

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By J.D. Lynch, Chair, on March 23, 1993, at 10:00 a.m.

ROLL CALL

Members Present:

Sen. J.D. Lynch, Chair (D)
Sen. Chris Christiaens, Vice Chair (D)
Sen. John Brenden (R)
Sen. Betty Bruski-Maus (D)
Sen. Delwyn Gage (R)
Sen. Ethel Harding (R)
Sen. Ed Kennedy (D)
Sen. Terry Klampe (D)
Sen. Francis Koehnke (D)
Sen. Kenneth Mesaros (R)
Sen. Doc Rea (D)
Sen. Bill Wilson (D)

Members Excused: Senator Hager.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Council
Kristie Wolter, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 237, HB 394, HB 543, HB 635
Executive Action: HB 237, HB 543, HB 596, HB 383

HEARING ON HB 394

Opening Statement by Sponsor:

Representative Steve Benedict, House District 64, opened on HB 394, stating the Montana Science and Technology Alliance (MSTA), created in 1989, was given management authority over \$7.5 million in coal trust tax funds. He stated the MSTTA was given an additional \$5.1 million for research and development programs. He stated the original \$7.5 million is called the Seed Capital Program, and the additional \$5.1 million dollars is referred to

the R&D program. He stated HB 394 would authorize additional authority of \$8 million for the Seed Capital Program and another \$3 million for the R&D program. Representative Benedict stated HB 394 would remove all of the administration and overhead costs from the general fund. He stated the removal of these funds would save the general fund \$450,000. He stated MSTA can start generating their own money internally from paybacks.

Proponents' Testimony:

David Toppen, University Systems, Office of the Commissioner of Higher Education, Board of Regents, stated his support of HB 394.

Chris Ebeling, McGlaughlin Research Institute, stated HB 394 allowed for appropriations to the Research Institute from MSTA. She stated the appropriations had provided for on-going expansion and development. Ms. Ebeling stated the money provided allows people to come into Montana with grant money.

Dave Tippen, TMA Technology, stated MSTA allowed for his company to receive \$700,000 which is being paid back at 10.5% interest. He stated the money granted created 40 jobs and \$1.5 million in outside investments. He supplied the Committee with a letter from TMA Technologies (Exhibit #1).

Wendell Guthrie, Vice President, Manufacturing, Ultrafem, Inc. stated his support of HB 394. He stated Ultrafem was brought into existence to market a group of products which would improve female health care. He stated Ultrafem has raise around \$5 million in 3 years and the stock includes investments from MSTA. He stated Montana had the quality of life, quality of work-force, transportation availability and the cooperation from the educational institutions which made it attractive to companies. He stated the final choice for Ultrafem to move in Montana was the MSTA's interest in investing in the company.

Bob Swenson, Vice President of Research, MSU, read from prepared testimony in support of HB 394 (Exhibit #2).

James Tutwiler, Montana Chambers of Commerce, stated Montana has below average incomes and growth potential. He stated HB 394 would give Montana an opportunity to expand its incomes and growth potential.

Carl Russell, Executive Director, MSTA, stated his support of HB 394.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Klampe asked Representative Benedict how HB 2 would effect HB 394. Representative Benedict stated there was an amendment on HB 2 which would allow for the funding of HB 394 upon its passage. He stated the amendment also allowed for nothing but payback income for self-funding of the MSTA.

Senator Christiaens asked Representative Benedict if \$250,000 was the minimum annual payback, and where they got the figure from. Representative Benedict stated the figure was brought by the University System. Senator Christiaens asked where the University System would get the money to pay back the MSTA. Representative Benedict stated the income would be from outside money for research and development. He stated they also charge for services. David Toppen stated the paybacks start out at a low figure and slowly, but increase in rate and speed with time. He stated there are royalty and patent incomes from the research and development programs funded by the MSTA. Mr. Toppen stated the university agreed to a minimum, system-wide payback of \$250,000 annually.

Senator Christiaens asked Mr. Toppen if there was special authorization by the legislature for the expenditure of royalty and patent incomes by higher education. Mr. Toppen stated the legislature has allowed for the University System to reinvest patent and royalty incomes.

Senator Lynch asked Mr. Russell about the 10.5% interest rate. Mr. Russell stated the use of bonds were no longer allowed for funding. He stated the interest rate on a convertible debenture bond is what is used to determine the rate.

Closing by Sponsor:

Representative Benedict stated HB 394 would help the state to "break free" from their reliance on their basic-industry jobs, they would have to invest in programs like MSTA. He stated HB 394 would provide the types of jobs which the children of the state are preparing. He stated without MSTA there is no support of industries moving into Montana and deny the opportunity for the children to find good jobs in the state.

HEARING ON HB 543**Opening Statement by Sponsor:**

Representative David Ewer, House District 45, stated HB 543 would enable fiduciary agents of trust companies to use the mutual fund products which their bank holding companies offer. He stated if a person has assets under management by a trust company, and the

person has cash which they want to put into a checking account, they may not put that money into an interest bearing checking account. He stated HB 543 would allow for the idle cash to be placed in a money market or interest bearing checking account.

Proponents' Testimony:

Ron Waterman, Federated Cash Management, stated HB 543 would provide for uniformity. He stated HB 543 is identical to a bill which has passed 19 legislatures across the nation and is being considered in another 12 legislatures.

Bill Leary, Montana Bankers Association, stated his support of HB 543.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Representative Benedict closed on HB 543.

