

Summary

Plaintiff has acted within the provision of the Supreme Court and the statutes.

The Supreme Court ruled that US Notes are not the subject of a tax.

12 USC section 411, as part of the Federal Reserve Act, provides for the redemption of Federal Reserve Notes in lawful money (US Notes).

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US Notes are not taxable, **Veasie v Fanno**, Supra.

12 USC 95a part 2; states there can be no penalty for attempting to comply with the 12 USC Title and sections thereunder.

A good faith reliance on the courts and statutes at large is not a frivolous position.

5 The IRS and its agents are in violation of section 12 USC §95a part 2. The court must
6 determine the punishment for this violation.

7 Even if Schlabach has a good faith misunderstanding of the court ruling and statutes at
8 large, this alone cannot be considered a frivolous argument, especially if there is no
9 precedence.

10 There is no precedence, other than the court cases and statutes at large regarding
11 redemption, for how to report the redemption of Federal Reserve Notes in Lawful
12 Money and how this effects the tax liability.

13 Schlabach has made every attempt to comply with the provisions of the court rulings
14 and the statutes.

15 Every attempt by Schlabach to understand what the IRS or its agents were referring to
16 was ignored and additional penalties threatened.

17 The actions of the IRS or its agents are egregious and clearly violate due process.

18 Taxpayers have a clear right to understand the tax laws and how they apply to them.

19 Wherefore; Schlabach moves this court to;
20

21 Restrain the IRS and its agents from any additional penalties until this court makes its
22 determination whether any documents filed are frivolous.

23 That the court determine there should not be any frivolous penalties.

24 That the court order all penalties payed thus far must be refunded, with
25 interest.

26 Issue a ruling that Schlabach acted in good faith in relying on the Court
27 rulings and Title 12 USC sections 411 and 95a.

28 For such other and further relief the courts deems necessary.

Plaintiff reserves the right to amend this complaint if necessary.

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3 **CLOSING**

4 Under Federal Rule of Civil Procedure 11, by signing below, I certify to the
5 best of my knowledge, information, and belief that this complaint: (1) is not
6 being presented for an improper purpose, such as to harass, cause
7 unnecessary delay, or needlessly increase the cost of litigation; (2) is
8 supported by existing law or by a nonfrivolous argument for extending or
9 modifying existing law; (3) the factual contentions have evidentiary support
10 or, if specifically so identified, will likely have evidentiary support after a
11 reasonable opportunity for further investigation or discovery; and (4) the
12 complaint otherwise complies with the requirements of Rule 11.

13 I agree to provide the Clerk's Office with any changes to my address where
14 case-related papers may be served. I understand that my failure to keep a
15 current address on file with the Clerk's Office may result in the dismissal of
16 my case.
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