

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON
FEB 13 2018
SEAN F. McAVOY, CLERK
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SPOKANE, WASHINGTON

United States District Court
Eastern District of Washington

Jurisdiction and Venue

This is a complaint for refund of taxes or penalties payed under protest and after a claim for refund under 26 U.S.C. § 6702, et all.

The Court has jurisdiction pursuant to 26 U.S.C. § 6703(c)(2). Further the United States or one of its agencies are a defendant, 28 U.S.C § 1391.

Parties

John Schlabach
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Mead, Washington 99021
509-953-1060 johnjsch@gmail.com

2:18-cv-00053-SMJ

Case No. _____

V.

Internal Revenue Service and its agents.
Frigolous Return Program Stop 4450
Ogden Utah, 84201-0021

**Statement of the Case
Background**

Plaintiff Schlabach has converted all his received paychecks into lawful money of the United States ("U.S. Notes"), pursuant to the provisions of 12 U.S.C. § 411. Schlabach's process is to stamp "Redeemed in Lawful Money pursuant to 12 U.S.C. § 411" on the endorsement line of each of his paychecks to assert his demand made to the Federal Reserve Bank where his checks are cashed and/or deposited.

12 U.S. Code § 411 - *Issuance to reserve banks; nature of obligation; redemption*
Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal Reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the

1 *Treasury Department of the United States, in the city of Washington, District of*
 2 *Columbia, or at any Federal Reserve Bank.* (Dec. 23, 1913, ch. 6, § 16 (par.), [38 Stat. 265](#);
 3 Jan. 30, 1934, ch. 6, § 2(b)(1), [48 Stat. 337](#); Aug. 23, 1935, ch. 614, title II, § 203(a), [49 Stat. 704](#).)

4 It is an undisputed fact that Federal Reserve Notes may be redeemed in lawful money,
 5 "US Notes", see: *Milam v. United States*, 524 F. 2d 629 - Court of Appeals, 9th Circuit
 6 1974; "Appellant is entitled to redeem his note, but not in precious metal." *United*
 7 *States v. Thomas*, 319 F. 3d 640 - Court of Appeals, 3rd Circuit 2003; Currency,
 8 however, differs substantially from such objects. Paper currency, in the form of the
 9 Federal Reserve Note, is defined as an "obligation of the United States" that may be
 10 "redeemed in lawful money on demand." 12 U.S.C. § 411".

11 Schlabach's intention is to follow the precise strictures of the statute by making his good
 12 faith demand at each interaction with the Federal Reserve Bank. 12 USC § 95a, part 2
 13 provides that: "no person shall be held liable in any court for or in respect to anything
 14 done or omitted in good faith in connection with the administration of, or in pursuance of
 15 and in reliance on, this section, or any rule, regulation, instruction, or direction issued
 16 hereunder."

17 Federal Reserve Notes are an elastic currency, whereas U.S. Notes are legally limited
 18 to only \$300,000,000.00 in reserve or circulation. See: 31 § U.S.C. 51 (b)(1).
 19 Schlabach considers his pay to be tendered to him in US notes, that is not in reserve
 20 currency but in the physical form of Federal Reserve notes. On January 21, 1971 the
 21 Treasury chose to quit putting more US notes into circulation because Federal Reserve
 22 notes function adequately in all respects like US notes which are in all respects –
 23 *Juilliard v. Greenman* 110 US 421 – like Federal Reserve notes. See "Treasury Faqs"
 24 webpage – "Legal Tender Status":

25 *United States notes serve no function that is not already adequately served by Federal*
 26 *Reserve notes. As a result, the Treasury Department stopped issuing United States*
 27 *notes, and none have been placed into circulation since January 21, 1971.*

28 Supreme Court stated in; in *Veasie v. Fenno*, 75 US 533, "United States Notes,
 obviously, cannot be the subject of a tax." See also, *McCulloch v. Maryland*, 17 U.S.
 316.

Refund is Appropriate

After a claim is filed and rejected the courts have jurisdiction and no collection action
 shall be taken until the court has adjudicated the claim. *Noske v. US*, 911 F. 2d 133 - Court of
 Appeals, 8th Circuit 1990 A taxpayer assessed with a § 6700 penalty may stop collection
 proceedings by paying at least 15% of the penalty and filing an agency claim for refund of
 the amount paid. 26 U.S.C. § 6703(c)(1). Within 30 days after the denial of the claim for
 refund "of any partial payment of any penalty under section 6700," or within 30 days after six
 months of agency inaction, the taxpayer may bring a lawsuit in federal district court to

1 determine liability for the penalty. 26 U.S.C. § 6703(c)(2).

2 The claim for refund was filed in June 2017, denied and the reconsideration was also
3 denied January 2018, therefore this court has jurisdiction.

4 Federal courts have jurisdiction to hear refund claims; *White v. US*, 250 F. Supp. 2d
5 919 - Dist. Court, MD Tennessee 2003 In a frivolous return penalty case, jurisdiction lies
6 with the district court, rather than the tax court. "[U]nder section 6703 [the tax court]
lack[s] jurisdiction to review assessments of section 6702 frivolous return penalties"

7
8 **Facts**

9 On or about April 3, 2014 Schlabach filed a return statement under penalty of perjury for
the year 2013.

10 Sometime after July 2, 2015 the IRS issued a frivolous penalty in the amount of
11 \$5000.00 for an alleged frivolous filing.

12 On or about November 26, 2016 Schlabach received from the IRS a notice of penalty,
13 charging another \$5000.00 penalty for an alleged frivolous filing.

14 On or about November 26, 2016 Schlabach sent a letter to the IRS in response to the
15 penalty requesting the documents or filings that caused the frivolous penalties, which
16 now totaled \$10000.00. see EXHIBIT A To this day no reply or document(s).