HEARING ON HB 635

Opening Statement by Sponsor:

Representative Russell Fagg, House District 89, stated HB 635 would allow the Secretary of State or a filing officer to remove fraudulent or improper liens. He stated HB 635 came about because people were filing improper liens for fraudulent purposes. He supplied the Committee with a copy of a fraudulent lien (Exhibit #3). He went over the bill with the Committee. He stated HB 635 would have the filing officer notify the secured party of the removal of a fraudulent lien. The notification would act as a security tool so any liens which are not fraudulent but appear to be will be kept on the system.

Proponents' Testimony:

Garth Jacobson, Secretary of State, read from prepared testimony in support of HB 635 (Exhibit #4).

Peter Funk, Attorney General's Office, stated his support of HB

635. He stated HB 635 would provide a protection for the lien holders against a weakness in the system.

Opponents' Testimony:

Warren Stone stated HB 635 was an oppressive measure by the government. He stated HB 635 would also inhibit freedom. He stated HB 635 was unnecessary because the procedures of filing a lien with the Secretary are already in place. He stated HB 635 would give the Secretary discriminatory powers over liens. He stated HB 635 was in violation of Article 6 of the constitution. He stated Article 6 states the purpose of the government officials is to keep public records in their office and to perform such other duties as described by law.

Questions From Committee Members and Responses:

Senator Gage asked Mr. Jacobson what a "filing officer" was. Mr. Jacobson stated a filing officer is either the Clerk and Recorder or the Secretary of State. Referring to page 11, subsection 2, Senator Gage asked Mr. Jacobson how they determine if a person is adversely affected. Mr. Jacobson stated the language in subsection 2 would only become effective if the lien was determined to be fraudulent and it would be enforced by the courts. He stated the damages awarded would be based upon the fraudulent lien and the damages done by the lien.

Senator Klampe asked Mr. Jacobson how a person could be adversely effected by a lien which had been determined fraudulent. Mr. Jacobson stated the fraudulent liens cause damages because the liens are on the system and if a person with a fraudulent lien against them wants to get a loan, the system is checked. He stated if a lending institution checks the system for outstanding liens, and finds the liens, then they may deny the person a loan. He stated the lender has no idea the liens are fraudulent because the system only shows a lien, and has no indicator the lien is false. He stated the previous system of removal of a fraudulent lien was to go to court and prove the lien was invalid. He stated HB 635 would allow for the people to go through an administrative process rather than a court process.

Senator Rea asked Mr. Jacobson if a Clerk and Recorder refused to take a lien, what recourse would the filer of the lien have. Mr. Jacobson stated the individual would have the recourse of filing of a "writ of mandamus" which would force the entity to file the lien. He stated the liens which are fraudulent have not had the signature of the debtors, which means nobody had consented to the lien.

Senator Klampe asked Mr. Jacobson what would happen if a person submits a lien and the lien was later found to be improper. Mr. Jacobson stated the liens must meet minimum requirements to be

considered a proper lien and to be filed. He stated if the lien is filed and then later determined to be improper, then the provisions of HB 635 would allow for the removal of the lien from the system.

Senator Klampe asked Mr. Jacobson if the responsibility for determination of fraudulent liens was on the filing clerk. Mr. Jacobson stated the filing officer was not responsible because they have to refer to minimum standards for a lien to be filed.

Senator Lynch asked Mr. Jacobson if there had to be a debtors signature on a lien. Mr. Jacobson stated there had to be a debtors signature on a lien or they will be rejected under HB 635. He stated there are ways to get around the need for a debtors signature.

Senator Christiaens asked Mr. Jacobson what the remedy for a fraudulent lien was. Mr. Jacobson stated the remedy was treble damages of the amount of the injury.

Closing by Sponsor:

Representative Fagg, stated HB 635 was supported by the Independent Bankers Association in the House. He stated under current law, anyone can file a lien against anyone and without any technical problems, the liens cannot be pulled. He stated if there is any question or doubt about the legitimacy of a lien, it will not be pulled.

HEARING ON HB 237

Opening Statement by Sponsor:

Representative Ed Grady, House District 47, stated HB 237 would decrease the licensing fee for public swimming pools from \$75 to \$50.

Proponents' Testimony:

Mitzi Schwab, Department of Health, read from prepared testimony in support of HB 237 (Exhibit #5).

Robert Dunlop, Owner, KOA Campground, stated he found the discrepancy in the amounts being charged people and brought it to the attention of the Department of Health. He stated his support of HB 237.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Representative Grady stated HB 237 would cut bureaucracy and asked the Committee's support.

EXECUTIVE ACTION ON HB 237

Motion/Vote:

Senator Gage moved HB 237 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 543

Motion/Vote:

Senator Kennedy moved HB 543 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 394

Discussion:

Senator Christiaens stated he had some amendments to HB 394 (Exhibit #6) and asked the LFA to come and address the amendments.

Senator Lynch asked Mr. Russell to address the amendments. He stated according to the people who introduced the amendments, they had to be put in HB 394.

Mr. Russell stated he felt Representative Benedict does not agree the amendments are necessary. He stated HB 2 put the MSTA back into the budget contingent upon HB 394 passing.

Senator Christiaens stated he felt it was important the Committee receive all of the information and he would like someone to come

in and discuss the amendments.

EXECUTIVE ACTION ON HB 383

Motion:

Senator Gage moved HB 383 BE NOT CONCURRED IN. The motion CARRIED 10 to 2 with Senator Harding and Senator Klampe voting NO.

