



Tax Truth

NEWSLETTER

Exposing the Deceptive Tax Practices of the IRS

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Removing IRS Notices Of Lien With UCC-3 Form

This week Eddie Kahn introduced us to Joe Kinney from Tennessee who shared some very valuable information with us. Mr. Kinney told us about how he got two Notices of Federal Tax Lien removed from the county recorder's office in the county where he lives. He used a very simple and effective method involving the Uniform Commercial Code (UCC) to accomplish it. Again, we discover another example of the UCC playing an important role in dealing with the deceptive tax practices of the IRS.

Mr. Kinney said the path to enlightenment toward his discovery began while preparing to file for bankruptcy. He learned of the UCC-11 form, which is a form used to certify whether a legal document exists. In Mr. Kinney's case, the legal documents in question involved whether the IRS had any real liens or not. As many of our readers already know, a Notice of Federal Tax Lien is not an actual lien; there must be a real lien somewhere that supports the notice. Whenever the

IRS sends one of those notices to the county recorder, for example, there must be an actual lien or judgment on file with the Secretary of State. Mr. Kinney was aware of this fact for a long time, but like most people, he couldn't figure out how to terminate the unfounded Notices of Lien. They imposed a heavy burden on him for years.

The IRS destroyed him financially and forced him to lose his job. Mr. Kinney said he joined many so-called "patriot groups", including one called Save a Patriot in Maryland who couldn't do anything for him. When all was said and done, he ended up paying both the IRS and the Save a Patriot group lots of money for years with nothing to show for it. Mr. Kinney had it arranged to where Save a Patriot withheld their fees from his pay to deal with his IRS matters. He said he has W-2 forms that show Save a Patriot made \$7,000 per year off him, but when it came to producing results, they couldn't do anything. However, Eddie chimed in at that point to clarify that there are very few groups who have ever been able to remove IRS Notices of Lien. Thus, Mr. Kinney's accomplishment in that regard is the oddity and not the norm.

Originally, Mr. Kinney wanted to obtain certified UCC-11 forms from his Secretary of State that certified there were no liens against him to use in bankruptcy court. He said that's because in the district where he lives the bankruptcy judge generally doesn't discharge IRS debt. Therefore, he intended to put together an argument based upon the certified UCC-11 forms to get the IRS "debt" absolved in court. However, a new idea dawned on him; if he could just get the UCC-11 that he planned to use in bankruptcy court, then he could probably use it at the county level as well.

Mr. Kinney first went to the library and searched the Tennessee Secretary of State's computer records to see if they had any real IRS liens on him. When he didn't find anything (as expected), he then called his Secretary of State's office and asked how much it would cost to get a certified UCC-11 from them. They said it would be \$17, so he sent them a money order for that amount and about a week later, he got it. For reference, the UCC-11 he received was a certified search by the Secretary to see if there were any financial notices filed against him in the Secretary's office. It said something like this: "*I, the Secretary of State of Tennessee, do hereby certify that the records of this office do not reflect an active financing statement bearing the name of Joe Kinney*". When Mr. Kinney read that he was happy to get it, but it made his blood boil at the same time. As mentioned before, he knew all along that there were no real liens filed against him by the IRS.

Mr. Kinney called the Secretary of State's office again and talked with a woman in the UCC division who was very helpful. He asked many simple questions and learned much that way. They talked about the certified UCC-11 that he got from the Secretary; he told her that he intended to confront his county officials with it due to unfounded documents recorded against him there. She told him that if what he said was true, then he could terminate those documents himself by using a UCC-3 form. Then she explained how to use it properly. Mr. Kinney said he felt well armed to confront the county people after hearing that. The woman also told him that if the registrar of deeds had any questions, then he should

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have them give her a call. Mr. Kinney planned to go there the next day, so he got her name and phone number in case he needed it. After he got off the phone, he immediately went to the library, got some of those UCC-3 forms and filled them out just as she explained.

Mr. Kinney stressed to us that following the proper sequence of events is essential. First, you must get a certified UCC-11 from your Secretary of State stating that there are no valid liens or claims against you. Then you must conduct a public search at the county level. When you do, he suggested that you make is a very boisterous and public ordeal. He said to get anyone that you can find, including the registrars, the deputies, etc. to help you look in the county records. Make them dredge up everything that they can find on you. Then get copies of each instrument in their records that you want to terminate that has the county's book and page number on it. Once you get that information, you then put it on a UCC-3 form and then file it with the registrar of deeds to terminate the unfounded instrument.

Mr. Kinney said he used the national UCC-3 form to terminate the IRS Notices of Lien on himself due to its simplicity. He didn't recommend using any state generated UCC form if you are in doubt at all because of the potential pitfalls. However, he said it's irrelevant which form you use regarding the UCC-11 for all you need is the certification that there is nothing on file with the Secretary. Mr. Kinney just filled out Line 1a on the UCC-3 form, which you use to identify a document that you want to terminate. Line 2 is the termination line; it has a little box for you to check to indicate a termination of whatever you put on Line 1a. Don't get confused and fill out any of the other lines. You just want to go to line 2 and put an X in the box. That's it.

Nonetheless, while on the subject we thought we would point out some interesting wording found on Line 9 of the UCC-3 form. In the last part of the fine print there, it says *"...or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this amendment."* Did you catch that? You see, that line 9 shows the power of the UCC-3 form. Debtors can terminate financial instruments recorded against THEM. However, that line is optional and a potential trap. Mr. Kinney did not fill it out because if he did, then it would have named him as a debtor. It's hard to claim that a debt is unfounded when you assert yourself as a debtor, right?

Joe Kinney Confronts His Registrar Of Deeds

Anyway, Mr. Kinney went into the county recorder's office armed with his

UCC-11 and UCC-3 forms. He anticipated that they would give him trouble, so he had a "Plan B" to fall back upon if they didn't file his UCC-3 forms. Therefore, he had a witness accompany him and had several prepared affidavits to use if it became necessary to invoke the alternate plan. However, we will elaborate more on that later.

When Mr. Kinney confronted the registrar of deeds she resisted as anticipated. First, she asked him some very basic questions and then threw up all sorts of obstacles. The woman claimed that she couldn't file his UCC-3 forms because they weren't signed. Mr. Kinney responded saying that the IRS' Notices of Federal Tax Lien (Form 668(Y)(c)) against him weren't signed either. Yet, they filed those things. She said his UCC-3 forms weren't notarized. He responded saying that the IRS' Notices were not notarized either. At some point, the woman even discussed the matter with one of their lawyers, the "smart kid" as Mr. Kinney put it. He too claimed that the UCC-3 filing wouldn't work. Therefore, the woman told Mr. Kinney she wouldn't record them; he told her she would record them. She told Mr. Kinney he couldn't file them; he told her he could and she would file them.

By that point, the woman was quite flustered. She said the UCC is state law, yet the IRS' Notice is a federal document. Mr. Kinney agreed and said that's why the state document could terminate it. Of course, she didn't understand that because she claimed that federal law is superior to state law. Mr. Kinney disagreed and explained to her how they live in the state under state law; they don't live on federal land. He explained what the federal government must do in order to impose a financial statement against someone in the state. First, they must register it with the Secretary of State as a foreign body operating within the state to secure a lien. After securing the actual lien, only then they can start sending out notices of it. To illustrate that fact, Mr. Kinney read to her the line on the Notice of Federal Tax lien where it says, "Therefore, there is a lien". As she followed along and acknowledged what he read, Mr. Kinney asked her, "Therefore, there is a lien against me, right?" She said, "Right." Mr. Kinney then retorted, "OK, then show it to me and I'll leave."

The registrar of deeds replied saying, "Well, we don't have it here." Mr. Kinney quickly agreed to that and said, "Yeah, that's right; it's at the Secretary of State's office isn't it?" She took the bait and fell right into Mr. Kinney's trap; her answer was yes. Therefore, he showed her the UCC-11 again and said, "But look, we just proved that there isn't one there." Defeated and flustered, the woman didn't know what else to say. Mr. Kinney said he would make it easy on her. He gave

her the phone number to the Secretary of State's office and told her to call them since they were expecting her call, so she called them. When she got off the phone, she looked up at the lawyer she consulted with earlier and said, "I can't believe this. They told me I have to file these [UCC-3 forms] and release these liens."

That was the moment when Mr. Kinney accomplished what relatively few people in the patriot movement have been able to do. However, he wasn't finished with filing paperwork yet. He sent a certified letter, return receipt requested, to the registrar of deeds as a follow-up. The letter put her on notice that he expected her to be able to provide certified documentation from the Secretary of State showing that a real lien is properly on file with that office before recording any IRS Notices of Federal tax Lien bearing his name in the future. Then he had that notice recorded in the county records to give it a book and page number. Lastly, he posted it again in a hallway at the courthouse on a public billboard.

Joe Kinney's "Plan B"

We mentioned before that Mr. Kinney had a "Plan B" when he went to see his registrar of deeds in case she refused to record his UCC-3 filings. If that would have happened, "Plan B" was to revoke her bond if she didn't do her job. Here's how Mr. Kinney explained the procedure. After he did his very public and boisterous search at the county level discussed earlier, he stopped by the clerk's office. He told them that he wanted a copy of the registrar of deed's oath of office and bond.

When the clerk asked him why he wanted it, Mr. Kinney said, "What's the difference? It's a matter of public record; I'm the public and I want it." Mr. Kinney said his policy in dealing with public servants like that is never ASK them anything; he TELLS them what he wants because they work for the public. The clerk said she didn't think they had those documents, but Mr. Kinney said he knew they were there. Therefore, he would wait.

Mr. Kinney got the documents he wanted and had them before meeting with the registrar of deeds. If she had refused to file his UCC-3 forms, then he and the witness who accompanied him would have attested to her refusal to file his legal instruments. Thus, the bond-holding agent would likely revoke her bond. There would also be the possibility of a lawsuit against her for not doing her job. If the bond-holding agent continued to hold a bond on her while the registrar of deeds acted illegally in office, however, then they could be a party to the suit. Thus, you should be able to see how it wouldn't take much for the bond-holding agent to revoke the public servant's bond.

The beauty of this "Plan B" is that the person who takes office afterwards will usually be one of the people who helped you conduct your exhaustive search, right? When that new person takes over, they will be your new friend because you just gave that person a big raise by getting them the registrar of deed's job. Furthermore, they will be much better behaved when you come back next time because they will know how their predecessor lost their job. That's the reason for the very public and boisterous search at the county level. Just remember, public servants work for us; we don't work for them. Whenever they refuse to file a legal instrument, then jerk that bond out from under them.

Mr. Kinney has an information packet available on the subjects discussed above for anyone who may be interested. He requests that you send at least a \$12 donation for the material. The packet has new UCC forms and sample UCC forms, plus four pages of instructions on the proper sequence of events. When you write, ask him for the tax lien removal package. Send your requests and donations to Joe Kinney; P.O. Box 32; Bean Station, Tennessee 37708

IRS Won't Admit To Being A Creditor

In the previous edition of *TaxTruth Newsletter*, we didn't have much new information to report on American Rights Litigators' (ARL) bankruptcy filing. Eddie Kahn wasn't feeling well so we were unable to get any first-hand information about what happened at the creditors hearing on August 6. We just heard that the IRS still had not submitted a proof of claim. We also heard that the hearing didn't go as well as Eddie hoped it would and because of that, Eddie planned to file more paperwork with the court.

Fortunately, Eddie felt much better this week and was able to tell us more about what happened. Prior to the creditors hearing, Eddie thought perhaps the IRS would not attend, but they did. The IRS agent who issued the nominee levy against ARL and the U.S. Attorney were the ones who appeared. After the hearing began, the U.S. Attorney started asking Eddie questions. Therefore, Eddie responded by asking him if he was a creditor. The U.S. Attorney's answer was that he represented the United States, so Eddie asked him if he represented a creditor. Again, the U.S. Attorney answered by saying that he represented the United States; he would never admit that he

was a creditor or that he represented a creditor.

When Eddie saw how the U.S. Attorney wouldn't make such admissions, he told the court that the U.S. Attorney didn't have any legal standing. After all, if he's not a creditor, then what business does he have attending the creditors hearing? Yet, all the while, the U.S. Trustee kept telling Eddie that the U.S. Attorney had legal standing and that he had to answer his questions. In thinking about it afterwards though, it was obvious to Eddie that the U.S. Attorney had no legal standing for the above reasons. Therefore, Eddie filed a complaint against him. In addition, Eddie filed a motion in court today to force the U.S. Attorney to admit under oath whether he is a creditor or representing a creditor. If he doesn't, then Eddie wants him banned from the courtroom.

That is the status of where ARL is at right now on this issue. They are still waiting to force the IRS to prove that they are a claimant because so far the agency has not admitted to being a creditor. In closing, Eddie said the court scheduled another hearing for September 5, 2002. That is before our next update, so hopefully we will have more news to share on this subject in the next newsletter.

Letter Of Sovereign State Citizenship

If you are an old timer in the "patriot movement", then certainly you will have heard commentary at one time or another about Sovereign state Citizenship. Eddie Kahn talked to us about it in past editions of *TaxTruth Newsletter*. He told us about how such citizenship status is distinctly different from 14th Amendment U.S. citizenship. He also told us about how prior to the Civil War there was no such thing as a "U.S. citizen"; there were only state Citizens.

Last November, Eddie began to explore the expatriation/repatriation process. It was a means to get us back to our proper citizenship status and shake off the unwanted U.S. citizenship. That process involved expatriating to renounce one's 14th Amendment U.S. citizenship, whereas the repatriation process served to reaffirm one's state Citizenship. However, the repatriation process still offered no official document from the government identifying the state Citizenship status of the person repatriating.

This week, however, we have something very interesting to report. Eddie told us about a man born in Nebraska who sent him a copy of a state issued passport that he got

from the Nebraska Secretary of State. The man also sent Eddie a copy of the letter that he sent to the Secretary, which led him to get that document. In his letter, the man stated that he and his wife were de jure Citizens of Nebraska state (not State of Nebraska) who each wanted a Letter of Nebraska state Citizenship. Then he attached a proposed sample of how he wanted the document to look, which was just a typed letter that he composed himself. Furthermore, Eddie assumed that they sent their birth certificates along with the letter as evidence of their identity.

Interestingly, the Secretary of State sent them both a certified one-page document that was word-for-word exactly like the proposed sample. The document also contained the Nebraska Secretary of State's signature, the Nebraska state flag and official state seal. This is quite amazing to say the least. People have been trying to figure out how to get such an official document for years without success. Yet, this man got one and all he did was send a simple letter to ask for it.

The document that the Nevada Secretary of State issued, dated July 20, 1992, is entitled "Letter Of Nebraska State Citizenship". It says, "*The Nebraska Secretary of State, Nebraska State, United States of America; hereby requests all who it may concern, to permit this sovereign Nebraska State Citizen, named herein, to pass without delay or hindrance and in case of need, to give all lawful aid and protection.*" Then it lists the name of the Nebraska state Citizen and the Citizen's date and place of birth. Lastly, the Nebraska Secretary of State and the Nebraska state Citizen to whom it was issued signed the document.

According to Eddie, the couple from Nebraska are not the only people who were able to get a state passport. ARL staff member, Jay Arr, recently told a man from New Jersey about all of this and sent him the documents referred to above. The New Jersey man then went to the New Jersey Secretary of State's office in person and got an identical state passport in 25 minutes.

The purpose in getting these state passports is obvious; it's all about your status. If you have a document from the Secretary of State of the state saying that you are a sovereign state Citizen, then that is officially what you are. Nobody can ever say otherwise. Such status puts you way above this 14th Amendment U.S. citizenship that the government currently has all of us in right now.

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