

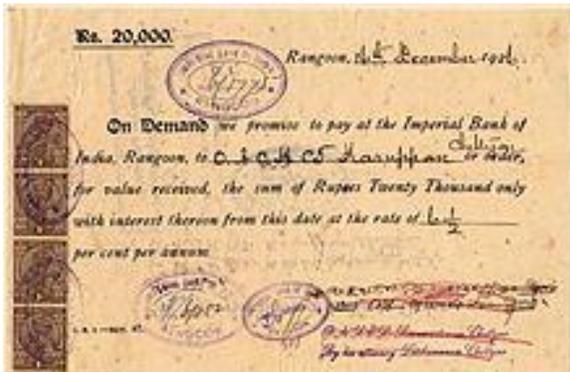
## What Is A Promissory Note?

Simply put – a Promissory Note is another form of cash/money.

Sometimes called a Negotiable Instrument or Bill of Exchange, a Promissory Note is a signed piece of paper by the maker of the note, with the amount and an unconditional promise to pay the bearer of that note, either at a fixed or determinable future time or on demand of the payee (the bearer of the note), under specific terms.

### Who can make a Promissory Note?

Most people think that it's only the Bank of England, the Queen or the Government (Treasury) that can issue and print money - when in fact, ANYONE CAN!!



Under the Bill of Exchange Act 1882, a Promissory Note is to be treated as cash. This was also confirmed by Lord Denning, a High Court Judge, during a precedent High Court judgment in 1969. The principle is that a bill, cheque or note is given and taken in payment as so much cash, and not as merely given a right of action for the creditor to litigate a counterclaim (see Jackson v Murphy [1887] 4 T.L.R. 92).

"We have repeatedly said in this court that a bill of exchange or a promissory note is to be treated as cash. It is to be honoured unless there is some good reason to the contrary."

(See per Lord Denning M.R. in Fielding & Platt Ltd v Selim Najjar [1969] 1 W.L.R. 357 at 361; [1969] 2 All E.R. 150 at 152, CA).

So the next time you pull a Tenner out of your pocket, wallet or purse.....have a good look at the wording. They are one and the same. PAPER NOTES ARE PROMISSORY NOTES!! In fact, the only money which can really be considered as proper payment of debts is standard metallic money (coins), due to the fact that its value is based on precious metals.

So essentially a "Prom Note", properly presented, has to be accepted as cash BY LAW!

### Where can I use a Promissory Note?

In reality, most people in shops or restaurants wouldn't know what a Prom Note is. It would be like buying something and trying to pay with postage stamps, or getting on a bus and trying to pay with Tesco Club Card points. (Although this method of payment may be accepted if it's AUTHORISED by the vendor.)

On the other hand though, a bank will definitely know what a Promissory Note is. And we sign them all the time whenever we take out a loan or a mortgage. A "credit agreement" is in fact, simply a Promissory Note in disguise.

There are certain circumstances where, in theory, you can pay with a Prom Note. Banks, utility companies and large corporations, allegedly with assets of at least £2million, have to accept Prom Notes as a form of payment, by law.

In practice you might find that using a Prom Note to pay your debts or electricity bills will be strongly questioned and probably refused. But if refused, the corporation in question is technically breaking the law!



For more info, see

<http://drunemetontrust.net/videos/money-as-debt/>