EXECUTIVE ACTION ON HB 596

Discussion:

Senator Gage stated he had a problem with the Ninth Federal Reserve District (NFRD) being used as a rule making authority and the allowance of states outside of the NFRD being allowed to supply services.

Senator Mesaros stated HB 596 would allow for anyone who adopted similar legislation to reciprocate.

Senator Gage stated the statement of intent mentions solicitation, while the body of HB 596 would allow for actual businesses to be established.

Senator Klampe asked if the trust companies, being subsidiaries of banks, would fall under the interstate banking bills or if the combination of the two bills would not allow for interstate banking.

Senator Mesaros stated HB 596 was separate from the interstate banking bills because it is specific to trust companies and excludes banks.

Motion/Vote:

Senator Mesaros moved HB 596 BE CONCURRED IN. The motion carried 11 to 1 with Senator Klampe voting NO.

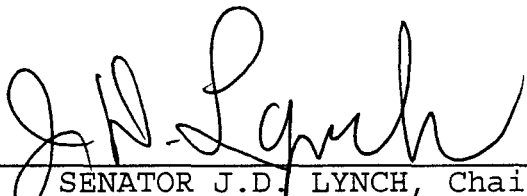
ADJOURNMENT

SENATE BUSINESS & INDUSTRY COMMITTEE

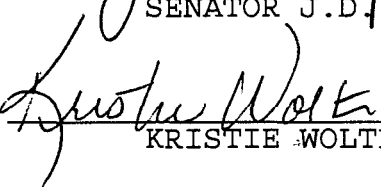
March 23, 1993

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Adjournment: 11:30 a.m.



SENATOR J.D. LYNCH, Chair



KRISTIE WOLTER, Secretary

JDL/klw

ROLL CALL

SENATE COMMITTEE Business & Industry DATE 3/23/94

NAME

PRESENT ABSENT

EXCUSED

Senator Lynch	✓		
Senator Christiaens	✓		
Senator Brenden	✓		
Senator Gage	✓		
Senator Hager			✓
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Koehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator Bruski-Maus	✓		
Senator Wilson	✓		

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 23, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 237 (first reading copy -- blue), respectfully report that House Bill No. 237 be concurred in.

Signed: J. H. Lynch

Senator John "J.D." Lynch, Chair

APL
Amd. Coord.
Sec. of Senate

Lynch
Senator Carrying Bill

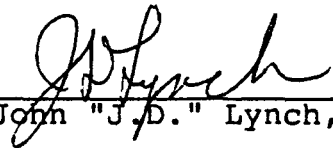
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SENATE STANDING COMMITTEE REPORT

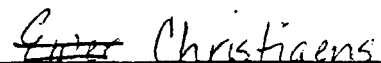
Page 1 of 1
March 23, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 543 (first reading copy -- blue), respectfully report that House Bill No. 543 be concurred in.

Signed: 
Senator John "J.D." Lynch, Chair

 Amd. Coord.
Sec. of Senate


Senator Carrying Bill

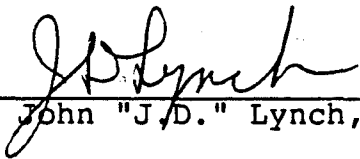
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SENATE STANDING COMMITTEE REPORT


Page 1 of 1
March 23, 1993

MR. PRESIDENT:

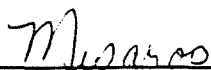
We, your committee on Business and Industry having had under consideration House Bill No. 596 (first reading copy -- blue), respectfully report that House Bill No. 596 be concurred in.

Signed: 

Senator John "J.D." Lynch, Chair


W

Amd. Coord.
Sec. of Senate


Senator Carrying Bill

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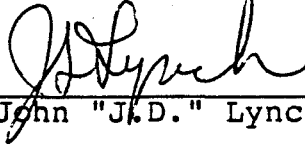
ADVERSE

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 23, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 383 (first reading copy -- white), respectfully report that House Bill No. 383 be not concurred in.

Signed: 
Senator John "J.D." Lynch, Chair



TMA Technologies, Inc.

March 22, 1993

Senator J.D. Lynch
Chairman Business and Industry Committee
Capitol Station
Helena, MT 59620

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 3/23/93

BILL NO. HB 394

Dear Mr. Chairman and Committee Members:

TMA is a portfolio company now employing 41 people and we are anticipating major growth during the next few years. MSTA was able to provide the necessary funding at a critical time to enable us to complete our R&D on products that are now successful in the marketplace. All of our customers are out of state and are mainly comprised of Fortune 100 companies. Our jobs pay very well and being a manufacturing company, we are able to create additional jobs as we purchase from vendors in our community.

In capital short Montana, MSTA plays a vital role in augmenting capital needs. While these investments do not provide an immediate return (beyond the 10.5% annual interest earned), some of us are planning to go public in the near future and the profit to Montana will be very handsome. On an immediate basis, many jobs are being created which is, in turn, broadening our tax base. We were able to raise another \$1.5 million in equity from outside the State because MSTA provided key capital at the right time.

MSTA is made up of people with unique experience and abilities necessary for managing portfolio funds. If the portfolio were turned over to MBOI, this particular type of expertise would be lost. These people are necessary to capture the major return desired on the funds already invested.

As a State, we face difficult decisions in this session. Balancing delicately between increasing an already burdensome tax level and decreasing services and spending requires your most prudent wisdom and judgement.

