

STATE OF MINNESOTA

IN JUSTICE COURT

COUNTY OF SCOTT

TOWNSHIP OF CREDIT RIVER
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff,

vs.

JUDGMENT AND DECREE

Jerome Daly,

Defendant.

The above entitled action came on before the Court and a Jury of 12 on December 7, 1968 at 10:00 A.M. Plaintiff appeared by its President Lawrence V. Morgan and was represented by its Counsel Theodore R. Mellby. Defendant appeared on his own behalf.

A Jury of Talesmen were called, impaneled and sworn to try the issues in this Case. Lawrence V. Morgan was the only witness called for Plaintiff and Defendant testified as the only witness in his own behalf.

Plaintiff brought this as a Common Law action for the recovery of the possession of Lot 19, Fairview Beach, Scott County, Minn. Plaintiff claimed title to the Real Property in question by foreclosure of a Note and Mortgage Deed dated May 8, 1964 which Plaintiff claimed was in default at the time foreclosure proceedings were started.

Defendant appeared and answered that the Plaintiff created the money and credit upon its own books by bookkeeping entries on the

his own behalf.

Plaintiff brought this as a Common Law action for the recovery of the possession of Lot 19, Fairview Beach, Scott County, Minn. Plaintiff claimed title to the Real Property in question by foreclosure of a Note and Mortgage Deed dated May 8, 1964 which Plaintiff claimed was in default at the time foreclosure proceedings were started.

Defendant appeared and answered that the Plaintiff created the money and credit upon its own books by bookkeeping entry as the consideration for the Note and Mortgage of May 8, 1964 and alleged failure of consideration for the Mortgage Deed and alleged that the Sheriff's sale passed no title to Plaintiff.

The issues tried to the Jury were whether there was a lawful consideration and whether Defendant had waived his rights to complain about the consideration having paid on the Note for almost 3 years.

Mr. Morgan admitted that all of the money or credit which was used as a consideration was created upon their books, that this was standard banking practice exercised by their bank in combination with the Federal Reserve Bank of Minneapolis, another private Bank, further that he knew of no United States Statute or Law that gave the Plaintiff the authority to do this. Plaintiff further claimed that Defendant by using the ledger book created credit and by paying

on the Note and Mortgage waived and right to complain about the Consideration and that Defendant was estopped from doing so.

At 12:15⁴¹ Von December 7, 1968 the Jury returned a unanimous verdict for the Defendant.

Now therefore, by virtue of the authority vested in me pursuant to the Declaration of Independence, the Northwest Ordinance of 1787, the Constitution of the United States and the Constitution and laws of the State of Minnesota not inconsistent therewith;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. That Plaintiff is not entitled to recover the possession of Lot 19, Fairview Beach, Scott County, Minnesota according to the Plat thereof on file in the Register of Deeds office.

2. That because of failure of a lawful consideration the Note and Mortgage dated May 8, 1964 are null and void.

3. That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.

4. That Plaintiff has no right, title or interest in said premises or lien thereon, as is above described.

5. That any provision in the Minnesota Constitution and any Minnesota Statute limiting the Jurisdiction of this Court is repugnant

3. That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.

4. That Plaintiff has no right, title or interest in said premises or lien thereon, as is above described.

5. That any provision in the Minnesota Constitution and any Minnesota Statute limiting the Jurisdiction of this Court is repugnant to the Constitution of the United States and to the Bill of Rights of the Minnesota Constitution and is null and void and that this Court has Jurisdiction to render complete Justice in this Cause.


6. That Defendant is awarded costs in the sum of \$75.00 and execution is hereby issued therefore.

7. A 10 day stay is granted.

8. The following memorandum and any supplemental memorandum made and filed by this Court in support of this Judgment is hereby made a part hereof by reference.

Dated December 9, 1968

BY THE COURT


MARTIN V. MAHONEY
JUSTICE OF THE PEACE
CREDIT RIVER TOWNSHIP
SCOTT COUNTY, MINNESOTA

MEMORANDUM

The issues in this case were simple. There was no material dispute on the facts for the Jury to resolve.

Plaintiff admitted that it, in combination with the Federal Reserve Bank of Minneapolis, which are for all practical purposes, because of there interlocking activity and practices, and both being Banking Instutions Incorporated under the Laws of the United States, are in the Law to be treated as one and the same Bank, did create the entire \$14,000.00 in money or credit upon its own books by bookeeping entry. That this was the Consideration used to support the Note dated May 8, 1964 and the Mortgage of the same date. The money and credit first came into existance when they created it. Mr. Morgan admitted that no United States Law or Statute existed which gave him the right to do this. A lawful consideration must exist and be tendered to support the Note. See Anheuser-Busch Brewing Co. v. Emma Mason, 44 Minn. 318, 46 N.W. 558. The Jury found there was no lawful consideration and I agree. Only God can created something of value out of nothing.

lawful consideration and I agree. Only God can created something of value out of nothing.

Even if Defendant could be charged with waiver or estoppel as a matter of Law this is no defense to the Plaintiff. The Law leaves wrongdoers where it finds them. See sections 50, 51 and 52 of Am Jur 2d "Actions" on page 584 -"no action will lie to recover on a claim based upon, or in any manner depending upon, a fraudulent, illegal, or immoral transaction or contract to which Plaintiff was a party.

Plaintiff's act of creating credit is not authorized by the Constitution and Laws of the United States, is unconstitutional and void, and is not a lawful consideration in the eyes of the Law to support any thing or upon which any lawful rights can be built.

Nothing in the Constitution of the United States limits the Jurisdiction of this Court, which is one of original Jurisdiction ~~w~~ith right of trial by Jury guaranteed. This is a Common Law Action. Minnesota cannot limit or impair the power of this Court to render Complete Justice between the parties. Any provisions in the Constitution and laws of Minnesota which attempt to do so ~~are~~ repugnant to the

Constitution of the United States and ~~and~~ void. No question as to the Jurisdiction of this Court was raised by either party at the trial. Both parties were given complete liberty to submit any and all facts and law to the Jury, at least in so far as they saw fit.

No complaint was made by Plaintiff that Plaintiff did not receive a fair trial. From the admissions made by Mr. Morgan the path of duty was made direct and clear for the Jury. Their Verdict could not reasonably have been otherwise. Justice was rendered completely and without denial, promptly and without delay, freely and without purchase, conformable to the laws in this Court on December 7, 1968.

December 9, 1968

BY THE COURT

MARTIN V. MAHONEY
JUSTICE OF THE PEACE
CREDIT RIVER TOWNSHIP
SCOTT COUNTY, MINNESOTA

Note: It has never been doubted that a Note given on a Consideration which is prohibited by law is void. It has been determined, independent of Acts of Congress, that sailing under the license of an enemy is illegal. The emission of Bills of Credit upon the books of these private Corporations, for the purposes of private gain is not warranted by the Constitution of the United States and is unlawful. See Craig v. Mo. 4 Peters Reports 912. This Court can tread only that path which is marked out by duty. M.V.M.

First National Bank of Montgomery,
Minnesota,

Plaintiff

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COMPLAINT

Jerome Daly,

Defendant

I.

That the defendant is in possession of Lot 19, Fairview Beach, according to the recorded Plat thereof on file and of record in the office of the Register of Deeds in and for the County of Scott and State of Minnesota, and was the owner in fee thereof at the time of the execution of the mortgage hereinafter mentioned.

II.

That on May 8, 1964, defendant made and delivered to plaintiff a mortgage of said premises to secure the payment of a promissory note for Fourteen Thousand and no/hundredths (\$14,000.00) Dollars, then made and delivered by defendant to plaintiff; that on April 31, 1967, said mortgage was recorded in the office of the Register of Deeds for said County as document #113751.

III.

That thereafter, default having been made in the payment of the principal and interest of said note and mortgage, plaintiff duly foreclosed said mortgage by advertisement under a power therein, and duly caused the same to be sold by the Sheriff of said County at public auction on June 26, 1967, in conformity with the Statute in such case made and provided; that at said sale plaintiff was the purchaser of said premises and said Sheriff duly made and delivered his official certificate of said sale as provided by Minnesota Statutes 580.12; that on July 17, 1967, said certificate was

recorded in the office of the Register of Deeds for said County as documents #114393 and #114394.

IV.

That more than one (1) year has elapsed since that date and no redemption has been made therefrom and the time for redemption therefrom has expired.

V.

That by reason thereof and of the Statute in such case made and provided, plaintiff is the owner in fee and entitled to the immediate possession of said premises.

VI.

That defendant withholds possession thereof from plaintiff.

WHEREFORE, plaintiff demands judgment for the restitution of said premises and costs and disbursements.

MCQUIRE & MALLBY

/s/ Theodore R. Mellby
Theodore R. Mellby
Attorney for Plaintiff
Montgomery, Minnesota 56069
Tele: 364-7327

STATE OF MINNESOTA
COUNTY OF SCOTT

IN JUSTICE COURT
TOWNSHIP OF CREDIT RIVER
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff

-vs-

 P R E L Y

Jerome Daly,

Defendant

.....

1.

Denies each and every allegation

WHEREFORE plaintiff prays that Defendant take nothing by his pretended Counterclaim and that plaintiff be awarded judgment against defendant pursuant to its complaint including attorneys fees, interest, costs and disbursements.

MCQUIRE & MELLBY

BY Theodore P. Mellby
Theodore P. Mellby
Attorney for Plaintiff
Montgomery, Minnesota 56060
Tel: (612) 364-7327

STATE OF MINNESOTA

COUNTY OF SCOTT

IN JUSTICE COURT

TOWNSHIP OF CREDIT RIVER
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff,

AMENDED

vs.

