

- Another related “eye opener” in this edition of *Financial Services Advisor* is the article by **Hal Chorney**. “**The Chorn,**” formerly a highly successful financial professional, was recently released from federal prison. **Hal’s** article asks ***Will You Be Targeted By The Feds And Fined Or Sent To Prison?*** This article will, I hope, motivate readers to take action to better protect their practice, career, assets, clients, and long-range futures.

FINANCIAL PROFESSIONS SHOULD STOP PRETENDING AND FACE REALITY III

In the first article the stage was set concerning litigation against the financial professional from his clients. The second article set the stage concerning potential violation of the rights of the financial professional by the Federal Government and its regulatory agencies.

Hopefully you will see that the handwriting is on the wall concerning our governmental agencies’ insatiable demands to find out more and more about you and your clients. I’m no different than most of you, but being a Vietnam veteran caused me to question authority, and why we the people were kept uninformed of our rights. I feel the reasons for the ‘dummying of America’ are so simple. Because we are uninformed, those ‘ruling’ us can do it more easily, while protecting special interest groups, which destroy our environment, outsource jobs where wages are lower, and take our tax money to fund pet projects and wars or to pay for their failed investments.

I remember receiving a telephone call back in the 1980’s from a business associate of mine. I could hear the fear in his voice as he said, “Hal, I’m scared out of my wits. The I.R.S. are here and they want copies of my records.” I said Mike, “Calm down, take a deep breath. Don’t make it easy for them, they may not be entitled to what they are asking for. Do you have anyone to help you with this legally?” I forgot exactly what he said next. That was the last conversation I had with Mike concerning his client’s financial records. At that time I did not know if there was a subpoena seeking financial records about a specific client. Years later Mike came by my exhibition booth. He looked somewhat frail and nervous as he said, “Hal, I should have listened to you.” Everyone that Mike and I knew rolled over and gave the I.R.S. the information they had asked for and even more. Mike told me that the I.R.S. bullied him and had virtually set up shop in his offices, using his own copy machines to make copies of everything and anything they could locate.

In retrospect, I soon became the target of these Federal Agencies because I did not fully bend over to cooperate with them when they were seeking information concerning my clients, myself, my companies and others. No one likes to think that they are the target of their own government. Some financial professionals like Mike pretend that they are “small potatoes” and that no one would be interested in them. He was like the ostrich with his head in the ground pretending that there was no danger around. But the true moral to the ostrich story is that when your head is in the ground, your butt is sticking high in the air. Eventually, Mike too became a target.

I do not want to mislead anyone in thinking that ‘cooperating’ with Federal Agencies will make you less of a target. In Mike’s case that was not true. Nor do I want you to believe that all the information sought by Federal Agencies is being done in a legal and lawful manner. However, I do believe that when you know what your rights are, it becomes more difficult to threaten and coerce you into revealing information that is private. People who know what their rights are tend to be vocal critics and are targeted more than those who are silent in their criticism.

The deck is stacked even further against the financial professional. Many financial professionals, once targeted, become the product of unfavorable press, are forced into bankruptcy for various reasons including litigation, medical problems and divorce. But did you know that when you enter the bankruptcy court system, the fundamental rights guaranteed in the Bill of Rights are no longer in affect? You are now under Admiralty Court Law. You read that correctly, once the financial professional enters the jurisdiction of the federal bankruptcy system, the protections of his fundamental rights are waived as the government seeks to backdoor you, and to obtain the information on the bankrupt, financial professional, who is now called a debtor. The Debtor is now asked to supply information on his clients, which could not be obtained while the financial professional’s constitutional rights were in play. Imagine that all this is being done to the financial professional while he is at jeopardy of loosing his home and other worldly possessions and perhaps even his freedom.

Part IV, the court steals your fundamental birthrights.

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