By adding MSTA management authority for the requested sums of money through FY 1995, you will be helping improve our situation for the future through the further creation of well paying jobs and through diversifying our industry tax base in the State. The return, both near and long-term, will multiply the investment back to Montana.

MSTA has certainly made the difference in our decision to permanently locate in Montana. Please vote in favor of House Bill 394.

Sincerely,

John C. Stover
President - CEO

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 2

DATE 3/23/93

BILL NO. HB 394

March 22, 1993

Testimony for MSTA

Mr. Chairman, Members of the Committee

The State of Montana is at a watershed in its history. The direction we choose now will impact the state for decades. If we are organized, disciplined, and committed to building for the long term, Montana will become an active economic contributor to the economy of the 21st century. If, however, we hesitate and focus on short-term problems at the expense of ignoring the opportunities of the future, we risk the danger of being left behind.

In spite of the serious federal deficit, the Clinton-Gore policy is to provide an "economic stimulus program" in order to bring science and technology to industrial modernization and economic diversification -- the country's hope to improve our national competitiveness and balance of trade. "...in 1990 the U.S. posted a \$34.1 billion surplus in overall high-technology trade. At the same time, it posted huge deficits in other fields." (Energy Law Journal)

Montana through MSTA and the MSTC has done its homework. A cross section of over 200 Montanans from the eight main Montana economic sectors spent two years and have put together two documents spelling out the needs of Montana's economy. These documents have been very well received in Washington and considered among the best in the Nation. We are well positioned to take advantage of the substantial federal programs designed or being designed to help states help themselves. What the federal programs require are

1. State plans and organization -- which we have through MSTA, MSTC and the Science and Tech Plan and Action Agenda.
2. Matching-funds -- which are partly included in this bill.
3. Competitive proposals which survive merit-based competition -- we have demonstrated our abilities in this area.

The ONLY state matching funds are in this bill, so if Montana is going to be in the national competition for money from the National Competitiveness Act or the Technology Reinvestment Program then it is critical that you act favorably on this bill.

Thank you for your attention.

Robert J. Swenson, Vice President for Research, MSU

- a. Please TYPE this form.
b. Remove Secured Party and Debtor copies and submit remaining set to the Secretary of State with the \$7.00 Filing Fee.
c. The Secretary of State will return the pink copy as an acknowledgment. At a later time, Secured Party may date and sign the termination legend on this copy and use it as a Termination Statement.
d. If the space provided for any item(s) is inadequate, the item(s) should be continued on additional sheets. Only one copy of such additional sheets need be presented with this set.
No additional fee.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

Name and Address of Debtor
Shelley M. Cheney
Office of Clerk and Recourder
Gallatin County Courthouse
Bozeman, Montana
see attachments accommodation
party under UCC 3-415
Social Security/Tax ID # 145062984
County of Residence Gallatin

Name and Address of Secured Party
LeRoy M. Schweitzer
c o Postal Address
NON-DOMESTIC NON-RESIDENT
4874 Itana Circle
Bozeman, Montana state
(republic) Texas v White(1869)
Pre-paid Acct. # 000240743

Montana Secretary of State Filing Officer

Name and Address of Debtor
Mike Chestnut
Office of Sheriff
Law and Justice Center
Bozeman, Montana
see attachments accommodation
party under UCC 3-415
Social Security/Tax ID # 145062985
County of Residence Gallatin

Type of Filing - MUST check one

- ☒ Commercial Filing
30-9-401(1)(c)
☒ Agricultural Filing
30-9-403(8)

Name and Address of Assignee of Secured Party
Lou Aleksich, Jr. by
accommodation signature by
LeRoy M. Schweitzer, prior
lienholder, see Certificate
of Nationality of file at the
Gallatin County Courthouse
Bozeman, Montana state
Pre-paid Account # 000240743

Name and Address of Debtor
William A. Cohan
1410 Santa Fe Drive
Encinitas, Ca. 92024
see attachments accommodation
party under UCC 3-415
Social Security/Tax ID # 145062986
County of Residence _____

- ☒ Transmitting Utility
30-9-409
000240743
☒ Informational Filing
000240743
PRIVATE HOMESTEAD DOCKET NO.

Name and Address of Record Owner or of Lessee of
Real Estate Concerned:
LeRoy M. Schweitzer
c o Postal Office Address
NON-DOMESTIC NON-RESIDENT
4874 Itana Circle
Bozeman, Montana state
united States' of America
(Texas v White) 1869 "state
Citizen of Montana

This Financing Statement covers the following types (or items) of collateral. If the collateral is agricultural products be specific as to type of product(s); example: wheat, barley, cattle, hogs, milk, honey, etc. (If collateral is crops growing or to be grown or goods which are or are to become, fixtures, also describe real estate concerned and add name and address of record owner or record lessee of real estate):

(See: attachments)

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 3/23/93

BILL NO. HB 635

To be completed if applicable: The above listed agricultural product(s) is produced/located in
Montana state (republic) includes any of the 56 county(ies).

Check ☒ If covered. ☒ Proceeds of collateral are also covered. ☒ Products of collateral are also covered. Number of additional sheets presented: 6

This statement is filed without the debtor's signature to perfect a security interest in collateral (check appropriate box)

- ☐ already subject to a security interest in the state of _____ when it was brought into this state, or
☒ which is proceeds of the original collateral described above in which a security interest was perfected.

