

# **Comments to PEB Assignment/Sale of Note**

## **Tangible Side of the Equation (Right Side)**

1. The Sale of a Secured or Non Secured Note (negotiable instrument) does not have to be recorded.
2. UCC Article 3 applies to a Secured or Non Secured Note.
3. Where a Secured Note is sold, assignment of the security securing the Secured Note must be in compliance with applicable laws independent of the Secured Note's negotiation to maintain the security's perfection in a subsequent Tangible Note purchaser's name.
4. Accordingly to state laws and the security instrument itself, Local Laws of Jurisdiction apply to the Tangible Security (lien) securing the Secured Tangible Note
5. UCC Article 9 does not apply to this Tangible Security (lien).
6. Tangible payments are made to a common servicer for disbursement to the Tangible Note's Owner. (Holder of the Tangible Note may have a right to enforce the Tangible Note as agent for the Owner of the Tangible Note.)
7. MERS is not entitled to payments made under the Tangible Note.
8. The Tangible Security securing the Tangible Note is owned by the Tangible Note Owner's, who would be the proper party to claim Beneficiary status to the Tangible Security.

## **Intangible Side of the Equation (Left Side)**

1. The Creation of an Intangible based upon the collection of payments made under the Tangible Security as commonly done is under governance of UCC Article 9/RA 9.

2. The Security for the Intangible (Payment Intangible) is the rights to collect payments made in accordance to the terms of a valid Tangible Security.
3. MERS is not entitled to payments made under the Payment Intangible.
4. Where a lawful negotiation of the Tangible Note is made; rights to collect the Tangible Payment is assigned.
5. Where a lawful negotiation of the Tangible Note is made; rights to collect the Intangible Payment remains with the owner of the Intangible but such right is dependent upon the validity of the Tangible Security assignment.
6. Failure to properly maintain continuous Tangible Security perfection is dependent upon following the laws of the local jurisdiction.
7. Once the Tangible Security loses perfection, perfection is lost and when the Tangible Security becomes a nullity the Intangible Payment Stream is left with no source of income.
8. Upon lawful negotiation of the Tangible Note, a valid Tangible Security is temporarily perfected under local laws of jurisdiction to the subsequent purchaser of the Tangible Note.
9. Rights to collect the Intangible Payments from the Tangible Security depend upon the validity of the Tangible Security.
10. The Payment Intangible can be purchased by subsequent purchasers and under UCC 9, the Intangible's collateral (Payment Stream) is automatically transferred with all attachment and perfection remains intact.
11. Under the principles of "*Nemo Dat*", once the Tangible Security loses it perfection, no document can be created except with the obligors consent to establish a valid Tangible Security.

# Intangible Payment Stream Dependent Upon a Tangible Secured Note with a Valid Perfected Lien

Banks having lost rights to collect on the tangible side (right) so they deceive all to believe they can enforce the lien via the intangible side (left) that failed when the note was rendered unsecured due to loss of lien. With intermediaries willfully destroying the notes, Investors have no legal means available to collect on invalid liens or destroyed notes.

**Failure to Perfect  
Intervening Assignments of Lien  
  
Secured Status Lost  
Lien VOID**

Notes Loss of Secured Status = Voids Lien  
Void Lien = Void Intangible

**CDO/CDS  
Triggers  
Legal but  
Un-Sustainable**

