# GOVERNMENT INSTITUTED SLAVERY USING FRANCHISES

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## 1 Introduction

2	The most common method by which governments destroy the sovereignty of the people is by offering various types of
3	franchise and then essentially compelling people to participate as a matter of public policy rather than law. Black's Law
4	Dictionary Defines a "franchise" as follows:
5	FRANCHISE. A special privilege conferred by government on individual or corporation, and which does not
6	belong to citizens of country generally of common right. Elliott v. City of Eugene, 135 Or. 108, 294 P. 358,
7	360. In England it is defined to be a royal privilege in the hands of a subject.
8	A "franchise," as used by Blackstone in defining quo warranto, (3 Com. 262 [4th Am. Ed.] 322), had reference
9	to a royal privilege or branch of the king's prerogative subsisting in the hands of the subject, and must arise
10	from the king's grant, or be held by prescription, but today we understand a franchise to be some special
11	privilege conferred by government on an individual, natural or artificial, which is not enjoyed by its citizens in
12	general. State v. Fernandez, 106 Fla. 779, 143 So. 638, 639, 86 A.L.R. 240.
13	In this country a franchise is a privilege or immunity of a public nature, which cannot be legally exercised
14	without legislative grant. To be a corporation is a franchise. The various powers conferred on corporations
15	are franchises. The execution of a policy of insurance by an insurance company [e.g. Social
16	Insurance/Socialist Security], and the issuing a bank note by an incorporated bank [such as a Federal Reserve
17	NOTE], are franchises. People v. Utica Ins. Co 15 Johns., N.Y., 387, 8 Am.Dec. 243. But it does not embrace
18	the property acquired by the exercise of the franchise. Bridgeport v. New York & N. H. R. Co., 36 Conn. 255, 4
19	Arn.Rep. 63. Nor involve interest in land acquired by grantee. Whitbeck v. Funk, 140 Or. 70, 12 P.2d 1019,
20	1020. In a popular sense, the political rights of subjects and citizens are franchises, such as the right of
21	suffrage, etc. Pierce v. Emery, 32 N.H. 484; State v. Black Diamond Co., 97 Ohio St. 24, 119 N.E. 195, 199,
22	<u>L.R.A.1918E, 352.</u>
23	Elective Franchise. The right of suffrage: the right or privilege of voting in public elections.
24	Exclusive Franchise. See Exclusive Privilege or Franchise.
25	General and Special. The charter of a corporation is its "general" franchise, while a "special" franchise
26 27	consists in any rights granted by the public to use property for a public use but-with private profit. Lord v.
27	Equitable Life Assur. Soc., 194 N.Y. 212, 81 N. E. 443, 22 L.R.A.,N.S., 420.
28	Personal Franchise. A franchise of corporate existence, or one which authorizes the formation and existence of
29	a corporation, is sometimes called a "personal" franchise. as distinguished from a "property" franchise, which
30	authorizes a corporation so formed to apply its property to some particular enterprise or exercise some special
31 32	privilege in its employment, as, for example, to construct and operate a railroad. See Sandham v. Nye, 9 Misc.ReP. 541, 30 N.Y.S. 552.
33	Secondary Franchises. The franchise of corporate existence being sometimes called the "primary" franchise of
34	a corporation, its "secondary" franchises are the special and peculiar rights, privileges, or grants which it may,
35	receive under its charter or from a municipal corporation, such as the right to use the public streets, exact tolls,
36	collect fares, etc. State v. Topeka Water Co., 61 Kan. 547, 60 P. 337; Virginia Canon Toll Road Co. v. People,
37	22 Colo. 429, 45 P. 398 37 L.R.A. 711. The franchises of a corporation are divisible into (1) corporate or
38	general franchises; and (2) "special or secondary franchises. The former is the franchise to exist as a
39	corporation, while the latter are certain rights and privileges conferred upon existing corporations. Gulf
40	Refining Co. v. Cleveland Trust Co., 166 Miss. 759, 108 So. 158, 160.
41	Special Franchisee. See Secondary Franchises, supra.
42	[Black's Law Dictionary, 4th Edition, pp. 786-787]
43	Franchises include all the following and others not mentioned:

- 1. <u>Domicile</u> in the forum state, which causes one to end up being one of the following:
  - 1.1. Statutory "U.S. citizen" pursuant to <u>8 U.S.C. §1401</u> if a domestic national.
  - 1.2. Statutory "Permanent resident" pursuant to 26 U.S.C. §7701(b)(1)(A) if a foreign national.
- 2. Becoming a registered "voter" rather than an "elector".

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3. <u>I.R.C. 501(c)(3)</u> status for churches. Churches that register under this program become government "trustees" and "public officials" that are part of the government. Is THIS what you call "separation of church and state"? See: http://famguardian.org/Subjects/Spirituality/spirituality.htm

- Serving as a jurist. 18 U.S.C. §201(a)(1) says that all persons serving as federal jurists are "public officials". 1
- Attorney licenses. All attorneys are "officers of the court" and the courts in turn are part of the government. See: 2 3 http://famguardian.org/Subjects/LawAndGovt/LegalEthics/Corruption/WhyYouDontWantAnAtty/WhyYouDon'tWantAnAttorney.htm.
- Marriage licenses. See: 4
- http://sedm.org/ItemInfo/Ebooks/SovChristianMarriage/SovChristianMarriage.htm 5
- Driver's licenses. See: 6
- http://sedm.org/ItemInfo/Ebooks/DefYourRightToTravel.htm 7
- 8 Professional licenses.
- 9 9. Fishing licenses.
  - 10. Social Security benefits. See:
  - http://sedm.org/Forms/Emancipation/SSTrustIndenture.pdf
- 11. Medicare. 12

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- 12. Medicaid. 13
- 13. FDIC insurance of banks. 31 CFR §202.2 says all FDIC insured banks are "agents" of the federal government and 14 therefore "public officers". 15
- Franchises are an outgrowth of your absolute right to contract and they require either implicit or explicit consent in order 16
- 17 for the terms of the franchise agreement to be enforceable against you. Nearly every type of government-issued benefit,
- license, or "privilege" you could possibly procure makes you into a "public officer", "public official", "fiduciary", "alien", 18
- "resident", 'transferee", or "trustee" of the government of one kind or another with a "residence" on federal territory. The 19
- application or license to procure the benefits of the franchise creates a "RES" which is "IDENT-ified" within the 20
- government's legislative jurisdiction on federal territory. Hence "RES-IDENT"/"resident". 21
- This "res-ident" is what most people in the freedom community would refer to as your "straw man". If it is a state-issued 22
- license or benefit, that federal territory is usually in a federal area within the exterior limits of the state. The reason all 23
- licenses must presume federal territory is that licenses usually regulate the exercise of rights protected by the Constitution 24
- and the Bill of Rights portion of the Constitution does not apply on federal territory. In that sense, applying for any kind of 25
- 26 "privilege" or franchise from the government amounts to your constructive consent to be treated as a "resident alien" who is
- domiciled on federal territory and who has no constitutional rights. The following articles and forms describe this 27
- strawman and provide tools to notify the government that you have disconnected yourself from this "strawman" who is the 28
- "public officer" that is the only proper or lawful subject of most federal legislation: 29
- 30 Memorandum of Law on The Name (OFFSITE LINK) -describes the all caps "strawman"
  - IRS Form 56: Notice Concerning Fiduciary Relationship, Form #04.010
- 32 Affidavit of Corporate Denial, Form #02.004

WARNING: Participating in ANY government franchise can leave you entirely without standing or remedy in any federal court! Essentially, by eating out of the government's hand, you are SCREWED, BLACK AND BLUED, and TATTOOED!

> "These general rules are well settled: (1) That the United States, when it creates rights in individuals against itself [a "public right", which is a euphemism for a "franchise" to help the court disguise the nature of the transaction], is under no obligation to provide a remedy through the courts. United States ex rel. Dunlap v. Black, 128 U. S. 40, 9 Sup. Ct. 12, 32 L. Ed. 354; Ex parte Atocha, 17 Wall. 439, 21 L. Ed. 696; Gordon v. United States, 7 Wall. 188, 195, 19 L. Ed. 35; De Groot v. United States, 5 Wall. 419, 431, 433, 18 L. Ed. 700; Comegys v. Vasse, 1 Pet. 193, 212, 7 L. Ed. 108. (2) That where a statute creates a right and provides a special remedy, that remedy is exclusive. Wilder Manufacturing Co. v. Corn Products Co., 236 U. S. 165, 174, 175, 35 Sup. Ct. 398, 59 L. Ed. 520, Ann. Cas. 1916A, 118; Arnson v. Murphy, 109 U. S. 238, 3 Sup. Ct. 184, 27 L. Ed. 920; Barnet v. National Bank, 98 U. S. 555, 558, 25 L. Ed. 212; Farmers' & Mechanics' National Bank v. Dearing, 91 U. S. 29, 35, 23 L. Ed. 196. Still the fact that the right and the remedy are thus intertwined might not, if the provision stood alone, require us to hold that the remedy expressly given excludes a right of review by the Court of Claims, where the decision of the special tribunal involved no disputed question of fact and the denial of compensation was rested wholly upon the construction of the act. See Medbury v. United States, 173 U. S. 492, 198, 19 Sup. Ct. 503, 43 L. Ed. 779; Parish v. MacVeagh, 214 U. S. 124, 29 Sup. Ct. 556, 53 L. Ed. 936; McLean v. United States, 226 U. S. 374, 33 Sup. Ct. 122, 57 L. Ed. 260; United States v. Laughlin (No. 200), 249 U. S. 440, 39 Sup. Ct. 340, 63 L. Ed. 696, decided April 14, 1919. But here Congress has provided:

[U.S. v. Babcock, 250 U.S. 328, 39 S.Ct. 464 (1919)]

Signing up for government entitlements hands them essentially a blank check, because they, and not you, determine the

cost for the service and how much you will pay for it beyond that point. This makes the public servant into your Master and beyond that point, you must lick the hands that feed you. Watch Out! NEVER, EVER take a hand-out from the government of ANY kind, or you'll end up being their CHEAP WHORE. The Bible calls this WHORE "Babylon the Great Harlot". Remember: Black's Law Dictionary defines "commerce", e.g. commerce with the GOVERNMENT, as "intercourse". Bend over!

Commerce. ...Intercourse by way of trade and traffic between different peoples or states and the citizens or inhabitants thereof, including not only the purchase, sale, and exchange of commodities, but also the instrumentalities [governments] and agencies by which it is promoted and the means and appliances by which it is carried on..."

[Black's Law Dictionary, Sixth Edition, p. 269]

Government franchises and licenses are the main method for destroying the sovereignty of the people pursuant to <u>28 U.S.C.</u> <u>§1603(b)(3)</u> and <u>28 U.S.C.</u> <u>§1605(a)(2)</u>. For further details, read the <u>Sovereignty Forms and Instructions Manual, Sections</u> 1.4 though 1.11.

- Those who exercise their right to contract become "residents" of the forum or jurisdiction where the other party to the
- franchise agreement resides or where the agreement itself specifies. In the context of the Internal Revenue Code Subtitle A
- 3 "trade or business" franchise agreement, the agreement itself, in 26 U.S.C. §§7701(a)(39) and 7408(d), specifies where the
- 4 parties to the agreement MUST litigate all disputes. That place is the District of Columbia for all persons who have no
- 5 domicile in the District of Columbia because they are either domiciled in a foreign country or a state of the Union.
- This document will explain what a franchise is, how the government illegally compels participation, how it causes a
- 7 surrender of rights, and point to resources useful in avoiding franchises and fighting abuse of the legal process to compel
- 8 participation.

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## 2 Government-instituted slavery using franchises and "privileges" <sup>1</sup>

10	"In the matter of taxation, every privilege is an injustice."
11	[Voltaire]
12	"The more you want, the more the world can hurt you."
13	[Confucius]
14	"If you think of yourselves as helpless and ineffectual, it is certain that you will create a despotic government to
15	be your master. The wise despot, therefore, maintains among his subjects a popular sense that they are helpless
16	and ineffectual."
17	[Frank Herbert, The Dosadi Experiment]

Anyone who has been married instinctively knows what "privilege-induced slavery" is. They understand that you have to give up some of your "rights" for the benefits and "privileges" associated with being married. For instance, one of the rights that the government forces you to give up using the instrument it created called the "marriage license", especially if you are a man, is sovereignty over your property and your labor. As we said in the previous section, if you get married with a state marriage license, then control over your property and labor is surrendered ultimately to the *government*, because if your spouse becomes dissatisfied, the marriage license gives the government absolute authority to hijack all your property and your labor for the imputed "public good", but as you will find out, the chief result of this hijacking is actually injustice. The marriage license authorizes a family law judge to abuse your property and your labor without your voluntary consent to create a welfare state for women intent on rebelling against their husbands and using marriage as a means of economic equalization. We explain in our book entitled *Sovereign Christian Marriage* that this very characteristic of marriage licenses issued by the state accomplishes the following unjust results:

- 1. Usurps and rebels against the sovereignty of God by interfering with His plan for marriage and family clearly spelled out in the Bible.
- 2. Encourages spouses to get divorced, because at least one of them will be financially rewarded with the property and labor of the other for doing so.

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<sup>&</sup>lt;sup>1</sup> Adapted from Great IRS Hoax, section 4.3.12 with permission.

1 2 3	3. Makes marriage into legalized prostitution, where the sex comes <u>during</u> the marriage and the money comes <u>after</u> marriage and the state and family court judge becomes the pimp and the family law attorneys become tax collectors for the pimp.
4	The above defects in the institution of marriage caused by the government "privilege" called state-issued marriage licenses,
4	
5	of course, are the natural result of violating God's/Natural law on marriage found in the Bible, where Eph. 5:22-24 makes
6	the <u>man</u> , and not the <u>government</u> or the <u>woman</u> , the sovereign in the context of families. This is what happens whenever
7	mankind rebels against God's authority by trying to improve on God's design for the family: massive injustice.
8	Remember, that God created man <i>first</i> , and out of man's rib was created woman, which makes man the sovereign, and this
9	conclusion is completely consistent with the concept of Natural Order was discussed in section 4.1 of the <i>Great IRS Hoax</i> .
10	"For a man indeed ought not to cover his head, since he is made in the image and glory of God; but woman is
11	the glory of man. For man is not from woman, but woman from man. Nor was man created for the woman, but woman for the man."
12 13	[1 Cor. 11:7-9, Bible, NKJV]
14 15 16	If you are going to arrogantly call this attitude chauvinistic, politically incorrect, or bigoted then you're slapping God in the face and committing blasphemy because this is the way GOD designed the system and who are YOU to question that?  "But indeed, O man, who are you to reply against God? Will the thing formed say to him who formed it, 'Why
17	have you made me like this?' Does not the potter have power over the clay, from the same lump to make one
18	vessel for honor and another for dishonor?"
19	[Romans 9:20-21, Bible, NKJV]
20	If you would like to learn more about this subject, we refer you to our free <u>Sovereign Christian Marriage</u> book posted on
21	our website at:
22	http://famguardian.org/Publications/SovChristianMarriage/SovChristianMarriage.htm
	The partial goal of the control of t
23	The government uses this very same concept of privilege-induced slavery in the "constructive contract" you in effect sign
24	by becoming a "citizen" or availing yourself of a government benefit. Here is the phrase that one of our astute readers uses to describe it in his book <u>Social Security</u> , <u>Mark of the Beast</u> , which is posted on our website for your reading pleasure:
24 25 26	by becoming a "citizen" or availing yourself of a government benefit. Here is the phrase that one of our astute readers uses
24 25 26 27	by becoming a "citizen" or availing yourself of a government benefit. Here is the phrase that one of our astute readers uses to describe it in his book <u>Social Security</u> , <u>Mark of the Beast</u> , which is posted on our website for your reading pleasure:  "Protection draws subjection."  [Steven Miller]
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that corporation. If you are a child of God, at the point when you married the state as a citizen, you united God with an 2 idolatrous, mammon state and sold yourself into legal slavery voluntarily, in direct violation of the Bible: 3 4 "No one can serve two masters: for either he will hate the one, and love the other; or else he will hold to the 5 one, and despise the other. Ye cannot serve God and mammon." 6 [*Matt.* 6:24, *Bible*, *NKJV*] 7 "Do not be unequally yoked together with unbelievers. For what fellowship has righteousness with 8 lawlessness? And what communion has light with darkness? 9 [2 Cor. 6:14, Bible, NKJV] As expected, God's law once again says that we should <u>not</u> become <u>citizens</u> of this world, and especially if it is dominated 10 by unbelievers: 11 12 "For our citizenship is in heaven, from which we also eagerly wait for the Savior, the Lord Jesus Christ" 13 [Philippians 3:20] 14 "These all died in faith, not having received the promises, but having seen them afar off were assured of them, 15 embraced them and confessed that they were strangers and pilgrims on the earth." 16 [Hebrews 11:13] 17 "Beloved, I beg you <u>as sojourners and pilgrims</u>, abstain from fleshly lusts which war against the soul..." 18 [1Peter 2:1] 19 "Do you not know that friendship with the world is enmity with God? Whoever therefore wants to be a friend of 20 the world makes himself an enemy of God. " 21 [James 4:4] 22 One of the reasons God doesn't want us to become citizens of this world is because when we do, we have violated the first commandment and committed idolatry, by replacing God with an artificial god called government, who then provides 23 protection for us that we for one reason or another can't or won't trust or have faith in God to provide. This lack of faith 24 then becomes our downfall. The words of the Apostle Paul resolve why this is: 25 26 "But he who doubts is condemned if he eats, because he does not eat from faith; for whatever is not from faith 27 [in God] is sin." 28 [Rom. 14:23, Bible, NKJV] Is it moral or ethical for the government to try to manipulate our rights out of existence by replacing them with taxable and 29 regulatable "privileges" by procuring our consent and agreement? Here is what the U.S. Supreme Court says on this 30 subject: 31 32 "It would be a palpable incongruity to strike down an act of state legislation which, by words of express 33 divestment, seeks to strip the citizen of rights guaranteed by the federal Constitution, but to uphold an act by 34 which the same result is accomplished under the guise of a surrender of a right in exchange for a valuable 35 privilege which the state threatens otherwise to withhold. It is not necessary to challenge the proposition that, 36 as a general rule, the state, having power to deny a privilege altogether, may grant it upon such conditions as it 37 sees fit to impose. But the power of the state in that respect is not unlimited, and one of the limitations is that it 38 may not impose conditions which require the relinquishment of Constitutional rights. If the state may compel 39 the surrender of one constitutional right as a condition of its favor, it may, in like manner, compel a surrender 40 of all. It is inconceivable that guaranties embedded in the Constitution of the United States may thus be 41 manipulated out or existence." [Frost v. Railroad Commission, 271 U.S. 583; 46 S.Ct. 605 (1926)] 42 So the bottom line is that it is not permissible for a state to try to undermine your Constitutional rights by making privileges 43 they offer contingent on surrendering Constitutional rights, but they do it anyway because we let them get away with it, and 44 because they are very indirect about how they do it. 45 In a very real sense, the government has simply learned how to use propaganda to create fear and insecurity in the people, 46 and then they invent vehicles to turn eliminating your fear into a profit center that requires you to become citizens and pay 47 48 taxes to support. For instance, they use the Federal Reserve to create the Great Depression by contracting the money

supply, and then they get these abused people worried and feeling insecure about retirement and security in the early

officer of that corporation in receipt of taxable privileges. You also then become *completely subject* to the jurisdiction of

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1930's, and then invent a new program called Social(ist) <u>Security</u> to help eliminate their fear and restore your sense of security. But remember, in the process of procuring the "privilege" to be free of anxiety about old age, you have surrendered sovereignty over your person and labor to the government, and they then have the moral authority to tax your wages and make you into a serf and a peon to pay off the federal debt accumulated to run that program.

"The righteousness[and contentment] of the upright will deliver them, but the unfaithful will be caught by their lust [for security or government benefits]."

[Prov. 11:6, Bible, NKJV]

Another favorite trick of governments is to make something illegal and then turn it into a "privilege" that is taxed. This is how governments maximize their revenues. They often call the tax a "license fee", as if to imply that you never had the right to do that activity without a license. You will never hear a government official admit to it, but the government reasoning is that the tax amounts to a "bribe" or "tribute" to the government to get them to honor or respect the exercise of some right that is cleverly disguised as a taxable "privilege" and to enforce payment of the bribe to a corrupt officer in a court of law. Unless you know what your rights are, it will be very difficult to recognize this subtle form of usury. Here is what the courts have to say about this kind of despicable behavior by the government:

"A right common in every citizen such as the right to own property or to engage in business of a character not requiring regulation CANNOT, however, be taxed as a special franchise by first prohibiting its exercise and then permitting its enjoyment upon the payment of a certain sum of money."

[Stevens v. State, 2 Ark. 291; 35 Am. Dec. 72, Spring Val. Water Works v. Barber, 99 Cal. 36, 33 Pac. 735, 21 L.R.A. 416. Note 57 L.R.A. 416]

Clear thinking about our freedom and liberty demands that when faced with situations like this, we ask ourselves, where does the government derive *its* authority and "privileges"(?). The answer is:

## ...from the PEOPLE!

The Declaration of Independence says so!:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Instead, we ought to charge government employees a tax for the "privilege" of having the authority and the "privilege" from the people to serve (not "govern", but SERVE) them, and the tax that government servants pay <u>us</u> for that privilege should be equal to whatever <u>they</u> charge us for the privileges they delegate back to us using the authority we gave them! We need to think clearly about this because it's very easy to get trapped in bad logic by deceitful lawyers and politicians who want to get into your bank account and enslave you with their unjust laws and extortion cleverly disguised as legitimate taxes. We should always remember who the public servants are and who the public is. <u>We are the public and government employees are the servants</u>! Start acting like the boss for once and tell the government what you expect out of them. The only reason the government continues to listen to us is because:

- 1. We vote our officials into office.
- 2. If we don't like the laws they pass, we can nullify them every time we sit down on a jury or a grand jury.
- 3. If the above two approaches don't keep their abuse of power in check, we can buy guns to protect ourselves from government abuse.

For instance, the government started issuing marriage licenses in about 1923 and charged people for the "privilege". But then we have to ask ourselves what a license is. A license is permission from the state to perform an act which, without a license, would be illegal. Is it illegal to get married *without* the blessing of the state? Did Adam and Eve have a marriage license from God? Absolutely *NOT*. Marriage licenses, driver's licenses, and professional licenses are a scam designed to increase control of the state over your life and turn you into a financial slave and serf to the government!

The IRS uses privilege-induced slavery to its advantage as well. For instance, it:

- 1. Sets the rate of withholding for a given income slightly higher than it needs to be so that Americans who paid tax will have to file to get their money back. In the process of filing, these unwitting citizens:
  - 1.1. Have to incriminate themselves on their tax returns.
  - 1.2. Forfeit most of the Constitutional rights, including the First (right to NOT communicate with your government), Fourth (seizure), and Fifth Amendment (self-incrimination) protections.
  - 1.3. Tell the IRS their employer, which later allows the IRS to serve the private employer illegally with a "Notice of Levy" and steal assets in violation of due process protections in the Constitution in the Fifth Amendment.
  - 2. On the W-4 form, makes it a privilege just to hold onto your income. The regulations written by the Treasury illegally (and unconstitutionally) say that if a person does not submit a W-4 or submits an incorrect W-4, the employer (who really isn't an "employer" because it isn't a federal employer who has "employees" as defined in 26 CFR § 31.3401(c)) must withhold at the single zero rate. Thus, it becomes a "privilege" to just receive the money you earned without tax deducted! The only way you can preserve the "privilege" is to incriminate yourself by filling out the W-4, in violation of the Fifth Amendment.
  - 3. The federal judiciary and the IRS will wickedly tell you that because of the Anti-Injunction Act found at 26 U.S.C. §7421, if you dispute the amount of tax you owe or you assert non-liability, you must pay the tax FIRST before you are permitted to file a lawsuit and subject your case to judicial review. In effect, what Congress has done by legislation is forced you to bribe the government in order to have the privilege to sue them! If you assert that you are a "nontaxpayer" and a person not liable for tax, the IRS will try to get your case dismissed because corrupt judges will assert "sovereign immunity". See section 1.4.2 of the Sovereignty Forms and Instructions Manual for further details on this scam. For those of you who are Christians, this scam quite clearly violates the bible, which declares:

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"And you shall take no bribe, for a bribe blinds the discerning and perverts the words of the righteous." [Exodus 23:8]
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4. Your state government will tell you that you MUST give them a valid Social Security Number in order for you to get a state driver's license. They will do this in spite of the fact that traveling is a right and not a government privilege. In the words of the U.S. Supreme Court and lower courts:

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"The right to travel is part of the 'liberty' that a citizen cannot be deprived without due process of law." [Kent v. Dulles, 357 U.S. 116 (1958); U.S. v. Laub, 385 U.S. 475 (1967)]
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"The use of the highways for the purpose of travel and transportation is not a mere privilege, but a common and fundamental Right of which the public and the individual cannot be rightfully deprived." [Chicago Motor Coach vs. Chicago, 169 NE 22; Ligare vs. Chicago, 28 NE 934; Boon vs. Clark, 214 SSW 607; 25 Am.Jur. (1st) Highways Sect.163]

To give you just one more example of how privilege-induced slavery leads to government abuse, lets look at licenses to practice law. The only rational basis for having any kind of professional license is *consumer protection*, but the legal profession has totally distorted and twisted this concept to benefit them, which amounts to a massive conflict of interest. For instance:

- 1. Only licensed attorneys can defend others in court. This prevents family members or friends or paralegals from providing low-cost legal assistance in court, and creates a greater marketplace and monopoly for legal services by attorneys. This also means that a lot more people go without legal representation, because they can't afford to hire a lawyer to represent them. Is that justice, or is that simply the spread of oppression and injustice in the name of profit for the legal profession?
- 2. Even if the attorney is licensed to practice law from the socialist state, the court can revoke their right to defend anyone in a court of law. For instance:
  - 2.1. Look at what the court did to attorney Jeffrey Dickstein in *United States v. Collins*, 920 F.2d 619, (10th Cir. 11/27/1990), which we showed in section 6.6.4.5. If you look at the ruling for this case, you will find that the court withdrew defendant Collins right to be represented by Attorney Dickstein, because they called attorney Dickstein a "vexatious litigant". He was therefore deprived of his choice of competent legal counsel, because the court viewed his counsel as "politically incorrect".
  - 2.2. Refer also to what the court did to attorney Oscar Stilley in section 6.8.1, as he defended Dr. Phil Roberts on tax charges. The court said, and we quote:

"The <u>practice of law, sir, is a privilege, especially in Federal Court.</u> You're close to losing that privilege in this court, Mr. Stilley."

Clients with attorneys are given favoritism by the court in the award of attorney fees against the other side. This leads attorneys to inflate their fees if they expect sanctions, in order to coerce the opposing side to settle. In most courts, pro per or pro se litigants are either not allowed or seldom are awarded attorney fees against the opposing side. Only litigants who have counsel can get attorney fee awards by the court. In effect, the courts treat the time and expense of pro per litigants in defending themselves as <u>irrelevant and completely without value!</u> That's right.. if you as a pro per litigant keep track of your time diligently and bill for it at a rate less than an attorney in your motion for sanctions against the other side, the judge (who incidentally used to be a lawyer and probably still has lawyer golf buddies he wants to bring business to) will laugh you out of the courtroom! This has the effect of incentivizing people to have expensive legal counsel and incentivizes the lawyers to prolong the litigation and maximize their hourly rate to maximize their income. If you then ask a judge why they don't award attorney fee sanctions to pro per litigants, he might get defensive and say: "Pro per litigants are high maintenance, and make extra work for the court because they don't know what they are doing." And yet these same courts and judges are the ones who earlier, as attorneys practicing law, intimidated and perpetuated the very ignorance on the part of their clients that made these people ignorant litigants as pro pers! All this rhetoric is just a smokescreen for the real agenda, which is maximizing business for and profits of those who practice law, and restricting the supply of qualified talent in order to keep the prices and the income of attorneys artificially high.

If we avail ourselves of a "privilege" granted by the state through operation of any statute that does not involve the exercise of a fundamental right, then we cannot have a constitutional grounds for redress of grievances against the statute:

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    "Anyone who partakes of the benefits or privileges of a given statute, or anyone who even places himself into a
    position where he may avail himself of those benefits at will, cannot reach constitutional grounds to redress
    grievances in the courts against the given statute."
    [Ashwander v. T.V.A., 297 U.S. 288, 346, 56 S. Ct. 466, 482, 80 L.Ed. 688, (1938)][underlines added]
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But if we are simply trying to exist, by working and receiving a paycheck, voting, serving on jury duty, and fulfilling our various civic and family duties, we cannot be taxed for the mere privilege of existing:

"The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is

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an artificial entity which owes its existence and charter power to the State, but the individual's right to live and own property are natural rights for the enjoyment of which an excise cannot be imposed."

[Redfield v. Fisher, 292 Oregon 814, 817]

"Legislature...cannot name something to be a taxable privilege unless it is first a privilege." [Taxation West Key 43]..."The Right to receive income or earnings is a right belonging to every person and realization and receipt of income is therefore not a 'privilege', that can be taxed."

[Taxation West Key 933]-[Jack Cole Co. v. MacFarland, 337 S.E.2d 453, Tenn.]
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# 3 "Rights" v. "Privileges"?<sup>2</sup>

A right is a behavior or a choice, the exercise of which can't be taken away, fined, taxed, or regulated by anyone, including the government. A privilege, is something that can be taken away at any moment, usually at the discretion of the entity providing it, subject only to the contractual and legal constraints governing your relationship with that entity. For instance, it is unconstitutional for the government to tax or fine you for exercising your right to free speech guaranteed by the First Amendment to the Constitution. To give another example, no one, including the government, your employer, or another human being can fine or penalize you for exercising your right to vote, for instance, by taxing you or charging you a fee. If voting were a privilege then they could, but it is a right, so they can't. Such a fee is called a "poll tax" and the courts have repeatedly held that poll taxes are illegal, no matter who charges them.

You can't be fined you for exercising the right not to incriminate yourself guaranteed by the 5<sup>th</sup> Amendment, by, for instance, fining you \$500 (under the "Jurat" amendment and 26 U.S.C. §6702) for refusing to sign your 1040 income tax return "under penalty of perjury". The government also should never be permitted to fine you for your right under the Petition clause of the constitution to correct a government wrongdoing (the First Amendment states that we have a right "to petition the Government for a redress of grievances."), but in fact the courts routinely do this anyway, in violation of the

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<sup>&</sup>lt;sup>2</sup> Adapted from Great IRS Hoax, section 4.2.3 with permission.

- 1 Constitution. This tactic is part of the "judicial conspiracy to protect the income tax" defined elsewhere in this document,
- 2 including in section 6.6. The fact that most Americans allow and tolerate this kind of injustice, abuse, and violation of their
- 3 God-given rights confounds us and simply reveals how apathetic and indifferent we have become about our heritage and
- 4 our treasured rights under the Constitution of the United States.
- 5 Privileges, however, are much different from rights. Privileges we want are how the government, our employer, and others
  - we know enslave and coerce us into giving up our rights *voluntarily*. Giving up a right is an injury, and as one shrewd
- 7 friend frequently said:

"The more you want, the more the world can hurt you."

The more needy and desperate we allow ourselves to become, the more susceptible we become to being abused by voluntarily jeopardizing our rights and becoming willing slaves to others. There is nothing unconstitutional or illegal about giving away our rights in exchange for benefits in this way, so long as we do it *voluntarily* and with full knowledge of exactly what we are giving up to procure the benefit. This is called "informed consent". *Situations where we surrender rights in exchange for privileges are commonplace and actually are the foundation of the commercial marketplace*. This exchange is referred to as a business transaction and is usually governed by some contractual or legal vehicle in order to protect the property interests of the parties to the transaction. This legal vehicle is the Uniform Commercial Code, or UCC. An example of a privilege we give up our property rights to exercise is legalized gambling. If a person is a compulsive gambler and they lose their whole life savings and gamble themselves into massive debt, they in effect have sold themselves into legalized financial slavery to the casino. That's perfectly legal, and the laws will protect the property interest of the casino and the right of the casino to collect on the debt. Even though the Thirteenth Amendment outlawed slavery and even though the gambler might be a slave in this circumstance, because it was his choice and he wasn't compelled to do it, then it isn't illegal or unconstitutional.

Another example of privileges being exchanged for rights is when we obtain a state marriage license. When we voluntarily get a marriage license, we basically surrender our God-given right to control the fruit of our marriage, including our children and all our property, and give jurisdiction to the government to control every aspect of our lives. Many people do this because their hormones get the better of them and they aren't practical or rational enough to negotiate the terms of their marriage and won't sit down with their spouse and write down an agreement that will keep the government out of their lives. Marriage is supposed to be a confidential spiritual and religious union between a man and a woman, but when we get a marriage license, we violate the separation of church and state and actually get married not only to our spouse, but also to the government. We become, in effect, a polygamist! A marriage license is a license to the government, not to us, that allows them to invade our lives any way they see fit at anytime at the request of either spouse and based on the presumption that they are furthering the "public good", whatever that is! If couples get married in the church and get a marriage certificate but don't get a marriage license from the state, then the government has no jurisdiction over the spouses, the children, or the property of the marriage, and the only way it an get jurisdiction, under such circumstances is to PROVE that someone within the relationship is being hurt by the actions of others. If divorce results from an unlicensed marriage, the parties can litigate if need be, but the government has to stay within the bounds of any written or verbal agreement that the spouses have between them.

The government can't take away rights against your will but it can <u>definitely</u> take away privileges, often indiscriminately. For instance, receiving social security checks is a privilege, and not a right. The courts have repeatedly ruled that social security is not a contract or a right, but a privilege. We can only earn that privilege by "volunteering" to be a U.S. or "federal" citizen and paying into the Social Security System. Paying into the Social Security System means we have to waive our right to <u>not</u> be taxed on our income with direct taxes, which the Constitution forbids. Same thing for Medicare and disability insurance. There is nothing immoral or unethical or illegal with being taxed on our income to support these programs <u>provided</u>:

- 1. We are informed prior to joining that participation was *yoluntary* and that we could not be coerced to join.
- 2. There is some measure of accountability and fiduciary duty associated with the government in managing and investing our money. Good stewardship of our contributions by the government is expected and bad stewardship is punished by the law and those who enforce the law.
- 3. We are informed frequently by the fiduciary that we can leave the program at any time, and that our benefits will be proportional to our contributions.

- 4. We made a conscious, informed decision on a signed contract to sacrifice our rights to qualify to receive the benefit or privilege. This is called "informed consent", which can only exist where there is "full disclosure" by either party of the rights surrendered and the benefits obtained through the surrender of rights. This approach is the basis for what is called "good faith" dealing.
- 5. If you die young or never collect benefits, your contributions plus interest should be given to your relatives, so that the government doesn't benefit financially from people dying.
- 6. There is no unwritten or invisible or undisclosed contract that binds us, and nothing will be expected of us that wasn't clearly explained up front before we signed the contract.

However, the problem is that our federal government has mismanaged the funds put into the Social Security System and squandered the money. This has lead them to violate their fiduciary duties and the above requirements as follows:

- 1. The government refuses to be accountable or to notify us of the benefits we have earned. They also don't tell us on their statements how much we would earn if we quit contributing today and only drew benefits based on what we paid in the past.
- 2. The federal government won't tell us that participation is voluntary and they provide no means on the social security website (<a href="http://www.ssa.gov">http://www.ssa.gov</a>) to <a href="http://www.ssa.gov">de-enroll</a> from the program. Instead, they try to fool us all into thinking that the program is mandatory when in fact it is entirely voluntary. The reason the U.S. Government won't tell us that participation is voluntarily is that so many people would leave such an inefficient and poorly managed system to start their own plans when they find this out that the Ponzi scheme it has become would suffer instant meltdown and would turn into a big scandal!
- 3. If you never collect benefits or you die young, all the money you paid in and the interest aren't given to your relatives as an inheritance. The government keeps EVERYTHING, and this is a BIG injustice that would not occur if the program were run more like the annuity that it should be.
- 4. There is no written agreement or contract, so they have no obligation or liability to be good stewards over our contributions.
- 5. Our kids are coerced into joining the system when they are born under the Enumeration At Birth program and the decision is made by their parents and not by them directly. This is unethical and immoral. See section 2.8.7.1 of the *Great IRS Hoax* for details on this type of scamming by the government.
- 6. We are also coerced by our parents to join because the IRS deceives us into thinking that we are obligated to get Socialist Security Numbers for each of our children in order to qualify to use them as deductions on our taxes. In effect, they bribe us with our own money to sell our children into slavery into this inept and poorly managed system.

For all the above reasons and many more, <u>we recommend exiting this bankrupt welfare-state system as quickly as you can</u>.! It's a "privilege" you can't be coerced to participate in anyway. We have to ask ourselves: Is a <u>compelled</u> benefit really a benefit, or just another form of slavery? The trick is determining how to escape, because you will get absolutely NO help from the Social Security Administration or the government! We provide answers to this dilemma of how to abandon the Social Security Program and your federal citizenship in Chapter 3 of the <u>Tax Fraud Prevention Manual</u>.

Lastly, it is VERY important to realize that the very words we use to describe ourselves establish whether we are engaged in a privileged activity or a right. We must be VERY careful to recognize key "words or art" that create a false legal presumption of "privilege" and remove or replace them from our written and spoken vocabulary and all the government forms and correspondence. This subject is covered more thoroughly in section 1.5.2.6 of the <u>Sovereignty Forms and Instructions Manual</u>, if you would like to know more. Below is a table showing you how to describe yourself so as to avoid any association with "privileged" and thus "taxable" activities or status:

#### Table 3-1: Privileged v. Nonprivileged words

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#	Condition	Privileged Status	Unprivileged	Reason
			status	
1	Place where you	Residence	Dwelling	The only people who have a "residence" are
	live			aliens. See 26 CFR §1.872-1
2	Residency	Resident	Inhabitant	The only "residents" are aliens with a domicile
		Citizen	Free inhabitant	in the District of Columbia under the I.R.C. See
				section 4.10 of the <i>Great IRS Hoax</i> .

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#	Condition	Privileged Status	Unprivileged status	Reason
3	Citizenship status	Citizen	National	A subject "citizen" is subject to the legislative jurisdiction of the government. A "national" is not, unless of course he injures the equal rights of others. See section 4.11 of the <u>Great IRS</u> <u>Hoax</u> and following.
4	"Taxpayer" status	Taxpayer	Nontaxpayer	A "taxpayer" is subject to the I.R.C. A "nontaxpayer" is not. He is "foreign" with respect to it, as defined in 26 U.S.C. §7701(a)(31)
5	Marriage status	Married	Betrothed	Those who are "married" have a license. The only "marriages" recognized in most states is a licensed marriage. All persons with licensed marriages are polygamists. They marry BOTH the state AND their spouse and consent to be subject to the family code in their state.
6	Country to which you owe allegiance	"United States"	"United States of America"	The "United States" is the government of the District of Columbia and the territories and possessions of the federal government and excludes states of the Union, which are "foreign" with respect to the legislative jurisdiction of states of the Union.
7	What you earn by working	"wages" "income"	Earnings	"wages", which are defined under 26 CFR §31.3401(a)-3, can only be earned by federal "employees", which are elected or appointed officers of the United States government under 26 CFR §31.3401(c)-1. "income" can only be earned by federally chartered corporations under the indirect excise tax upon "trade or business" activity described in Subtitle A of the Internal Revenue Code. Since you don't hold a "public office" and are not engaged in a "trade or business", then you are incapable of earning either "wages" or "income". See section 5.6.7 later for details.
8	Employment status	Self-employed Employee	Self-supporting Worker	The only "employees" under the Internal Revenue Code are those connected with a "trade or business", as defined in 26 U.S.C. §7701(a)(26) and 26 CFR §31.3401(c)-1. The only people who are "self employed" are those federal "employees" who have income connected with a "trade or business", which is a "public office" as shown in 26 U.S.C. §1402.
9	Method of defining words	"includes"	"means"	See sections 5.12 through 5.12.3 later.
10	Place to send mail	Address	Dwelling	You can't "have" or "possess" an address. An "address" is information, not a location. A dwelling is a physical location.

Do you see how tricky this game with words is? This was covered in section 3.9.1 of the <u>Great IRS Hoax</u> as well. The trickiness is deliberate, so that you can be deceived by a covetous government into becoming a "subject" of their corrupt laws and a feudal serf residing on the federal plantation:

"For where [government] envy and self-seeking [of money they are not entitled to] exist, confusion [and deception] and every evil thing will be there."

[James 3:16, Bible, NKJV]

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### 4 "Public" v. "Private" employment: You really work for Uncle Sam and not Your Private

#### **Employer If You Participate in Federal Franchises**

The U.S. Supreme Court has said many times that the ONLY purpose for lawful, constitutional taxation is to collect revenues to support ONLY the machinery and operations of the government and its "employees". This purpose, it calls a "public use" or "public purpose":

"The power to tax is, therefore, the strongest, the most pervading of all powers of government, reaching directly or indirectly to all classes of the people. It was said by Chief Justice Marshall, in the case of McCulloch v. Md., 4 Wheat. 431, that the power to tax is the power to destroy. A striking instance of the truth of the proposition is seen in the fact that the existing tax of ten per cent, imposed by the United States on the circulation of all other banks than the National Banks, drove out of existence every \*state bank of circulation within a year or two after its passage. This power can be readily employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised.

To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479.

Coulter, J., in Northern Liberties v. St. John's Church, 13 Pa. St., 104 says, very forcibly, 'I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the government for the purposes of carrying on the government in all its machinery and operations—that they are imposed for a public purpose.' See, also Pray v. Northern Liberties, 31 Pa.St., 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Hanson v. Vernon, 27 Ia., 47; Whiting v. Fond du Lac, supra."

[Loan Association v. Topeka, 20 Wall. 655 (1874)]

"A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group

for the benefit of another."
[U.S. v. Butler, 297 U.S. 1 (1936)]

#### Black's Law Dictionary defines the word "public purpose" as follows:

"Public purpose. In the law of taxation, eminent domain, etc., this is a term of classification to distinguish the objects for which, according to settled usage, the government is to provide, from those which, by the like usage, are left to private interest, inclination, or liberality. The constitutional requirement that the purpose of any tax, police regulation, or particular exertion of the power of eminent domain shall be the convenience, safety, or welfare of the entire community and not the welfare of a specific individual or class of persons [such as, for instance, federal benefit recipients as individuals]. "Public purpose" that will justify expenditure of public money generally means such an activity as will serve as benefit to community as a body and which at same time is directly related function of government. Pack v. Southwestern Bell Tel. & Tel. Co., 215 Tenn. 503, 387 S.W.2d 789, 794.

The term is synonymous with governmental purpose. As employed to denote the objects for which taxes may be levied, it has no relation to the urgency of the public need or to the extent of the public benefit which is to follow; the essential requisite being that a public service or use shall affect the inhabitants as a community, and not merely as individuals. A public purpose or public business has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents within a given political division, as, for example, a state, the sovereign powers of which are exercised to promote such public purpose or public business."

[Black's Law Dictionary, Sixth Edition, p. 1231, Emphasis added]

#### A related word defined in Black's Law Dictionary is "public use":

<u>Public use</u>. Eminent domain. The constitutional and statutory basis for taking property by eminent domain. For condemnation purposes, "public use" is one which confers some benefit or advantage to the public; it is not

confined to actual use by public. It is measured in terms of right of public to use proposed facilities for which condemnation is sought and, as long as public has right of use, whether exercised by one or many members of public, a "public advantage" or "public benefit" accrues sufficient to constitute a public use. Montana Power Co. v. Bokma, Mont., 457 P.2d 769, 772, 773.

Public use, in constitutional provisions restricting the exercise of the right to take property in virtue of eminent domain, means a use concerning the whole community distinguished from particular individuals. But each and every member of society need not be equally interested in such use, or be personally and directly affected by it; if the object is to satisfy a great public want or exigency, that is sufficient. Ringe Co. v. Los Angeles County, 262

domain, means a use concerning the whole community distinguished from particular individuals. But each and every member of society need not be equally interested in such use, or be personally and directly affected by it; if the object is to satisfy a great public want or exigency, that is sufficient. Ringe Co. v. Los Angeles County, 262 U.S. 700, 43 S.Ct. 689, 692, 67 L.Ed. 1186. The term may be said to mean public usefulness, utility, or advantage, or what is productive of general benefit. It may be limited to the inhabitants of a small or restricted locality, but must be in common, and not for a particular individual. The use must be a needful one for the public, which cannot be surrendered without obvious general loss and inconvenience. A "public use" for which land may be taken defies absolute definition for it changes with varying conditions of society, new appliances in the sciences, changing conceptions of scope and functions of government, and other differing circumstances brought about by an increase in population and new modes of communication and transportation. Katz v. Brandon, 156 Conn. 521, 245 A.2d 579, 586.

See also Condemnation; Eminent domain. [Black's Law Dictionary, Sixth Edition, p. 1232]

#### Black's Law Dictionary also defines the word "tax" as follows:

<u>"Tax:</u> A charge by the government on the income of an individual, corporation, or trust, as well as the value of an estate or gift. The objective in assessing the tax is to generate revenue to be used for the needs of the public.

A pecuniary [relating to money] burden laid upon individuals or property to support the government, and is a

payment exacted by legislative authority. In re Mytinger, D.C.Tex. 31 F.Supp. 977,978,979. **Essential** characteristics of a tax are that it is NOT A VOLUNTARY

<u>PAYMENT OR DONATION, BUT AN ENFORCED</u> <u>CONTRIBUTION, EXACTED PURSUANT TO</u>

LEGISLATIVE AUTHORITY. Michigan Employment Sec. Commission v. Patt, 4

Mich.App. 228, 144 N.W.2d 663, 665. ..."

[Black's Law Dictionary, 6th Edition, page 1457]

So in order to be legitimately called a "tax" or "taxation", the money we pay to the government must fit all of the following criteria:

- 1. The money must be used ONLY for the support of government.
- 34 2. The subject of the tax must be "liable", and responsible to pay for the support of government under the force of law.
- 35. The money must go toward a "public purpose" rather than a "private purpose".
  - 4. The monies paid cannot be described as wealth transfer between two people or classes of people within society
- 5. The monies paid *cannot* aid one group of private individuals in society at the expense of another group, because this violates the concept of equal protection of law for all citizens found in section 1 of the Fourteenth Amendment

If the monies demanded by government do <u>not</u> fit <u>all</u> of the above requirements, then they are being used for a "private" purpose and <u>cannot</u> be called "taxes" or "taxation", according to the Supreme Court. Actions by the government to enforce

- 41 the payment of any monies that do <u>not</u> meet all the above requirements can therefore only be described as:
- 1. Theft and robbery by the government in the guise of "taxation"
  - 2. Government by decree rather than by law
  - 3. Extortion under the color of law in violation 18 U.S.C. §872.
- 45 4. Tyranny

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- 46 5. Socialism
- 6. Mob rule and a tyranny by the "have-nots" against the "haves"
- 7. <u>18 U.S.C. §241</u>: Conspiracy against rights. The IRS shares tax return information with states of the union, so that both of them can conspire to deprive you of your property.

- 8. <u>18 U.S.C. §242</u>: Deprivation of rights under the color of law. The Fifth Amendment says that people in states of the Union cannot be deprived of their property without due process of law or a court hearing. Yet, the IRS tries to make it appear like they have the authority to just STEAL these people's property for a fabricated tax debt that they aren't even legally liable for.
- 9. <u>18 U.S.C. §247</u>: Damage to religious property; obstruction of persons in the free exercise of religious beliefs
  - 10. 18 U.S.C. §872: Extortion by officers or employees of the United States.
  - 11. <u>18 U.S.C. §876</u>: Mailing threatening communications. This includes all the threatening notices regarding levies, liens, and idiotic IRS letters that refuse to justify why government thinks we are "liable".
    - 12. <u>18 U.S.C. §880</u>: Receiving the proceeds of extortion. Any money collected from Americans through illegal enforcement actions and for which the contributors are not "liable" under the law is extorted money, and the IRS is in receipt of the proceeds of illegal extortion.
  - 13. <u>18 U.S.C. §1581</u>: Peonage, obstructing enforcement. IRS is obstructing the proper administration of the Internal Revenue Code and the Constitution, which require that they respect those who choose NOT to volunteer to participate in the federal donation program identified under subtitle A of the I.R.C.
  - 14. <u>18 U.S.C. §1583</u>: Enticement into slavery. IRS tries to enlist "nontaxpayers" to rejoin the ranks of other peons who pay taxes they aren't demonstrably liable for, which amount to slavery.
  - 15. <u>18 U.S.C. §1589</u>: Forced labor. Being forced to expend one's personal time responding to frivolous IRS notices and pay taxes on my labor that I am not liable for.
- We also cannot assume or suppose that our government has the authority to make "gifts" of monies collected through its taxation powers, and especially not when paid to private individuals or foreign countries because:
- 1. The Constitution DOES NOT authorize the government to "gift" money to anyone within states of the Union or in foreign countries, and therefore, this is not a Constitutional use of public funds, nor does unauthorized expenditure of such funds produce a tangible public benefit, but rather an injury, by forcing those who do not approve of the gift to subsidize it and yet not derive any personal benefit whatsoever for it.
- 25 2. The Supreme Court identifies such abuse of taxing powers as "robbery in the name of taxation" above.
- Based on the foregoing analysis, we are then forced to divide the monies collected by the government through its taxing powers into only two distinct classes. We also emphasize that every tax collected and every expenditure originating from
- the tax paid MUST fit into one of the two categories below:

#### Table 2: Two methods for taxation

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#	Characteristic	Public use/purpose	Private use/purpose
1	Authority for tax	U.S. Constitution	Legislative fiat, tyranny
2	Monies collected described by	Legitimate taxation	"Robbery in the name of taxation"
	Supreme Court as		(see Loan Assoc. v. Topeka, above)
3	Money paid only to following	Federal "employees", contractors,	Private parties with no contractual
	parties	and agents	relationship or agency with the
			government
4	Government that practices this	A righteous government	A THIEF
	form of taxation is		
5	This type of expenditure of	Constitutional	Unconstitutional
	revenues collected is:		
6	Lawful means of collection	Apportioned direct or indirect	Voluntary donation (cannot be
		taxation	lawfully implemented as a "tax")
7	Tax system based on this approach	A lawful means of running a	A charity and welfare state for
	is	government	private interests, thieves, and
			criminals
8	Government which identifies	A righteous government	A lying, thieving government that is
	payment of such monies as		deceiving the people.
	mandatory and enforceable is		
9	When enforced, this type of tax	Limited government that sticks to its	Socialism
	leads to	corporate charter, the Constitution	Communism
			Mafia protection racket

#	Characteristic	Public use/purpose	Private use/purpose
			Organized extortion
10	Lawful subjects of Constitutional,	Taxes on imports into states of the	No subjects of lawful taxation.
	federal taxation	Union coming from foreign	Whatever unconstitutional judicial
		countries. See Constitution, Article	fiat and a deceived electorate will
		1, Section 8, Clause 3 (external)	tolerate is what will be imposed and
		taxation.	enforced at the point of a gun
11	Tax system based on this approach	Private property	All property being owned by the
	based on		state through eminent domain. Tax
			becomes a means of "renting" what
			amounts to state property to private
			individuals for temporary use.

If we give our government the benefit of the doubt by "assuming" or "presuming" that it is operating lawfully and consistent with the model on the left above, then we have no choice but to conclude that everyone who lawfully receives any kind of federal payment MUST be either a federal "employee" or "federal contractor" on official duty, and that the compensation received must be directly connected to the performance of a sovereign or Constitutionally authorized function of government. Any other conclusion or characterization of a lawful tax other than this is irrational, inconsistent with the rulings of the U.S. Supreme Court on this subject, and an attempt to deceive the public about the role of limited Constitutional government based on Republican principles. This means that you cannot participate in any of the following federal social insurance programs WITHOUT being a federal "employee", and if you refuse to identify yourself as a federal employee, then you are admitting that your government is a thief and a robber that is abusing its taxing powers:

- 1. Subtitle A of the Internal Revenue Code. IRC sections 1, 32, and 162 all confer privileged financial benefits to the participant which constitute federal "employment" compensation.
- 12 2. Social Security.
- 3. Unemployment compensation.
- 14 4. Medicare.

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- An examination of the Privacy Act, <u>5 U.S.C.</u> §552a(a)(13), in fact, identifies all those who participate in the above programs as "federal personnel", which means federal "employees". To wit:
- 17 <u>TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II</u> > § 552a 18 <u>§ 552a. Records maintained on individuals</u>
- 19 (a) Definitions.— For purposes of this section—
  - (13) the term "Federal personnel" means officers and employees of the Government of the United States, members of the uniformed services (including members of the Reserve Components), individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits).
- 24 The "individual" they are talking about above is further defined in 5 U.S.C. §552a(a)(2) as follows:
- 25 <u>TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II</u> > § 552a 26 § 552a. Records maintained on individuals
- 27 (a) Definitions.— For purposes of this section—
- 28 (2) the term "individual" means a citizen of the United States or an alien lawfully admitted for permanent residence;

The "citizen of the United States" they are talking above is based on the statutory rather than constitutional definition of the "United States", which means it refers to the federal zone and excludes states of the Union. Also, note that both of the two preceding definitions are found within Title 5 of the U.S. Code, which is entitled "Government Organization and Employees". Therefore, it refers ONLY to government employees and excludes private employees. There is no definition of the term "individual" anywhere in Title 26 (I.R.C.) of the U.S. Code or any other title that refers to private natural

EXHIBIT:

persons, because Congress cannot legislative for them. Notice the use of the phrase "private business" in the U.S. Supreme 1 Court ruling below: 2 3 "The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private 4 business in his own way [unregulated by the government]. His power to contract is unlimited. He owes no 5 duty to the State or to his neighbor to divulge his business, or to open his doors to an investigation, so far as it may tend to criminate him. He owes no such duty to the State, since he receives nothing therefrom, beyond 7 the protection of his life and property. His rights are such as existed by the law of the land long antecedent to 8 the organization of the State, and can only be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his 10 property from arrest or seizure except under a warrant of the law. He owes nothing to the public [including so-called "taxes" under Subtitle A of the I.R.C.] so long as he does not trespass upon their rights. 11 [Hale v. Henkel, 201 U.S. 43, 74 (1906)] 12 The purpose of the Constitution and the Bill of Rights instead is to REMOVE authority of the Congress to legislate for 13 private persons and thereby protect their sovereignty and dignity. That is why the U.S. Supreme Court ruled the following: 14 15 "The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They 16 recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a 17 part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect 18 Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the 19 Government, the right to be let alone - the most comprehensive of rights and the right most valued by 20 civilized men. [Olmstead v. United States, 277 U.S. 438, 478 (1928) (Brandeis, J., dissenting); see also Washington v. 21 22 Harper, 494 U.S. 210 (1990)] QUESTIONS FOR DOUBTERS: If you aren't a federal "employee" as a person participating in Social Security and the 23 Internal Revenue Code, then why are all of the Social Security Regulations located in Title 20 of the Code of Federal 24 Regulations under parts 400-499, entitled "Employee Benefits"? See for yourself: 25 http://ecfr.gpoaccess.gov/cgi/t/text/text-26 idx?sid=f073dcf7b1b49c3d353eaf290d735663&c=ecfr&tpl=/ecfrbrowse/Title20/20tab 02.tpl 27 Another very important point to make here is that the purpose of nearly all federal law is to regulate "public conduct" rather 28 than "private conduct". Congress must write laws to regulate and control every aspect of the behavior of its employees so 29 that they do not adversely affect the rights of private individuals like you, who they exist exclusively to serve and protect. 30 31 Most federal statutes, in fact, are exclusively for use by those working in government and simply do not apply to private 32 citizens in the conduct of their private lives. The U.S. Supreme Court confirmed this view, when it said: 33 "The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes 34 of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States 35 v. Reese, <u>92 U.S. 214, 218 (</u>1876); United States v. Harris, <u>106 U.S. 629, 639 (</u>1883); James v. Bowman, <u>190</u> 36 U.S. 127, 139 (1903). Although the specific holdings of these early cases might have been superseded or 37 modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States v. Guest, 38 383 U.S. 745 (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not 39 been questioned.' 40 [City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507 (1997)]

What the U.S. Supreme Court is saying above is that the government has no authority to tell you how to run your *private* life. This is contrary to the whole idea of the Internal Revenue Code, whose main purpose is to monitor and control every aspect of those who are subject to it. In fact, it has become the chief means for Congress to implement what we call "social engineering". Just by the deductions they offer, people are incentivized into all kinds of crazy behaviors in pursuit of reductions in a liability that they in fact do not even have. Therefore, the only reasonable thing to conclude is that Subtitle A of the Internal Revenue Code, which would "appear" to regulate the private conduct of all individuals in states of the Union, in fact only applies to federal instrumentalities or "public employees" in the official conduct of their duties on behalf of the municipal corporation located in the District of Columbia, which 4 U.S.C. §72 makes the "seat of government". The I.R.C. therefore essentially amounts to a part of the job responsibility and the "employment contract" of "public employees" and federal instrumentalities. This was also confirmed by the House of Representatives, who said that only those who take an oath of "public office" are subject to the requirements of the personal income tax. See:

http://famguardian.org/Subjects/Taxes/Evidence/PublicOrPrivate-Tax-Return.pdf

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- Within the Internal Revenue Code, those legal "persons" who work for the government are identified as engaging in a "public office". A "public office" within the Internal Revenue Code is called a "trade or business", which is defined below.
- We emphasize that engaging in a privileged "trade or business" is the main excise taxable activity that in fact and in deed is
- 4 what REALLY makes a person a "taxpayer" subject to the Internal Revenue Code, Subtitle A:
- 5 <u>26 U.S.C. Sec. 7701(a)(26)</u>

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- "The term 'trade or business' includes the performance of the functions of a public office."
- 7 Below is the definition of "public office":

#### Public office

- "Essential characteristics of a 'public office' are:
- (1) Authority conferred by law,
- (2) Fixed tenure of office, and
- (3) Power to exercise some of the sovereign functions of government.
- (4) Key element of such test is that "officer is carrying out a sovereign function'.
- (5) Essential elements to establish public position as 'public office' are:
  - (a) Position must be created by Constitution, legislature, or through authority conferred by legislature.
  - (b) Portion of sovereign power of government must be delegated to position,
  - (c) Duties and powers must be defined, directly or implied, by legislature or through legislative authority.
  - (d) Duties must be performed independently without control of superior power other than law, and
  - (e) Position must have some permanency."

[Black's Law Dictionary, Sixth Edition]

Those who are fulfilling the "functions of a public office" are under a legal, fiduciary duty as "trustees" of the "public trust", while working as "volunteers" for the "charitable trust" called the "United States Government Corporation", which we affectionately call "U.S. Inc.":

"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer. 3 Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts. 4 That is, a public officer occupies a fiduciary relationship to the political entity on whose behalf he or she serves. 5 and owes a fiduciary duty to the public. 6 It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual. 7 Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence and undermine the sense of security for individual rights is against public policy.8"

"U.S. Inc." is a federal corporation, as defined below:

"Corporations are also of all grades, and made for varied objects; all governments are corporations, created by usage and common consent, or grants and charters which create a body politic for prescribed purposes;

[63C Am.Jur.2d, Public Officers and Employees, §247]

<sup>3</sup> State ex rel. Nagle v Sullivan, 98 Mont 425, 40 P2d 995, 99 ALR 321; Jersey City v Hague, 18 NJ 584, 115 A2d 8.

<sup>4</sup> Georgia Dep't of Human Resources v Sistrunk, 249 Ga 543, 291 SE2d 524. A public official is held in public trust. Madlener v Finley (1st Dist) 161 Ill App 3d 796, 113 Ill Dec 712, 515 NE2d 697, app gr 117 Ill Dec 226, 520 NE2d 387 and revd on other grounds 128 Ill 2d 147, 131 Ill Dec 145, 538 NE2d 520.

<sup>5</sup> Chicago Park Dist. v Kenroy, Inc., 78 III 2d 555, 37 III Dec 291, 402 NE2d 181, appeal after remand (1st Dist) 107 III App 3d 222, 63 III Dec 134, 437 NE2d 783.

<sup>6</sup> United States v Holzer (CA7 III) 816 F2d 304 and vacated, remanded on other grounds 484 US 807, 98 L Ed 2d 18, 108 S Ct 53, on remand (CA7 III) 840 F2d 1343, cert den 486 US 1035, 100 L Ed 2d 608, 108 S Ct 2022 and (criticized on other grounds by United States v Osser (CA3 Pa) 864 F2d 1056) and (superseded by statute on other grounds as stated in United States v Little (CA5 Miss) 889 F2d 1367) and (among conflicting authorities on other grounds noted in United States v Boylan (CA1 Mass) 898 F2d 230, 29 Fed Rules Evid Serv 1223).

<sup>7</sup> Chicago ex rel. Cohen v Keane, 64 Ill 2d 559, 2 Ill Dec 285, 357 NE2d 452, later proceeding (1st Dist) 105 Ill App 3d 298, 61 Ill Dec 172, 434 NE2d 325.

<sup>8</sup> Indiana State Ethics Comm'n v Nelson (Ind App) 656 NE2d 1172, reh gr (Ind App) 659 NE2d 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

1	but whether they are private, local or general, in their objects, for the enjoyment of property, or the exercise
2	of power, they are all governed by the same rules of law, as to the construction and the obligation of the
3	instrument by which the incorporation is made. One universal rule of law protects persons and property. It is
4	a fundamental principle of the common law of England, that the term freemen of the kingdom, includes 'all
5	persons,' ecclesiastical and temporal, incorporate, politique or natural; it is a part of their magna charta (2
6	Inst. 4), and is incorporated into our institutions. The persons of the members of corporations are on the same
7	footing of protection as other persons, and their corporate property secured by the same laws which protect
8	that of individuals. 2 Inst. 46-7. 'No man shall be taken,' 'no man shall be disseised,' without due process of law,
9	is a principle taken from magna charta, infused into all our state constitutions, and is made inviolable by the
10	federal government, by the amendments to the constitution."
11	[Proprietors of Charles River Bridge v. Proprietors of Warren Bridge, <u>36 U.S. 420</u> (1837)]
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13	TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE
14	PART VI - PARTICULAR PROCEEDINGS
15	CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE
16	SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS
17	Sec. 3002. Definitions
18	(15) "United States" means -
19	(A) a Federal corporation;
20	(B) an agency, department, commission, board, or other entity of the United States; or
21	(C) an instrumentality of the United States.
22	The same action of "making officials" for "TLC Its" have recentially denoted their formation and action to
22	Those who are acting as "public officials" for "U.S. Inc." have essentially donated their formerly private property to a "public use." In effect, they have issend the SOCIALIST collective and become portalizes of manney STOLEN from morals.
23	"public use". In effect, they have joined the SOCIALIST collective and become partakers of money STOLEN from people,
24	most of whom, do not wish to participate.
25	"My son, if sinners [socialists, in this case] entice you,
26	Do not consent [do not abuse your power of choice]
27	If they say, "Come with us,
28	Let us lie in wait to shed blood [of innocent ''nontaxpayers''];
29	Let us lurk secretly for the innocent without cause;
30	Let us swallow them alive like Sheol,
31	And whole, like those who go down to the Pit:
32	We shall fill our houses with spoil [plunder];
33	Cast in your lot among us,
34	Let us all have one purse [share the stolen LOOT]"
35	My son, do not walk in the way with them [do not ASSOCIATE with them and don't let the government
36	FORCE you to associate with them either by forcing you to become a "taxpayer"/government whore or a
37	<u>"U.S. citizen"],</u>
38	Keep your foot from their path;
39	For their feet run to evil,
40	And they make haste to shed blood.
41	Surely, in vain the net is spread
42	In the sight of any bird;
43	But they lie in wait for their own blood.
44	They lurk secretly for their own lives.
45	So are the ways of everyone who is greedy for gain [or unearned government benefits];
46 47	It takes away the life of its owners." [Proverbs 1:10-19, Bible, NKJV]
48	Below is what the U.S. Supreme Court says about those who have donated their private property to a "public use". The
49	ability to volunteer your private property for "public use", by the way, also implies the ability to UNVOLUNTEER at any
50	time, which is the part no government employee we have ever found is willing to talk about. I wonder whyDUHHHH!:
<b>51</b>	
51	"Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;'
52	and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a
53	man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use
54	it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second,
55	that if he devotes it to a public use, he gives to the public a right to
56	control that use; and third, that whenever the public needs require, the public may take it upon
57	payment of due compensation.
58	[Budd v. People of State of New York, <u>143 U.S. 517</u> (1892)]
	- · · · · · · · · · · · · · · · · · · ·

- Any legal person, whether it be a natural person, a corporation, or a trust, may become a "public office" if it volunteers to
- do so. A subset of those engaging in such a "public office" are federal "employees", but the term "public office" or "trade
- or business" encompass much more than just government "employees". In law, when a legal "person" volunteers to accept
- 4 the legal duties of a "public office", it therefore becomes a "trustee", an agent, and fiduciary (as defined in 26 U.S.C.
- 5 <u>\$6903</u>) acting on behalf of the federal government by the operation of private contract law. It becomes essentially a
- 6 "franchisee" of the federal government carrying out the provisions of the franchise agreement, which is found in:
- 7 1. Internal Revenue Code, Subtitle A, in the case of the federal income tax.
  - 2. The Social Security Act, which is found in Title 42 of the U.S. Code.
- 9 If you would like to learn more about how this "trade or business" scam works, consult the authoritative article below:

<u>The "Trade or Business" Scam</u>, Form #05.001 http://sedm.org/Forms/FormIndex.htm

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The IRS form 1042-S Instructions confirm that all those who use Social Security Numbers are engaged in a "trade or business":

#### Box 14, Recipient's U.S. Taxpayer Identification Number (TIN)

You must obtain and enter a U.S. taxpayer identification number (TIN) for:

 Any recipient whose income is effectively connected with the conduct of a <u>trade or business</u> in the United States.

[IRS Form 1042-S Instructions, p. 14]

Engaging in a "trade or business" therefore implies a "public office", which makes the person using the number into a "public officer" who has donated his formerly private time and services to a "public use" and agreed to give the public the right to control and regulate that use through the operation of the franchise agreement, which is the Internal Revenue Code Subtitle A and the Social Security Act found in Title 42 of the U.S. Code. The Social Security Number is therefore the equivalent of a "license number" to act as a "public officer" for the federal government, who is a fiduciary or trustee subject to the plenary legislative jurisdiction of the federal government pursuant to 26 U.S.C. §7701(a)(39), 26 U.S.C. §7408(d), and Federal Rule of Civil Procedure Rule 17(b), regardless of where he might be found geographically, including within a state of the Union. The franchise agreement governs "choice of law" and where it's terms may be litigated, which is the District of Columbia, based on the agreement itself.

Now let's apply what we have learned to your employment situation. God said you cannot work for two companies at once. You can only serve <u>one</u> company, and that company is the federal government if you are receiving federal benefits:

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"No one can serve two masters [god and government, or two employers, for instance]; for either he will hate the one and love the other, or else he will be loyal to the one and despise the other. You cannot serve God and mammon [government]."

[Luke 16:13, Bible, NKJV. Written by a tax collector]
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Everything you make while working for your slave master, the federal government, is *their* property over which you are a fiduciary and "public officer".

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34 "THE" + "IRS" = "THEIRS"
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35 A federal "public officer" has no rights in relation to their master, the federal government:

"The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the regulator of private conduct, are not the same as the restrictions that it places upon the government in its capacity as employer. We have recognized this in many contexts, with respect to many different constitutional guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. Kelley v. Johnson, 425 U.S. 238, 247 (1976). Private citizens cannot have their property searched without probable cause, but in many circumstances government employees can. O'Connor v. Ortega, 480 U.S. 709, 723 (1987) (plurality opinion); id., at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for

refusing to provide the government information that may incriminate them, but government employees can be dismissed when the incriminating information that they refuse to provide relates to the performance of their job.

Gardner v. Broderick, [497 U.S. 62, 95] 392 U.S. 273, 277 -278 (1968). With regard to freedom of speech in particular: Private citizens cannot be punished for speech of merely private concern, but government employees can be fired for that reason. Connick v. Myers, 461 U.S. 138, 147 (1983). Private citizens cannot be punished for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that reason. Public Workers v. Mitchell, 330 U.S. 75, 101 (1947); Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973); Broadrick v. Oklahoma, 413 U.S. 601, 616 -617 (1973)."

[Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990)]

Your existence and your earnings as a federal "public officer" and "trustee" and "fiduciary" are entirely subject to the whim and pleasure of corrupted lawyers and politicians, and you must beg and grovel if you expect to retain anything:

"In the general course of human nature, A POWER OVER A MAN's SUBSISTENCE AMOUNTS TO A POWER OVER HIS WILL."
[Alexander Hamilton, Federalist paper No. 79]

You will need an "exemption" from your new slave master specifically spelled out in law to justify <u>anything</u> you want to keep while working on the federal plantation. The 1040 return is a profit and loss statement for a federal business corporation called the "United States". You are in partnership with your slave master and they decide what scraps they want to throw to you in your legal "cage" AFTER they figure out whatever is left in financing their favorite pork barrel project and paying off interest on an ever-expanding and endless national debt. Do you really want to reward this type of irresponsibility and surety?

The W-4 therefore essentially amounts to a federal employment application. It is your badge of dishonor and a tacit admission that you can't or won't trust God and yourself to provide for yourself. Instead, you need a corrupted "protector" to steal money from your neighbor or counterfeit (print) it to help you pay your bills and run your life. Furthermore, if your private employer forced you to fill out the W-4 against your will or instituted any duress to get you to fill it out, such as threatening to fire or not hire you unless you fill it out, then he/she is:

1. Acting as an employment recruiter for the federal government.

- 2. Recruiting you into federal slavery in violation of the Thirteenth Amendment, and 42 U.S.C. §1994.
- 3. Involved in a conspiracy to commit grand theft by stealing money from you to pay for services and protection you don't want and don't need.
- 4. Involved in racketeering and extortion in violation of 18 U.S.C. §1951.
  - 5. Involved in money laundering for the federal government, by sending in money stolen from you to them, in violation of 18 U.S.C. §1956.

The higher ups at the IRS probably know the above, and they certainly aren't going to tell private employers or their underlings the truth, because they aren't going to look a gift horse in the mouth and don't want to surrender their defense of "plausible deniability". They will NEVER tell a thief who is stealing for them that they are stealing, especially if they don't have to assume liability for the consequences of the theft. No one who practices this kind of slavery, deceit, and evil can rightly claim that they are loving their neighbor and once they know they are involved in such deceit, they have a duty to correct it or become an "accessory after the fact" in violation of 18 U.S.C. §3. This form of deceit is also the sin most hated by God in the Bible. Below is a famous Bible commentary on Prov. 11:1:

"As religion towards God is a branch of universal righteousness (he is not an honest man that is not devout), so righteousness towards men is a branch of true religion, for he is not a godly man that is not honest, nor can he expect that his devotion should be accepted; for, I. Nothing is more offensive to God than deceit in commerce. A false balance is here put for all manner of unjust and fraudulent practices [of our public disservants] in dealing with any person [within the public], which are all an abomination to the Lord, and render those abominable [hated] to him that allow themselves in the use of such accursed arts of thriving. It is an affront to justice, which God is the patron of, as well as a wrong to our neighbour, whom God is the protector of. Men [in the IRS and the Congress] make light of such frauds, and think there is no sin in that which there is money to be got by, and, while it passes undiscovered, they cannot blame themselves for it; a blot is no blot till it is hit, Hos. 12:7, 8. But they are not the less an abomination to God, who will be the avenger of those that are defrauded by their brethren. 2. Nothing is more pleasing to God than fair and honest dealing, nor more necessary to make us and our devotions acceptable to him: A just weight is his delight. He himself goes by a just weight, and holds the scale of judgment with an even hand, and therefore is pleased with those that are herein followers of him. A balance cheats, under pretence of doing right most exactly, and therefore is the greater abomination to God."

[Matthew Henry's Commentary on the Whole Bible; Henry, M., 1996, c1991, under Prov. 11:1

1 2	The Bible also says that those who participate in this kind of "commerce" with the government are practicing harlotry and idolatry. The Bible book of Revelations describes a woman called "Babylon the Great Harlot".			
3	"And I saw a woman sitting on a scarlet beast which was full of names of blasphemy, having seven heads and			
4	ten horns. The woman was arrayed in purple and scarlet, and adorned with gold and precious stones and			
5	pearls, having in her hand a golden cup full of abominations and the filthiness of her fornication. And on her			
6	forehead a name was written:			
7	MYSTERY, BABYLON THE GREAT, THE MOTHER OF HARLOTS AND OF THE ABOMINATIONS OF THE			
8	EARTH.			
9	I saw the woman, drunk with the blood of the saints and with the blood of the martyrs of Jesus. And when I saw			
10	her, I marveled with great amazement."			
11	[ <u>Rev. 17:3-6</u> , Bible, NKJV]			
12	This despicable harlot is described below as the "woman who sits on many waters".			
13	"Come, I will show you the judgment of the great harlot [Babylon the Great Harlot] who sits on many waters,			
14	with whom the kings of the earth [politicians and rulers] committed fornication, and the inhabitants of the earth			
15	were made drunk [indulged] with the wine of her fornication."			
16	[ <u>Rev. 17:1-2</u> , Bible, NKJV]			
17	These waters are simply symbolic of a democracy controlled by mobs of atheistic people who are fornicating with the Beast			
18	and who have made it their false, man-made god and idol:			
19	"The waters which you saw, where the harlot sits, are peoples, multitudes, nations, and tongues."			
20	[Rev. 17:15, Bible, NKJV]			
21	The Beast is then defined in Rev. 19:19 as "the kings of the earth", which today would be our political rulers:			
22	"And I saw the beast, the kings of the earth, and their armies, gathered together to make war against Him who			
23	sat on the horse and against His army."			
24	[ <u>Rev. 19:19,</u> Bible, NKJV]			
25	Babylon the Great Harlot is "fornicating" with the government by engaging in commerce with it. Black's Law Dictionary			
26	defines "commerce" as "intercourse":			
27	"CommerceIntercourse by way of trade and traffic between different peoples or states and the citizens or			
28	inhabitants thereof, including not only the purchase, sale, and exchange of commodities, but also the			
29	instrumentalities [governments] and agencies by which it is promoted and the means and appliances by which it			
30	is carried on"			
31	[Black's Law Dictionary, Sixth Edition, p. 269]			
32	If you want your rights back people, you can't pursue government employment in the context of your private job. If you			
33	do, the Bible, not us, says you are a harlot and that you are CONDEMNED to hell!			
34	And I heard another voice from heaven saying, "Come out of her, my people, lest you share in her sins, and lest			
35	you receive of her plagues. For her sins have reached to heaven, and God has remembered her iniquities.			
35 36	Render to her just as she rendered to you, and repay her double according to her works; in the cup which she			
37	has mixed, mix double for her. In the measure that she glorified herself and lived luxuriously, in the same			
38	measure give her torment and sorrow; for she says in her heart, 'I sit as queen, and am no widow, and will not			
39	see sorrow.' Therefore her plagues will come in one day—death and mourning and famine. And she will be			
40 41	utterly burned with fire, for strong is the Lord God who judges her. [ <u>Rev. 18:4-8</u> , Bible, NKJV]			
10	If you would like to be an one of both who Colorly A. C. d. Taylord D. C. d. T. C. d. C. d. T. C. d. C			
42	If you would like to know more about why Subtitle A of the Internal Revenue Code only applies to federal instrumentalities			
43	and payments to or from the federal government, we refer you to the free memorandum of law below:			
	"Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes", Form #05.008			
	http://sedm.org/Forms/MemLaw/WhyThiefOrEmployee.pdf			

#### 5 Franchise agreements generally

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It is generally conceded that a franchise is the subject of a contract between the grantor and the grantee, and that it does in fact constitute a contract when the requisite element of a consideration is present. Conversely, a franchise granted without consideration is not a contract binding upon the state. It is generally considered that the obligation resting upon the

grantee to comply with the terms and conditions of the grant constitutes a sufficient consideration. As expressed by some authorities, the benefit to the community may constitute the sole consideration for the grant of a franchise by a state. 2

A contract thus created has the same status as any other contract recognized by the law; <sup>13</sup> it is binding mutually upon the grantor and the grantee and is enforceable according to its terms and tenor, <sup>14</sup> and is entitled to be protected from impairment by legislative action under the provision of the state and federal constitutions prohibiting the passage of any law by which the obligation of existing contracts shall be impaired or lessened. <sup>15</sup> The well-established rule as to franchises is that where a municipal corporation, acting within its powers, enacts an ordinance conferring rights and privileges on a person or corporation, and the grantee accepts the ordinance and expends money in availing itself of the rights and privileges so conferred, a contract is thereby created which, in the absence of a reserved power to amend or repeal the ordinance, cannot be impaired by a subsequent municipal enactment. <sup>16</sup> Certain limitations upon this general rule, and particular applications thereof, are discussed in the following section.

Consideration for the grant of a charter need not be based upon benefit to the grantor; it is sufficient if it imports damage or loss, or forbearance of benefit, or any act done, or to be done, on the part of the grantee. Per Story, J., Dartmouth College v Woodward, 4 Wheat (US) 518, 4 L ed 629.

<sup>&</sup>lt;sup>9</sup> Larson v South Dakota, 278 US 429, 73 L ed 441, 49 S Ct 196; Grand Trunk Western R. Co. v South Bend, 227 US 544, 57 L ed 633, 33 S Ct 303; Blair v Chicago, 201 US 400, 50 L ed 801, 26 S Ct 427; Arkansas-Missouri Power Co. v Brown, 176 Ark 774, 4 SW2d 15, 58 ALR 534; Chicago General R. Co. v Chicago, 176 III 253, 52 NE 880; Louisville v Louisville Home Tel. Co. 149 Ky 234, 148 SW 13; State ex rel. Kansas City v East Fifth Street R. Co. 140 Mo 539, 41 SW 955; Baker v Montana Petroleum Co. 99 Mont 465, 44 P2d 735; Re Board of Fire Comrs. 27 NJ 192, 142 A2d 85; Chrysler Light & P. Co. v Belfield, 58 ND 33, 224 NW 871, 63 ALR 1337; Franklin County v Public Utilities Com. 107 Ohio St 442, 140 NE 87, 30 ALR 429; State ex rel. Daniel v Broad River Power Co. 157 SC 1, 153 SE 537; Rutland Electric Light Co. v Marble City Electric Light Co. 65 Vt 377, 26 A 635; Virginia-Western Power Co. v Commonwealth, 125 Va 469, 99 SE 723, 9 ALR 1148, cert den 251 US 557, 64 L ed 413, 40 S Ct 179, disapproved on other grounds Victoria v Victoria Ice, Light & Power Co. 134 Va 134, 114 SE 92, 28 ALR 562, and disapproved on other grounds Richmond v Virginia Ry. & Power Co. 141 Va 69, 126 SE 353.

<sup>&</sup>lt;sup>10</sup> Pennsylvania R. Co. v Bowers, 124 Pa 183, 16 A 836.

<sup>&</sup>lt;sup>11</sup> Central Transp. Co. v Pullman's Palace Car Co. 139 US 24, 35 L ed 55, 11 S Ct 478; Summerville v Georgia Power Co. 205 Ga 843, 55 SE2d 540; Dufour v Stacey, 90 Ky 288, 14 SW 48; State ex rel. Kansas City v East Fifth Street R. Co. 140 Mo 539, 41 SW 955; Victory Cab Co. v Charlotte, 234 NC 572, 68 SE2d 433.

<sup>&</sup>lt;sup>12</sup> Dartmouth College v Woodward, supra; Victory Cab Co. v Charlotte, 234 NC 572, 68 SE2d 433.

<sup>&</sup>lt;sup>13</sup> Louisville v Louisville Home Tel Co. 149 Ky 234, 148 SW 13.

<sup>&</sup>lt;sup>14</sup> Grand Trunk Western R. Co. v South Bend, 277 US 544, 57 L ed 633, 33 S Ct 303; Louisville v Cumberland Tel. & Tel. Co. 224 US 649, 56 L ed 934, 32 S Ct 572; Summerville v Georgia Power Co. 205 Ga 843, 55 SE2d 540; Victory Cab Co. v Charlotte, 234 NC 572, 68 SE2d 433; East Ohio Gas Co. v Akron, 81 Ohio St 33, 90 NE 40.

<sup>15</sup> Ohio Pub. Serv. Co. v Ohio, 274 US 12, 71 L ed 898, 47 S Ct 480; Northern Ohio Traction & Light Co. v Ohio, 245 US 574, 62 L ed 481, 38 S Ct 196; Cincinnati v Cincinnati & H. Traction Co. 245 US 446, 62 L ed 389, 38 S Ct 153; Kansas Gas & E. Co. v Independence (CA10) 79 F2d 32, 638, 100 ALR 1479; State ex rel. Weatherly v Birmingham Waterworks Co. 185 Ala 388, 64 So 23; Colorado & S. R. Co. v Ft. Collins, 52 Colo 281, 121 P 747; Summerville & Georgia Power Co. 205 Ga 843, 55 SE2d 540; Chicago v Chicago Union Traction Co. 199 III 259, 65 NE 243; Rushville v Rushville Natural Gas Co. 164 Ind 162, 73 NE 87; State ex rel. Shaver v Iowa Tel. Co. 175 Iowa 607, 154 NW 678; Dayton v South Covington & C. Street R. Co. 177 Ky 202, 197 SW 670; Shreveport Traction Co. v Shreveport, 122 La 1, 47 So 40; Benton Harbor v Michigan Fuel & Light Co. 250 Mich 614, 231 NW 52, 71 ALR 114; Northwestern Tel. Exch. Co. v Minneapolis, 81 Minn 140, 83 NW 527, 86 NW 69; Westport v Mulholland, 159 Mo 86, 60 SW 77; Quinby v Public Serv. Com. 223 NY 244, 119 NE 433, 3 ALR 685; Northwestern Tel. Exch. Co. v Anderson, 12 ND 585, 98 NW 706; Interurban R. & Terminal Co. v Public Utilities Com. 98 Ohio St 287, 120 NE 831, 3 ALR 696; Providence Gas Co. v Thurber, 2 RI 15; Cumberland Tel. & Tel. Co. v United Electric R. Co. 93 Tenn 492, 29 SW 104; Salt Lake City v Utah Light & Traction Co. 52 Utah 210, 173 P 556, 3 ALR 715; State v Gibbs, 82 Vt 526, 74 A 229; Virginia-Western Power Co. v Commonwealth, 125 Va 469, 99 SE 723, 9 ALR 1148, cert den 251 US 557, 64 L ed 413, 40 S Ct 179, disapproved on other grounds Victoria v Victoria Ice, Light & Power Co. 134 Va 134, 114 SE 92, 28 ALR 562, and disapproved on other grounds Richmond v Virginia Ry. & Power Co. 141 Va 69, 126 SE 353; Allen v Forrest, 8 Wash 700, 36 P 971; Clarksburg Electric Light Co. v Clarksburg, 47 W Va 739, 35 SE 994, error dismd (US) 46 L ed 1267, 22 S Ct 942; Wright v Milwaukee Electric R. & Light Co. 95 Wis 29, 69 NW 791.

<sup>&</sup>lt;sup>16</sup> New York Electric Lines Co. v Empire City Subway Co. 235 US 179, 59 L ed 184, 35 S Ct 72; Boise Artesian Hot & Cold Water Co. v Boise City, 230 US 84, 57 L ed 1400, 33 S Ct 997; Owensboro v Cumberland Tel. & Tel. Co. 230 US 58, 57 L ed 1389, 33 S Ct 988; Omaha Water Co. v Omaha (CA8) 147 F 1, app dismd 207 US 584, 52 L ed 352, 28 S Ct 262; Colorado & S. R. Co. v Ft. Collins, 52 Colo 281, 121 P 747; Washington v Atlantic Coast Line R. Co. 136 Ga 638, 71 SE 1066; Rushville v Rushville Natural Gas Co. 164 Ind 162, 73 NE 87; Michigan Tel. Co. v St. Joseph, 121 Mich 502, 80 NW 383; Northwestern Tel. Exch. Co. v Minneapolis, 81 Minn 140, 83 NW 527, 86 NW 69; Westport v Mulholland, 159 Mo 86, 60 SW 77; Backus v Lebanon, 11 NH 19; Northwestern Tel. Exch. Co. v Anderson, 12 ND 585, 98 NW 706; Elliott v Eugene, 135 Or 108, 294 P 358; Milwaukee Electric R. & Light Co. v Railroad Com. 153 Wis 592, 142 NW 491, affd 238 US 174, 59 L ed 1254, 35 S Ct 820.

- The equivalent of a municipal grant or franchise may result from the acceptance of an offer contained in a state statute 17 or 1
- in the constitution of the state. 18 2
- A franchise is acquired, ordinarily, only when the grant is actually accepted. <sup>19</sup> Acceptance may be implied by the acts or 3
- conduct of the grantee, <sup>20</sup> and this is especially true when the franchise makes no provision for a formal acceptance 4
- thereof.<sup>21</sup> Those who do not wish to participate in the franchise simply withdraw their consent to participate.
- The grant of a franchise, when accepted by the grantee, constitutes a binding contract between the parties thereto by which 6
- their rights and obligations are to be determined in accordance with its terms and conditions.<sup>22</sup> The character and extent of 7
- the rights granted in the use of a franchise depend upon the terms of the grant, the nature of the franchise, and the purpose 8
- designed to be accomplished.<sup>23</sup> Moreover, the jurisdiction of the granting authority is a limitation upon the extent of the 9
- franchise which is granted.<sup>24</sup> 10
- All franchise agreements created by the government are what the legal profession calls "private law": 11
- "Private law. That portion of the law which defines, regulates, enforces, and administers relationships among 12 13 individuals, associations, and corporations. As used in contradistinction to public law, the term means all that part of the law which is administered between citizen and citizen, or which is concerned with the definition, 14 15 regulation, and enforcement of rights in cases where both the person in whom the right inheres and the person upon whom the obligation is incident are private individuals. See also Private bill; Special law. Compare 16 17
- [Black's Law Dictionary, Sixth Edition, p. 1196] 18
- Franchise agreements are private law because they only affect those who consent explicitly (in writing) or implicitly (by 19 their conduct) to participate in the franchise. What all government franchise agreements have in common is that they: 20
- 21 1. Operate as contracts.

- 22 2. Involve mutual consideration of one kind or another to all those who are party to it.
- 3. Regulate the "choice of law" rules applying to the relationship between the grantor of the franchise and the franchisees. 23 For instance, most franchise agreements specify the laws under which disputes are regulated and sometimes even the 24 forums or courts that will hear the disputes. Some franchise agreements even cause those who sign up to waive all of 25 their rights to litigate in a government court and to submit the dispute instead to binding private arbitration. 26
- 4. Operate as a trust or constructive trust. 27
- 5. Regulate the use of "public property" by the franchisee. 28
  - 6. Make those who sign up the object of what the courts call "legal disability".
- Make those who consent into "trustees" of one kind or another on behalf of the entity granting the franchise. These 30 trustees exercise agency on behalf of the trust. If the grantor of the franchise is the government, the franchisees in 31 effect become "trustees" of the "public trust". 32
- 8. Convey rights to each of the parties. 33

<sup>&</sup>lt;sup>17</sup> The grant resulting from the acceptance, by the establishment of a plant devoted to the prescribed public use, of the state's offer to permit persons or corporations duly incorporated for the purpose "in any city where there are no public works owned and controlled by the municipality for supplying the same with water or artificial light," to lay pipes in the city streets for the purpose specified, constitutes a contract and vests in the accepting individual or corporation a property right protected by the Federal Constitution against impairment. Russell v Sebastian, 233 US 195, 58 L ed 912, 34 S Ct 517.

<sup>&</sup>lt;sup>18</sup> Madera Waterworks v Madera, 228 US 454, 57 L ed 915, 33 S Ct 571.

<sup>&</sup>lt;sup>19</sup> Stockton Gas & E. Co. v San Joaquin County, 148 Cal 313, 83 P 54.

<sup>&</sup>lt;sup>20</sup> City R. Co. v Citizens' Street R. Co. 166 US 557, 41 L ed 1114, 17 S Ct 653.

<sup>&</sup>lt;sup>21</sup> State ex rel. Martin v Ohio Electric Power Co. 35 Ohio App 481, 172 NE 615, affd 121 Ohio St 235, 167 NE 877.

<sup>&</sup>lt;sup>22</sup> Arkansas-Missouri Power Co. v Brown, 176 Ark 774, 4 SW2d 15, 58 ALR 534; Interurban R. & Terminal Co. v Public Utilities Com. 98 Ohio St 287, 120 NE 831, 3 ALR 696.

The rights of the parties are to be determined by the terms of a franchise contract which is included in the provisions of a valid franchise ordinance accepted by the grantee. Columbus R. Power & L. Co. v Columbus. 249 US 399. 63 L ed 669. 39 S Ct 349. 6 ALR 1648; Cleveland v Cleveland City R. Co. 194 US 517, 48 L ed 1102, 24 S Ct 756; State ex rel. Weatherly v Birmingham Waterworks Co. 185 Ala 388, 64 So 23; People ex rel. Jackson v Suburban R. Co. 178 Ill 594, 53 NE 349; Interurban R. & Terminal Co. v Public Utilities Com. 98 Ohio St 287, 120 NE 831, 3 ALR 696.

<sup>&</sup>lt;sup>23</sup> Leonard v Baylen Street Wharf Co. 59 Fla 547, 52 So 718.

<sup>&</sup>lt;sup>24</sup> Citizens Tel. Co. v Cincinnati, N. O. & T. P. R. Co 192 Ky 399, 233 SW 901, 18 ALR 615.

9. Constitute "property". In law, all "rights" are property and any instrument which conveys rights to either party of the franchise agreement therefore becomes "property". 2

#### "franchisee" = "resident" = "trustee" = " 6

- Governments cannot create franchises without also bestowing upon themselves the ability to regulate all those who 4
- participate in order to fulfill the purposes of the franchise. Private persons are not subject to government jurisdiction by 5
- default, as explained in the earlier in section 4. This section will show that when you sign up for a franchise, you create a 6
- trust document and a "res" that is the subject of the trust, and that this "res" becomes a "resident" within the jurisdiction of
- the government granting the franchise. This "resident" effectively is an "alien" with a legal domicile within federal 8
- territory. 9

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- When two parties execute a franchise agreement or contract between them, they are engaging in "commerce". The practical 10 consequences of the franchise agreement are the following: 11
- The main source of jurisdiction for the government is over commerce. 12
  - The mutual consideration passing between the parties provides the nexus for government jurisdiction over the transaction.
  - 3. Parties to the franchise agreement cannot engage in a franchise without implicitly surrendering governance over disputes to the government granting the franchise.
  - The parties to the franchise agreement mutually and implicitly surrender their sovereign immunity under the Foreign Sovereign Immunities Act, 28 U.S.C. §1605(a)(2), which says that commerce within the legislative jurisdiction of the "United States" constitutes constructive consent to be sued in the courts of the United States. This is discussed in more detail in the previous section.
- 21 Another surprising result of engaging in franchises and public benefits that most people overlook is that the commerce it represents, in fact, can have the practical affect of making a "nonresident" party "resident" for the purposes of judicial 22 23 jurisdiction. Here is the proof:

In International Shoe Co. v. Washington, 326 U.S. 310 (1945), the Supreme Court held that a court may exercise personal jurisdiction over a defendant consistent with due process only if he or she has "certain minimum contacts" with the relevant forum "such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice." "Id. at 316 (quoting Milliken v. Meyer, 311 U.S. 457, 463 (1940)). Unless a defendant's contacts with a forum are so substantial, continuous, and systematic that the defendant can be deemed to be "present" in that forum for all purposes, a forum may exercise only "specific" jurisdiction - that is, jurisdiction based on the relationship between the defendant's forum contacts and the plaintiff's claim. The parties agree that only specific jurisdiction is at issue in this case.

In this circuit, we analyze specific jurisdiction according to a three-prong test:

(1) The non-resident defendant must purposefully direct his activities or consummate some transaction with the forum or resident thereof; or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws;

(2) the claim must be one which arises out of or relates to the defendant's forum-related activities; and

(3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e. it must be reasonable.

Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802 (9th Cir. 2004) (quoting Lake v. Lake, 817 F.2d 1416, 1421 (9th Cir. 1987)). The first prong is determinative in this case. We have sometimes referred to it, in shorthand fashion, as the "purposeful availment" prong. Schwarzenegger, 374 F.3d at 802. Despite its label, this prong includes both purposeful availment and purposeful direction. It may be satisfied by purposeful availment of the privilege of doing business in the forum; by purposeful direction of activities at the forum; or by some combination thereof.

We have typically treated "purposeful availment" somewhat differently in tort and contract cases. In tort cases, we typically inquire whether a defendant "purposefully direct[s] his activities" at the forum state, applying an "effects" test that focuses on the forum in which the defendant's actions were felt, whether or not the actions themselves occurred within the forum. See Schwarzenegger, 374 F.3d at 803 (citing Calder v. Jones, 465 U.S. 783, 789-90 (1984)). By contrast, in contract cases, we typically inquire whether a defendant "purposefully

<sup>&</sup>lt;sup>25</sup> Adapted from Sovereignty Forms and Instructions Manual, Section 1.21.4.

avails itself of the privilege of conducting activities" or "consummate[s] [a] transaction" in the forum, focusing on activities such as delivering goods or executing a contract. See Schwarzenegger, 374 F.3d at 802. However, 3 this case is neither a tort nor a contract case. Rather, it is a case in which Yahoo! argues, based on the First Amendment, that the French court's interim orders are unenforceable by an American court. [Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme, 433 F.3d 1199 (9th Cir. 01/12/2006)] 5 As we alluded to in the previous section, when you sign up to the government franchise, a constructive trust is created in 6 which you as the natural person become the "trustee" and "public officer" serving on behalf of the government. This trust 7 relation will be further explained in detail later in section 10.5, in which we will quote the U.S. Supreme Court. The 8 entities created by exercising your right to contract with the government offering the franchise usually consist of a "public office", which is a position of trust created for the exercise of powers under the franchise agreement. For instance, in 10 exchange for exercising your First Amendment right to politically associate and thereby registering to vote in a community, 11 you become a "public officer". This is confirmed by 18 U.S.C. §201(a)(1): 12 13 TITLE 18 > PART I > CHAPTER 11 > §201 14 §201. Bribery of public officials and witnesses 15 (a) For the purpose of this section— 16 (1) the term "public official" means Member of Congress, Delegate, or Resident Commissioner, either before 17 or after such official has qualified, or an officer or employee or person acting for or on behalf of the United States, or any department, agency or branch of Government thereof, including the District of Columbia, in any 18 19 official function, under or by authority of any such department, agency, or branch of Government, or a juror; The franchise agreement then functions as the equivalent of a trust and you become essentially an "employee" or "officer" 20 of the trust. The trust, in turn, is a wholly owned subsidiary of the federal corporation called the "United States", and which 21 is defined in 28 U.S.C. §3002(15)(A). 22 23 TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE 24 PART VI - PARTICULAR PROCEEDINGS CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE 25 26 SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS 27 Sec. 3002. Definitions 28 (15) "United States" means -29 (A) a Federal corporation; (B) an agency, department, commission, board, or other entity of the United States; or 31 (C) an instrumentality of the United States. A person who is acting as an "officer" or "public officer" the United States federal corporation then becomes "an officer of 32 a corporation" who is subject to the laws applying to the place of incorporation of that corporation, which is the District of 33 Columbia in the case of the federal government. Federal Rule of Civil Procedure 17(b) recognizes this result explicitly by 34 35 stating that the laws which apply are those of the place where the corporation itself is domiciled: 36 Federal Rules of Civil Procedure 37 IV. PARTIES > Rule 17. Rule 17. Parties Plaintiff and Defendant; Capacity 38 39 (b) Capacity to Sue or be Sued. 40 The capacity of an individual, other than one acting in a representative capacity, to sue or be sued shall be 41 determined by the law of the individual's domicile. The capacity of a corporation [or its officers] to sue or be 42 sued shall be determined by the law under which it was organized. In all other cases capacity to sue or be 43 sued shall be determined by the law of the state in which the district court is held, except (1) that a partnership 44 or other unincorporated association, which has no such capacity by the law of such state, may sue or be sued in 45 its common name for the purpose of enforcing for or against it a substantive right existing under the 46 Constitution or laws of the United States, and (2) that the capacity of a receiver appointed by a court of the

Below is how the U.S. Supreme Court describes the practical affect of creating the trust and placing its "residence" or "domicile" within the jurisdiction the specific government or "state" granting the franchise:

United States to sue or be sued in a court of the United States is governed by Title 28, U.S.C., §§ 754 and

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1 2 3 4 5 6 7	"Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties [e.g. CONTRACTUAL DUTIES!!] of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is
8 9	located." [Miller Brothers Co. v. Maryland, <u>347 U.S. 340</u> (1954)]
10	The only legitimate purpose of all law and government is "protection". A person who selects or consents to have a
11	"domicile" or "residence" within the jurisdiction of the government granting the franchise has effectively contracted to
12	procure "protection" of that "sovereign" or "state". In exchange for the promise of protection by the "state", they are
13	legally obligated to give their "allegiance and support", thus nominating a Master who will be above them. Allegiance
14	implies subservience to a superior sovereign. All allegiance must be voluntary and any consequences arising from
15	compelled allegiance may not be enforced in a court of law. When you <u>revoke</u> your voluntary consent to the government's
16	jurisdiction and the "domicile" or "residence" contract, you change your status from that of a "domiciliary" or "resident" or
17	"inhabitant" or "U.S. person" to that of a "transient foreigner". Transient foreigner is then defined below:
18 19	"Transient foreigner. One who visits the country, without the intention of remaining." [Black's Law Dictionary, Sixth Edition,, p. 1498]
20	Note again the language within the definition of "domicile" from Black's Law Dictionary relating to the word "transient",
21	which confirms that what makes your stay "permanent" is <i>consent</i> to the jurisdiction of the "state" located in that place:
22	"Domicile. [] The established, fixed, permanent, or ordinary dwellingplace or place of residence of a
23	person, as distinguished form his temporary and transient, though actual, place of residence. It is his legal
24 25	residence, <u>as distinguished from his temporary place of abode;</u> or his home, as distinguished from a place to which business or pleasure may temporarily call him. See also Abode; Residence."
26	[Black's Law Dictionary, Sixth Edition, page 485]
27	Since your Constitutional right to contract is unlimited, then you can have as many "residences" as you like, but you can
28	have only <u>one</u> legal "domicile", because your allegiance must be undivided or you will have a conflict of interest and
29	allegiance.
30	"No one can serve two masters; for either he will hate the one and love the other, or else he will be loyal to the
31 32	one and despise the other. You cannot serve God and mammon." [Matt. 6:23-25, Bible, NKJV]
33	Remember, "resident" is a combination of two word roots: "res", which is legally defined as a "thing", and "ident", which
34	stands for "identified".
35	Res. Lat. The subject matter of a trust or will. In the civil law, a thing; an object. As a term of the law, this
36	word has a very wide and extensive signification, including not only things which are objects of property, but
37	also such as are not capable of individual ownership. And in old English law it is said to have a general
38	import, comprehending both corporeal and incorporeal things of whatever kind, nature, or species. By "res,"
39 40	according to the modern civilians, is meant everything that may form an object of rights, in opposition to "persona," which is regarded as a subject of rights. "Res," therefore, in its general meaning, comprises actions
41	of all kinds; while in its restricted sense it comprehends every object of right, except actions. This has reference
42	to the fundamental division of the Institutes that all law relates either to persons, to things, or to actions.
43	Res is everything that may form an object of rights and includes an object, subject-matter or status. In re
44	Riggle's Will, 11 A.D.2d 51 205 N.Y.S.2d 19, 21, 22. The term is particularly applied to an object, subject-
45	matter, or status, considered as the defendant in an action, or as an object against which, directly,
46 47	proceedings are taken. Thus, in a prize case, the captured vessel is "the res"; and proceedings of this character are said to be in rem. (See In personam; In Rem.) "Res" may also denote the action or proceeding,
48	as when a cause, which is not between adversary parties, it entitled "In re".
49	[Black's Law Dictionary, Sixth Edition, pp. 1304-1306]
50	The "object, subject matter, or status" they are talking about above is the ALL CAPS incarnation of your legal birth name

The "<u>object, subject matter, or status</u>" they are talking about above is the ALL CAPS incarnation of your legal birth name and the government-issued number, usually an SSN, that is associated with it. Those two things constitute the "strawman" or "trust" or "res" which you implicitly agree to represent at the time you sign up for any franchise, benefit, or "public right". When the government attacks someone for a tax liability or a debt, they don't attack you as a <u>private</u> person, but

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rather the collection of rights that attach to the ALL CAPS trust name and associated Social Security Number. They start 1 by placing a lien on the number, which actually is THEIR number and not YOURS. 20 CFR §422.103(d) says the number 2 is THEIR property. They can lien their property, which is public property in your temporary use and custody as a "trustee" 3 4 of the "public trust". Everything that number is connected to acts as private property donated temporarily to a public use to procure the benefits of the franchise. It is otherwise illegal to mix public property, such as the Social Security Number, 5 with private property, because that would constitute illegal and criminal embezzlement in violation of 18 U.S.C. §912. 6 7 "Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;' 8 and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use 9 10 it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to 11 control that use; and third, that whenever the public needs require, the public may take it upon 12 13 payment of due compensation. [Budd v. People of State of New York, 143 U.S. 517 (1892)] 14 When you signed up to become the "trustee" of the trust by making application for the franchise or public benefit, the trust 15 becomes a "resident" in the eyes of the government: it becomes a "thing" that is now "identified" and which is within their 16 legislative jurisdiction and completely subject to it. Hence, it is a "RES-IDENT" within government jurisdiction. Notice 17 that a "res" is defined above as the "object of a trust above". They created the trust and you are simply the custodian and 18 "trustee" over it as a "public officer". As the Creator of the trust, they and not you have full control and discretion over it 19 and all those who participate in it. That trust is the "public trust" created by the Constitution and all laws passed pursuant 20 to it. 21 22 Executive Order 12731 23 "Part 1 -- PRINCIPLES OF ETHICAL CONDUCT 24 "Section 101. Principles of Ethical Conduct. To ensure that every citizen can have complete confidence in the 25 integrity of the Federal Government, each Federal employee shall respect and adhere to the fundamental 26 principles of ethical service as implemented in regulations promulgated under sections 201 and 301 of this 2.7 order: 28 "(a) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and 29 ethical principles above private gain. 30 31 TITLE 5--ADMINISTRATIVE PERSONNEL CHAPTER XVI--OFFICE OF GOVERNMENT ETHICS 32 33 PART 2635--STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE EXECUTIVE BRANCH--34 Table of Contents 35 Subpart A--General Provisions 36 Sec. 2635.101 Basic obligation of public service. 37 (a) Public service is a public trust. Each employee has a responsibility to the United States Government and 38 its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. To ensure that 39 every citizen can have complete confidence in the integrity of the Federal Government, each employee shall 40 respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing 41 standards contained in this part and in supplemental agency regulations. All those who swear an oath as "public officers" are also identified as "trustees" of the "public trust": 42 43 "As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be 44 exercised in behalf of the government or of all citizens who may need the intervention of the officer. 45 Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level 46 of government, and whatever be their private vocations, are trustees of the people, and accordingly labor

financial gain from a discharge of their trusts. 27

under every disability and prohibition imposed by law upon trustees relative to the making of personal

That is, a public officer occupies a fiduciary relationship

Government Instituted Slavery Using Franchises

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<sup>&</sup>lt;sup>26</sup> State ex rel. Nagle v Sullivan, 98 Mont 425, 40 P2d 995, 99 ALR 321; Jersey City v Hague, 18 NJ 584, 115 A2d 8.

<sup>&</sup>lt;sup>27</sup> Georgia Dep't of Human Resources v Sistrunk, 249 Ga 543, 291 SE2d 524. A public official is held in public trust. Madlener v Finley (1st Dist) 161 III App 3d 796, 113 III Dec 712, 515 NE2d 697, app gr 117 III Dec 226, 520 NE2d 387 and revd on other grounds 128 III 2d 147, 131 III Dec 145, 538 NE2d 520.

1	to the political entity on whose behalf he or she serves. 28 and owes a fiduciary duty to the public. 29 It has
2	been said that the fiduciary responsibilities of a public officer cannot be less than those of a private
3	individual. $\frac{30}{2}$ Furthermore, it has been stated that any enterprise undertaken by the public official which tends
4	to weaken public confidence and undermine the sense of security for individual rights is against public
5	policy. 31 "
6	[63C Am.Jur.2d, Public Officers and Employees, §247]
7	A person who is "subject" to government jurisdiction cannot be a "sovereign", because a sovereign is not <i>subject</i> to the law,
8	but the AUTHOR of the law. Only citizens are the authors of the law because only "citizens" can vote.
O	out the TTO THOR of the law. Only entrents are the authors of the law because only entrents can vote.
9	"Sovereignty itself is, of course, not subject to law, for it is the author and source of law; but in our system,
10	while sovereign powers are delegated to the agencies of government, sovereignty itself remains with the
11	people, by whom and for whom all government exists and acts. And the law is the definition and limitation of
12	power."
13	[Yick Wo v. Hopkins, 118 U.S. 356 (1886)]
14	The implication is that you cannot be sovereign if either you or the entities you voluntarily represent have a "domicile" or
15	"residence" in any earthly place or in any place other than Heaven or the Kingdom of Heaven on Earth. If you choose a
16	"domicile" or "residence" any place on earth, then you become a "subject" in relation to that place and voluntarily forfeit
17	your sovereignty. This is NOT the status you want to have! A "resident" by definition MUST therefore be within the
18	legislative jurisdiction of the government, because the government cannot lawfully write laws that will allow them to
19	recognize or act upon anything that is NOT within their legislative jurisdiction.
20	All law is territorial in nature, and can act only upon the territory under the exclusive control of the government or upon its
21	franchises and contracts, which are "property" under its management and control. The only lawful way that government
22	laws can reach beyond the territory of the sovereign who controls them is through explicit, informed, mutual consent of the
	individual parties involved, and this field of law is called "private law".
23	individual parties involved, and this field of law is called private law.
24	"Judge Story, in his treatise on the Conflicts of Laws, lays down, as the basis upon which all reasonings on the
25	law of comity must necessarily rest, the following maxims: First 'that every nation possesses an exclusive
26	sovereignty and jurisdiction within its own territory'; secondly, 'that no state or nation can by its laws directly
27	affect or bind property out of its own territory, or bind persons not resident therein, whether they are natural
28	born subjects or others.' The learned judge then adds: 'From these two maxims or propositions there follows a
29	third, and that is that whatever force and obligation the laws of one country have in another depend solely upon
30	the laws and municipal regulation of the latter; that is to say, upon its own proper jurisdiction and polity, and
31	upon its own express or tacit consent." Story on Conflict of Laws §23."
32	[Baltimore & Ohio Railroad Co. v. Chambers, 73 Ohio St. 16; 76 N.E. 91; 11 L.R.A., N.S., 1012 (1905)]
33	The very same principles as government operates under with respect to "resident" also apply to Christianity as well. When
34	we become Christians, we consent to the contract or covenant with God called the Bible. That covenant requires us to
35	accept Jesus Christ as our Lord and Savior. This makes us a "resident" of Heaven and "pilgrims and sojourners" (transient
36	foreigners) on earth:
37	"For our citizenship is in heaven, from which we also eagerly wait for the Savior, the Lord Jesus Christ"
38	[Philippians 3:20, Bible, NKJV]
39	"Now, therefore, you are no longer strangers and foreigners [in relation to the Kingdom of Heaven], but fellow
40	citizens with the saints and members of the household of God."
41	[Ephesians 2:19, Bible, NKJV]

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<sup>&</sup>lt;sup>28</sup> Chicago Park Dist. v Kenroy, Inc., 78 III 2d 555, 37 III Dec 291, 402 NE2d 181, appeal after remand (1st Dist) 107 III App 3d 222, 63 III Dec 134, 437 NE2d 783.

<sup>&</sup>lt;sup>29</sup> United States v Holzer (CA7 III) 816 F2d 304 and vacated, remanded on other grounds 484 US 807, 98 L Ed 2d 18, 108 S Ct 53, on remand (CA7 III) 840 F2d 1343, cert den 486 US 1035, 100 L Ed 2d 608, 108 S Ct 2022 and (criticized on other grounds by United States v Osser (CA3 Pa) 864 F2d 1056) and (superseded by statute on other grounds as stated in United States v Little (CA5 Miss) 889 F2d 1367) and (among conflicting authorities on other grounds noted in United States v Boylan (CA1 Mass) 898 F2d 230, 29 Fed Rules Evid Serv 1223).

<sup>30</sup> Chicago ex rel. Cohen v Keane, 64 Ill 2d 559, 2 Ill Dec 285, 357 NE2d 452, later proceeding (1st Dist) 105 Ill App 3d 298, 61 Ill Dec 172, 434 NE2d 325

<sup>&</sup>lt;sup>31</sup> Indiana State Ethics Comm'n v Nelson (Ind App) 656 NE2d 1172, reh gr (Ind App) 659 NE2d 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

1 2 3	"These all died in faith, not having received the promises, but having seen them afar off were assured of them, embraced them and confessed that they were strangers and pilgrims [transient foreigners] on the earth." [Hebrews 11:13, Bible, NKJV]
4 5	"Beloved, I beg you <u>as sojourners and pilgrims</u> , abstain from fleshly lusts which war against the soul" [1 Peter 2:11, Bible, NKJV]
6	For those who consent to the Bible covenant with God the Father, Jesus becomes our protector, spokesperson, Counselor,
7	and Advocate before the Father. We become a Member of His family!
8	Jesus' Mother and Brothers Send for Him
9	While He was still talking to the multitudes, behold, His mother and brothers stood outside, seeking to speak
10 11	with Him. Then one said to Him, "Look, Your mother and Your brothers are standing outside, seeking to speak with You."
12 13 14 15	But He answered and said to the one who told Him, "Who is My mother and who are My brothers?" And He stretched out His hand toward His disciples and said, "Here are My mother and My brothers! For whoever does the will of My Father in heaven is My brother and sister and mother." [Matt. 12: 46-50, Bible, NKJV]
16	By doing God's will on earth and accepting His covenant or private contract with us, which is the Bible, He becomes our
17	Father and we become His children. The law of domicile says that children assume the <u>same</u> domicile as their parents and
18	are legally dependent on them:
19	A person acquires a domicile of origin at birth. <sup>32</sup> The law attributes to every individual a domicile of origin, <sup>33</sup> which is the domicile of his parents, <sup>34</sup> or of the father, <sup>35</sup> or of the head of his family: <sup>36</sup> or of the person on whom
20	which is the domicile of his parents, <sup>34</sup> or of the father, <sup>35</sup> or of the head of his family: <sup>36</sup> or of the person on whom he is legally dependent, <sup>37</sup> at the time of his birth. While the domicile of origin is generally the place where one
21 22	is born <sup>38</sup> or reared, <sup>39</sup> may be elsewhere. <sup>40</sup> The domicile of origin has also been defined as the primary domicile
23	of every person subject to the common law. 41
23 24 25	[Corpus Juris Secundum Legal Encyclopedia, Domicile, §7, p. 36; SOURCE: http://famguardian.org/TaxFreedom/CitesByTopic/Domicile-28CJS-20051203.pdf]
26	The legal dependence they are talking about is God's Law, which then becomes our main source of protection and
27 28	dependence on God. We as believers then recognize Jesus' existence as a "thing" we "identify" in our daily life and in return, He recognizes our existence before the Father. Here is what He said on this subject as proof:
29	Confess Christ Before Men
30	"Therefore whoever confesses Me [recognizes My legal existence under God's law, the Bible, and
31 32 33	acknowledges My sovereignty] before men, him I will also confess before My Father who is in heaven. But whoever denies Me before men, him I will also deny before My Father who is in heaven." [Matt. 10:32-33, Bible, NKJV]
34 35 36	Let's use a simple example to illustrate our point in relation to the world. You want to open a checking account at a bank. You go to the bank to open the account. The clerk presents you with an agreement that you must sign before you open the account. If you won't sign the agreement, then the clerk will tell you that they can't open an account for you. Before you
	<sup>32</sup> U.S. –Mississippi Bank of Choctaw Indians v. Holyfield, Missl, 109 S.Ct. 1597, 490 U.S. 30, 104 L.eEd.2d 29.
	<sup>33</sup> Mass.—Commonwealty v. Davis, 187 N.E. 33, 284 Mass. 41. N.Y.—In re Lydig's Estate, 180 N.Y.S. 843, 191 A.D. 117.
	<sup>34</sup> Ga.—McDowell v. Gould, 144 S.E. 206, 166 Ga. 670. Iowa—In re Jones' Estate, 182 N.W. 227, 192 Iowa 78, 16 A.L.R. 1286.
	35 U.S.—Shishko v. State Farm. Ins. Co., D.C.Pa., 553 F.Supp. 308, affirmed 722 F.2d 734 and Appeal of Shishko, 722 F.2d 734.
	<sup>36</sup> N.Y. –Cohen v. Delaware, L. & W.R. Co., 269 N.Y.S. 667, 160 Misc. 450.
	<sup>37</sup> N.C.—Hall v. Wake County Bd. Of Elections, 187 S.E.2d 52, 280 N.C. 600.
	<sup>38</sup> U.S.—Gregg v. Louisiana Power and Light Co., C.A.La., 626 F.2d 1315.
	<sup>39</sup> Ky.—Johnson v. Harvey, 88 S.W.2d 42, 261 Ky. 522.
	<sup>40</sup> S.C. Cribbs v. Floyud, 199 S.E. 677, 188 S.C. 443.

<sup>41</sup> N.Y. –In re McElwaine's Will, 137 N.Y.S. 681, 77 Misc. 317.

- sign the account agreement, the bank doesn't know anything about you and you don't have an account there, so you are the 1 equivalent of an "alien". An "alien" is someone the bank will not recognize or interact with or help. They can only 2
- lawfully help "customers", not "aliens". After you exercise your right to contract by signing the bank account agreement, 3
- then you now become a "resident" of the bank. You are a "resident" because:
- You are a "thing" that they can now "identify" in their computer system and their records because you have an 5 "account" there. They now know your name and "account number" and will recognize you when you walk in the door 6 7 to ask for help.
- 8 They issued you an ATM card and a PIN so you can control and manage your "account". These things that they issued you are the "privileges" associated with being party to the account agreement. No one who is not party to such an 9 agreement can avail themselves of such "privileges". 10
  - The account agreement gives you the "privilege" to demand "services" from the bank of one kind or another. The legal requirement for the bank to perform these "services" creates the legal equivalent of "agency" on their part in doing what you want them to do. In effect, you have "hired" them to perform a "service" that you want and need.
- The account agreement gives the bank the legal right to demand certain behaviors out of you of one kind or another. 14 For instance, you must pay all account fees and not overdraw your account and maintain a certain minimum balance. 15 16 The legal requirement to perform these behaviors creates the legal equivalent of "agency" on your part in respect to the 17 bank.
  - The legal obligations created by the account agreement give the two parties to it legal jurisdiction over each other defined by the agreement or contract itself. The contract fixes the legal relations between the parties. If either party violates the agreement, then the other party has legal recourse to sue for exceeding the bounds of the "contractual agency" created by the agreement. Any litigation that results must be undertaken consistent with what the agreement authorizes and in a mode or "forum" (e.g. court) that the agreement specifies.
  - The government does things *exactly* the same way. The only difference is the product they deliver. The bank delivers financial services, and the government delivers "protection" and "social" services. The account number is the social security number. You can't have or use a social security number and avail yourself of its benefits without consenting to the jurisdiction of the franchise agreement and trust document that authorized its' issuance, which is the Social Security Act found in Title 42 of the U.S. Code.

CALIFORNIA CIVIL CODE DIVISION 3. OBLIGATIONS PART 2. CONTRACTS CHAPTER 3. CONSENT

Section 1589

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1589. A voluntary acceptance of the benefit of a [government benefit] transaction is equivalent to a consent to all the obligations [and legal liabilities] arising from it, so far as the facts are known, or ought to be known, to the person accepting.

Therefore, you can't avail yourself of the "privileges" associated with the Social Security account agreement without also being a "resident" of the "United States", which means an alien who has signed a contract to procure services from the government. That contract can be explicit, which means a contract in writing, or implicit, meaning that it is created through your behavior. For instance, if you drive on the roads within a state, that act implied your consent to be bound by the vehicle code of that state. In that sense, driving a car became a voluntary exercise of your right to contract.

A mere innocent act can imply or trigger "constructive consent" to a legal contract, and in many cases, you may not even be aware that you are exercising your right to contract. Watch out! For instance, the criminal code in your state behaves like a contract. The "police" are simply there to enforce the contract. As a matter of fact, their job was created by that contract. This is called the "police power" of the state. If you do not commit any of the acts in the criminal or penal code, then you are not subject to it and it is "foreign" to you. You become the equivalent of a "resident" within the criminal code and subject to the legislative jurisdiction of that code ONLY by committing a "crime" identified within it. That "crime" triggers "constructive consent" to the terms of the contract and all the obligations that flow from it, including prison time and a court trial. This analysis helps to establish that in a free society, all law is a contract of one form or another, because it can only be passed by the consent of the majority of those who will be subject to it. The people who will be subject to the laws of a "state" are those with a "domicile" or "residence" within the jurisdiction of that "state". Those who don't have such a "domicile" or "residence" and who are therefore not subject to the civil laws of that state are called "transient

- foreigners". This is a very interesting subject that we find most people are simply fascinated with, because it helps to
- emphasize the "voluntary nature" of all law.
- 3 Participating in federal franchises has the following affects upon the legal status of various types of "persons" listed below.
- 4 The right column describes the status of the "public officer" you represent while you are acting in that capacity. It does not
- 5 describe your own private status. This "public officer" is the "strawman" that is the subject of nearly all federal legislation
- 6 that could or does regulate your conduct.

#### 7 Table 3: Affect of participating in franchises

Entity type	Sovereign status	Status in <u>federal</u>
	within <u>federal law</u>	law AFTER accepting
	WITHOUT franchises	franchise
Natural Person	"Nonresident alien"	"Resident alien"
born within and	Private person	"Public officer"
domiciled within a state of		Trustee of the "public trust"
the Union	Constitutional but not statutory "citizen"	Statutory "U.S. citizen" pursuant to 8 U.S.C. §1401
	Non-citizen national	because representing a federal corporation under
	(See Why You Are a "national" or a "state	28 U.S.C. §3002(15)(A) which is a "citizen"
	national" and NOT a "U.S. citizen")	pursuant to <u>Fed.R.Civ.P. 17(b)</u>
		NOT a constitutional "citizen of the United States"
		pursuant to Fourteenth Amendment
	"Stateless person"	<u>Inhabitant</u>
	"Transient foreigner"	
	Foreign person	Domestic person
		" <u>U.S. person</u> " (26 U.S.C. §7701(a)(30))
		Domiciliary
State of the Union	"state"	Statutory "State" as defined in 4 U.S.C. §110(d)
	"foreign state"	(see Federal Trade Zone Act, 1934, 19 U.S.C.
		<u>81a-81u</u> )
Trust	Foreign person	Domestic person
	Foreign estate	" <u>U.S. person</u> " ( <u>26 U.S.C. §7701</u> (a)(30))
	( <u>26 U.S.C. §7701(</u> a)(31))	Statutory trust
	Nonstatutory trust	
State corporation	Foreign person	Domestic person
	Foreign estate	" <u>U.S. person</u> " ( <u>26 U.S.C. §7701</u> (a)(30))
	(26 U.S.C. §7701(a)(31))	
Federal corporation	Domestic person	Domestic person
	" <u>U.S. person</u> "	" <u>U.S. person</u> " ( <u>26 U.S.C. §7701</u> (a)(30))
	"Person" (already privileged)	"Person" (already privileged)

# 8 7 How participating in franchises causes surrender of sovereignty and sovereign immunity 42

A subject closely related to both the requirement for consent and to federalism is the judicial doctrine known as "sovereign immunity". States of the Union are sovereign in respect to the federal government and the people within them are sovereign in respect to their respective state governments. These principles are reflected in a judicial doctrine known as "sovereign immunity".

The exemption of the United States from being impleaded without their consent is, as has often been affirmed by this court, as absolute as that of the crown of England or any other sovereign. In Cohens v. Virginia, 6 Wheat. 264, 411, Chief Justice MARSHALL said: 'The universally-received opinion is that [106 U.S. 196, 227] no suit can be commenced or prosecuted against the United States.' In Beers v. Arkansas, 20 How. 527, 529, Chief Justice TANEY said: 'It is an established principle of jurisprudence, in all civilized nations, that the sovereign cannot be sued in its own courts, or in any other, without its consent and permission; but it may, if it thinks proper, waive this privilege, and permit itself to be made a defendant in a suit by individuals, or by another state. And as this permission is altogether voluntary on the part of the sovereignty, it follows that it may prescribe the terms and conditions on which it consents to be sued, and the manner in which the suit shall be conducted, and may withdraw its consent whenever it may suppose that justice to the public requires it.' In the same spirit, Mr. Justice DAVIS, delivering the judgment of the court in Nichols v. U. S. 7 Wall. 122, 126, said: 'Every government has an inherent right to protect itself against suits, and if, in the liberality of legislation they are permitted, it is only on such terms and conditions as are prescribed by statute. The principle is

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<sup>&</sup>lt;sup>42</sup> Adapted from <u>Sovereignty Forms and Instructions Manual</u>, Section 1.11 with permission.

fundamental, applies to every sovereign power, and, but for the protection which it affords, the government would be unable to perform the various duties for which it was created.' See, also, U. S. v. Clarke, 8 Pet. 436, 444; Cary v. Curtis, 3 How. 236, 245, 256; U. S. v. McLemore, 4 How. 286, 289; Hill v. U. S. 9 How. 386, 389; Recside v. Walker, 11 How. 272, 290; De Groot v. U. S. 5 Wall. 419, 431; U. S. v. Eckford, 6 Wall. 484, 488; The Siren, 7 Wall. 152, 154; The Davis, 10 Wall. 15, 20; U. S. v. O'Keefe, 11 Wall. 178; Case v. Terrell, 11 Wall. 199, 201; Carr v. U. S. 98 U.S. 433, 437; U. S. v. Thompson, 98 U.S. 486, 489; Railroad Co. v. Tennessee, 101 U.S. 337; Railroad Co. v. Alabama, 101 U.S. 832.

[U.S. v. Lee, 106 U.S. 196 (1882)]

Only either by the consent of the sovereign or by the state electing to engage in "private business concerns" is the sovereign immunity of the state explicitly or implicitly waived, respectively:

When a State engages in ordinary commercial ventures, it acts like a private person, outside the area of its "core" responsibilities, and in a way unlikely to prove essential to the fulfillment of a basic governmental obligation. A Congress that decides to regulate those state commercial activities rather than to exempt the State likely believes that an exemption, by treating the State differently from identically situated private persons, would threaten the objectives of a federal regulatory program aimed primarily at private conduct. Compare, e.g., 12 U. S. C. §1841(b) (1994 ed., Supp. III) (exempting state companies from regulations covering federal bank holding companies); 15 U. S. C. §77c(a)(2) (exempting state-issued securities from federal securities laws); and 29 U. S. C §652(5) (exempting States from the definition of "employer[s]" subject to federal occupational safety and health laws), with 11 U.S.C. §106(a) (subjecting States to federal bankruptcy court judgments); 15 U. S. C. §1122(a) (subjecting States to suit for violation of Lanham Act); 17 U. S. C. §511(a) (subjecting States to suit for copyright infringement); 35 U. S. C. §271(h) (subjecting States to suit for patent infringement). And a Congress that includes the State not only within its substantive regulatory rules but also (expressly) within a related system of private remedies likely believes that a remedial exemption would similarly threaten that program. See Florida Prepaid Postsecondary Ed. Expense Bd. v. College Savings Bank, ante, at \_\_\_ ( Stevens, J., dissenting). It thereby avoids an enforcement gap which, when allied with the pressures of a competitive marketplace, could place the State's regulated private competitors at a significant disadvantage.

These considerations make Congress' need to possess the power to condition entry into the market upon a waiver of sovereign immunity (as "necessary and proper" to the exercise of its commerce power) unusually strong, for to deny Congress that power would deny Congress the power effectively to regulate private conduct. Cf. California v. Taylor, 353 U. S. 553, 566 (1957). At the same time they make a State's need to exercise sovereign immunity unusually weak, for the State is unlikely to have to supply what private firms already supply, nor may it fairly demand special treatment, even to protect the public purse, when it does so. Neither can one easily imagine what the Constitution's founders would have thought about the assertion of sovereign immunity in this special context. These considerations, differing in kind or degree from those that would support a general congressional "abrogation" power, indicate that Parden's holding is sound, irrespective of this Court's decisions in Seminole Tribe of Fla. v. Florida, 517 U. S. 44 (1996), and Alden v. Maine, ante, p. \_\_\_\_. [College Savings Bank v. Florida Prepaid Postsecondary Education Expense, 527 U.S. 666 (1999)]

Below is a definition of "sovereign immunity" from Black's Law Dictionary, Fifth Edition:

<u>Sovereign immunity</u>. Doctrine precludes litigant from asserting an otherwise meritorious cause of action against a sovereign or a party with sovereign attributes <u>unless sovereign consents to suit</u>. Principe Compania Naviera, S. A. v. Board of Com'rs of Port of New Orleans, D.C.La., 333 F.Supp. 353, 355. Historically, the federal and state governments, and derivatively cities and towns, were immune from tort liability arising from activities which were governmental in nature. Most jurisdictions, however, have abandoned this doctrine in favor of permitting tort actions with certain limitations and restrictions. See Federal Tort Claims Act; Governmental immunity; Tort Claims Acts.

[Black's Law Dictionary, Fifth Edition, p. 1252]

Notice the phrase above "unless the sovereign <u>consents</u> to the suit". The inherent legal presumption that all courts and governments must operate under is that all natural persons, artificial persons, "associations", "states" or "political groups":

1. Are inherently sovereign.

"The <u>rights</u> of sovereignty extend to all <u>persons</u> and things not privileged, that are within the <u>territory</u>. They extend to all strangers <u>resident</u> therein; not only to those who are <u>naturalized</u>, and to those who are domiciled therein, having taken up their abode with the intention of permanent residence, but also to those whose residence is transitory. All strangers are under the protection of the sovereign while they are within his territory and owe a temporary allegiance in return for that protection."

[Carlisle v. United States, 83 U.S. 147, 154 (1873)]

2. Have a right to be "left alone" by the government and their neighbor:

1 2 3	"The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect
4	Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the
5	Government, the right to be let alone - the most comprehensive of rights and the right most valued by
6	civilized men."
7 8	[Olmstead v. United States, 277 U.S. 438, 478 (1928) (Brandeis, J., dissenting); see also Washington v. Harper, 494 U.S. 210 (1990)]
9	3. Can <u>only</u> surrender a portion of their sovereignty and the rights that inhere in that sovereignty through their explicit (in
10	writing) or implicit (by their behavior) consent in some form.
11	In other words, everyone has a natural, inherent right of ownership over their own life, liberty, and property granted by the
12	Creator which can only be taken away by their own consent. The Declaration of Independence recognizes this natural right,
13	when it says:
14 15	We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of HappinessThat to
16	secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the
17	governed"
18	[Declaration of Independence]
19	The purpose for the establishment of all governments is therefore to protect these natural, God-given rights or what the U.S.
20	Supreme Court calls "liberty interests". Neither the Constitution, nor any enactment of Congress passed in furtherance of it
21	<i>confers</i> these rights, but simply <i>recognizes and protects</i> these natural, God-given rights. The U.S. Supreme Court admitted
22	this when it said:
23	"Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;'
24	and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which
25 26	a man has honestly acquired he retains full control of"  [Budd v. People of State of New York, 143 U.S. 517 (1892)]
20	[Buau v. Feople of State of New York, 145 O.S. 317 (1692)]
27	In law, all rights are identified as "property". This is confirmed by the definition of "property" in Black's Law Dictionary,
28	which says that "It extends to every species of valuable right":
29	"Property. That which is peculiar or proper to any person; that which belongs exclusively to one. In
30	the strict legal sense, an aggregate of rights which are guaranteed and protected by the
31	government. Fulton Light, Heat & Power Co. v. State, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said
32	to extend to every species of valuable right and interest. More specifically, ownership; the unrestricted
33	and exclusive right to a thing; the right to dispose of a thing in every legal way, to possess it, to use it,
34	and to exclude every one else from interfering with it. That dominion or indefinite right of particular things or
35	subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can
36	have to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which
37	no way depends on another man's courtesy.
38	The word is also commonly used to denote everything which is the subject of ownership; corporeal or
39	incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable
40	value or which goes to make up wealth or estate. It extends to every species of valuable right and interest, and
41 42	includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of one's property rights by actionable wrong. Labberton v. General Cas. Co. of America, 53
43	Wash.2d 180, 332 P.2d 250, 252, 254.
44	$[\cdots]$
45	Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical
46	thing, as right to possess, use and dispose of it. Cereghino v. State By and Through State Highway
47	Commission, 230 Or. 439, 370 P.2d 694, 697."
48	[Black's Law Dictionary, Sixth Edition, p. 1216]
49	Sovereign immunity can apply just as readily to governments as it can to individuals. A person who <i>doesn't</i> consent to any

aspect of government civil jurisdiction and who has no legal "domicile" or "residence" within that government's

jurisdiction is called a "foreign sovereign", and he or she or it is protected by the Foreign Sovereign Immunities Act found

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at 28 U.S.C. Part IV, Chapter 97:

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http://assembler.law.cornell.edu/uscode/html/uscode28/usc sup 01 28 10 IV 20 97.html

- Under the principles of sovereign immunity, it is internationally and nearly universally recognized by every country and 1
- nation and court on earth that every nation or state or individual or group are entitled to sovereign immunity and may only 2
- surrender a portion of that sovereignty or natural right over their property by committing one or more acts within a list of 3 4
  - specific qualifying acts. Any one of these acts then constitute the equivalent of "constructive or implicit consent" to the
- jurisdiction of the courts within that forum or state. These qualifying acts include any of the following, which are a 5
- summary of those identified in the Foreign Sovereign Immunities Act above: 6

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7 1. Being a "citizen" or "domiciliary" of the Forum or State in question. See 28 U.S.C. §1603(b)(3).

> An "agency or instrumentality of a foreign state" means any entity—which is neither a citizen of a State of the <u>United States</u> as defined in section <u>1332</u> (c) and (d) of this title, nor created under the laws of any third country.

- 2. Foreign state has waived its immunity either explicitly or by implication, notwithstanding any withdrawal of the waiver 11 which the foreign state may purport to effect except in accordance with the terms of the waiver. See 28 U.S.C. 12 13
  - 3. Commercial Activity within the Forum or State. See 28 U.S.C. §1605(b)(2).
    - 3.1. Action based upon a commercial activity carried on in the Forum or State by the foreign state; or
    - 3.2. Upon an act performed in the Forum or State in connection with a commercial activity of the foreign state elsewhere; or upon an act outside the territory of the Forum or State in connection with a commercial activity of the foreign state elsewhere and that act causes a direct effect in the Forum or State.
  - Rights to property taken in violation of international law. See 28 U.S.C. §1605(b)(3).
    - 4.1. Rights in property taken in violation of international law are in issue and that property or any property exchanged for such property is present in the Forum or State in connection with a commercial activity carried on in the Forum or State by the foreign state; or
    - 4.2. That property or any property exchanged for such property is owned or operated by an agency or instrumentality of the foreign state and that agency or instrumentality is engaged in a commercial activity in the Forum or State.
  - 5. Rights in property in the Forum or State acquired by succession or gift or rights in immovable property situated in the Forum or State are in issue. See 28 U.S.C. §1605(b)(4).
  - Money damages for official acts of officials of foreign state which cause injury, death, damage, loss of property in the Forum or State. Not otherwise encompassed in paragraph 3 above in which money damages are sought against a foreign state for personal injury or death, or damage to or loss of property, occurring in the Forum or State and caused by the tortious act or omission of that foreign state or of any official or employee of that foreign state while acting within the scope of his office or employment. See 28 U.S.C. §1605(b)(4). Except this paragraph shall not apply to:
    - 6.1. any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function regardless of whether the discretion be abused, or
    - 6.2. any claim arising out of malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights;
  - 7. Contracts between private party and foreign state: See 28 U.S.C. §1605(b)(6). Action is brought, either to enforce an agreement made by the foreign state with or for the benefit of a private party to submit to arbitration all or any differences which have arisen or which may arise between the parties with respect to a defined legal relationship, whether contractual or not, concerning a subject matter capable of settlement by arbitration under the laws of the Forum or State, or to confirm an award made pursuant to such an agreement to arbitrate, if.
    - 7.1. The arbitration takes place or is intended to take place in the Forum or State,
    - 7.2. The agreement or award is or may be governed by a treaty or other international agreement in force for the Forum or State calling for the recognition and enforcement of arbitral awards,
    - 7.3. The underlying claim, save for the agreement to arbitrate, could have been brought in a Forum or State court under this section or section 1607, or (D) paragraph (1) of this subsection is otherwise applicable; or
  - Money damages for acts of terrorism by foreign state: Not otherwise covered by paragraph 3 in which money damages are sought against a foreign state for personal injury or death that was caused by an act of torture, extrajudicial killing, aircraft sabotage, hostage taking, or the provision of material support or resources (as defined in section 2339A of title 18) for such an act if such act or provision of material support is engaged in by an official, employee, or agent of such foreign state while acting within the scope of his or her office, employment, or agency. See 28 U.S.C. §1605(b)(7). Except that the court shall decline to hear a claim under this paragraph:

8.2. even if the foreign state is or was so designated, if—

- 8.2.1. the act occurred in the foreign state against which the claim has been brought and the claimant has not afforded the foreign state a reasonable opportunity to arbitrate the claim in accordance with accepted international rules of arbitration; or
- 8.2.2. neither the claimant nor the victim was a national of the Forum or State (as that term is defined in section 101(a)(22) of the Immigration and Nationality Act) when the act upon which the claim is based occurred.

From the above list, two items are abused by your public servants more frequently than any others in order to unwittingly destroy your sovereignty, your inherent sovereign immunity, and to unlawfully expand their jurisdiction beyond the clear limits described by the United States Constitution:

- 1. <u>Item 1: How they or you describe your citizenship and domicile</u>. The federal government abuses their authority to write laws and print forms by writing them in such a vague way that they appear to create a presumption that you are a "citizen" with a legal domicile within their jurisdiction. They do this by:
  - 1.1. Only offering you <u>one</u> option to describe your citizenship on their forms, which is a "U.S. citizen". This creates a presumption that you are a statutory "U.S. citizen" pursuant to <u>8 U.S.C. §1401</u> who is domiciled within their exclusive jurisdiction. Since they don't offer you the option to declare yourself a state citizen or state national, then most people wrongfully presume that there is no such thing or that they are not one, even though they are. See:

Why you are a "national" or "state national" and not a "U.S. citizen", Form #05.006 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- 1.2. Using citizenship terms on their forms which are not described in any federal statute, such as "U.S. citizen". This term is nowhere used in Title 8 of the U.S. Code. The only similar term is "citizen and national of the United States", which is defined in 8 U.S.C. §1401.
- 2. <u>Item 3: The government connects you to commerce within their legislative jurisdiction</u>. They do this by:
  - 2.1. Presuming that you are connected to commerce by virtue of using a Social Security Number or Taxpayer Identification Number.
  - 2.2. Terrorizing and threatening banks and financial institutions to unlawfully coerce their customers insist on Social Security Numbers in criminal violation of 42 U.S.C. §408. Any financial account that has a federally issued number associated with it is presumed to be private properly donated to a public use in order to procure a privilege from the government, whether it be a tax deduction associated with a "trade or business" (public office) as described in 26 U.S.C. §162, or "social insurance" in the case of Socialist Security.
  - 2.3. Making false, prejudicial, and unconstitutional presumptions about the meaning of the term "United States", which is defined in 26 U.S.C. §7701(a)(9) and (a)(10) as the District of Columbia in the context of Subtitle A of the Internal Revenue Code and nowhere expanded to include any area within the exclusive jurisdiction of a state of the Union. See:

<u>Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction</u>, Form #05.017 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- Why are the above methods of waiving sovereign immunity and the rights of sovereignty associated with them nearly universally recognized by every country, court, and nation on earth? Because:
  - 1. These rights come from God, and God is universally recognized by people and cultures all over the world.
  - 2. Everyone deserves, needs, and wants as much authority, autonomy, and control over their own life and property as they can get, consistent with the <u>equal</u> rights of others. In other words, they have a right of being self-governing. Of this subject, one of our most revered Presidents, Teddy Roosevelt, said:

"We of this mighty western Republic have to grapple with the dangers that spring from popular self-government tried on a scale incomparably vaster than ever before in the history of mankind, and from an abounding material prosperity greater also than anything which the world has hitherto seen.

As regards the first set of dangers, it behooves us to remember that men can never escape being governed. Either they must govern themselves or they must submit to being governed by others. If from lawlessness or fickleness, from folly or self-indulgence, they refuse to govern themselves then most assuredly in the end they

When a person commits a crime (violation of a criminal or penal code) on the territory of a foreign state and thereby

injures the equal rights of fellow sovereigns, they are deemed implicitly consent to a surrender of their own rights. They do not need a domicile or residence on the territory of the sovereign in order to become subject to the criminal laws of that sovereign. This is because every nation, state, or foreign sovereign has an inherent and natural right of self-defense. Implicit in this right is the God-given authority to use whatever force is necessary to prevent an injury to their person, property, or liberty from the malicious or harmful acts of others.

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- 4. When a man sticks his pecker in a hole, he is presumed by voluntarily engaging in such an act to consent to all the obligations arising out of such a "privilege". This includes implied consent to pay all child support obligations that might accrue in the future by virtue of such an act. Marriage licenses are the state's vain attempt to protect the owner of the hole from being injured by either irresponsible visitors or their poor discretion in choosing or allowing visitors, and not a whole lot more. In this context, as in nearly all other contexts, the government offers a privilege or "license" which essentially amounts to a form of "liability insurance". You can only benefit from the insurance program by voluntarily "signing up" when you make application to procure the license.
- 5. When a person avails themselves of a benefit or "privilege" offered by the government, they implicitly consent to be bound by all the obligations arising out of it.

CALIFORNIA CIVIL CODE DIVISION 3. OBLIGATIONS PART 2. CONTRACTS CHAPTER 3. CONSENT

Section 1589

1589. A voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting.

Below are some examples of "benefits" that might fit this description, all of which amount to the equivalent of private insurance offered by what amounts to a for profit, government-owned corporation:

- 5.1. Social Security.
- 5.2. Medicare.

- 5.3. Unemployment insurance.
- 5.4. <u>Federal employment</u>. Anyone who exercises their right to contract in order to procure federal employment implicitly agrees to be bound by all of Title 5 of the United States Code.
- 5.5. <u>Registering a vehicle</u>. You are not required to register your vehicle in a state. Most people do it to provide added protection of their ownership over the vehicle. When they procure this privilege, they also confer upon the state the right to require those who drive the vehicle to use a license. A vehicle that is not so registered, and especially by a non-domiciled person, can lawfully be driven by such a person without the need for a driver's license.
- 5.6. <u>Professional licenses</u>. A "license" is legally defined as permission by the state to do that which is otherwise illegal. A professional licenses is simply an official recognition of a person's professional status. It is illegal to claim the benefits of that recognition unless you possess the license. The government has moral and legal authority to prevent you only from engaging in criminal and harmful behaviors, not ALL behaviors. Therefore, the only thing they can lawfully "license" are potentially harmful activities, such as manufacturing or selling alcohol, drugs, medical equipment, or toxic substances. Any other type of license, such as an attorney license, is a voluntary privilege that they cannot prosecute you for refusing to engage in.
- 5.7. <u>Driver's licenses</u>. All states can only issue or require driver's licenses of those domiciled in federal areas or territory within the exterior limit of the state. They cannot otherwise regulate the free exercise of a right. Since federal territory or federal areas are the only place where these legal rights do NOT exist, then this is the only place they can lawfully regulate the right to travel.
- 5.8. <u>Statutory marriage</u>. Most states have outlawed common law marriage. Consequently, the only way you can become subject to the family code in your state is to voluntarily procure a government license to marry.

When a foreign state explicitly (in writing) or implicitly (through their conduct) consents to the jurisdiction of a sister Forum or State, they are deemed to be "present" within that state legally, but not necessarily physically. Here is how the Ninth Circuit Court of Federal Appeals describes this concept:

In International Shoe Co. v. Washington, 326 U.S. 310 (1945), the Supreme Court held that a court may exercise personal jurisdiction over a defendant consistent with due process only if he or she has "certain minimum contacts" with the relevant forum "such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.' "Id. at 316 (quoting Milliken v. Meyer, 311 U.S. 457, 463 (1940)). Unless a defendant's contacts with a forum are so substantial, continuous, and systematic that the defendant can be deemed to be "present" in that forum for all purposes, a forum may exercise only "specific" jurisdiction - that is, jurisdiction based on the relationship between the defendant's forum contacts and the plaintiff's claim.

[...]

In this circuit, we analyze specific jurisdiction according to a three-prong test:

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1	(1) The non-resident defendant must purposefully direct his activities or consummate some transaction with
2	the forum or resident thereof; or perform some act by which he purposefully avails himself of the privilege
3	of conducting activities in the forum, thereby invoking the benefits and protections of its laws;
4	(2) the claim must be one which arises out of or relates to the defendant's forum-related activities; and
5	(3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e. it must be reasonable.
6	Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802 (9th Cir. 2004) (quoting Lake v. Lake, 817 F.2d
7	1416, 1421 (9th Cir. 1987)). The first prong is determinative in this case. We have sometimes referred to it, in
8	shorthand fashion, as the "purposeful availment" prong. Schwarzenegger, 374 F.3d at 802. Despite its label,
9	this prong includes both purposeful availment and purposeful direction. It may be satisfied by purposeful
10	availment of the privilege of doing business in the forum; by purposeful direction of activities at the forum; or
11	by some combination thereof.
12	[Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme, 433 F.3d 1199 (9th Cir. 01/12/2006)]

Understanding the above concept is the key to unlocking what many freedom lovers instinctively regard as "the fraud of the income tax". Most freedom lovers understand that the federal government has no territorial jurisdiction within states of the Union, but they simply <u>do not</u> understand where the lawful authority of federal courts derives to treat them as either "residents" as defined in <u>26 U.S.C. §7701(b)(1)(A)</u> or "U.S. persons" as defined in <u>26 U.S.C. §7701(a)(30)</u>. The key to unraveling this puzzle is to understand that the courts are silently "presuming" that at some time in the past, you voluntarily availed yourself of a commercial federal "privilege" and thereby waived your sovereign immunity under <u>28 U.S.C.</u> §1605(a)(2). An example of how this waiver occurred is by signing up for the Social Security program on an SS-5 form. When you signed up for that program:

- 21 1. You made a decision to conduct "commerce" within the legislative jurisdiction of the sovereign.
- 22 2. Pursuant to 28 U.S.C. §1605(a)(2), you surrendered or "waived" sovereign immunity.
  - 3. Your status changed from that of a "nonresident alien" as defined in 26 U.S.C. §7701(b)(1)(B) to a "resident alien" as defined in 26 U.S.C. §7701(b)(1)(A).
    - 4. You became a legal "resident" who is "present" within the forum. A "resident" is a "res", which is a legal thing, which is "identified" within the forum. You in essence "procured" a legal identity within the forum that the forum recognizes in the courts, even though you may never have been physically present or domiciled in the federal zone.
    - 5. You made a decision to act in a representative capacity as a "public official" engaged in a "trade or business". This person is a "trustee" of a Social Security Trust that is domiciled in the District of Columbia. Pursuant to Federal Rule of Civil Procedure 17(b), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d), your effective domicile under the terms of the Social Security Franchise Agreement as an "agent" acting in a representative capacity for the "trust" that it creates then becomes the District of Columbia, regardless of where you physically reside.
    - 6. You consented to the jurisdiction of the federal courts to supervise and administer the benefit for all.
    - 7. You implicitly agreed to waive all rights that might otherwise have been injured in complying with the obligations arising out of the program:

"The Government urges that the Power Company is estopped to question the validity of the Act creating the Tennessee Valley Authority, and hence that the stockholders, suing in the right of the corporation, cannot [297 U.S. 323] maintain this suit. ..... The principle is invoked that one who accepts the benefit of a statute cannot be heard to question its constitutionality. Great Falls Manufacturing Co. v. Attorney General, 124 U.S. 581; Wall v. Parrot Silver & Copper Co., 244 U.S. 407; St. Louis Casting Co. v. Prendergast Construction Co., 260 U.S. 469."

[Ashwander v. Tennessee Valley Auth., 297 U.S. 288 (1936)]

"...when a State willingly accepts a substantial benefit from the Federal Government, it waives its immunity under the Eleventh Amendment and consents to suit by the intended beneficiaries of that federal assistance." [Papasan v. Allain, 478 U.S. 265 (1986)]

Use of a Social Security Number, in most cases, is all the evidence that the courts will usually need in order to conclude that you "voluntarily consent" to participate in the program. Consequently, either using an SSN or TIN or allowing others to use one against you <u>without</u> objecting constitutes what the courts would say is "prima facie evidence of consent" to be bound by the Social Security Act as well as all the provisions of the Internal Revenue Code, Subtitle A. These two "codes" form the essence of a "federal employment agreement" or "contract", which all who receive government benefits become bound by. In essence, failure to deny evidence of consent creates a presumption of consent. This process is described in the legal field by the following names and you can also find it in Federal Rule of Civil Procedure 8(d), which says that a failure to deny constitutes an admission for the purposes of meeting the burden of proving a fact:

1. Implied consent.

- 1 2. Constructive consent.
  - 3. Tacit procuration.

document:

"Procuration.. Agency; proxy; the act of constituting another one's attorney in fact. The act by which one person gives power to another to act in his place, as he could do himself. Action under a power of attorney or other constitution of agency. Indorsing a bill or note "by procuration" is doing it as proxy for another or by his authority. The use of the word procuration (usually, per procuratione, or abbreviated to per proc. or p. p.) on a promissory note by an agent is notice that the agent has but a limited authority to sign.

An express procuration is one made by the express consent of the parties. An implied or tacit procuration takes place when an individual sees another managing his affairs and does not interfere to prevent it. Procurations are also divided into those which contain absolute power, or a general authority, and those which give only a limited power. Also, the act or offence of procuring women for lewd purposes. See also Proctor." [Black's Law Dictionary, Fifth Edition, pp. 1086-1087]

Notice the above phrase "act or offense of procuring women for lewd purposes". This describes basically the act of hiring a WHORE, and that is EXACTLY what you become if condone or allow the government do this to you, folks! This fact explains EXACTLY who Babylon the Great Harlot is as described in the Bible Book of Revelations. Babylon the Great Harlot is a symbol or metaphor for all those who are willing to trade their virtue, allegiance, or control over their property or liberty over to a government in exchange for a life of pleasure, ignorance, luxury, and irresponsibility. She is fornicating with "The Beast", which is described in Revelations 19:19 as "the kings of the earth", who today are our modern corrupted political rulers.

Retraxit by tacit procuration. This is where you withdraw your standing to claim rights in any matter as Plaintiff.

"Retraxit. Lat. He has withdrawn. A retraxit is a voluntary renunciation by plaintiff in open court of his suit and cause thereof, and by it plaintiff forever loses his action. Virginia Concrete Co. v. Board of Sup'rs of Fairfax County, 197 Va. 821, 91 S.E.2d 415, 419. It is equivalent to a verdict and judgment on the merits of the case and bars another suit for the same cause between the same parties. Datta v. Staab, 343 P.2d 977, 982, 173 C.A.2d 613. Under rules practice, this is accomplished by a voluntary dismissal. Fed.R.Civil P. 41(a)." [Black's Law Dictionary, Fifth Edition, pp. 1183-1185]

The courts won't document and will vociferously avoid explaining or justifying these prejudicial presumptions about the use of government identifying numbers because if they did, then you would understand where their jurisdiction derives and withdraw yourself from it and destroy the only source of their jurisdiction. The courts also know that all "presumption" is a violation of due process that is unconstitutional if it undermines your Constitutional rights so they will never call it what it is because it will destroy most of their authority and importance. This is exhaustively explained in the following pamphlet:

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

Therefore, the above is just something you have to know and practical experience has taught us that this is the truth. If you would like to learn more about how the above process of how social security is used to lawfully deceive and enslave the legally ignorant and unsuspecting American "sheep" public at large, read the following fascinating and very enlightening

Resignation of Compelled Social Security Trustee, Form #06.002 http://sedm.org/Forms/FormIndex.htm

Courts are not reluctant at all to recognize the principle of sovereign immunity in the context of foreign governments whose existence they officially recognize. They must do this because if they don't, they won't get any cooperation from these governments, which they frequently need in dealing with international problems. However, they are frequently *much less willing* to recognize the equally inherent and divinely inspired sovereignty of natural persons or individuals because they don't want to interfere with their ability to con these people or entities into volunteering for their commercial insurance, license, franchise, and other scams described above. Earlier courts, however, were much more honorable and therefore willing to recognize this inherent sovereignty of natural persons. Below is one often quoted example used within the freedom community:

"The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to the State or to his neighbor to divulge his business, or to open his doors to an investigation, so far as it may tend to criminate him. He owes no

1	such duty to the State, since he receives nothing therefrom, beyond the protection of his life and property. His
2	rights are such as existed by the law of the land long antecedent to the organization of the State, and can only
3	be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a
4	refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under
5	a warrant of the law. He owes nothing to the public so long as he does not trespass upon their rights."
6	[Hale v. Henkel, 201 U.S. 43, 74 (1906)]

7 Because the courts are self-interestedly engaging in a refusal to recognize the sovereignty and sovereign immunity of We the People as natural persons, sometimes we have to twist their arms by using some of the following principles as the 8 equivalent of "legal rhetoric", which principles are both rational and indisputable by all but possibly insane or STUPID 9 people: 10

1. In the United States, ALL sovereignty resides not in the government, but in the people.

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                              "There is no such thing as a power of inherent sovereignty in the government of the United States...In this
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                             country sovereignty resides in the people, and Congress can exercise no power which they have not, by their
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                             Constitution entrusted to it. All else is withheld.'
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                             [Juilliard v. Greenman, 110 U.S. 421 (1884): ]
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                              "In the United States, sovereignty resides in the people...the Congress cannot invoke sovereign power of the
                             People to override their will as thus declared."
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                             [Perry v. U.S., 294 U.S. 330 (1935)]
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2. All powers of the federal and state governments derive from and are delegated by We the People through our state and federal constitutions.

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"Sovereignty itself is, of course, not subject to law, for it is the author and source of law...While sovereign
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                             powers are delegated to...the government, sovereignty itself remains with the people.'
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                             [Yick Wo v. Hopkins, 118 U.S. 356 (1886): ]
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                              "... The governments are but trustees acting under derived authority and have no power to delegate what is not
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                             delegated to them. But the people, as the original fountain might take away what they have delegated and
                             intrust to whom they please. ... The sovereignty in every state resides in the people of the state and they may
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                             alter and change their form of government at their own pleasure."
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                             [Luther v. Borden, 48 U.S. 1, 12 LEd 581 (1841)]
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- 3. Every species of legislative power and authority that the government possesses is therefore explicitly *delegated* to it by 29 We the People. This concept is called "enumerated powers" by the courts. 30
  - The People cannot delegate an authority that they themselves do not inherently possess.

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"Derivativa potestas non potest esse major primitive. 43
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                              The power which is derived cannot be greater than that from which it is derived."
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                             [Bouvier's Law Dictionary Unabridged, 8th Edition, pg. 2131
                              "Quod per me non possum, nec per alium.. 44
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                              What I cannot do in person, I cannot do through the agency of another."
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                             [Bouvier's Law Dictionary Unabridged, 8th Edition, pg. 2159]
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- 5. The method by which people voluntarily delegate their authority is by choosing a domicile within the state or government and thereby nominating a "protector" who now has a legal right to enforce the payment of "tribute" or "protection money" in order to sustain the protection that was asked for.
- 6. Those who have not nominated a protector by voluntarily choosing a domicile within the state thereby reserve ALL
- 7. Since governments inherently possess "sovereign immunity", then We the People must also possess that authority, 43 because the government cannot have any authority that the people did not, but their Constitution and their choice of 44 45 domicile, delegate to it.

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<sup>&</sup>lt;sup>43</sup> Wing. Max. 36: Pinch. Law, b. 1. c. 3, p. 11.

<sup>&</sup>lt;sup>44</sup> 4 Co. 24 b: 11 id. 87 a.

- 8. The foundation of the Constitution is the notion of equal protection of the law, whereby all are equal under the law. This concept is documented, for instance, in section 1 of the Fourteenth Amendment. This notion carries with it the requirement that every "person" has *equal rights* under the law:
  - 8.1. The only way that rights can be "unequal" within any given population is for you to consensually give up some of them, for instance, by procuring some government "privilege".
  - 8.2. If the government is treating you differently than someone else, by, for instance, making you pay more money for the same service that someone else is paying for, then it is engaging in unequal protection. Therefore, it is safe to conclude that this service has nothing to do with protection and is a private, for-profit government business not authorized by the Constitution.
- If you would like to learn more about the above summation, we enthusiastically endorse the following excellent FREE electronic book which exhaustively and constitutionally analyzes all of these concepts:

Treatise on Government, Joel Tiffany

http://famguardian.org/Publications/TreatiseOnGovernment/TreatOnGovt.pdf

- The notion of sovereign immunity also provides a way to explain how the principle of federalism works, as we described it in the previous section:
  - 1. States of the Union qualify as "foreign states" and "foreign sovereigns" in relation to the federal government.
  - 2. "Citizens" and municipalities within these foreign states" and "foreign sovereigns" may be described as "instrumentalities of a foreign state", by virtue of the fact that they directly administer the affairs of the foreign state they occupy as voters and jurists and "taxpayers".

<u>TITLE 28</u> > <u>PART IV</u> > <u>CHAPTER 97</u> > § 1603 <u>§ 1603. Definitions</u>

For purposes of this chapter—

- (a) A "foreign state", except as used in section 1608 of this title, includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as defined in subsection (b).
- (b) An "agency or instrumentality of a foreign state" means any entity—
  - (1) which is a separate legal person, corporate or otherwise, and
    - (2) which is an organ of a foreign state or political subdivision thereof, or a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof, and
    - (3) which is neither a citizen of a State of the United States as defined in section 1332 (c) and (d) of this title, nor created under the laws of any third country.
- 3. The Supreme Court recognized how "citizens" administer the government they created and continue to sustain with their tax dollars and as voters and jurists when they said:

"The words 'people of the United States' and 'citizens,' are synonymous terms, and mean the same thing. They both describe the political body who, according to our republican institutions, form the sovereignty, and who hold the power and conduct the government through their representatives. They are what we familiarly call the 'sovereign people,' and every citizen is one of this people, and a constituent member of this sovereignty. ..."

[Boyd v. State of Nebraska, 143 U.S. 135 (1892):]

4. When these "foreign states" and "foreign sovereigns" wish to cooperate in achieving a common goal, they may voluntarily band together and under the principles of "comity", may enact laws prescribing and recognizing these international agreements:

"comity. Courtesy; complaisance; respect; a willingness to grant a privilege, not as a matter of right, but out of deference and good will. Recognition that one sovereignty allows within its territory to the legislative, executive, or judicial act of another sovereignty, having due regard to rights of its own citizens. Nowell v. Nowell, Tex.Civ.App., 408 S.W.2d 550, 553. In general, principle of "comity" is that courts of one state or jurisdiction will give effect to laws and judicial decisions of another state or jurisdiction, not as a matter of obligation, but out of deference and mutual respect. Brown v. Babbitt Ford, Inc., 117 Ariz. 192, 571 P.2d 689, 695. See also Full faith and credit clause."

[Black's Law Dictionary, Sixth Edition, page 267]

5. Federalism simply describes the principle whereby:

- 5.1. No one of these co-equal sovereign and foreign states may exercise legislative jurisdiction within the borders of a fellow foreign state.
- 5.2. When jurisdiction is asserted within one of these states by the federal government, then explicit proof consent must be produced in some form in order for the courts to enforce the legal rights or activities that it is regulating or administering. This is consistent with item 28 U.S.C. §1605(b)(1) within the Foreign Sovereign Immunities Act, which says that states may surrender their sovereign immunity by their consent.
- 5.3. The consent required to be demonstrated under the principles of federalism can be either explicit (in writing or by legislative enactment) or implicit (by their conduct). For example, when a foreign state of the Union engages in <a href="interstate commerce">interstate commerce</a>, it is "presumed" pursuant to Article 1, Section 8, Clause 3 of the constitution to have "consented" to the jurisdiction of the federal government to regulate said commerce and to obey all enactments of Congress which might lawfully regulate said commerce. Here is how the U.S. Supreme Court described this concept:

"Recognition of the congressional power to render a State suable under the FELA does not mean that the immunity doctrine, as embodied in the Eleventh Amendment with respect to citizens of other States and as extended to the State's own citizens by the Hans case, is here being overridden. It remains the law that a State may not be sued by an individual without its consent. Our conclusion is simply that Alabama, when it began operation of an interstate railroad approximately 20 years after enactment of the FELA, necessarily consented to such suit as was authorized by that Act. By adopting and ratifying the Commerce Clause, the States empowered Congress to create such a right of action against interstate railroads; by enacting the FELA in the exercise of this power, Congress conditioned the right to operate a railroad in interstate commerce upon amenability to suit in federal court as provided by the Act; by thereafter operating a railroad in interstate commerce, Alabama must be taken to have accepted that condition and thus to have consented to suit."

[Parden v. Terminal R. Co., 377 U.S. 184 (1964)]

# 8 Compelled participation in franchises and licensed activities

All franchises are contracts between the grantor and the grantee that result in a voluntary surrender of rights by both parties. This surrender of rights constitutes the mutual consideration exchanged between the parties. The main purpose for the establishment of all governments is the protection and preservation of these rights by preventing and punishing their INVOLUNTARY surrender. All contracts and agreements, including franchise agreements, require voluntary consent completely absent any kind of duress. Furthermore, the Constitution forbids interference by a state government with your right to contract.

U.S. Constitution Article 1, Section 10.

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 <u>No State shall</u> enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; <u>pass any</u> Bill of Attainder, ex post facto Law, <u>Law impairing the Obligation of Contracts</u>, or grant any Title of Nobility.

The U.S. Supreme Court has also said that the federal government also may not lawfully interfere with your right to contract.

"Independent of these views, there are many considerations which lead to the conclusion that the power to impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with the general [federal] government. In the first place, one of the objects of the Constitution, expressed in its preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of compact were established between the people of the original States and the people of the Territory, for the purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty, upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and the majority of the court at the time, that it was clear 'that those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body

1	of legislation, and that the justice which the Constitution was ordained to establish was not thought by then
2	to be compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700
3	765] Similar views are found expressed in the opinions of other judges of this court."
4	[Sinking Fund Cases, 99 U.S. 700 (1878)]

- 5 It is therefore self-evident that no government may lawfully either compel you to contract, to not contract, or to prescribe
- 6 the terms and conditions under which you must contract. Since all franchises are contracts, the implication is that no
- 7 government may lawfully compel you to:
- 8 1. Sign a franchise agreement.

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- 9 2. Apply for a license of any kind, which is the equivalent of consenting to a franchise.
- 3. Lie on the franchise agreement or application for benefits by penalizing or threatening to penalize you for truthfully disclosing that you were under duress in signing it.
- 4. Accept any benefit or obligation arising out of a franchise against your will. This would constitute involuntary servitude in violation of the Thirteenth Amendment, 42 U.S.C. §1994, and 18 U.S.C. §1589.
- 5. Deprive you of the right to require that your consent MUST be procured ONLY in writing and that all rights surrendered must appear on the contract itself.
- 16 6. Reserve all your rights pursuant to UCC 1-308 when signing said franchise agreements.
  - 7. Prescribe the terms under which your signature or penalty of perjury statement on the signature are provided.
- What governments do to circumvent the above limitations upon their authority is to try to avoid or hide the requirement for explicit implicit consent:
- 1. Judges refusing to require that evidence of consent must appear on the record of the litigation when the government's jurisdiction to enforce the terms of the franchise is challenged in a court of law. This approach violates the presumption of innocense until proven guilty that is the foundation of American jurisprudence. If a person is presumed innocent until proven guilty, then he must also be presumed to be EXEMPT from all government franchises and OTHER than a "franchisee" until the government produces admissible evidence of consent to the franchise on the record of the judicial proceeding.
- 26. They write the franchise agreement so that that explicit written consent is <u>not</u> required and within the franchise agreement, create unconstitutional and prejudicial "statutory presumptions" which <u>imply</u> consent based on partaking of the benefits of the franchise. One's conduct in partaking of the benefits of the franchise then provides evidence of "implied consent".

CALIFORNIA CIVIL CODE DIVISION 3. OBLIGATIONS PART 2. CONTRACTS CHAPTER 3. CONSENT Section 1589

1589. A voluntary acceptance of the benefit of a [government benefit] transaction is equivalent to a consent to all the obligations [and legal liabilities] arising from it, so far as the facts are known, or ought to be known, to the person accepting.

3. They unlawfully apply penalties authorized under the franchise agreement against those who clearly are not party to the franchise agreement. For instance, they penalize "nontaxpayers" for refusing to act like "taxpayers". This is one of the main methods by which they recruit more "taxpayers" and franchisees, in fact, and it is highly illegal because it constitutes an unlawful "bill of attainder", which is a penalty against other than a franchisee without a court trial.

Bill of attainder. Legislative acts, no matter what their form, that apply either to named individuals or to easily ascertainable members of a group in such a way as to inflict punishment on them without a judicial trial. United States v. Brown, 381 U.S. 437, 448-49, 85 S.Ct. 1707, 1715, 14 L.Ed. 484, 492; United States v. Lovett, 328 U.S. 303, 315, 66 S.Ct. 1073, 1079, 90 L.Ed. 1252. An act is a "bill of attainder" when the punishment is death and a "bill of pains and penalties" when the punishment is less severe; both kinds of punishment fall within the scope of the constitutional prohibition. U.S. Const. Art. I, Sect 9, Cl. 3 (as to Congress); 'Art. I, Sec, 10 (as to state legislatures). [Black's Law Dictionary, Sixth Edition, page 165]

51 4. They make those who administer the franchise exempt from liability for false or fraudulent statements or acts, which constitutes a license to LIE to the public. This license to lie to the public is then used to:

4.1. Deceive the public into believing that EVERYONE is a party to the franchise by calling EVERYONE a "taxpayer". The term "taxpayer" is defined in 26 U.S.C. §7701(a)(14) as a person subject to the IRC. Only those who consent can be subject, and so by calling everyone a "taxpayer", they are making a presumption that EVERYONE consents to be party to the franchise agreement. These tactics are exhaustively exposed in the following free pamphlet:

Who are "Taxpayers" and Who Needs and "Taxpayer Identification Number"?, Form #05.013 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- 4.2. Falsely describe the franchise agreement as "public law" that applies equally to everyone, rather than "private law" which applies only to those who explicitly or implicitly consent.
- 4.3. Falsely state that EVERYONE has an affirmative legal duty to regularly submit evidence to the government which connects their neighbors, employees, and friends to participation in the franchise. For instance, the IRS encourages EVERYONE to file information returns for all payments to anyone, including those that are NOT connected to the "trade or business" franchise. This FRAUD is exhaustively described in the following pamphlet on our website:

<u>Correcting Erroneous Information Returns</u>, Form #04.012 http://sedm.org/Forms/FormIndex.htm

For further details on how they license public servants to LIE, see the following amazine article:

<u>Federal Courts and the IRS' Own IRM Say IRS is NOT RESPONSIBLE for Its Actions or its Words or For Following Its Own Written Procedures</u>

 $\underline{http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm}$ 

- 5. By refusing to provide remedies to the public to correct evidence submitted by third parties which might connect them to the franchise. For instance, refusing to provide a form or procedure to the public which would correct erroneous IRS form W-2's submitted by ignorant private employers WITHOUT submitting a tax return to the government that FURTHER violates the right to privacy. 26 U.S.C. §6041(a) says that the IRS Form W-2 is the method for connecting workers to the "trade or business" franchise, which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". The only form provided by the IRS for remedying false W-2's that the falsely worker can submit is IRS form 4852, and this form can ONLY be submitted attached to a fully completed tax return. There is no method provided to correct these false W-2 reports WITHOUT submitting a tax return.
- 6. They silently "presume" that you consented. This makes the process of consent effectively "invisible" and then becomes a vehicle to falsely claim to the public that "participation is mandatory". All such presumptions which might injure a constitutionally guaranteed right are unconstitutional and a violation of due process of law. See:

<u>Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction</u>, Form #05.017 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

7. They issue an identifying number in association with signing up for the franchise which is public property and then silently presume that use of this public property constitutes constructive consent to the terms of the franchise agreement. This is how Social Security and the federal and state income taxes works. See:

<u>About SSNs and TINs on Government Forms and Correspondence</u>, Form #05.012 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

If you would like to know more about the above kinds of games in fraudulently procuring your consent, we refer you to the following detailed treatment on our website:

<u>Requirement for Consent</u>, Form #05.003 http://sedm.org/Forms/FormIndex.htm

- Those who value their freedom should be on the lookout for all of the above types of usurpations and take extraordinary
- steps to ensure that they are not victimized by them. You can find forms and tools for doing this both in the next section
- and later in section 12

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# 9 Questioning exercise, misuser, or nonuser of franchise rights

Where one attempts to justify acts by a pretended franchise which the grantor had no power whatever to confer, a court, whether of law or equity, can discover that fact and deny the claim of justification. It matters not whether such defect of

power rests on the state itself or on any of its subordinate agencies attempting its exercise. <sup>45</sup> An information in the nature of quo warranto is the remedy ordinarily resorted to for the purpose of determining the right to exercise franchise privileges and of preventing the usurpation or unlawful exercise thereof. However, other remedies may be available to enforce the forfeiture of a franchise for nonuser or misuser, and where there is a grant and acceptance of a public franchise which imposes certain obligations on the corporation to which the franchise is granted, a writ of mandamus will issue, in a proper case, to compel the performance of the public duty imposed on it. Furthermore, it is well recognized that a court of equity may, at the suit of the state or municipality granting a franchise, by injunction compel a recalcitrant public service corporation to abide by its terms—and this although no actual injury results to the state or municipality from the corporation's violation of the franchise. The corporation's breach of the contract, especially if it arises out of the doing of an act which the contract declares shall not be done, is deemed presumptively to result in the oppression of the citizens of the state. <sup>46</sup>

It has been decided that an injunction will lie at the suit of private parties to restrain acts in excess and abuse of a franchise resulting in private injury. <sup>47</sup> However, as a general rule, the right to question the validity of a franchise is in the authority which granted it, and equity will not interfere by injunction to determine the validity of a franchise unless the complainant shows that he will suffer some peculiar injury, and not merely an injury in common with the body of the citizens. <sup>48</sup> There are also authorities which deny the right of private persons in their own names—in the absence of statutory authorization—when their interests are only in common with the public, to compel the performance by quasi-public corporations of a duty to the public. The reason is that if one individual may interpose, any other may, and since the decision in one individual case would be no bar to any other, there would be no end to litigation and strife. <sup>49</sup>

#### 10 How statutory franchises and "public rights" affect your standing in federal court

## 10.1 Background

A very important aspect of determining choice of law in any controversy that could be heard in either a state or federal court is the concept of government "franchises". A franchise is any statutory system created by the government which results in some kind of perceived "benefit" or "privilege". Such franchises are frequently called "public rights" by the courts.

FRANCHISE. A special privilege conferred by government on individual or corporation, and which does not belong to citizens of country generally of common right. Elliott v. City of Eugene, 135 Or. 108, 294 P. 358, 360. In England it is defined to be a royal privilege in the hands of a subject.

A "franchise," as used by Blackstone in defining quo warranto, (3 Com. 262 [4th Am. Ed.] 322), had reference to a royal privilege or branch of the king's prerogative subsisting in the hands of the subject, and must arise from the king's grant, or be held by prescription, but today we understand a franchise to be some special privilege conferred by government on an individual, natural or artificial, which is not enjoyed by its citizens in general. State v. Fernandez, 106 Fla. 779, 143 So. 638, 639, 86 A.L.R. 240.

In this country a franchise is a privilege or immunity of a public nature, which cannot be legally exercised without legislative grant. To be a corporation is a franchise. The various powers conferred on corporations are franchises. The execution of a policy of insurance by an insurance company [e.g. Social Insurance/Socialist Security], and the issuing a bank note by an incorporated bank [such as a Federal Reserve NOTE], are franchises. People v. Utica Ins. Co.. 15 Johns., N.Y., 387, 8 Am.Dec. 243. But it does not embrace

Government Instituted Slavery Using Franchises
Copyright Sovereignty Education and Defense Ministry, <a href="http://sedm.org">http://sedm.org</a>
Form 05.034, Rev. 6-9-2007

<sup>&</sup>lt;sup>45</sup> New Orleans Gaslight Co. v Louisiana Light & H. P. & Mfg. Co. 115 US 650, 29 L ed 516, 6 S Ct 252; Milhau v Sharp, 27 NY 611; Henry v Bartlesville Gas & Oil Co. 33 Okla 473, 126 P 725; Memphis Street R. Co. v Rapid Transit Co. 138 Tenn 594, 198 SW 890.

<sup>&</sup>lt;sup>46</sup> Louisville v Louisville Home Tel. Co. 149 Ky 234, 148 SW 13; Buck Mountain Coal Co. v Lehigh Coal & Nav. Co. 50 Pa 91.

<sup>&</sup>lt;sup>47</sup> Madison v Madison Gas & E. Co. 129 Wis 249, 108 NW 65.

<sup>&</sup>lt;sup>48</sup> General Electric R. Co. v Chicago, I. & L. R. Co. (CA7 III) 98 F 907, same result reached on reh 107 F 771; Hill v St. Louis & N. E. R. Co. 243 III 344, 90 NE 676; Davis v New York, 14 NY 506; Patton v Chattanooga, 108 Tenn 197, 65 SW 414.

<sup>&</sup>lt;sup>49</sup> General Electric R. Co. v Chicago, I. & L. R. Co. (CA7 III) 98 F 907, same result reached on reh 107 F 771; Hill v St. Louis & N. E. R. Co. 243 III 344, 90 NE 676; Davis v New York, 14 NY 506; Patton v Chattanooga, 108 Tenn 197, 65 SW 414.

1 2	the property acquired by the exercise of the franchise. Bridgeport v. New York & N. H. R. Co., 36 Conn. 255, 4 Arn.Rep. 63. Nor involve interest in land acquired by grantee. Whitbeck v. Funk, 140 Or. 70, 12 P.2d 1019,
3	1020. In a popular sense, the political rights of subjects and citizens are franchises, such as the right of
4	suffrage. etc. Pierce v. Emery, 32 N.H. 484; State v. Black Diamond Co., 97 Ohio St. 24, 119 N.E. 195, 199,
5	L.R.A.1918E, 352.
6	Elective Franchise. The right of suffrage: the right or privilege of voting in public elections.
7	Exclusive Franchise. See Exclusive Privilege or Franchise.
8	General and Special. The charter of a corporation is its "general" franchise, while a "special" franchise
9 10	consists in any rights granted by the public to use property for a public use but-with private profit. Lord v. Equitable Life Assur. Soc., 194 N.Y. 212, 81 N. E. 443, 22 L.R.A.,N.S., 420.
11	Personal Franchise. A franchise of corporate existence, or one which authorizes the formation and existence of
12	a corporation, is sometimes called a "personal" franchise. as distinguished from a "property" franchise, which
13	authorizes a corporation so formed to apply its property to some particular enterprise or exercise some special
14 15	privilege in its employment, as, for example, to construct and operate a railroad. See Sandham v. Nye, 9 Misc.ReP. 541, 30 N.Y.S. 552.
16	Secondary Franchises. The franchise of corporate existence being sometimes called the "primary" franchise of
17	a corporation, its "secondary" franchises are the special and peculiar rights, privileges, or grants which it may,
18	receive under its charter or from a municipal corporation, such as the right to use the public streets, exact tolls,
19	collect fares, etc. State v. Topeka Water Co., 61 Kan. 547, 60 P. 337; Virginia Canon Toll Road Co. v. People,
20	22 Colo. 429, 45 P. 398 37 L.R.A. 711. The franchises of a corporation are divisible into (1) corporate or
21	general franchises; and (2) "special or secondary franchises. The former is the franchise to exist as a
22	corporation, while the latter are certain rights and privileges conferred upon existing corporations. Gulf
23	Refining Co. v. Cleveland Trust Co., 166 Miss. 759, 108 So. 158, 160.
24	Special Franchisee. See Secondary Franchises, supra.
25	[Black's Law Dictionary, 4th Edition, pp. 786-787]
26	The most important fact which emerges from the above is that when you agree to accept a franchise, then you agree, based
27	on the above to:
28	1. Abide by all the legal obligations associated with the statutory franchise:
29	CALIFORNIA CIVIL CODE
30	DIVISION 3. OBLIGATIONS
31	PART 2. CONTRACTS
32	CHAPTER 3. CONSENT
33	<u>-Section 1589</u>
34	
35 36	1589. A voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting.
37	2. Become a "privileged subject" and nominate a "king" to rule over you by "royal prerogative".
38	"In England it is defined to be a royal privilege in the hands of a subject.
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39	A "franchise," as used by Blackstone In defining quo warranto, (3 Com. 262 [4th Am. Ed.] 322), had reference
40	to a royal privilege or branch of the king's prerogative subsisting in the hands of the subject, and must arise
41	from the king's grant, or be held by prescription,"
42	[Black's Law Dictionary, 4th Edition, pp. 786-787]
43	Generally, anything that includes a "license" is a statutory franchise or "public right" that is voluntary, and all the laws that
44	implement it function essentially as private law and the equivalent of a contract between the "applicant" for the license, and
45	the government:
46	"Private law. That portion of the law which defines, regulates, enforces, and administers relationships among
47	individuals, associations, and corporations. As used in contradistinction to public law, the term means all that
48	part of the law which is administered between citizen and citizen, or which is concerned with the definition,
49	regulation, and enforcement of rights in cases where both the person in whom the right inheres and the person
50	upon whom the obligation is incident are private individuals. See also Private bill; Special law. Compare
51	upon wnom the obligation is incluent are private mativatians. See also Frivate bitt, special taw. Compare Public Law."
52	Funit Law.  [Black's Law Dictionary Sixth Edition p. 11061

- 1 Examples of "public rights" and statutory franchises include such things as:
- 1. Income tax 2
- 2. Social Security 3
- 3. Medicare
- 4. Medicaid 5
- 5. Driver's licenses 6
- 6. Marriage licenses 7
- 7. Nearly every form of "public assistance" 8
- Professional licenses of every description 9

The Bible forbids Christians to allow anyone but the true and living God to be their king or ruler. Under God's law, all 10 11

- persons are equal and any attempt to make them unequal is an attempt at idolatry. In God's eyes, when we show partiality
- ial status", then

12 13	in judgment of others based on the "privileges" or "franchises" they are in receipt of or other forms of "social we are condemned as Christians:
14 15 16	"You shall not show partiality in judgment: you shall hear the small as well as the great; you shall not be afraid in any man's presence, for the judgment is God's. The case that is too hard for you, bring to me, and I will hear it."
17	[Deut. 1:17, Bible, NKJV]
18 19 20	"You shall not pervert justice; you shall not show partiality, nor take a bribe, for a bribe blinds the eyes of the wise and twists the words of the righteous." [Deut. 16:19, Bible, NKJV]
21 22 23	"For the LORD your God is God of gods and Lord of lords, the great God, mighty and awesome, who shows no partiality nor takes a bribe." [Deut. 10:17, Bible, NKJV]
24 25	"He [God] will surely rebuke you If you secretly show partiality." [Job 13:10, Bible, NKJV]
26 27	"The rich and the poor have this in common, the <u>LORD is the maker of them all.</u> " [Prov. 22:2, Bible, NKJV]
28 29 30 31 32	"But you, do not be called 'Rabbi'; for One is your Teacher, the Christ, and you are all brethren. Do not call anyone on earth your father; for One is your Father, He who is in heaven. And do not be called teachers; for One is your Teacher, the Christ. But he who is greatest among you shall be your servant. And whoever exalts himself will be humbled, and he who humbles himself will be exalted".  [Jesus in Matt. 23:8-12, Bible, NKJV]
33 34 35 36 37 38	But Jesus called them to Himself and said to them, "You know that those who are considered rulers over the Gentiles lord it over them, and their great ones exercise authority over them. Yet it shall not be so among you; but whoever desires to become great among you shall be your servant. And whoever of you desires to be first shall be slave of all. For even the Son of Man did not come to be served, but to serve, and to give His life a ransom for many."  [Mark 10:42–45, Bible, NKJV. See also Matt. 20:25-28]
39 40 41	"There is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female; for you are all one in Christ Jesus." [Gal. 3:28, Bible, NKJV]

42 Is it fitting to say to a king, "You are worthless,"

And to nobles, "You are wicked'?

Yet He [God] is not partial to princes.

Nor does He regard the rich more than the poor;

For they are all the work of His hands.

47 [Job. 34:18-19, Bible, NKJV]

48 "The poor man is hated even by his own neighbor, 49

But the rich has many friends.

He who despises his neighbor sins;

But he who has mercy on the poor, happy is he."

[Prov. 14:20-21]

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2	"You shall not show partiality to a poor man in his dispute." [Exodus 23:3, Bible, NKJV]
3	"The rich shall not give more and the poor shall not give less than half a shekel, when you give an offering to
4 5	the LORD, to make atonement for yourselves." [Exodus 30:15, Bible, NKJV]
6 7	"Better is the poor who walks in his integrity Than one perverse in his ways, though he be rich." [Prov. 28:6, Bible, NKJV
8	"And again I say to you, it is easier for a camel to go through the eye of a needle than for a rich man to enter
9 10	the kingdom of God." [Matt. 19:24, Bible, NKJV]
11	"For there is no distinction between Jew and Greek, for the same Lord over all is rich to all who call upon
12 13	<u>Him.</u> " [Rom. 10:12, Bible, NKJV]
14 15 16	"Command those who are rich in this present age not to be haughty, nor to trust in uncertain riches but in the living God, who gives us richly all things to enjoy." [1 Tim. 6:17, Bible, NKJV]
17	Therefore, accepting any kind of government "privilege" for a Christian encourages unlawful partiality and constitutes
18	idolatry. The "privilege" described by God in the passage below is the "privilege" of having a King (man) to protect, care
19	for, and "govern" the people as a <i>substitute</i> for God's protection. The price exchanged for receipt of the "privilege" is
20	becoming "subjects" and paying usurious "tribute" in many forms to the king using their labor, property, and life:
21	Then all the elders of Israel gathered together and came to Samuel at Ramah, and said to him, "Look, you are
22 23	old, and your sons do not walk in your ways. Now make us a king to judge us like all the nations [and be OVER them]".
24	But the thing displeased Samuel when they said, "Give us a king to judge us." So Samuel prayed to the Lord.
25	And the Lord said to Samuel, "Heed the voice of the people in all that they say to you; for they have rejected
26	Me [God], that I should not reign over them. According to all the works which they have done since the day
27 28	that I brought them up out of Egypt, even to this day—with which they have forsaken Me and served other gods [Kings, in this case]—so they are doing to you also [government becoming idolatry]. Now therefore,
29	heed their voice. However, you shall solemnly forewarn them, and show them the behavior of the king who
30	will reign over them."
31	So Samuel told all the words of the LORD to the people who asked him for a king. And he said, "This will be
32	the behavior of the king who will reign over you: He will take [STEAL] your sons and appoint them for his own chariots and to be his horsemen, and some will run before his chariots. He will appoint captains over his
33 34	thousands and captains over his fifties, will set some to plow his ground and reap his harvest, and some to
35	make his weapons of war and equipment for his chariots. He will take [STEAL] your daughters to be
36	perfumers, cooks, and bakers. And he will take [STEAL] the best of your fields, your vineyards, and your
37	olive groves, and give them to his servants. He will take [STEAL] a tenth of your grain and your vintage, and
38	give it to his officers and servants. And he will take [STEAL] your male servants, your female servants, your
39 40	finest young men, and your donkeys, and put them to his work [as SLAVES]. He will take [STEAL] a tenth of your sheep. And you will be his servants. And you will cry out in that day because of your king whom you
41	have chosen for yourselves, and the LORD will not hear you in that day."
42	Nevertheless the people refused to obey the voice of Samuel; and they said, "No, but we will have a king over
43	us, that we also may be like all the nations, and that our king may judge us and go out before us and fight our
44 45	battles." [1 Sam. 8:4-20, Bible, NKJV]
46	The right to be protected by the King above is earned by giving him allegiance, and thereby withdrawing allegiance from
47	God as your personal sovereign:
48	"Allegiance and protection [by the government from harm] are, in this connection, reciprocal obligations.
49 50	The one is a compensation for the other; allegiance for protection and protection for allegiance." [Minor v. Happersett, 88 U.S. (21 Wall.) 162, 166-168 (1874)]
51	"The doctrine is, that allegiance cannot be due to two sovereigns; and taking an oath of allegiance to a new,
52	is the strongest evidence of withdrawing allegiance from a previous, sovereign"
53	[Talbot v. Janson, 3 U.S. 133 (1795)]

# 10.2 Affect of franchises on choice of forum

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The U.S. Supreme Court has said that when Congress creates what it calls a "public right" and, by implication a "statutory privilege", Congress has the authority to circumscribe and prescribe how that right may be exercised and which forums it is enforced within. Hence, for instance, Congress can prescribe that if you dispute your income tax liability, you must first enter Tax Court, which isn't a Constitutional court at all, but an Article I administrative agency within the Executive rather than Judicial Branch of the government.

Although Crowell and Raddatz do not explicitly distinguish between rights created by Congress and other rights, such a distinction underlies in part Crowell's and Raddatz' recognition of a critical difference between rights created by federal statute and rights recognized by the Constitution. Moreover, such a distinction seems to us to be necessary in light of the delicate accommodations required by the principle of separation of powers reflected in Art. III. The constitutional system of checks and balances is designed to guard against "encroachment or aggrandizement" by Congress at the expense of the other branches of government. Buckley v. Valeo, 424 U.S., at 122, 96 S.Ct., at 683. But when Congress creates a statutory right [a "privilege" in this case, such as a "trade or business"], it clearly has the discretion, in defining that right, to create presumptions, or assign burdens of proof, or prescribe remedies; it may also provide that persons seeking to vindicate that right must do so before particularized tribunals created to perform the specialized adjudicative tasks related to that right.FN35 Such provisions do, in a sense, affect the exercise of judicial power, but they are also incidental to Congress' power to define the right that it has created. No comparable justification exists, however, when the right being adjudicated is not of congressional creation. In such a situation, substantial inroads into functions that have traditionally been performed by the Judiciary cannot be characterized merely as incidental extensions of Congress' power to define rights that it has created. Rather, such inroads suggest unwarranted encroachments upon the judicial power of the United States, which our Constitution reserves for Art. III courts. [Northern Pipeline Const. Co. v. Marathon Pipe Line Co., 458 U.S. at 83-84; 102 S.Ct. 2858 (1983)]

The U.S. Supreme Court also said that the only circumstances when Congress may remove the enforcement of a right to a non-Article III, legislative tribunal or, by implication, remove it from a state court to federal court is in connection with a statutory franchise or "public right":

"The distinction between public rights and private rights has not been definitively explained in our precedents. FN22 Nor is it necessary to do so in the present cases, for it suffices to observe that a matter of public rights must at a minimum arise "between the government and others." Ex parte Bakelite Corp., supra, at 451, 49 S.Ct., at 413. FN23 In contrast, "the liability of one individual to another under the law as defined," Crowell v. Benson, supra, at 51, 52 S.Ct., at 292, is a matter of private rights. Our precedents clearly establish that only controversies in the former category may be removed from Art. III courts and delegated to legislative courts or administrative agencies for their determination. See Atlas Roofing Co. v. Occupational Safety and Health Review Comm'n, 430 U.S. 442, 450, n. 7, 97 S.Ct. 1261, 1266, n. 7, 51 L.Ed.2d 464 (1977); Crowell v. Benson, supra, 285 U.S., at 50-51, 52 S.Ct., at 292. See also Katz, Federal Legislative Courts, 43 Harv.L.Rev. 894, 917-918 (1930). FN24 Private-rights disputes, on the other hand, lie at the core of the historically recognized judicial power."

[Northern Pipeline Const. Co. v. Marathon Pipe Line Co., 458 U.S. 50, 102 S.Ct. 2858 (1983)]

The key to determining whether a matter must be heard in federal court or state court then, is to first determine whether it involves a "public right" or "statutory franchise". If it is a state statutory privilege or right, it must be litigated in a state court. If it is a federal statutory right or privilege, then it can be litigated only in a federal court. The Separation of Powers Doctrine and the sovereign immunity of the states and federal governments towards each other prohibit state matters from being heard in a federal court or federal matters being heard in a state court. Alden v. Maine, 527 U.S. 706 (1999).

#### 10.3 How to determine whether you are engaged in a "franchise" or "public right"

This task of determining whether the controversy involves a "public right" or "statutory privilege" can be difficult, because the statutes themselves that confer the right very deliberately do not specify because they don't want you to know that participation is voluntary and that you can unvolunteer. In that sense, statutory franchises are what we call a "roach trap statute". The trap has honey in the center to attract needy and hungry insects like you, and once you enter inside the trap,

- you must obey all the unjust and prejudicial edicts of your new landlord. It is up to you as the vigilant and informed citizen 1 to research and know this in the defense of your Constitutional rights. 2. 3 Every government "privilege" carries with it some kind of usually pecuniary benefit or entitlement. Examples include: Social Security benefits, unemployment benefits, Medicare insurance benefits, etc. The U.S. Supreme Court has said that 4 the government may not lawfully pay money to anyone except in the course of what it calls a "public purpose", which 5 means that the payment of all such benefits can only lawfully be made to "public officials" who are part of the government 6 in the lawful exercise of their Constitutionally authorized employment duties. 7 8 "To lay, with one hand, the power of the government on the property of the citizen, and with the other to 9 bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree 10 11 under legislative forms. 12 Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or 13 property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges 14 imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. 15 Lim., 479. 16 Coulter, J., in Northern Liberties v. St. John's Church, 13 Pa. St., 104 says, very forcibly, 'I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the 17 government for the purposes of carrying on the government in all its machinery and operations—that they 18 19 are imposed for a public purpose.' See, also Pray v. Northern Liberties, 31 Pa.St., 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Hanson v. Vernon, 27 Ia., 47; 20 21 Whiting v. Fond du Lac, supra." 22 [Loan Association v. Topeka, 20 Wall. 655 (1874)] 23 24 "A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the 25 support of the government. The word has never thought to connote the expropriation of money from one group 26 for the benefit of another." 27 [U.S. v. Butler, 297 U.S. 1 (1936)] 28 Another angle on this situation is that the government cannot pass any law that imposes any duty upon you without violating the Thirteenth Amendment prohibition against "involuntary servitude". 29 30 "Every man has a natural right to the fruits of his own labor, is generally admitted; and <u>no other person can</u> 31 rightfully deprive him of those fruits, and appropriate them against his will...' [The Antelope, 23 U.S. 66; 10 Wheat 66; 6 L.Ed. 268 (1825)] The U.S. Supreme Court has said that there are only four ways for the government to obtain lawful authority over a man's 33 property, which includes his life, liberty, and property. Labor, for instance, and all "rights" for that matter, constitute 34 "property" from a legal perspective: 35 36 "Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;" 37 and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a 38 man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use 39 it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to 40
- We have summarized the ONLY four distinct ways the government can lawfully take a man's property away from him from the above ruling as follows:

control that use; and third, that whenever the public needs require, the public may take it upon

1. <u>He can involuntarily lose his property if he uses it to hurt others</u>. This, by the way, is the foundation of all criminal laws, because "rights", including constitutional rights, are considered property. You lose your rights when you exercise them in such a way that you abuse them to destroy the equal rights of others. Thus, crimes against others are the only basis for non-consensual taking of a persons life, liberty, property, or labor.

payment of due compensation.

[Budd v. People of State of New York, 143 U.S. 517 (1892)]

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- 2. <u>He cannot be compelled to benefit his neighbor</u>. That means indirectly that can't be compelled to participate in any government "benefit" or entitlement program such as Social Security, and that he can quit all such programs IMMEDIATELY.
- 4 3. When he devotes it to a "public use", he gives the right to the public to control that use. Every provision of the I.R.C. Subtitles A and C can only be applied against property and labor that have been connected to a "public office", which is one kind of "public use".
  - 4. When the public needs require, the public may take his property from him upon payment of due compensation. This is the provision the government uses to assert eminent domain over real property in the building of public roads.
- Notice that provisions 2 through 4 require his explicit consent in some form and that the ONLY way a man's property, including his labor and the fruits from his labor, can be taken from him WITHOUT his consent is if he abuses it to hurt others. For instance, when you murder someone, the government can take your liberty and labor from you by putting you in jail or your life from you by instituting the death penalty against you. Both your life and your labor are "property".
- 13 Therefore, the basis for the "taking" was violation of the equal rights of a fellow sovereign "neighbor".
- 14 The main method the government uses to lawfully take your property, your labor, your earnings from labor is item number 3 above. What the government does is procure your consent through fraud using vague or ambiguous "words of art" on 15 government forms which effectively trick you into donating your private property to a "public use" to procure the benefits 16 of a franchise. This makes your formerly private property into "public property" which the government can then control, 17 levy, and lien because it is theirs while it is dedicated to a "public use". Everything that has a government issued SSN or 18 Taxpayer Identification Number associated with it essentially amounts to "private property" donated to "public use" to 19 20 procure the benefits of the "trade or business" franchise. The use of these government owned numbers effectively constitutes a license to act as a "public officer" as well as "prima facie" evidence of consent to engage in the "trade or 21 business" franchise. 50 22
- Consequently, the most effective way to determine whether a particular government program is a "privilege" is to look at whether you must be a government employee or "public officer" to receive its benefits. If you must declare yourself to be such a person, then it is a voluntary statutory privilege and not a common law or constitutional right. Examples of this phenomenon include the following:
  - 1. The Social Security Program, which makes all those who participate into "federal personnel":

- 2. Serving as a juror in a federal court. 18 U.S.C. §201 identifies all federal jurors as "public officers".
- 3. <u>26 U.S.C.</u> §6331(a) limits all enforcement within the Internal Revenue Code to employees, officers, and instrumentalities of the United States Government. The IRS knows this, so they "conveniently" omit this provision of law from their citation of 26 U.S.C. §6331 on the back of a notice of levy to deceive the recipient. See:

<u>IRS Form 668A(c)</u> <u>http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm668-A(c)(DO).pdf</u>

4. Signing up for employment withholding using an IRS Form W-4. The upper left corner says "Employee Withholding Allowance Certificate" and the statutes and regulations at 26 U.S.C. §3401(c) and 26 CFR §31.3401(c)-1 both define this "employee" as a "public official" of the United States Government. Therefore, the W-4 constitutes BOTH a

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<sup>&</sup>lt;sup>50</sup> 20 CFR §422.104 says that the Social Security Number is NOT "yours", but instead belongs to the U.S. government and the Social Security Administration. The card itself has printed on the back "Property of the Social Security Administration. Must be returned upon request." This effectively makes you into a "fiduciary" and a "trustee" and a "public officer" in temporary custody of government property whose actions are governed by federal law in the using of said property. If you use the number for your own *personal* benefit as anything other than a "public officer" engaged in the federal franchise, you are embezzling and abusing government property for private gain, which is a criminal violation of 18 U.S.C. §641.

- federal employment application and a voluntary agreement which donates your labor and your earnings from labor to a "public office" and a "public use".
- 5. 31 CFR §202.2 says that all FDIC insured banks are "Financial Agents of the Government". In other words, participating in the FDIC insurance franchise makes them "public officers".
  - 6. All federal law that does not have implementing regulations published in the Federal Register may only be enforced against agents, instrumentalities, "employees", and "officers" of the United States Government. The Internal Revenue Code has no enforcement implementing regulations and therefore it fits into this category. See:

<u>IRS Due Process Meeting Handout</u>, Form #03.008 http://sedm.org/Forms/FormIndex.htm

8 The government has no delegated constitutional or statutory authority to regulate *private conduct*.

"There is a clear distinction in this particular case between an individual and a corporation, and that the latter has no right to refuse to submit its books and papers for an examination at the suit of the State. The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing therefrom, beyond the protection of his life and property. His rights are such as existed by the law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing

to the public so long as he does not trespass upon their rights."

[Hale v. Henkel, 201 U.S. 43 at 47 (1906)]

Therefore if you want to receive any benefits from them, they can't regulate the benefits without making you into one of their employees, instrumentalities, or agents using private/contract law that you must either implicitly or explicitly consent to in some form:

> "The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the regulator of private conduct, are not the same as the restrictions that it places upon the government in its capacity as employer. We have recognized this in many contexts, with respect to many different constitutional guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. Kelley v. Johnson, 425 U.S. 238, 247 (1976). Private citizens cannot have their property searched without probable cause, but in many circumstances government employees can. O'Connor v. Ortega, 480 U.S. 709, 723 (1987) (plurality opinion); id., at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for refusing to provide the government information that may incriminate them, but government employees can be dismissed when the incriminating information that they refuse to provide relates to the performance of their job. Gardner v. Broderick, [497 U.S. 62, 95] 392 U.S. 273, 277 -278 (1968). With regard to freedom of speech in particular: Private citizens cannot be punished for speech of merely private concern, but government employees can be fired for that reason. Connick v. Myers, 461 U.S. 138, 147 (1983). Private citizens cannot be punished for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that reason. Public Workers v. Mitchell, 330 U.S. 75, 101 (1947); Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973); Broadrick v. Oklahoma, 413 U.S. 601, 616 -617 (1973).' [Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990)]

Once you make voluntary application to become a federal "public officer" (e.g. a federal agent or instrumentality) using an IRS Forms W-4 or 1040 or SSA Form SS-5, you then must live your entire financial and work life under the following MAJOR legal disabilities as a fiduciary and "trustee" over federal property temporarily in your custody. This property includes your own labor and all the earnings from your labor in the context of the "trust" or "public trust" or "public office" that you have voluntarily chosen to exercise!:

"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer. 51 Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts. 52 That is, a public officer occupies a fiduciary relationship

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<sup>51</sup> State ex rel. Nagle v Sullivan, 98 Mont 425, 40 P2d 995, 99 ALR 321; Jersey City v Hague, 18 NJ 584, 115 A2d 8.

<sup>52</sup> Georgia Dep't of Human Resources v Sistrunk, 249 Ga 543, 291 SE2d 524. A public official is held in public trust. Madlener v Finley (1st Dist) 161 Ill App 3d 796, 113 Ill Dec 712, 515 NE2d 697, app gr 117 Ill Dec 226, 520 NE2d 387 and revd on other grounds 128 Ill 2d 147, 131 Ill Dec 145, 538 NE2d 520.

1	to the political entity on whose behalf he or she serves. 53 and owes a fiduciary duty to the public. 54 It has
2	been said that the fiduciary responsibilities of a public officer cannot be less than those of a private
3 4	individual. 55 Furthermore, it has been stated that any enterprise undertaken by the public official which
5	tends to weaken public confidence and undermine the sense of security for individual rights is against public policy.56"
6	[63C Am.Jur.2d, Public Officers and Employees, §247]
Ü	[650 Inn. var. 24, I abite Officers and Employees, 3217]
7	Therefore, you can deduce whether you are engaged in a "statutory franchise" if the government calls you by any of the
8	following names and defines these names to be federal instrumentalities in the "codes" that administer the program, such as
9	the I.R.C. Subtitle A or the Social Security Act:
10	1. "individual": Means a "resident alien" engaged in a privileged "trade or business" or a nonresident alien who has
11	made an election to be treated as a "resident alien". Notice the definition of "individual" below does not include
12	"citizens". This is no accident, but an admission that you must volunteer to surrender your sovereign citizen status as a
13	"citizen" and consent to be treated instead as a "resident alien" in respect to your government in order to procure
14	privileges from it. Once you engage in the franchise, your status as a person domiciled in a state of the Union shifts
15	from that of a nonresident alien not engaged in a "trade or business" to that of a "resident alien". More on this later.
16	26 CEP \$1 1441 1 Paguingment for the deduction and withholding of tax on payments to foreign payrous
17	26 CFR §1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.  (c) Definitions
17	(c) Definitions
18	(3) Individual.
19	(i) Alien individual.
20	The term alien individual means an individual who is not a citizen or a national of the United States. See Sec.
21	1.1- $1(c)$ .
22	(ii) Nonresident alien individual.
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23	The term nonresident alien individual means a person described in section $7701(b)(1)(B)$ , an alien individual
24	who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-
25	7(a)(1) of this chapter, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of
26	Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under Sec. 301.7701(b)-
27	1(d) of this chapter. An alien individual who has made an election under section 6013 (g) or (h) to be treated as
28	a resident of the United States is nevertheless treated as a nonresident alien individual for purposes of
29 30	withholding under chapter 3 of the Code and the regulations thereunder.
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31	26 CFR §301.7701-5 Domestic, foreign, resident, and nonresident persons.
32	A domestic corporation is one organized or created in the United States, including only the States (and during
33	the periods when not States, the Territories of Alaska and Hawaii), and the District of Columbia, or under the
34	law of the United States or of any State or Territory. A foreign corporation is one which is not domestic. A
35	domestic corporation is a resident corporation even though it does no business and owns no property in the
36	United States. A foreign [ALIEN] corporation engaged in trade or business within the United States is
37	referred to in the regulations in this chapter as a resident foreign corporation, and a foreign corporation
38	not engaged in trade or business within the United States, as a nonresident foreign corporation. A

partnership engaged in trade or business within the United States is referred to in the regulations in this

chapter as a resident partnership, and a partnership not engaged in trade or business within the United States, as a nonresident partnership. Whether a partnership is to be regarded as resident or nonresident

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<sup>53</sup> Chicago Park Dist. v Kenroy, Inc., 78 III 2d 555, 37 III Dec 291, 402 NE2d 181, appeal after remand (1st Dist) 107 III App 3d 222, 63 III Dec 134, 437 NE2d 783.

<sup>54</sup> United States v Holzer (CA7 III) 816 F2d 304 and vacated, remanded on other grounds 484 US 807, 98 L Ed 2d 18, 108 S Ct 53, on remand (CA7 III) 840 F2d 1343, cert den 486 US 1035, 100 L Ed 2d 608, 108 S Ct 2022 and (criticized on other grounds by United States v Osser (CA3 Pa) 864 F2d 1056) and (superseded by statute on other grounds as stated in United States v Little (CA5 Miss) 889 F2d 1367) and (among conflicting authorities on other grounds noted in United States v Boylan (CA1 Mass) 898 F2d 230, 29 Fed Rules Evid Serv 1223).

<sup>55</sup> Chicago ex rel. Cohen v Keane, 64 III 2d 559, 2 III Dec 285, 357 NE2d 452, later proceeding (1st Dist) 105 III App 3d 298, 61 III Dec 172, 434 NE2d 325.

<sup>56</sup> Indiana State Ethics Comm'n v Nelson (Ind App) 656 NE2d 1172, reh gr (Ind App) 659 NE2d 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

#### is not determined by the nationality or residence of its members or by the 1 place in which it was created or organized. 2 [Amended by T.D. 8813, Federal Register: February 2, 1999 (Volume 64, Number 21), Page 4967-4975] 3 "federal personnel": 5 U.S.C. §552a(a)(13) above defines this as anyone eligible to receive a federal retirement 4 benefit, such as social security. 5 "public office": an elected, appointed, or franchise office within the federal government 6 "officer of a corporation": an officer of a corporation that is an instrumentality of the federal government. 7 "employee": Someone who performs "personal services" for the U.S. government, "Personal services" are then 8 defined as work performed in connection with a "trade or business" (public office) in 26 CFR §1.469-9: 9 10 26 CFR §31.3401(c)-1 Employee: 11 "...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any 12 13 agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a 14 corporation." "employer": Means someone who has "employees". 15 *TITLE 26 > Subtitle C > CHAPTER 24 > § 3401* 16 17 § 3401. Definitions 18 (d) Employer 19 For purposes of this chapter, the term "employer" means the person for whom an individual performs or 20 performed any service, of whatever nature, as the employee of such person, except that— 21 (1) if the person for whom the individual performs or performed the services does not have control of the 22 payment of the wages for such services, the term "employer" (except for purposes of subsection (a)) means the person having control of the payment of such wages, and 24 (2) in the case of a person paying wages on behalf of a nonresident alien individual, foreign partnership, or 25 foreign corporation, not engaged in trade or business within the United States, the term "employer" (except for 26 purposes of subsection (a)) means such person. 7. "taxpayer": Means a person subject to the Internal Revenue Code as defined in 26 U.S.C. §7701(a)(14) and 26 U.S.C. 27 §1313(b). The only persons who can be subject are those engaged in the "trade or business" franchise as "public 28 officers" working for the federal government. A person's property can be subject through "in rem" jurisdiction without 29 them personally being subject. 30 If you would like to learn more than you could ever possibly want to know about how this scam works, see the following 31 fascinating pamphlet: 32 Why Your Government is Either a Thief or you are a "Public Officer" for income tax purposes, Form #05.008 http://sedm.org/Forms/FormIndex.htm A franchise associated with taxation is called by any one of the following names which are all synonymous: 33 "Excise tax": Notice that even the legal dictionary below attempts to disguise and obfuscate the true nature of the 34 income tax as an excise tax. 35 "Excise tax. A tax imposed on the performance of an act, the engaging in an occupation, or the enjoyment of a 36 37 privilege [e.g. "franchise"]. Rapa v. Haines, Ohio Comm.Pl., 101 N.E.2d 733, 735. A tax on the manufacture, sale, or use of goods or on the carrying on of an occupation or activity or tax on the transfer of property. In 38 39 current usage the term has been extended to include various license fees and practically every internal revenue 40 tax except income tax (e.g., federal alcohol and tobacco excise taxes, I.R.C. §5011 et seq.)" 41 [Black's Law Dictionary, Sixth Edition, p. 563]

1	"Excises are taxes laid upon the manufacture, sale or consumption of commodities within the country, upon
2	licenses to pursue certain occupations and upon corporate privilegesthe requirement to pay such taxes
3	involves the exercise of privileges, and the element of absolute and unavoidable demand is lacking
4	It is therefore well settled by the decisions of this court that when the sovereign authority has exercised the
5	right to tax a legitimate subject of taxation as an exercise of a franchise or privilege, it is no objection that the
6	measure of taxation is found in the income produced in part from property which of itself considered is
7	nontaxable
8	[Flint v. Stone Tracy Co., 220 U.S. 107 (1911)]
0	2 "Deivilogo tor"
9	2. "Privilege tax".
10	3. "Indirect excise tax": These are excise taxes instituted by the federal government only within states of the Union. If
11	the tax is levied only on federal territory or franchises, it instead is simply called an "excise tax" without the word
12	"indirect" in front of it.
13	" by the previous ruling it was settled that the provisions of the Sixteenth Amendment conferred no new
14	power of taxation but simply prohibited the previous complete and plenary power of income taxation
15	possessed by Congress from the beginning from being taken out of the category of indirect taxation to which
16	it inherently belonged and being placed in the category of direct taxation subject to apportionment by a
17	consideration of the sources from which the income was derived, that is by testing the tax not by what it was a
18	tax on income, but by a mistaken theory deduced from the origin or source of the income taxed. "
19	[Stanton v. Baltic Mining (240 U.S. 103), 1916]
20	Let's now apply what we have just learned to a unraveling the most prevalent statutory "franchise" that forms the heart of
21	our federal income tax system, which is a "trade or business". A "trade or business" is defined as follows:
21	our rederar medice tax system, which is a trade or business. A trade of business is defined as follows.
22	<u>26 U.S.C. §7701(a)(26)</u>
23	"The term 'trade or business' includes the performance of the functions of a public office."
24	A "trade or business" is a franchise or "public right", because it carries with it certain economic "privileges", such as:
25	1. "Public right"/privilege (as a "public officer") to claim benefits of a tax treaty with a foreign country so that one is not
26	subject to double-taxation by both countries.
27	2. "Public right" to claim deductions on a tax return pursuant to <u>26 U.S.C. §162</u> .
28	3. "Public right" to claim credits on a tax return pursuant to <u>26 U.S.C. §32</u> .
29	4. "Public right" to claim a reduced, graduated rate of tax pursuant to 26 U.S.C. §1. Those not engaged in a "trade or
30	business" must apply a flat rate of 30% described in 26 U.S.C. §871, which is usually higher than the graduated rate
31	found in <u>26 U.S.C. §1</u> .
22	The "trade or bysiness" franchise is evaluative to the federal accomment because the "mublic office" described in that code
32	The "trade or business" franchise is exclusive to the federal government, because the "public office" described in that code
33	is an office within only the federal government and not in any state or other government. Under the principles of a judicial
34	doctrine known as "sovereign immunity", the U.S. Supreme Court has furthermore said that the federal government may
35	not be sued in a state court.
26	
36	"It is unquestioned that the Federal Government retains its own immunity from suit not only in state tribunals
37	but also in its own courts."
38	[Alden v. Maine, 527 U.S. 706 (1999)]
39 40	"The exemption of the United States from being impleaded without their consent is, as has often been affirmed
41	by this court, as absolute as that of the crown of England or any other sovereign."
42	[U.S. v. Lee, 106 U.S. 196 (1882)]
10	The H.C. Constitution itself in Anticle III. Continu 2 also consulted at the state of the state
43	The U.S. Constitution itself, in Article III, Section 2 also says that a state may not be sued in any federal court OTHER than
44	the U.S. Supreme Court.
45	U.S. Constitution:
46	Article III, Section 2
47	In all Cases affecting Ambaggadons other public Ministers and County and there is a little of the last
47	In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be
48	Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the

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# 10.4 <u>Summary of Choice of Law Rules Involving Federal Franchises</u>

- 4 Therefore, in the adjudication of "public rights" or "statutory franchises" or "privileges", if they are created by federal
- 5 statute or legislation, then the choice of law rules are as follows:
- 1. The franchise agreement behaves as "private law", meaning that only parties who implicitly or explicitly consent can have its provisions enforced against them.
- 2. Legal disputes relating to a federal franchise may not be litigated in a state or foreign court, even under equity, because the United States cannot be sued in a foreign court without its express consent provided in legislative form.
- 10 3. Disputes relating to a federal franchise must be litigated ONLY in federal courts.
  - 4. The franchise agreement itself prescribes and fixes all the "statutory rights" or "public rights" that exist among both parties. Franchise agreements include:
    - 4.1. Internal Revenue Code Subtitle A
    - 4.2. Social Security Act and 42 U.S.C. Chapter 7.
  - 5. The statutes creating the franchise need not identify it as a franchise. This is implied by the franchise agreement or legislation itself.
    - 6. Those who are not party to the franchise agreement may not cite or invoke it in defense of their "public rights" because they DON'T HAVE any "public rights"! For them, the franchise agreement is "foreign law" and their estate is a "foreign estate" relative to that law or statute. The only thing you accomplish by citing the franchise agreement is convey your consent to be bound by it, and thereby submit yourself to its jurisdiction. See the following supporting information for examples:
      - 6.1. <u>26 U.S.C. §7701(a)(31)</u>: Defines the estate of those not engaged in the "trade or business" franchise as a "foreign estate".
      - 6.2. The following court rulings:

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."

[Long v. Rasmussen, 281 F. 236 (1922)]

"Revenue Laws relate to taxpayers [officers, employees, instrumentalities, and elected officials of the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the Federal Government and who did not volunteer to participate in the federal "trade or business" franchise]. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law. With them[non-taxpayers] Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws." [Economy Plumbing & Heating v. U.S., 470 F2d. 585 (1972)]

"A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individuals not specified in the statutes as a person liable for the tax without an opportunity for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and their property is seized..."

[Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]

- 6.3. Why You Shouldn't Cite Federal Statutes for Protecting Your Rights: http://famguardian.org/Subjects/Discrimination/CivilRights/DontCiteFederalLaw.htm
- 7. Anyone who cites provisions or caselaw of the statutory franchise or "public right" against you:
  - 7.1. If they cited inapposite caselaw involving a franchisee against you when you in fact are NOT a franchisee, is abusing caselaw for political purposes to prejudice your rights. See:

<u>Political jurisdiction</u>, Form #05.004 http://sedm.org/Forms/FormIndex.htm

- 7.2. Is making a presumption that you consented to participate in the franchise.
  - 7.2.1. This "prima facie presumption" will stick if you don't challenge the jurisdiction at that point and vociferously deny the applicability of the statute.

- 7.2.2.1. Asserted unlawful eminent domain over your life, liberty, and property without just compensation and connected it to the government as "public property".
- 7.2.2.2. Exploited your ignorance and/or laziness to enslave you.

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7.2.2.3. Can claim you acquiesced to the "taking" of your property and assert an equitable estoppel and laches defense. See:

<u>Silence as a Weapon and a Defense in Legal Discovery</u>, Form #05.021 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- 7.2.2.4. Has enslaved you against your will in violation of the Thirteenth Amendment, <u>42 U.S.C.</u> §1994, and 18 U.S.C. §1589.
- 7.2.3. If you want to know how to challenge these unlawful and unconstitutional presumptions, see:

<u>Presumptions: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction</u>, Form #05.017 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

7.3. Should be challenged to produce evidence of consent ON THE RECORD at every point in the proceeding in order to communicate to them that you don't consent to the franchise agreement and are deriving no benefits or protection from it. The method for challenging this presumption and FORCING them to admit they are making it is to use the following:

<u>Federal Enforcement Authority in States of the Union</u>, Form #05.032 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- 8. Explicit consent of each party to the franchise agreement in a legal dispute before a court must be proven <u>on the record</u> before any of the terms of the franchise may be enforced against that party. Otherwise, a violation of due process occurs because presumption of consent is acting as an unlawful substitute for evidence of consent. A court which does not prove consent on the record is:
  - 8.1. Engaging in involuntary servitude against the party whose consent was never proven, in violation of the Thirteenth Amendment, 42 U.S.C. §1994, and 18 U.S.C. §1589.
  - 8.2. Unlawfully interfering with the right to contract or not contract of the parties.

"Independent of these views, there are many considerations which lead to the conclusion that the power to impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with the general [federal] government. In the first place, one of the objects of the Constitution, expressed in its preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of compact were established between the people of the original States and the people of the Territory, for the purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty, upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and the majority of the court at the time, that it was clear 'that those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are found expressed in the opinions of other judges of this court." [Sinking Fund Cases, 99 U.S. 700 (1878)]

- 8.3. Committing fraud, by misrepresenting what is actually "private law" as "public law".
- 8.4. Violating the judge's oath to support and defend the Constitution.
- 9. For those not engaged in the franchise:
  - 9.1. The "code" or statute that implements the franchise is "foreign law" and they are nonresident persons or "nonresident aliens" in respect to it.
  - 9.2. Courts litigating disputes under the franchise agreement must satisfy the requirements of Minimum Contacts Doctrine of the U.S. Supreme Court.

In International Shoe Co. v. Washington, 326 U.S. 310 (1945), the Supreme Court held that a court may exercise personal jurisdiction over a defendant consistent with due process only if he or she has "certain minimum contacts" with the relevant forum "such that the maintenance of the suit does not offend 'traditional

1	notions of fair play and substantial justice.' " Id. at 316 (quoting Milliken v. Meyer, 311 U.S. 457, 463 (1940)).
2	Unless a defendant's contacts with a forum are so substantial, continuous, and systematic that the defendant
3	can be deemed to be "present" in that forum for all purposes, a forum may exercise only "specific"
4 5	jurisdiction - that is, jurisdiction based on the relationship between the defendant's forum contacts and the plaintiff's claim.
6	$[\ldots]$
7	In this circuit, we analyze specific jurisdiction according to a three-prong test:
8	(1) The non-resident defendant must <u>purposefully direct his activities or consummate some transaction with</u> <u>the forum or resident thereof</u> ; or perform some act by which he purposefully avails himself of the privilege
10	of conducting activities in the forum, thereby invoking the benefits and protections of its laws;
11	(2) the claim must be one which arises out of or relates to the defendant's forum-related activities; and
12	(3) the exercise of jurisdiction must comport with fair play and substantial justice, i.e. it must be reasonable.
13	Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 802 (9th Cir. 2004) (quoting Lake v. Lake, 817 F.2d
14	1416, 1421 (9th Cir. 1987)). The first prong is determinative in this case. We have sometimes referred to it, in
15	shorthand fashion, as the "purposeful availment" prong. Schwarzenegger, 374 F.3d at 802. Despite its label, this prong includes both purposeful availment and purposeful direction. It may be satisfied by purposeful
16 17	availment of the privilege of doing business in the forum; by purposeful direction of activities at the forum; or
18	by some combination thereof.
19	[-Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme, 433 F.3d 1199 (9th Cir. 01/12/2006)]
20	9.3. Their estate is a "foreign estate" not within the jurisdiction of the code which administers the program. See 26
21	U.S.C. §7701(a)(31).
22	10. Governments and courts frequently will go to great lengths to disguise the nature of the transaction as a voluntary
23	franchise and the accompanying requirement to prove consent by the following means, in order to unlawfully enlarge
24	their jurisdiction and enslave the people by:
25	10.1. Referring to everyone as a "franchisee". For instance, the IRS calls absolutely EVERYONE a "taxpayer", when
26	in fact, only those who partake of the privilege are "taxpayers". They also refuse on their website to even
27	mention the term "nontaxpayer", which is a person who is not subject to the I.R.C., even though the courts
28	routinely do. For further details, see:
	Taxpayer v. Nontaxpayer: Which One Are You?
	http://famguardian.org/Subjects/Taxes/Articles/TaxpayerVNontaxpayer.htm
29	10.2. Allowing caselaw to be cited by the government party against you that deals only with franchisees and which is
30	irrelevant or inapposite to a person such as yourself who is NOT a franchisee. This constitutes an abuse of
31	"foreign law" for political purposes to promote the selfish whims of the judge or the prosecutor who engages in it
32	for his own personal pecuniary gain in violation of 18 U.S.C. §208 and 28 U.S.C. §455. See:
J	Political jurisdiction, Form #05.004
	http://sedm.org/Forms/FormIndex.htm
33	10.3. Refusing to acknowledge or enforce the constitutional or "private rights" of those who are not party to the
34	franchise agreement, in order to coerce them into volunteering for the franchise. This turns the court essentially

- 10.3. Refusing to acknowledge or enforce the constitutional or "private rights" of those who are not party to the franchise agreement, in order to coerce them into volunteering for the franchise. This turns the court essentially into a "franchise court" where only privileged persons may appear to conduct business in front of the court, which at that point simply becomes an Executive Branch legislatively created agency for conducting "business" of the federal government and turns judges from "justices" to federal administrators who arbitrate disputes under the franchise agreement.
- 10.4. Inventing new names for the word "privilege", such as "public right", to disguise the true nature of the transaction being arbitrated. See Northern Pipeline Const. Co. v. Marathon Pipe Line Co., 458 U.S. 50, 102 S.Ct. 2858 (1983) for a good example of this. Not ONCE does the court admit that what they are really describing is a voluntary franchise or excise that requires the explicit consent of those whose terms it is being enforced against.
- 10.5. Refusing to require in a legal dispute that evidence of consent and the jurisdiction that it creates be produced on the court record.
- 10.6. Evading the discussion of words that describe the existence of the franchise and diverting attention away from them by bending the rules of statutory construction. See:

<u>The Meaning of the words "includes" and "including"</u>, Form #05.014 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>

- 11. The protection and enforcement of constitutional rights in a court of law does NOT involve "public rights", but rather "private rights".
  - 11.1. A Bivens Action under 42 U.S.C. §1983 for deprivation of rights is always directed at specific individuals who have violated your personal rights by either violating a law or acting outside their lawfully delegated authority. It

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47 48 is usually never directed at the government, because this would require a waiver of sovereign immunity that seldom is given.

11.2. The enforcement of constitutional or "private rights" must always be litigated in an Article III Constitutional court and may not be litigated in a legislative court. Legislative courts include all United States District Courts, which are Article IV legislative courts that may not lawfully officiate over Article III matters or "private rights" or Constitutional rights. See:

What Happened to Justice

http://sedm.org/ItemInfo/Ebooks/WhatHappJustice/WhatHappJustice.htm

- 11.3. No federal legislative court, such as any Article IV "United States District Court" or Article I "U.S. Tax Court", may lawfully rule on any matter that involves "private rights" nor may they lawfully remove such a matter to such a legislative court. This would violate the separation of powers doctrine. Northern Pipeline Const. Co. v. Marathon Pipe Line Co., 458 U.S. 50, 102 S.Ct. 2858 (1983).
- 11.4. Matters involving "private rights" or "constitutional rights" may be litigated in EITHER state courts or Article III federal courts. State courts may rule against federal actors or Article III federal courts may rule against state actors in cases involving violations of "private rights" because in nearly all cases, they are acting outside of their lawful authority and in violation of the Constitution and consequently surrender official, judicial, and sovereign immunity to become private persons. To wit:

"The Government may not be sued except by its consent. The United States has not submitted to suit for specific performance\*99 or for an injunction. This immunity may not be avoided by naming an officer of the Government as a defendant. The officer may be sued only if he acts in excess of his statutory authority or in violation of the Constitution for then he ceases to represent the Government."

[U.S. ex. rel. Brookfield Const. Co. v. Stewart, 284 F.Supp. 94 (1964)]

"... the maxim that the King can do no wrong has no place in our system of government; yet it is also true, in respect to the State itself, that whatever wrong is attempted in its name is imputable to its government and not to the State, for, as it can speak and act only by law, whatever it does say and do must be lawful. That which therefore is unlawful because made so by the supreme law, the Constitution of the United States, is not the word or deed of the State, but is the mere wrong and trespass of those individual persons who falsely spread and act in its name."

"This distinction is essential to the idea of constitutional government. To deny it or blot it out obliterates the line of demarcation that separates constitutional government from absolutism, free self- government based on the sovereignty of the people from that despotism, whether of the one or the many, which enables the agent of the state to declare and decree that he is the state; to say 'L'Etat, c'est moi.' Of what avail are written constitutions, whose bills of right, for the security of individual liberty, have been written too often with the blood of martyrs shed upon the battle-field and the scaffold, if their limitations and restraints upon power may be overpassed with impunity by the very agencies created and appointed to guard, defend, and enforce them; and that, too, with the sacred authority of law, not only compelling obedience, but entitled to respect? And how else can these principles of individual liberty and right be maintained, if, when violated, the judicial tribunals are forbidden to visit penalties upon individual offenders, who are the instruments of wrong, whenever they

interpose the shield of the state? The doctrine is not to be tolerated. The whole frame and scheme of the political institutions of this country, state and federal, protest against it. Their continued existence is not compatible with it. It is the doctrine of absolutism, pure, simple, and naked, and of communism which is its twin, the double progeny of the same evil birth. [Poindexter v. Greenhow, 114 U.S. 270; 5 S.Ct. 903 (1885)]

## 10.5 Affects of Participating in Federal Franchises

The entirety of Subtitle A of Title 26 of the U.S. Code, also called the Internal Revenue Code (I.R.C.), describes the administration of the TOP SECRET "trade or business" franchise, which is an excise tax upon federal "privileges" or "public rights" associated with a "public office" in the United States government. This body of law is "private law" that only applies against those who individually and expressly consent. For exhaustive details on how this franchise operates,

The Trade or Business Scam, Form #05.001 http://sedm.org/Forms/FormIndex.htm

- 1 Since no sane person would knowingly make an informed decision to participate if they knew it was a voluntary franchise,
- then your public dis-servants have taken great pains to hide the requirement for consent, but to respect it using silent
- 3 presumptions which they will do everything within their power to avoid disclosing to the American public who they are
- SUPPOSED to serve. See the following for how this SCAM works in the courts:

<u>Requirement for Consent</u>, Form #05.003 http://sedm.org/Forms/FormIndex.htm

- 5 Yet another type of "public right" or "statutory franchise" is the Social Security system. The operation of this franchise is
- 6 exhaustively explained in the link below:

<u>Resignation of Compelled Social Security Trustee</u>, Form #06.002 http://sedm.org/Forms/FormIndex.htm

- Based on the exhaustive analysis of the "trade or business" and the "social security" franchises listed in the references
- 8 above, we can safely conclude the following:

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- 9 1. Participating in any government franchise always creates contractual agency through the operation of a "trust" or "public trust". That agency subjects you to the laws of a foreign jurisdiction in the District of Columbia pursuant to Fed.Rul.Civ.Proc. 17(b), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d) under the terms of the franchise agreements codified in I.R.C. Subtitle A and the Social Security Act.
  - 2. The agency created is that of a "trustee" over "public property", which usually becomes public property by voluntarily donating one's private property to a "public use" for the purposes of procuring the privilege. That process of donating private property to a public use implicitly grants the government the authority to control that use:

"Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;' and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full [and EXCLUSIVE] control of, subject to these limitations: First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit [that is why Social Security is voluntary!]; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.

[Budd v. People of State of New York, 143 U.S. 517 (1892)]

- 3. The trust relation is a cestuis que trust, which is a charitable trust created for the equal benefit of all those who participate. All those acting as "trustees" represent a federal corporation pursuant to 28 U.S.C. §3002(15)(A) and the corporation they represent is a statutory "U.S. citizen" pursuant to 8 U.S.C. §1401. All corporations are classified as "citizens" of the place where they were incorporated.
  - "A foreign corporation is one that derives its existence solely from the laws of another state, government, or country, and the term is used indiscriminately, sometimes in statutes, to designate either a corporation created by or under the laws of another state or a corporation created by or under the laws of a foreign country."
  - "A federal corporation operating within a state is considered a domestic corporation rather than a foreign corporation. The United States government is a <u>foreign</u> corporation with respect to a state."

    [19 Corpus Juris Secundum, Corporations, §883]

"A corporation is a citizen, <u>resident</u>, or inhabitant of the state or country by or under the laws of which it was created, and of that state or country only."
[19 Corpus Juris Secundum, Corporations, §886]

- 4. You cannot participate in any "public right" or "public franchise" without becoming a "public officer" of the
- 5. Participating in any government franchise makes one a "resident alien" for the purposes of federal jurisdiction and causes an implied surrender of sovereign immunity pursuant to 28 U.S.C. §1605(a)(2). There is also an implied surrender of sovereign immunity pursuant to 28 U.S.C. §1603(b)(3) because a "citizen", which is what the corporation is that you represent, cannot be a "foreign state" or "foreign sovereign" under the Foreign Sovereign Immunities Act, 28 U.S.C. Chapter 97.

government granting the privilege.

2	0.	constitutional rights.
3 4 5 6 7 8 9 10 11 12 13		"And here a thought suggests itself. As the Meadors, subsequently to the passage of this act of July 20, 1868, applied for and obtained from the government a license or permit to deal in manufactured tobacco, snuff and cigars, I am inclined to be of the opinion that they are, by this their own voluntary act, precluded from assailing the constitutionality of this law, or otherwise controverting it. For the granting of a license or permit-the yielding of a particular privilege-and its acceptance by the Meadors, was a contract, in which it was implied that the provisions of the statute which governed, or in any way affected their business, and all other statutes previously passed, which were in pari materia with those provisions, should be recognized and obeyed by them. When the Meadors sought and accepted the privilege, the law was before them. And can they now impugn its constitutionality or refuse to obey its provisions and stipulations, and so exempt themselves from the consequences of their own acts?"  [In re Meador, 1 Abb.U.S. 317, 16 F.Cas. 1294, D.C.Ga. (1869)]
14 15 16 17	7.	<ul><li>The Social Security Number is the "de facto" license number which is used to track and control all those who voluntarily engage in public franchises and "public rights".</li><li>7.1. The number is "de facto" rather than "de jure" because Congress cannot lawfully license any trade or business including a "public office" in a state of the Union, by the admission of no less than the U.S. Supreme Court:</li></ul>
18 19 20 21 22		"Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes, may, without doubt, provide for granting coasting licenses, licenses to pilots, licenses to trade with the Indians, and any other licenses necessary or proper for the exercise of that great and extensive power; and the same observation is applicable to every other power of Congress, to the exercise of which the granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.
23 24 25 26 27 28 29 30 31 32 33		But very different considerations apply to the internal commerce or domestic trade of the States. Over this commerce and trade Congress has no power of regulation nor any direct control. This power belongs exclusively to the States. No interference by Congress with the business of citizens transacted within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the legislature. The power to authorize a business within a State is plainly repugnant to the exclusive power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects. Congress cannot authorize a trade or business within a State in order to tax it."  [License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]
34 35		7.2. If you don't want to be in a "privileged" state and suffer the legal disabilities of accepting the privilege, then you CANNOT have or use Social Security Numbers.
36 37	8.	Those participating in the "benefits" of the franchise have implicitly surrendered the right to challenge any encroachments against their "private rights" or "constitutional rights" that result from said participation:
38 39 40		The Court developed, for its own governance in the cases confessedly within its jurisdiction, a series of rules under which it has avoided passing upon a large part of all the constitutional questions pressed upon it for decision. They are:
41		[]
42 43 44 45		6. The Court will not pass upon the constitutionality of a statute at the instance of one who has availed himself of its benefits. First Great Falls Mfg. Co. v. Attorney General, 124 U.S. 581, 8 S.Ct. 631, 31 L.Ed. 527; Wall v. Parrot Silver & Copper Co., 244 U.S. 407, 411, 412, 37 S.Ct. 609, 61 L.Ed. 1229; St. Louis Malleable Casting Co. v. Prendergast Construction Co., 260 U.S. 469, 43 S.Ct. 178, 67 L.Ed. 351.
46 47 48 49		FN7 Compare Electric Co. v. Dow, 166 U.S. 489, 17 S.Ct. 645, 41 L.Ed. 1088; Pierce v. Somerset Ry., 171 U.S. 641, 648, 19 S.Ct. 64, 43 L.Ed. 316; Leonard v. Vicksburg, etc., R. Co., 198 U.S. 416, 422, 25 S.Ct. 750, 49 L.Ed. 1108.  [Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 56 S.Ct. 466 (1936)]
50 51	9.	Use of a Social Security Number constitutes prima facie consent to engage in the franchise. Use of this number constitutes prima facie evidence of implied consent because:

Resignation of Compelled Social Security Trustee, Form #06.002

9.1. It is a crime to compel use or disclosure of Social Security Numbers. 42 U.S.C. §408.

9.2. You can withdraw from the franchise lawfully at anytime if you don't want to participate. See SSA form 521.

See:

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#### http://sedm.org/Forms/FormIndex.htm

9.3. If the government uses the SSN trustee licenses number to communicate with you and you don't object or correct them, then you once again consented to their jurisdiction to administer the program. See:

Wrong Party Notice, Form #07.012 http://sedm.org/Forms/FormIndex.htm

- 10. The Social Security Number is property of the government and NOT the person using it. 20 CFR §422.103(d).
  - 10.1. The Social Security card confirms this, which says: "Property of the Social Security Administration and must be returned upon request.
  - 10.2. Anything the Social Security Number is attached to becomes "private property" voluntarily donated to a "public use" to procure the benefits of the "public right" or franchise. Only "public officers" on official business may have public property in their possession such as the Social Security Number.

We will now further analyze items 1 and 2 above by giving you an example of how partaking of a franchise creates agency and constitutes a "trust" or "public trust". The following supreme Court ruling proves that a corporate railroad is a government franchise which makes the corporation into a "cestuis que trust", the officers into "public officers" and "trustees" of the United States government through the operation of private law, which is the corporate charter.

The proposition is that the United States, as the grantor of the franchises of the company, the author of its charter, and the donor of lands, rights, and privileges of immense value, and as parens patriae, is a trustee, invested with power to enforce the proper use of the property and franchises granted for the benefit of the public.

The legislative power of Congress over this subject has already been considered, and need not be further alluded to. The trust here relied on is one which is supposed to grow out of the relations of the corporation to the government, which, without any aid from legislation, are cognizable in the ordinary courts of equity.

It must be confessed that, with every desire to find some clear and well-defined statement of the foundation for relief under this head of jurisdiction, and after a very careful examination of the authorities cited, the nature of this claim of right remains exceedingly vague. Nearly all the cases- we may almost venture to say all of themfall under two heads:--

- 1. Where municipal, charitable, religious, or eleemosynary corporations, public in their character, had abused their franchises, perverted the purpose of their organization, or misappropriated their funds, and as they, from the nature of their corporate functions, were more or less under government supervision, the Attorney-General proceeded against them to obtain correction of the abuse; or,
- 2. Where private corporations, chartered for definite and limited purposes, had exceeded their powers, and were restrained \*618 or enjoined in the same manner from the further violation of the limitation to which their powers were subject.

The doctrine in this respect is well condensed in the opinion in The People v. Ingersoll, recently decided by the Court of Appeals of New York. 58 N. Y. 1. 'If,' says the court, 'the property of a corporation be illegally interfered with by corporation officers and agents or others, the remedy is by action at the suit of the corporation, and not of the Attorney-General. Decisions are cited from the reports of this country and of this State, entitled to consideration and respect, affirming to some extent the doctrine of the English courts, and applying it to like cases as they have arisen here. But in none has the doctrine been extended beyond the principles of the English cases; and, aside from the jurisdiction of courts of equity over trusts of property for public uses and over the trustees, either corporate or official, the courts have only interfered at the instance of the Attorney-General to prevent and prohibit some official wrong by municipal corporations or public officers, and the exercise of usurped or the abuse of actual powers.' p. 16.

\*\*37 To bring the present case within the rule governing the exercise of the equity powers of the court, it is strongly urged that the company belongs to the class first described.

The duties imposed upon it by the law of its creation, the loan of money and the donation of lands made to it by the United States, its obligation to carry for the government, and the great purpose of Congress in opening a highway for <u>public use</u> and the postal service between the widely separated States of the Union, are relied on as establishing this proposition.

But in answer to this it must be said that, after all, it is but a railroad company, with the ordinary powers of such corporations. Under its contract with the government, the latter has taken good care of itself; and its rights may be judicially enforced without the aid of this trust relation. They may be aided by the general legislative powers of Congress, and by those reserved in the charter, which we have specifically quoted.

The statute which conferred the benefits on this company, the loan of money, the grant of lands, and the right of way, did the same for other corporations already in existence under State or territorial charters. Has the United 3 States the right \*619 to assert a trust in the Federal government which would authorize a suit like this by the Attorney-General against the Kansas Pacific Railway Company, the Central Pacific Railroad Company, and 5 other companies in a similar position? 6 If the United States is a trustee, there must be cestuis que trust. There cannot be the one without the other, and the trustee cannot be a trustee for himself alone. A trust does not exist when the legal right and the use 8 are in the same party, and there are no ulterior trusts. 9 Who are the cestuis que trust for whose benefit this suit is brought? If they be the defrauded stockholders, we 10 have already shown that they are capable of asserting their own rights; that no provision is made for securing 11 them in this suit should it be successful, and that the statute indicates no such purpose. 12 If the trust concerned relates to the rights of the public in the use of the road, no wrong is alleged capable of 13 redress in this suit, or which requires such a suit for redress. 14 Railroad Company v. Peniston (18 Wall. 5) shows that the company is not a mere creature of the United States, 15 but that while it owes duties to the government, the performance of which may, in a proper case, be enforced, it 16 is still a private corporation, the same as other railroad companies, and, like them, subject to the laws of 17 taxation and the other laws of the States in which the road lies, so far as they do not destroy its usefulness as an 18 instrument for government purposes. 19 We are not prepared to say that there are no trusts which the United States may not enforce in a court of 20 equity against this company. When such a trust is shown, it will be time enough to recognize it. But we are of 21 opinion that there is none set forth in this bill which, under the statute authorizing the present suit, can be 22 enforced in the Circuit Court. 23 \*\*38 There are many matters alleged in the bill in this case, and many points ably presented in argument, 24 which have received our careful attention, but of which we can take no special notice in this opinion. We have 2.5 devoted so much space to the more important matters, that we can only say that, under the view which we take 26 of the scope of the enabling statute, they furnish no ground for relief in this suit. 27 \*620 The liberal manner in which the government has aided this company in money and lands is much urged 28 upon us as a reason why the rights of the United States should be liberally construed. This matter is fully 29 considered in the opinion of the court already cited, in United States v. Union Pacific Railroad Co. (supra), in 30 which it is shown that it was a wise liberality for which the government has received all the advantages for 31 which it bargained, and more than it expected. In the feeble infancy of this child of its creation, when its life 32 and usefulness were very uncertain, the government, fully alive to its importance, did all that it could to 33 strengthen, support, and sustain it. Since it has grown to a vigorous manhood, it may not have displayed the 34 gratitude which so much care called for. If this be so, it is but another instance of the absence of human 35 affections which is said to characterize all corporations. It must, however, be admitted that it has fulfilled the 36 purpose of its creation and realized the hopes which were then cherished, and that the government has found 37 it a useful agent, enabling it to save vast sums of money in the transportation of troops, mails, and supplies, 38 and in the use of the telegraph. 39 A court of justice is called on to inquire not into the balance of benefits and favors on each side of this 40 controversy, but into the rights of the parties as established by law, as found in their contracts, as recognized by 41 the settled principles of equity, and to decide accordingly. Governed by this rule, and by the intention of the 42 legislature in passing the act under which this suit is brought, we concur with the Circuit Court in holding that 43 no case for relief is made by the bill. 44 [U.S. v. Union Pac. R. Co., 98 U.S. 569 (1878)] Notice that the government, in relation to the franchisee, is referred to by the Supreme Court as a "parens patriae". This 45 describes the role of the government as protector over persons with a legal disability. That disability, in fact, consists 46 mainly of the obligations associated with a "public office" in the U.S. government. By partaking of a "public right" or 47 "statutory right" or "privilege", you are abdicating responsibility over your life, admitting that you can't govern or support 48 49 yourself, and therefore transferring your own person, property, and labor to another sovereign, who then exercises a legal 50 "guardianship" as a bloated socialist government. Quite revealing!:

PARENS PATRIAE. Father of his country; parent of the country. In England, the king. In the United States, the state, as a sovereign-referring to the sovereign power of guardianship over persons under disability; In re Turner, 94 Kan. 115, 145 P. 871, 872, Ann.Cas.1916E, 1022; such as minors, and insane and incompetent persons; McIntosh v. Dill, 86 Okl. 1, 205 P. 917, 925.
[Black's Law Dictionary, Sixth Edition, p. 1269]

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Those who nominate a "parens patriae" to govern their lives by engaging in statutory "public rights" and franchises can, at the whim of their new master, be left entirely without remedy in any court of law. Below is the proof:

These general rules are well settled: (1) That the United States, when it creates rights in individuals against itself, is under no obligation to provide a remedy through the courts. United States ex rel. Dunlap v. Black, 128 U. S. 40, 9 Sup. Ct. 12, 32 L. Ed. 354; Ex parte Atocha, 17 Wall. 439, 21 L. Ed. 696; Gordon v. United States, 7 Wall. 188, 195, 19 L. Ed. 35; De Groot v. United States, 5 Wall. 419, 431, 433, 18 L. Ed. 700; Comegys v. Vasse, 1 Pet. 193, 212, 7 L. Ed. 108. (2) That where a statute creates a right and provides a special remedy, that remedy is exclusive. Wilder Manufacturing Co. v. Corn Products Co., 236 U. S. 165, 174, 175, 35 Sup. Ct. 398, 59 L. Ed. 520, Ann. Cas. 1916A, 118; Arnson v. Murphy, 109 U. S. 238, 3 Sup. Ct. 184, 27 L. Ed. 920; Barnet v. National Bank, 98 U. S. 555, 558, 25 L. Ed. 212; Farmers' & Mechanics' National Bank v. Dearing, 91 U. S. 29, 35, 23 L. Ed. 196. Still the fact that the right and the remedy are thus intertwined might not, if the provision stood alone, require us to hold that the remedy expressly given excludes a right of review by the Court of Claims, where the decision of the special tribunal involved no disputed question of fact and the denial of compensation was rested wholly upon the construction of the act. See Medbury v. United States, 173 U. S. 492, 198, 19 Sup. Ct. 503, 43 L. Ed. 779; Parish v. MacVeagh, 214 U. S. 124, 29 Sup. Ct. 556, 53 L. Ed. 936; McLean v. United States, 226 U. S. 374, 33 Sup. Ct. 122, 57 L. Ed. 260; United States v. Laughlin (No. 200), 249 U. S. 440, 39 Sup. Ct. 340, 63 L. Ed. 696, decided April 14, 1919. But here Congress has provided:

'That any claim which shall be presented and acted on under authority of this act shall be held as finally determined, and shall never thereafter be reopened or considered.'

These words express clearly the intention to confer upon the Treasury Department exclusive jurisdiction and to make its decision final. The case of <u>United States v. Harmon, 147 U. S. 268, 13 Sup. Ct. 327, 37 L. Ed. 164, strongly relied upon by claimants, has no application. Compare <u>D. M. Ferry & Co. v. United States, 85 Fed. 550, 557, 29 C. C. A. 345.</u></u>

In the Babcock Case claimant insists also that section 3482 of the Revised Statutes (Comp. St. § 6390), as amended by Act of June 22, \*332 1874, c. 395, 18 Stat. 193 (Comp. St. §§ 6391, 6392) affords a basis for the recovery. That section provided for reimbursement for horses lost in the military service, among other things 'in consequence of the United States failing to supply sufficient forage.' The 1874 amendment provided for reimbursement in any case 'where the loss resulted from any exigency or necessity of the military service, unless it was caused by the fault or negligence of such officers or enlisted men.' Even if these statutes were applicable to facts like those presented here, there could be no recovery; because under Act Jan. 9, 1883, c. 15, 22 Stat. 401, and Act Aug. 13, 1888, c. 868, 25 Stat. 437, the right to present claims under section 3482 of the Revised Statutes as amended finally expired in 1891. See Griffis v. United States, 52 Ct. Cl. 1, 170.

The Court of Claims was without jurisdiction in either case, and the judgments are Reversed. [U.S. v. Babcock, 250 U.S. 328, 39 S.Ct. 464 (1919)]

## 10.6 How to avoid franchises and public rights

- Therefore, those wishing to retain their God-given "private rights" and not surrender them to procure a "privilege" should:
- 1. Demand that any court hearing a matter involving them and the opposing parties MAY NOT cite any provision of the franchise agreement, such as the Social Security Act or I.R.C. Subtitle A, against them without FIRST satisfying the burden of proof that you are subject to the agreement as a "taxpayer". See:

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

2. Insist that all disputes they litigate in federal courts MUST be heard by Article III judges in Article III courts. This means that the Court's jurisdiction must be challenged and that it MUST produce the statute from the Statutes At Large which confers Article III powers upon the court. We have searched every enactment of Congress from the Statutes At Large and determined that NO United States District Court has Article III powers. See:

What Happened to Justice

 $\underline{http://sedm.org/ItemInfo/Ebooks/WhatHappJustice/WhatHappJustice.htm}$ 

- 3. Avoid engaging in franchises and "public rights" at all costs.
- 4. Not generate any evidence that might connect you to the franchise. For instance, NEVER:
  - 4.1. Use a federal identifying number when corresponding with the government.
  - 4.2. Open financial accounts with SSN's or as a "U.S. person". Instead, use the procedures below:

About IRS Form W-8BEN

http://sedm.org/Forms/Tax/W-8BEN/AboutIRSFormW-8BEN.htm

4.3. Submit IRS form W-4 when you go to work. It's the WRONG form. See:

Federal and State Withholding Options for Private Employers

http://famguardian.org/Publications/FedStateWHOptions/FedStateWHOptions.pdf

4.4. Submit IRS form 1040, which is the WRONG form. Everything that goes on this form is "trade or business" 1 earnings. See: 2

The "Trade or Business" Scam, Form #05.001

http://sedm.org/Forms/FormIndex.htm

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4.5. Sign up for Social Security using form SS-5. If you did this, you should quit using the instructions below:

Resignation of Compelled Social Security Trustee, Form #06.002

http://sedm.org/Forms/FormIndex.htm

- Promptly rebut all evidence generated by third parties which might connect you with a franchise, such as all IRS information returns, which are usually false because most people are NOT engaged in a "public office" or "trade or 5 business". See the following resources on how to rebut information returns that connect you to the "trade or business" franchise pursuant to 26 U.S.C. §6041 or which are useful in rebutting tax collection notices based on these forms of FALSE hearsay evidence: 8
  - 5.1. Rebut all uses of federal identifying numbers on any government correspondence you receive. See:

Wrong Party Notice, Form #07.012

http://sedm.org/Forms/FormIndex.htm

- 5.2. Correcting Erroneous IRS Form W-2's
  - http://sedm.org/Forms/Tax/FormW2/CorrectingIRSFormW2.htm
  - 5.3. Correcting Erroneous IRS Form 1042s
    - http://sedm.org/Forms/Tax/Form1042/CorrectingIRSForm1042.htm
    - 5.4. Correcting Erroneous IRS Form 1098
      - http://sedm.org/Forms/Tax/Form1098/CorrectingIRSForm1098.htm
    - 5.5. Correcting Erroneous IRS Form 1099
      - http://sedm.org/Forms/Tax/Form1099/CorrectingIRSForm1099.htm
- Vociferously oppose any attempts to "presume" that they are engaged in franchises by any government employee. All such presumptions which might prejudice constitutionally guaranteed rights are an unlawful violation of due process of law. See:

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

For instance, if someone cites any provision of the I.R.C. against you, which is private law that only pertains to those engaged in the "trade or business" franchise, then you should insist that they meet the burden of proving that you are a "taxpayer" who is subject BEFORE they may cite or enforce any of its provisions against you. See:

Who are "taxpayers" and who needs a "Taxpayer Identification Number", Form #05.013 http://sedm.org/Forms/FormIndex.htm

If you would like to learn more about how to avoid franchises and licensed activities, please visit the following section of 24 our website: 25

Liberty University, Section 4 entitled: "Avoiding Government Franchises and Licenses" http://sedm.org/LibertyU/LibertyU.htm

# 11 Affect of Privileges, Franchises, and other Special Burdens upon equal protection

The following subsections shall analyze the relationship between the requirement for equal protection and privileges, 2.7 franchises, and other special burdens imposed by the state. Franchises are defined as follows: 28

> FRANCHISE. A special privilege conferred by government on individual or corporation, and which does not belong to citizens of country generally of common right. Elliott v. City of Eugene, 135 Or. 108, 294 P. 358, 360. In England it is defined to be a royal privilege in the hands of a subject.

A "franchise," as used by Blackstone in defining quo warranto, (3 Com. 262 [4th Am. Ed.] 322), had reference to a royal privilege or branch of the king's prerogative subsisting in the hands of the subject, and must arise from the king's grant, or be held by prescription, but today we understand a franchise to be some special privilege conferred by government on an individual, natural or artificial, which is not enjoyed by its citizens in general. State v. Fernandez, 106 Fla. 779, 143 So. 638, 639, 86 A.L.R. 240.

1	In this country a franchise is a privilege or immunity of a public nature, which cannot be legally exercised
2 3	without legislative grant. To be a corporation is a franchise. The various powers conferred on corporations
3	are franchises. The execution of a policy of insurance by an insurance company [e.g. Social
4	Insurance/Socialist Security], and the issuing a bank note by an incorporated bank [such as a Federal Reserve
5	NOTE], are franchises. People v. Utica Ins. Co., 15 Johns., N.Y., 387, 8 Am.Dec. 243. But it does not embrace
6	the property acquired by the exercise of the franchise. Bridgeport v. New York & N. H. R. Co., 36 Conn. 255, 4
7	Arn.Rep. 63. Nor involve interest inland acquired by grantee. Whitbeck v. Funk, 140 Or. 70, 12 P.2d 1019,
8	1020. In a popular sense, the political rights of subjects and citizens are franchises, such as the right of
9	suffrage, etc. Pierce v. Emery, 32 N.H. 484; State v. Black Diamond Co., 97 Ohio St. 24, 119 N.E. 195, 199,
10	L.R.A.1918E, 352.
11	Elective Franchise. The right of suffrage: the right or privilege of voting in public elections.
12	Exclusive Franchise. See Exclusive Privilege or Franchise.
13	General and Special. The charter of a corporation is its "general" franchise, while a "special" franchise
14	consists in any rights granted by the public to use property for a public use but-with private profit. Lord v.
15	Equitable Life Assur. Soc., 194 N.Y. 212, 81 N. E. 443, 22 L.R.A., N.S., 420.
16	Personal Franchise. A franchise of corporate existence, or one which authorizes the formation and existence of
17	a corporation, is sometimes called a "personal" franchise. as distinguished from a "property" franchise, which
18	authorizes a corporation so formed to apply its property to some particular enterprise or exercise some special
19	privilege in its employment, as, for example, to construct and operate a railroad. See Sandham v. Nye, 9
20	Misc.ReP. 541, 30 N.Y.S. 552.
21	Secondary Franchises. The franchise of corporate existence being sometimes called the "primary" franchise of
22	a corporation, its "secondary" franchises are the special and peculiar rights, privileges, or grants which it may,
22 23 24 25 26	receive under its charter or from a municipal corporation, such as the right to use the public streets, exact tolls,
24	collect fares, etc. State v. Topeka Water Co., 61 Kan. 547, 60 P. 337: Virginia Canon Toll Road Co. v. People,
25	22 Colo. 429, 45 P. 398 37 L.R.A. 711. The franchises of a corporation are divisible into (1) corporate or
	general franchises; and (2) "special or secondary franchises. The former is the franchise to exist as a
27	corporation, while the latter are certain rights and privileges conferred upon existing corporations. Gulf
28	Refining Co. v. Cleveland Trust Co., 166 Miss. 759, 108 So. 158, 160.
29	Special Franchisee. See Secondary Franchises, supra.
30	[Black's Law Dictionary, 4th Edition, pp. 786-787]

### 11.1 Residence and state citizenship

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In considering the application of the Equal Protection Clause of the Fourteenth Amendment to legislation discriminating between the residents and nonresidents of a state, the Equal Protection Clause cannot be invoked unless the action of a state denies the equal protection of the laws to persons "within its jurisdiction." If persons are, however, in the purview of this clause, within the jurisdiction of a state, the clause guarantees to all so situated, whether citizens or residents of the state or not, the protection of the state's laws equally with its own citizens.<sup>57</sup> A state is not at liberty to establish varying codes of law, one for its own citizens and another governing the same conduct for citizens of sister states, except in a case when the apparent discrimination is not to cast a heavier burden upon the nonresident in its ultimate operation than the one falling upon residents, but is to restore the equilibrium by withdrawing an unfair advantage.<sup>58</sup> On the other hand, a nonresident may not complain of a restriction no different from that placed upon residents.<sup>59</sup>

<sup>&</sup>lt;sup>57</sup> Wheeling Steel Corp. v. Glander, 337 U.S. 562, 69 S. Ct. 1291, 93 L. Ed. 1544, 40 Ohio Op. 101, 55 Ohio L. Abs. 305 (1949).

South Carolina's exemption statute that limits exemption for personal injury awards to only South Carolina residents did not deprive a nonresident of equal protection of the laws where the classification of residents versus nonresidents was reasonably related to the legislative purpose of protecting residents from financial indigency, and where the classification was based upon the state's interest in preventing its citizens from becoming dependent on the state for support. American Service Corp. of South Carolina v. Hickle, 312 S.C. 520, 435 S.E.2d 870 (1993), reh'g denied, (Oct. 20, 1993) and cert. denied, 510 U.S. 1193, 114 S. Ct. 1298, 127 L. Ed. 2d 651 (1994).

<sup>&</sup>lt;sup>58</sup> Smith v. Loughman, 245 N.Y. 486, 157 N.E. 753 (1927), cert. denied, 275 U.S. 560, 48 S. Ct. 119, 72 L. Ed. 426 (1927) and reargument denied, 247 N.Y. 546, 161 N.E. 176 (1928).

A statute requiring out-of-state hunters to be accompanied by resident guides denied equal protection; the statutory classification and its legitimate objectives were tenuous and remote. State v. Jack, 167 Mont. 456, 539 P.2d 726 (1975).

<sup>&</sup>lt;sup>59</sup> People ex rel. Salisbury Axle Co. v. Lynch, 259 N.Y. 228, 181 N.E. 460 (1932).

- The limitation on the right of one state to establish preferences in favor of its own citizens does not depend solely on the 1 guarantee of equal protection of the laws, 60 which does not protect persons not within the jurisdiction of such a state. These 2 limitations are broader, and nonresidents of a state who are noncitizens are also-even though they are not within the 3 jurisdiction of a state, as that phrase is employed in the Equal Protection Clause-protected from discrimination by Article
- IV, § 2 of the Federal Constitution, which secures equal privileges and immunities in the several states to the citizens of 5
- each state. Moreover, any citizen of the United States, regardless of residence or whether he or she is within the jurisdiction 6
- - of a state, is protected in the privileges and immunities which arise from his United States citizenship by the privileges and
- immunities clause of the Fourteenth Amendment. 8

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There is much authority which recognizes the right of the state under certain circumstances to classify residents and nonresidents. 61 Utilization of different, but otherwise constitutionally adequate, procedures for residents and nonresidents does not, by itself, trigger heightened scrutiny under the Equal Protection Clause.<sup>62</sup> Thus, reasonable residency requirements are permissible under the Equal Protection Clause in cases involving voting in elections, 63 or local referendums,<sup>64</sup> for holding public office,<sup>65</sup> for jury service,<sup>66</sup> and for the purpose of receiving various types of government benefits,<sup>67</sup> or for tuition purposes,<sup>68</sup> are quite common, and are generally, though not always, held to be valid

Note, however, that such schemes may violate the privileges and immunities clauses of Article IV, § 2 of the United States Constitution, and the Fourteenth Amendment thereto.

<sup>60</sup> Smith Setzer &Sons, Inc. v. South Carolina Procurement Review Panel, 20 F.3d 1311 (4th Cir. 1994); Kasom v. City of Sterling Heights, 600 F. Supp. 1555 (E.D. Mich. 1985), judgment aff'd, 785 F.2d 308 (6th Cir. 1986).

The state had a legitimate and substantial interest in granting a preference to bidders for state highway contracts who contribute to the state's economy through construction activities within the state. APAC-Mississippi, Inc. v. Deep South Const. Co., Inc., 288 Ark. 277, 704 S.W.2d 620 (1986).

Classifications between resident and nonresident vendors established by a statute which gives preference to resident vendors, under certain circumstances, when the state purchases supplies, services, and goods are rationally related to the state's legitimate interest to benefit its taxpayers, and thus do not deny equal protection of the laws to nonresidents, even though nonresidents who maintain offices in the state and pay state taxes are accorded a preference over other nonresidents. Gary Concrete Products, Inc. v. Riley, 285 S.C. 498, 331 S.E.2d 335 (1985).

<sup>61</sup> Martinez v. Bynum, 461 U.S. 321, 103 S. Ct. 1838, 75 L. Ed. 2d 879, 10 Ed. Law Rep. 11 (1983) (nonresident school students); Zobel v. Williams, 457 U.S. 55, 102 S. Ct. 2309, 72 L. Ed. 2d 672 (1982) (holding that new residents of a state may not be subjected to discriminatory treatment simply because of their recent migration); Jones v. Helms, 452 U.S. 412, 101 S. Ct. 2434, 69 L. Ed. 2d 118 (1981), on remand to, 660 F.2d 120 (5th Cir. 1981); Fireside Nissan, Inc. v. Fanning, 30 F.3d 206 (1st Cir. 1994) (nonresident automobile dealership owners); Mohme v. City of Cocoa, 328 So. 2d 422 (Fla. 1976), appeal after remand, 356 So. 2d 2 (Fla. Dist. Ct. App. 4th Dist. 1977); State v. Alley, 274 A.2d 718 (Me. 1971).

A program of state bounties for destruction of Maryland-titled junk cars was not violative of the Equal Protection Clause, despite stricter proof of ownership requirements for out-of-state scrap processors. Hughes v. Alexandria Scrap Corp., 426 U.S. 794, 96 S. Ct. 2488, 49 L. Ed. 2d 220 (1976).

A Kansas statute and rules of court permitting an out-of-state lawyer to practice before Kansas tribunals only if he associates a member of the Kansas bar with him, as an attorney of record, does not violate the Fourteenth Amendment either on its face or as applied to a lawyer maintaining law offices and a practice of law both out of state and in Kansas. Martin v. Walton, 368 U.S. 25, 82 S. Ct. 1, 7 L. Ed. 2d 5 (1961), reh'g denied, 368 U.S. 945, 82 S. Ct. 376, 7 L. Ed. 2d 341 (1961).

<sup>62</sup> Whiting v. Town of Westerly, 942 F.2d 18 (1st Cir. 1991).

<sup>63</sup> Rosario v. Rockefeller, 410 U.S. 752, 93 S. Ct. 1245, 36 L. Ed. 2d 1 (1973), reh'g denied, 411 U.S. 959, 93 S. Ct. 1920, 36 L. Ed. 2d 419 (1973) (a 30-day residential requirement is permissible); Marston v. Lewis, 410 U.S. 679, 93 S. Ct. 1211, 35 L. Ed. 2d 627 (1973) (a 50-day durational voter residency requirement and a 50-day voter registration requirement for state and local elections are not unconstitutional under the Equal Protection Clause); Ballas v. Symm, 494 F.2d 1167 (5th Cir. 1974); Opinion of the Justices, 111 N.H. 146, 276 A.2d 825 (1971).

A governmental unit may, consistently with equal protection requirements, legitimately restrict the right to participate in its political processes to those who reside within its borders. Holt Civic Club v. City of Tuscaloosa, 439 U.S. 60, 99 S. Ct. 383, 58 L. Ed. 2d 292 (1978).

Excluding out-of-state property owners from voting on a water district matter while granting that right to Colorado residents who own property within the district but who do not live within the district does not violate the Fourteenth Amendment. Millis v. Board of County Com'rs of Larimer County, 626 P.2d 652 (Colo. 1981)

On the other hand, under the Equal Protection Clause, persons living on the grounds of the National Institutes of Health, a federal enclave situated in Maryland, are entitled to protect their stake in elections by exercising their right to vote, and their living on such grounds cannot constitutionally be treated as basis for concluding that they do not meet Maryland residency requirements for voting. Evans v. Cornman, 398 U.S. 419, 90 S. Ct. 1752, 26 L. Ed. 2d 370 (1970).

<sup>64</sup> As to residence qualifications of the signers of initiative or referendum petitions, see 42 Am Jur 2d, Initiative and Referendum § 29.

<sup>&</sup>lt;sup>65</sup> See 63C Am Jur 2d, Public Officers and Employees § 81.

<sup>66</sup> See 47 Am Jur 2d, Jury §§ 100, 147-149.

<sup>67</sup> Memorial Hospital v. Maricopa County, 415 U.S. 250, 94 S. Ct. 1076, 39 L. Ed. 2d 306 (1974) (a state statute requiring a year's residence in a county as a condition to an indigent's receiving nonemergency hospitalization or medical care at the county's expense is repugnant to the Equal Protection

- and proper. However, a statute providing for county-wide territorial jurisdiction of a municipal court may violate the equal
- 2 protection rights of county residents who are subject to the municipal court's territorial jurisdiction, but not enfranchised to
- elect municipal judges. <sup>69</sup> Residence may also be a proper condition precedent to commencement of various suits. 24 On
- 4 the other hand, many license and tax laws which discriminate against nonresidents have been held to violate the Equal
- 5 Protection Clause. 70

- A statute which discriminates unjustly against residents in favor of nonresidents violates the Equal Protection Clause;<sup>71</sup>
- however, there must be an actual discrimination against residents in order to invalidate a statute. Where residents and
- 8 nonresidents are treated alike, there is no discrimination. A state regulatory statute exempting nonresidents does not deny
- 9 the equal protection of the laws guaranteed by the Fourteenth Amendment, where it rests upon a state of facts that can
- reasonably be conceived to constitute a distinction or difference in state policy.<sup>73</sup>
- The constitutional guarantee as to the equal protection of the laws may render invalid statutes and ordinances which effect
- 12 an unlawful discrimination in favor of a municipality or its inhabitants. Such enactments invalidly attempt to give a
- preference to a class consisting of residents of a political subdivision of a state.<sup>74</sup>

# 11.2 Protection against special burdens and privileges

- 15 The theory underlying constitutional requirements of equality is that all persons in like circumstances and like conditions
- must be treated alike, both as to privileges conferred and as to liabilities or burdens imposed. The organic principle of
- equality includes within its application a granted privilege as well as a regulated right. Equality of benefit is required no
- less than equality of burden. <sup>7</sup>
- 19 Every citizen should share the common benefits of a government the common burdens of which he or she is required to
- 20 bear. Thus, legislation granting special privileges and imposing special burdens may conflict with the Equal Protection

Clause); Cole v. Housing Authority of City of Newport, 435 F.2d 807 (1st Cir. 1970) (two-year residency requirement for eligibility for low-income housing violates the Equal Protection Clause).

In the absence of a showing that the provisions of state statutes and of a District of Columbia statute enacted by Congress, prohibiting public assistance benefits to residents of less than a year, were necessary to promote compelling governmental interests, such prohibitions create a classification which constitutes an invidious discrimination denying such residents equal protection of the laws. Shapiro v. Thompson, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

But the exclusion of migrant agricultural workers from the beneficial provisions of various federal and state statutes concerning social legislation in such areas as unemployment compensation, minimum hours and wages, Social Security, and worker's compensation is not unconstitutional. Doe v. Hodgson, 478 F.2d 537, 21 Wage &Hour Cas. (BNA) 23, 71 Lab. Cas. (CCH) ¶ 32909 (2d Cir. 1973), cert. denied, 414 U.S. 1096, 94 S. Ct. 732, 38 L. Ed. 2d 555, 21 Wage &Hour Cas. (BNA) 446, 72 Lab. Cas. (CCH) ¶ 33004 (1973).

For a state university to require proof that a law student had actually secured postgraduation employment in the state as a condition precedent to granting him residence status for purposes of tuition fees violated the Equal Protection Clause. Kelm v. Carlson, 473 F.2d 1267, 67 Ohio Op. 2d 275 (6th Cir. 1973).

But a state statute requiring four months' continuous residency independent of school attendance in order to establish domicil in the state for tuition purposes does not violate the Equal Protection Clause. Thompson v. Board of Regents of University of Nebraska, 187 Neb. 252, 188 N.W.2d 840 (1971).

As to particular types of licenses or permits, see specific topics (e.g., as to fishing or hunting licenses, see 35 Am Jur 2d, Fish and Game §§ 34, 45).

<sup>68</sup> Vlandis v. Kline, 412 U.S. 441, 93 S. Ct. 2230, 37 L. Ed. 2d 63 (1973).

<sup>&</sup>lt;sup>69</sup> State v. Webb, 323 Ark. 80, 913 S.W.2d 259 (1996), opinion supplemented on other grounds on denial of reh'g, 323 Ark. 80, 920 S.W.2d 1 (1996).

<sup>&</sup>lt;sup>70</sup> See 51 Am Jur 2d, Licenses and Permits §§ 31, 79, 121, 123; 71 Am Jur 2d, State and Local Taxation § 172.

 $<sup>^{71}</sup>$  Little v. Smith, 124 Kan. 237, 257 P. 959, 57 A.L.R. 100 (1927).

<sup>&</sup>lt;sup>72</sup> Geo. B. Wallace, Inc. v. Pfost, 57 Idaho 279, 65 P.2d 725, 110 A.L.R. 613 (1937).

<sup>&</sup>lt;sup>73</sup> Allied Stores of Ohio, Inc. v. Bowers, 358 U.S. 522, 79 S. Ct. 437, 3 L. Ed. 2d 480, 9 Ohio Op. 2d 321, 82 Ohio L. Abs. 312 (1959).

<sup>&</sup>lt;sup>74</sup> Schrager v. City of Albany, 197 Misc. 903, 99 N.Y.S.2d 697 (Sup. Ct. 1950); Richter Concrete Corp. v. City of Reading, 166 Ohio St. 279, 2 Ohio Op. 2d 169, 142 N.E.2d 525 (1957).

<sup>&</sup>lt;sup>75</sup> Carozza v. Federal Finance & Credit Co., 149 Md. 223, 131 A. 332, 43 A.L.R. 1 (1925); Rosenblum v. Griffin, 89 N.H. 314, 197 A. 701, 115 A.L.R. 1367 (1938).

Clause of the Federal Constitution, 76 as well as with the more specific provisions of some state constitutions, which, 1 although varying slightly in terminology, have the general effect of prohibiting the granting of special privileges or 2 immunities. So long as all are treated alike under like circumstances, however, neither the federal nor the state provisions 3 are violated.<sup>77</sup> General rules that apply evenhandedly to all persons within a jurisdiction comply with the Equal Protection 4 Clause; only when a governmental unit adopts a rule that has a special impact on less than all the persons subject to its 5 jurisdiction does the question whether equal protection is violated arise. 78 It would thus appear that particular laws 6 granting special privileges and immunities must run the gauntlet between the provisions of the Federal Constitution which secure the equal protection of the laws and those of state constitutions which prohibit either special legislation or special 8 laws granting privileges and immunities, and also that the inherent limitations on legislative power may themselves be 9 sufficient to nullify such laws.<sup>79</sup> 10

## 11.3 State Constitutional Provisions as to special privileges

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Provisions to be found in the constitutions of many states have the general effect of prohibiting the grant of special privileges or immunities. Such guarantees in the state constitutions are in nature simply a protection of those fundamental or inherent rights which are common to all citizens; they have been described as being the antithesis of the Fourteenth Amendment, since the latter operates to prevent abridgment by the states of the constitutional rights of citizens of the United States and the former prevents the state from granting special privileges or immunities and exemptions from otherwise common burdens. One prevents the curtailment of the constitutional rights of citizens, and the other prohibits the enlargement of the rights of some in discrimination against others. However, the tests as to the granting of special privileges and immunities by a state are substantially similar to those used in determining whether the equal protection of the laws has been denied by a state.

The general principle involved in constitutional equality guarantees forbidding special privileges or immunities seems to be that if legislation, without good reason and just basis, imposes a burden on one class which is not imposed on others in like circumstances or engaged in the same business, it is a denial of the equal protection of the laws to those subject to the burden and a grant of an immunity to those not subject to it. Such provisions of the state constitutions permit

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<sup>&</sup>lt;sup>76</sup> Silver v. Silver, 108 Conn. 371, 143 A. 240, 65 A.L.R. 943 (1928), aff'd, 280 U.S. 117, 50 S. Ct. 57, 74 L. Ed. 221, 65 A.L.R. 939 (1929); Decker v. Pouvailsmith Corp., 252 N.Y. 1, 168 N.E. 442 (1929); Bowman v. Virginia State Entomologist, 128 Va. 351, 105 S.E. 141, 12 A.L.R. 1121 (1920).

Frazier v. State Tax Commission, 234 Ala. 353, 175 So. 402, 110 A.L.R. 1479 (1937); Mammina v. Alexander Auto Service Co., 333 Ill. 158, 164 N.E.
 173, 61 A.L.R. 649 (1928); Bolivar Tp. Board of Finance of Benton County v. Hawkins, 207 Ind. 171, 191 N.E. 158, 96 A.L.R. 271 (1934).

<sup>&</sup>lt;sup>78</sup> New York City Transit Authority v. Beazer, 440 U.S. 568, 99 S. Ct. 1355, 59 L. Ed. 2d 587, 1 A.D. Cas. (BNA) 73, 19 Fair Empl. Prac. Cas. (BNA) 149, 19 Empl. Prac. Dec. (CCH) ¶ 9027 (1979); Alexander v. Whitman, 114 F.3d 1392 (3d Cir. 1997), cert. denied, 118 S. Ct. 367, 139 L. Ed. 2d 286 (U.S. 1997).

<sup>&</sup>lt;sup>79</sup> Fountain Park Co. v. Hensler, 199 Ind. 95, 155 N.E. 465, 50 A.L.R. 1518 (1927); State v. Savage, 96 Or. 53, 184 P. 567 (1919), opinion adhered to on denial of reh'g, 189 P. 427 (Or. 1920).

<sup>80</sup> State Board of Tax Com'rs of Ind. v. Jackson, 283 U.S. 527, 51 S. Ct. 540, 75 L. Ed. 1248, 73 A.L.R. 1464, 75 A.L.R. 1536 (1931), leave to file for reh'g granted, 51 S. Ct. 651, 75 L. Ed. 1474 (U.S. 1931) and reh'g denied, (Oct. 12, 1931) (Indiana Constitution); Carley & Hamilton v. Snook, 281 U.S. 66, 50 S. Ct. 204, 74 L. Ed. 704, 68 A.L.R. 194 (1930) (California Constitution); Frazier v. State Tax Commission, 234 Ala. 353, 175 So. 402, 110 A.L.R. 1479 (1937); Austin v. Lambert, 11 Cal. 2d 73, 77 P.2d 849, 115 A.L.R. 849 (1938); People ex rel. Heydenreich v. Lyons, 374 Ill. 557, 30 N.E. 2d 46, 132 A.L.R. 511 (1940); Storen v. Sexton, 209 Ind. 589, 200 N.E. 251, 104 A.L.R. 1359 (1936).

While there is no such express prohibition in the Florida Constitution, special privileges or immunities may be granted only to advance a public purpose as distinguished from a private interest or purpose. Liquor Store v. Continental Distilling Corp., 40 So. 2d 371 (Fla. 1949).

<sup>81</sup> Bolivar Tp. Board of Finance of Benton County v. Hawkins, 207 Ind. 171, 191 N.E. 158, 96 A.L.R. 271 (1934); Savage v. Martin, 161 Or. 660, 91 P.2d 273 (1939).

<sup>82</sup> State Board of Tax Com'rs of Ind. v. Jackson, 283 U.S. 527, 51 S. Ct. 540, 75 L. Ed. 1248, 73 A.L.R. 1464, 75 A.L.R. 1536 (1931), leave to file for reh'g granted, 51 S. Ct. 651, 75 L. Ed. 1474 (U.S. 1931) and reh'g denied, (Oct. 12, 1931); Rosenblum v. Griffin, 89 N.H. 314, 197 A. 701, 115 A.L.R. 1367 (1938); Milwaukie Co. of Jehovah's Witnesses v. Mullen, 214 Or. 281, 330 P.2d 5, 74 A.L.R.2d 347 (1958), appeal dismissed, 359 U.S. 436, 79 S. Ct. 940, 3 L. Ed. 2d 932 (1959).

The United States Constitution, the Fourteenth Amendment thereto, and the California Constitution, Art. I § 11, requiring the uniform operation of all laws of a general nature, and § 21, prohibiting the granting of privileges or immunities to any citizen or class of citizens not granted to all citizens on the same terms, provide generally equivalent but independent protections in their respective jurisdictions. Department of Mental Hygiene v. Kirchner, 62 Cal. 2d 586, 43 Cal. Rptr. 329, 400 P.2d 321 (1965).

<sup>83</sup> Tipton County v. Rogers Locomotive & Machine Works, 103 U.S. 523, 26 L. Ed. 340 (1880); Fountain Park Co. v. Hensler, 199 Ind. 95, 155 N.E. 465, 50 A.L.R. 1518 (1927).

- classification, if it is not arbitrary, is reasonable, and has a substantial basis and a proper relation to the objects sought to be
- accomplished.<sup>84</sup> And a state constitutional provision that no member of the state shall be deprived of any of the rights or
- privileges secured to any citizen thereof, unless by the law of the land or the judgment of his or her peers, prohibits class
- 4 legislation, but does not forbid classification so long as it is not unreasonable or arbitrary. 85
- 5 Observation: In determining the scope of the class singled out by a statute for special burdens or benefits, a court will not
- 6 confine its view to the terms of the specific statute, but will judge its operation against the background of other legislative,
- administrative, and judicial directives which govern the legal rights of similarly situated persons. <sup>86</sup> A constitutional
- provision prohibiting the grant of special privileges applies to municipal ordinances as well as to acts of the legislature. 87
- If a state constitutional provision states that no special privileges or immunities shall ever be granted to any citizen or class of citizens which shall not be granted upon the same terms to all citizens, it is not available to aliens who are not citizens. 88

## 11.4 Imposition of burdens

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12 In the exercise of the undoubted right of classification, it may often happen that some classes are subjected to regulations

- and some individuals are burdened with obligations which do not rest on other classes or other individuals not similarly
  - situated, but this fact does not necessarily vitiate a statute, because it would practically defeat legislation if it were laid
- down as an invariable rule that a statute is void if it does not bring all within its scope or subject all to the same burdens.<sup>89</sup>
- Thus, it is of the essence of a classification that on one class are cast duties and burdens different from those resting on the
- general public and that the very idea of classification is that of inequality, so that the mere fact of inequality in no manner
- determines the matter of constitutionality. 90 The general rule as to classification in the imposition of burdens is that no one
- may be subject to any greater burdens and charges than are imposed on others in the same calling or condition. 91 No
- burden can be imposed on one class of persons, natural or artificial, and arbitrarily selected, which is not in like conditions
- 21 imposed on all other classes. 92
- 22 A statute infringes the constitutional guarantee of equal protection if it singles out for discriminatory legislation particular
- 23 individuals not forming an appropriate class and imposes on them burdens or obligations or subjects them to rules from
- 24 which others are exempt. 93 Under the guise of the exercise of the police power, it is not competent either for the legislature
- or for a municipality to impose unequal burdens upon individual citizens.<sup>94</sup>

Generally, as to constitutional restrictions on special or local laws granting privileges and immunities, see 73 Am Jur 2d, Statutes §§ 38, 39, 41.

<sup>&</sup>lt;sup>84</sup> Mansur v. City of Sacramento, 39 Cal. App. 2d 426, 103 P.2d 221 (3d Dist. 1940); People ex rel. Heydenreich v. Lyons, 374 Ill. 557, 30 N.E.2d 46, 132 A.L.R. 511 (1940); Ferch v. Housing Authority of Cass County, 79 N.D. 764, 59 N.W.2d 849 (1953).

A state constitutional provision barring the grant of special privileges and immunities is violated by a statute embodying an arbitrary classification. Power, Inc. v. Huntley, 39 Wash. 2d 191, 235 P.2d 173 (1951).

<sup>85</sup> Thomas v. Housing and Redevelopment Authority of Duluth, 234 Minn. 221, 48 N.W.2d 175 (1951).

<sup>86</sup> Brown v. Merlo, 8 Cal. 3d 855, 106 Cal. Rptr. 388, 506 P.2d 212, 66 A.L.R.3d 505 (1973).

<sup>&</sup>lt;sup>87</sup> Acton v. Henderson, 150 Cal. App. 2d 1, 309 P.2d 481 (1st Dist. 1957).

<sup>88</sup> See 3A Am Jur 2d, Aliens and Citizens § 1955.

<sup>89</sup> Cotting v. Godard, 183 U.S. 79, 22 S. Ct. 30, 46 L. Ed. 92 (1901).

<sup>&</sup>lt;sup>90</sup> International Harvester Co. v. State of Missouri ex inf. Attorney General, 234 U.S. 199, 34 S. Ct. 859, 58 L. Ed. 1276 (1914); People v. Monroe, 349 Ill. 270, 182 N.E. 439, 85 A.L.R. 605 (1932); Bratberg v. Advance-Rumely Thresher Co., 61 N.D. 452, 238 N.W. 552, 78 A.L.R. 1338 (1931).

<sup>&</sup>lt;sup>91</sup> Truax v. Corrigan, 257 U.S. 312, 42 S. Ct. 124, 66 L. Ed. 254, 27 A.L.R. 375 (1921); Marallis v. City of Chicago, 349 Ill. 422, 182 N.E. 394, 83 A.L.R. 1222 (1932).

<sup>&</sup>lt;sup>92</sup> Atlantic Coast Line R. Co. v. Ivey, 148 Fla. 680, 5 So. 2d 244, 139 A.L.R. 973 (1941); Dimke v. Finke, 209 Minn. 29, 295 N.W. 75 (1940); State v. Northwestern Elec. Co., 183 Wash. 184, 49 P.2d 8, 101 A.L.R. 189 (1935).

<sup>&</sup>lt;sup>93</sup> Stewart Dry Goods Co. v. Lewis, 294 U.S. 550, 55 S. Ct. 525, 79 L. Ed. 1054 (1935), reh'g denied, 295 U.S. 768, 55 S. Ct. 652 (1935) and reh'g denied, 295 U.S. 768, 55 S. Ct. 652, 79 L. Ed. 1709 (1935) and reh'g denied, 295 U.S. 768, 55 S. Ct. 652, 79 L. Ed. 1709 (1935) and reh'g denied, 295 U.S. 768, 55 S. Ct. 652, 79 L. Ed. 1709 (1935).

<sup>&</sup>lt;sup>94</sup> Chickasha Cotton Oil Co. v. Cotton County Gin Co., 40 F.2d 846, 74 A.L.R. 1070 (C.C.A. 10th Cir. 1930); Beasley v. Cunningham, 171 Tenn. 334, 103 S.W.2d 18, 110 A.L.R. 306 (1937).

- Observation: If a legislative classification or distinction neither burdens a fundamental right nor targets a suspect class, the
- 2 United States Supreme Court will uphold it against an equal protection challenge so long as it bears a rational relation to
- 3 some legitimate end. 95 Thus, if, under a particular classification, all persons affected by a statute are treated alike in the
- burdens imposed upon them, the legislation is not open to the objection that it denies to any the equal protection of the
- 5 laws. 96

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## 11.5 Grant of privileges

- Without violating the limitations inherent in the constitutional requirements as to the equal protection of the laws,
- 8 appropriate classifications may be made. When made on natural and reasonable grounds, the grant of rights to one class will
  - not necessarily amount to a denial of the equal protection of the laws to members of other classes. 97 In all cases, however,
- where a classification is made for the purpose of conferring a special privilege on a class, there must be some good and
- valid reason why that particular class should alone be the recipient of the benefit. 98 Under the Federal Constitution,
- distinctions in rights and privileges that are based on some reason not applicable to all are generally sustained. But if
- there are other general classes situated in all respects like the class benefited by a statute, with the same inherent needs and
- qualities which indicate the necessity or expediency of protection for the favored class, and legislation discriminates
- against, casts a burden upon, or withholds the same protection from the other class or classes in like situations, the statute
- cannot stand. 100
- An otherwise valid statute or ordinance conferring a privilege is not rendered invalid merely because it chances that
- 18 particular persons find it hard or even impossible to comply with precedent conditions upon which enjoyment of the
- privilege is made to depend. 101

## 12 Avoiding government franchises and licenses

## 12.1 Franchises Generally

The IRS has no form that <u>nonresident aliens</u> domiciled in states of the Union who are not engaged in a "<u>trade or business</u>"

can use to describe their lawful citizenship and tax status to the government, businesses, and financial institutions. These

persons are described in 26 CFR §1.871-1(b)(i) but they have no form to use to document their immunity or sovereignty.

<sup>&</sup>lt;sup>95</sup> Vacco v. Quill, 117 S. Ct. 2293, 138 L. Ed. 2d 834 (U.S. 1997), for concurring opinion, see, 117 S. Ct. 2302 (U.S. 1997); Romer v. Evans, 517 U.S. 620, 116 S. Ct. 1620, 134 L. Ed. 2d 855, 109 Ed. Law Rep. 539, 70 Fair Empl. Prac. Cas. (BNA) 1180, 68 Empl. Prac. Dec. (CCH) ¶ 44013 (1996) (declined to extend by, Benjamin v. Jacobson, 935 F. Supp. 332 (S.D.N.Y. 1996)).

<sup>&</sup>lt;sup>96</sup> Staten Island Rapid Transit Ry. Co. v. Phoenix Indemnity Co., 281 U.S. 98, 50 S. Ct. 242, 74 L. Ed. 726 (1930); Kocsis v. Chicago Park Dist., 362 Ill. 24, 198 N.E. 847, 103 A.L.R. 141 (1935); Buckler v. Hilt, 209 Ind. 541, 200 N.E. 219, 103 A.L.R. 901 (1936); Commonwealth v. Watson, 223 Ky. 427, 3 S.W.2d 1077, 58 A.L.R. 212 (1928).

<sup>97</sup> Sanger v. City of Bridgeport, 124 Conn. 183, 198 A. 746, 116 A.L.R. 1031 (1938).

<sup>98</sup> Champlin Refining Co. v. Cruse, 115 Colo. 329, 173 P.2d 213 (1946).

Equal protection principles require that distinctions drawn by a statute granting an economic benefit to one class while denying it to another must at least bear some rational relationship to a conceivable legitimate state purpose. Steed v. Imperial Airlines, 10 Cal. 3d 323, 110 Cal. Rptr. 217, 515 P.2d 17 (1973), reh'g granted, opinion not citable, (Dec. 14, 1973) and opinion vacated on other grounds, 12 Cal. 3d 115, 115 Cal. Rptr. 329, 524 P.2d 801, 68 A.L.R.3d 1204 (1974), appeal dismissed, 420 U.S. 916, 95 S. Ct. 1108, 43 L. Ed. 2d 387 (1975).

<sup>&</sup>lt;sup>99</sup> Weisfield v. City of Seattle, 180 Wash. 288, 40 P.2d 149, 96 A.L.R. 1190 (1935); Williams v. Hofmann, 66 Wis. 2d 145, 223 N.W.2d 844, 76 A.L.R.3d 880 (1974).

The courts have generally rejected the contention that low-cost housing laws or ordinances are invalid as granting special privileges or immunities because they designated families or persons of low income as tenants. See 40 Am Jur 2d, Housing Laws and Urban Redevelopment § 3.

<sup>&</sup>lt;sup>100</sup> McErlain v. Taylor, 207 Ind. 240, 192 N.E. 260, 94 A.L.R. 1284 (1934); Abrams v. Bronstein, 33 N.Y.2d 488, 354 N.Y.S.2d 926, 310 N.E.2d 528 (1974); Kurtz v. City of Pittsburgh, 346 Pa. 362, 31 A.2d 257, 145 A.L.R. 1134 (1943).

 $<sup>^{101}</sup>$  Gant v. Oklahoma City,  $\,289$  U.S. 98,  $\,53$  S. Ct. 530,  $\,77$  L. Ed. 1058 (1933).

- 1. <u>IRS Form 8233</u> is inadequate because it is for "<u>personal services</u>" rendered within the federal zone. The I.R.C. and regs presume that "<u>personal services</u>" means services connected with a "<u>trade or business</u>".
- 2. There is no form available to exempt from withholding for a person not in receipt of taxable "privileges" because not engaged in "personal services" ("trade or business" services), not working within the federal zone ("United States"), not engaged in a "trade or business", not a "beneficial owner", not participating in Socialist INSecurity, and not in receipt of treaty benefits. In effect, they are refusing to acknowledge that a person can be a nontaxpayer without accepting a "privilege" because they want to compel everyone into a privileged state to destroy their rights and sovereignty.
  - 3. The closest we have been able to come in searching for such a needed form is the <u>AMENDED IRS form W-8BEN</u>, but it still leaves much to be desired because it doesn't specifically indicate that withholding is impermissible, even though <u>IRS Pub 519</u>, the I.R.C., and the Treasury regulations authorize such an exemption from withholding and tax liability. See 26 CFR §1.872-2(f), 26 CFR §31.3401(a)(6)-1(b), 26 U.S.C. §861(a)(3)(C)(i), 26 U.S.C. §3401(a)(6), 26 U.S.C. §1402(b), and 26 U.S.C. §7701(a)(31).
- 4. The <u>original IRS form W-8</u>, discontinued in 2002, served the required purpose. The IRS modified the form by replacing it with <u>the W-8BEN</u> so that people with the correct status above would have no remedy to defend their status using what the law allows. They did this to dupe even more people unwittingly into becoming "<u>taxpayers</u>".
- People have been asking us for a substitute form that does the job to make it easier to defend and explain their sovereignty on certain key occasions, and now they have authoritative tools to use to defend their status! This item solves these problems and provides a very potent and compact form can be used for several important occasions in order to explain, defend, and justify your status as a constitutional citizen, not a statutory "<u>U.S. citizen</u>" as defined <u>8 U.S.C. §1401</u>, a "national", a "nonresident alien", and a "nontaxpayer". It is specifically designed to attach to any one of the following important applications to clarify your citizenship, domicile, and tax status:
- 1. Financial account applications along with an <u>AMENDED IRS form W-8BEN</u> in order to open an account without an SLAVE SURVEILLANCE NUMBER or any kind of 1099 reporting or tax withholding. <u>NOTE</u>: DO NOT use the standard IRS form W-8BEN, because it makes you into a "beneficial owner" and therefore a "taxpayer".
- 25 2. Job application

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- 26 3. Voter registration
- 4. Jury summons response
- 5. Government application or form
- Below is a link to this very important form. The form is electronically fillable, so that you can fill in the fields from Adobe
  Acrobat and save your copy locally for reuse in the future to save you LOTS of time responding to tax collection notices.

Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001 http://sedm.org/Forms/Affidavits/AffCitDomTax.pdf

#### 31 Resources for further study:

- 1. <u>Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #06.005</u> Forms page
- 2. Why "domicile" and income taxes are voluntary, Form #05.002-SEDM Forms page
- 35 3. Why You Are a "national" or a "state national" and not a "U.S. citizen", Form #05.006-SEDM

## 36 12.2 Social Security

- Many people have asked if we have any information that may be helpful to those who wish to legally terminate participation in Social Security. The document below should help with that very popular goal. Sending this document in
- 39 according to the instructions included is also a MANDATORY requirement of our Member Agreement.

<u>Resignation of Compelled Social Security Trustee</u>, Form #06.002 <a href="http://sedm.org/Forms/Emancipation/SSTrustIndenture.pdf">http://sedm.org/Forms/Emancipation/SSTrustIndenture.pdf</a>

40 Resources for further study:

- 2. <u>Socialism: The New American Civil Religion, Form #05.016</u>- proves that in contemporary America, government has become a false god and is attempting to replace the true God
- 5 3. About SSNs/TINS on government correspondence
- 4. Step 3.17: Quit Social Security and Rescind the Social Security Number (OFFSITE LINK)-Family Guardian
- 7 5. Social Security: Mark of the Beast (OFFSITE LINK)- Family Guardian

### 8 12.3 <u>Income taxes</u>

#### 9 12.3.1 Tax Form Attachment

- STANDARD IRS forms are famous for creating the following <u>false resumption</u>:
- 11 1. That you are a "taxpayer"
- 12 2. That because you provided a federal identifying number, you are a "franchisee" engaged in a "trade or business" and a "public office
- 3. That you maintain a <u>domicile</u> in the "<u>United States</u>", which is defined in the I.R.C. as the federal zone and nowhere expressly includes any state of the Union. The IRS Form 1040, for instance, is only for use by those who maintain a "domicile" or "residence" within the federal zone, which people domiciled in states of the Union do not.
- 4. That you are an "individual", which is defined in 5 U.S.C. §552a(a)(13) as "federal personnel" and a federal "employee".
- All four of the above <u>false resumptions</u> have the desired consequences of causing you to become a surrender your sovereign immunity pursuant to <u>28 U.S.C.</u>§1603(b)(3) and <u>28 U.S.C.</u>§1605(a)(2) and making you into an indentured servant of the
- 21 federal government who is surety for public debts and every pork barrel spending bill your public servants dream up. There
- are three methods for preventing or overcoming these deliberately false resumptions:
- 1. Use AMENDED IRS forms that remove the presumptions. <u>Click here</u> (OFFSITE LINK) for a source of AMENDED IRS forms.
- 25 2. Use STANDARD IRS forms and then modify them to correctly reflect your status. The modifications required are listed in Section 1 of this link. Sometimes, the IRS tries to penalize people who "alter" their forms.
- 3. Use STANDARD IRS forms that you don't modify but above your signature write "Not valid without signed Tax Form Attachment attached" and then attach this form. This approach avoids any penalties the IRS might attempt to impose for "altering" their forms, and yet avoids you having to commit perjury under penalty of perjury on a government form.
- 30 This form provides a standardized and very effective way to accomplish the last option above. The last option above
- 31 implemented with this form is the most convenient of the above three options and provides a very consistent and bullet-
- 32 proof way to correctly describe your status as a Member using any government form. Using this form with EVERY
- 33 STANDARD IRS form you submit is a mandatory requirement of our Member Agreement. This form comes from our
- Forms Page, and is Form #04.013.

<u>Tax Form Attachment</u>, Form #04.013 http://sedm.org/Forms/Tax/TaxFormAtt.pdf

#### 35 Resources for further study:

- 1. <u>Federal Forms and Publications</u> (OFFSITE LINK) -Family Guardian. Place where you can obtain AMENDED versions of IRS forms that remove presumptions that misrepresent or threaten your sovereign status as a "nontaxpayer"
- 2. Nonresident Alien Position, Form #05.020 Sections 11 through 11.2 explain why using this form is VERY IMPORTANT

#### 12.3.2 <u>Correcting Erroneous Information Returns</u>

- 2 False information returns filed against people are the main method by which "nontaxpayers" are compelled unlawfully to
- 3 become "taxpayers". Filing of these false returns is a quite common criminal violation of 26 U.S.C. §7206 and 7207 and a
- 4 civil violation of 26 U.S.C. §7434 for those who file them. Our Member Agreement requires Members to prevent these
- 5 false returns from being filed in the first place and also calls for correcting all those that are filed so that they don't
- 6 erroneously become connected to the "trade or business" (OFFSITE LINK) franchise that is codified within Internal
- 7 Revenue Code Subtitles A and C.

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Correcting Erroneous Information Returns, Form #04.012

http://sedm.org/Forms/Tax/CorrErrInfoRtns.pdf

### 8 Resources for further study:

- NOTE: The above document consolidates the first four links below into a single, convenient, terse PDF file that you can take on the road, which is also indexed and has tables of authorities so you can hand it to payroll clerks and company legal counsel.
- 1. Correcting Erroneous IRS Form W-2's, Form #04.002
- 2. Correcting Erroneous IRS Form 1042's, Form #04.003
- 3. Correcting Erroneous IRS Form 1098's, Form #04.004
  - 4. Correcting Erroneous IRS Form 1099's, Form #04.005
- 5. Federal Tax Withholding, Form #05.005
- 6. Federal and State Withholding Options for Private Employers (OFFSITE LINK) -Family Guardian. Shows how to prevent having these forms illegally filed against you by properly preparing and submitting valid and lawful withholding forms that correctly and truthfully represent your status as a "nonresident alien" not engaged in a "trade or business".

### 12.4 Litigation franchises

## 22 12.4.1 Licenses to Practice Law

This memorandum of law describes why licenses to practice law are a fraud and are not necessary in most cases.

<u>Unlicensed Practice of Law</u>, Form #05.029

http://sedm.org/Forms/MemLaw/UnlicPractLaw.pdf

- 24 <u>Resources for further study:</u>
- 25 1. Law and Government Page (OFFSITE LINK) -Family Guardian
- 26 2. Litigation Tools Page-SEDM
- 27 3. Why You Don't Want an Attorney (OFFSITE LINK) -Family Guardian
- 4. Petition for Admission to Practice (OFFSITE LINK) -Family Guardian
- 5. What is Law Practice? (OFFSITE LINK) -ABA eJournal

#### 12.4.2 <u>Federal Pleading/Motion/Petition Attachment</u>

Attach this form to every motion, petition, or pleading you file in federal court so that your citizenship, domicile, and non-

consent to the magistrate is consistently documented on the record of the proceeding.

Federal Pleading/Motion/Petition Attachment, Litigation Tool #01.002

#### http://sedm.org/Litigation/General/PleadingAttachment.pdf

- 1 Resources for further study:
- 2 1. Litigation Tools Page

## 3 12.5 Marriage Licenses

- 4 This book is important for those who don't want the government or its pagan lawyers and laws running their family or their
- 5 life

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Sovereign Christian Marriage

http://sedm.org/ItemInfo/Ebooks/SovChristianMarriage/SovChristianMarriage.htm

- 6 Resources for further study:
- 7 1. <u>Family Constitution</u> (OFFSITE LINK) -Family Guardian. Shows how to start and run a sovereign family that is completely without the need for man-made government
- 9 2. Family Law, Dating, Marriage, and Divorce Page (OFFSITE LINK) -Family Guardian
  - 3. Family Issues and Feminism Page (OFFSITE LINK) -Family Guardian
- 4. Sovereignty and Freedom Page (OFFSITE LINK) -Family Guardian. Describes many different aspects of sovereignty, including the right to travel without a license

## 13 12.6 Drivers Licenses

14 This book describes in detail how the driver's license franchise works and how to drive lawfully without a license.

Defending Your Right to Travel

http://sedm.org/ItemInfo/Ebooks/DefYourRightToTravel.htm

- 15 Resources for further study:
- 1. Sovereignty and Freedom Page (OFFSITE LINK) -Family Guardian. Describes many different aspects of sovereignty, including the right to travel without a license
- 18 2. State Legal Resources (OFFSITE LINK) -Family Guardian. Summary of all 50 States
- 19 3. State Vehicle Codes (OFFSITE LINK) -Family Guardian. Summary of all 50 States

#### 20 **12.7 Citizenship franchise**

## 21 12.7.1 <u>Legal Notice of Change in Citizenship/Domicile Records and Divorce From the United States</u>

- 22 This document corrects false or misleading government records about your citizenship and domicile status and politically
- and legally divorces the federal/national government in order to restore your sovereignty. It makes you into a "stateless
- 24 person" and a "foreign sovereign" in respect to the federal/national government. The document below should help with that
- very popular goal. This document is in ZIP format. Click here for instructions on how to use ZIP files. Sending this
- document in according to the instructions included is also a MANDATORY requirement of our Member Agreement.

<u>Legal Notice of Change in Citizenship/Domicile Records and Divorce From the United States</u>, Form #06.005 <a href="http://sedm.org/Forms/Emancipation/NotDivorce.zip">http://sedm.org/Forms/Emancipation/NotDivorce.zip</a></u>

27 Resources for further study:

- 1 Resignation of Compelled Social Security Trustee, Form #06.002 Forms page
- 2 2. <u>USA Passport Application Attachment, Form #06.006</u> <u>Forms page</u>. Prevents you from surrendering any part of your sovereignty when you ask for a passport. Completely consistent with the legal notice above.
- 4 3. <u>Voter Registration Attachment, Form #06.007</u> <u>Forms page</u>. Attach this to your state voter registration in order to preserve your status as a sovereign and a non-citizen national.

#### 12.7.2 Lawfully Avoiding the Military Draft

- 7 <u>Legal domicile</u> (OFFSITE LINK) is a voluntary franchise by which We The People procure "protection" from a specific
- 8 government. The military draft is a liability associated with "domicile" on federal territory. It DOES NOT apply within
- 9 states of the Union. This free memorandum of law provides legal authorities that describe how to lawfully avoid but not
- unlawfully "evade" the military draft in the United States.

<u>Lawfully Avoiding the Military Draft</u>, Form #05.030 http://sedm.org/Forms/MemLaw/MilDraft.pdf

11 Resources for further study:

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- 12 1. Military and War Page (OFFSITE LINK) -Family Guardian. Various subjects having to do with the military
- 2. Why You Aren't Subject to the Draft or Selective Service Program (OFFSITE LINK) -Family Guardian

### 14 12.7.3 Registering to Vote

- 15 The terms used on state voter registration forms relating to citizenship are deliberately vague and ambiguous and do not
- provide an option for THREE types of American citizenship that a person can have. This is exhaustively explained in the
- 17 following memorandum of law:

Why You are a "national" or a "state national" and not a "U.S. citizen", Form #05.006 <a href="http://sedm.org/Forms/MemLaw/WhyANational.pdf">http://sedm.org/Forms/MemLaw/WhyANational.pdf</a>

- Most state voter registration forms only give one choice, and that choice creates a presumption that one is a statutory rather
- than <u>constitutional</u> "<u>U.S. citizen</u>" as defined in <u>8 U.S.C. §1401</u>. This presumption is FALSE in the case of all persons who
- are <u>domiciled</u> in a state of the Union. The only way to prevent this <u>false resumption</u> is to either modify the form before you
- submit it or to attach this form. Using this form is EXTREMELY important.

Voter Registration Attachment, Form #06.007

http://sedm.org/Forms/Emancipation/VoterRegAttachment.pdf

- 22 <u>Resources for further study:</u>
- 23 1. Political Rights v. Citizenship Status (OFFSITE LINK) -Family Guardian
- Sovereignty Forms and Instructions, Instruction 3.13: Correct Government Records Documenting Your Citizenship
   Status (OFFSITE LINK) Family Guardian
- 26 3. <u>Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #06.005</u> <u>Forms</u> page
- 4. Why "domicile" and income taxes are voluntary, Form #05.002-SEDM Forms page
- 29 5. Why You Are a "national" or a "state national" and not a "U.S. citizen", Form #05.006-SEDM
- 30 **12.7.4** Applying for a Passport
- The terms used on the USA Passport Application, Dept. of State form DS-11, relating to citizenship are deliberately vague
- 32 and ambiguous and do not provide an option for THREE types of American citizenship that a person can have. This is
- exhaustively explained in the following memorandum of law:

Why You are a "national" or a "state national" and not a "U.S. citizen", Form #05.006 http://sedm.org/Forms/MemLaw/WhyANational.pdf

- The DS-11 Passport Application form only gives one choice, and that choice creates a presumption that one is a statutory
- rather than <u>constitutional</u> "<u>U.S. citizen</u>" as defined in <u>8 U.S.C. §1401</u>. This presumption is FALSE in the case of all persons
- who are domiciled in a state of the Union. The only way to prevent this false resumption is to either modify the form
- 4 before you submit it or to attach this form. Using this form is EXTREMELY important.

USA Passport Application Attachment, Form #06.006

http://sedm.org/Forms/Emancipation/PassportAttachment.pdf

- 5 Resources for further study:
- 6 1. How to apply for passport as a "national" (OFFSITE LINK)-Family Guardian
- Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #06.005 Forms
   page
- 9 3. Why "domicile" and income taxes are voluntary, Form #05.002-SEDM Forms page
- 4. Why You Are a "national" or a "state national" and not a "U.S. citizen", Form #05.006-SEDM

## 13 Resources for further study and rebuttal

- A number of additional resources are available for those who wish to further investigate the contents of the pamphlet:
- 13 1. Quitting government franchises:

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- 1.1. Resignation of Compelled Social Security Trustee, Form #06.002
- 1.2. Legal Notice of Change in Citizenship/Domicile Records and Divorce from the United States, Form #06.005
- 2. Avoiding participation in franchises:
  - 2.1. <u>Avoiding Government Franchises and Licenses</u>, Liberty University, Section 3 http://sedm.org/LibertyU/LibertyU.htm
- 19 2.2. <u>Affidavit of Citizenship, Domicile, and Tax Status</u>, Form #02.001 20 http://sedm.org/Forms/FormIndex.htm
  - 2.3. Tax Form Attachment, Form #04.013
  - http://sedm.org/Forms/FormIndex.htm
  - 2.4. Correcting Erroneous Information Returns, Form #04.012
    - http://sedm.org/Forms/FormIndex.htm
    - 2.5. *Unlicensed Practice of Law*, Form #05.029
      - http://sedm.org/Forms/FormIndex.htm
    - 2.6. Sovereign Christian Marriage book.
      - http://sedm.org/ItemInfo/Ebooks/SovChristianMarriage/SovChristianMarriage.htm
  - 2.7. *Defending Your Right to Travel* book
    - http://sedm.org/ItemInfo/Ebooks/DefYourRightToTravel.htm
  - 2.8. How to Lawfully Avoid the Military Draft, Form #05.030
    - http://sedm.org/Forms/FormIndex.htm
    - 2.9. USA Passport Application Attachment, Form #06.007
      - http://sedm.org/Forms/FormIndex.htm
      - 2.10. Voter Registration Attachment, Form #06.007
        - http://sedm.org/Forms/FormIndex.htm
        - 2.11. <u>Federal Pleading/Petition/Motion Attachment</u>, Litigation Tool #01.002 http://sedm.org/Litigation/LitIndex.htm
- 39 3. Enforcement authority of franchises:
  - 3.1. Federal Enforcement Authority in States of the Union, Form #05.032
- 41 http://sedm.org/Forms/FormIndex.htm
- 42 3.2. *Federal Jurisdiction*-Family Guardian Fellowship
- 43 http://famguardian.org/Subjects/LawAndGovt/Articles/FedJurisdiction/FedJuris.htm
- 3.3. <u>Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction</u>, Form #05.017
- 45 <u>http://sedm.org/Forms/FormIndex.htm</u>

- 3.4. Why Domicile and Income Taxes are Voluntary, Form #05.002: Proves that all the government's civil jurisdiction derives from domicile, and that domicile is voluntary and therefore you don't have to submit to civil laws if you don't want to.
  - http://sedm.org/Forms/FormIndex.htm
  - 4. Results of participating in franchises:

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- 4.1. <u>Our government has become idolatry and a false religion</u>: Article which describes why the federal courts have become churches and our government has become a false god and a religious cult: <a href="http://famguardian.org/Subjects/Taxes/Articles/Christian/GovReligion.htm">http://famguardian.org/Subjects/Taxes/Articles/Christian/GovReligion.htm</a>
- 4.2. How the U.S. Government Has Made Itself Into the Equivalent of a Totalitarian Monarch <a href="http://famguardian.org/Subjects/Taxes/ChallJurisdiction/USGovIsNobility.htm">http://famguardian.org/Subjects/Taxes/ChallJurisdiction/USGovIsNobility.htm</a>