"without prejudice" UCC 1-207 under 3-505

"without recourse" MCA 30-1-207

Signature(s) of Debtor(s)

By:

Signature(s) of Secured Party(ies)

teste meipso this 4th day of August, 1992

ex officio

SECURED PROPERTIES AND COLLATERAL

As security for and in consideration of all past, present, and future advances, claims, and other obligations, Debtor hereby grants LeRoy M. Schweitzer a security interest in all of the following types and items of property ("Collateral" herein) in which Debtor has and hereafter acquires any and all rights, titles, and interest, and rights present, past, and future wheresoever located and whether in possession of the Debtor, a warehouseman, bailee, trustee, agent, and/or other person, and all increases, therein and replacement products, proceeds, including the Bond/Body/Corporeal and incorporeal hereditaments, thereof. Proceeds include but are not limited to inventory, returned merchandise, accounts, chattel papers, general intangibles, insurance proceeds, documents and writings, money, goods, equipment, instruments (negotiable and non-negotiable), and any and all tangible and intangible properties arising under the sale, lease, if need be by payment through draft, and all dispositions of collateral, and includes the bonds, Bodies, and collateral herein, hereafter referred to as "Assets". This is to be set for payment, unless otherwise stated, by draft as substance in (Distress Warrant), for remedy of injuries inflicted upon Secured party, an innocent Citizen of Montana (the republic) by Priority lien. Acknowledgment of remedy and release of Citizen with no restrictions set thereon, as a Free White Man, and ALL properties are set by (9-103, & 10-104) for multi State/state collection. Errors have been made upon a Free Sovereign White Man of the Republic de jure Montana state Citizen with no connection to the corporate United States/Montana state, and who is not a "citizen of the United States/United States citizen", i.e., the District of Columbia. Injuries set the Secured party are in the amount of 8,000,000 Dollars of substance in Lawful Money of Account in Gold or Silver in specie of united States of America minted Coin in which this claim arises. Therefore, instructions are as follows for Debtors.

Kris A. McLean, Dorris M. Poppler, John Whelan, Paul G. Hatfield, Carl E. Røstad, Lou Aleksich, Jr., and Stan Stephens are to set forth their "Public Bonds" for the payment of the "TRUE BILL" set against a sovereign Citizen. A draft will be drawn thereupon for the sum of 8,000,000 in above described Lawful Money of Account in substance to be drawn off your substance for failure to protect a Citizen of Montana in this republic state. If your "Bond" is insufficient, your property will be attached to balance the difference and shortcoming, and if this is still not sufficient to satisfy in full this claim, your "Body" will be attached for the difference to balance the account. This will be further set with the Secretary of Commerce for notification of your obligations to a Citizen of Montana (the republic). Your lien will be set for a term of 100 years or until all obligations are herein set and fulfilled to the Secured party's acknowledgment and only then will a release be set. If any property (Collateral herein) is taken to satisfy this claim, you will be held for the loss with no recourse toward the Secured party. The draft will be set payable the the United States of America Treasury as "Non-negotiable" to be paid upon receipt thereof, directed to the United States District Court, Butte Division, Butte, Montana for them to direct

to the appropriate parties for collection and to direct the Sheriff of Gallatin County to collect the substance for payment (Balance) of the "TRUE BILL". Only by the hand and seal of the Secured party can release be given and he must be of sound mind, claimed sane, and alive, and in good health as at the time of unlawful imprisonment into a foreign corporate country, and no power is given to anyone else to allow release of this obligation (lien). These are your notices.

Stan Stephens is instructed to do the following:

Mr. Stephens is liable for the State in whole, both the corporate state and the "Protection" of the Republic State, that being each white Citizen of Montana, individually. He has chosen to side with the corporate United States, therefore, he is a foreigner in which he must now be bonded in fact to perform for the Republic of Montana. Therefore, by his failure to uphold the Republic of Montana and protect its Citizens, especially the Secured party, a Bond of 8,000,000 Dollars as above described and identified is set in draft form to aid in the balance of the account ("TRUE BILL") for this private Citizen of Montana to redeem his freedom. If he does not wish this to be sent forth, he is to take whatever measures is needed to secure the freedom of this Citizen of Montana, including, but not limited to calling out the "Militia" of the State to secure it from foreign "Agents". This order comes from the State itself, being "we the People" are the State, [Texas v. White, 1869], and if needed, call upon the Sheriff for further assistance to protect the People, and to have returned the Secured party to his Sovereign domicile dwelling, Montana state. Any aid that he deems necessary to return the "Safe" return of the Secured party, is hereby and by the State authorized. This claim is set for 100 years and can only be released by the Secured party's hand and seal. No power of attorney is given to anyone for this release, and in order to secure this release, the Bill must be balanced, or the safe return of the Secured party to complete freedom under this Republic with no ties or nexus of future wrongs being set thereon, nor harassments, abuse, nor any other wrongs toward this private Citizen of Montana (the Republic). If draft is set for balance of account, and if your "Bond" does not cover such, then all collateral herein set will be collected for debt. If collateral does not cover debt of the draft, then your "Body" will be attached for account, and you will serve the time needed for balance thereof. This is your notice.

