# NOTARY CERTIFICATE OF DISHONOR PROCESS

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**Notary Certificate of Dishonor Process 1 of 47**  
**Forms 07.006/09.014, Rev. 1-14-2008**

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1 Introduction

There are many occasions in professional fields where law or contract disputes or misunderstandings are likely and where the stakes are high. In such sensitive scenarios, it is a valuable skill to be able to negotiate the best results for everyone and to be able to do it in writing so as to ensure that all parties are legally accountable for the consequences and may not evade their duties under the law or the contract regulating the relationship between them. Situations where such a skill can be useful include:

1. Contracts between parties where one party is in default or not performing properly.
2. Trustees who are violating the trust indenture.
3. Doctors who have engaged in malpractice.
4. Construction, where the contractor or builder are not satisfying the terms of the contract.
5. Employers and financial institutions which are violating the laws on tax withholding or reporting.
7. Governments involved in illegal enforcement actions.

This memorandum of law shall describe what we call the Notary Certificate of Dishonor Process useful to persons who find themselves in one of the above situations and who:

1. Are interacting with the government, lawyers, employers, businesses, or financial professionals, hereinafter called “opponents” over usually legal or contract issues.
2. Believe that their opponent has engaged in, is engaging in, or will engage in illegal or injurious behavior that injures your rights or property.
3. Expect any of the following in either remedying or preventing violations of law or injuries against you.
   3.1. Argument
   3.2. Dispute
   3.3. Resistance
   3.4. Intimidation by corporate lawyers.
   3.5. Threats.
   3.6. Posturing.
4. Want to accumulate high quality, relevant, court admissible, third party evidence documenting the illegal or injurious behavior of their opponent for use in a likely court battle that may ensue to remedy the injuries or violations of law.
5. Want to exhaust all administrative remedies available before pursuing litigation so they have adequate standing to sue their opponent and are less likely to have their lawsuit dismissed.
6. Do not want to negotiate or bargain away their rights through either inaction, omission, or silence so that they remain in a strong bargaining position if litigation does ensue.
7. Want to follow best industry practices and the same commercial rules as legal professionals and government use in order to ensure the equal treatment by any court in relation to the their opponent(s).
8. Want to maximize the chances of prevailing in court against their opponent if or when litigation becomes necessary to right the wrong.

The procedures in this document are based on the notary protest method documented in manuals for notaries public such as the following:

http://www.andersonpublishing.com

2 Why involve a notary public in your commercial dispute?

The reason to use the notary protest method is to gather credible, admissible evidence of dishonor for use in quickly resolving a dispute if or when litigated in court and usually where litigation is likely. The notary protest method requires you to involve a notary in your dispute as a third party witness and referee. There are advantages and disadvantages to doing this that you should be aware of.

1. **ADVANTAGES:**
1.1. A notary public is a “public officer” within the government, and as such, their official records are considered “public records” and are exempted from the Hearsay Rule, Federal Rule of Evidence 802.

Chapter 1
Introduction
§1.1 Generally

A notary public (sometimes called a notary) is a public official appointed under authority of law, with power,
7
among other things, to administer oaths, certify affidavits, take acknowledgments, take depositions, perpetuate
testimony, and protect negotiable instruments. Notaries are not appointed under federal law; they are
9
appointed under the authority of the various states, districts, territories, as in the case of the Virgin Islands, and
10
the commonwealth, in the case of Puerto Rico. The statutes, which define the powers and duties of a notary
11
public, frequently grant the notary the authority to do all acts justified by commercial usage and the “law
12
merchant”


1.2. In most states, the records, logs, and registers of the notary public are automatically admissible as evidence in any
15
state court by statute. Below is an example:

North Dakota Century Code
§ 44-06-08. Record of notices-certified copy-competent evidence.

Each notary public shall keep a record of all notices, of the time and manner in which the same
19
were served, the names of all the persons to whom the same were directed, and the description and
20
amount of the instrument protested. Such record, or a copy thereof, certified by the notary under seal,
21
at all times shall be competent evidence to prove such notice in any court of this state.

1.3. In any commercial dispute between persons, interested adversarial parties make less credible witnesses than
23
neutral third party witnesses or referees. You are therefore less likely to get your evidence admitted in a court of
24
law if it originates from you rather than a third party such as a notary.

1.4. Notarized original documents are admissible in court often without foundational testimony. This means the
26
notary who certified your document need not be alive or available to testify if you need to litigate the dispute
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years later.

1.5. The notary protest method helps reduce the work of the judge and results in all the facts and law subject to
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argument to be stipulated by action or omission before the litigation even begins. You will buy a lot of credibility
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with the judge by showing that you did everything within your power to resolve your own disputes and stay
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focused on avoiding litigation at every opportunity. This may cause him to prejudice the outcome in your favor
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and against your opponent.

1.6. Evidence from the notary public is difficult for the judge to keep out of evidence, even if prejudicial to the
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government.

1.7. The output of the notary protest method places your opponent into a position of laches and estoppel, and amounts
to the equivalent of a nihil dicit judgment against him that may quickly be reduced to judgment with a simply
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summary judgment motion rather than a full trial. This has the desired effect of minimizing litigation effort and
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expense and quickly reducing the controversy to a judgment against your opponent.

“Equitable estoppel, or estoppel in pais, is a term applied usually to a situation where, because of something
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which he has done or omitted to do, a party is denied the right to plead or prove an otherwise important fact. 2
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The term has also been variously defined, frequently by pointing out one or more of the elements of, or
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prerequisites to, 3  the application of the doctrine or the situations in which the doctrine is urged. 4 The most
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comprehensive definition of equitable estoppel or estoppel in pais is that it is the principle by which a party who
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knows or should know the truth is absolutely precluded, both at law and in equity, from denying, or asserting
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the contrary of, any material fact which, by his words or conduct, affirmative or negative, intentionally or
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through culpable negligence, he has induced another, who was excusably ignorant of the true facts and who
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had a right to rely upon such words or conduct, to believe and act upon them thereby, as a consequence
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reasonably to be anticipated, changing his position in such a way that he would suffer injury if such denial or
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contrary assertion was allowed. 5 In the final analysis, however, an equitable estoppel rests upon the facts and
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circumstances of the particular case in which it is urged, 6 considered in the framework of the elements,
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requisites, and grounds of equitable estoppel, 7 and consequently, any attempted definition usually amounts to
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no more than a declaration of an estoppel under those facts and circumstances. 8 The cases themselves must
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be looked to and applied by way of analogy rather than rule. 9”

[American Jurisprudence 2d, Estoppel and Waiver, §27: Definitions and Nature]
“The doctrine of estoppel is based upon the grounds of public policy, fair dealing, good faith, and justice, and its purpose is to forbid one to speak against his own act, representations, or commitments to the injury of one to whom they were directed and who reasonably relied thereon. 11 The doctrine of estoppel springs from equitable principles and the equities in the case. 12 It is designed to aid the law in the administration of justice where without its aid injustice might result. 13 Thus, the doctrine of equitable estoppel or estoppel in pais is founded upon principles of morality and fair dealing and is intended to subserve the ends of justice. 14 It always presupposes error on one side and fault or fraud upon the other and some defect of which it would be inequitable for the party against whom the doctrine is asserted to take advantage. 15 It concludes the truth in order to prevent fraud and falsehood and imposes silence on a party only when in conscience and honesty he should not be allowed to speak. 16

The proper function of equitable estoppel is the prevention of fraud, actual or constructive, 17 and the doctrine should always be so applied as to promote the ends of justice and accomplish that which ought to be done between man and man. 18 Such an estoppel cannot arise against a party except when justice to the rights of others demands it 19 and when to refuse it would be inequitable. 20 The doctrine of estoppel should be applied cautiously and only when equity clearly requires it to be done. 1 Hence, in determining the application of the doctrine, the counterequities of the parties are entitled to due consideration. 2 It is available only in defense of a legal or equitable right or claim made in good faith and can never be asserted to uphold crime, fraud, injustice, or wrong of any character. 3 Estoppel is to be applied against wrongdoers, not against the victim of a wrong, 4 although estoppel is never employed as a means of inflicting punishment for an unlawful or wrongful act. 5”

[American Jurisprudence 2d, Estoppel and Waiver, §28: Basis, function, and purpose]

2. DISADVANTAGES:
   2.1. Many notaries do not even know what a notary protest is. You may have to educate them about the process and their legal authority to participate in it using the materials in section 7 later.
   2.2. It may be difficult to locate a notary public who is willing to do it for you in your area.
   2.3. The notary protest process is less convenient, more time consuming, and more expensive than the alternatives described in the next section.

3 Alternatives to using the notary protest method

On the flip side of the coin, there are less expensive and more convenient approaches to gathering evidence of a default on the part of your opponent in a commercial dispute than using a notary as a referee and witness. For instance:

1. You can send everything via the postal service Certified Mail or Registered Mail with proof of delivery. The green cards, once returned, become legal evidence of delivery. This method is useful for demonstrating that SOMETHING was sent, but not for proving WHAT was sent. The problem is, most of the time you also need proof of WHAT was in the package before it was mailed so you can prove what was defaulted on. This does not prevent disputes in court, however, because it boils down to a “he says, she says” argument about what was sent.

2. Another method is to use a Certificate of service, which provides proof of what was sent, when it was sent, and how it was sent. The form below on our website is intended for this use and we use it all the time:

   Certificate/Proof/Affidavit of Service, Form #01.002
   http://sedm.org/Forms/FormIndex.htm

3. You can use the Certificate of Service above and ALSO record the original document at the county recorder’s office with the Certificate of Service and get the copy stamped to prove it was filed. This doesn’t work in every county recorder’s office because sometimes they place restrictions on what can be recorded. Once recorded, the document becomes a public record that is just as admissible as the notary public’s records, who is also a public officer exempt from the Hearsay Rule, Federal Rule of Evidence 802.

If you would like to know more about the above techniques, please refer to the following document on our website:

Techniques for Building a Good Administrative Record, Form #09.008
http://sedm.org/Forms/FormIndex.htm

4 Primer on Commercial Law

In addition to defrauding the People by using “Words of Art” to change the meanings of words, the IRS also uses the Uniform Commercial Code (U.C.C.) as a tool of extortion to steal your substance under the guise of law. The Legislative History of the Federal Tax Lien Act of 1966, P.L. 89-719, explains that the entire taxing and monetary systems were placed
under the Uniform Commercial Code. The U.C.C. is the code that regulates all negotiable instruments, commercial transactions, and commercial arbitration. It was previously called the Law Merchant and the Negotiable Instrument Law. The U.C.C. has been grossly abused by the IRS. It is essential that we understand how the UCC operates in order to have the upper hand in our dealings with the IRS. The essential common law elements of the Commercial Law are good, being based upon:

1. Good faith action.
2. Clean hands doctrine.
3. Fair business practices.
4. Full disclosure.
5. Duty of care.
8. Mercy.

4.1 Honor-Dishonor

Everything you do in life - whether a draft or a bill for services rendered, a request to do chores, or a letter asking why you did not file your taxes, is a draft (offer). Every time you are addressed by some person, company or agency, realize you may be lured into responding inappropriately. By law, you have 72 hours (three days) to change your mind on entering into any contract. When you do respond, you must analyze what you are really being asked to do or perform, or whether you are making assumptions about what is being requested. Every response you make falls into one of four categories. The first two leave you in honor and in control. The last two leave you in dishonor and you will lose:

1. Conditionally Accept (CA) the offer
2. Accept the offer;
3. Argue; or,
4. Ignore, be silent, acquiesce.

Frequently, creditors will intentionally take advantage of your commercial ignorance in order to set you up or entice you into dishonor and cause you to lose. This is accomplished in many ways, such as

1. They make an offer, demand or draft so outrageous that it entices you to argue.
2. They lure you to respond in a manner which technically is argument.
3. They give you a far-off “respond by date” so that you do not respond within 72 hours.
4. They don’t tell you how to cure a prior dishonor.
5. They don’t respond at all to you so you don’t know what’s happened.

On the other hand, you likely have responded many times “dishonorably”. Consider these responses and categorize them.

a. You complain about a service and refuse to pay for it.
b. You write a letter disputing a charge on your credit card statement.
c. You call a vendor and chew them out for billing you for someone else’s work/purchases.
d. You don’t respond at all to someone who angers you.
e. You reply with an “untruthful” or “outrageous” response.
f. You file a lawsuit or a complaint.

Remember, all facts are irrelevant and fly out the window when there is dishonor. A judge can only intercede if there is controversy. If there is stipulation, he has nothing to do and that’s the end of it. You have “energy” and control if you stay in honor.

4.2 Under the Laws of Commerce, Truth is Sovereign

The foundation of the Uniform Commercial Code (U.C.C.) is Commercial Law. The foundation of Commercial Law is based upon certain universal, eternally just, valid, moral precepts and truths. The basis of Commercial Law is the Law of
Exodus (i.e. The 10 Commandments) of the Old Testament and Judaic (Mosaic) Orthodox Hebrew Commercial law. The Laws of Commerce have remained unchanged for at least six thousand years and form the basis of western civilization, if not all nations. This law of commerce therefore applies universally throughout the world. Real Commercial Law is non-judicial and is prior and superior to, the basis of, and cannot be set aside or overruled by the statutes of any government, legislature, governmental or quasi-governmental agencies, courts, judges, and law enforcement agencies, which are under an inherent obligation to uphold said Commercial Law. Commercial Law is a “War of Truth” expressed in the form of an intellectual weapon called an **Affidavit**. An Affidavit is merely a written list of facts or truths signed under penalty of perjury and usually notarized. The person composing and signing an affidavit is called the “affiant”. It is “survival of the fittest” where the last unrebutted stands triumphant.

