

BUSINESS TIP 0008

BILL OF EXCHANGE COLLECTION PROCESS SUPPORTED BY GOLD

BUSINESS TIP 0007 provides an explanation of collection of a bill of exchange designed to illustrate the parallel between a bill of exchange and a normal check.

In that illustration, the collecting entity (bank, escrow firm, etc.) must provide to, or obtain for, the party presenting the item for collection a loan approval.

The loan approval (i.e, a Bank Commitment Letter) does not obligate the entity issuing the BCL, rather, it is a stipulation of the terms under which that entity could provide funds.

If the collecting entity has the wherewithal to perform as would be indicated in a BCL, it may issue the BCL itself; otherwise it should obtain the BCL from a larger associated institution.

Once a BCL has been issued, for an amount up to the value of the bill of exchange, the Beneficiary or the collecting entity would present a copy to a CENTER facilitating the process.

If the CENTER is satisfied that the BCL is correct and that the BCL issuer can perform as stipulated therein, the CENTER would channel it to a Private Asset Manager.

The Private Asset Manager would be a Member of the BUSINESS CANNONS BUSINESS GROUP qualified and contracted by the GROUP to perform in this capacity.

The Asset Manager would facilitate interaction between the entity that issued the BCL and an institution that, acting upon that BCL, would issue an acceptable guarantee.

For example, a guarantee issuer may have a policy of issuing guarantees only for amounts that might be greater than that required by a specific BCL.

In this case, the Asset Manager might negotiate with the BCL Issuer for a larger BCL, blanketing more than one bill of exchange, or might suggest that an escrow firm or bank act as intermediary.

An escrow firm/bank might contract to accept funds from more than one BCL issuer, to accept a large guarantee, to negotiate that guarantee for funds, and to disburse repayments to BCL issuers.

After funds from one or more BCL issuers have been transferred, vis-à-vis a guarantee, to an account within or controlled by the guarantee issuer, the Asset Manager would work with the guarantee issuer, using value in the account to engage in transactions to produce profits.

To satisfy the collection process, the profits would be used:

- 1) To protect the guarantee issuer by replacing funds deposited, as per BCL, as the basis for the guarantee provided.
- 2) To provide payment for bills of exchange, or bills of exchange, presented with BCL.

Payment for bills of exchange would be disbursed to coordinates as per agreements/contracts related thereto.

It should be underscored that, using this process, issuers of BCL transfer funds only upon receipt and acceptance of guarantees and, thus, have total control over their own risk.

In other words, the bills of exchange and their collection present zero risk because BCL issuers shall collect full repayment (plus profit) from guarantees they accept prior to releasing funds.

The "risk" is determined solely by the quality of guarantees presented and accepted. It should also be underscored that this process, as per protocols approved by the BUSINESS CANNONS BUSINESS GROUP, offers an additional safeguard and benefit.

That is, a party that might incur an associated loss may easily recover plus obtain increased profits by being allowed to issue (Series A or B) RSO BONDS.

Once REVENUE SHARING OBLIGATION ("RSO") BONDS issued are acquired the issuer will own gold on deposit in a major bank.

An issuer will share in revenues from business related to the deposited gold with buyers. An example of a Series A RSO BOND may be reviewed in BUSINESS NOTES 0016 published in www.businesscannons.org; a Series B RSO BOND example is shown in 0016 ALTERNATE.

There is no cost associated with issuing RSO BONDS, and the profits obtainable thereby could be exceptional.

RSO BONDS are backed by gold, and a Co-venture associated with the GROUP owns \$Trillions in gold and other strategic metal reserves.

The Co-venture also owns extraordinary proprietary extraction technology.

Entities that engage in bill of exchange collection by issuing BCL or by issuing guarantees may, simultaneously, engage in issuing RSO BONDS (at no cost!).

In today's precarious economic climate, issuing RSO BONDS (at no cost!) can be of exceptional benefit to entities that would like to shore up other assets affected by technical rules.

That is, instead of selling affected assets at a discount, their "mark to market" decrease in value may be offset by value in gold!

Because contracted Private Asset Managers stand ready to acquire RSO BONDS (backed by gold!) that may be issued, there is a ready market for issues (at no cost!) of RSO BONDS.