virus is a non-living entity, like private money or corporate personhood; to imbue life into non-living entities, they must attach themselves to a living host; privately created money is a nonliving value until it attaches itself to human labor. Since 3,000 BCE, when supply was disconnected from demand, the products of labor have been taken from the laborer, arbitrarily inflated, then sold back to them, effectively draining more labor value away than was used to produce the good or service. In this way the privately created money is laundered (18 U.S.C. § 1956 and 18 U.S.C. § 1957). All privately created money starts out as debt; it attaches itself to value, drains even more value, then extracted from the economy, leaving the debt behind with the consumer, who is eventually forced to borrow more debt, thus creating a debt spiral designed to force continual labor by fraudulent means (18 U.S. Code § 1589).

b. Currently, National Debt sits at $32.7 trillion, while the average consumer debt is currently $101,900. Laundering privately created money through deceptively conflating it with Congressional money creation, as well as human labor, to purposely defraud the United States, a corporation whose stakeholders—per the Equal Protection granted corporations in Santa Clara County v. Southern Pacific Railroad Co., 118 U.S. 394 (1886)—do not lose their Constitutional rights simply by belonging to this corporation.

85. The concept that money stores value only exists because of a shared belief that

it does; similarly, the concept that U.S. government represents We the People only exists because of our shared belief in this idea. It is the role of the Supreme Court to help every American to sustain these beliefs. It is essential that the Supreme Court annul the marriage between private debt and Congressional credit, or otherwise extend the Congressional Money Powers to all U.S. currency—along with the Congressional limits of Equal Protection and general Welfare, as is their sworn Constitutional duty.

CLAIMS

COUNT I

EMBEZZLEMENT OF PUBLIC FUNDS 18 U.S.C. § 641 and 18 U.S.C. § 644 pursuant to 11 U.S.C. §§ 362, 11 U.S.C. § 501, 11 U.S.C. § 524, Federal Rules of Civil Procedure 9011, 24 C.F.R. § 203.500 et seq.; 24 C.F.R. § 203.5(d), 24 C.F.R. § 203.5(e)(3), 50 U.S.C. App. § 521, 28 U.S.C. §§ 2201 and 2202), 31 U.S.C. § 3729(a)(1)(A), (a)(1)(B), (a)(1)(C) and (a)(1)(G) (2009), and 31 U.S.C. §3729(a)(1), (a)(2), (a)(3) and (a)(7), 12 U.S.C. § 1833A (FIRREA), 50 U.S.C. APP. §§ 501, et seq., as well as HERA (2008) P.L. 110-289, 12 U.S. Code § 226, 12 U.S.C. § 371, and EESA (2008); P.L. 110-343, div. A, WITH RESPECT TO LOAN SERVICING, FORECLOSURE and BANKRUPTCY PROCEDURES

86. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

87. Defendant Banks violated FHA and MHA foreclosure requirements; violated federal laws, program requirements and contractual requirements governing loss mitigation; initiated foreclosures where the borrower was in good faith actively pursuing a loss mitigation alternative offered by the Bank; commenced collection activities against the debtor or the debtor's property without court authorization, or in violation of 11 U.S.C. § 524, or the automatic stay under 11 U.S.C. § 362; commenced collection activities seeking to recover debts that had already been paid or satisfied; received monetary incentives from the Federal government in exchange for the commitment to modify defaulting borrowers' single family residential mortgages, which they failed to do; as a result, the FHA incurred hundreds of millions of dollars in damages with respect to claims paid for loans knowingly made to unqualified borrowers.

88. Defendant Banks sold the Treasury Department $176 billion in toxic assets, but charged the Treasury $254 billion, $78 billion above then-market value for assets that were worthless; further, $1.6 billion of this payout were used to give top executives bonuses, against the terms of the TARP agreement. No investigation of these violations, per 18 U.S.C. §203 and 18 U.S.C. §208, were ever filed.