17 On or about November 26, 2016 Schlabach sent a letter to the IRS requesting the
documentation that fell within the Secretary's determination entitled: "THE TRUTH
18 ABOUT FRIVOLOUS TAX ARGUMENTS, March 2014" and "Revenue Ruling 4-26-2010
19 Notice 2010-33". See: EXHIBIT B.

20 26 USC 6702(b)(2) states that a penalty under said section must be a position identified
by the Secretary. Schlabach is entitled to know and understand which of the
21 Secretary's frivolous positions he is being penalized under.

22 On or about May 1, 2017 the IRS applied the refund from 2015 in the amount of
23 \$1730.87 to the frivolous penalty balance for 2013.

24 On or about May 15, 2017 the IRS applied the refund from 2016 in the amount of
25 \$8724.68 to the frivolous penalty balance for 2013.

26 On or about June 10, 2017 Schlabach filed a claim for refund with the IRS for the
27 \$10000.00 in alleged penalties that were paid, plus interest, for a total of \$10324.69.

28 On or about November 10, 2017 Schlabach received a letter from the IRS dated
November 13, 2017 denying his claim.

1 On or about November 25, 2017 Schlabach sent a letter to the IRS requesting the
2 reason(s) and for the documents that were determined as frivolous, including a
3 notification of the court(s) ruling that the burden is on the IRS

4 The November 25, 2017 letter informed the IRS that the next step would be filing a
5 complaint with the federal district court. See: EXHIBIT A

6 Refund requests for 2008, 2009 and 2010 have been ignored or declined and 6 months
7 have passed. Total amounts for these years \$12074.46. Penalties have been either
8 threatened or issued for these years also. All for the same reason as noted above.

9 **United States v. Williams 514 US 527** – *Supreme Court 1995* sets out this process;
10 The jurisdiction conferred by § 1346(a)(1) is limited by 26 U. S. C. § 7422(a). Like §
11 1346(a)(1), § 7422(a) contains no language limiting a refund suit to the "taxpayer," but
12 its "express language . . . conditions a district court's authority to hear a refund suit."

13 [and] Title 26 U. S. C. § 6532(a), which imposes a period of limitations on suits for
14 refunds in court and is entitled "Suits by *taxpayers* for refund," states that "[n]o suit or
15 proceeding under section 7422(a) . . . shall be begun before the expiration of 6 months
16 from the date of filing the claim required under such section . . . , nor after the expiration
17 of 2 years from the date of mailing by certified mail or registered mail by the Secretary
18 to the *taxpayer* of a notice of the disallowance".

19 **United States v. Williams, Supra**, quoting; **Philadelphia v. Collector, 5 Wall. 720,**
20 **731-732 (1867)** ("Where the party voluntarily pays the money, he is without remedy; but
21 if he pays it by compulsion of law, or under protest, or with notice that he intends to
22 bring suit to test the validity of the claim, he may recover it back . . .").

23 On December 4, 2017, Schlabach received a notice penalty in the amount of \$5000.00
24 each year for years 2009, 2010 and 2012.

25 ON December 11, 2017 Schlabach sent a letter requesting the document that was filed
26 that was frivolous and how it related to the Secretary of the Treasury determinations.
27 See: EXHIBIT C

28 To date the IRS never provided any such documentation and apparently believes they
are not required to comply with their own rules pursuant to publication one.

On December 4, 2017, Schlabach filed a FOIA via fax to the IRS requesting the
documentation and determination of how any filing he had made were frivolous.

On January 21, 2018 Schlabach received a response to his FOIA request of December
4, 2017. These response records showed an agent identified only as "B" made a
determination that the documents plaintiff filed were subject to a penalty pursuant to the
secretary determination coded as "argument code 30."

Pursuant to the IRS documentation and determination at https://www.irs.gov/irm/part25/irm_25-025-010r the "argument code 30" is defined as "ARG 30 - Non-negotiable Chargeback (NNCB)". EXHIBIT D

In searching all the filed documents there is no such filing, or even a reference to such a notation.

The IRS and its agent "B" is believed to have deliberately assigned an inapplicable argument code to allow for the continuous issuance of a \$5000.00 penalty – even when Schlabach is simply asking for the IRS's assistance in understanding and/or resolving this issue.

On or about January 2, 2018, Schlabach sent a letter to the Inspector General requesting assistance, as the IRS appeared to be ignoring any requests to comply with providing any supporting documentation that was alleged as frivolous. See: EXHIBIT E

On or about February 3, 2018 Schlabach received a reply to his request for reconsideration letter, on the request for a refund of the penalty for the year 2013, denying the reconsideration and still refusing to provide any documentation that indicated what was filed that was determined to be frivolous.

In **Mattingly v. United States**, 924 F.2d 785 (8th Cir. 1991) ¶ 31, the court ruled: "We find the reasoning of Mitchell more persuasive and hold that in actions brought under § 6701 the burden of proof is on the government by a preponderance of the evidence. This holding is based on our view of the statutory language, the integrated enactment of §§ 6700-03 and the overall structure of the civil tax penalty provisions."

NOTE: On April 5, 1933, the **physical possession** and **legal title** to **lawful money** (gold) was taken from the people. But the people had to retain the **equitable title** to this lawful money or else it would have amounted to theft, and Congressman Louis Thomas McFadden's charges of theft and treason on May 23, 1933 lodged with the Judiciary would have required prosecution. These charges were mitigated by the passing of HJR 192 on June 5, 1933 which provided for the possibility of "discharge upon payment" of all obligations. This remedy was subtly effected by two United States Codes: 1) **12 USC 411** which provides access to this lawful money "**upon demand**", and 2) **12 USC 95a(2)** which assures "**full discharge**" of all obligations upon assignment or transfer of payments to the United States.