In the Laws of Commerce, the eternal and unchanging principle of the law are:

1. **A workman is worthy of his hire**. Authorities: Exodus 20:15; Lev. 19:13; Matt. 10:10; Luke 10:7; II Tim. 2:6. Legal maxim: “It is against equity for freemen not to have the free disposal of their own property.
2. **All are equal under the law** (God’s Law-Moral and Natural Law). Authorities: Exodus 21:23-25; Lev. 24:17-21; Deut. 1:17, 19:21; Matt. 22:36-40; Luke 10:17; Col. 3:25. Legal maxims: “No one is above the law.”; “Commerce, by the law of nations, ought to be common, and not to be converted into a monopoly and the private gain of a few.”
3. **In commerce, truth is sovereign**. See Exodus 20:16; Psalms 117:2; John 8:32; II Cor. 13:8. Legal maxim: “To lie is to go against the mind.” Oriental proverb: “Of all that is good, sublimity is supreme.”
4. **Truth is expressed in the form of an Affidavit**. See Lev. 5:4-5; Lev. 6:3-5; Lev. 19:11-13; Num. 30:2; Matt. 5:33; James 5:12.
5. **A matter must be expressed to be resolved**. See Heb. 4:16; Phil. 4:5; Eph. 6:19-21. Legal maxim: “He who fails to assert his rights has none.”
7. **An unrebutted affidavit becomes a judgment in commerce**. See Heb. 6:16-17. Any proceeding in court, tribunal, or arbitration forum consists of a contest, or “duel,” of commercial affidavits wherein the points remaining unrebutted in the end stand as the truth and the matters to which the judgment of the law is applied.
8. **He who leaves the field of battle first (does not respond to Affidavit) loses by default**. See Book of Job; Matt 10:22. Legal maxim: “He who does not repel a wrong when he can occasions it.”
9. **Sacrifice is the measure of credibility**. One who is not damaged, put at risk, or willing to swear an oath on his commercial liability for the truth of his statements and legitimacy of his actions has no basis to assert claims or charges and forfeits all credibility and right to claim authority. See Acts 7, life/death of Stephen. Legal maxim: “He who bears the burden ought also to derive the benefit.”
10. **A lien or claim, under commercial law, can only be satisfied by one of the following actions**. See Gen. 2-3; Matt 4; Revelation. Legal maxim: “If the plaintiff does not prove his case, the defendant is absolved.”
10.1. A rebuttal Affidavit of Truth, supported by evidence, point-by-point.
10.2. Payment.
10.3. Agreement.
10.4. Resolution by a jury according to the rules of common law.

Because truth is sovereign in commerce and everyone is responsible for propagating the truth in all speaking, writing, and acting, all commercial processes function via affidavit certified and sworn on each affiants commercial liability as “true, correct, and complete,” attesting under oath re the validity, relevance, and veracity of all matters stated, and likewise demanded. Usually in written matters, such as on an IRS Form 1040, 8300, etc., voter registration application, driver’s license application, notary form for document certification, application for a Treasury Direct Account, and on nearly every document that those who run the System desire anyone to sign in a commercially binding manner, signature is required under penalty of perjury “true, correct, and complete.” In a court setting, however, testimony (oral commercial affidavit) is stated in the judicial equivalent by being sworn to be “the truth, the whole truth, and nothing but the truth, so help me God.” As well the need for asserting all matters under solemn oath of personal, commercial, financial, and legal liability for the validity of each and every statement, participant must provide material evidence, i.e. ledging/bookkeeping, substantiating that each fact or entry is true, valid, relevant, and verifiable. Without said acceptance of liability and facts provided to support one’s assertions, no credibility is established.
4.3 An Unrebutted Affidavit Stands as Truth

“Court of Appeals may not assume the truth of allegations in a pleading which are contradicted by affidavit.

Where affidavits are directly conflicting on material points. It is not possible for the district judge to “weight” the affidavits in order to resolve disputed issues; except in those rare cases where the facts alleged in an affidavit are inherently incredible, and can be so characterized solely by a reading of the affidavit, the district judge has no basis for a determination of credibility.”

[Data Disc, Inc. v. Systems Tech. Assocs., Inc. 557 F.2d 1280 (9th Cir. 1977)]

A major shortcoming in Codified Commercial Law that the IRS likes to capitalize on is that an unfurled claim is presumed to be true. That is why the citizen MUST always and immediately respond to any and all erroneous claims made by the IRS. According to Commercial Law, the rebuttal must be made in 72 hours from the time of presentment. The rebuttal for an erroneous tax bill can be as simple as, “I don’t owe this and this is not a true bill of commerce.” One of the necessities of Commercial Law is that all affidavits must be signed and attested to be “true, correct, and complete.” The IRS cannot and does not attest its “presentments” to individuals. When properly utilized, the ultimate advantage in Commercial Law goes to the Sovereign who has the final, unrebuttable truth on his or her side as an affidavit. By understanding the rules that the IRS operates under, it becomes a simple matter to beat them at their own game! Commercial Law is nonjudicial. That’s how the IRS takes away Citizen’s property without a day in Court. However, Patriots are currently using the nonjudicial aspect of the Commercial Law to lien the property of corrupt Government officials who do not uphold their oath and known duty to support the Constitution.

The U.C.C. doesn’t acknowledge the sovereignty of the people or the Bill of Rights. It only deals with paper. U.C.C. §1-103.6 is your “recourse” from the U.C.C. into the Common Law and the Bill of Rights. It states that the Code (U.C.C.) must be in harmony with the Common Law, as follows:

The Code is complimentary to the Common Law, which remains in force, except where displaced by the code. A statute should be construed in harmony with the Common Law, unless there is a clear legislative intent to abrogate the Common Law...The code cannot read to preclude [prevent or exclude] a Common Law action.”

There is a remedy, within the Uniform Commercial Code that you can use to reserve all of your fundamental and common law rights and remove yourself from the unjust provisions of the U.C.C. and other codes which are contradictory or not in harmony with your rights and justice. For example, such reservation retains your Common Law right not to be compelled under a commercial agreement that you did not knowingly, voluntarily, and intentionally enter into. Further, the common law is based upon “justice, truth, and reason.” A reservation of your common law rights also takes you out of the injustice of the absurd “presumptive law” where red is green. Also, by reserving your Common Law rights, you can compel the prosecutor in any case against you to file a valid “verified complaint” in which he would need to bring forth a “party injured by your actions”. You are also reserving all of your inalienable rights guaranteed by the Bill of Rights, such as not being a witness against yourself, the right to be secure in your person, houses, papers and effects against unreasonable searches and seizures, the right to a jury, the right to not be held for a capital crime without a grand jury indictment, etc.

There are three judicially recognized forms of testimony – affidavits, depositions and direct oral examination. Unless facts of any given case are verified by the testimony of a competent witness, a judgment is void and can be vacated at any time. The principle has the same application in administrative as well as judicial forums. In the event there isn’t a competent witness to verify facts through one of the three recognized forms of testimony, the decision-maker doesn’t have subject matter jurisdiction. No judgment or ruling other than declaring lack of subject matter jurisdiction can be made.

There are two essential elements to a case – facts and law. In order to secure a favorable judgment or ruling, the advocate must be able to prove facts of the case and then must prove application of law to whatever facts he can prove. Where tax issues are concerned, the taxman must prove application of taxing and liability statutes to the facts of any given case. In the event he isn’t able to meet these requirements, he doesn’t have a valid claim.

Through the years we have seen a variety of sworn statements people described as affidavits. Unfortunately, most break one or both of the cardinal rules that default affidavits. **Affidavits are testimony that set out facts. They cannot state conclusions of law and they cannot be argumentative. If an instrument does either, it doesn’t qualify as testimony, and regardless of what it is called, it doesn’t qualify as testimony by affidavit in a court of law.**
Due process in the course of the common law, which governs the American system of jurisprudence, requires facts and law to be established separately. The jury handles the facts of the case and the judge usually handles the law. Only after both are firmly in place can the trier of fact, which is usually a jury, determine application of law to whatever facts are proven in the case.

Is an IRS examination officer a competent witness who has first-hand knowledge of facts that would make him qualified to sign an affidavit? No, examination officers rely on documents produced by and testimony of third parties. In fact, in the context of examination procedural rules published at 26 CFR § 601.105, examination officers are supposed to be impartial; they are prohibited from favoring the government or the taxpayer when making liability decisions. In the event that they receive a protest from a taxpayer, they must resolve all contested matters of fact and law before proceeding further. The officer can

1. Directly resolve the controversy,
2. Request a national office technical advice memorandum, or
3. Refer the case to the appeals office. This basic mandatory procedure is reiterated in § 4.10.8 of the Internal Revenue Manual.

The only other alternative is to withdraw and/or rescind whatever notice and demand he or she issued. Essential elements for examination officer consideration are listed in § 4.10.7 of the Internal Revenue Manual.

### 4.4 Requirements for a valid Affidavit

In order to be a valid, an affidavit must satisfy the following four criteria:

1. Must identify who the affiant is.
2. Must identify who the notary is.
3. All statements made must be based on personal knowledge.
4. Any statements made that are false are subject to penalty of perjury within the jurisdiction of the court that will try the case.

Affidavits cannot and should not make legal arguments. They should stick to facts and avoid law as much as possible. When composing affidavits, make either short, positive statements of fact or negative averments. Place the burden of proof on your opponent. Don’t cite authorities or incorporate materials by reference unless you prepared the referenced material and it is signed and dated. Do not make a statement like, “I am not a taxpayer”—that’s an opinion. Instead state, “I am not in receipt of any document which verifies that I am a taxpayer owing a tax to the treasury”—that’s a fact!

### 4.5 All Rights Reserved Without Prejudice

Following is your recourse back into Common and Constitutional Law:

\[
\text{UCC 1-308:}
\]

\( (a) \text{ A party that with explicit reservation of rights performs or promises performance or assents to performance in a manner demanded or offered by the other party does not thereby prejudice the rights reserved. Such words as "without prejudice," "under protest," or the like are sufficient.} \]

This “Reservation of Rights” can be exercised by making the following notation above your signature on contracts and agreements and other documents requiring your signature:

“All Rights Reserved, Without Prejudice UCC 1-308”

Or

“Without Prejudice UCC 1-308”
Under the UCC, the effect of reservation is the preservation of whatever rights the person then possesses and prevents the loss of such rights by application of concepts of waiver or estoppel.

Your greatest protection is provided by reserving your rights in writing, preferably on every document you sign. However, the U.C.C. does state that it is not a requirement that such reservation of rights be written but they must be explicit. Explicit means fully and clearly expressed or demonstrated; leaving nothing implied.

The common debtor Citizen, or someone interested in the rights of American Citizens did not write the Uniform Commercial Code or its predecessors, the Law Merchant or The Negotiable Instrument Law. The history of this Code shows that it was originally created by “barbarians” to codify and give the semblance of legality to “robbery” by the creditors! These documents were written by and for the benefit of creditors, without any “separation of powers” protections, without due process for the debtor, and without respect for any equity the debtor may have invested in property that the creditor may seize. Therefore, it is imperative that you always reserve your rights on all signed documents.

You can view the Uniform Commercial Code yourself on the web at:

http://www.law.cornell.edu/ucc/ucc.table.html

The law library should carry two editions of the U.C.C. compiled by two different publishers. The version that is used here and is the easiest to understand is the Anderson version. It is written in plain English.

Older freedom books refer to U.C.C. §1-207 instead of U.C.C. §1-308. U.C.C. §1-207 was repealed in 2004 and is now replaced with UCC Section 1-308.

### 4.6 Promissory Notes

At this point, it is useful to define what a negotiable instrument is. Negotiable instruments include both Bills of Exchange and Promissory Notes. This section will provide a legal definition of “promissory note”:

*Promissory note. A promise or engagement, in writing, to pay a specified sum at a time therein limited, or on demand, or at sight, to a person therein named, or to his order, or bearer. A written promise made by one or more to pay another, or order, or bearer, at a specified time, a specific amount of money, or other articles of value. An unconditional written promise, signed by the maker, to pay absolutely and at all events a sum certain in money, either to the bearer or to a person therein designated or his order, at a time specified therein, or at a time which must certainly in money. A signed paper promising to pay another a certain sum of money. An unconditional written promise to pay a specified sum of money on demand or at a specified date. Such a note is negotiable if signed by the maker and containing an unconditional promise to pay a sum certain in money either on demand or at a definite time and payable to order or bearer. U.C.C. 5 3-104.*


The key feature of the promissory note is that it is an unconditional promise or contract between two parties to pay a fixed sum of money. Therefore, promissory notes are unsuitable for use in arbitrating commercial disputes involving tax collection, because they cannot involve any kind of conditions upon the payment of the sums involved.

### 4.7 Bills of Exchange

Next, we provide legal definition for a “bill of exchange”. Bills of exchange are what most people regard as “checks” issued against the drawer’s bank account:

*“Bill of exchange. A three party instrument in which first party draws an order for the payment of a sum certain on a second party for payment to a third party at a definite future time. Same as "draft" under U.C.C. A check is a demand bill of exchange. See also Advance bill; Banker’s acceptance; Blank bill; Clean bill; Draft; Time bill.”*  


A bill of exchange, like a promissory note, is an *unconditional order to pay a fixed sum of money* by the drawer to his bank, who then pays the money to the acceptor of the check. In that sense, tax collection notices are unsuitable to be called a “bill of exchange” or to be subjected to the notary protest method applicable to bills of exchange because they bills of exchange...
are unconditional, whereas responses to IRS collection notices must be conditional as described elsewhere in this document.

A bill of exchange, in common speech called a draft, is an open letter of request, addressed by one person to a second, desiring him to pay a sum of money to a third, or to any other to whom that third person shall order it to be paid; or it may be made payable to bearer. For instance: —

"Boston, 1st January, 1852. " Exchange for £ 100. One Hundred Pounds Sterling, value received, and place the same to account, as advised by " Sixty days after sight of this bill of exchange, pay to the order of George Green " To Mr. Jacob Brown, London." CHARLES WHITE."