COUNT II

VIOLATION OF EQUAL PROTECTION U.S. Const. amend. V, § 2 and U.S. Const. amend. XIV, § 1, cl. 3 pursuant to 42 U.S.C. § 3604, Per 42 U.S.C. § 3605, and Per 42 U.S.C. § 3608, and Title VI, 42 U.S.C. § 2000d et seq., and Title VII, 42 U.S.C. 3601 et seq., and 29 U.S.C. 794 § 504, and 15 U.S.C. 1691 et seq., and 12 U.S.C. 1735f–5(b), and 24 CFR § 6.1, and 12 U.S.C. 1701u WITH RESPECT TO LOAN ORIGINATION, SERVICING, and FORECLOSURE PROCESSING

89. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

90. The following banks are all federally financed primary dealers of the National Debt, and therefore are in violation of Equal Protection laws whenever they rent private money at the prime rate for one group of American home buyers, but for a subprime rate to another group of Americans home buyers:

a. Amherst Pierpont Securities LLC
b. ASL Capital Markets Inc.
c. Bank of Montreal, Chicago Branch
d. Bank of Nova Scotia, New York Agency
e. BNP Paribas Securities Corp.
f. Barclays Capital Inc.
g. BofA Securities, Inc.
h. Cantor Fitzgerald & Co.
i. Citigroup Global Markets Inc.
j. Credit Suisse AG, New York Branch
k. Daiwa Capital Markets America Inc.
l. Deutsche Bank Securities Inc.
m. Goldman Sachs & Co. LLC
n. HSBC Securities (USA) Inc.
o. Jefferies LLC
p. J.P. Morgan Securities LLC
q. Mizuho Securities USA LLC
r. Morgan Stanley & Co. LLC
s. NatWest Markets Securities Inc.
t. Nomura Securities International, Inc.
u. RBC Capital Markets, LLC
v. Societe Generale, New York Branch
w. TD Securities (USA) LLC
x. UBS Securities LLC.

y. Wells Fargo Securities, LLC

91. Evidence that the typical white-owned bank was ten times more likely to receive TARP money in the CDCI program than a black-owned bank violates areas of Equal Protection pursuant to 42 U.S.C. § 3604, Per 42 U.S.C. § 3605, and Per 42 U.S.C. § 3608, as well as Title VI, 42 U.S.C. § 2000d et seq., and Title VII, 42 U.S.C. 3601 et seq., and 29 U.S.C. 794 § 504, and 15 U.S.C. 1691 et seq., and 12 U.S.C. 1735f–5(b), and 24 CFR § 6.1, and 12 U.S.C. 1701u

COUNT III

VIOLATION OF TAXING AND SPENDING CLAUSE U.S. Const. ArtI.S8.C1.2.1 pursuant to EESA (2008); P.L. 110-343 div. A, and HERA (2008) P.L. 110-289, as it relates to U.S. Const. amend. XIV, § 1, cl. 3 pursuant to 42 U.S.C. § 3604, Per 42 U.S.C. § 3605, and Per 42 U.S.C. § 3608, and Title VI, 42 U.S.C. § 2000d et seq., and Title VII, 42 U.S.C. 3601 et seq., and 29 U.S.C. 794 § 504, and 15 U.S.C. 1691 et seq., and 12 U.S.C. 1735f–5(b), and 24 CFR § 6.1, and 12 U.S.C. 1701u
WITH RESPECT TO LOAN SERVICING

92. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

93. Congress bought the private debt of one group of "persons"—financial corporations—but sold off the private debt of another group of persons, 200,000 associated homeowners; both were federally financed (corporations by TARP, homeowners by FNMA and FHLMC) and therefore both fall under the Equal Protection umbrella established in Title VI, 42 U.S.C. § 2000d et seq., and Title VII, 42 U.S.C. 3601 et seq. (note also that the two groups are similarly situated because they both held the same toxic private debt—a home mortgage—leveraged multiple times after it was originated). The precedent, set in 1933, with the Home Owners' Loan Corporation (12 U.S.C. §§ 1461-1468), was to protect the general Welfare of the homeowner (additionally, the current homeowners had already been established as victims of predatory loan origination, servicing, and foreclosure processing by these same financial

corporations). Congress failed to buy up the homeowner debt, renegotiate the terms of loans to fit standards of Equal Protection (see COUNT I), and keep Americans in their homes. In 1933, the Reconstruction Finance Corporation (RFC) [15 U.S.C. §§ 601-613b (Suppl. 2 1934)] was established to loan Congressional allocations of money to address major economic concerns; together, the HOLC and the RNC created a balanced allocation of public money to promote the general Welfare of both distressed parties. In 2008-2014 and beyond, Congress loaned money to private entities in exchange for toxic assets they created, then sold the real assets of American homeowners to the same entities, thus enabling the transfer of real wealth and equity from one group (human beings) to another (juridical persons).

