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February 1, 2008

Your due diligence – where to start?

**If you are considering “going offshore”,
then there are some crucial facts you need to know
before you believe in anything you see online...**

Why your nationality is irrelevant...

Canadian income tax laws are no different from the parallels in most other countries - it works by people signing away their legal rights to a defense by SIGNING that bloody document called the “tax return”.... The same goes for Americans, Australians, Germans, Russians, Japanese – you name it!

The whole problem about “offshore” is NOT related to any national laws - because we simply put ourselves and our activities OUTSIDE the jurisdiction of National law! It is just so that Canadians, for instance, can get away with a few more things than Americans can. The USA is by far the least free country in the western world now, sharply followed by the UK. But it really does not make any difference for whether or not you should establish an offshore presence and how you should do it, because you want PRIVACY first of all - and, for that, there are no national differences in regards to what you do and don't do...

Canadians have the same REPORTING OBLIGATIONS as Americans have - and if you think the Canadian government is going to gather information about what you do in foreign countries, without a serious intention of USING that information to tax you later, then you are fooling yourself a bit too much, I would think... And if you live in Australia or New Zealand, or in Germany or Russia, the same goes for you.

The core of the problem...

Wealth creation takes FREEDOM. As long as you are obliged to make money also for some parasite, who does not make any contribution at all to your success but only tolls on your results, you are not free – and you won't get wealthy without an enormous extra effort, which vastly exceeds what most people can manage.

You have no freedom unless you have PRIVACY. Why do you think that democratic votes are cast in secrecy? Just for the fun of it?

The problem is that, no matter where you live, your government demands that you disclose everything in your tax return - which is a fundamental violation of the

Constitution of all western countries that I know of. But regardless how strongly you might feel about this, the government has powers and desires to make your life very miserable indeed, if you don't "volunteer" that information. That's why your financial activities have to be conducted in such a way that they fall completely outside what your government possibly and legitimately can control and even request information about: YOU and your legal identity as a government slave.

Do not be naïve and think that your government will like that you free yourself of its control, so it no longer can tax you as it pleases... But this does not mean that you have to break any laws to achieve that freedom!

However, the solution to this is *NOT as simple as "setting up an account"*. In fact, it involves SETTING UP A SECOND LEGAL IDENTITY that is not bound by the laws of your country. Until you get your head wrapped around that completely different paradigm, you are only fooling yourself and possibly digging your way right into the government's trap that leads to many years in prison for criminal tax fraud.

Debunking some dangerous myths...

It is not illegal to "go offshore", if you do it right. But it can become criminal, if you do it wrong! It isn't illegal to drive a car either – but it is easy to break the law, when you do! You can get an overview of the relevant legal issues at

<http://freedomfromtaxes.com/goingoffshore.php>

If you want to "have it in writing" that you have the final say in all matters relating to your assets income sources offshore, then you are also

- *either* accepting tax liability on the whole thing
- *or* accepting to gamble on never having to defend yourself against the criminal charges that can be filed against you any time – because *you have no defense...*

Be clear on this: There cannot exist any official "enforceable" document relating to your offshore affairs which also refer to your name as a person who has any legal powers or rights! You have to use *indirect leverage*, just as the big guys do, in order to secure your control without having any ownership. Like the car. You are not using your own muscle power to make it run. You take advantage of the control you have over how the engine works.

If you run into someone who advises you that your first step should be to set up a bank account in another country, then run away! You have *ownership* of that bank account – and that means that you commit a crime if you do not report it on your tax return...

Same thing if you hear that "the most important thing to consider first is the financial and political stability of the country where you want your offshore entity established". People who can say such rubbish have never been personally involved in offshore matters – or are outright stupid or negligent. The truth is that, if you want the freedom you can get from such an offshore legal entity, you must accept that it cannot do any business in the country in which it is established...

If you pay for the set-up of any offshore legal entities, with money from a bank account in your name or in the name of a business you own, then you have what a US judge will

call "a beneficial ownership interest" in that offshore entity, and that means full tax liability for it! And that's the same in all countries. So you cannot *order* such an entity! Not even through an agent – unless you accept the government's control and your tax liability.

You must realize that you CANNOT obtain any useful legal advice in offshore matters from your lawyer. First off, he knows NOTHING about law in other countries. Next, he cannot run his business without a government license, so he is under the government's control and mercy. Finally, in the USA and the UK, he risks several years in prison if he does NOT report your offshore ambitions to the government...

You will easily find hundreds of web sites where you can find "professional" claims to the effect that offshore entities are "tax neutral" (i.e. taxable objects for your government) – which basically means that your government wants control over them – and it can only get that control if you volunteer to give it to them! If you care to investigate this any further, you will find that all of those articles are written by government employees or by professionals who depend on government licenses for their living.

But this is all under the assumption that you order such an entity to be set up for *you*... And that is *not* the smart way of doing things!

Defining the information you need

For your freedom, you need:

- **Complete privacy** in all matters relating to finance.
- **An offshore legal entity** that you can control without having your name on record in any public registries or on any legal documents that can be "enforced" in a court of law; this entity becomes your "second ID", as it is not bound by the laws that bind *you*... This entity must be established without any possible trace back to your ordering it!
- **Some service providers** that will manage this legal entity in accordance with your wishes; these providers must extend to you the legal tools you need for confidential control of the entity, including means of communication in completely privacy. You must make sure that these service providers are not located in the USA or in the UK or some other country where they, by law, risk huge penalties for *not* reporting to the government any "suspicious action" from a client of theirs.
- **The necessary education** to "manage" this offshore legal entity without putting neither yourself nor anyone else into legal trouble. Please understand that this education is very risky for your teachers to give you – all governments will do anything in their power to harass those businesses to death and put them into deep oblivion. Besides, in the USA, as of December 2007, the government will share 30% of the collected taxes with the tell-tale who gives them a valuable tip...
- **Access to lucrative business and investment opportunities** that are never announced to the public, but exclusively made available through offshore connections and to offshore legal entities, NEVER to private persons.

Where and how you find the information...

The one thing that is important to know is this: The core information you need in order to make any diligent decisions in these matters IS NOT AVAILABLE FROM FREE PUBLIC SOURCES!

Also: just about EVERYTHING you can find from public sources will represent only such parts of the truth that you inevitably are led to make some very wrong and very dangerous conclusions if you try to make any decisions on that basis alone.

If people are not willing to PAY for the information, they will simply not get it. I know of no offshore service providers who will display in public their secrets about how this whole issue is to be managed without implying criminal liability on the client's part. And those who might do it regardless will for sure not be in business next year. Besides, the vast majority of them let people believe that this is simpler than what legal reality can confirm, so people are led to do things that push them right into crime when they do not disclose it to the government...

And there is no "repair" possible if you make a "beginner mistake" on this. You cannot eliminate information that is once given to a public registry. It has to be AVOIDED THROUGH DILIGENT PLANNING.

But one important piece of information can certainly be given in public: you can do absolutely NOTHING in regards to protecting your assets, income sources, and/or estate UNTIL you have an offshore legal entity working for you, either one you control directly, or one you control only partially through other people.

EVERYTHING you do in your capacity of a government slave (which is what you are in the moment you show any government-owned ID, such as a passport, a driver's license, your SIN or SSN number, your birth certificate, or any other such ID) is subject to your government's control – and gives you tax liability. Trying to avoid this by HIDING information is plain simply criminal. "Operating in anonymity" is just a nicer word for "hiding".

Another important piece of information is about the cost. The up-front price for setting all this up for you varies from zero to about maximum \$2,000, subject to how much you want to pay now, compared to paying later. Yes, just as everywhere else, you get the cheapest price by paying full price up-front. But there are many ways in which you can defer your payment until later, particularly when you have an investment you can offer as collateral. The specifics of this, of course, will depend on the people who offer the services, as well as on your investment and their assessment of its value as collateral.

It really boils down to this: Is your freedom from government control and taxation worth \$2,000? If you think that is too much, then enjoy your taxes!

Helpful references

Novasol's webinars are probably the simplest, easiest, and fastest way for people to be introduced to the important concepts of operating in privacy from an offshore legal platform.

The webinar "**Going Offshore - is it for YOU?**" at

<http://freedomfromtaxes.com/voiceroom/GoingOffshoreWebinar.php>

is probably a good start for most people. It is meant for people who have not yet made up their minds, and the objective for it is to help people focusing on the information that is crucial for deciding whether or not to *do* it.

Another one is **"Protecting Your HYIP - before it is too late"** at

<http://freedomfromtaxes.com/voiceroom/HYIPWEbinar.php>.

This too is a good starter, particularly for people who already invested money in some programs they hope to get a payout from.

When people are ready to take action, then **"Offshore Trusts – what you can and cannot use them for"** at

<http://freedomfromtaxes.com/voiceroom/OSTWebinar.php>

is the one where people get the most specific instructions for action – simply because the Foreign Grantor Trust is the most feasible and adequate choice for 98% of our clients. Combining this with the e-book **"Making Yourself Financially Invulnerable"** at

<http://freedomfromtaxes.com/AssetProtection>

gives people a very good idea of what "Offshore" is all about and why it is the only way of planning your financial future. So, for less than \$50, you can get to know more than enough to make up your mind whether this is for you.

For those who like to sniff around for themselves, the **free library** at

<http://freedomfromtaxes.com/free>

is likewise a good reference, particularly as support to other information. It is also valuable for those who just have no clue - but it also consumes their time, without giving them all answers, since we will NOT display the core answers on a public web site... ;-)

And then, of course, my **newsletter "The Doggy Bone"** at

<http://freedomfromtaxes.com/newsletter>

for those who just are not under any time pressure at all, but want to understand "offshore thinking" and how it can be used in daily life to protect what you treasure.

To your freedom!

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