# UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF NEW YORK

ROBERT L. SCHULZ,	)
Plaintiff	) <u>VERIFIED COMPLAINT</u>
-against-	) <b>No.</b>
UNITED STATES FEDERAL RESERVE SYSTEM,	)
BEN S. BERNANKI, Chairman of the United States	)
Federal Reserve System, UNITED STATES	)
DEPARTMENT OF THE TREASURY, HENRY M.	)
PAULSON, JR., Secretary of the United States	)
Department of the Treasury, and UNITED STATES	)
• • • • • • • • • • • • • • • • • • • •	)
Defendants	)

# JURISDICTION AND VENUE

- The claims arise under the Constitution of the United States of America. The Court has subject matter jurisdiction under Article III, Section 2 of the Constitution, which reads in relevant part: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the Laws of the United States...to Controversies between two or more States...between a State and citizens of another State ... between citizens of different States...." This court has jurisdiction also under 28 U.S.C. Sections 1331 and 1343(3).
- 2. This action is timely commenced.
- 3. The Plaintiff resides in this judicial district.

### PARTIES

- 4. ROBERT L. SCHULZ is a citizen of the State of New York and the United States of America. His natural, individual, unalienable Rights, Liberties and Freedoms are protected by the Constitutions of the United States of America and the State of New York. He pays taxes to the United States. He pays taxes to New York State. He resides at 2458 Ridge Road, Queensbury, New York, 12804. He is over the age of eighteen. He is registered to vote in New York State.
- 5. UNITED STATES FEDERAL RESERVE SYSTEM is a cartel of private banks chartered by the Congress of the United States as a Central Bank.
- 6. BEN S. BERNANKI is the Chairman of the Federal Reserve System.
- UNITED STATES DEPARTMENT OF THE TREASURY is a department of the Executive Branch of the United States.
- 8. HENRY M. PAULSON, JR. is the Secretary of the United States Department of the Treasury.
- 9. UNITED STATES is the central, federal government created and governed by the terms and conditions of the Constitution of the United States of America and its essential underlying principles.

### FACTS

 On Tuesday, September 16, 2008, Defendants agreed to an \$85 billion bailout that would give the Defendants control of the troubled insurance company American International Group, a private corporation.

- 11. Under the Agreement, Defendants will make a two-year loan to A.I.G. of \$85 billion and, in return, will receive warrants that can be converted into common stock giving the United States about 79.9 percent ownership of A.I.G., if the existing shareholders agree.
- 12. In effect, the agreement puts billions of dollars of taxpayer money at risk to protect bad investments made by A.I.G. and other private institutions it does business with as providers of esoteric (*unregulated*) financial insurance contracts to private investors who bought privately held debt securities. The agreement requires the United States taxpayers, in effect, to cover losses suffered by the buyers in the event the securities default. It means the taxpayers are on the hook for billions of dollars' worth of private securities.
- On information and belief, Defendant Treasury Department sold \$40 billion of special supplementary Treasury bills on Wednesday, September 17, 2008 and will sell \$60 billion more today, Thursday, September 18, 2008.
- 14. Defendants are set to give or lend public money and public credit to A.I.G.

#### ARGUMENT

### THE AGREEMENT IS ULTRA VIRES AND UNCONSTITUTIONAL

Defendants acted without constitutional and congressional authority in agreeing to bailout
A.I.G. by giving or lending public, taxpayer money and public, taxpayer credit.

#### CONCLUSION

- 14. Based on the above, plaintiff respectfully requests an order:
  - a) Declaring Defendants' agreement to bail out A.I.G. to be unconstitutional, null and void, and

- b) Permanently enjoining Defendants from giving or lending any public, taxpayer money or public, taxpayer credit to A.I.G., and
- c) For such other and further relief as to the Court may seem just and proper.

DATED: September 18, 2008

ROBERT L. SCHULZ 2458 Ridge Road Queensbury, NY 12804 518-656-3578

# **INDIVIDUAL VERIFICATION**

ROBERT L. SCHULZ., being duly sworn, says: I am the Plaintiff in the action herein; I have read the foregoing Verified Complaint dated September 17, 2008, and know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged upon information and belief and as to those matters I believe them to be true.

ROBERT L. SCHULZ

Sworn to before me this \_\_\_\_\_<sup>th</sup> day of September, 2008

Notary Public