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).

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

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

4 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.

CLOSING

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

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



2-13-18

John Schlabach
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Mead, Washington 99021
509-953-1060 johnjsch@gmail.com

Dated

EXHIBIT A

Department of the Treasury
Internal Revenue Service
Fresno, CA 93888-0010

November 26, 2016

Your letter dated November 28, 2016, copy enclosed

Sir, Agent, Caller ID S21186.

Replying to your letter, I have reached the age of majority; and, I have carefully read your Notice; and further, I have carefully read THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS, March 2014, court ready document copy enclosed and IRS 2007-30.

I am at a loss and at a disadvantage as you have made threats, and assessments, without notice or support leaving me to wonder your purpose. I have carefully reviewed and researched my records and cannot find any record that would fall within the previews of the March 2014 briefing or IRS 2007-30 you noted.

My legal research informs me that notice and opportunity to be heard is a mandate, by statute and rulings, before making assessments. Apparently there are two assessment of a frivolous position you are referring to and none of them are known to me. I could obtain an injunction until you provide copies of what you are referring to as frivolous. I am advised that a federal judge would grant an injunction based on the threats without facts to support such threats along with my affidavit stating that fact and or not having any knowledge of what source you are making such determinations. The court wants me to try to resolve this first and also exhaust my administrative remedies.

I have no desire to go to court, as it is expensive, without first allowing you an opportunity to provide me with a copy of the document that allegedly was filed that you are saying is or was frivolous. With the false tax return filings with the IRS and theft of identity the document(s) may exist or it could be a false document filed without my knowledge.

Please, as soon as you can, send me a copy of what you are reviewing so I can make a lawful and informed response. I cannot pay the amount in advance, and knowing the statute requirements for of notice and right to be heard, legal action is my last result.

This request also requests time of 30 days for me to respond from the time you send the alleged supporting documents.

I understand this could be an error and if it is I am requesting it be corrected.

Thank you in advance for your prompt response.

John Schlabach
PO Box 362
Mead, Washington 99021

EXHIBIT B

Revenue Ruling bulletin: 2010-7

April 26, 2010

Notice 2010-33

Frivolous Positions**I. Purpose**

Positions that are the same as or similar to the positions listed in this notice are identified as frivolous for purposes of the penalty for a "frivolous tax return" under section 6702(a) of the Internal Revenue Code and the penalty for a "specified frivolous submission" under section 6702(b). Persons who file a purported return of tax, including an original or amended return, based on one or more of these positions are subject to a penalty of \$5,000 if the purported return of tax does not contain information on which the substantial correctness of the self-assessed determination of tax may be judged or contains information that on its face indicates the self-assessed determination of tax is substantially incorrect. Likewise, persons who submit a "specified submission" (namely, a request for a collection due process hearing or an application for an installment agreement, offer-in-compromise, or taxpayer assistance order) based on one or more of the positions listed in this notice are subject to a penalty of \$5,000. The penalty may also be applied if the purported return or any portion of the specified submission is not based on a position set forth in this notice, yet reflects a desire to delay or impede the administration of Federal tax laws for purposes of section 6702(a)(2)(B) or 6702(b)(2)(A)(ii). The penalty will be imposed only when the frivolous position or desire to delay or impede the administration of Federal tax laws appears on the face of the return, purported return, or specified submission, including any attachments to the return or submission.

II. Background

Section 407 of Tax Relief and Health Care Act of 2006, Pub. L. No. 109-432, 120 Stat. 2922, 2960-62 (2006), amended section 6702 to increase the amount of the penalty for frivolous tax returns from \$500 to \$5,000 and to impose a penalty of \$5,000 on any person who submits a "specified frivolous submission." A submission is a "specified frivolous submission" if it is a "specified submission" (defined in section 6702(b)(2)(B)) as a request for a hearing under section 6320 or 6330 or an application under section 6159, 7122 or 7811) and any portion of the submission (i) is based on a position identified by the Secretary as frivolous or (ii) reflects a desire to delay or impede administration of the Federal tax laws. Section 6702 was further amended to add a new subsection (c) requiring the Secretary to prescribe, and periodically revise, a list of positions identified as frivolous. Notice 2007-30, 2007-1 C.B. 883, contained the prescribed list. Notice 2007-30 was modified and superseded by Notice 2008-14, 2008-1 C.B. 310, which added frivolous positions to the prescribed list. This notice revises the list in Notice 2008-14 to add additional positions identified as frivolous. The positions that have been added are found in paragraphs 21, 22, and 27.

III. Discussion

Positions that are the same as or similar to the following are frivolous.

(1) Compliance with the internal revenue laws is voluntary or optional and not required by law, including arguments that:

(a) Filing a Federal tax or information return or paying tax is purely voluntary under the law, or similar arguments described as frivolous in Rev. Rul. 2007-20, 2007-1 C.B. 863.

(b) Nothing in the Internal Revenue Code imposes a requirement to file a return or pay tax, or that a person is not required to file a tax return or pay a tax unless the Internal Revenue Service responds to the person's

questions, correspondence, or a request to identify a provision in the Code requiring the filing of a return or the payment of tax.

(c) There is no legal requirement to file a Federal income tax return because the instructions to Forms 1040, 1040A, or 1040EZ, or the Treasury regulations associated with the filing of the forms do not display an OMB control number as required by the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501 *et seq.*, or similar arguments described as frivolous in Rev. Rul. 2006-21, 2006-1 C.B. 745.