4.7.1 Parties

The person who writes the request is called the drawer, and he to whom it is addressed is called the drawee; and if he agrees or consents to pay the money signified in the bill, he is said to accept it, and is then called the acceptor. The third person, to whom the money is payable, is called the payee. In the above instance, Charles White is called the drawer, Jacob Brown the drawer, and after he has consented or accepted to pay it, the acceptor, and George Green is called the payee. If it is made payable to him or order, or to the order of him, as above, and he then assigns it to another person, to whom the money is to be paid, by writing his name on the back of the bill (which is called indorsing the bill, and the act itself an indorsement), he is then called an indorser. The person to whom he orders the money to be paid is called the indorsee or holder, and if this one again assigns the bill to another person, the latter is called the indorsee or holder, and the other the second indorser; and every other person, who successively puts his name on the back of the bill, is called an indorser, and the person to whom it is last delivered is called the holder.

If in the above-cited instance George Green should write on the back of the bill, "Pay to the order of William Baker," signing his name beneath, "George Green," the latter would be called an indorser, and William Baker would be called indorsee or holder; and if Baker, again, should sign his name under that of Green, and order the contents of the bill to be paid to somebody else, Baker would be called an indorser, and the person designated by him the indorsee or holder, and so on.

4.7.2 Blank Indorsements.

It is very common for parties to sign simply their names on the back of the bill, without designating to whom the contents shall be paid. This is called a "blank indorsement," and whosoever holds the bill may write above the signature that it is payable to his order. For instance, if George Green, the original payee in the above-specified bill, had simply written his name on the back of it, and had delivered it to William Baker, and Baker again had simply put his name on the back under that of Green, and had delivered the bill to one J. Brown, the latter would be the holder, and might write over the signature of Green, "Pay to the order of William Baker," and over the signature of Baker, "Pay to the order of J. Brown."

4.7.3 Indorsement in full.

Although these blank indorsements are very common, it would be desirable, and it is highly to be recommended, that each indorser should write in full, over his name, the place of his residence, the date, and the name of his indorsee, that is, the name of the person to whom he assigns the bill. Thus,*in the above instance, if George Green resided in New York, he should write on the back, over his signature: -1— "

New York, January 3d, 1852. "
Pay to the order of William Baker. (Signed,) GEOBGE GREEN."

And in a similar way the successive indorsers should do. This way of indorsing has two advantages. In the first place, if the bill should be lost or stolen, with a blank indorsement on it, any person who finds or holds it might fill up the blank in his own name, and demand payment; whereas, if it were indorsed in full, the finder or holder would have to forge the name of the indorsee before he could get payment. In the second place, if the bill should be protested for non-acceptance or non-
payment, the holder would know at once the places of residence of the different indorsers, and be able to give them due notice without delay.

4.8 Bills of Exchange and Promissory Notes Compared

It seems scarcely necessary to point out the distinction between Bills of Exchange and Promissory Notes in their general structure and character. In a Bill of Exchange, there are ordinarily three original parties, the drawer, the payee, and the drawee, who, after acceptance, becomes the acceptor. In a Promissory Note, there are but two original parties, the maker and the payee. In a Bill of Exchange, the acceptor is the primary debtor in the contemplation of law to the payee; and the drawer is but collaterally liable. In a Promissory Note, the maker is, in contemplation of law, the primary debtor. If a Note be negotiable, and is indorsed by the payee, then there occurs a striking resemblance in the relations of the parties upon both instruments, although they are not in all. Respects identical. The indorser of a Note stands in the same relation to the subsequent parties as the drawer of a Bill, and the maker of the Note is under the same liabilities as the acceptor of a Bill.¹

5 Commercial dispute resolution process

When a dispute arises between parties, the Uniform Commercial Code specifies a process of administrative negotiation before the dispute may be taken to a court of law or government regulatory agency for resolution. This process is referred to in notary public handbooks as the notarial protest method:

1. It is described in section 2.22(A) through 2.22 (J) of the following:

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2. The process is used in the field of negotiable instruments.

3. The process is governed by Articles 3 of the Uniform Commercial Code in the case of commercial paper and Article 4 of the Uniform Commercial Code in the case of bank deposits and collections.

4. The process starts with delivery of a bill, note, or request for acceptance by a Creditor to a debtor.

A summary of the procedure is as follows:

1. A party, the “Creditor”, delivers a Notice of Claim upon the other party for alleged obligations under a contract, franchise, or a civil statute.

2. The recipient of the Notice of Claim, heretofore the “Debtor”, receives delivery of the claim, often via certified mail.

3. Debtor:

   3.1. Reads the Notice of Claim.

   3.2. Examines the relevant contract, franchise agreement, or civil statute for evidence of authority to make the claim. He compiles a list of disputes of law which pertain to the Claim. Compiles the disputed laws in a Memorandums of Law. Attaches all supporting evidence to it justifying the dispute.

   3.3. Determines whether the facts of the case warrant application of the provisions being enforced by the Creditor. Debtor compiles a list of disputes of fact which pertain to the Claim. He compiles a list of disputed facts in a Affidavit of Material Facts. Attaches all supporting evidence to it justifying the dispute.

4. Debtor compiles a Notice of Fault and Counter Offer to send to Creditor asking for evidence to support the alleged claim. He attaches:

   4.1. The Memorandums of Law. This can be a separate document or form, or can be a section within the Notice of Fault and Counter Offer letter.

   4.2. The Affidavit of Material Facts. This can be a separate document or form, or can be a section within the Notice of Fault and Counter Offer letter.

   4.3. The original Claim notice.

The letter demands contradictory law and facts which resolve the disputed law and facts so that the parties can converge onto a mutual agreement that can be executed without further delay and without litigation. It provides a time limit for responding and indicates that failure to respond shall constitute agreement with the content of the attached Memorandums of Law and Affidavit of Material Facts. It indicates a desire to obey the law, the contracts, or the franchise and to operate in good faith, in timely manner, and to avoid litigation.

¹ Chitty OD Bills, ch. 6, p. 266, (8th edit. 1833); Buller v. Crips, 6 Mod. B. 29, 3O; Bayley on Bills, ch. 5, § 3, p.169, (5th London edit.); Id. ch. 1, § 15, p. 42; Heylyn D. Adamson, 2 Burr. R. 669, 676.
5. At this point, the Creditor has one of two choices in responding to the Notice of Fault and Counter Offer.

5.1. Ignore the Notice of Fault and Counter Offer, in which case omission becomes acceptance and the party is found in default and dishonor.

5.2. Respond to the Notice of Fault and Counter Offer in one of three ways.

5.2.1. Rebut the Affidavit of Material Facts and the Memorandums of Law, and make a Counter Offer.

5.2.2. Agree with the Affidavit of Material Facts and Memorandums of Law and accept the Notice of Fault and Counter Offer.

5.2.3. Agree with the Affidavit of Material Facts and Memorandums of Law and make a new Creditor Counter Offer.

6. Creditor exercises one of the above choices and if necessary, sends a Counter Offer to the Debtor.

7. Debtor receives the response or absence of response to his Counter Offer from the Creditor. If there is a response from the Creditor, Debtor then decides:

7.1. Whether to accept the Acceptance or the Counter Offer of the offer by the Creditor.

7.2. If facts or law are still in dispute, whether any of the remaining disputed facts have not been disputed before. If so, restart the process at step 4.

7.3. If no facts or law are in dispute and there is a possibility that another counter-offer could settle the dispute, begin the process again in step 4 above.

8. At this point:

8.1. All disputes over fact and law have been resolved to their utmost extent.

8.2. The haggling has stopped.

8.3. All administrative remedies have been exhausted.

8.4. One of the parties is in dishonor.

9. If the reason the dispute cannot be resolved is a violation of law, contract, or statute by the Creditor or the Creditor’s views are clearly inconsistent with the facts, the Debtor then sends a Notice of Fault and Opportunity to Cure to the Creditor:

9.1. Indicating that they are in dishonor and a specific time period to return to honor.

9.2. Indicating that the Creditor is violating the law.

9.3. Indicating that the Creditor is injuring your rights.

9.4. Listing the facts still in dispute that cannot be resolved.

9.5. Listing the laws violated, the laws agreed to by both parties.

9.6. Indicating that litigation is imminent and that there is a strong desire on your part to avoid it.

10. Creditor usually will not respond. If there is no response, Debtor sends a Notary Certificate of Dishonor, summarizing the status of the dispute.

11. Litigation is then usually filed in court by the Debtor against the Creditor. A Complaint is filed usually in state court. Attached to the Complaint of the Debtor are the following:


11.2. The Notice of Fault and Opportunity to Cure.

11.3. A summary of the facts still in dispute. If the Creditor never disputed the facts contained in the Affidavit of Material Facts sent with the Original Notice of Fault and Counter Offer, then this Memorandum is attached.

11.4. A summary of the law still disputed. If the Creditor never disputed the laws contained in the Memorandums of Law sent with the Original Notice of Fault and Counter Offer, then this Memorandum is attached.

12. After the Creditor has been served with the Complaint, and if the Creditor never disputed the facts or the law in the first mailing of the Notice of Fault and Counter Offer, then the Debtor files motion for summary judgment based on the undisputed facts and law.

Throughout the above process, a neutral third party notary public, who is an officer of the state government, is used to accumulate evidence about the actions of the Creditor in responding to your attempts to resolve the dispute. In affect, the notary acts as a referee and a third party witness to attempts to resolve the dispute. The main reason for involving the notary rather than relying only on your own word is that:

1. You are an interested party, and your statements of the facts of the case could be perceived as biased.

2. The notary public is an officer of the state government and a “public officer” who is licensed by the state government. Their authority to officiate over commercial disputes is granted by statute in most states. That authority is called a “notary protest”. If you would like more information on this subject, see: Anderson’s Manual for Notaries Public, Ninth Edition; Anderson Publishing Co., ISBN 1-58360-357-3 http://www.andersonpublishing.com
3. Without an independent third party witness, the dispute in court will devolve into simply a “he says—she says” argument of opinions rather than facts. The government is more likely than you to win such a dispute because:

3.1. All of their records are public records which are automatically admissible as evidence.
3.2. They usually have more people to act as witnesses.
3.3. The judge may assign more value or weight to their testimony or records than to yours.

A large number of state and other jurisdiction statutes place large importance on the functions of notaries public in relation to commercial paper, sometimes called negotiable instruments. These functions are to some extent affected by the provisions of Articles 3 and 4 of the Uniform Commercial Code, which was recommended to the various state and other legislatures for adoption by the American Law Institute and the National Conference of Commissioners on Uniform State Laws. First adopted and made effective in Pennsylvania in 1954, Massachusetts in 1958, and Kentucky in 1960, the other states and jurisdictions followed by adopting it, as modified to a relatively small degree by the legislatures of the adopting states and other jurisdictions. The Uniform Commercial Code is now at least in part, the law in 50 states, the District of Columbia and the Virgin Islands. Article 3 concerns commercial paper and Article 4 concerns bank deposits and collections. The text that follows is a general discussion of the Official Text of the Uniform Commercial Code or UCC as it is commonly called. Few states have adopted it without modification. Therefore the reader is cautioned to consult the specific statute for particular requirements.

5.1 Presentment of bills for acceptance.

Presentment is a demand for acceptance or payment made upon the maker, acceptor, drawee or other payor by or on behalf of the holder. The holder of a bill or his agent, generally a notary public, must call upon the drawee, exhibit the bill to him and ask whether the drawee will pay it at its maturity. Presentment for acceptance is necessary to charge the drawer and indorsers of a draft where the draft so provides, or is payable elsewhere than at the residence or place of business of the drawee, or its date of payment depends upon such presentment. The holder may at his option present for acceptance any other draft payable at a stated date.

Presentment may be made:

1. by mail, in which event the time of presentment is determined by the time of receipt of the mail;
2. through a clearing house; or
3. at the place of acceptance specified in the instrument or if there be none, at the place of business or residence of the party to accept. If neither the party to accept nor anyone authorized to act for him is present or accessible at such place, presentment is excused.

Presentment may be made to:

1. anyone of two or more makers, acceptors, drawees or other payors; or
2. any person who has authority to make or refuse the acceptance. A draft accepted or a note made payable at a bank in the United States must be presented at such bank.