COUNT IV

CONSPIRACTY TO DEFRAUD THE UNITED STATES 18 U.S.C. § 371, to enact private equity transfers of wealth through Federal Agencies pursuant to HERA (2008) P.L. 110-289, 12 U.S. Code § 226, 12 U.S.C. § 371, and EESA (2008); P.L. 110-343, div. A UNFAIR AND DECEPTIVE CONSUMER PRACTICES WITH RESPECT TO LOAN SERVICING

94. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

95. The evidence, established in United States, et al. v. Bank of America Corp., et al., No. 13-5112 (D.C. Cir. 2014) states that the defendant banks and their affiliates a) deceptively and illegally (see COUNT I) originated then foreclosed upon homes in contravention of HUD and FHA loss mitigation guidelines; this aggressive pattern of foreclosure and resale to affiliated investment trusts turned at least 9 million former homeowners into “Wall Street tenants.” During this process, the defendant Banks, public entities FNMA and FHLMC, and the Federal Reserve, all of whom had the capacity to help these distressed homeowners by originating fixed-rate loans, failed to offer any assistance. Further, the Federal Reserve, who triggered the foreclosures

with its fed rate policies between April 2004 and June 2007, proceeded to recapitalize defendant Banks than drop the fed funds rate to zero, to the sole benefit of these larger commercial real estate investors.

96. While in conservatorship and thus accountable to the United States, FNMA and FHLMC hired private commercial real estate CEOs who have turned these government entities into loan originators and servicers for real estate investment trusts capitalized by these same defendant Banks. In 2023, the FNMA and FHLMC still remain in conservatorship and still make large commercial property loans, helping to create a class of landlords and a class of tenants; the fact that this transfer of wealth has been run through the federal government creates grounds for relief under 18 U.S.C. § 371, as well as U.S. Const. ArtI.S8.C5.1, U.S. Const. ArtI.S8.C2.1, U.S. Const. ArtI.S10.C1.2, U.S. Const. amend. V, § 2 and U.S. Const. amend. XIV, § 1, cl. 3.

COUNT V

VIOLATIONS OF U.S. Const. ArtI.S8.C5.1, U.S. Const. ArtI.S8.C2.1, U.S. Const. ArtI.S10.C1.2, U.S. Const. amend. V, § 2 and U.S. Const. amend. XIV, § 1, cl. 3 WITH RESPECT TO LOAN SERVICING

97. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

98. There is no constitutional ties between privately created money and Congressional Money Powers; therefore, Congress was under no legal obligation to rescue private money-creating corporations; doing so violated Congressional taxing and spending powers. This mistake shows the confusion surrounding Congressional Money Powers, first initiated when Congress overextended its authority in 1913, granting the Federal Reserve Congressional money creation powers that unconstitutionally extended outside the reach of its guidelines to serve the common Defense and general Welfare.

99. Congress further broke precedent by not identifying the Federal Reserve's history of failures in this area, and the history of how Congress has remedied those failures in the past. In every economic crisis, the injection of Constitutionally approved Congressional loans—through public banking entities—has stabilized the economy, while fulfilling its duty to those most vulnerable to the mishaps of private money creation. This claim is judiciable because a specific dollar amount, allocated toward the general Welfare of the neglected group, would satisfy the requirements of Equal Protection.

COUNT VI

FAILURE TO PERFORM ONE'S LEGAL DUTY pursuant to 12 U.S.C. § 371, 42 U.S.C. § 2000e. 28 U.S.C. § 586 and 11 U.S.C. § 101, et seq., 42 U.S.C. 3613 SEC. 813. (e) and 42 U.S.C. 3614 SEC. 814. (a)(b)(d), H. R. 7152 TITLE II SEC. 206. (a)(b), 42 U.S.C. 2000e et seq., and 42 U.S.C. 3610 SEC. 810 (a)(c) and 42 U.S.C. 3612 SEC. 812 (a), 42 U.S.C. 3613 SEC. 813 (a)(c), 42 U.S.C. 3614–1 SEC. 814A (c) WITH RESPECT TO INITIATING CIVIL ACTION WITHIN THEIR CAPACITY AS PUBLIC SERVANTS

100. The allegations in paragraphs 1 through 85 above are incorporated herein by reference.

101. The Federal Reserve, HUD, the Justice Department, and the Attorney General all had the capacity and the evidence to file this same civil complaint, but instead chose to settle out of court with all private entities, with no formal acknowledgement of guilt or avenue to pursue class action damages, then proceeded to financially capitalize these same private entities with taxpayer funding (through TARP) and sell them the illegally processed foreclosures of their affiliates at a 30-50% discount, successfully transferring a significant chunk of Main Street over to Wall Street, along with 9 million former homeowners in need of shelter.

COUNT VII

FAILURE TO PERFORM ONE'S LEGAL DUTY pursuant to JUDICIAL OATH OF OFFICE 28 U.S. Code § 453, 42 USC Section 1983, WITH RESPECT TO RULINGS ON UNCONSTITUTIONAL CONGRESSIONAL STATUTES

102. The allegations in paragraphs 1 through 85 above are incorporated herein by Reference.

103. Marbury v. Madison 5 U.S. (1 Cranch) 137 (1803) and Baker v. Carr, 369 U.S. 186 (1962) established the ability of the Supreme Court to review and strike down acts of Congress if the Court deems them to be unconstitutional. They have recently utilized this authority in Citizens United v. Federal Election Commission, 558 U.S. 310 (2010), Dobbs v. Jackson Women's Health Organization, No. 19-1391 (U.S. June 24, 2022), National Federation of Independent Business v. Sebelius, 567 U.S. 519 (2012), and Students for Fair Admissions Inc. v. University of North Carolina / President & Fellows of Harvard College, among others. The Supreme Court's failure to ever make a definitive ruling on the constitutionality of privately created money is central to the last several Financial Crises. It allowed the Money Powers to be extended to private commercial banks, who were then allowed to merge with private investment banks, who were then allowed to utilize $2.7 billion to incentivize Congressional representatives to turn the American taxpayer into the lender of last resort for private money that has never been Constitutionally legitimized by any article amendment, or interpretation.

104. The Congressional Money Powers is the most important economic tool United States government owns, and the Supreme Court holds the instruction manual for how to use this tool properly. Politics may have broken the Money Powers tool, but the Money Powers are not a political tool, they are a Constitutionally created economic tool. Government was instituted to manage economics; let the government do the job for which it was given both the duty and capacity to perform.

REQUEST FOR RELIEF

WHEREFORE, the Plaintiff respectfully requests that judgment be entered in his favor and against the defendants as follows:

1. On Count I, judgment against the United States Private Banking Industry, Embezzlement of Public Funds includes \$78 billion in a hidden taxpayer subsidy, \$1.6 billion in CEO bonuses not within the TARP agreement, and a minimum of \$4 billion in False Claims made by the defendant Banks in violation of HUD, FHA, and MHA agreements. The Plaintiff respectfully asks that all damages from COUNTS I through VII be added together, paid in taxpayer money (versus newly created Congressional or Federal Reserve Debt), placed—in accordance with Constitutional law and Supreme Court interpretation—inside a National Public Bank located within the Treasury Department, then dispersed among underserved communities in every State, per the general Welfare, in the form of fixed rate low interest housing loans, to satisfy the requirements of Equal Protection in this case. To further incentivize the recipients of these loans, and in conjunction with the spirit of Constitutional Law, which purports to secure the Liberty of Natural Law, all loan money paid back through the labor of the homeowner would remain in possession of the community bank, and become community property which could be loaned out again to serve other areas pertaining to the general Welfare, which would include all economic means of connection (transportation, energy, communication, education, agriculture, water / sewer, housing, preventive healthcare); as this money would be the property of the community which disseminates it, the interest accrued during the repayment of loans would be community property as well, to be evenly divided among community members as a dividend rewarding the economic effort of the community as a whole. Again, these are not political considerations, they are an attempt to properly satisfy the requirements of Liberty as defined by Natural Law, which makes them Constitutional (or economic) considerations.

2. On Count II, judgment against the United States Private Banking Industry,

Should the Supreme Court rule there is no Constitutional provision for privately created money, Congress would therefore not be responsible to support or show favor to any private corporation that fails through its own poor business practices. The Plaintiff respectfully asks for the return of no less than $295 billion in taxpayer money, added together then dispersed according to the stipulation provided in COUNT I.

3. On Count III, judgment against the United States Congress,

If the Supreme Court rules that Congress—by taking Fannie Mae (FNMA) and Freddie Mac (FHLMC) into government conservatorship—is accountable to these government-created entities, then the Plaintiff respectfully asks for the equivalent fair market value of 200,000 houses be added to the amount awarded from COUNT I and II, as they are a separate sets of assets, neither of which served the Equal Protection or general Welfare of the American homeowner in this financially-created crisis.

4. On Count IV, judgment against Fannie Mae (FNMA) / Freddie Mac (FHLMC),

if the Supreme Court rules that Fannie Mae (FNMA) and Freddie Mac (FHLMC) are independent private entities, the Plaintiff respectfully asks that the $200 billion in taxpayer funding given to these independent entities by Congress, which proceeded to sell 95% of its assets to commercial real estate investment trusts, would, per satisfying the Equal Protection and general Welfare requirements of the Congressional Taxing and Spending Clause, add $190 billion (95%) to the amount awarded from COUNT I-III. Further, to satisfy the general Welfare requirement, all monies awarded should be placed in a National Public Bank and allowed to compete equally with private and independent loan originators, whose current strategy is to outbid every new potential homeowner on the market; having an avenue for hard-working Americans to own a home, rather than rent from investment trusts, would have the positive externality of controlling housing inflation, which has increased six-fold since REITs have joined forces with FNMA and FHLMC to alter the entire housing community ecosystem.

5. On Count V, judgment against the Federal Reserve,

If the Supreme Court deems that debt money created by private banks, which was sold to it through the Federal Reserve, or created directly by it through quantitative easing, is somehow connected to the Congressional Money Powers, the Plaintiff respectfully asks that the Federal Reserve, under 12 U.S.C. § 371, do its job and promote the general Welfare by establishing community banks in all underserved communities, move some of its $9 trillion in quantitative easing, which still sits in most banks, and create a fixed income loan origination program to build housing for first time homeowners, which would finally satisfy its mission statement to control interest rates, maximize employment, and thereby control inflation. If, however, the Supreme Court interprets the Constitution the way it was written, and the Federal Reserve is, at best, a 'non-constitutional' entity (Briscoe v Bank of Kentucky), the Plaintiff respectfully requests that the Supreme Court make this known to Congress, and direct them to satisfy the general Welfare and Equal Protection of its citizens through establishing a National Public Bank, per the guidelines established in COUNT I.

6. On Count VI, judgment against the Federal Government regulatory bodies,

If the Supreme Court rules that all money falls under the responsibility of Congressional Money Powers, then the Plaintiff respectfully requests that the Supreme Court consider invoking Natural Law to anchor monetary policy to the only gold standard that has ever truly existed, which is labor. Per Natural Law, labor is the only mechanism for creating value, and therefore any extraction of an individual's labor value represents an equivalent infringement upon their Liberty.

The U.S. economic system is flawed at the root. Currently, the job of government is to hide this flaw, which consequently costs the taxpayer over $6 trillion a year. Without this financial government backstop, the current U.S. economic system would not survive. To make government smaller, a more sustainable economic model will need to be built, which must begin with the correct application of money. Because all private money is created through debt, any monetary cost added to goods and services beyond the cost of labor is simply debt that gets transferred onto the laborer with every purchase; no amount of regulation can protect the consumer from this eventual 'debt spiral,' which is built into the economic model. $2.7 billion was invested by the defendant Banks to incentivize Congressional representatives to continue covering up this flaw; a simple constitutional ruling by the Supreme Court can force Congress to separate public labor-created money from private debt-created money, instead of allowing them to deceivingly coexist behind the façade of a 'national currency.' The Constitution is an economic document; government is instituted—through this document—to manage the economic environment to best serve the general Welfare and Equal Protection of its people.

7. On Count VII, judgment against the Supreme Court,

The Plaintiff respectfully requests that each Justice chooses to embrace (rather than dismiss) the principles of Natural Law upon which the Constitution remains a living document. Evolution favors those who adapt; whatever is not made to bend will eventually break. Through lifetime appointments, Supreme Court justices are better able to carry the spirit of the Constitution forward, and keep the country anchored to its founding principles. Whether through the Articles of Confederation or the Constitution, the country was clearly united around "their common defense, the security of their liberties...their mutual and general welfare [and] all the privileges and immunities of free citizens." There was little debate about these points at the Constitutional

Convention, not because the preamble was unimportant, but because it was the one area upon which all parties could agree. Without the spirit of the law to guide future generations, there will only be the rule of law, which has no need for Supreme Court interpretation, only an ample supply of weapons and prisons.

8. For all other and further relief as the Court may deem just proper and equitable.

Date: 8/23/2023

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I declare under penalty of perjury that the foregoing is true and correct.

Signed this 23RD day of AUGUST, 2023
(day) (month) (year)

Signature of Plaintiff(s)