(d) Because filing a tax return is not required by law, the Service must prepare a return for a taxpayer who does not file one in order to assess and collect tax.

(e) A taxpayer has an option under the law to file a document or set of documents in lieu of a return or elect to file a tax return reporting zero taxable income and zero tax liability even if the taxpayer received taxable income during the taxable period for which the return is filed, or similar arguments described as frivolous in Rev. Rul. 2004-34, 2004-1 C.B. 619.

(f) An employer is not legally obligated to withhold income or employment taxes on employees' wages.

(g) Only persons who have contracted with the government by applying for a governmental privilege or benefit, such as holding a Social Security number, are subject to tax, and those who have contracted with the government may choose to revoke the contract at will.

(h) A taxpayer may lawfully decline to pay taxes if the taxpayer disagrees with the government's use of tax revenues, or similar arguments described as frivolous in Rev. Rul. 2005-20, 2005-1 C.B. 821.

(i) An administrative summons issued by the Service is *per se* invalid and compliance with a summons is not legally required.

(2) The Internal Revenue Code is not law (or "positive law") or its provisions are ineffective or inoperative, including the sections imposing an income tax or requiring the filing of tax returns, because the provisions have not been implemented by regulations even though the provisions in question either (a) do not expressly require the Secretary to issue implementing regulations to become effective or (b) expressly require implementing regulations which have been issued.

(3) A taxpayer's income is excluded from taxation when the taxpayer rejects or renounces United States citizenship because the taxpayer is a citizen exclusively of a State (sometimes characterized as a "natural-born citizen" of a "sovereign state"), that is claimed to be a separate country or otherwise not subject to the laws of the United States. This position includes the argument that the United States does not include all or a part of the physical territory of the 50 States and instead consists of only places such as the District of Columbia, Commonwealths and Territories (e.g., Puerto Rico), and Federal enclaves (e.g., Native American reservations and military installations), or similar arguments described as frivolous in Rev. Rul. 2004-28, 2004-1 C.B. 624, or Rev. Rul. 2007-22, 2007-1 C.B. 866.

(4) Wages, tips, and other compensation received for the performance of personal services are not taxable income or are offset by an equivalent deduction for the personal services rendered, including an argument that a taxpayer has a "claim of right" to exclude the cost or value of the taxpayer's labor from income or that taxpayers have a basis in their labor equal to the fair market value of the wages they receive, or similar arguments described as frivolous in Rev. Rul. 2004-29, 2004-1 C.B. 627, or Rev. Rul. 2007-19, 2007-1 C.B. 843.

(5) United States citizens and residents are not subject to tax on their wages or other income derived from sources within the United States, as only foreign-based income or income received by nonresident aliens and foreign corporations from sources within the United States is taxable, and similar arguments described as frivolous in Rev. Rul. 2004-30, 2004-1 C.B. 622.

(6) A taxpayer has been untaxed, detaxed, or removed or redeemed from the Federal tax system though the taxpayer remains a United States citizen or resident, or similar arguments described as frivolous in Rev. Rul. 2004-31, 2004-1 C.B. 617.

- (7) Only certain types of taxpayers are subject to income and employment taxes, such as employees of the Federal government, corporations, nonresident aliens, or residents of the District of Columbia or the Federal territories, or similar arguments described as frivolous in Rev. Rul. 2006-18, 2006-1 C.B. 723.
- (8) Only certain types of income are taxable, for example, income that results from the sale of alcohol, tobacco, or firearms or from transactions or activities that take place in interstate commerce.
- (9) Federal income taxes are unconstitutional or a taxpayer has a constitutional right not to comply with the Federal tax laws for one of the following reasons:
- (a) The First Amendment permits a taxpayer to refuse to pay taxes based on religious or moral beliefs.
 - (b) A taxpayer may withhold payment of taxes or the filing of a tax return until the Service or other government entity responds to a First Amendment petition for redress of grievances.
 - (c) Mandatory compliance with, or enforcement of, the tax laws invades a taxpayer's right to privacy under the Fourth Amendment.
 - (d) The requirement to file a tax return is an unreasonable search and seizure contrary to the Fourth Amendment.
 - (e) Income taxation, tax withholding, or the assessment or collection of tax is a "taking" of property without due process of law or just compensation in violation of the Fifth Amendment.
 - (f) The Fifth Amendment privilege against self-incrimination grants taxpayers the right not to file returns or the right to withhold all financial information from the Service.
 - (g) The Ninth Amendment exempts those with religious or other objections to military spending from paying taxes to the extent the taxes will be used for military spending.
 - (h) Mandatory or compelled compliance with the internal revenue laws is a form of involuntary servitude prohibited by the Thirteenth Amendment.
 - (i) Individuals may not be taxed unless they are "citizens" within the meaning of the Fourteenth Amendment.
 - (j) The Sixteenth Amendment was not ratified, has no effect, contradicts the Constitution as originally ratified, lacks an enabling clause, or does not authorize a non-dependent, direct income tax.
 - (k) Taxation of income attributed to a trust, which is a form of contract, violates the constitutional prohibition against impairment of contract.
 - (l) Similar constitutional arguments described as frivolous in Rev. Rul. 2005-19, 2005-1 C.B. 819.
- (10) A taxpayer is not a "person" within the meaning of section 7701(a)(14) or other provisions of the Internal Revenue Code, or similar arguments described as frivolous in Rev. Rul. 2007-22, 2007-1 C.B. 866.
- (11) Only filiants are taxpayers, or only persons with a fiduciary relationship to the United States are obligated to pay taxes, and the United States or the Service must prove the fiduciary status or relationship.
- (12) Federal Reserve Notes are not taxable income when paid to a taxpayer because they are not gold or silver and may not be redeemed for gold or silver.
- (13) In a transaction using gold and silver coins, the value of the coins is excluded from income or the amount realized in the transaction is the face value of the coins and not their fair market value for purposes of determining taxable income.
- (14) A taxpayer who is employed on board a ship that provides meals as no cost to the taxpayer as part of the employment may claim a so-called "Mariner's Tax Deduction" (or the like) allowing the taxpayer to deduct from gross income the cost of the meals as an employee business expense.