5.1.1 Time

Unless a different time is expressed in the instrument the time for presentment is determined as follows:

1. where an instrument is payable at or a fixed period after a stated date any presentment for acceptance must be made on or before the date it is payable;
2. where an instrument is payable after sight it must either be presented for acceptance or negotiated within a reasonable time after date or issue whichever is later;

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2 Uniform Commercial Code (hereinafter U.C.C.) § 3-504(1).
3 U.C.C. §3-501(1)(a).
4 U.C.C. §3-504(2).
5 U.C.C. §3-504(3), (4).
3. with respect to the liability of any secondary party presentment for acceptance of any other instrument is due within a reasonable time after such party becomes liable thereon.6

A reasonable time for presentment is determined by the nature of the instrument, any usage of banking or trade and the facts of the particular case. Where any presentment is due on a day which is not a full business day for either the person making presentment or the party to accept, presentment is due on the next following day which is a full business day for both parties. Presentment to be sufficient must be made at a reasonable hour, and if at a bank during its banking day.7

5.1.2 **Excused**

Delay in presentment is excused when the party is without notice that it is due or when the delay is caused by circumstances beyond his control and he exercises reasonable diligence after the cause of delay ceases to operate.8

Presentment is entirely excused when either:

1. the party to be charged has waived it expressly or by implication either before or after it is due;
2. such party has himself dishonored the instrument or has countermanded payment or otherwise has no reason to expect or right to require that the instrument be accepted;
3. by reasonable diligence the presentment cannot be made; (4) the maker, acceptor or drawee of any instrument except a documentary draft is dead or in insolvency proceedings instituted after the issue of the instrument; or
4. acceptance is refused but not for want of proper presentment.9

A waiver of protest is also a waiver of presentment. Where a waiver of presentment is embodied in the instrument itself it is binding upon all parties; but, where it is written above the signature of an indorser it binds him only.10

5.2 **Dishonor by nonacceptance.**

An instrument is dishonored when: (1) a necessary or optional presentment is made and due acceptance is refused or cannot be obtained within the prescribed time or in case of bank collections the instrument is seasonably returned by the midnight deadline; or (2) presentment is excused and the instrument is not duly accepted.11

Return of an instrument for lack of proper indorsement is not dishonor. A term in a draft or an indorsement thereof allowing a stated time for re-presentment in the event of any dishonor of the draft by nonacceptance if a time draft or by nonpayment if a sight draft gives the holder as against any secondary party bound by the term an option to waive the dishonor without affecting the liability of the secondary party. He may present again up to the end of the stated time.12 Where a draft has been dishonored by nonacceptance a later presentment for payment and any notice of dishonor and protest for nonpayment are excused unless in the meantime the instrument has been accepted.13

5.3 **Presentment for payment.**

Unless excused (Section 3-511; see § 2.22(B) 2. above), presentment for payment is necessary to charge any indorser. In the case of any drawer, the acceptor of a draft payable at a bank or the maker of a note payable at a bank, presentment for

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6 U.C.C. §3-503(1).
7 U.C.C. §3-503(2)-(4).
8 U.C.C. §3-511(1).
9 U.C.C. §3-511(2), (3).
10 U.C.C. §3-511(5), (6).
11 U.C.C. §3-507(1).
12 U.C.C. §3-507(3), (4).
13 U.C.C. §3-511(4).
payment is necessary, but failure to make presentment discharges the drawer, acceptor or maker only as stated in Section 3-502(1)(b).14

Where the maker or acceptor of an instrument payable otherwise than on demand is able and ready to pay at every place of payment specified in the instrument when it is due, it is equivalent to tender. Any party making tender of full payment to a holder when or after it is due is discharged to the extent of all subsequent liability for interest, costs and attorney's fees.15

5.3.1 **Time.**

Unless a different time is expressed in the instrument the time for presentment is determined as follows: (1) where an instrument shows the date on which it is payable presentment for payment is due on that date; (2) where an instrument is accelerated presentment for payment is due within a reasonable time after the acceleration; (3) with respect to the liability of any secondary party presentment for payment of any other instrument is due within a reasonable time after such party becomes liable thereon.16

A reasonable time for presentment is determined by the nature of the instrument, any usage of banking or trade and the facts of the particular case. In the case of an uncertified check which is drawn and payable Within the United States and which is not a dr¢1: drawn by a bank the following are presumed to be reasonable periods within which to present for payment or to initiate bank collection: (1) with respect to the liability of the drawer, thirty days after date or issue whichever is later; and (2) with respect to the liability of an indorser, seven days after his indorsement.17

Where any presentment is due on a day which is not a full business day for either the person making presentment or the party to payor accept, presentment is due on the next following day which is a full business day for both parties. Presentment to be sufficient must be made at a reasonable hour, and if at a bank during its banking day.18

5.3.2 **Sufficiency.**

Presentment is a demand for payment made upon the maker, acceptor, drawee or other payor by or on behalf of the holder. Presentment may be made by mail, in which event the time of presentment is determined by the time of receipt of the mail, or through a clearing house.19 Presentment to be sufficient must be made at a reasonable hour, and if at a bank during its banking day.20

5.3.3 **Place.**

Presentment for payment may be made at the place of payment specified in the instrument or if there be none at the place of business or residence of the party to pay. If neither the party to pay nor anyone authorized to act for him is present or accessible at such place presentment is excused.21

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14 U.C.C. §3-501(1)(b)(c). U.C.C. §3-502(1)(b) provides that where without excuse any necessary presentment or notice of dishonor is delayed beyond the time when it is due, any drawer or the acceptor of a draft payable at a bank or the maker of a note payable at a bank who because the drawee or payor bank becomes insolvent during the delay is deprived of funds maintained with the drawee or payor bank to cover the instrument may discharge his liability by written assignment to the holder of his rights against the drawee or payor bank in respect of such funds, but such drawer, acceptor or maker is not otherwise discharged.

15 U.C.C. §3-604.

16 U.C.C. §3-503(1).

17 U.C.C. §3-503(2).

18 U.C.C. §3-503(3), (4).

19 U.C.C. §3-504(1), (2).

20 U.C.C. §3-503(4).

21 U.C.C. §3-504(2).
5.3.4  **To whom made.**

Presentment for payment may be made to anyone of two or more makers, acceptors, drawees or other payors, or to any person who has authority to make or refuse the payment.\(^{22}\)

The party to whom presentment is made may without dishonor require any or all of the following: (1) exhibition of the instrument; (2) reasonable identification of the person making presentment and evidence of his authority to make it if made for another; (3) that the instrument be produced for acceptance or payment at a place specified in it, or if there be none at any place reasonable in the circumstances; and (4) a signed receipt on the instrument for any partial or full payment and its surrender upon full payment. Failure to comply with any such requirement invalidates the presentment but the person presenting has a reasonable time in which to comply and the time for payment runs from the time of compliance.\(^{25}\)

5.3.5  **Delay excused.**

Delay in presentment is excused when the party is without notice that it is due or when the delay is caused by circumstances beyond his control and he exercises reasonable diligence after the cause of the delay ceases to operate.\(^{24}\)

5.3.6  **Dispensed with.**

Presentment is entirely excused when: (1) the party to be charged has waived it expressly or by implication either before or after it is due; (2) such party has himself dishonored the instrument or has countermanded payment or otherwise has no reason to expect or right to require that the instrument be accepted or paid; (3) by reasonable diligence the presentment cannot be made; (4) the maker, acceptor or drawee of any instrument except a documentary draft is dead or in insolvency proceedings instituted after the issue of the instrument; or (5) payment is refused but not for want of proper presentment.\(^{25}\)

Where a draft has been dishonored by nonacceptance a later presentment for payment is excused unless in the meantime the instrument has been accepted. A waiver of protest is also a waiver of presentment. Where a waiver of presentment is embodied in the instrument itself it is binding upon all parties; but where it is written above the signature of an indorser it binds him only.\(^{26}\)

5.4  **Dishonor by nonpayment.**

An instrument is dishonored when: (1) a necessary or optional presentment is duly made and due payment is refused or cannot be obtained within the prescribed time or in case of bank collections the instrument is seasonably returned by the midnight deadline; or (2) presentment is excused and the instrument is not duly paid.\(^{27}\)

5.5  **Protest.**

A protest is a declaration in writing made by, among others, a notary public, on behalf of the holder of a bill or note, that acceptance or payment has been refused. This written declaration itself is also called a certificate of dishonor or the certificate of protest, which is only the evidence of the fact of protest. Although in a technical sense the term "protest" means only the formal declaration drawn up and signed by the notary, in commercial usage it includes all the steps necessary to charge the indorser.

Unless excused (Section 3-511; see §2.22(G) 5. below), protest of any dishonor is necessary to charge the drawer and indorsers of any draft which on its face appears to be drawn or payable outside of the states, territories, dependencies and

\(^{22}\) U.C.C. §3-504(3).
\(^{21}\) U.C.C. §3-505.
\(^{24}\) U.C.C. §3-511(1).
\(^{25}\) U.C.C. §3-511(2), (3).
\(^{26}\) U.C.C. §3-511(4)-(6).
\(^{27}\) U.C.C. §3-507(1).
possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. The holder may at his option make protest of any dishonor of any other instrument and in the case of a foreign draft may on insolvency of the acceptor before maturity make protest for better security. Protest is not necessary to charge an indorser who has indorsed an instrument after maturity.28

5.5.1 Time for making.

With one exception, any necessary protest is due by the time that notice of dishonor is due.29 Any necessary notice of dishonor must be given by a bank before its midnight deadline and by any other person before midnight of the third business day after dishonor or receipt of notice of dishonor.30 The exception is that if, before protest is due, an instrument has been noted for protest by the officer to make protest, the protest may be made at any time thereafter as of the date of the noting.31

5.5.2 Place.

Under the Code, protest need not be made at the place where dishonor occurs.32

5.5.3 Contents of certificate.

The protest must identify the instrument and certify either that due presentment has been made or the reason why it is excused and that the instrument has been dishonored by nonacceptance or nonpayment. The protest may also certify that notice of dishonor has been given to all parties or to specified parties.33

A complete certificate of protest should ordinarily include the following items:

1. the notary's venire or locality within which he is authorized to act;
2. his name and title;
3. for whom he acted, or the holder's name;
4. a copy of the instrument presented;
5. the fact and manner of presentment and demand;
6. the time;
7. the place;
8. to whom presented, and of whom demand was made;
9. the fact of dishonor;
10. the fact of protest;
11. the reason assigned for refusal to honor;
12. who was notified;
13. the manner of notification; and
14. the notary's official seal and signature.34

5.5.4 Form of protest.

[This certificate follows a copy of the bill or note protested]

28 U.C.C. §3-501(3), (4).
29 U.C.C. §3-509(4), (5).
30 U.C.C. §3-508(2).
31 U.C.C. §3-509(4), (5).
32 U.C.C. §3-509, Official Comment 3.
33 U.C.C. §3-509(2), (3).
34 U.C.C. §3-509(2) says that the protest must identify the instrument and certify either that due presentment has been made or the reason why it is excused and that the instrument has been dishonored by nonacceptance or nonpayment. U.C.C. §3509(3) says that the protest may also certify that notice of dishonor has been given to all parties or to specified parties.
United States of America, State of _____ County, ss.

Be it known by this instrument of Protest, that at the close of banking hours on the day of __, I, __________, notary public within and for said county of ____________, did, at the request of ____________, holder of the original ________ dated ____________, a copy of which appears above, present the same to ___________ at in the city of ____________, and demanded payment (or, acceptance) thereof, which was refused. Said dishonor of said occurred for the following assigned reason: ______________________

Whereupon I protested the same for nonpayment (or, nonacceptance) and notified the following named drawer and indorsers thereof of said presentment and protest, by a separate notice to each, enclosed in (the same, or separate) envelope- and addressed as follows: __________________; and deposited the same in the post office of ____________ in said county, the same day, postage paid; and the following named drawer and indorsers thereof, by delivering to each of them such notices personally on the same or the next day _____.

Whereupon, I, the said notary, upon the authority aforesaid, have protested and do hereby solemnly protest as well against the drawer and indorsers of the said __________________ as against all others whom it doth or may concern, for exchange, re-exchange, and all costs, charges, damages and interest, suffered or to be suffered, for the want of payment (or, acceptance) thereof, and I certify that I have no interest in the above-protested instrument.

Witness my hand and notarial seal this ___________ day of __, ________, ____. 

Protest fees, $, _______________

(SEAL)

______________, Notary Public.

My commission expires ________________

5.5.5 Dispensed with

Protest is entirely excused when either:

1. the party to be charged has waived it expressly or by implication either before or after it is due;
2. such party has himself dishonored the instrument or has countermanded payment or otherwise has no reason to expect or right to require that the instrument be accepted or paid;
3. by reasonable diligence the protest cannot be made; or
4. a draft has been dishonored by nonacceptance, unless the instrument has been accepted in the meantime. Where a waiver of protest is embodied where it is written above the signature of an indorser it binds him only.35

5.5.6 Record

Statutes in many states and other jurisdictions require, and well established custom in other states and jurisdictions permits, a notary to make a minute on the dishonored instrument, or in his register, of the presentment, refusal to accept or pay, the month, day and year, and his charges of protest. This is ‘called noting, and must be done, if not at the very time, at least not later than the day of the dishonor. The protest may be written out in full at any convenient time afterward.

Because the notary may be called upon to testify in relation to his acts as notary by deposition or orally, it is important that he should keep a register or record containing detailed information with regard to the protesting of commercial paper.

35 U.C.C. §3-511(2), (6). See also § 2.22(G) of Anderson’s Manual for Notaries, wherein it is pointed out that there is no requirement of protest except dishonor of a draft which on its face appears to be either drawn or payable outside of the states, territories, dependencies, and possessions of the United States, the District of Columbia and the Commonwealth of Puerto Rico.
5.5.7 National bank notes

Whenever any national banking association fails to redeem in the lawful money of the United States any of its circulating notes, upon demand of payment duly made during the usual hours of business, at the office of such association, or at its designated place of redemption, the holder may cause the same to be protested, in one package, by a notary public, unless the president or cashier of the association whose notes are presented for payment, or the president or cashier of the association at the place at which they are redeemable, offers to waive demand and notice of the protest, and, in pursuance of such offer, makes, signs, and delivers to the party making such demand an admission in writing, stating the time of the demand, the amount demanded, and the fact of the nonpayment thereof. The notary public, on making such protest, or upon receiving such admission, shall forthwith forward such admission or notice of protest to the Comptroller of the Currency, retaining a copy thereof. If, however, satisfactory proof is produced to the notary public that the payment of the notes demanded is restrained by order of any court of competent jurisdiction, he shall not protest the same. When the holder of any notes causes more than one note or package to be protested on the same day, he shall not receive pay for more than one protest.36

5.6 Acceptance supra protest.

Acceptance is the drawee's signed engagement to honor the draft as presented. It must be written on the draft, and may consist of his signature alone. It becomes operative when completed by delivery or notification. A draft may be accepted although it has not been signed by the drawer or is otherwise incomplete or is overdue or has been dishonored.37

5.7 Payment for honor.

Payment or satisfaction may be made with the consent of the holder by any person including a stranger to the instrument. Surrender of the instrument to such a person gives him the rights of a transferee.38

5.8 Notice of dishonor.

Unless excused,39 notice of any dishonor is necessary to charge any indorser. In the case of any drawer, the acceptor of a draft payable at a bank or the maker of a note payable at a bank, notice of any dishonor is necessary, but failure to give such notice discharges such drawer, acceptor or maker only as stated in Section 3-502(1)(b);40 however, notice of dishonor is not necessary to charge an indorser who has indorsed an instrument after maturity.41 Notice operates for the benefit of all parties who have rights on the instrument against the party notified.42

5.8.1 Given by agent.

An agent or bank in whose hands the instrument is dishonored may give notice to his principal or customer or to another agent or bank from which the instrument was received.43

37 U.C.C. §3-410(1), (2).
38 U.C.C. §3-603(2).
39 U.C.C. §3-511 provides that delay in notice of dishonor is excused when the party is without notice that it is due or when the delay is caused by circumstances beyond his control and he exercises reasonable diligence after the cause of the delay ceased to operate. When a draft has been dishonored by nonacceptance a later presentment for payment and any notice of dishonor is excused unless in the meantime the instrument has been accepted. A waiver of protest is also a waiver of notice of dishonor even though protest is not required.
41 U.C.C. §3-501(2), (4).
42 U.C.C. §3-508(8).
43 U.C.C. §3-508(1).
5.8.2 Essentials.

Notice may be given in any reasonable manner. It may be oral or written and in any terms which identify the instrument and state that it has been dishonored. A misdescription which does not mislead the party notified does not vitiate the notice. Sending the instrument bearing a stamp, ticket or writing stating that acceptance or payment has been refused or sending a notice of debit with respect to the instrument is sufficient.44

5.8.3 Form of notice of dishonor.

__________________(Place)

__________________(Date)

Take notice, that a bill of exchange (or, promissory note) for ___________________ Dollars dated ______________, drawn by ________________, in favor of ____________ __, on ______ _________Bank (accepted by ____________), indorsed by ___________ ________, payable ____________ __, was this day presented for acceptance (or, payment), which was refused, and therefore was this day protested by the undersigned notary public for non-acceptance (or, nonpayment).

The holder therefore looks to you for payment thereof, together with interest, damages, costs, you being indorser (or, drawer) thereof.

To: ______________

__________, Notary Public

My commission expires ______________

5.8.4 To whom given.

Notice of dishonor may be given to any person who may be liable on the instrument by or on behalf of the holder or any party who has himself received notice, or any other party who can be compelled to pay the instrument. In addition an agent or bank in whose hands the instrument is dishonored may give notice to his principal or customer or another agent or bank from which the instrument was received.45 Notice to one partner is notice to each although the firm has been dissolved.46 When any party is in insolvency proceedings instituted after the issue of the instrument, notice may be given either to the party or to the representative of his estate.47

5.8.5 Time of giving.

Any necessary notice must be given by a bank before its midnight deadline and by any other person before midnight of the third business day after dishonor or receipt of notice of dishonor. Written notice is given when sent although it is not received.48

5.8.6 Place.

When any party is dead or incompetent notice may be sent to his last known address or given to his personal representative.49

44 U.C.C. §3-508(3).
45 U.C.C. §3-508(1).
46 U.C.C. §3-508(5), (6).
47 U.C.C. §3-508(2), (4).
48 U.C.C. §3-508(7).
5.8.7 Waiver.

Where a waiver of notice of dishonor is embodied in the instrument itself it is binding upon all parties; but where it is written above the signature of an indorser it binds him only. A waiver of protest is also a waiver of presentment and of notice of dishonor even though protest is not required.\textsuperscript{49}

5.8.8 Dispensed with.

Notice of dishonor is entirely excused when:

1. the party to be charged has waived it expressly or by implication either before or after it is due;
2. by reasonable diligence the notice cannot be given. Where a draft has been dishonored by nonacceptance a later presentment for payment and any notice of dishonor are excused unless in the meantime the instrument has been accepted.\textsuperscript{50}

5.8.9 Delay excused.

Delay in notice of dishonor is excused when the party is without notice that it is due or when the delay is caused by circumstances beyond his control and he exercises reasonable diligence after the cause of the delay ceases to operate.\textsuperscript{51}

6 Description of Service Requested of Notary

This section describes the service which I need from you, the service provider, which is as follows:

1. A temporary mailbox for at least one month.
2. A notary on duty.
3. The notary is the only person with access to or a key to the mailbox.
4. To engage in a notary protest. The legal authority for the notary to execute a protest is documented in section 7 earlier in this document.
5. For the notary to check the mailbox at certain specified times, and to sign a Receipt Log providing an inventory of what was received and the date it was received.
6. For the notary public to execute the sent documents provided by me at the times indicated.
7. Certify on the Receipt Log no more than five business days after specified date for checking the mailbox.
8. To issue Certificates of Dishonor for all instances of nonresponse by the opposing party, in which you indicate that no response was received within the time limit indicated in the documents you sent to the other party under my instructions.
9. To maintain in your records a copy of all Certificates of Dishonor in your permanent records so that this information may be admissible as a public record in any litigation that might ensue, and so that certified copies may be requested at any time from you.

7 Authority to execute notarial protests throughout the United States of America

Authority for notarial protest method is described in Section 2.22 of the following:


http://www.andersonpublishing.com

Below is a table documenting specific statutes in all 50 states and federal territories for executing notarial protests. You can use this information to educate your notary about their authority under state law in your state:

\textsuperscript{49} U.C.C. §3-511(5), (6).
\textsuperscript{50} U.C.C. §3-511(2), (4).
\textsuperscript{51} U.C.C. §3-511(1).
<table>
<thead>
<tr>
<th>#</th>
<th>State name</th>
<th>Statute(s)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Alabama</td>
<td>Ala. Code, Section 36-20-5(3): Powers</td>
</tr>
<tr>
<td>2</td>
<td>Alaska</td>
<td>Alaska Stat. §44.50.060(1): Duties</td>
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<td>Alaska Stat. §44.50.090: Protest of bill or note</td>
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<td>Arizona Rev. Stat. Ann. §41.320: Competency of bank and corporation notaries. Makes it a crime for a notary to preside over a protest if he or she works for a corporation and is officiating over disputes relating to their employer.</td>
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<tr>
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<td></td>
<td>Cal. Govt. Code §8208. Protest of bill or note for nonacceptance or nonpayment.</td>
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<td>D.C. Code Ann. §1.808: Inland bills of exchange; promissory notes and checks</td>
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<td></td>
<td>D.C. Code Ann. §1.812: Copy of record as evidence. Makes protests admissible in court</td>
</tr>
<tr>
<td>10</td>
<td>Florida</td>
<td>Ga. Code. Ann. §45-17-12: Authority of notaries who are officers, employees, etc., of banks, corporations, etc. to witness execution of written instruments. Authorizes protests.</td>
</tr>
<tr>
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<td></td>
<td>Haw. Rev. Stat. §456-14: Notary connected with a corporation or trust company; authority to act. Prohibits notaries from witnessing protests to which notary is a party.</td>
</tr>
<tr>
<td>12</td>
<td>Idaho</td>
<td>Indiana Code Ann. §2-3-4-1(a)(2): Members or officers of general assembly. Authorizes members of general assembly to be involved in protests.</td>
</tr>
<tr>
<td>#</td>
<td>State name</td>
<td>Statute(s)</td>
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<tr>
<td>27</td>
<td>Montana</td>
<td>Mont. Code Ann. §1-5-417: Authority of notaries who are stockholders, officers, or employees of corporations. Makes it lawful for corporate and bank notaries to do protests, but unlawful if they have a financial interest. Mont. Code Ann. §1-5-602(3) and (5): Definitions. Authorizes protests of negotiable instruments.</td>
</tr>
<tr>
<td>#</td>
<td>State name</td>
<td>Statute(s)</td>
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<tr>
<td>33</td>
<td>New York</td>
<td>N.Y. Exec. Law §135: Powers and duties; in general; of notaries public who are attorneys at law. Authorizes protests. N.Y. Exec. Law §138: Powers of notaries public or other officers who are stockholders, directors, officers, or employees of a corporation. Authorizes corporate notaries to participate in protests, but not if they are party to them individually.</td>
</tr>
<tr>
<td>36</td>
<td>Ohio</td>
<td>Tit. 28 §47: Fees of notaries. Sets fees for protests. Tit. 49 §6: Authority of notary. Authorizes protests. Tit. 49 §7: Record of protests. Requires notaries for banks to keep a register of protests. Tit. 49 §112(1): Definitions. Defines “notarial acts” to include protests. Tit. 49 §113: Taking acknowledgments or verification—witnessing or attesting signature—certifying or attesting copies—making or noting protest—evidence of true signature. How to do protest. Tit. 6 §904: Stockholder, director, officer or employee of bank as notary public—administration of oaths—protests—notary fee. Allows bank notaries to engage in protests if not financially interested.</td>
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<tr>
<td>#</td>
<td>State name</td>
<td>Statute(s)</td>
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<td></td>
<td>Or. Rev. Stat. §194.505(3): Definitions for ORS 194.505 to 194.595. Defines “notarial act” to include protests.</td>
</tr>
<tr>
<td>41</td>
<td>Rhode Island</td>
<td>S.C. Code Ann. §26-1-60: Seal of office; notary shall indicate date of expiration of commission. Requires seal on all protestations.</td>
</tr>
<tr>
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<td></td>
<td>S.C. Code Ann. §26-1-120: Effect of status of notary as stockholder, directory, officer or employee of corporation. Authorizes protests involving corporation but not if notary is party to them.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S.C. Code Ann. §8-21-140(2) and (7): Fees of notaries public. Sets fees for protests.</td>
</tr>
<tr>
<td>42</td>
<td>South Carolina</td>
<td>Tenn, Code Ann. §8-16-304: Receipt of instruments in evidence. Says all “protestations” are evidence.</td>
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<td></td>
<td>Tenn, Code Ann. §8-16-306: Recording fee. Sets fees for “protestations”.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tenn, Code Ann. §§21-1201(1) and (2): Notaries public. Sets fees for “protestations”.</td>
</tr>
<tr>
<td>43</td>
<td>South Dakota</td>
<td>S.D. Codified Laws Ann. §18-1-10: Faith and credit to notarial acts. Gives full faith and credit to all notarial protests.</td>
</tr>
<tr>
<td>45</td>
<td>Texas</td>
<td>Wis. Stat. Ann. §137.01(5): Notaries. Authorizes protests. Section (9)(a) sets the fees for protests.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wash. Rev. Code Ann. §42.44.010(2): Definitions. Defines “notarial act” to include protests.</td>
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<tr>
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<td></td>
<td>Wash. Rev. Code Ann. §42.44.080(6): Standards for notarial acts. Defines notarial acts to include protests.</td>
</tr>
<tr>
<td>46</td>
<td>Utah</td>
<td>Wash. Rev. Code Ann. §42.44.010(2): Definitions. Defines “notarial act” to include protests.</td>
</tr>
<tr>
<td>47</td>
<td>Vermont</td>
<td>Wash. Rev. Code Ann. §42.44.080(6): Standards for notarial acts. Defines notarial acts to include protests.</td>
</tr>
<tr>
<td>48</td>
<td>Virgin Islands</td>
<td>Wash. Rev. Code Ann. §42.44.010(2): Definitions. Defines “notarial act” to include protests.</td>
</tr>
<tr>
<td>49</td>
<td>Virginia</td>
<td>Wash. Rev. Code Ann. §42.44.080(6): Standards for notarial acts. Defines notarial acts to include protests.</td>
</tr>
<tr>
<td>50</td>
<td>Washington</td>
<td>Wash. Rev. Code Ann. §42.44.010(2): Definitions. Defines “notarial act” to include protests.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wash. Rev. Code Ann. §42.44.080(6): Standards for notarial acts. Defines notarial acts to include protests.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>W.Va. Code Ann. §29-4-7: Powers of notaries connected with banks or other corporations. Authorizes corporate notaries to officiate over protests, but not if they are personally interested.</td>
</tr>
</tbody>
</table>
8 Tips in Preparing Your Protest Documents

8.1 Preparing correspondence

Every correspondence you send to your opponent:

1. Should NEVER contain any kind of threat of violence. This is a criminal offense in violation of 26 U.S.C. §7212. See the following for details and annotations regarding this code section:

   26USCA7212-20061030.pdf

2. Should emphasize that the burden of proof remains upon the government to prove liability, and not you to prove nonliability. It is an impossibility to prove a negative. See our pamphlet below, which you can also attach to your correspondence and pleadings:

   Government Burden of Proof, Form #05.025
   http://sedm.org/Forms/FormIndex.htm

3. Should demand evidence upon which any assessment is based pursuant to the Fair Debt Collection Practices Act, 15 U.S.C. §1692g(b). For instance, it should demand copies of all W-2’s and 1099’s which constitute prima facie evidence of a liability. For this purpose, you can attach:

   1. Federal Letters: Demand for Verified Evidence of Lawful Federal Assessment, Form #07.304
   2. State Letters: Demand for Verified Evidence of Lawful State Assessment, Form #07.204

4. Should not use, but rebut the use of any identifying number. The identifying number connects you to a "trade or business" and to privileged federal employment. Below are resources to help you with this:

   1. Use the Wrong Party Notice, Form #07.105 to rebut the use of social security numbers in the notice they sent.
   2. About SSNs and TINs on Government Correspondence, Form #05.012 shows the rules for using identifying numbers on government correspondence.
   3. Who Are “Taxpayers” and Who Needs a “Taxpayer Identification Number”?, Form #05.013 proves that only aliens can have TINs.

5. Should challenge all "presumptions" (OFFSITE LINK), which are a violation of due process.

   1. See the following for an article on this important subject entitled "Presumption: Chief Means for Unlawfully Expanding Federal Jurisdiction",

   Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017
   http://sedm.org/Forms/FormIndex.htm

   2. See the following for a form you can attach to any STANDARD or ORIGINAL IRS form you send in order to prevent false presumptions that might prejudice your rights.

   Tax Form Attachment, Form #04.201
   http://sedm.org/Forms/FormIndex.htm

6. Should contain information which rebuts the false W-2, 1042-S, 1098, and 1099 reports that probably caused the mistaken notice to be delivered to begin with. All of these reports are designed to wrongfully and falsely and unlawfully associate you with privileged excise taxable activity called a "trade or business" and make you into the equivalent of a federal "employee" or contractor who has no rights and is a "taxpayer" subject to the I.R.C. Click here for an article on this subject entitled Why Your Government is Either A Thief or You Are A "Public Officer" for income tax purposes, Form #05.008. Below is a list of specific Information Return reports that you MUST rebut as false in every response that you send them, along with the I.R.C. section that describes how they connect you to a "trade or business":

<table>
<thead>
<tr>
<th>#</th>
<th>State name</th>
<th>Statute(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>United States</td>
<td></td>
</tr>
</tbody>
</table>
6.1. **Income Tax Withholding and Reporting**, Form #12.004 - training course that teaches you the basics of tax withholding and reporting

6.2. **Tax Withholding and Reporting: What the Law Says**, Form #04.103 - Summary of tax withholding and reporting laws

6.3. **26 U.S.C. §6041**: Information at source-how IRS learns of the receipt of "trade or business" income, which is the excise taxable activity that makes you a "taxpayer"

6.4. **Correcting Erroneous IRS Form W-2's**, Form #04.006

6.5. **Correcting Erroneous IRS Form 1042's**, Form #04.003

6.6. **Correcting Erroneous IRS Form 1098's**, Form #04.004

6.7. **Correcting Erroneous IRS Form 1099's**, Form #04.005

7. Should reuse as many of our free Forms as you can, in order to save you research, study, and effort. See:

7.1. Forms Library, Section 1.5 Memorandums of Law

7.2. Forms Library, Section 1.7: Response Letters

8. Must be sent with some kind of proof of service, such as a Certificate of Service, or a Certified Mail.

8.1. See the following for an article on building a good administrative record which explains this.

   **Techniques for Building a Good Administrative Record**, Form #09.008
   
   http://sedm.org/Forms/FormIndex.htm

8.2. See the following for a sample Certificate of Service you can use to develop legally admissible evidence of what was mailed.

   **Certificate/Proof/Affidavit of Service**, Form #01.002
   
   http://sedm.org/Forms/FormIndex.htm

9. Must be sent to at least two persons in the government, to ensure that it is heeded. The letter must also indicate who all the recipients are. If you only send it to the address indicated on the notice you receive, it will often be ignored by the recipient because he/she knows they are not accountable. At least one of the recipients should be someone pretty high up in the IRS. For contact information for the supervisory personnel at the IRS, click here (OFFSITE LINK). Visit the "Important Government Contacts" (OFFSITE LINK) page for your elected representatives, if you want to send your complaint to them as well.

10. Should establish your citizenship, domicile, and tax status as being outside of their jurisdiction. See the following form as an example

   **Affidavit of Citizenship, Domicile, and Tax Status**, Form #02.001
   
   http://sedm.org/Forms/FormIndex.htm

11. Should use a return address that is not your legal domicile and it should indicate that it is not your domicile. This will protect your privacy. You might want to use a postal box or remailing service to accomplish this. In the address line, after the street address, put "(NOT A DOMICILE)".

12. Should not be argumentative or emotional, but instead should be factual and describe what the law says and why the IRS is misapplying or violating the law in what it is doing.

13. Should ask the recipient to remain silent and/or not respond if they wish to indicate that they agree with all the facts and law contained in your letter. You can use the following authorities as your justification:

   13.1. **Federal Rule of Civil Procedure 8(d)**
   
   13.2. **Silence as a Weapon and a Defense in Legal Discovery**, Form #05.021
   
   13.3. The principle of "equitable estoppel".
   
   13.4. The concepts described in our Federal Pleading Attachment, Litigation Tool #01.001

14. If you are a "nontaxpayer", which is the only thing you can be if you are reading this and not violate the **Copyright/Software/User License Agreement** or **Member Agreement**, then you may not cite any provision of the **Internal Revenue Code** unless it pertains exclusively to the agent who is involved in the illegal act and not you. When you cite a provision of the I.R.C. as applying to you, then you are indirectly admitting that you are a "taxpayer". Instead, you may only cite your constitutional rights, the Constitution, or state law as your authority. You should emphasize in the letter that you are not quoting the I.R.C. because you are not subject to it as a "nontaxpayer" because it is private/special law that only pertains to people who consent. See below for further details on why this is:

   14.1. **Your Rights as a Nontaxpayer**, Form #08.008
   
   14.2. "Taxpayer" v. "Nontaxpayer": Which One are You? (OFFSITE LINK)
   
   14.3. **Federal Jurisdiction**, Form #05.018. Section 3 of this document shows what happens to those who ignorantly or mistakenly cite terms of the federal "trade or business" franchise agreement codified in Subtitle A of the I.R.C.:
   
   They become voluntary SLAVES and WHORES of the government who have no standing in federal court to defend their rights.

   14.4. **Enumeration of Inalienable Rights**, Form #06.004
15. Should focus on illegal or unlawful acts by a specific individual that are outside the authority of that individual and therefore provide standing in court to sue for damages against them as a private individual. You cannot sue the government or "United States" for violations of law, but only a specific public employee who is violating the law. Click here (OFFSITE LINK) for reasons why. The best way to find out exactly who exactly is performing the illegal acts is to decode your IMF. Click here for information on decoding IMFs. Click here (OFFSITE LINK) for an excellent page to use as your main source for legal information you can put in your response letter.

16. Should be submitted as an Affidavit under penalty of perjury and should give the receiving agency a specific amount of time to respond, after which they agree if no response is received. The perjury statement at the end of the affidavit should read as follows:

I declare under penalty of perjury from without the "United States" and from within the United States of America, in accordance with 28 U.S.C. §1746(1) that the facts, statements, and evidence provided in this correspondence are true and correct to the best of my knowledge and ability. Conditions under which facts may be litigated is a state and not federal court with a jury trial where none of the jurists or the judge are federal "employees", "taxpayers" or "U.S. persons" and who are not eligible for and do not receive any federal financial or other benefit. All rights reserved, UCC 1-308 and 1-207.

For a good example of what such an affidavit might look like, see our Affidavit of Material Facts, Form #02.002. You should also notice and emphasize Federal Rule of Civil Procedure 8(b)(6), which says that anything not denied in the response is specifically admitted. This will develop exculpatory evidence and presumptions in your favor, which you can use to your advantage later if you decide to litigate.

17. Should also be followed up the response with a "Notice of Default" listing all of the things that have been agreed to by the government based on their failure to respond. What we do is simply attach a short letter with the Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001 indicating that the government specifies "admit" in response to every admission at the end of the Affidavit, and we serve it 30 days after sending the response, so as to give them time to respond. We send it certified mail with a Proof of Mailing and keep the original for ourselves, for use as evidence in a refund or Bivens lawsuit to enforce the default judgment.

18. Should anticipate and avoid the flawed arguments contained in:

18.1. Flawed Tax Arguments to Avoid, Form #08.004 - pamphlet.
18.2. Rebutted version of IRS The Truth About Frivolous Tax Arguments, Form #08.005
18.4. Rebutted Version of Dan Evan's "Tax Resister FAQs", Form #08.007 (OFFSITE LINK)- Family Guardian

19. Should be as short and organized as possible, so that it is more likely to be noticed and read. Long letters are commonly ignored by revenue personnel who are just too busy to respond appropriately. If you are enclosing government forms, put them in the front so they will be noticed.

20. Should contain a list of the exhibits or enclosures at the beginning of the letter. Each exhibit should be preceded by a cover page, which you might also want to print in colored paper or put a tab on so that it is easy to find.

21. Should include or attach supporting evidence upon which you base your good faith belief about your lack of liability. Each exhibit should be numbered and labeled and attached in sequence at the back of the letter, and referenced in the body of the letter. You may wish to visit our Exhibit Catalog for useful evidence to attach to your response letter as exhibits. You should also emphasize the ONLY sources of reasonable belief as indicated by the government and point out the hypocrisy and irrationality on their part of citing anything that is not a reasonable source. See: Reasonable Belief About Income Tax Liability, Form #05.007

22. Should contain a copyright notice at the bottom of each page similar to the following. In concert with this notice, you can send them the Payment Delinquency and Copyright Violation Notices, Form #07.106:

"The contents of this correspondence are copyrighted and may not be shared with third parties or entered into any kind of electronic information system or used for any kind of enforcement activity. The Privacy Act, 5 U.S.C. §552a(b) requires consent of the individual in order to maintain any records and you do not have my consent to electronic records. The fee for violating the copyright is $100,000. This letter and all attached documents have been made part of the Public Record and will be used for evidence in administrative and judicial proceedings at law, or equity regarding this American National, who by enacted federal law and the Legislative Intent of the 16th Amendment is a Non-Taxpayer as he is neither of the subject nor of the object of federal revenue laws. All of these documents must be RECORDED and maintained in Claimant’s Administrative PAPER, but not electronic File."

23. Should ask for their help in resolving what appears to you to be a conflict between what the law requires and what they are doing. This will put them in the position of looking bad for on the one hand, terrorizing you, but on the other hand, being unwilling to help you, and provides a good reliance defense if you ever have to litigate. Everyone who has ever
won against the government in court has used this tactic. The Internal Revenue Manual, section 1.1.1.1 makes this the duty of the IRS as follows:

**Internal Revenue Manual, Section 1.1.1.1**

*IRS Mission: Provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.*

### 8.2 Understand and discover the evidence that the government will use to prove its case

Before you begin to prepare your notary protest correspondence, be very aware of all of the evidence that the government will use to prove its case and take this evidence into account in your allegations and questions: This evidence includes:

1. The Appointment Affidavit of the government employee.
2. The delegation of authority order of the government employee.
3. The badge or pocket commission of the government employee.
4. The statutes authorizing enforcement.
5. The regulations implementing the statutes which authorize enforcement.
6. The Treasury Orders identifying the boundaries of the internal revenue districts within which the IRS must limit its enforcement.
7. Various documents that the government will use to prove your domicile as a citizen or residence as an alien:
   1. Your driver’s license and the application for it.
   2. Your passport and the application for it.
   3. Your voter registration.
   4. Marriage applications.
   5. Government applications for benefits that you filled out.
   6. Responses to jury summons you sent back to the county.
   7. Social Security SS-5 form applying to join Social Security.
8. Documents from prior litigation:
   1. Divorce pleadings and the attached evidence.
   2. Civil litigation.
   3. Criminal prosecutions against your.
9. Financial Institutions:
   1. Account applications.
   2. Account signature cards.
   3. Tax withholding documents such as W-8BEN.
   4. The “permanent address” on your account application, which establishes your prima facie domicile.
10. Employment forms:
    1. Job applications.
    2. Tax Withholding documents you submitted to your employers or business associates, such as W-4, W-8BEN, etc.
11. Tax Records in possession of the IRS:
    1. Information returns filed against your name by usually ignorant and criminal third parties. See: [Correcting Erroneous Information Returns, Form #04.001](http://sedm.org/Forms/FormIndex.htm)
    2. Your Individual Master File (IMF). See: [Master File Decoder](http://sedm.org/ItemInfo/Programs/MFDecoder/MFDecoder.htm)
12. Correspondence that you sent them.
13. Notices that they sent you.

If you are involved in a tax dispute, our website has several forms for obtaining some of the above documents as indicated below:

1. **IRS Freedom of Information Act Request**, Form #03.014
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
2. **IMF Decoding Freedom of Information Act Requests**, Form #03.015
   [http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)
8.3 Guidance on preparing Affidavits of Material Fact

This section contains guidance on how to prepare your Affidavit of Material Facts for use during the notary protest process. Below are some guidelines:

1. The trier of fact will be the jury. All issues of fact should be tailored to be decided by a jury and not a judge. Try to envision all of the issues of fact indicated in your Memorandum of Disputed Fact being included ultimately in an Affidavit of Material Facts attached to your civil or criminal complaint against your government opponent.

2. Narrowly focus the statements within the memorandum to facts that can be verified and corroborated with physical evidence or testimony.

3. Focus on pieces of evidence described in the previous section in order to prove the facts that you want to establish. Much of this evidence will be in the custody of your government opponent and he can use it to verify what you are saying for yourself.

4. Do NOT include opinions or beliefs in any of the issues, whether your or those of others. Opinions and beliefs are EXCLUDED from evidence pursuant to Federal Rule of Evidence 610.

5. Focus the statements to expose all false presumptions being made by the opposition and the judge, such as:

5.1. That you are a statutory “U.S. citizen” pursuant to 8 U.S.C. §1401.

5.2. That you are a statutory “resident” (alien) pursuant to 26 U.S.C. §7701(b)(1)(A).

5.3. You have a legal domicile within the “United States”, which consists of federal territories and possessions and excludes states of the Union. See: Why Domicile and Income Taxes are Voluntary, Form #05.002 http://sedm.org/Forms/FormIndex.htm

All of the above approaches are taken in a handy form that you may want to attach on our website below:

Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001 http://sedm.org/Forms/FormIndex.htm

6. Focus the questions on enforcement authority. Federal enforcement authority can be boiled down to a couple simple issues that will blow the government’s case out of the water because they will have no evidence to prove enforcement authority. For instance:


6.2. Agency enforcement is described in 5 U.S.C. §553(a) and 44 U.S.C. §1505(a) as anything that imposes a penalty or adversely affects your rights.

6.3. Absent enforcement authority, these acts say your rights cannot be injured:

TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 552

§ 552. Public information; agency rules, opinions, orders, records, and proceedings§ 1508. Publication in Federal Register as notice of hearing

Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published. For the purpose of this paragraph, matter reasonably available to the class of persons affected thereby is deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

26 CFR §601.702 Publication and public inspection

(a)(2)(ii) Effect of failure to publish. Except to the extent that a person has actual and timely notice of the terms of any matter referred to in subparagraph (I) of this paragraph which is required to be published in the Federal Register, such person is not required in any manner to resort to, or be adversely affected by, such matter if it is not so published or is not incorporated by reference therein pursuant to subdivision (i) of this subparagraph. Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person’s rights.

6.4. In order to prove that an agency has enforcement authority, they must provide admissible evidence of one of the following two things.

6.4.1. Either a legislative enforcement implementing regulation published in the Federal Register... OR

6.4.2. Evidence that you are a member of one of the following three groups specifically exempted from the requirement for enforcement implementing regulations:

6.4.2.1. A military or foreign affairs function of the United States. 5 U.S.C. §553(a)(1)
6.4.2.2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. 5 U.S.C. §553(a)(2).

6.4.2.3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. 44 U.S.C. §1505(a)(1).

For details on how the above works, see:

Federal Enforcement Authority Within States of the Union, Form #05.032
http://sedm.org/Forms/FormIndex.htm

8.4 Guidance on preparing Memorandums of Law

This section contains guidance on how to prepare your Memorandums of Law for use during the notary protest process. Below are some guidelines:

1. The trier of law is the judge. Statements should narrowly focus on things that can be proven by interpreting statutes and decided by the judge and not the jury. Try to envision all of the issues of law indicated in your Memorandums of Law being included ultimately in a Memorandum of Law attached to your civil or criminal complaint against your government opponent.

2. Avoid general statements. Make your statements as specific as possible so that the judge is compelled to deal directly with the issues before him.

3. Ensure that you include a definitions of key words of art that you are using in order to prevent presumptions by the judge in reading your memorandum of law. The form below shows techniques for doing this. It is intended to be attached to every tax form you file with the government, and we use attach it to our memorandums of law as well.

4. Try to convert disputes of law into disputes of fact so that you remove them from the discretion of the judge and give them to the jury to decide. For instance, avoid phrases like:

   4.1. “You have no legal authority. . .”
   4.2. “You have no statutory authority. . .”
   4.3. “The law does not authorize. . .”

Below are some examples on how to phrase your statements to convert them from disputes of law into disputes of fact:

Table 2: Converting legal disputes into factual disputes that the jury can decide.

<table>
<thead>
<tr>
<th>#</th>
<th>Original legal dispute to avoid</th>
<th>Improved factual dispute</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“You have no legal authority . . .”</td>
<td>“Your delegation of authority order plainly does not expressly authorize you to do what you did and therefore you are operating outside your authority. If you believe otherwise, please produce the order and the provisions within the order that expressly authorize what you did.”</td>
</tr>
<tr>
<td>2</td>
<td>“You have no legal authority under 26 U.S.C. §7601…”</td>
<td>“26 U.S.C. §7601 limits your enforcement powers to internal revenue districts. There is no evidence that I reside in any internal revenue district. Treasury Order 150-02 abolished all internal revenue districts except the District of Columbia and I don’t maintain a domicile there. If you disagree, please produce the Treasury Order that expressly includes the state of the Union and the part of the state of the Union that we are in right now.”</td>
</tr>
<tr>
<td>3</td>
<td>“You have no statutory authority to operate within a state of the Union.”</td>
<td>“There is no positive law statute anywhere within the I.R.C. Subtitle A that expressly includes a state of the Union within the meaning of “State” or “United States”. Please produce said statute as evidence if you disagree.”</td>
</tr>
<tr>
<td>4</td>
<td>“The law does not authorize. . .”</td>
<td>“There is no reason to believe that the I.R.C. authorizes ANYTHING. 1 U.S.C. §204 says it is a presumption, not legal evidence, and therefore cannot prejudice my rights. If you believe otherwise, please produce evidence that the specific section of the I.R.C. you are quoting was enacted into positive law and therefore constitutes evidence of an obligation by those who are party to the franchise agreement in I.R.C. Subtitle A.”</td>
</tr>
<tr>
<td>#</td>
<td>Original legal dispute to avoid</td>
<td>Improved factual dispute</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>5</td>
<td>“I am entitled to the protections of (I.R.C. statute)”</td>
<td>“The I.R.C. Subtitle A is a franchise agreement that I am not subject to. You never procured my express written consent to become a franchisee such as a “taxpayer” who has any obligation under it. Please produce evidence that I consented to donate my private property to a public use or a public office in order to procure the benefits of any federal franchise. Absent said express written consent, I must be presumed to be an innocent party called a “nontaxpayer” who is not party to the franchise agreement.”</td>
</tr>
</tbody>
</table>

5. Reuse as many of the Memorandums of Law on our website as possible. Most of these Memorandums of Law are specifically designed for use in establishing stipulated law and facts in many types of controversies. They include admissions and interrogatories at the end that state facts and demand a rebuttal. They give a time limit for responding, and they indicate that a non-response establishes an “Admit” answer to every admission pursuant to Federal Rule of Civil Procedure 8(b)(6). You can find these memorandums of law below:

Sedm Forms Page, Section 1.5
http://sedm.org/Forms/FormIndex.htm

6. Confine the statements to positive law statutes that are admissible as evidence. 1 U.S.C. §204 identifies which statutes are “positive law” and which are not.

“Positive law. Law actually and specifically enacted or adopted [consented to] by proper authority for the government of an organized jural society. See also Legislation.”


1 U.S.C. §204: Codes and Supplements as evidence of the laws of United States and District of Columbia; citation of Codes and Supplements

In all courts, tribunals, and public offices of the United States, at home or abroad, of the District of Columbia, and of each State, Territory, or insular possession of the United States -

(a) United States Code. -

The matter set forth in the edition of the Code of Laws of the United States current at any time shall, together with the then current supplement, if any, establish prima facie [by presumption] the laws of the United States, general and permanent in their nature, in force on the day preceding the commencement of the session following the last session the legislation of which is included:

Provided, however, That whenever titles of such Code shall have been enacted into positive law the text thereof shall be legal evidence of the laws therein contained, in all the courts of the United States, the several States, and the Territories and insular possessions of the United States.

7. Those statutes that are not positive law are “prima facie evidence”, which means a presumption. Presumptions are guide the discovery of evidence but they are NOT evidence. It is a violation of due process of law to convict someone on a presumption and without evidence. An unchallenged presumption acts as the equivalent of religious “faith” and makes the courtroom into a church and the judge into the priest. Avoid them at all costs.

“Prima facie evidence. Evidence good and sufficient on its face. Such evidence as, in the judgment of the law, is sufficient to establish a given fact, or the group or chain of facts constituting the party’s claim or defense, and which if not rebutted or contradicted, will remain sufficient. Evidence which, if unexplained or uncontradicted, is sufficient to sustain a judgment in favor of the issue which it supports, but which may be contradicted by other evidence. State v. Haremza, 213 Kan. 201, 515 P.2d 1217, 1222.

That quantum of evidence that suffices for proof of a particular fact until the fact is contradicted by other evidence; once a trier of fact is faced with conflicting evidence, it must weigh the prima facie evidence with all
8. Focus on the authority of the court, NOT the judge. Don’t personalize the dispute by dragging the credibility of the judge into the argument. Some issues to discuss include:

8.1. That there is no statute in the Statutes At Large that expressly confers Article III constitutional jurisdiction upon the court, if it is a federal court.

8.2. That the court is an Article IV territorial and franchise court which can only lawfully officiate over participants in federal franchises, such as a “trade or business”, which is defined as “the functions of a public office” in 18 U.S.C. §7701(a)(26).

9. Challenge the jurisdiction of the court to preside over the matter:

9.1. The judge does not reside on federal territory as required by 28 U.S.C. §134. He is therefore guilty of a high misdemeanor:


The judge does not reside on federal territory with the exterior limits of the district pursuant to 28 U.S.C. §1865 and therefore must be recused for cause.
9.3. That you do not maintain a domicile on federal territory or within the judicial district and cannot therefore lawfully be “kidnapped” and have your legal identity involuntarily transported to the District of Columbia pursuant to 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(d).

9.4. That you are a “nonresident alien” and that the state, and officers of the state government such as yourself, have EXCLUSIVE jurisdiction to over their own status.

"So far as courts of this state are concerned this state has sole and exclusive jurisdiction over the status of those domiciled within its borders."

[Delaney v. Delaney, 216 Cal. 27, 13 P.2d 719 (CA. 1932)]

The courts of this state also have sole and exclusive jurisdiction over the status of those domiciled within its boundaries. Delaney v. Delaney, 216 Cal. 27, 13 P.2d 719, 86 A.L.R. 1321. This case is itself a brief on the invalidity of the Mexican decree.


10. Focus on the fact that in tax cases, the federal court cannot lawfully change your declared status as a nontaxpayer and a nonresident to the “United States” if the matter involves taxes without violating the Declaratory Judgments Act, 28 U.S.C. §2201(a)

11. Focus on definitions of key “words of art” such as the following, which severely limit the jurisdiction of the government:

11.1. “State”
11.2. “United States”
11.3. “income”
11.4. “employee”
11.5. “employer”
11.6. “trade or business”

Insist that the court strictly observe the rules of statutory construction and interpretation in interpreting the statutes in order to prevent “judicial verbicide” that will destroy your rights:

“[J]udicial verbicide is calculated to convert the Constitution into a worthless scrap of paper and to replace our government of laws with a judicial oligarchy.”

[Senator Sam Ervin, of Watergate hearing fame]

________________________________________________________________________________

“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, a definition which declares what a term "means" . . . excludes any meaning that is not stated"); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 945] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."

[Stenberg v. Carhart, 530 U.S. 914 (2000)]

________________________________________________________________________________

"It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v. Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress’ use of the term "propaganda" in this statute, as indeed in other legislation, has no pejorative connotation. As judges, it is our duty to construe legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who has not even read it.

[Meese v. Keene, 481 U.S. 465, 484 (1987)]

________________________________________________________________________________

"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgan v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."


For further exhaustive details on the rules of statutory construction, see:

Notary Certificate of Dishonor Process
Copyright Sovereignty Education and Defense Ministry, http://sedm.org
Forms 07.006/09.014, Rev. 1-14-2008

EXHIBIT:_______
12. Point out inconsistencies and absurdities in various statutes that arise because the above rules of statutory construction are NOT being observed:

   It is, of course, true that statutory construction “is a holistic endeavor” and that the meaning of a provision is “clarified by the remainder of the statutory scheme ... [when] only one of the permissible meanings produces a substantive effect that is compatible with the rest of the law.” United Sav. Assn. of Tex. v. Timbers of Inwood Forest Associates, Ltd., 484 U.S. 365, 371, 108 S.Ct. 626, 98 L.Ed.2d 740 (1988).

13. Focus on whether the statute you are accused of violating or which the government is trying to enforce against you is civil or criminal law. If it is civil law, the government has the burden of proving that you maintain a domicile (if you are a citizen) or “residence” (if you are an alien) within their jurisdiction before they can enforce the statute against you. It is very difficult for them to satisfy these provisions and therefore the judge will have to stop the enforcement action against you and the case as well because the agency doing the enforcement, like him, has no jurisdiction:

   13.1. If the dispute is in state court, the moving or enforcing party must satisfy the longarm statute.

   13.2. If the dispute is in federal court, they must apply and satisfy the provisions of the Foreign Sovereign Immunities Act, 28 U.S.C. Part IV, Chapter 97.

9 Applying the process to unlawful tax collection

9.1 Background

Tax collection is an inherently commercial process that is very compatible with the notary protest process because:

1. The notices the IRS sends you constitute the equivalent of a bill for their “services”.
2. When the IRS sends you notice, they use a commercial default process. If you default and do not respond, they will assume that you consented. If they can do it to you, you can do it to them also. This commercial default process is quite evidence by examining the TXMODA portion of the IRS Individual Master File (IMF). See:

   Master File Decoder
   http://sedm.org/ItemInfo/Programs/MFDecoder/MFDecoder.htm

3. Nearly everything the IRS sends you requires your signature and consent. That makes it negotiable. Anything that requires your consent is a “negotiable instrument”.
4. When you respond in writing or have an audit or make an “Offer in Compromise”, you are engaging in an act of contracting with them. The documents produced during these processes act as the equivalent of promissory notes and contracts. The notary protest method is specifically designed for use in protesting “negotiable instruments, of which “promissory notes” are one type. See:

   http://books.google.com/books?id=GpM0AAAAIAAJ&printsec=titlepage

5. They cannot do a lawful tax assessment without your consent. See:

   Why the Government Can’t Lawfully Assess Natural Persons With an Income Tax Liability Without Their Consent.
   Form #05.011
   http://sedm.org/Forms/FormIndex.htm

6. The income tax is a franchise which requires your consent to participate. It isn’t voluntary for “taxpayers”, but the decision to become a “taxpayer” is voluntary. See:

   Who Are “Taxpayers” and Who Needs a “Taxpayer Identification Number”? Form #05.013
   http://sedm.org/Forms/FormIndex.htm

The statutes in most states account for the use of the notary protest method in connection with tax collection. For instance, in New Mexico, the following statute mentions instruments other than bills of exchange and promissory notes:

New Mexico Statutes Annotated
§14-12-10. Protesting bills and notes; notice.

Each notary public when any bill of exchange, promissory note or other written instrument shall be by such notary protested for nonacceptance or nonpayment shall give notice in writing thereof to the maker and to each
and every endorser of such bill of exchange, and to the maker of each security, or the endorsers of any promissory note or other written instrument, immediately after such protest shall have been made.

An IRS collection notice is neither a “bill of exchange” nor a “promissory note” as legally defined, but it is a “bill” and it does fit into the category of “other written instrument” documented above. Therefore, there is no basis for a notary public to decline participating in a notary protest that involves tax collection. Most other states of the Union have provisions similar to those above.

9.2 Process Summary

The Notary Certificate of Dishonor process functions as follows:

1. Locate a notary public who works at a mailbox center, such as UPS Store, Postal Annex, or Mailboxes Etc.
2. Ask the store clerk whether they have both mailboxes and a notary public on duty at all times.
3. If the store has both mailboxes and a notary public on duty, then ask if they would be willing to provide the services described in section 6 later.
4. Have them execute the process documented in section 4.6 earlier.

9.3 Example Disputed Facts and Disputed Law for use in your own memorandums

Below is a list of statements you can use in your Notice of Fault and Counter Offer.

9.3.1 Affidavit of Material Facts

1. You exceeded the bounds of strictly limited authority given by the Secretary as it relates to your legal capacity, legal authority, and legal scope of employment or office with the INTERNAL REVENUE SERVICE regarding the illegal instrument issued and/or signed by you.
2. You are not a criminal investigator.
3. You are not in the Intelligence Division of the INTERNAL REVENUE SERVICE.
4. You are not a criminal investigator in the Intelligence Division of the INTERNAL REVENUE SERVICE.
5. The type of tax you are attempting to enforce is not Subtitle E or other Alcohol, Tobacco, or Firearms tax.
6. You are not a special agent of the BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES, as well as any other investigator or officer charged by the Attorney General with the duty of enforcing any of the criminal, seizure or surrender, or forfeiture provisions of the laws of the United States to carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if you have reasonable grounds.
7. You know the type of tax you are attempting to collect is legally unenforceable by you.
8. The type of tax you are trying to collect is not I.R.C. Subtitle E or other Alcohol, Tobacco, or Firearms taxes.
9. Your presumption that a specific, valid, procedurally proper IRS Form 23C Certificate of Assessment executed by the Regional Director of the TTB exists, is fraudulent and deceptive.
10. You have no written, legal authority issued by the Regional Director of the Alcohol and Tobacco Tax and Trade Bureau TTB) to serve a summons as substantiated by IR CCD Manual (42) 210 (11).
11. According to
Internal Revenue Manual (IRM) 9.1.2.4
(11-10-2004) Authority to Arrest:

An arrest without a warrant is a serious matter and could subject the person making the arrest to criminal and
civil liability for false imprisonment or false arrest. Therefore, in order for a special agent to be authorized to
make a warrantless arrest (as a private citizen), it is generally necessary that a violation constituting a felony
be committed in his/her presence or he or she must reasonably believe that the person whom he or she arrest
has committed a felony under subtitle E liquor, tobacco, firearms and other excise taxes (under this subtitle).

12. You have no legal authority to create, issue, or sign an administrative summons, or a Notice of Federal Tax Lien, or a
Notice of Levy, or a levy, or a lien, or an assessment, or a deficiency, or any document, or instrument, or security, or to
commence an action or any other process in an attempt to enforce a collection of a tax or taxes from me.

13. You have no legal authority to request me to respond, to appear, to give testimony, or to produce documents and
records.

14. You have no legal authority to see my books and records.

15. As a government officer, employee or agent, you knowingly lack the legal authority to commence or pursue this action
against me in my status and standing.

16. I have not signed any IRS Form 12180 Third Party Contact Authorization and I have not waived any rights under IRC
7602(c) or any other IRC section allowing you to contact others.

17. I have not signed any IRS Form 6014 Authorization Access to Third-Party Records For Internal Revenue Service
Employees giving consent for you to contact others.

18. This claim against you (18 U.S.C. §1918) is true and correct.

19. Your IRS Form 668-Y(c) Notice of Federal Tax Lien does not involve a violation of legitimate purposes related to
Alcohol and Tobacco Tax and Trade Bureau (TTB) activity.

20. Your IRS Form 668-Y(c) Notice of Federal Tax Lien, dated for the _______________ __________ tax period(s) was
improper, or not issued in accordance with administrative procedures of the Secretary, or that the tax is not collectible,
or you issued the Administrative Summons while not acting within the lawful scope of your employment or office.

21. You issued the IRS Form 668-Y(c) Notice of Federal Tax Lien, dated ________________ for the
____________ tax period(s) under color of law, without legal authority and outside the scope of your office or
employment.

22. You had knowingly and fraudulently issued/signed an illegal "erroneous" Notice of Federal Tax Lien that is in
violation of any legal administrative procedure or law. The Notice of Federal Tax Lien shall be IMMEDIATELY
released and you shall be liable to refund the amounts erroneously levied, with interest

23. You issued/signed the fraudulent, defective, uttered, counterfeit security IRS Form 668-Y(c) Notice of Federal Tax
Lien.

24. You are the party liable, UCC 3-402, for the total amount due that you inserted on the IRS Form 668-Y(c) Notice of
Federal Tax Lien, dated ________________ for the ________________ tax periods; payable based on the face value of
circulated gold and silver coins displaying a face value and regulated by Congress, versus the market value in the
Federal Reserve system (the value of the coins in U.S. paper dollars)

25. You are the party liable, UCC 3-402, to five (5) times punitive damages and penalties to the total amount due that you
inserted on the IRS Form 668-Y(c) Notice of Federal Tax Lien, dated ________________ for the
______________ tax periods, payable based on the face value of circulated gold and silver coins displaying a face
value and regulated by Congress, versus the market value in the Federal Reserve system (the value of the coins in U.S.
paper dollars).

26. You are the party liable, UCC 3-402, for court-related costs and fees as an element of the damages incurred, payable
based on the face value of circulated gold and silver coins displaying a face value and regulated by Congress, versus
the market value in the Federal Reserve system (the value of the coins in U.S. paper dollars).

27. You are in breach of a duty imposed by law for failure to provide information mandated by related law, IR policy and
the UCC regarding your identification, your legal authority, and your lawful scope of employment or office relating to
your IRS Form 668-Y(c) Notice of Federal Tax Lien.

28. Your neglect of duty and acquiescence for failure to timely respond as stipulated, and rebut with particularity,
everything or anything in the prior NOTICES with which you disagreed, has given a lawful, legal, and binding
agreement with and admission to the fact that everything stated herein is true, correct, legal, lawful, and fully binding
upon you in any court in America, without your protest or objection or that of those who may represent you. See,

29. I have been damaged by the illegal and unauthorized issuance of your IRS Form 668-Y(c) Notice of Federal Tax Lien
that has created an economic hardship on me. You have slandered my name. You have illegally encumbered, seized or
converted my property and/or income. You have created fraudulent, derogatory items in the records of credit reporting
agencies and county recorders. You have illegally interfered with my right to contract and you have illegally impeded
my ability to transact business with others.

30. Pursuant to UCC 3-601(a), your alleged obligation of me to pay the instrument is discharged for fraud. No liability of
a tax exists and you are not a person legally entitled to enforce the instrument, pursuant to UCC 3-301.

31. You have no legal authority to convert my private property by seizure or surrender under internal revenue, Internal

32. You have fraudulently encumbered my property and/or income by fraudulent surrender, UCC 3-203. You cannot
legally acquire legal rights of a holder in due course because you engaged in fraud, and illegally enforced the
instrument without legal authority to enforce.

33. You fraudulently acted as a warrantor for the purpose of illegally causing surrender of all my property, rights to
property, money, credits, bank deposits, pay and other income now owed to me or becoming payable to me.

34. Pursuant to UCC 3-305, you lack legal capacity to enforce collection of a tax against me and the illegality of the
creation or issuance of the instrument nullifies any alleged obligation of the wrongfully levied party, me.

35. Your acquiescence and neglect of duty for failure to timely respond as stipulated and rebut with particularity,
everything or anything in my Demands for Information, Hearing with which you disagreed, you have give a lawful,
legal, and binding agreement with and admission to the fact that everything stated herein is true, correct, legal, lawful,
and fully binding upon you in any court in America, without your protest or objection or that of those who may

36. Your Notice of Federal Tax Lien is deficient in law. The only way property can be legally seized and contracts legally
terminated by the Internal Revenue Service is by a Court ordered "Warrant of Distraint." Your Notice of Federal Tax
Lien (NOFTL) is a fake, a forgery and an "invalid claim of encumbrance" manufactured and used to deceive and
replace the mandated by law judicial and/or Court ordered "Warrant of Distraint." You have illegally,
unconstitutionally and unlawfully used the authority of an administrative County Recorder's Seal in place of a judicial
Court Seal in order to subvert the required "Warrant of Distraint" issued by a competent Court.
9.3.2 Memorandum of law

1. You lack the legal authority to commence or pursue this action against me in my status and standing. See Internal Revenue Code §7608 and its supporting regulations.

2. Your Notice of Federal Tax Lien is in direct violation of the Separation of Powers Doctrine. A political doctrine under which the legislative, executive and judicial branches of government are kept distinct, to prevent abuse of power. This form of separation of powers is widely known as "checks and balances."

3. Nowhere in the Internal Revenue Code (IRC) can be found any other enforcement provisions for internal revenue agents and officers. Therefore, according to IRC Section 7608, you have NO LAWFUL AUTHORITY to examine books and witnesses; or to issue, serve or enforce subpoenas and summonses; or to enter premises for examination of taxable objects; or to execute and serve search warrants and arrest warrants; to make arrests without warrant relating to the internal revenue laws; to make seizures; or to enforce collection for Subtitle A income taxes, Subtitle B estate and gift taxes, Subtitle C employment taxes, Subtitle D miscellaneous excise taxes.

4. IRC Section 7608 states whom the Secretary has authorized to enforce Title 26.

5. According to I.R.C. §7608(a) any investigator, agent, or other internal revenue officer is ONLY authorized to enforce collection of taxes under subtitle E liquor, tobacco, firearms and other excise taxes (under this subtitle).

6. According to I.R.C. §7608(b), ONLY criminal investigators of the Intelligence Division of the IRS (not revenue officers or agents) are authorized to enforce CRIMINAL provisions of internal revenue laws relating to OTHER than subtitle E liquor, tobacco, firearms, and other excise taxes under this subtitle.

7. You are not legally authorized to enforce any type of collection action not related to Alcohol, Tobacco, or Firearms taxes.

8. You have no legal authority, capacity and jurisdiction to commence an action or issue an administrative Notice of Federal Tax Lien or an administrative Notice of Levy against me.

9. You are not authorized to enforce any type of collection action not related to I.R.C. Subtitle E Alcohol, Tobacco, or Firearms tax.

10. You have no legal authority to enforce any type of collection action not related to Alcohol, Tobacco, or Firearms tax.

11. You have no legal authority under I.R.C. §7602(c) to contact third parties for information about me regarding alleged tax liabilities you have no legal authority to enforce or collect. Any unauthorized contacts with third parties relevant to me, may be considered to be torts against me for invasion of privacy, interference to contract with others, slander, liable, impeding commerce, just to mention a few.

12. Under the Federal Tort Claims Act, any claim against you shall be in accordance with the law of the state where the [allegedly tortious] act or omission occurred.

13. You are precluded from seeking provisional remedies from a venue outside the state court system where the [allegedly tortious] act or omission and you shall not attempt to remove the action from the state court to a federal Tax Court or United States District Court, or any other federal venue, pursuant to 28 U.S.C. §2201 and 26 U.S.C. §7421. See Hylton v. U.S.

14. You are precluded from seeking provisional remedies from a venue outside of the state court system where the (allegedly tortious) act(s) or omission(s) occurred and you shall not attempt to remove the action from the state court to a federal Tax Court, or United States District Court, or any other federal venue, pursuant to 28 U.S.C. §2201, and 26 U.S.C. §7421. See Hylton v. U.S.
15. Any claim against you shall be in accordance with the law of the state where the (allegedly tortious) act(s) or omission(s) occurred, pursuant to the Federal Tort Claims Act in Title 28, the U.S. Government is NOT liable for its officers, employees, and agents who do not act within their lawful scope of employment or office. The U.S. government shall not defend you.

16. Under I.R.C. §7433, you may be sued civilly for up to $1,000,000 for unauthorized collections.

17. Under I.R.C. §7214(a)(2), you may be sued criminally up to $10,000 or imprisoned not more than five (5) years, or both for unlawful acts of demanding other or greater sums than are authorized by law.

18. No liability of a tax exists, and you are not a person legally entitled to enforce any Notice of Federal Tax Lien, or a Notice of Levy, or a lien, or a levy, pursuant to UCC 3-301.

9.4 Example conclusions to Notice of Fault and Conditional Acceptance

1. Everything herein shall be admissible as relevant Evidence of Dishonor UCC 3-505, based upon the undisputed and uncontested issues of fact and issues of law made upon the satisfactory information contained herein.

2. An Entry of Judgment against you shall be made upon the undisputed and uncontested relevant evidence contained herein.

3. A Judgment against you is in order, based upon the undisputed and uncontested factual issues and issues of law made upon the satisfactory information contained herein.

10 Conclusions

Knowing how to arbitrate private disputes between parties administratively, avoid litigation, and achieve results that are desirable for everyone is an important skill to master which has broad application to just about any type of dispute. We are told that it is especially useful and effective in getting the IRS to stop illegal tax collection actions.

11 Resources for Further Study and Rebuttal

If you would like to study the subjects covered in this short memorandum of law in further detail, may we recommend the following authoritative sources, and also welcome you to rebut any part of this pamphlet after you have read it and studied the subject carefully yourself just as we have:

   http://www.andersonpublishing.com

   http://www.notarypubliclaw.com/

3. Uniform Commercial Code (UCC)
   http://www.law.cornell.edu/ucc/ucc.table.html

   http://commonlawvenue.com/NotaryProtest/000-NotaryProtest.htm

5. Honor-Dishonor Process-manual that describes how the notary protest method works

   http://books.google.com/books?id=kJO0AAAIALAAJ&printsec=titlepage

   http://books.google.com/books?id=GpM0AAAAIAAJ&printsec=titlepage

8. The Honor, Dishonor Process

Notary Certificate of Dishonor Process
Copyright Sovereignty Education and Defense Ministry, http://sedm.org
Forms 07.006/09.014, Rev. 1-14-2008
EXHIBIT: _______