ANSWER AND COUNTERCLAIM

Jerome Daly

Defendant.

Defendant, Jerome Daly, for his Answer and Counterclaim herein states and alleges:

I.

Defendant denies generally each and every matter and thing in Plaintiff's Complaint except as is hereinafter alleged.

II.

Alleges that Defendant is now and has been at all times herein material the owner in fee of the premises described in the Complaint and now is in possession thereof.

III.

Alleges that on or about May 8, 1964 Defendant made and delivered a promisory

Alleges that Defendant is now and has been at all times herein material the owner in fee of the premises described in the Complaint and now is in possession thereof.

III.

Alleges that on or about May 8, 1964 Defendant made and delivered a promisory note in the sum of \$14,000.00 along with a mortgage to secure payment of the alleged note, however, Defendant alleges that said Note and Mortgage are void because said Note and Mortgage are not supported by any lawful consideration nor did Defendant receive any lawful consideration for said Note and Mortgage.

IV.

Alleges specifically that the Plaintiff, through its agents, created, unlawfully, by bookkeeping entry upon the ledger books of said Bank, the sum of \$14,000.00 in money and credit by which it attempted to give and grant as a lawful consideration for said Note of \$14,000.00. That said activity by said Bank is unlawful, unconstitutional and void.

V.

That the Federal Reserve Banking Act and the National Banking Act, in so far as they are attempted legislation by the United States authorizing Federal Reserve and National Banks as Banking Corporations, is unconstitutional and void and not necessary and proper for carrying into execution the powers vested in the United States Gov. by the people. That on the contrary the said corporations

are set up, maintained and permitted to exist as artifices, tricks and devices for the purpose of swindle, fraud, forgery and theft and also usury and to further usurious practices. That all the foregoing unlawful practices apply to plaintiff in this case.

VI.

That Plaintiff is engaged with the Federal Reserve system of creating unlawfully, money and credit by bookkeeping entry upon its books as it did in this case, all of which is unconstitutional and void in violation of laws relating to forgery and usury.

VII.

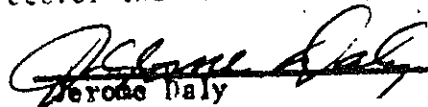
That said Note dated on or about May 8, 1964 is all without lawful consideration and is void.

VIII.

That the recording of said Mortgage and the Sheriff's sale constitutes Defendant's slander of title of ~~XXXXXX~~ property.

Wherefore, Defendant demands Judgment as follows:

1. That Defendant be adjudged not guilty, with Judgment entered for Defendant to that effect, together with Costs taxed against Plaintiff and that an execution issue therefore.
2. That the said \$14,000.00 Note be declared null and void as not founded upon a lawful consideration.
3. That said Mortgage and Sheriff's Sale be likewise declared null and void as not founded upon a lawful consideration.
4. That Plaintiff has no right, title or interest in said premises or lien thereon.
5. That Plaintiff is not entitled to recover the possession of the premises described in the Complaint.


Jerome Daly

November 30, 1968

STATE OF MINNESOTA

COUNTY OF SCOTT

IN JUSTICE COURT

TOWNSHIP OF CREDIT RIVER
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff,

vs.

ANSWER AND COUNTERCLAIM

Jerome Daly

Defendant.

Defendant, Jerome Daly, for his Answer and Counterclaim herein states and alleges:

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IV.

Alleges specifically that the Plaintiff, through its agents, created, unlawfully, by bookkeeping entry upon the ledger books of said Bank, the sum of \$14,000.00 in money and credit by which it attempted to give and grant as a lawful consideration for said Note of \$14,000.00. That said activity by said Bank is unlawful, unconstitutional and void.

V.

That the Federal Reserve Banking Act and the National Banking Act, in so far as they are attempted legislation by the United States authorizing Federal Reserve and National Banks as Banking Corporations, is unconstitutional and void and not necessary and proper for carrying into execution the powers vested in the United States Gov. by the people. That on the contrary the said corporations

are set up, maintained and permitted to exist as artifices, tricks and devices for the purpose of swindel, fraud, forgery and theft and also usury and to further usurious practices. That all the foregoing unlawful practices apply to plaintiff in this case.

VI.

That Plaintiff is engaged with the Federal Reserve system of creating unlawfully, money and credit by bookkeeping entry upon its books as it did in this case, all of which is unconstitutional and void in violation of laws relating to forgery and usury.

VII.

That said Note dated on or about May 8, 1964 is all without lawful consideration and is void.

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1. That Defendant be adjudged not guilty, with Judgment entered for Defendant to that effect, together with Costs taxed against Plaintiff and that an execution issue therefore.
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3. That said Mortgage and Sheriff's Sale be likewise declared null and void as not founded upon a lawful consideration.
4. That Plaintiff has no right, title or interest in said premises or lien thereon.

James Daly