- (15) A taxpayer may purport to operate a home-based business as a basis to deduct as business expenses the taxpayer's personal expenses or the costs of maintaining the taxpayer's household when the maintenance items or amounts as reported do not correspond to a *bona fide* home business, such as when they are grossly excessive in relation to the conceivable costs for some portion of the home being used exclusively and regularly as a business, or similar arguments described as frivolous in Rev. Rul. 2004-32, 2004-1 C.B. 621.
- (16) A "repatriation" tax credit exists, including arguments that African-American taxpayers may claim a tax credit on their Federal income tax returns as repatriations for slavery or other historical mistreatment, that Native Americans are entitled to an analogous credit (or are exempt from Federal income tax on the basis of a treaty), or similar arguments described as frivolous in Rev. Rul. 2004-33, 2004-1 C.B. 628, or Rev. Rul. 2006-20, 2006-1 C.B. 746.
- (17) A Native American or other taxpayer who is not an employer engaged in a trade or business may nevertheless claim (for example, in an amount exceeding all reported income) the Indian Employment Credit under section 45A, which explicitly requires, among other criteria, that the taxpayer be an employer engaged in a trade or business to claim the credit.
- (18) A taxpayer's wages are excluded from Social Security taxes if the taxpayer waives the right to receive Social Security benefits, or a taxpayer is entitled to a refund of, or may claim a charitable-contribution deduction for, the Social Security taxes that the taxpayer has paid, or similar arguments described as frivolous in Rev. Rul. 2005-17, 2005-1 C.B. 823.
- (19) Taxpayers may reduce or eliminate their Federal tax liability by altering a tax return, including striking out the penalty-of-perjury declaration, or attaching documents to the return, such as a disclaimer of liability, or similar arguments described as frivolous in Rev. Rul. 2005-18, 2005-1 C.B. 817.
- (20) A taxpayer is not obligated to pay income tax because the government has created an entity separate and distinct from the taxpayer—a "straw man"—that is distinguishable from the taxpayer by some variation of the taxpayer's name, and any tax obligations are exclusively those of the "straw man," or similar arguments described as frivolous in Rev. Rul. 2005-21, 2005-1 C.B. 822.
- (21) A taxpayer may use a Form 1099-ORD, *(Original Issue Discount)*, (or another Form 1099 Series information return) as a financial or other instrument to obtain or redeem (under a theory of "redemption" or "commutation redemption") a monetary payment out of the United States Treasury or for a refund of tax, such as by drawing on a "straw man" or similar financial account maintained by the government in the taxpayer's name (see paragraph (20), above); a taxpayer may file a Form 56, *Notice (Concerning Fiduciary Relationship)*, that names the Secretary of the Treasury or some other government employee as a fiduciary of the taxpayer and requires the Treasury Department to honor a Form 1099-ORD as a financial or redemption instrument, or similar arguments described as frivolous in Rev. Rul. 2005-21, 2005-1 C.B. 822, and Rev. Rul. 2004-31, 2004-1 C.B. 617.
- (22) A taxpayer may claim on an income tax return or purported return an amount of withheld income tax or other tax that is obviously false because it exceeds the taxpayer's income as reported on the return or is disproportionately high in comparison with the income reported. The return is fraudulent on supporting documents filed with the return (such as Form 1099 Series, Form W-2, or Form 2439, *Notice to Shareholder of Undistributed Long-Term Capital Gains*).
- (23) Inserting the phrase "none pro tune" on a return or other document filed with or submitted to the Service has a legal effect, such as reducing a taxpayer's tax liability, or similar arguments described as frivolous in Rev. Rul. 2006-17, 2006-1 C.B. 748.
- (24) A taxpayer may avoid tax on income by attributing the income to a trust, including the argument that a taxpayer can put all of the taxpayer's assets into a trust to avoid income tax while still retaining substantial power of ownership and control over those assets or that a taxpayer may claim an expense deduction for the amount attributed to a trust, or similar arguments described as frivolous in Rev. Rul. 2006-19, 2006-1 C.B. 740.

- (25) A taxpayer may lawfully avoid income tax by sending income offshore, including depositing income into a foreign bank account.
- (26) A taxpayer can claim the section 41 Disabled Access Credit to reduce tax or generate a refund. For example, by purportedly having purchased equipment or services for an inflated price (which may or may not have been actually paid), even though it is apparent that the taxpayer did not operate a small business that purchased the equipment or services to comply with the requirements of the Americans with Disabilities Act.
- (27) A taxpayer may claim a refund of tax based on purported advance payments to employees of the Earned Income Tax Credit as reported by the taxpayer on a filed Form 941, *Employer's Quarterly Federal Tax Return*, or other employment tax return that reports an amount of purported wages, tips, or other compensation but leaves other line items on the return blank (or with a zero as the amount).
- (28) A taxpayer may claim the section 6421 tax credit (such as on Form 4136, *Credit for Federal Tax Paid on Gifts*, Form 6899, *Form for Refined of Taxes*, or Form 1040) even though the taxpayer did not buy the gasoline or the gasoline was not used for an off-highway business use during the period for which the credit is claimed. Also, if the taxpayer claims an amount of credit that is so disproportionately excessive to any (including zero) business income reported on the taxpayer's income tax return as to be patently unreasonable (e.g., a credit that is 139 percent of business income reported on Form 1040) or clearly reflects an impossible quantity of gasoline given the business use, if any, as reported by the taxpayer.
- (29) A taxpayer is allowed to buy or sell the right to claim a child as a qualifying child for purposes of the Earned Income Tax Credit.
- (30) An IRS Form 22C, *Assessment Certificate*, Summary Record of Assessments, is an invalid record of assessment for purposes of section 6203 and Treas. Reg. § 201.6203-1, the Form 22C must be personally signed by the Secretary of the Treasury for an assessment to be valid. The Service must provide a copy of the Form 22C to a taxpayer if requested before taking collection action, or similar arguments described as frivolous in Rev. Rul. 2007-21, 2007-1 CB 585.
- (31) A tax assessment is invalid because the assessment was made from a section 6020(b) substitute for return, which is not a valid return.
- (32) A statutory notice of deficiency is invalid because the taxpayer to whom the notice was sent did not file an income tax return reporting the deficiency or because the statutory notice of deficiency was unsigned or not signed by the Secretary of the Treasury or by someone with delegated authority.
- (33) A Notice of Federal Tax Lien is invalid because it is not signed by a particular official (such as by the Secretary of the Treasury), or because it was filed by someone without delegated authority.
- (34) The form or content of a Notice of Federal Tax Lien is controlled by or subject to a state or local law, and a Notice of Federal Tax Lien that does not comply in form or content with a state or local law is invalid.
- (35) A collection due process notice under section 6330 or 6338 is invalid if it is not signed by the Secretary of the Treasury or other particular official, or if no certificate of assessment is attached.
- (36) Verification under section 6730 that the requirements of any applicable law or administrative procedure have been met may only be based on one or more particular forms or documents (which must be in a certain format), such as a summary record of assessment, or that the particular forms or documents or the ones on which verification was actually determined must be provided to a taxpayer at a collection due process hearing.
- (37) A Notice and Demand is invalid because it was not signed, was not on the correct form (e.g., a Form 17), or was not accompanied by a certificate of assessment when mailed.
- (38) The United States Tax Court is an illegitimate court or does not, for any purported constitutional or other reason, have the authority to hear and decide matters within its jurisdiction.

(39) Federal courts may not enforce the internal revenue laws because their jurisdiction is limited to admiralty or maritime cases or issues.

(40) Revenue Officers are not authorized to issue levies or Notices of Federal Tax Lien or to seize property in satisfaction of unpaid taxes.

(41) A Service employee lacks the authority to carry out the employee's duties because the employee does not possess a certain type of identification or credential, for example, a pocket commission or a badge, or it is not in the correct form or on the right medium.

(42) A person may represent a taxpayer before the Service or in court proceedings even if the person does not have a power of attorney from the taxpayer, has not been enrolled to practice before the Service, or has not been admitted to practice before the court.

(43) A civil action to collect unpaid taxes or penalties must be personally authorized by the Secretary of the Treasury and the Attorney General.

(44) A taxpayer's income is not taxable if the taxpayer assigns or attributes the income to a religious organization (a "corporation sole" or ministerial trust) claimed to be tax-exempt under section 501(c)(3), or similar arguments described as frivolous in Rev. Rul. 2004-27, 2004-1 CB 625.

(45) The Service is not an agency of the United States government but rather a private-sector corporation or an agency of a State or Territory without authority to administer the internal revenue laws.

(46) Any position described as frivolous in any revenue ruling or other published guidance in existence when the return adopting the position is filed with or the specified submission adopting the position is submitted to the Service.

Rebuts or admissions that contain positions not listed above, which on their face have no basis for validity in existing law, or which have been deemed frivolous in a published opinion of the United States Tax Court or other competent jurisdiction, may be determined to reflect a desire to delay or impede the administration of Federal tax laws and thereby subject to the \$5,000 penalty.

The list of frivolous positions above will be periodically revised as required by section 6702(e).

IV. Effective Date

This notice is effective for submissions made and issues raised after April 7, 2010. For submissions made and issues raised between January 14, 2008 and April 7, 2010, Notice 2008-14 applies.

V. Effect on Other Documents

Notice 2008-14 is modified and superseded.

VI. Drafting Information

The principal author of this notice is Emily M. Lesniak, Office of the Associate Chief Counsel, Procedure and Administration. For further information, contact Emily M. Lesniak at 202-422-4940 (not a toll-free number).

EXHIBIT C

Department of the Treasury
Internal Revenue Service
Fresno, CA 93888-0010

December 11, 2017

Your letter(s) CP15 dated December 4, 2017, copy enclosed

Caller ID 681045.

I have reviewed your notice of penalty charge and am returning same for supporting documentation. I have no idea what you are relying on for your comments. You said I have based my claim on a frivolous position. Because I have not filed anything that I am aware of that is frivolous within the definition as outlined in internal revenue bulletin: 2010-17. I understand my next step is filing in federal court, which has jurisdiction to determine refunds, but I am entitled to the documentation upon which you are making this frivolous claim, as the burden is on you.

Mattingly v. United States, 924 F.2d 785 (8th Cir. 1991)

¶ 31, We find the reasoning of Mitchell more persuasive and hold that in actions brought under § 6701 the burden of proof is on the government by a preponderance of the evidence. This holding is based on our view of the statutory language, the integrated enactment of §§ 6700-03 and the overall structure of the civil tax penalty provisions.

I'm sure a federal judge will agree that I am entitled to know what you are referring to. I have searched the IRS sites and have read all the position determinations listed, and there is nothing that I have filed that is frivolous. The district court has jurisdiction to make the determination of whether or not the penalty is valid.

White v. US, 250 F. Supp. 2d 919 - Dist. Court, MD Tennessee 2003

In a frivolous return penalty case, jurisdiction lies with the district court, rather than the tax court. "[U]nder section 6703 [the tax court] lack[s] jurisdiction to review assessments of section 6702 frivolous return penalties" *Van Es v. Commissioner*, 115 T.C. 324, 325, 2000 WL 1520321 (2000). A person "must bring suit in district court to determine his liability for [a section 6702] penalty." 26 U.S.C. § 6703(c)(2). See *Cotton v. Gibbs*, 902 F.2d 1462 (9th Cir.1990); *Reinhart v. I.R.S.*, 2002 WL 1095351 at *4 (E.D.Cal. May 24, 2002) ("[i]n the case of a frivolous return penalty under 26 U.S.C. § 6702, the district court is the proper reviewing court."). Plaintiff has appropriately filed 923*923 his Complaint in this Court with respect to his challenge to the frivolous return penalty under section 6702.

I have not received any documents from you responsive to my prior requests, so I must assume that your frivolous claim is in error. However, I am now asking again for the document(s) upon which your frivolous claim is made. If I must, I will ask the federal judge to issue a court order mandating you provide me with said document.

You are aware of illegal, fraudulent filings from unknown persons, and such documents could easily be what you are relying on in this matter. If you are relying on any fraudulently filed documents I am entitled to due process and a timely review of any such documents.

I filed a timely return statement that meets all the requirement for a valid return, as directed by the court in *Beard v. Commissioner* [Dec. 41,237], 82 T.C. 766, 777 (1984), affd. [86-2 USTC ¶ 9496] 793 F.2d 139 (6th Cir. 1986).

The Code does not define the word "return". See *Mendes v. Commissioner*, 121 T.C. 308, 329 (2003) (*Vasquez, J., concurring*); *Swanson v. Commissioner*, 121 T.C. 111, 122-123 (2003). On the basis of the Supreme Court's opinions in *Zellerbach Paper Co. v. Helvering*, 293 U.S. 172, 180 (1934), and *Florsheim Bros. Drygoods Co. v. United States*, 280 U.S. 453, 464 (1930), in *Beard v. Commissioner*, *supra* at 777, we applied a four-part test (Beard 17*17 test) for determining whether a taxpayer's document **constitutes a valid return**. To be a valid return, we said the document must meet the following requirements:

First, there must be sufficient data to calculate [the] tax liability; second, the document must purport to be a return; third, there must be an honest and reasonable attempt to satisfy the requirements of the tax law; and fourth, the taxpayer must execute the return under penalties of perjury. [Id.]

My original statement meets all of these requirements articulated above, and is therefore not frivolous. After which I filed a form 1040 pursuant to 12 USC section 411 and section 95A, redeeming lawful money. The court stated in *Milam v. United States*, 524 F. 2d 629 - Court of Appeals, 9th Circuit 1974; "Appellant is entitled to redeem his note, but not in precious metal." "United States v. Thomas, 319 F. 3d 640 - Court of Appeals, 3rd Circuit 2003; Currency, however, differs substantially from such objects. Paper currency, in the form of the Federal Reserve Note, is defined as an "obligation of the United States" that may be "redeemed in lawful money on demand." 12 U.S.C. § 411".

Further 12 USC section 95a(2), copy attached, states clearly that any and all attempts to comply with title 12 shall not create any liability in any court or proceeding. The Federal Reserve Act provides for the redemption of Federal Reserve notes in lawful money "United States Notes", (<http://www.federalreserve.gov/aboutthefed/section16.htm>) and within the same title, 95a, providing for no penalty for attempting to comply with the act. Therefore, nothing I have filed can be determined as frivolous. If your penalty is based on the 12 USC 411 demand, in good faith, then it would also be an illegal penalty as it violates the clear mandate of 12 USC 95a(2). Wherefore please, by return mail, notify me of the object that is frivolous and how it is incorporated into the Internal Revenue determinations.

All transactions are endorsed, redeeming in lawful money pursuant to 12 USC 411, sampling attached, as provided by statute. Complying with the law, or attempting to comply with the statutes is not a frivolous act and when the statutes clearly states there can be no penalty for such attempts your penalty must fail.

Thank you in advance for your prompt response.

John Schlabach
PO Box 362
Mead, Washington 99021

CC:

Treasury Inspector General for Tax Administration
Headquarters City Center Building
1401 H Street, NW, Suite 469
Washington, DC 20005

EXHIBIT D

SSN#: 18
 Joint SSN#
 Tax yr 2009 ASED 6/21/14
 Promoter: redeemed in law firm
 Preparer:
 3rd Party
 Argument Code: 30 Name
 Open TXMOD Control

91852 91854 91858 91753

Form Refund claim\$

SC Code Date of Ref

Refund \$

Offset \$

Intercept \$

Credit Interest \$

Z Frz TC Agent

DLN

IRS Rec'd Date: 6/2/14

FRP Rec'd Date: 5/23/17

Prim. TP Issue # 1261953

Prim. TP Penalty #

Sec. TP Issue #

Sec. TP Penalty #

Effective 07/2006 Revised 02/01/2017

A Frivolous Position is one that the IRS has identified as being frivolous, or that reflects a desire to delay or impede the administration of Federal tax laws. Frivolous returns generally fall under one or more of the five basic categories.

Category	Arguments

Other Arguments	
<ul style="list-style-type: none"> • ARG 10 - Fifth Amendment (5AMEND) 	
<ul style="list-style-type: none"> • ARG 16 - In Lieu of (ILO) 	
<ul style="list-style-type: none"> • ARG 17 - Disclaimer (DISCL) 	
<ul style="list-style-type: none"> • ARG 18 - Protest Against Government Action/Inaction (WARTAX) 	
<ul style="list-style-type: none"> • ARG 20 - Challenges to Authority (CONST) 	
<ul style="list-style-type: none"> • ARG 21 - Paperwork Reduction Act 	
<ul style="list-style-type: none"> • ARG 22 - IRS Collects Tribute, Not Taxes (TRIBU) 	
<ul style="list-style-type: none"> • ARG 24 - Amended Returns/Form 843 Claim for Refund and Request for Abatement (AMEND) 	
<ul style="list-style-type: none"> • ARG 25 - Untaxed (UNTAX) 	
<ul style="list-style-type: none"> • ARG 26 - Federal Reserve Notes Are Not Legal Tender (FEDRES) 	
<ul style="list-style-type: none"> • ARG 28 - Obscene, Vulgar, Harassing (OBSC) 	
<ul style="list-style-type: none"> • ARG 29 - Any other position deemed frivolous 	
<ul style="list-style-type: none"> • ARG 30 - Non-negotiable Chargeback (NNCB) 	
<ul style="list-style-type: none"> • ARG 34 - 1041 - In Lieu of 1040 (1041 ILO) 	
<ul style="list-style-type: none"> • ARG 47 - C-Filings 	

EXHIBIT E

Treasury Inspector General for Tax Administration
Headquarters City Center Building
1401 H Street, NW, Suite 469
Washington, DC 20005

December 31, 2017

REQUEST FOR ASSISTANCE

Dear Treasury Inspector General,

Greetings, my name is John Schlabach, my address is P.O. Box 362, Mead, Washington. I am writing to you because I filed several 1040 tax returns with the IRS, and they are not being processed as requested.

What I need from you, as my representative to the Federal Government, is to check the facts as filed or inquire with the US Treasury Secretary's office as to why my returns, which were clearly filed pursuant to statutes and mandates, are not processed. My understanding is that there was some sort of audit, but I'm not clear as to what it was about. I don't understand why my income, which has been redeemed in lawful money pursuant to 12 USC § 411 and § 95a, as per my demand made on my paycheck endorsements, is not being treated as lawful money. The federal reserve act specifically states that federal reserve notes "shall be redeemed in lawful money on demand ... [a]t any Federal Reserve bank." See:

<http://www.federalreserve.gov/aboutthefed/section16.htm>

My returns specifically claimed that all my paychecks were redeemed at a Federal Reserve bank in lawful money, pursuant to 12 USC § 411, and that as a result I am entitled to a full refund of all money withheld. Further, the IRS is imposing \$5000.00 penalties against me for what they claim are "frivolous returns." However, when questioning them as to what they are deeming "frivolous" they have fallen silent. Even when I requested this information using the Freedom of Information Act they have refused to respond to my requests. Being penalized for redeeming my paychecks in lawful money pursuant to 12 USC § 411 is a violation of 12 USC § 95a, since I am being penalized for utilizing my right and remedy provided under the law. Further, I have researched the IRS "THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS, January 2015" and cannot find anything that applies in my filings. Copy attached.

I understand clearly that Federal Reserve Notes are taxable, and I am not disputing this fact. However, the Supreme Court has ruled that federal reserve notes act as lawful money (such as US Notes) if such a demand for lawful money has been made. Further, in *Veasie v. Fenno*, 75 US 533, the Supreme Court stated that "United States Notes cannot be the subject of a tax." My lawful money demand has been made (shown on my paycheck endorsements and on each Form 1040), and per my public notice filed at the Spokane County Court House indicating my intentions to transact in lawful money. My returns reflect that I have only received lawful money for my paychecks, via my restricted endorsement and therefore should not, and can not, be treated as private credit extended to the Federal Reserve Banking System, known as Federal Reserve Notes.

To be clear, I am NOT asking for redemption in gold, or any other precious metal. I am asking that my income be treated as United States Notes (US Notes), which are lawful money as per my demands, and that any tax liability applied to my earnings be calculated to reflect that I have received US Notes (lawful money), non-negotiable, as I have indicated on my IRS Form 1040s that I have filed. It has always been my intention to use lawful money.

Please include me in any correspondence that you have with the US Treasury Department on my behalf.

I wish only to have the Tax Liability, if any, applied to me that is lawfully required for receiving lawful money, not negotiable elastic Federal Reserve notes, and would like my returns processed as filed, not ignored, and my demand under 12 USC 411 honored. My filings follow the instruction of 12 USC § 411 and § 95a, and should be processed as such. Any deficiencies and penalties nullified and my case handled at the administrative level.

Wherefore, I request that you intervene, or provide me with the proper appeals process, and have my case reviewed from the legal points of law and properly disposed of.

Respectfully submitted,

John Schlabach
P.O. Box 362
Mead, WA 99021

CC: Internal Revenue Service
Attn. Bobbi S. Martin, Operations Manager
Fresno Service Center
Fresno, CA 93888-0029

JS 44 (Rev. 06/17)

CIVIL COVER SHEET

2:18-cv-00053-SMJ

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

John Schlabbach

(b) County of Residence of First Listed Plaintiff Spokane

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

John Schlabbach, Box 362, Mead, Wa 99021
509-953-1060

DEFENDANTS

Internal Revenue Service or it's agents

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 2 U.S. Government Defendant
- ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- (For Diversity Cases Only)
- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY - <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input checked="" type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

26 USC 6702; 6703

Brief description of cause:

Frivolous argument determination and refund of paid frivolous penalties paid.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

22,399.15

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

2-13-18

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE