

The Lost Secrets of Credit Card Debt Elimination

He's been called a genius and a wizard; I sat down and interviewed him, and now you can learn, direct from the source, his foolproof method of eliminating unsecured debt forever. This isn't a theory or a premise – this actually works. The mastermind who discovered it was a chronic debtor, getting himself in and out of debt numerous times. Finally, fed-up, he researched the banking industry and its laws and found a legal, straightforward way to use some little-known banking laws against the very banks that held his debt. This was the first time this technique had ever been used and it worked! Now you can learn the secret too, before the Banks move to cover this loophole once the method spreads. This is an amazing gift; packaged for those who listen to this interview. You'll be amazed, as I was, and thoroughly thrilled to finally find a real solution to overwhelming debt. And the added bonus is: Not only is this technique effective, it is satisfyingly ironic to trounce the Banks with their own laws. Listen and learn – it is unbelievable. For more information e-mail senoff.michael@gmail.com

John G.: Typically I have people that buy my course. They have \$60,000-80,000 in unsecured credit cards. And, of course, they have the credit problems. They spend those few dollars on my course and get rid of all that liability in the first year and now they're working on their credit history and are almost back to where they were. And that's huge for a lot of people.

John: The course we're talking about is the course called, "Winning the Collection Game." You have come up with a series of practical ways that people can go about getting themselves out of debt that probably 80 or 85% of us are in right now or eliminate their mortgage, which just about all of us have. I read some of your testimonials and I was floored by what people were able to do with your information. I think a lot of people are going to say there's got to be something wrong about this.

John G.: It's motivating for me from what you mention about the different people that come back and tell me what their results are. I just get more motivated to keep on doing it

John: I bet. Have you used these strategies yourself?

John G.: Well, that's the interesting thing. When I first heard that it was possible, I didn't believe the person that told me and this is back around 1992. And I did the research because I didn't believe him. And at that time I was beginning to have debt problems. And so I did begin using these types of strategies. Of course, it's evolved quite a bit since that time. But that's where it came from.

The first letter I wrote was a five page long letter to a debt collector. And I got a response five days later from their attorney that said, "Sorry, we're closing your account. Sorry we have bothered you."

John: How much was this debt for?

John G.: It was like \$3,200. And so I thought it was interesting because I never expected that. It was the first time I ever sent a letter like that.

John: That's amazing. And from what I've read in your report, it works most of the time.

John G.: Yes.

John: Does your debt elimination and then there is consolidation and bankruptcy, what separates what you do from consolidation and bankruptcy, which is really what most people know as the ways to eliminate their debt.

John G.: Sure, there are benefits to each one. For example, in bankruptcy the best time to go into bankruptcy if that's what you want to do is when you have nothing and not much regular income. Or let's say when your balance sheet is close to zero or negative. Going into bankruptcy when you're current on all your payments is excellent because you have good credit except for a bankruptcy report and you can still use your credit history pretty easily with other things like lease agreements and new cars and things like that. If you have bad credit already, and you haven't been paying for six months or something, your credit looks pretty bad. If you go into bankruptcy it just makes it that much worse and it's ten years that you're going to suffer with that.

John: Absolutely.

John G.: So, a lot of people in the situation where they're saying bankruptcy is not an option for me plus I have lots of property, if I go into bankruptcy I'll lose a lot of that property, especially with the new legislation. So, I'm just not going to pay and I'll take my chances.

That's the person I want to help because they're already willing to say, "I'm just out of it. I'm not going to pay anymore." But the consequences are, if you get sued, you don't really know what to do. You just default on the lawsuit and then there's a judgment and the next thing is your employer gets a notice saying I have to withhold this much money from your check. My course shows people how to back up from that situation of the worst case scenario and they get better every day they follow this course. So, there's that compared with bankruptcy.

Then you have the debt consolidation. On the debt consolidation, that's probably the worst option in my opinion than a bankruptcy or debt elimination. In consolidation, the problem there is if you stick with the program, you don't secure the debt with a second mortgage, which is what a lot of them want you to do. You're turning an unsecured debt into a secured debt, which is never a good idea. If you stick with the program, you're going to be in good situations. The only problem is, let's say you settle for 60% on all your accounts. The 40% is going to be reported to the IRS as what is called imputed income. So, you're going to be taxed on the amount that you didn't pay.

John: No kidding.

John G.: And they don't tell you that.

John: I've never looked in the consolidation. I thought of it many times. I've never looked into it and I bet that there's a lot of people that have no idea that they're going to accept that kind of tax liability, too.

John G.: They think it's a good thing because on TV they see these people have a great life style and they say we're a non-profit organization. And they have the red, white and blue colors. They think it's great. Well, the truth is that about 90% of the people that tried that consolidation, if they qualify, never complete the program. So, the consolidator, believe it or not, they're making \$3,000-9,000 per customer. Even though it looks like you're not paying them, they're getting a chunk of money on the backend from the bank.

So, then you have the debt elimination. This is where we are. I'm saying okay if you can't pay, you don't want to pay, then here's what we do. Let's just mitigate the potential problems now by sending these letters, establish the reason why you're in this situation and let's use some secrets that the banking system

publishes all the time. Use it against the bank to show that you actually don't even owe them what they say you owe.

John: That I found a little confusing and we'll talk about that in a couple of minutes. One of the things that comes to mind to me, and I'm definitely the type of person that believes you have to be able to look at yourself in your own mirror and answer to your own God and answer to what you feel is moral for yourself. Would you consider this sort of, really, erasure of your debt an immoral act or anything? Or do you feel like its kind of taking advantage of the banks?

John G.: That was my concern in the very beginning. That's why I started the research because for this person that I trusted to tell me that I didn't have to pay and it was not immoral, I had to look into it. And what I found out was this. It will be just like if I came to you and I asked to borrow \$100 and you said, "I don't have \$100 to lend you to go by groceries. But I will tear up this piece of paper and write IOU \$100, John, and you take that to the grocery store and they'll give you the groceries." And if I did that and the grocery store accepted that IOU, that's exactly what the banks are doing.

You go to the bank for a loan and they're created new currency. And the term they use in the industry is "originating." So, let's say you apply for credit, \$1,000 credit limit. The bank actually—let's give it in simple terms—opens a checking account for you with no money in it. And they say you can write a check on this account for \$1,000. Even though there's no money in it, you go to write the check for \$1,000, and the bank because they control the system, they clear the check. That's what they're doing. And to keep your account going, you keep paying every month. So, they're actually getting your money for free.

John: So, they don't ever have the money.

John G.: They never have the money. Even the FCIC has no money.

John: And they're just told they have the right to create this currency so they can make money loaning it to people.

John G.: Right. And every time, let's say they create a \$1,000 credit account for somebody on their books that shows up as a receivable. To them, in other words, it's an asset. It's just like if you came into the bank and gave the bank \$1,000 in cash for a checking account. It would still be a receivable to them. And the government said that if you have that type of receivable, you can create that money all over

again. You can do that up to 27 times. So, that's why they really want people to borrow money from the bank because that lets the bank create new currency, new receivable, have a bigger base of assets, which are really not assets. It's just a number on ledgers. And the government says go ahead and do it again 27 more times.

John: Something about that just doesn't seem right. It doesn't seem like they should be able to do that. I had always assumed and I think I'm pretty much like Joe America, as well as the rest of the guys out there, is that the bank has the money because people are putting their savings with them and that sort of stuff. And they're loaning me their money that they've held and that they're paying them an interest on so that they can use their money. To me, because I don't have the money, they're going to charge me a lot more than what they're paying them.

John G.: Well, that's the funny thing. The banks are actually prohibited from lending other people's money.

John: So, where would they get the money?

John G.: They create it from nothing.

John: Okay, now we've hit on the real key. They can't take that money that I give them and put in my savings account.

John G.: They really can't, no.

John: So, they have nowhere else to go to get the money because they really—they're not flipping burgers in there and serving fries and stuff. They're not collecting money somehow.

John G.: Unless you have a specific written agreement with the bank that says yes you can use my money to lend it out at an interest rate and I'll pay you interest for that to use your money, it's not going to work. And the only people that usually have that kind of money are people that are having on deposit \$100,000 or more. And those accounts are insured for \$300,000. Those are business accounts. It's not the average consumer. The trick is, how do I take this information and use it to billy-bob law firm that wants to sue for my credit card company because I can't pay.

John: Right. Now, you say that the banks information they publish all the time.

- John G.: They actual do. The Federal Reserve Bank of Chicago is great for it.
- John: They publish it in reports to people?
- John G.: They have a report they were publishing for like 40 years up until the year 2001, two years ago because I had all my subscribers asking for it. And they actually sent me an email saying stop having your subscribers ask us for that. And they discontinued publishing it because we were using it court against the bank's attorneys.
- John: Oh, no kidding.
- John G.: The commercial banks, yes. The name of the publication is, *Two Faces of Debt*. It admits right in the document that the banks are doing what I just said. They are creating money from nothing. And because I took that information and because it's a public document, the court has to hear it. The court has to review it. And then they didn't like that and the banks must have contacted them and said hey they're using your publication. So, what I did is started publishing it in my course because they stopped publishing it.
- John: So, you have this in your course this report on *Two Faces of Debt*.
- John G.: That's right.
- John: So, people can then use that when they go to court and say look what the Bank of ... you said it was the Bank of Chicago or?
- John G.: Right. I'm not making this up. The Bank of Chicago said the banks do this, all the commercial banks, including the plaintiff.
- John: This is just like a reprint of their report.
- John G.: It is their report.
- John: That's amazing.
- John G.: If you read some of the congressional records, you'll find out that Congress has had to base every year about the banking system because there are some congressmen and senators that don't want it. And they're up there touting the truth. And they're saying we can't let this continue because it's destroying our economy. And the only way the cycle continues is if the government continues to collect the federal income tax and people continue to get credit

from banks. That's the only thing that makes the system breath and continue.

John: What does it have to do with them collecting income tax?

John G.: The federal income tax is actually collected by the Federal Reserve Bank. It's not collected by the U.S. Congress. The way the money gets into the government is that Congress prints up bonds and the Federal Reserve Bank, which is a private bank, accepts those bonds as payment for new currency. So, if we have a billion dollar budget next year, the Congress writes up bonds or promissory notes that they promise that they will collect taxes from the citizens and that the citizens will continue to pay. And in exchange for that the Federal Reserve says okay we'll create a billion Federal Reserve notes now and put it into circulation. And the way they do it is they don't print up a billion Federal Reserve notes. What they do is—when I say Federal Reserve note, I mean dollar—3% of it is printed on paper in certain denominations and coined. And 97% of it is put into the computer databases and circulated throughout the country and the world in the banking system.

John: So, the banks then are allowed to make only so much money.

John G.: Pretty much. They're allocated a limitation. You'll see in *Two Face of Debt* there's a limitation on how much money they can create. But it's enough to raise our cost of living by about 3% a year.

John: Well, yes because we're just falsely creating money. There's this money that doesn't exist.

John G.: If you want to see this and how it works, why does real estate appreciate in value? It does not appreciate in value. It's the value of the Federal Reserve notes, the dollar, depreciates every year. Unless you have a unique piece of property that's owned by a famous person or a particular place that's just been built, it appreciates right away beyond the 3%. But typically we have the gold price goes up, not because gold value goes up, but because the Federal Reserve note value goes down. Listen to the news. I heard on one news report a while back that they said, "The cause of inflation was that certain industries were raising their prices." But that's what happens; that's the effect. The cause is creating money from nothing.

John: Right. It really causes people to over extend themselves.

- John G.: Well, that's the whole idea. It's just like the guy that sells marijuana or cocaine to the high school children or the elementary children. He gives it to them for free.
- John: Get them hooked.
- John G.: Apply now for your credit. No application fee.
- John: I feel certain they target the college students and that sort of stuff.
- John G.: You wouldn't believe what they do on that.
- John: I bet.
- John G.: It's a drug. People don't understand in their brain how compound interest works. So, this is a neat thing. I can go buy stuff on this piece of plastic and then later on it just gets me later and I'm not ready for it.
- John: I think you're right. I think people really don't understand that kind of liability you take when you pull that piece of plastic out.
- John G.: The lesson I learned once I got out of my debt problems and I didn't have a lot of debt but I had enough that it was bothering me. Once I got out of it and I re-established my credit history and I went and got more credit. And I have credit cards but I pay the balance every month.
- John: The only card I use is my American Express card because I have to pay it every month.
- John G.: There you go. That's the best way to do it.
- John: Yes, I agree. Let's go back to sort of the practical things. I think you've given us a real good history as to the details as to why this works. And you obviously know what you're talking about because some of it is over my head just because it's really complex. And it's controversial in that we've all be taught by the news, by our parents who were taught by their parents, a different way of thinking. And a different way than what the truth really is apparently. We've all figured that the banks have these almighty powers and all this money to give us. Where that's not happening at all. It's nothing to do with it
- If I'm in debt and I owe, let's say it's Chase Manhattan Bank for my car loan and then I have a house and a mortgage and may be I

have an equity loan on my house and I've got a couple of different credit cards and that sort of stuff. Practically, if I'm looking at all of this debt in front of me, between my mortgage and everything else, I have \$150,000-200,000 in debt. I get your system. I use it. What's the odds that, let's say, 99% of that is going to be washed away?

John G.: I like to undersell it and I tell people that you can eliminate 90% of that unsecured debt without payment using my strategies.

John: Okay, unsecured debt. So, it wouldn't be like a car loan and it would be a mortgage.

John G.: Right. We put those into a different category because the process is different.

John: Yes, I read that. It seems that the process takes a lot longer for secure debt.

John G.: It will, yes.

John: But it's worth sticking with it if you can get yourself out of \$50,000 to \$300,000-400,000 in debt.

John G.: The nice thing is that a lot of people that have credit card problems are looking at eventual problems with paying their mortgage. Most people will pay their mortgage payment first. But if you can't pay anything—I know people that get in this program and they're paying \$600 collectively on their unsecured debts. Once they get in the program, they stop making those payments, what do they do with that \$600 a month? That's a lot of money for people that they can apply towards things that they need to apply it to.

John: Sure. Even if they just wanted to pay their mortgage.

John G.: Absolutely. It's not benefiting them to keep paying the credit card companies especially if they're just making minimum payments. In reality, if you follow the course guidelines in the beginning, it will reduce your chance of being sued by a creditor from about 40% down to 3%.

John: What's the chances if I just say, "You know what, I'm going to start throwing these bills away. I'm not going to answer my phone when people call." What's the chances that they're going to come out and sue you?

John G.: Like I said, it's about 40%.

John: So, there's a 40% chance they will sue. And I think people think it's probably more like about 100%.

John G.: Well, a lot of people are afraid. I had one guy ask me the other day, he said, "Am I going to get arrested?" He was a new person. He was just considering this course and he didn't know what to expect. He was totally new. He didn't even understand the banking system. And he said, "Are they going to come out and arrest me? Is that the next step?" And it's never like that. All it is, is a civil matter.

John: So, we got rid of debtor's prisons a long time ago.

John G.: That's right. That's where people are. And it was a brilliant idea for the banks to create the credit reporting system. I believe they did that so that they can keep people in check so to speak. Lot of people will pay a lot of money to keep their credit good. And their banks don't have to sue people. Your chances of being sued were a lot, lot less because most people were paying because of their credit history. And then most people were making payments because they went into debt consolidation. That was a big thing in the 90's. It got popular and then people realized it really wasn't a viable thing after a while. But the few cases that went to court, we would just file one document and the attorney would never show up again. And they would lose because they weren't expecting some Grandma to file a document that looked like Ben Matlock wrote it. And so they're coming in there with a \$50 retainer they got from the bank thinking that they can just get a default on 27 cases that morning. And Grandma shows up demanding a jury trial with a counter claim. And they can't. It's another \$5,000 they have to spend just to fight this case and the chance that they might win.

John: They had to collect their \$3,500.

John G.: There you go. And so most of the time they just withdraw. And that's where we win most of our cases. The court never even looks at it. In fact, most of the people that do this stuff, even if it goes to court, never even show up at a hearing because it's all through the mail.

John: I think a lot of people are afraid of what they don't know. They're afraid to go to court. Everyone acquaints court with something bad. Bad things happen in court. People go to jail in court. People lose their houses in court, their kids, their family, that sort of stuff. They feel, I think, as a regular citizen you feel like—you're told you have a lot of rights, but you don't understand your rights. And you feel

like you really don't have a lot of rights once you get to court. Remember you're looking up at the judge and he's looking down at you and the other guy's pointing his finger at you.

John G.: Well, this course puts it into reality for you. When you go through this thing, you're going to go okay I see. They're people just like I am and they have a set of rules they have to follow. In fact, they're scrutinized more than the consumer is. They have to follow these rules. There's certain things they can't do. They can't call me after hours and ask for money. They can't call my neighbor and tell them that I owe money. They can't call my employer and harass him. Once you see how this pans out, you'll find out that there is actually a level playing field. There's a system of rules that everybody has to comply with. And we use the fact that the bank didn't lend anything to make them prove their case. And they can't.

John: Well, even though you said I'm borrowing this from the bank and I signed a document saying that I'm borrowing this and I'm going to pay it back, with your documents, the way that they are written and with the knowledge that your course equips people with, they can go in and fight that and prove that the bank didn't loan them anything.

John G.: That's correct. And for the people that are thinking about this, their wheels are turning and they're going, "Okay, if the bank didn't lend me anything, what does that make me?" In reality—or if you ask a CPA to look at the accounting recording—it's called the account general ledger that the banks maintain for your credit card account—it looks just like your check book statement where you put in credits and debits every month. It makes the customer the lender. The bank is the borrower.

John: How is that?

John G.: When the customer promises to pay and gives the bank a piece of paper or credit application or promissory note, to the bank that's like handing them a stack of cash. Because they are a bank, they can take your signature and use it to go buy groceries essentially. If you or I were to do that, it doesn't work that way. Like owner financing on a house, you have to wait to get your money. But if I'm a bank, I can create the money today and go pay the seller of the house all of it. So, the bank customer is always the lender. And that's what we ask the bank in our questions that the court makes them answer. We say to the bank, "Admit that you lend nothing," for example. The bank will always come back and deny that. They'll say, "Of course we lend something." And then the next question is,

“All right. If you denied that you didn’t lend anything, then show us where the money came from. Show us the account that was debited when our credit account was opened.” And they can’t. And that’s where we get them.

John: Interesting.

John G.: There has to be a money trail and there isn’t.

John: That’s really phenomenal. Once you go through all these things and you’ve sent these reports to people and you’ve asked them to stop calling you and stop harassing you, you don’t want to have anything to do with this anymore, can you expect that the other 10% of the people are going to sue you? Like the 10% that you don’t get cleared?

John G.: Oh, yes. There’s a percentage. Like I said, there’s a small percent that’s going to sue you. You can almost bet on that. If you’ve got ten accounts, expect to get sued once or twice. With our system, expect that those lawsuits will end up in a dismissal. And again, I like to undersell it, so let say if you do get sued; your chances of winning are 50%.

John: Your system would teach me what I would have to do if I was sued, how do I handle this, how do I handle myself when I do eventually get 20% of the time get sued. And then at least one of those should be dismissed. And then the other one I will have to keep paying, I imagine.

John G.: Here’s what will happen. Let’s say they have a judgment against you. Most of the time it sits in the public record and just accrues interest. And then it expires. Believe it or not, nothing happens. For some reason, I think the bank just wants the judgment. It’s a piece of paper recorded. Once that happens, I think they’re able to claim it as a loss on their tax return. And it benefits them, just the paper itself, even if they never collect from you.

John: So, they don’t keep coming after you for the money?

John G.: No, not always. But that’s a lot of our cases. If we have a case where someone got a judgment against them, then it comes down to whether or not that person is an employee. The only time they’re going to try and collect from you or your paycheck is if you’re a W2 employee. If you’re an independent contractor, there’s almost no chance they’re going to collect from you because you have control over your paycheck. You don’t have to receive your paycheck in

your name. As an employee, you have to get paid in your name. In other words, you can't do asset protection as an employee for that particular income.

So, we show you what to expect. For example, a lot of people—I like to call it the crystal ball question—ask me what are my chances of my wages being garnished? So, we have a list of things, a criteria that you can look at and see what are the chances if you want to consider that. For example, your chances are increased of being sued if you're a licensed professional; if you're a doctor, a chiropractor, if you've been in business for a long time. If you own a retain brick and mortar business and it's in your name, chances are you have a good probability of being sued.

John: Is that just because they figure you have something they can take?

John G.: Exactly. That's the only reason. If you're a homeowner, which we can fix that, we can make you a non-homeowner like myself. I'm not a homeowner, but I live in a nice house. We don't have to own things that we live in or use.

John: You have a corporation that owns the house?

John G.: Right. Exactly.

John: And then you lease it from that?

John G.: Exactly. That's my interest in the property and no one can ever attach any interest that they have against me into the property. In other words, there's ways to become judgment proof. But my course is designed for people that have regular W2 employment income to protect that property. The rest of it we can fix through asset protection techniques. Once you eliminate your liabilities, then you can start building your assets. You can't build your assets without getting rid of your liability first.

John: You mentioned that you've talked to some of your clients, the people that have bought your course in the past since you've been doing this and they've asked different questions. When someone gets your course, you give them any sort of tutelage along with it or can they ask you a question and they get email support from you or anything?

John G.: You can pick up the phone and ask us a question. You can send over an email and you'll get auto response back that says we got

your email and we'll get back with you within a day. Usually it's within three minutes.

John: That's great. That's dynamite. If they get confused, they have some place to go at least.

John G.: And the nice thing is now we have this thing online so that as new revisions are published, you just go online or you'll get an email saying go check out chapter three, we did this new thing and it works great and it's all there.

John: So, as you come up with different case studies, they even have access to it to say this is how John Jawarsky eliminated debts with a credit card company. It was a new technique or a twist on our technique. You can try this, too.

John G.: Exactly. We can tell them what to watch out for. And it doesn't cost them anything.

John: Can this affect your credit rating in any way?

John G.: It definitely will. It's going to diminish your credit rating. Just like whenever you don't pay on a credit account, your credit is going to suffer. And this course does not promise that your credit is going to look great when you're done. The letter writing part of the course does set it up so that you can have a better chance of fixing your credit. You can use some of the dispute letters that we do in the very beginning of the course. Like we send a notice of final payment. The terms on that notice allow you to fix your credit history. Part of the course involves commercial arbitration and most of the time it's in favor of the consumer because the banks don't participate in that. And we can use that arbitration award to fix the credit. We can also send a request for validation or verification to the creditor or the debt collector. And most of the time they're not prepared to validate or verify the account or they don't respond within the time frame they're required to. So, we can use that non-response, with Equi Facts, for example, and say we asked for validation of this item and they failed to answer within the 30 days they're required to by law. And so, please remove it or fix it.

We do have a chapter that deals with credit history. For example, let's say you have these items on there and you never dispute whether or not they're valid or you never asked them to be corrected. We add a 100-word statement or less to each item saying why you're disputing it. But we never ask for it to be corrected in the beginning of the course. So, immediately as soon

as we send off the first letter to fix your credit, it's going to have a better rating.

John: Just because people will look at that and they're going to say instead of seeing nothing, what they've been seeing is you've been hurting your credit. Now, when your credit gets look at, they see he's been disputing this for some reason.

John G.: Exactly. So, we're not just leaving it out there so it's totally ruined for the next seven years. We're working on it. So, realistically, you're looking at, you go through this course in about a year, and about a year later—a total of about two years—you're credit history is coming to where it was in the beginning, which is probably a good thing for most of us because what's good credit, where did that get us; lots of debt. Maybe that's a good reprieve for a while.

John: Exactly. I bet there's some people that have done so much damage to their credit already, no on purpose but because they've been laid off or they're sick or something like that. It happens. I know I have a lot of friends that have gone through problems like that and their credit just gets really torque.

At this point, if you can get them to a point where now they can start off almost fresh with eliminating a lot of this high interest debt that they have, now they finally have a chance. Where as before, it's just getting worse.

John G.: That's right.

John: It just continues to snowball and get worse and worse and worse.

John G.: It's under control.

John: Yes, you've helped them put it under control. Do you have something in there that says hey, now that you've got it under control, maybe you should cut up those credit cards. Maybe you should do this and this and this.

John G.: Yes. A lot of people will spend another \$10,000 over the next year to feverishly try to keep their credit in good standing. And then it just bottoms out. Their income stays the same and it reaches a point where they just can't do it any more.

John: Do you have to have a lawyer's mentality to be able to understand all these things?

John G.: No, it's written for people that don't want to use an attorney for whatever reason. You have to have a high school reading level, I would think. It's written on that level. If you have a decent attention span and a reading level—high school reading level—you're going to do fine with this course. Your learning curve might be three months. I've had attorneys use this in almost every state. In fact, I've had one attorney from the Attorney General's Office in one of the states use this. And their learning curve is like a couple of weeks.

John: If you're going through these things and you've sent your letters and you don't seem to be getting anywhere, if I decide I just can't keep dealing with this, can I still file for bankruptcy?

John G.: That's a good question. I had a guy; I think it was in October and November of last year, they were farmers in Nebraska. They won the lawsuit against City Bank for \$8,000. The judge dismissed City Bank's lawsuit against them. Then a month later, they won a lawsuit against Household for about \$5,000. Now remember, these people are farmers. They have no clue about court. Even with those two wins, they just didn't want to deal with it anymore. And they went and filed bankruptcy.

John: It was just too much for them to have to go through all this stuff.

John G.: Yes, it can be overwhelming for people.

John: I'm sure it's very emotional, too.

John G.: Sure. And a lot of people that do this stuff have never been to court. And so when they hear me discussing, they keep hearing court, court. Oh, my gosh I have to go to court. But the truth is, that's the only interesting part of this. I mean the quiet part of it is we do some letters and we never hear from them again. We get some nasty phone calls. Send the letters. Make a statement of the phone. Done.

John: Like you said at the beginning, there's definitely a percentage of times where you send your letter and they send back and they say, "Jeez, I'm really sorry we bothered you."

John G.: That happens once in a while. Most of the time we don't get anything back.

John: They just leave you alone. They don't give you any more statements?

John G.: Exactly, right. And here's a typical thing you can expect. You get your statements. Then you send out your letters. You still get these statements. And then after three to six months, you'll get a notice saying it was charged off. And then you might get a collection letter. You send out a response and that's it. That's like 90% of the cases.

John: And then you just never hear anything again. Everything drops.

John G.: It just sits on your credit history. And the reason why that happens is not because our letters are so well written. It does help. But the reason is economics. The banks calculate that if they just sit on your credit history for a while, you'll pay. Lots of people will go through a closing on their house within those seven years. And the closing, the escrow company will make them pay the creditors to get the mortgage. So, the banks wait for that. Or believe it or not, they actually wait for you to die, as morbid as that sounds.

John: And they go after your estate.

John G.: They just file a document with the court and they attach it to your estate. So, if there is life insurance, there it goes.

John: If somebody had done that and they're just letting it sit, if you responded to the things that are on your credit history, if you responded to Equi Facts, or whatever, and you've said I'm disputing this, can they still go after your estate? How does that work?

John G.: You can send them dispute letters and they can sue you any time. If you're asking if they can sue you, that's always a possibility.

John: What I'm saying is when you say most of the time nothing happens. Most of the time you don't get a letter from them. They tell you they're going to do this. Then you go to collections. You send them your letter. And then it just goes and sits on your credit report. Is there any way to get it off of your credit report?

John G.: Yes, you can. And that's where our dispute letters come in. Because we've already sent those dispute letters, we don't care what they're going to do. We don't care if the bank is going to sue you or not. We're setting this up, assuming the worst. And then, if nothing happens, the worst doesn't happen or either way, we're going to take those letters and use them to fix your credit history. And it doesn't always work because the guy that gets your dispute letter doesn't care. He's making eight dollars an hour and doesn't

really care about you. And if he has time that day and he agrees with you, maybe he'll fix it. A lot of times Equi Facts will just remove the item until the 30 or 60 days that they can verify.

And we tell you how the system works. A lot of people don't know that when they first dispute an item on their credit history, it's an automated verification system. So, the verification process is only to verify that the spelling of your name is correct and the account number is correct. And they do that all by computer. So, that's why people just give up after the first letter because the credit bureau says everything is fine over here. We're going to leave it. So, we write back and say, no, no, no. There's a little bit more to this and we explain why. And it must bottom out to someone who actually reads the document. And that's where we get our results; on the second letter.

John: I see. It is possible for people to pull themselves up and with a better credit report than when they started.

John G.: Oh, yes. Just like anything. You just work at it. For myself, personally, because I write the book, I like to do things that are in my book. But my purpose is to show that people can get through their lives without having their credit history have to be everything.

John: Your credit history is not the be all and end all of everything for you to ever own anything again.

John G.: As much as the banks and the insurance companies want it to be, there's ways to get around that. And I wish more people would do that because these large companies have to realize that we're just not bad. It's a good system. It's good to make people pay—to pay to keep good credit. In fact, there's a lawsuit right now by the State of Florida against the insurance industry in the state to stop them from using credit history to qualify people for homeowners insurance rates. And I think it's going around the country that way.

John: That's great. I bet there's more people than I would imagine that have black marks on their credit history even though everybody seems to be trying to do the best thing. Some of the part that makes you wonder is the people that are driving around and you sit there and go how in the heck can they pay for that.

John G.: I pulled my report about a month ago. And there was an item on there that was totally unrelated to me. It was somebody else's name on there. So, there are things like that. If you don't check your credit and you just start getting denied, it will just get worse.

And maybe it's not because you did anything. They made a mistake.

John: Most people probably don't want to check their credit. Number one, people don't want to know what situation they're in. They don't want to find out what they have done to themselves. It's easier to just live in a fantasy that everything is okay.

John G.: I know that feeling. There's a lot of people that will spend hundreds of dollars to pay for a service that will do. And the funny thing is that all the services that do credit repair rely on one little paragraph in the Fair Credit Reporting Act. And all that allows people to do is send letters of dispute. You don't need to be a brain surgeon to do that. And it's easy to do. It can be your hobby for the next six months. If you want to do a couple a week; you can have pretty good credit when you're done. It's just like exercising. If you have an exercise program and you stay with it, you'll do well.

John: And is that your second book or is that covered in this stuff?

John G.: It is covered in "Winning the Collection Game."

John: So, what people would pay for someone to do their credit repair, they can buy your course and do it themselves.

John G.: Typically I have people that buy my course. They have \$60,000-80,000 in unsecured credit cards. They spend those few dollars on my course and get rid of all that liability in the first year and now they're working on their credit history and are almost back to where they were. And that's huge for a lot of people.

John: You said the process will take a couple of years before you're back where you want to be.

John G.: As far as credit goes, yes. It takes about a year, a year and a half at the most to get rid of your liabilities so that you know they're not going to do anything else to you.

John: So, you know that now you're left alone and that everything is okay.

John G.: Exactly.

John: There are things that can't be dismissed through this? I know we're not talking about mortgages. You said that's really a different process than what we're talking about. But there are other things that really can't be done; IRS debt, utility bills, that sort of stuff.

John G.: Right. Tax debts; the course doesn't talk about that. It doesn't discuss utilities. That's a different agreement. That's an invoice system. That's not a credit agreement. It doesn't deal with lease agreements either.

John: So, if you're leasing a car, it doesn't deal with that.

John G.: Right. That's a different contract.

John: Are there ways to get around that stuff, too?

John G.: There are. If you have a lease agreement or service agreement, like a mobile phone, you can't address that original contract. But if it's charged off to collections, "Winning the Collections Game" definitely addresses that.

John: So, that would be the same thing for that or even if it was somebody that puts down fertilizer on your lawn. You have an agreement with him and you haven't been able to pay him.

John G.: And it goes to collections. You could use it. I don't encourage people to not pay people that actually provide a service to you; like the hospital bills. I think people should be responsible for those. If it's a third party debt collector, this course will work for it.

John: So, that's going to be a third party debt collector.

John G.: Right. This system is much bigger than just my little credit card account, Chase Manhattan. It's my children that have to live in it 20 years from now that have to pay 30% more for the things that they want because the system is still around. But if we can make it expensive for the collectors, there's going to be hard scrutiny on the system. As we promote this and bring this to other people, it just gets that much more difficult for the collection system to continue the way it is going.

John: The course that you have here, you said you've been doing this for what ten years? Did you write a course back then or did you just start doing it for yourself then?

John G.: The course didn't actually become a publication until 1997.

John: Now, you said that you have updates through the Internet constantly. Am I right? So, it's not really the same thing you wrote in 97?

John G.: Oh, no way. It's not close to it. The only thing that's actually close to 97 is my response to the debt collectors. That's almost unchanged. In fact, I just uploaded a new upgrade this week. We have a specific procedure for some of the banks. Some of the banks we know so well. We know their law firms. We know where they work. We know where they're headquartered. And we know the documents they file. So, I write specific procedures to deal with only those banks. It's just like surgery. I go right to the exact issue we have to deal with, with them. And it just makes it easier for everybody. It's all pushbutton.

John: Well, I would think so. I would think with the knowledge that you have in being able to get through the red tape. I think if I would try to find these things out on my own, it would take me forever to try and get through everybody until I talk to the right person. And I bet most of the people that answer the phone when you call their 800 number for one of the banks, have no idea where to send you.

John G.: Some people would think if I wrote this as a better business plan and I try to sell it to somebody, they would think I was insane. If you go to any attorney—and I've sat in lawyer's offices in the last five years—and I've explained what I'm doing. And they just shake their head and say, "You mean you have a system that's essentially practicing law in 50 states. In 50 states you have a system that applies to all 50 states and you can show the average consumer how to use this system and be almost like his own lawyer and you're winning cases." And they can't believe it. And it's right. There's nothing wrong about the system. I've talked to attorney after attorney and they say, "Well, I can't see anything wrong with what you're doing here."

John: Is there anything we haven't talked about that you think people would want to know? This report that I've read, can they get that online so they see a little bit of the beginning of it?

John G.: Yes, they can. They can download it in minutes. It's called, "How To Eliminate Your Mortgage and 90% of Your Credit Card Debt for Under \$1,801." It's an introductory course. It's about 46 pages long. It's got ten sections and it goes through some basic things that people are always interested in.

For example, "How to respond to the debt collection notice I got in the mail." It's a detailed explanation of how to do that. Another section deals with, "How to fix my credit." And believe it or not, instead of spending hundreds of dollars, for \$20 you can get this

little section that tells you everything you need to know about fixing your credit.

There's also another section that deals with how to stop harassing phone calls. There's two things you can do. One, there's a phrase that you can say to the caller. And we give you the sample letter that you send to the caller. You probably will never hear from them again, ever.

The other thing, there's a fourth major section that deals with mortgages, student loans and other promissory note types of debts. It explains to you how the note is used to create the money and the way it's used makes the customer the lender. And because it's a promissory note, I can use that note to show them why I don't owe the money and have the note cancelled and the mortgage cancelled. Still an introduction. And it gets you a little perspective on how the strategies look on paper.

John: I read through everything and it was a pretty easy read. There are some complicated things. And I think the one thing that maybe the people who listen to this if they're going to get it, have to do is stop for a second before they read it and suspend your belief in what you have been taught by the system.

John G.: Just open your mind.

John: Open your mind and say here's some new information that has been kept from me because it's the systems advantage to keep it from me.

John G.: We actually uploaded a new version. I rewrote a lot of major parts in that introductory book today and it will be uploaded later today and tomorrow. It's has a section that has a list of all the cases that our customers have won. It's actually a percentage of the cases because not everybody tells us when they win a case. But whenever I see on my desk an order signed by a court dismissing a lawsuit from a bank, I publish that. And I don't know of anyone else who is able to do that. We have a list of testimonials, of course, that explain people's experiences and things like that. It's all in the book.

This is the first time I've ever published a bibliography of the legal foundation and sources of what I have used over the years to build this course. So, you can go back and verify my sources and see that it is for real. I'm not the only one that created this information.

- John: This is information that you've collection and not created this information.
- John G.: Well, I've created the strategy. The information is there. You would spend a couple of years doing it yourself and then testing it to get the case experience from the attorneys who respond. That's how I've learned a lot, from their response. So, it's learning. It's a new publication. But it is a collection of stuff that's old. It's like 100 years old.
- When the Congress says we create money from nothing, when there's a Congressional report, how do I use that report to stop Chase from garnishing my paycheck. Well, I'm going to show you how to do that.
- John: And then you've come up with the strategies in how to use their information against them.
- John G.: Exactly. I've taken all the rules of court, the civil procedure in all 50 states and read most of them, believe it or not. It was not fun. But over the years I've read them. I've got their procedures down and I've written my procedures based on those rules.
- John: Are the rules different from state to state?
- John G.: They very just a little bit. Most of them are very similar to the federal rules. They like to copy the Fed. The interesting thing I'd like to explain to people is once you understand how the court system works, then you're better able to avoid the court room because you know your rights and you know what you can and can't do You know what judge will listen to what. You know what the judge will listen to. And so because I understand how, for example, what a motion for summary judgment is, I understand what letter I need to send them today. And you don't have to think about that stuff. I've already done it. You just follow the steps.
- John: So, really just follow step A through Z and you'll have cleaned up a lot of your credit and freed yourself with the money to pay for the things you have to pay for.
- John G.: It's only beneficial. The more you follow the course, the better it gets.
- John: I think it's an amazing system that you've created. There are some people, I think, that will get it and probably won't use it because they don't believe it because they'll be scared.

John G.: We're always here answering questions. In fact, I answer anywhere from 50 to 200 emails a day. And I answer questions constantly. I doesn't phase me at all.

John: What's your background?

John G.: I used to work in the computer industry. I used to work for IBM back in the early 90's doing software support. And then I worked for Motorola. We made microchips. But I started doing this research part time and I developed these publications on a part time basis. And my background is that I don't have a law degree. I have a two year college degree. And that's about it. That's what I'm saying. I'm not a PhD law professor that wrote this course. I'm just like everybody else.

John: And the thing is this course isn't based on theory. It's based on case studies that have actually happened. You're not coming to them and saying, "You know what, this will be a cool idea to try. If you want to try this, you might get through okay." You're saying, "Hey, I've done this or a bunch of my clients have done this and this works." Eight times out of ten this works.

John G.: I'll tell you what. In ten years I know that this course has been used for about 10,000 collections. It's been tested over 10,000 times around the country in all 50 states. It's gone through the wringer. It has a lot of tests.

John: And it was tested with the same success.

John G.: Yes. If we loose a case, for example, I'll go back and find out why. Maybe the person didn't do everything right. Or maybe they did and something happened with the court. So, I'll go write a new procedure. Or if I see a trend, like with NB&A, I'll write a new procedure to handle that. So, it just keeps on going.

John: That's amazing. That's a lot of dedication to your clients and to your future clients.

John G.: There's a lot at stake here.

John: Yes. There are a lot of people's lives at stake. When they have this, this can really be the different for them between having a life full of happiness and having a life of misery and really just spending the rest of their life paying the man.

John, it's really been amazing to talk to you about this because it's something I never knew about before because I never did this kind of research and wouldn't know how to start it.

John G.: Well, I appreciate the chance for the interview. I could probably talk for all day and you'd hate me after that.

John: No, I'd probably like you even better. You have an incredible mind to come up with this kind of stuff and to put it all together. And I think it's smart that you offer it as a course for people.

Now, if somebody get this and they're just not of the mind set or they're too flustered and that sort of stuff and they can't get through it, you guys have people that can do this for them?

John G.: Yes, we do actually. Some people just can't do it. They just don't want to and they'll say, "Help me. Save me." We'll get an email like that. We'll respond back saying, "Tell us what your situation is." They write back two sentences and we say, "Okay, here's what we need." We'll either send them the document and say put your name here, fill in this fax, send it back, we'll check it over and then we'll send it back for you to file or mail." That's pretty much how it works.

John: For the most part, it's fill in the blanks.

John G.: It is, yes. It has to be.

John: It's not hard for somebody. Like you said, they've got to go through the course and they'll have a much better time if they understand the concepts that you've built it on.

John G.: Sure. I have one guy in particular; he ordered the course a couple of years ago. And about every three months he goes, "Hey, I just got another one. I just won another one. I just won another one."

John: That's wild. I imagine if you have all this debt and it's burdening you, by sending in a letter or making a phone call or sending in the correct document, all of a sudden they stop bothering you, it's got to be like winning the lottery.

John G.: You have nothing to lose and it's so empowering to get on the phone and you're not afraid to answer the phone because you know it's that collector calling you at six o'clock at night. And you answer the phone and they say, "Is Mr. Smith there? We're calling about your account." And you say the next thing and this weight is

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lifted off your shoulder because it's the thing they don't want to hear.

John: And you know the magic words to tell them.

John G.: There are a couple of things and once you say those things, the world is yours. That person is not going to call you again.

John: And again, you can start answering your phone again.

John G.: It's just like using your block sender list on email. You'll hear one more call from each of the collectors. And you get on that phone and you're never going to hear from them again, most of the time, 90% of the time. Sometimes you'll have a collector that has a personal vendetta that has to keep calling you because you showed them up on the last call. And we have a way to handle that one, too. It's a little more time, but we have a way to handle that one.

John: You're very generous to have put all this stuff together for all the people. There's a lot of people, especially in an economy like we have now, that are hurting. I think it's a great thing that you've done. I think that people get a hell of an education here.

John G.: Thanks for the opportunity, John.

John: You're very welcome.

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