"without prejudice" with explicit reservation of all
absolute rights UCC 1-207 under 3-505
without recourse" MCA 30-1-207

 "U.D."
SECURED PARTY: M. Schweizer

Lou Aleksich, Jr. is directed to do the following:

Mr. Alecksich, Jr., Clerk of the United States District Court, Butte Division, Butte, Montana, is hereby directed that an accommodation signature (UCC 3-415) will be set forth since you are bonded and no longer can function within your corporate capacity. If you act in your sovereign capacity as the True United States' Magistrate and set forth the order for the immediate release of the Secured Party, being a Citizen of Montana (the Republic), you would obtain immediate release from this claim set against you for denial of rights as set within your letter filed March, 2, 1992 in regards to cause/chattel No. CR 91-BU-PGH. If you act within this capacity, you are to file, instruct, and direct the appropriate papers to the proper parties for the immediate release of the Secured party. This is your alternate function within this Court, and you have this power to perform and correct the errors set against the Secured Party and the violations of his substantial, GOD given, and protected rights by the Constitution of 1787, which you have also violated. A draft is being drawn off your bond for the sum of substance in the balance of 8,000,000 Dollars above described and identified, and will be set against the collateral assets herein listed. If your collateral assets will not cover this draft, your body will be required to balance the claim herein set and will be collected for the service thereof as set within the commerce requirements the "lawyers" have placed upon you and all individuals. Only by the immediate release of this Sovereign Citizen of Montana (the republic), being held within a Foreign Customs Warehouse, will acknowledgment of your release from your/these obligations be set forth. This is a 100 year lien and can only be nullified by the hand and seal of the Secured Party and none other. You are further instructed to call up the balance of the alleged "TRUE BILL", so the balance may be satisfied if any Bill exists, and direct the drafts to the United States Department of Justice, c/o The Citizens and Southern National Bank, P.O. Box 100573, Atlanta, Georgia 30384, to Account # TRAT 33332891007YXCF and Collection Office: IAN, Transmitting Utility # (319) 363-6333, where balance will be settled if a balance exists and direct for immediate release of the Secured Party from the Foreign country which holds him (Title 18 USC 4107, 4108). Additionally, any and all documents, (Petitions, Affidavits, Writs, and any others) sent by the Secured Party, will be directed to the appropriate justices or judges for correction of errors therein stated by the Hand and Seal of this Sovereign Secured party for immediate remedy therefrom. This is your notice.

[HABEAS CORPUS WRIT ATTACHED]

All parties herein are set to follow the instruction set to the letter and give all aid thereby for the release of this Citizen of Montana (the republic) by the will of GOD Almighty through this lien. Only by the sound, safe, healthy and true signature of this Secured Party will any of these liens be released, for no one is given authority for such power by this individual, and only my Hand and My Seal can terminate this lien. If any draft is presented and set for collection, any collateral herein is deemed given without recourse upon the Secured party in which the Debtors


take all responsibilities therefrom. This is legal notice of the intent for "International Sight Draft", as serving for "Letter of Advice", (UCC 3-701) and notice thereof.

PRESENTED RESPECTFULLY

"without prejudice" UCC-1-207 under 3-505 with
explicit reservation of all rights
"without recourse" MCA 30-1-207

ATTESTED

[Court Seal]

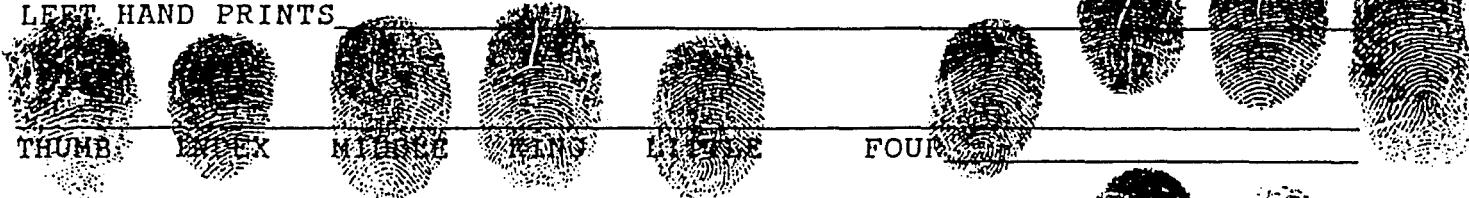
 LeRoy M. Schweitzer "U.D."
SECURED PARTY: LeRoy M. Schweitzer
sui juris, UNDER DURESS
Citizen of Montana (the Republic)

teste meipso this 16th day of July, in the year of our GOD Almighty
through our Redeemer Joshua the Messiah, A.D., 1992

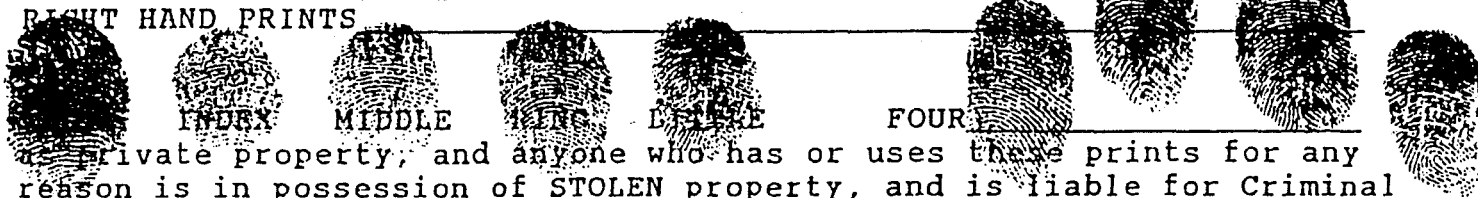
3-23-93
H8-635

Private corporate social security number as 517-42-3496, from the time of its obtaining by other parties, is and was set as private, and is not to be used for identification purposes as set upon the original card, and is hereby made private by filing, back dated to the time of first appearance, and if needed, will be further set by number 907-21-1938, as a non-resident number, being set explicitly, for the sovereign Montana Citizen, and no part of the corporate state, unless chosen, and cannot be used against said sovereign Citizen of Montana (the Republic), by right to Contract without abuse of power as set in the National Constitution of 1787, backed by the Bill of Rights of 1791, Declaration of Independence of 1776, Magna Charta of 1215, and the Holy Bible, being the Word of our GOD Almighty through our Redeemer Joshua the Messiah. All finger prints are set:

LEFT HAND PRINTS



RIGHT HAND PRINTS



is private property, and anyone who has or uses these prints for any reason is in possession of STOLEN property, and is liable for Criminal Prosecution under the Laws of the Montana state Republic and the Common Law of the Land under the Republic de jure. FURTHER, all hand prints, licenses, cards, documents, writings, chattel paper(s), pictures, and/or anything in the possession and/or claimed by this Sovereign Citizen of Montana of these united States' of America, namely, LeRoy M. Schweitzer being an Allodial Citizen of Montana, is private property, and any use of it without explicit consent of this Sovereign in writing and under My Hand and My Seal is a Criminal Act and is Stolen Property under the Laws of the Republic and the Land. Such pictures as are as set forth: Inmate Account Cards given to this Sovereign, Drivers license, I.D. Cards, etc. including but not limited to photographs of any size. Any signatures obtained by force, fear, duress, intimidation, duress, coercion, deceit, cunning, misrepresentation, color of law and/or any way besides honesty and truth is null and void, and any signature is set as private property except those I willingly, knowingly, voluntarily and intentionally give by honest application of my own free will. All properties are private property, back dated (nunc pro tunc) to the time of birth of this Citizen of Montana (the Republic) as private property, and this filing supersedes any and all writings and documents that say otherwise, that is, was or/and obtained by this Citizen of Montana (the Republic), and if in the possession of another, unless authorized by this Citizen of Montana herein (Secured Party), is Stolen property, and those parties are liable


for Criminal charges under the Laws of the Land and the Montana state Law of the Republic state. This is set as Lawful and True, and is hereby signed, sealed and protected as truth and further sealed by the State as truth.

ATTESTED:

[Court Seal]

"without prejudice" with explicit reservation
of all rights, UCC 1-207 under 3-505

"without recourse" MCA 30-1-207

 LeRoy M. Schweitzer "U.D."
LeRoy M. Schweitzer, sui juris/elisor
[Texas v. White, 1869, STATE

teste meipso this 16th day of July, in the year of our GOD Almighty through Joshua the Messiah, A.D., 1992

Private property is set as BODY, described as:
Calcium, 2%; Carbon, 18%; Chlorine, 0.15%; Hydrogen, over 10%; Nitrogen, 3%; Oxygen, 65%; Potassium, 0.35%; Sodium, 0.15%; Sulfur, 0.25%; also set as: W/M/BD/07-21-1938; HT/6'1/2"; WT/190lb.; HR/BLD; EY/BL.

ATTACHMENTS:


Search Warrant of Dwelling with listing of Private Property thereon. All set hereon is private property, superseded by the State and this document as a Declaration of Private Property, and is set as Stolen Republic de jure State property, [Texas v. White, 1869]; and whoever has and/or has claimed and stolen such properties and/or destroyed such properties are held explicitly liable for Criminal activities, conspiracy to defraud the Republic de jure, along with any other Charges set upon the Laws of the Land and the Republic Montana state. If it is verified that Treason, War, Conspiracy and any other High Crimes are being brought against the Republic of Montana by another State and/or corporation state, Country, Land, government, Nation, etc., they will be prosecuted by information and tried in and under the de jure Republic Montana state and de jure Citizens herein with no "United States citizens/citizens of the United States" nor any resident of the state of Montana or resident of the United States being involved. This is a sacred and sworn Declaration as truth and being known to this Republic de jure of Montana Citizen as truth. [Attachments hereto are set as private property in our de jure Republic state].

ATTESTED:

[Court Seal]

"without prejudice" with explicit reservation
of all rights (UCC 1-207 under 3-505)

"without recourse" MCA 30-1-207

 LeRoy M. Schweitzer "U.D."
LeRoy M. Schweitzer, sui juris/elisor

[Texas v. White, 1869] STATE, Allodial Citizen of Montana state
teste meipso this 16th day of July, in the year of our GOD Almighty, through our Redeemer Joshua the Messiah, A.D., 1992

SECRETARY OF STATE SENATE BUSINESS & INDUSTRY
STATE OF MONTANA



Mike Cooney
Secretary of State

EXHIBIT NO. 4
DATE 3/23/93
BILL NO. HB 635

Montana State Capitol
Helena, MT 59620

Testimony in Support of HB 635

Before the Senate Business and Industry Committee

Presented by Garth Jacobson

March 23, 1993

Mr. Chairman and members of the Senate Business and Economic Development Committee, for the record I am Garth Jacobson representing the office of the Secretary of State. I am here testifying in support of HB 635.

The main purpose of this bill is to stop abuse of the Uniform Commercial Code lien filing system. The bill also cleans up the statutes by removing language and provisions established for the transition of moving UCC agricultural lien filings from clerk and recorder's offices to the office of the Secretary of State.

During the past few years this office has received some very interesting, sometimes strange and often malicious UCC lien filings. Some of these filing could have slandered the title of the property of the targets of these filings. I brought along some copies of these "crazy" filings to show you the kind of mischief going on out there.

A typical one of these filings would involve an individual who is mad at somebody or some official and then wants to get

even. He then files a UCC lien naming that individual as the debtor and listing all of that persons property as collateral for some fictional debt. These liens may list elected officials, highway patrol, personnel from governmental agencies or individuals whom the person submitting the UCC filing just does not like.

The office of the Secretary of State has found reasons for the rejection of most of these liens. Usually they fail to have the debtors signature or have some other defect. In future if these people figure a way to get around those defects then it will be more important to have specific authority to reject or remove these fraudulent liens.

This bill contains language that protects legitimate liens from being removed from the system by giving the named secured party the opportunity to explain why the lien is not improper or fraudulent. In no way will this bill impede the legitimate users of the UCC filing system. It will stop people from abusing the UCC filing system.

In addition if one of these fraudulent liens somehow injured the target of the lien then that person could recover treble damages from the person submitting the lien. This would protect a person who's title of property has been slandered or credit rating may have been injured as a result of these liens.

The remainder of the bill contains some clean up language. A few provisions remove the filing requirement of having to list the county of the debtor. This requirement was put in during the transition of filing liens from the local level to the state

3-23-93
HB-635

level. This information is no longer needed. A second provision limits the amount of time a continuation statement can be filed without a debtors signature to 5 years. This results in being able to remove the deadwood from the system. Finally there is some language to clarify agricultural lien filing requirements.

As you can see there isn't a lot in this bill but it is important because it protects us against people who want to misuse the UCC System. Therefore I urge your favorable consideration of HB 635 and thank Representative Fagg for sponsoring this legislation.

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES



COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

Testimony Concerning House Bill 237
Before the Senate Business and Industry Committee
March 23, 1993

Chairman Lynch and Committee Members:

Licensure of public swimming pools and bathing places was authorized in the 1991 Legislative Session, becoming effective in calendar year 1992. A public swimming pool or bathing place operator's licensure application fee was set at \$75. The current law gives a license fee break of \$25 to swimming pools or bathing places that are operated in conjunction with a "public accommodation", a phrase that is not defined in the swimming pool licensure laws.

The license fee break of \$25 was requested by the Montana Innkeepers Association for public swimming pools or bathing places operated in conjunction with lodging establishments already licensed and inspected through the Department of Health and Environmental Sciences and local public health agencies.

During the 1991 Legislative Session hearing process, no one represented the operators of public swimming pools or bathing places operated in conjunction with campgrounds, trailer courts, work camps or youth camps. By type of licensed operation, these establishments offer lodging to the public, similar to services offered by hotels, motels, and tourist homes.

To clarify which establishments receive the license fee break of \$25, the Department of Health and Environmental Sciences request deletion of the phrase "public accommodation" and insertion of the list of specific types of establishments which are already defined and licensed under 50-51 and 50-52, MCA.

The Department of Health and Environmental Sciences requests the committee to approve this bill on the basis of equity to the business community. A "do pass" committee report would be appreciated.

Sincerely,

Mitzi Schwab, Chief
Food and Consumer Safety Bureau
Health Services Division
444-2408

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 5

DATE 3/23/93

BILL NO. HB 237

Amendments to House Bill No. 394
Third Reading Copy

Requested by Representative Wanzenried
For the Committee on Business and Industry

Prepared by Greg PETesch
March 22, 1993

1. Page 5, lines 12 through 17.
Strike: subsection (8) in its entirety
Renumber: subsequent subsections
2. Page 5, line 23.
Strike: "(9)(b)"
Insert: "(8)(b)"
3. Page 6, line 5.
Strike: "(9)(a)"
Insert: "(8)(a)"
4. Page 12, line 24 through page 13, line 1.
Following: "." on page 12, line 24
Strike: remainder of line 24 through "." on page 25, line 1

MSTA is currently funded with state special revenue in House Bill 2: \$457,378 in fiscal 1994 and \$455,960 in fiscal 1995. House Bill 2 also contains language saying it is the intent of the legislature that MSTA be funded only with revenue received from loan repayments in the 1995 biennium.

If House Bill 394 is approved without this amendment, MSTA will be funded: 1) with revenue received from loan repayments; and 2) with interest from the coal trust fund, which will be paid to MSTA as a management fee by the Board of Investments to fund whatever program costs are not covered by loan repayment revenues.

If House Bill 394 is approved with this amendment, MSTA will be funded only with loan repayment revenue.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 6
DATE 3/23/93
BILL NO. HB 394

DATE 3/23/93

SENATE COMMITTEE ON Business and Industry

BILLS BEING HEARD TODAY: HB 237, HB 394, HB 543, HB 635

Name	Representing	Bill No.	Check One	
			Support	Oppose
Robert Dunlop	myself	HB 237	✓	
Warren Stone	myself	HB 635		✓
Mitzi Schwab	DHES	HB 237	✓	
Bill LEARY	MT. BANKERS ASSN.	HB 543	✓	
Bob Swenson	Montana State University	HB 394	✓	
Rae Wademan	Fed Cash Management	HB 543	✓	
Jim Twitell	MT CHAMBER	HB 394	✓	
Gary Jackson	Sec of State	HB 635	✓	
Peter Funk	Dept. of Just.	HB 635	✓	
Orl Russell	MSTA	HB 394	✓	
Wendell Galt	UltraFem MSTA	HB 394	✓	
David F. Tippen	TMA Technologies	HB 394	✓	
Keith L. Colbo	Private Capital Net	HB 394	✓	
Ken Williams	MPC/Entech	HB-394	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY